



中航國際控股股份有限公司
AVIC INTERNATIONAL HOLDINGS LIMITED

(Stock Code 股份代號 : 0161)



Annual Report 年度報告

2012

公司基本信息 Basic Information of the Company

上市交易所：香港聯合交易所有限公司
股票簡稱：中航國際控股
股份代碼：0161
網址：www.avic161.com

Listing stock exchange: The Stock Exchange of Hong Kong Limited
Stock short name: AVIC IHL
Stock Code: 00161
Website: www.avic161.com

執行董事

吳光權先生 董事長
由鐸先生
潘林武先生(於二零一二年六月十九日獲委任)
劉軍先生(於二零一二年六月十九日獲委任)
陳宏良先生(於二零一二年六月十九日獲委任)
賴偉宣先生(於二零一二年六月十九日辭任)
隋湧先生(於二零一二年六月十九日辭任)
劉瑞林先生(於二零一二年六月十九日辭任)
徐東升先生(於二零一二年六月十九日辭任)

EXECUTIVE DIRECTORS

Mr. Wu Guang Quan, chairman
Mr. You Lei
Mr. Pan Lin Wu (appointed on 19 June 2012)
Mr. Liu Jun (appointed on 19 June 2012)
Mr. Chen Hong Liang (appointed on 19 June 2012)
Mr. Lai Wei Xuan (resigned on 19 June 2012)
Mr. Sui Yong (resigned on 19 June 2012)
Mr. Liu Rui Lin (resigned on 19 June 2012)
Mr. Xu Dong Sheng (resigned on 19 June 2012)

非執行董事

程保忠先生(於二零一二年六月十九日辭任)
仇慎謙先生(於二零一二年六月十九日辭任)
王濱濱先生(於二零一二年六月十九日辭任)
李承寧先生(於二零一二年六月十九日辭任)

NON-EXECUTIVE DIRECTORS

Mr. Cheng Bao Zhong (resigned on 19 June 2012)
Mr. Qiu Shen Qian (resigned on 19 June 2012)
Mr. Wang Bin Bin (resigned on 19 June 2012)
Mr. Li Cheng Ning (resigned on 19 June 2012)

獨立非執行董事

黃慧玲女士
鄔煒先生
張平先生(於二零一二年六月十九日獲委任)
劉憲法先生(於二零一二年六月十九日辭任)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wong Wai Ling
Mr. Wu Wei
Mr. Zhang Ping (appointed on 19 June 2012)
Mr. Liu Xian Fa (resigned on 19 June 2012)

監事

黃斌先生 主席(於二零一二年六月十九日獲委任)
王昕女士
鄧柏松先生
王心闊先生(於二零一二年六月十九日辭任)

SUPERVISORS

Mr. Huang Bin, chairman (appointed on 19 June 2012)
Ms. Wang Xin
Mr. Deng Bo Song
Mr. Wang Xin Kuo (resigned on 19 June 2012)

公司秘書

黃勇峰先生(於二零一二年六月十九日獲委任)
曾軍先生(於二零一二年七月二十日辭任)

COMPANY SECRETARY

Mr. Huang Yong Feng (appointed on 19 June 2012)
Mr. Zeng Jun (resigned on 20 July 2012)

審核委員會

黃慧玲女士 主席
鄔煒先生
張平先生(於二零一二年六月十九日獲委任)
劉憲法先生(於二零一二年六月十九日辭任)

AUDIT COMMITTEE

Ms. Wong Wai Ling, chairman
Mr. Wu Wei
Mr. Zhang Ping (appointed on 19 June 2012)
Mr. Liu Xian Fa (resigned on 19 June 2012)

薪酬委員會

張平先生 主席(於二零一二年六月十九日獲委任)
吳光權先生
陳宏良先生(於二零一二年六月十九日獲委任)
黃慧玲女士
鄔煒先生
隋湧先生(於二零一二年六月十九日辭任)
劉憲法先生(於二零一二年六月十九日辭任)

REMUNERATION COMMITTEE

Mr. Zhang Ping, chairman (appointed on 19 June 2012)
Mr. Wu Guang Quan
Mr. Chen Hong Liang (appointed on 19 June 2012)
Ms. Wong Wai Ling
Mr. Wu Wei
Mr. Sui Yong (resigned on 19 June 2012)
Mr. Liu Xian Fa (resigned on 19 June 2012)

提名委員會

鄔煒先生 主席(於二零一二年三月十九日獲委任)
吳光權先生(於二零一二年六月十九日獲委任)
陳宏良先生(於二零一二年六月十九日獲委任)
黃慧玲女士(於二零一二年三月十九日獲委任)
張平先生(於二零一二年六月十九日獲委任)
劉憲法先生(於二零一二年三月十九日獲委任及於二零一二年六月十九日辭任)

NOMINATION COMMITTEE

Mr. Wu Wei, chairman (appointed on 19 March 2012)
Mr. Wu Guang Quan (appointed on 19 June 2012)
Mr. Chen Hong Liang (appointed on 19 June 2012)
Ms. Wong Wai Ling (appointed on 19 March 2012)
Mr. Zhang Ping (appointed on 19 June 2012)
Mr. Liu Xian Fa (appointed on 19 March 2012 and resigned on 19 June 2012)

公司註冊地址

中國深圳市福田區
深南中路中航苑航都大廈25層

REGISTERED ADDRESS OF THE COMPANY

25/F, Hangdu Building, Catic Zone,
Shennan Road Central,
Futian Dist., Shenzhen, China

香港主要營業地址

香港中環康樂廣場一號怡和大廈
20樓2201-2205室

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2001-2005, 20/F, Jardine House,
1 Connaught Place, Central, Hong Kong

H股股份過戶登記處(以作股票轉讓)

香港證券登記公司
香港灣仔皇后大道東183號
合和中心17樓1712-1716室

STOCK-H SHARE TRANSFER REGISTRY (FOR STOCK TRANSFER)

Hong Kong Registrars Limited
Shops 1712-1716, 17th Floor,
Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

獨立核數師

羅兵咸永道會計師事務所

INDEPENDENT AUDITOR

PricewaterhouseCoopers

法律顧問(香港法律)

龍炳坤、楊永安律師行

LEGAL ADVISER AS TO HONG KONG LAWS

LOONG & YEUNG

主要銀行

中國銀行
中國農業銀行
平安銀行
興業銀行

PRINCIPAL BANKS

Bank of China
Agricultural Bank of China
Ping An Bank
Industrial Bank Co., Ltd.

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Financial Highlights

RESULTS SUMMARY

(For the year ended 31 December 2012)

(RMB'000)	2012	2011 (Restated)	2010	2009	2008
Revenue and profit:					
Revenue	31,252,572	27,817,178	6,964,551	5,092,883	4,077,074
Profit/(loss) before taxation	1,447,392	1,181,726	454,888	(288,849)	5,919
Profit/(loss) after taxation	1,265,378	907,962	342,590	(288,780)	(41,665)
Attributable to:					
Profit attributable to the owners of the Company	969,839	674,556	193,561	(165,566)	1,282
Non-controlling interests	295,539	233,406	149,029	(123,214)	(42,947)
Basic earnings per share attributable to the owners of the Company (RMB)	0.8482	0.5823	0.2874	(0.2458)	0.0019
Dividends per share attributable to the owners of the Company (RMB)	–	0.0300	–	–	–

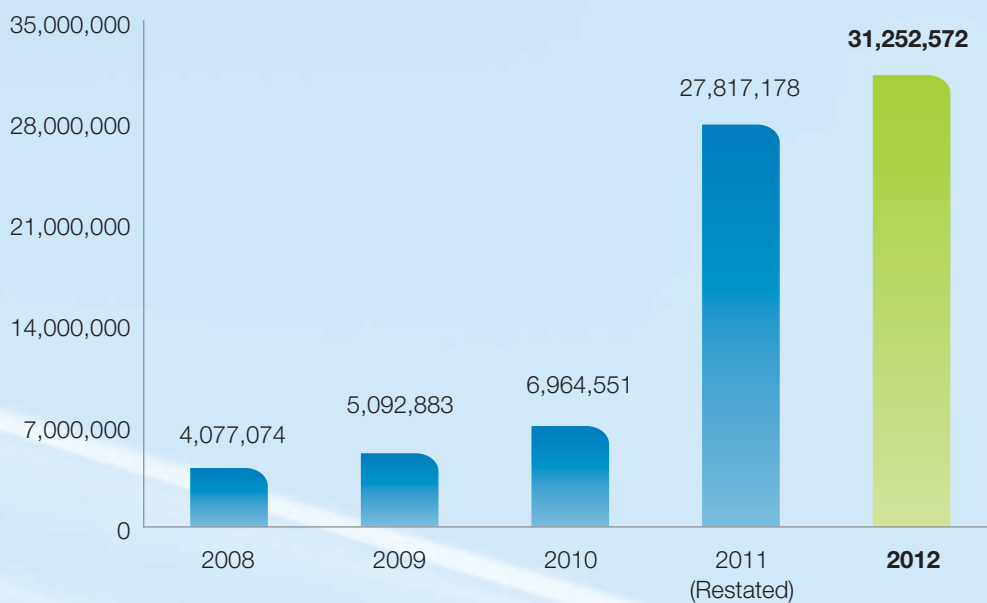
ASSETS SUMMARY

(For the year ended 31 December 2012)

(RMB'000)	2012	2011 (Restated)	2010	2009	2008
Total assets	40,085,045	36,856,769	17,267,413	13,626,354	11,795,652
Total liabilities	28,523,352	26,139,276	12,318,964	9,802,017	8,100,414
Total equity	11,561,693	10,717,493	4,948,449	3,824,337	3,695,238
Capital and reserves attributable to the owners of the Company	7,572,614	6,638,777	1,977,482	1,698,513	1,872,783
Non-controlling interests	3,989,079	4,078,716	2,970,967	2,125,824	1,822,455
Net assets per share attributable to the owners of the Company (RMB)	4.3137	3.4729	2.94	2.52	2.76

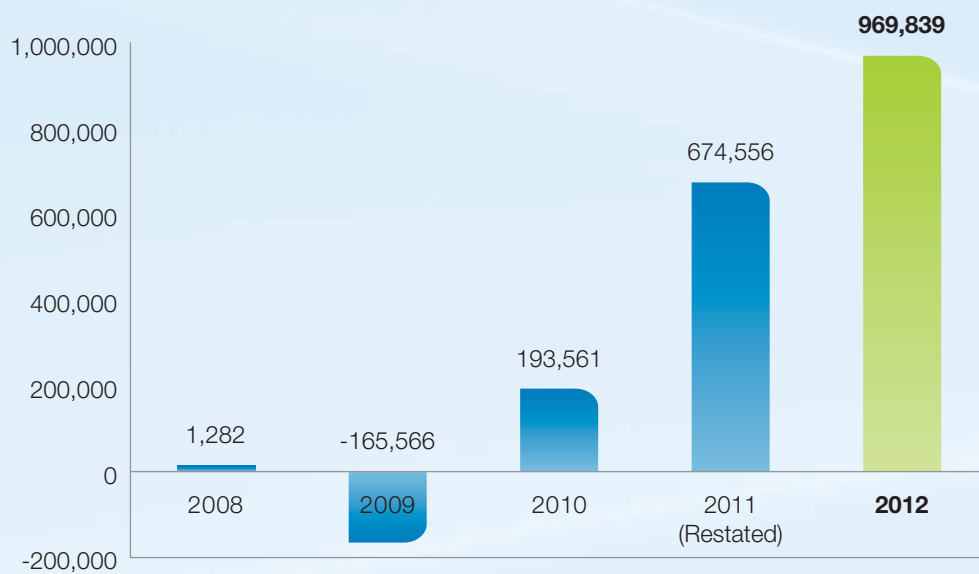
REVENUE

RMB Thousand



PROFIT/(LOSS) ATTRIBUTABLE TO OWNER OF THE COMPANY

RMB Thousand



Chairman's Statement



It is my honor to present the 2012 Annual Report of AVIC International Holdings Limited (the "Company") on behalf of the Board of Directors to the shareholders, business partners and supporters of the Company and its subsidiaries (together the "Group").

During the reporting period, the Company completed a very substantial acquisition and connected transaction— issuance of domestic shares and perpetual subordinated convertible securities (PSCS) , in which shares of 12 companies held by the controlling shareholders, AVIC International Holding Corporation ("AVIC International"), AVIC International Shenzhen Company Limited ("AVIC Shenzhen") and connected companies were injected into the Company. As such, the business scope of the Group expanded to five business sections: high-tech electronic products, retails and high-end consumer products, real estate and hotel, trading and logistics, and resources investment and development. In accordance with the adjustment of equity structure and business structure, the name of the Company has been changed from "深圳中航集團股份有限公司 (CATIC Shenzhen Holdings Limited)" to "中航國際控股股份有限公司 (AVIC International Holdings Limited)".

During the year of 2012, the Group recorded a consolidated revenue from continuing operations of approximately RMB31,252,572,000, representing an increase of approximately 12% over the previous year of approximately RMB27,817,178,000 (restated, same below). The profit attributable to owners of the Company was approximately RMB969,839,000, representing an increase of approximately 44% over the previous year of approximately RMB674,556,000.

In 2012, amid the gloomy global market, and facing severe challenges in the external macroeconomic situation, during the reporting period, the Group has affirmed its strategy of "Supremacy • Surpass", maintained its leading position in the industry, stressed on its yearly strategic theme of "Enhancing Efficiency", "Adjusting Structure" and "Bolstering Capacity", promoted sustainable and rapid development of various businesses and competitiveness of each major business was further strengthened. Regarding the high technology electronics products section, progresses have been made in the product structural adjustment of liquid crystal displays LCD business; technology in packaging substrate of PCB business achieved breakthrough, mass production and rapid growth, creating the first record in domestic industry. Regarding the watch business in retails and high-end customer product section, dual major principles of product brand and channel brand have been adhered, leading to stable growth in business revenue. Regarding the construction contracting business in real estate and hotel section, dozens of international construction "Engineer, Procure, Construct" ("EPC") project were successfully obtained, all the projects under construction were undergoing smoothly, in which GIB Company Hotel started normal

operation. Regarding the trading and logistics section, businesses in mechanical and electrical engineering with rapid development and good social efficiency and economic effectiveness achieved success. Regarding the resources investment and development section, phosphate fertilizer and chemical fertilizers focus on enhancement of technology and production capacity.

While it was promoting sustainable and rapid development of various businesses, it accelerated the transformation and upgrade on market, customer and product structural adjustment of core business. Meanwhile, it focused on core competitiveness of business, enhanced business model innovation, enhancement of internal capability, value creation capability and operational risk control capability, so as to increase overall operation result. It also intensified its management innovation, optimized major business procedures and procedures management, accelerated the inventory and trade receivable turnover, achieved satisfactory result on strategic cost management, so as to enhance the efficiency of operation, asset and organization. It kept improving the corporation governance, strengthened leadership of core management team and human resources development, promoted humanity management and intensified cooperate cultural system reform, resulting in a satisfactory performance on the target tasks.

Looking forward to 2013, the global environment is full of fluctuation and uncertainties with a process of seeking stable growth, structural adjustment and new balance. The domestic economy gradually showed a stable trend, the government policy turned to focus on improvement of quality and efficiency of economic growth, while globally speaking, China is still in a position of historical opportunities with urbanization, internationalization and informationization and will encounter challenges and opportunities at the same time.

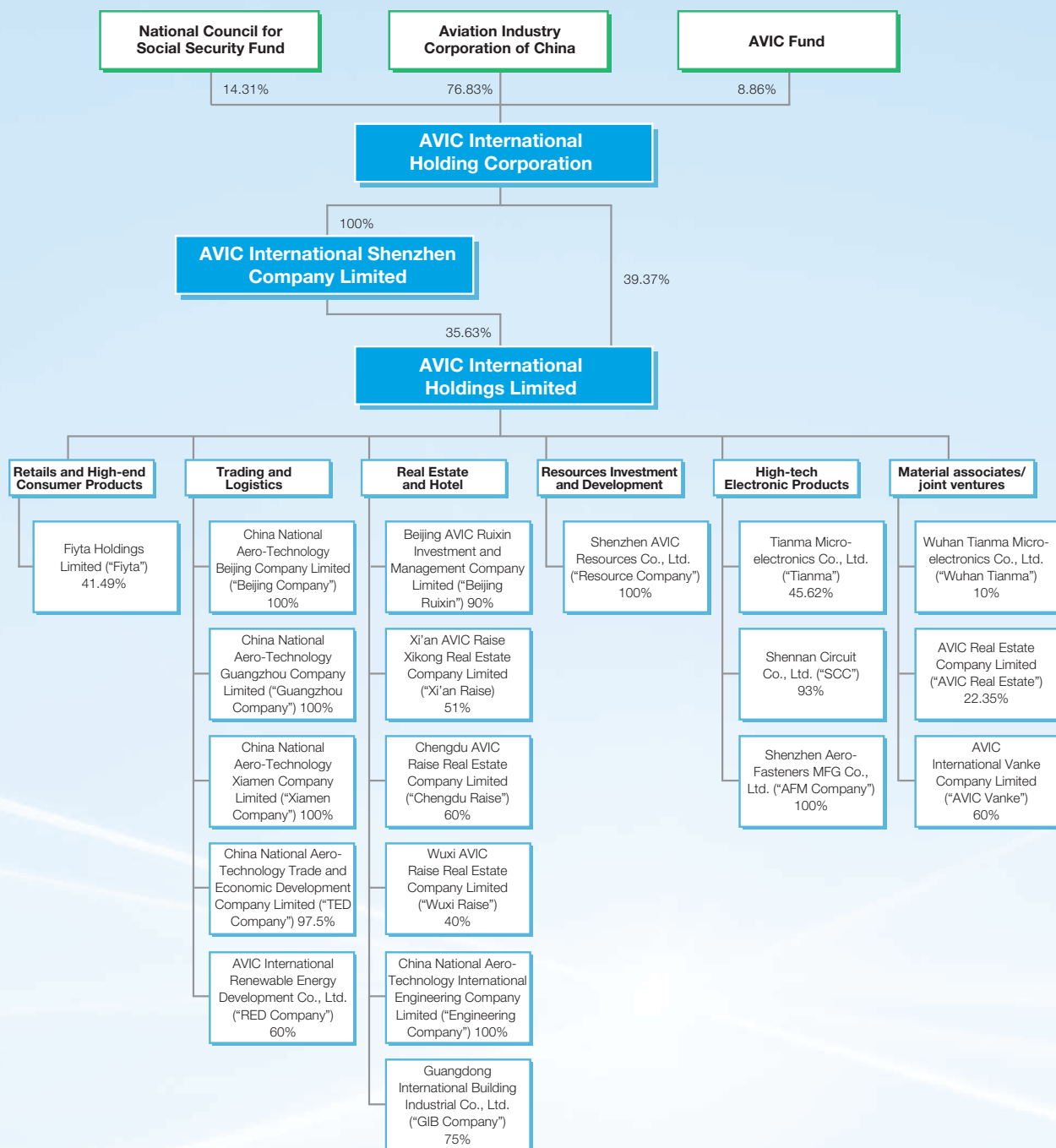
To accommodate the complicated macro-economic situation and industry environment both globally and domestically, the Group will affirm its strategy of "Supremacy • Surpass" and yearly theme of "Implementation, Efficiency and Effectiveness", maintain its leading position in the industry to promote a continuous and rapid growth of the business of the Group while at the same time accelerate strategic transformation. It will strengthen overseas marketing system, construction on channels and brand and speed up the internationalization. It will fully leverage on co-ordination of profit management, strengthen strategic cost management, broaden financing channels and optimize the financing structure. It will also accelerate the turnover of trade receivable and inventory, continue to enhance assets efficiency and strictly control operation risks. Besides, it will firmly implement all foundation works, optimize organization structure and system procedures, improve internal control system, strengthen standardized operation and management that focused on human, so as to enhance its excellent operation capacity, increase structure and staff efficiency.

In 2013, the Group will fully advance to complete another very substantial acquisition and connected transaction issuing PSCS, in which assets and businesses of several companies held by the controlling shareholders, AVIC International and AVIC Shenzhen will be injected into the Company. Subject to full completion of the transaction, the Group's business will be further enlarged, foundation in the trading and logistics and retails industries will be enhanced and consolidated, so as to ensure stable and healthy development of the Group as a whole.

Lastly, I would like to extend my most sincere gratitude to all the staff for their valuable contribution and all shareholders, business partners and people from all walks of life for their support. We will continue to dedicate ourselves to creating better returns for our shareholders, customers and staff.

Management Discussion and Analysis

CORPORATE ORGANIZATION CHART



BUSINESS REVIEW

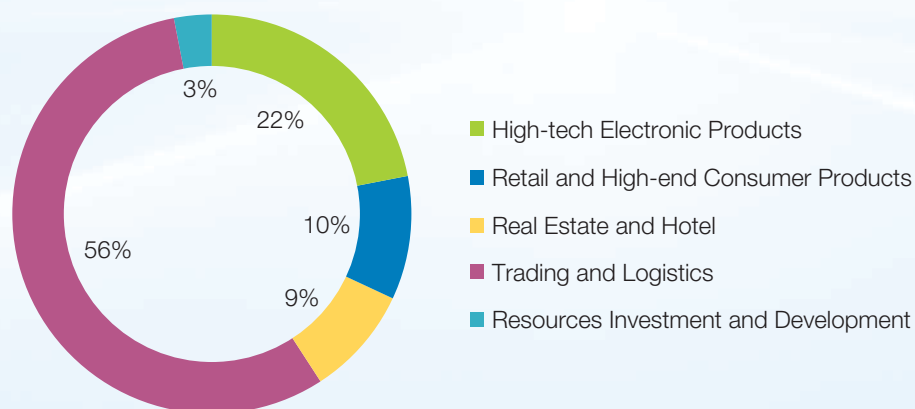
The consolidated revenue and profit contributions of the Company in its consolidated results for the year 2012 were primarily derived from the following business sections and subsidiaries:

Business sections	Name of subsidiaries	Percentage of equity interests held by the Company	Principal activities
High-tech Electronic Products	Tianma Micro-electronics Co., Ltd. ("Tianma")	45.62%	Manufacture and sales of liquid crystal displays and modules ("LCD")
	Shennan Circuit Co., Ltd. ("SCC")	93%	Manufacture and sales of printed circuit boards and packaging substrate ("PCB")
	Shenzhen Aero-Fasteners MFG Co., Ltd. ("AFM Company")	100%	Manufacture and sales of high intensity bolts, precision screws and screw nuts, irregular parts
Retails and High-end Consumer Products	Fiyta Holdings Limited ("Fiyta")	41.49%	Manufacture of middle to high-end wrist watches and chain store sales of luxury watches
Real Estate and Hotel	Beijing AVIC Ruixin Investment and Management Company Limited ("Beijing Ruixin")	90%	Mainly engages in residential premises business, while also operating industrial property development
	Chengdu AVIC Raise Real Estate Company Limited ("Chengdu Raise")	60%	Mainly engages in residential premises business, while also operating industrial property development
	Xi'an AVIC Raise Xikong Real Estate Company Limited ("Xi'an Raise")	51%	Mainly engages in residential premises business, while also operating industrial property development
	China National Aero-Technology International Engineering Company Limited ("Engineering Company")	100%	Mainly engages in international engineering general contracting construction, which also engages in overseas property development and domestic construction engineering general contracting

BUSINESS REVIEW *(continued)*

Business sections	Name of subsidiaries	Percentage of equity interests held by the Company	Principal activities
Trading and Logistics	Guangdong International Building Industrial Co., Ltd. ("GIB Company")	75%	Hotel operation
	China National Aero-Technology Beijing Company Limited ("Beijing Company")	100%	Trading and logistics of shipping, cement engineering, machinery vehicles and electric power facilities, etc.
	China National Aero-Technology Guangzhou Company Limited ("Guangzhou Company")	100%	Trading and logistics of machinery vehicles, bitumen and medical facilities
	China National Aero-Technology Xiamen Company Limited ("Xiamen Company")	100%	Trading and logistics of shipping, stone materials
	China National Aero-Technology Trade and Economic Development Company Limited ("TED Company")	97.5%	Tendering agency, information application service
Resources Investment and Development	Shenzhen AVIC Resources Co., Ltd. ("Resource Company")	100%	Investment and development of agriculture-related resources business

TURNOVER BY BUSINESS SECTIONS



BUSINESS REVIEW *(continued)*

Summary of Performance

The Group recorded a consolidated revenue from continuing operations of approximately RMB31,252,572,000, representing an increase of approximately 12% over the previous year of approximately RMB27,817,178,000 (restated, same below). The profit attributable to owners of the Company was approximately RMB969,839,000, representing an increase of approximately 44% over the previous year of approximately RMB674,556,000.

In 2012, amid the gloomy global market, and facing severe challenges in the external macro-economic situation, during the reporting period, the Group has affirmed its strategy of “Supremacy • Surpass”, maintained its leading position in the industry, stressed on its yearly strategic theme of “Enhancing Efficiency”, “Adjusting Structure” and “Bolstering Capacity”, promoted sustainable and rapid development of various businesses. Moreover, it accelerated the transformation and upgrade on market, customer and product structural adjustment of core business. Meanwhile, it focused on core competitiveness of business, enhanced business model innovation, enhancement of internal capability, value creation capability and operational risk control capability, so as to increase overall operation result. It also intensified its management innovation, optimized major business procedures and procedures management, accelerated the inventory and trade receivable turnover, achieved satisfactory result on strategic cost management, so as to enhance the efficiency of operation, asset and organization. It kept improving the corporation governance, strengthened leadership of core management team and human resources development, promoted humanity management and intensified cooperate cultural system reform, resulting in a satisfactory performance on the target tasks.

During the reporting period, the Company completed a very substantial acquisition and connected transaction – issuance of domestic shares and perpetual subordinated convertible securities (PSCS), in which assets and businesses of 12 companies held by the controlling shareholders, AVIC International, AVIC Shenzhen and connected companies were injected into the Company. As such, the business scope of the Group expanded to five business sections: high-tech electronic products, retails and high-end consumer products, real estate and hotel, trading and logistics, and resources investment and development.

During the year, the performance of major businesses of the Group were satisfactory, and competitiveness of each major business was further strengthened. Regarding the high-technology electronics products section, progresses have been made in the product structural adjustment of liquid crystal displays LCD business; technology in packaging substrate of PCB business achieved breakthrough, mass production and rapid growth, creating the first record in domestic industry. Regarding the watch business in retails and high-end customer product section, dual major principles of product brand and channel brand have been adhered, leading to stable growth in business revenue. Regarding the construction contracting business in real estate and hotel section, dozens of international construction “Engineer, Procure, Construct” (“EPC”) project were successfully obtained, all the projects under construction were undergoing smoothly, in which GIB Company Hotel started normal operation. Regarding the trading and logistics section, businesses in mechanical and electrical engineering with rapid development and good social efficiency and economic effectiveness achieved success. Regarding the resources investment and development section, phosphate fertilizer and chemical fertilizers focus on enhancement of technology and production capacity.

BUSINESS REVIEW *(continued)*

High-tech Electronic Products

The Group engages in Research and Development (R&D), design, production, sales and service of liquid crystal displays (LCD) and PCB products mainly through its subsidiaries, such as Tianma and SCC. In 2012, due to the impacts from on-going depression in global economy and slowdown in domestic economy, the Group's revenue from high-tech electronic products section was approximately RMB6,779,206,000, down by approximately 0.5% over RMB6,812,696,000 for the previous year. The profit was approximately RMB337,638,000 representing a decrease of approximately 18% over the profit of approximately RMB412,054,000 for the same period of last year.

1. LCD

The LCD products comprise liquid crystal displays (LCD) and liquid crystal modules (LCM), which are mainly used in communication terminal and professional displays. The demand of global liquid crystal panel was under depressed growth and excessive capacity still remained in the industry in 2012. Although small-to-middle size panel market kept a relatively high growth rate driven by smart phones, tablet computers and professional display products, manufacturers of large size panel shifted the Large-size Thin Film Transistor LCD (TFT-LCD) production lines to the small-to-middle size panel market, resulted in supply exceed demand in small-to-middle size panel market. At the same time, various panel manufacturers implemented new technology and accelerated technology upgrading, all leading to increasingly profitability squeezed in the whole panel market.



BUSINESS REVIEW *(continued)*

High-tech Electronic Products *(continued)*

1. LCD *(continued)*

Facing severe market environment, the LCD business of the Group proactively adapted to market demand, transformed product strategies and adjusted business structure and increase operational efficiency. It strengthened smart phones and professional display products, shrank the scale of its function phone products and digital products with lower profit margin potential. By means of co-operating with domestic manufacturers, it realized that certain core raw materials can be made in China as well as reduced procuring cost and shortened the delivery terms. In addition, it intensified its major customer sales strategy and further developed major overseas customers, seized opportunities of development in domestic smart phones, as a result, the layout of domestic major customers was mainly completed and customer structure was further optimized. Regarding the technology development, it aimed at technological advancement. With vertical integrated management, it accelerated R&D on new technology and speed of application, realizing the Super-Fine TFT new technology mass production and becoming a new growth point in profit contribution, moreover, new frontier technology R&D such as AM-OLED, 3D also achieved gradual achievement. During the reporting period, the Group was entrusted to manage Shanghai AVIC Opto-electronics Limited ("Shanghai AVIC Opto-electronics"), Shenzhen AVIC Opto-electronics Limited ("Shenzhen AVIC Opto-electronics"), Xiamen Tian Ma Microelectronics Co., Ltd. ("Xiamen Tian Ma"), not only increased its management income, but also further consolidated the foundation of business synergic effects.

2. PCB

PCB products comprise middle to high end multi-layer PCB products and packaging substrate, which are mainly used in high technology fields such as telecommunication, aeronautics and astronautics, medical services, automobile and industrial control. In 2012, electronics supply chain in the world lacked growth momentum, demands of PCB industry were weak and demands for communication equipment fields in core market were sluggish.



BUSINESS REVIEW *(continued)*

High-tech Electronic Products *(continued)*

2. PCB *(continued)*

Facing the challenges, the PCB business of the Group will identify and capture market opportunity to enhance itself to a strategic level. Through identification of target products and target customers, it formulated and implemented the special action plans to capture market opportunities. Moreover, it enhanced technological marketing model and strength, while maintained the orders from domestic clients, the sales from Europe and America increased by 34% even in the depressed environment. Overall speaking, the revenue from PCB product slightly increased, and revenue and profits of packaging substrate products both recorded significant growth. In the meanwhile, it affirmed to effectiveness and efficiency enhancement and procurement cost reduction by means of strategic co-operation and promoting Vendor Management Inventory ("VMI") model, carried out the most optimized cost design in an innovative method to optimize procedures and shorten business cycle, intensified supply chain management and quality control, resulted in a year-on-year growth of over 25% in profit. It also achieved new breakthrough in technological R&D and industrial upgrade, "multi-function PCB for telecommunication" and "high-density packaging substrate", for instance, have passed the identification as technological achievements. Moreover, during the year, SCC was awarded as "Excellent Enterprise in Intellectual Property Right of Guangdong Province" (廣東省知識產權優勢企業) and was certified as "Model Enterprise of Technology Innovation" (國家技術創新示範企業) by Ministry of Industry and Information Technology and Ministry of Finance jointly, being the only company passed the certification in Shenzhen for this batch, representing an enhancement in the leading position of the industry.

In September 2012, the Company entered into investment agreement with SCC, pursuant to which the parties jointly established Wuxi Shennan Circuit Co., Ltd. ("Wuxi Shennan"), which will principally engage in R&D, manufacturing and sales of the technologies and products such as high-end PCB, packaging substrates, electronics assembly. Wuxi Shennan completed registration during the year, but construction has not yet started.

Retails and High-end Consumer Products

The retails and high-end consumer products section of the Group engages in the brand operation of middle to high-end watches and chain sales of prestigious watches around the world through its subsidiary, Fiyta, mainly including R&D, design, manufacturing and sales of watches under its owned brand name and by chain sales operation of prestigious watches. In 2012, the turnover of the retails and high-end consumer products section of the Group amounted to approximately RMB2,987,857,000, representing a growth of approximately 18% when compared with RMB2,537,539,000 of the previous year. The profit amounted to approximately RMB140,324,000, representing a decrease of approximately 1% when compared with the previous year.

During the year of 2012, affected by adverse impacts from depressed global economy and slow domestic economy, consumer confidence and consumption capacity as well as the retails and high-end consumer products industry declined. Under such harsh market environment, the retails and high-end consumer products business of the Group has persisted on the brand strategy, proactively advanced its strategic layout of complete value chain, further optimized business model of channels brand together with branded products, furthermore, it enhanced its key business procedures, achieving a new height in revenue. However, the growth of sales slowed down, together with greater efforts devoted to preliminary network expansion, resulted in more growth in operation cost and financial expense in Harmony prestigious watches business, leading to overall profit declined accordingly when compared with the previous year.

BUSINESS REVIEW *(continued)*

Retails and High-end Consumer Products *(continued)*

During the year of 2012, the “FIYTA” brand adhered to brand value enhancement and brand essential of “4P+C”, injected more elements of “fashion” and “youth”, strengthened the interactive experience between brand and customers, leading to steady increase in sales. Fabulous exhibition in Basel International Watch and Jewellery Fair and Milan Fashion Week for the second time, advertisement in New York Time Square, as well as accomplishment of the first Chinese female astronaut successfully travelled in space with the space watch “Shenzhou IX” all proved that the brand marketing of FIYTA is effective, and its brand value was greatly enhanced domestically and overseas. While exploring its new business models, the e-commercial business also gained rapid development, with scale doubled and became a new growth point to profit. Meanwhile, it further explored its domestic and overseas sales channels, and marched into Taiwan market, marking the channel construction gain stable advancement. During the year of 2012, FIYTA was awarded “Asia Top 500 Brands” “Technological Innovation Award in Light Industry of China” (中國輕工業科技創新獎) and “Top 10 Innovative Company in Industrial Design of China of the Year” (年度中國工業設計十佳創新企業), moreover, its product named “Four-leaf Clover (四葉草)” for female and a series product named “Photographer (攝影師)” was granted the “Red Star Award of Chinese Innovative Design” (中國創新設計紅星獎).

During the year of 2012, Harmony, a prestigious watch chain brand belong to Fiyta focused on BSC² construction, intensified its implementation on the concept of “three-step marketing”, by means of theme sales and holiday campaign, it achieved scaled growth that was higher than average industry level, further strengthened leading position in industry and market share. It expanded and optimized sales points and improve shopping environment for customers. However, its growth in sales slowed down and inventory turnover showed decline while the fixed cost kept increasing, all resulted in year-on-year decline in annual profit.



BUSINESS REVIEW *(continued)*

Real Estate and Hotel

1. Real Estate Development

The Group engages in real estate development through its subsidiaries Chengdu Raise, Wuxi Raise, Xi'an Raise and Beijing Ruixin, in engineering contracting business through its subsidiary Engineering Company, and in hotel operation management through its subsidiary GIB Company. During the year of 2012, the real estate and hotel business section of the Group recorded turnover of approximately RMB2,769,814,000 representing an increase of approximately 37% as compared with RMB2,024,047,000 in the previous year. The profit was approximately RMB114,954,000, while last year it recorded loss of RMB100,978,000. In addition, the Group achieved investment gain from associate, AVIC Real Estate of approximately RMB92,625,000.

With the slowdown in urbanization process in China and fading in the bonus impacts from population increase and globalization, the growth of real estate faced deceleration. In 2012, the Chinese government continued to implement its macro adjustment and control on real estate industry by means of limiting the purchase and loan lending, stringently controlled investment and speculative property purchase, resulted in the decline in growth rate of domestic real estate industry, which was lower than the past two years, leading the development into rational stage. The domestic real estate industry showed its trend of growing after declining. Since the end of the first season, it has picked up from bottom till achieved the peak in the second season, while appeared downwards in the third season and started to climb up again in the fourth season. During such fluctuation, the growth rate of residential property sales slowed down, while investment on commercial property kept climbing up.

The real estate development business of the Group mainly focused on third and fourth tier cities. Currently, the projects under development include: Aviation Technology Commercial Park (中航科技商務園項目), Shunyi Aviation Industry Park auxiliary services project (順義航空產業園配套服務項目) and Tongling Zhongkai Property project (銅陵中凱置業項目) in Beijing suburbs and its surrounding areas; "AVIC • International Communication Center (中航 • 國際交流中心)" in Chengdu; Hancheng No.1 (漢城壹號) in Xi'an and innovation project of shanty towns on No. 18 of Fuli District by Xi'an Raise.



BUSINESS REVIEW *(continued)*

Real Estate and Hotel *(continued)*

2. *Engineering Contracting*

The engineering contracting business of the Group mainly comprises international construction project general contracting, gradually expanded to overseas real estate development and domestic construction general project contracting. In 2012, investment and financing of international construction projects encountered difficulties and the market showed shrink due to the global financial crisis.

Faced with harsh challenges in domestically and overseas constructing projects market, the Group strengthened its development on overseas construction projects in key markets such as South Asia, East Africa and Middle East, and at the same time explored domestic construction market, which both achieved progresses. During the year, it newly entered into contracts for 30 overseas construction projects, with total contract value amounted to RMB7,200,000,000. The new projects covered around The United Arab Emirates, Kenya, Sri Lanka and Algeria. The international projects such as south-to-north highway project in Sri Lanka and the Twin Towers project in Abu Dhabi, The United Arab Emirates underwent well. With excellent project quality and good schedule control, the Group's overseas projects gained compliment and good reputation in those countries.



3. *Hotel Operation*

In 2012, GIB Company, a subsidiary of the Group which engages in hotel operation, welcomed its complete operation year on hotel operation after back on track and significantly improved the operating loss from last year.

Trading and Logistics

The Group engages in ship engineering, electrical engineering, tendering agency and information application through its subsidiaries, namely Beijing Company, Guangzhou Company, Xiamen Company, RED Company and TED Company. In 2012, the Group's turnover from trading and logistics section was approximately RMB17,656,704,000, increased by approximately 15% over RMB15,298,425,000 for the previous year. The profit was approximately RMB500,489,000, representing an increase of approximately 87% over the profit of approximately RMB267,764,000 for the previous year.

BUSINESS REVIEW *(continued)*

Trading and Logistics *(continued)*

1. Ship Engineering

During the year of 2012, affected by global depressed economy and slow down of China's economy, the growth rate of export and import trading significantly declined, resulted in increasing competition in logistic market. The ship engineering business of the Group pursued a development idea of "differentiation on business model, serialization on shipping product and perfection on operation management". It leveraged AVIC International Investments Limited (a company listed on main board of Singapore Stock Exchange, stock code: O2I, the "AVIC International Investment"), one of subsidiaries of Beijing Company, a subsidiary of the Group as integrated and operation platform, engaged in design, manufacturing, trading and investment of shipping. It also took advantage of AVIC Weihai Shipyard Co., Ltd ("Weihai Shipyard"), a subsidiary of the Group and Taizhou AVIC Shipbuilding Heavy Industry Limited ("Taizhou AVIC"), an associate of the Group as shipping manufacturing base, building an annual manufacturing capacity of 2 million tonnes of loading capacity, ship types covering bulk cargo ships, container ships, oil tanker and multi-function vessels.

During the reporting period, faced with difficult time in international shipping market with depression, sluggish demand of new built ship and low price, the ship engineering business of the Group devoted to promoting its excellent operation and strived for an integrated value chain business model with design, manufacturing, trading and finance. During the year, it realized delivery of 32 ships, of which 13 were built and delivered by Weihai Shipyard and 19 were by way of commission processing and trading. It established its own shipping brand "Navis", remarking a fulfillment of world-class R&D and design capability in ship engineering.



BUSINESS REVIEW *(continued)*

Trading and Logistics *(continued)*

2. *Machinery and Electrical Engineering*

The machinery and electrical engineering business of the Group mainly comprises cement EPC, export of machinery vehicle, medical equipment and service and so on. During the reporting period, the Group fully implemented strategic cooperation with Germany Humboldt Cement Equipment Company (德國洪堡水泥裝備公司), developed overseas cement EPC market, jointly conducted project construction, resulted in obtaining 7 cement EPC projects in countries such as Malaysia and Venezuela, with gross contract value amounted to more than USD 1 billion. The business of export of machinery vehicle explored development model of industrialization and large-scale, gained achievements in Southeast Asia, Africa and South America and entered into an export project agreement with Myanmar government on production line of axle in Myanmar, total contract value amounted to USD 100 million, which is the largest government loan project between China and Myanmar in recent years. Medical equipment and service mainly comprises of combined mobile hospital. The mobile hospital in Zambia underwent smoothly during the year, total conducted 135 times of call-out services, 230,000 times of clinical reception and over 13,000 times of surgeries, not only achieved business success, but also made contribution in improving the local medical condition and received compliments from Zambian government and peoples. Other engineering and trading projects including renewable energy equipments underwent well during the same period.



BUSINESS REVIEW *(continued)*

Trading and Logistics *(continued)*

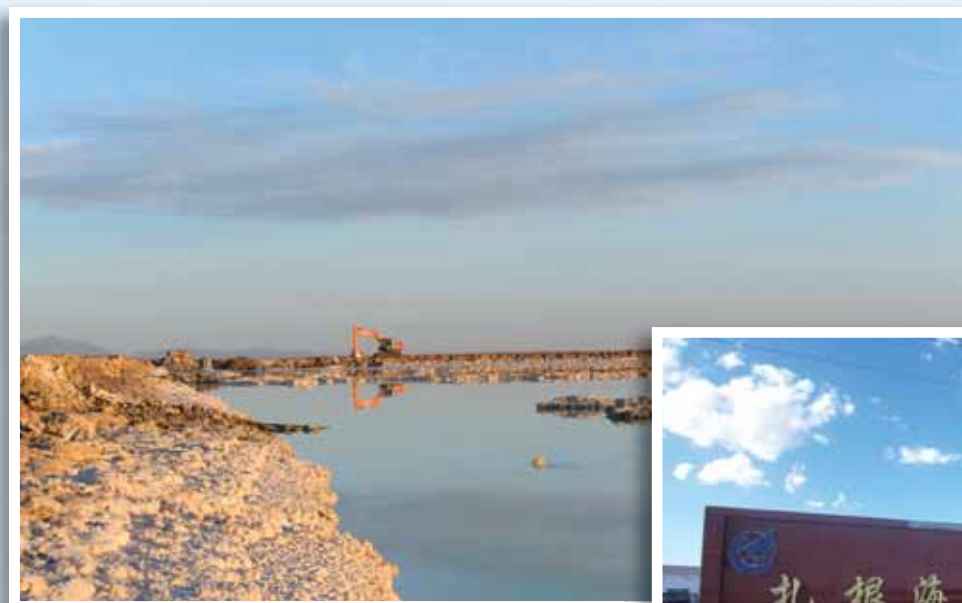
3. *Tendering Agency and Information Application Service*

The trading and logistics section of the Group also engages in tendering agency and information application service. The tendering agency comprises three types, being cargo, engineering and service tendering. It owns four Grade A qualification of “international tendering, engineering tendering, government procurement and projects invested by central government”. It was awarded as “Top 10 Tendering Agency with Most Influences in China” (中國最具影響力十大招標代理機構), and accomplished various contract tenderings with total value amounted to RMB15,000,000,000. The information application service mainly engages in consultation and service on enterprises informatization, computer system integration and application of internet of things. Both business scales and profit achieved continuous rapid increase and doubled growth during the year.

During the reporting period, the bulk commodities projects such as bitumen engineering and stone materials trading underwent smoothly.

Resources Investment and Development

The Group engages in investment and development on agricultural-related resources businesses through Resource Company, committed to build up core competitiveness that based on resources occupation, extended and covered to fertilizer industry chain and focused on resources and terminal agricultural & chemical technological service. In 2012, resources investment and development business of the Group recorded turnover of approximately RMB1,058,991,000, representing slightly decrease as compared with RMB1,096,776,000 in the previous year. Due to a sluggish market demand and price decline, it recorded a loss of RMB50,206,000.



BUSINESS REVIEW *(continued)*

Resources Investment and Development *(continued)*

In 2012, price of bulk commodities in global kept declining and price of fertilizer also maintained at a low level. While the domestic potassium fertilizer industry was still stepping into a stage of de-stocking, phosphate fertilizers and compound fertilizer encountered over-excessive production capacity and underproduction.

Faced with depressed market and harsh competition, the resources investment and development business of the Group promoted its development affirmed with Aiming Target, Saving Costs, Refining Operation and Enhancing Efficiency. Qinghai potassium fertilizer business underwent internal capability improvement and focused on the production pace adjustment, implemented and optimized its plans of water-soluble sylvine exploitation, steadily implement pressure brine projects and saltern technique improvement. Besides, it obtained special funding subsidy from Qinghai Province Government by means of integration utilization of resources and technological innovation. Beijing agrochemical products accomplished its research and development, trial production, commission mass production and sales on new phosphate fertilizers and synergist, realized sales of new phosphate fertilizers amounted to 53,000 tonnes. Kunming Bailongtan Phosphate Mine achieved annual mass scaled exploitation of phosphorous ore of 410,000 tonnes. Hongfu Daozi Phosphate Mine located in Dongchuan district, Kunming proactively carried out requisition of mining land and prepared for mass exploitation of next year, and the monoammonium phosphate production line was completed as expected and commenced trial production and technique adjustment. During the reporting period, Qinghai AVIC Resources Company Limited ("Qinghai Resources") was granted as "Excellent Mining Company of Conservation on Mining Resources and Integrated Utilization" (礦產資源節約與綜合利用專項優秀礦山企業).

During the reporting period, Resources Company prepaid the full amount to acquire 70% equity of Shandong Luyuan Mining Investment Co., Ltd (山東魯源礦業投資有限公司), in order to indirectly control the potassium ore mine in north of Pointe Noire of Congo in Africa (非洲剛果(布)黑角市北部奎省布穀馬西地區). After completing this acquisition, potassium mine reserve of the Group was increased.



FINANCIAL REVIEW

Capital Structure

	2012 (RMB'000)	2011 (RMB'000) Restated
Total borrowings	16,661,917	14,498,064
Total liabilities	28,523,352	26,139,276
Non-controlling interests	3,989,079	4,078,716
Equity of owners of the Company	7,572,614	6,638,777
Total assets	40,085,045	36,856,769
Loan-to-equity ratio	144.11%	135.27%
Debt-to-equity ratio	246.71%	243.89%

Loan-to-equity ratio = total loans at the year end over shareholders' equity at the year end

Debt-to-equity ratio = total liabilities at the year end over shareholders' equity at the year end

Liquidity and Capital Resources

As at 31 December 2012, the cash and cash equivalents of the Group amounted to approximately RMB4,038,225,000 (2011: RMB3,249,891,000), mainly derived from the following sources:

- Cash and bank deposits at the beginning of the year;
- Bank borrowings, borrowings from related parties and borrowings from third parties; and
- Revenue from operations.

FINANCIAL REVIEW *(continued)*

Liquidity and Capital Resources *(continued)*

As at 31 December 2012, the total borrowings of the Group amounted to approximately RMB16,661,917,000 (2011: RMB14,498,064,000) with an annual interest rates from 1.26% to 12.5% (2011: 0.49% to 12%). Total borrowings comprised borrowings of RMB14,606,556,000 (2011: RMB13,167,680,000), borrowings included in other non-current liabilities of RMB1,190,000,000 (2011: RMB140,000,000) and borrowings included in trade and other payables of RMB865,351,000 (2011: RMB1,190,384,000).

Capital expenditure of the Group for 2012 amounted to approximately RMB1,421,774,000, of which approximately RMB495,000,000 was applied to SCC No. 8 Building investment project; approximately RMB100,000,000 was applied to the breakwater construction of Weihai Shipyard; approximately RMB79,000,000 was applied to metallic silicon project of Qinghai Resources; approximately RMB53,000,000 was applied to reformation of 4.5 generation line TFT equipment and production line of Shanghai Tianma Micro-electronics Co., Ltd. ("Shanghai Tianma"); approximately RMB50,000,000 was applied to Heng Yang Factory Project of AFM Company; approximately RMB34,620,000 was applied to purchase of construction equipment for their contract engineering projects by Engineering Company; approximately RMB20,000,000 was applied to construction and maintenance project on bitumen base of AVIC Lutong Company Limited ("Lu Tong Company"); approximately RMB14,700,000 was applied to office building project in exhibition of Xiamen Company; approximately RMB575,454,000 was invested to upgrading equipment.

BUSINESS PROSPECTS

Looking forward to 2013, the global environment is full of fluctuation and uncertainties. During the course of seeking for new balance, market demands from domestic and overseas will be sluggish. The bonuses from globalization, population and land factors revaluation are fading in China, while at the same time, the economy growth is experiencing structural deceleration. The development of the industry will face the pressures from increased cost of key production factors, decline of investment return and excessive production capacity, all of which recall an urge for transformation and upgrade. The fluctuation of economy and changes of environment are increasingly harsher, therefore, this year will be a year for structural adjustment and transformation, with a process of seeking stable growth, structural adjustment and new balance. However, since the end of 2012, the domestic economy gradually showed a stable trend, the government policy turned to focus on improvement of quality and efficiency of economic growth, while globally speaking, China is still in a position of historical opportunities with urbanization, internationalization and informationization and will encounter challenges and opportunities at the same time.

To accommodate the complicated macro-economic situation and industry environment both globally and domestically, the Group will affirm its strategy of “Supremacy • Surpass” and yearly theme of “Implementation, Efficiency and Effectiveness”, maintain its leading position in the industry to promote a continuous and rapid growth of the business of the Group while at the same time accelerate strategic transformation. It will continue to focus on transformation and professional integration of key businesses: high-tech electronic products section will continue to promote structural adjustment and transformation upgrade; retails and high-end consumer products will keep optimizing the business models and management structure; real estate and hotel section will ensure the sales and pace of key real estate projects; transformation of traditional trading and logistics business will fully carry out reformation and innovation; Resources investment and development section will devote to enhance the operation and management efficiency. It will fully leverage on co-ordination of profit management, strengthen strategic cost management, broaden financing channels and optimize the financing structure. It will also accelerate the turnover of trade receivable and inventory, continue to enhance assets efficiency and strictly control operation risks. Besides, it will firmly implement all foundation works, optimize organization structure and system procedures, improve internal control system, strengthen standardized operation and management that focused on human, so as to enhance its excellent operation capacity, increase structure and staff efficiency.

After received the approval from the State-owned Assets Supervision and Administration Commission of the State Council stating its consent in principle on the Group’s very substantial acquisition of issuance of Perpetual Subordinated Convertible Securities (“PSCS”) in 2012, the Group will fully advance to complete another very substantial acquisition and connected transaction issuing PSCS in 2013 (please refer to Report of the Directors “SIGNIFICANT EVENTS” for details), in which assets and businesses of several companies held by the controlling shareholders, AVIC International and AVIC Shenzhen will be injected into the Company. Subject to full completion of the transaction, the Group’s business will be further enlarged, foundation in the trading and logistics and retails industries will be enhanced and consolidated, so as to ensure stable and healthy development of the Group as a whole.

High-tech Electronic Products

Looking forward to 2013, the world will be still full of complexity and uncertainty, while at the same time, domestic economy is experiencing structural slowdown and external demands for electronic high technology products will still remain sluggish, leading to fierce competition in industry and challenges arising from increase in fixed cost. Structural adjustment, industrial upgrade and integration will be further promoted to a larger extent.

BUSINESS PROSPECTS *(continued)*

High-tech Electronic Products *(continued)*

1. *LCD*

It is expected that the annual demand for liquid crystal panel in 2013 will only increase by approximately 4% compared to same period of last year. Among the segment market, demands in smart phones and tablet computers market will have rapid growth, while digital and professional display market also shows a sign of slight increase, on the contrast, market segments such as featured phones and audio video will decline. The LCD business of the Group will continue to implement strategy of major customer, focus on smart phones and professional display and carry forward adjustment on products and customer structure. It will strengthen market demands research and formulate strategic product plans, so as to strive for improving a marketing model that is applicable to development target and demands of customers, moreover, so as to enlarge product coverage in major customers and penetration in target market. It will combine strategic product planning with technology R&D and innovation, establish a reserve mechanism for prospective new technology, build up internal operation mechanism for a platform that could conduct mass production of standard in the medium term and a platform that could conduct mass transfer technology in the long term. It will keep on promoting integration works, enhance its excellent operation management and implementation capability as well as intensively optimize supply chain management system. At the same time, it will reinforce its product life cycle management and cost planning management, so as to enhance operation efficiency and effectiveness comprehensively.

2. *PCB*

It is expected that driven by the growth of global 4G construction and smart mobile terminal, the global PCB industry in 2013 is ready to turnaround the negative growth of 2012, with value slightly increase by around 3%.

The PCB business of the Group will continue to implement its existing “3-IN-ONE” strategy, highlight the enhancement of efficiency and effectiveness during operation, and work on the theme of the year, being “Grasping Opportunities, Bolstering Capacity and Enhancing Efficiency”. That means that the PCB business will firmly grasp the acceleration development in global and domestic TD-LTE construction, strive for maintaining the core of its segment market share and proactively explore non-communication market to maintain existing customers and achieve stable order contribution. At the same time, it will strengthen its technological capability on highly sophisticated products and increase the adhesion of customer to it as well as enhance its advantage in technology. The packaging substrates business will realize product upgrade, make breakthrough on processing techniques of high-end products such as of BGA/CSP substrates, as well as improve its processing ability on manufacturing fine film so as to support sales expansion of existing customers. The electronics assembly business will focus on data communication and medical industry, enhance key technical capacity on target areas and improve development and management ability on supply chain of target areas, meanwhile, it will continue to adjust product structure, intensify strategic cost management and shorten its business cycle, keep on enhancing profitability and asset efficiency.

BUSINESS PROSPECTS *(continued)*

Retails and High-end Consumer Products

It is expected that the global economy will still give pressure to the overall growth of watch and clock industry in 2013, and the customer confidence in China will remain weak. The positive side is that the high-end consumer products market is becoming mature while the domestic economy stays at a relatively high growth rate with consumption level increasing, bringing opportunities as well as challenges to the retails and high-end consumer products section of the Group.

In 2013, the retails and high-end consumer products of the Group will continue to adhere to its brand development strategy. Based on self-own watches brand and Harmony prestigious watches retails as development main line to keep improving its brand influences. Besides, by means of “product + channel” commercial models, it will focus on effectiveness and efficiency, enhance its professional operation ability on the brands, increase inventory management and asset turnover, proactively improve efficiency on retail channels as well as profitability on self-own watch brand and retails brands. At the same time, it will integrate internal resources to achieve information sharing, business support and synergistic effects, striving to realize the efficiency growth will be higher than the scale growth. It will further consolidate its foundation management, improve working standard, capability for all staff and achieve breakthrough in result.

The self-own watches brand will keep focus on brand, reinforce two foundation stones, being product and marketing, proactively adapt to the market changes. Based on the demands from customer and competition in the market, it will place emphasis on the differentiation and serialization of products, more reasonable price arrangement and continuous quality enhancement. It will optimize its existing retails channels, accelerate to development new sales points and terminal management, so as to improve the output of sales points. It will strengthen watch design, capability building on core technology such as new materials and new technologies. Harmony prestigious watches retails will concentrate on enhance the brand reputation and influences of Harmony, keep intensifying its implementation on the concept of “three-step marketing”. It will enhance its operation capability, speed up inventory turnover and reduce occupancy of the capital, at the same time, it will reinforce its cost control, shorten cultivation circle of new store and improve output efficiency and profitability. The expansion on retail network will adhere to the principle of prudent investment, keep on optimization on channels and strive for expansion of efficiency.

Real Estate and Hotel

1. Real Estate Development

Looking forward to 2013, against the background of steadily increase domestic economy, sound and health fiscal policy and stringent adjustment and control on the real estate industry, it is estimated that the domestic real estate industry will experience an overall high-to-low trend. The pressure of supply and demands will gradually fade in the second half year of 2013, among which, growth rate and property prices of major cities will be higher than other cities. Generally speaking, the real estate companies in 2013 is still in the period of de-stocking, challenges from separation and pressure on growth in the domestic real estate industry remains, while in long term, it will still have development opportunities in urbanization. The real estate development business of the Group will focus on scale increment and efficiency enhancement, optimize control system, enhance operation ability, quality and service awareness, so as to forge product brand. It will capture opportunities and adopt measures to achieve sales, accelerate recovery of sales amounts and forward-carry, in the meantime, it will integrate internal and external resources, based on existing projects and influence the surrounding regions. By means of project co-operation and public bidding, it will proactively seek for new projects and achieve targets of project expansion.

BUSINESS PROSPECTS *(continued)*

Real Estate and Hotel *(continued)*

2. Construction Contracting

It is expected that in 2013, the scale of international construction contracting market will experience a recovery growth, particularly in rapid economy development and outstanding performance of construction in most of emerging economic entities. Demands for construction engineering contracting project and real estate development in key regions market such as Africa, Middle East and Southeast Asia will remain relatively strong. Domestic construction engineering contractors have competitive strength in Africa and Asia-Pacific regions, therefore, its potential for development is full of expectation.

In 2013, the engineering contracting of the Group will commit to the target of “becoming a first-class international engineering contractor in international market”, continue to aggressively promote strategic transformation and brand building, be creative in business and profit model, intensify its operation management and profit management. It will proactively develop region market and business layout, based on international construction engineering general contracting as core, and setting Middle East, Africa, South Asia and Southeast Asia as region centers. It will highlight major business country and specialize the business types, actively explore international construction engineering general contracting projects, and through intensively integrating the competitive resource in overall industrial chain to develop overseas real estate development and domestic construction engineering projects. It will base on large-scale projects, intensify project management and risk control, place emphasis on the arrangement and construction of several large-scale committed projects such as highway in Sri Lanka, cement plant in Rwanda, new airport in Kenya and hangar in Ethiopia as well as some property projects such as Tanzanite 4200 project.

Trading and Logistics

1. Ship Engineering

In 2013, it is expected that the overall shipping industry still faces difficulties to find a way out of gloom situation due to the depressed global economy and uncertainties. The ship engineering business of the Group will focus on the enhancement of efficiency and effectiveness, proactively explore new and innovative operation models for ship engineering business. It will promote professional integration, industrial development and capitalized operation so as to achieve industry integration. It will intensify its development in key vessel types market, strive to develop procurement market of special vessels both from domestic and overseas, ocean engineering products and governmental shipping procurement. It will promote upgrade on technology and products, adjust product structure and develop key technological products, explore high value-added and energy-saving vessels market. It will continue to promote excellent operation, carry out comprehensive quality management, while at the same time, fine-tune its procedures, so as to achieve cost reduction and efficiency enhancement.

BUSINESS PROSPECTS *(continued)*

Trading and Logistics *(continued)*

2. Machinery Electrical Engineering

It is expected that in 2013, the world cement EPC and mechanical vehicle market will experience stable growth, particularly in emerging economic entities and developing countries with solid economic foundation, therefore, the expansion of this market, in relation to the continuous market growth in government procurement which is related to the national infrastructure will be relatively rapid. The mechanical and electrical engineering business of the Group will enforce its strategic co-operation with Germany Humboldt Cement Equipment Company, enhance its capability on design and cement electrical engineering EPC. It will highlight its competitive strength in differentiation, focus on exploration the market of South America and Southeast Asia, develop government projects and matured EPC projects, as well as proactively carry out EP projects. In terms of export of mechanical vehicle, it will increase its operation scales and profitability, achieve satisfactory performance in the products sales and project implementation in Kenya, Peru and Myanmar. It will reinforce the development of new market, build up a business model that making AVIC light electronic vehicle to be internationalized with light assets, and proactively expand its income sources. In terms of medical equipment and service, it will proactively explore overseas new market and seek for external supports, realize contract signing and delivery of mobile hospital project in new market. Moreover, it will extend its after-sales service, supplies of spare parts and consumable materials.

3. Tendering Agency and Information Application Services

In 2013, the tendering agency business of the Group will further consolidated its “main channel” position in the system, reinforce construction within the region, focus on developing and exploring key region market. The information application service will focus on the connection and integration among connected business, enhance development on new areas such as application of internet of things.

Resources Investment and Development

Looking forward to 2013, impacted by global economic situation and adjustment slow down of domestic economy, it is expected the demands for bulk commodities market will keep gloom. The potassium fertilizer will keep on de-stocking, phosphate fertilizers industry still face the problem of over-excessive production capacity, compound fertilizer industry will keep undergoing the industry integration. In short term, the overall prices of potassium fertilizer, phosphate fertilizers and compound fertilizer are lingering at a low level. In long term, the planting of domestic agricultural products are more scaled, integrated, customized, high-ended agricultural products and one-stop technological service market are full of development potential. Due to the rarity of resources, with increase of cost and resources tax, price of phosphate fertilizers will be steadily increasing.

Facing the difficult environment, the resources investment and development section of the Group will affirm to its yearly theme “Bolstering Capacity, Saving Cost, Intensifying Operation and Enhancing Efficiency”, focus on efficiency and effectiveness to enhance overall operation capacity. It will enhance technological R&D and production capability of key products that are adaptable to the demands of market, expand existing sales network and channels, optimize sales models as well as strengthen cost control.

SOCIAL RESPONSIBILITIES

During 2012, the Company completed substantial acquisition in respect of equity interests of 12 companies from controlling shareholders AVIC International, AVIC Shenzhen and related companies. The scale and scope of business as well as the geographical coverage of the Company achieved rapid expansion, and so as its influence to its staff and the society. The Group has committed to promoting fast and sustainable development, creating values for its clients, providing opportunities to staff, offering services to aviation industry and making contribution to the society. While maintaining its business, it also considers undertaking more corporate social responsibilities. We strive for excellence in operation, so as to enhance efficiency and maximize returns to the society. We focus on caring for the clients, realize win-win development with clients. Emphasising on people oriented approach, we devote our effort to improving sense of belongings and happiness of staff, so as to achieve organic integration of individual ideal with corporation vision for mutual development. Social responsibilities are our first priority. By means of energy conservation and environmental protection, we promote sustainable development, and through various staff voluntary activities and charity projects, we strengthen sense of belongings and pride of the staff to the Company. There effort will lead to the building of a energy-saving, environmental-friendly society.

Excellent Operation

The Company aims at becoming a leading company in the industry, and has established an effective operation structure and procedure based on strategic planning. By means of integrated application of Six Sigma, perfect management and ISO9000, it has intensified its management innovation, enhanced efficiency and effectiveness and proactively promoted excellent operation. Moreover, it has improved the business capability of the team and the ability to create values, so as to realize great leap forward development.

1) *Management Innovation*

In March 2012, Fiyta Manufacturing Company was awarded “Excellent Company of the National Light Industry” and “Second Prize of Management Innovation Achievement of the National Light Industry for 2011” in the second council of third session of China Light Industry Federation and Working Conference of Light Industry.

In October 2012, the Fourth Management Innovation Achievement Awards of Aviation Industry were announced, in which Fiyta’s “Construction of Three-Sourced R&D System for High-end Fashion Brand Watches”, and SCC’s “Practice and Application of Opinion Technology Model” were awarded the Second Prizes, while SCC’s “Building and Application of High-Efficiency Incubation System for New Business in New Market” was awarded the Third Prize.

In November 2012, Shanghai Tianma organized the first “Thousands of Millions Project” Management Seminar for team heads, hence, the “Thousands of Millions Project” was officially launched. 30 representatives of frontline team heads from various departments of Tianma conducted active discussion and research on the topics such as “the most urgent issue needs to be solved at the moment” and “frontline staff management”.

SOCIAL RESPONSIBILITIES *(continued)*

Excellent Operation *(continued)*

2) Technology Innovation

In March 2012, after first participation in 2011, Fiyta once again presented its showcase at Hall One of the Basel International Watch and Clock Fair.

In March 2012, Tianma exhibited its latest development for the past year in leading technology such as AM-OLED, LTPS, SFT, 3D, CTP and e-paper as well as the complete product lines in application fields namely smart phones, tablet computers in the FPD CHINA convened in Shanghai New International Expo Centre.



In May 2012, Fiyta's training watch for astronauts of "Shenzhou IX" was unveiled for the first time in Shanghai. The ground training watch launched by Fiyta provides an exclusive timer for astronauts and it also fits for the need of the mass market.

In June 2012, the world's first female space watch which is adaptable to the space environment and made with "handmade cloisonné" technique was tailored for the first female astronaut Liu Yang of China. Wearing the innovative watch, the heroine will explore the space.

In July 2012, SCC was selected as "Intellectual Property Advantageous Enterprise of Guangdong Province for 2012" by Intellectual Property Bureau of Guangdong Province.

In August 2012, the technological innovation work of Fiyta obtained high recognition by China Light Industry Federation and was awarded the "Eleventh Five-Year Excellent Entity in Technological Innovation of National Light Industry" in National Light Industry Congress of 2012.

In September 2012, Tianma was ranked as one of "Top Hundred Companies in Electronic Information of China" of the 26th session.

In October 2012, core technology of packaging substrate of SCC was inspected and accepted by Aviation Industry Innovation Fund Project.

In October 2012, SCC, being a manufacturing and R&D company for the major national science and technology project – high-density IC packaging substrate and its ancillary projects, participated in the 12th IC China 2012 with latest IC packaging substrate products, which were newly developed and under mass production. It was also awarded the "Top Ten Growth Companies in Semi-Conductor Field".

SOCIAL RESPONSIBILITIES *(continued)*

Excellent Operation *(continued)*

2) Technology Innovation (continued)

In December 2012, SCC successfully passed the inspection on 02 major projects of “development and industrialization of manufacturing technique of high-density multi-layers packaging substrate” that carried out by SCC. The inspection was conducted by the implementation office of national science and technology project headed “mass scale IC manufacturing and packaging technology” (02 major projects) and general project inspection experts.

In December 2012, the Fiyta’s self-developed watch tailored for the space environment outside the spaceship “Shenzhou IX” was awarded excellent design award in the “China Design Exhibition”.

In December 2012, SCC was certified as “Model Enterprise of Technology Innovation”, being the only and the third company in Shenzhen which obtained the certification in this respect.

Care For Customers

The Company strives for seeking win-win development during each co-operation and spares no effort in creating value for stakeholders and continuously enhancing corporate value.

In August 2012, SCC and the Institute of Microelectronics of Chinese Academy of Sciences jointly established Huajin Semi-conductor Company, targeting to master the most advanced packaging & testing technology.

In December 2012, SCC entered into a strategic cooperation agreement with Lenovo Group. It represented that SCC had made a significant progress in electronic circuits integration solution.

SOCIAL RESPONSIBILITIES *(continued)*

Care for Employees

The Company devotes to create an environment for learning and growth for its employees with high emphasis on co-development of both employees and the Company in order to built a trustworthy employer brand, strengthened employees' loyalty and enhance the sense of belongings and pride of the employees to the Company. These effort have laid a solid foundation for the sustainable development of the Company.

In February 2012, more than 30 specialists from the Group joined the first training activity under the "Heart Building Campaign".

In July 2012, 69 employees who have been working for ten years were awarded Golden Medal in the 28th anniversary of SCC. Employees' park-visit tour, the second "Champions" competition of SCC, "Purchasing Cup" Basketball Competition of Long Gang District were also held.



In July 2012, the Leadership Assessment Center of the Group was officially launched. It accelerated the development of middle to senior management talents.

In December 2012, Fiyta was awarded the "Best Employer in China" for the seventh consecutive year.

Environmental Protection

The Company always adheres to a sustainable development strategy that while improving the operation results, it also strives for achieving a balance among the environment, society and humans. During its production, R&D and manufacturing, it ranks environmental protection as its top priority and conducts its business on such basis.

In April 2012, the result of credit rating in terms of environmental protection among enterprises which emphasize on pollutant discharge was published, and SCC succeeded its honour of being the "Enterprise with Environmental Friendly Credibility" by obtaining a green card.



SOCIAL RESPONSIBILITIES *(continued)*

Social Charity

The Company has long been focusing on the support of providing education to poverty-stricken areas. It accumulated rich experiences and established assistance models for different people at different development stages.

In February 2012, the Love and Compassion team of the Company arrived Anyi county of Jiangxi Province to offer donation for 81 impoverished students and at the same time kickoff “one to one” teaching activities.



In March 2012, the Company sponsored the 12th “Teaching Aid Program” and the volunteer teachers under the Program arrived the destination.

In November 2012, the “Shennan Cup” National Airplane Models Competition was successfully open. The chairman of China Aviation Society Liu Gao Zhuo visited the competition field. Fanatics of airplane models over the country gathered together to rival their skills.

Profile of Directors and Supervisors

EXECUTIVE DIRECTORS

Mr. Wu Guang Quan, aged 51, senior accountant, MBA of Tongji University, is now the Chief Executive Officer of AVIC International, chairman of AVIC Shenzhen and executive director and chairman of the Company and the chairman of Tianma, a company listed on the Shenzhen Stock Exchange ("Shenzhen Stock Exchange"). Mr. Wu also acts as executive directors and chairman of AVIC International Holding (HK) Limited ("AVIC INTL"), a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Wu joined in AVIC Shenzhen in 1982 and the Group in 2003. He has rich experience in finance, administration and operation management, and has been appointed the executive director of the Company since 2003.

Mr. You Lei, aged 44, senior engineer, MBA of Tongji University, MBA of China Europe International Business School, is now holding the positions of Vice President of AVIC International, President of AVIC Shenzhen, executive director of the Company, Vice President of Tianma and Chairman of SCC. Mr. You acts as executive director of AVIC INTL, a company listed on the Stock Exchange. Mr. You joined in AVIC Shenzhen in 1991 and the Group in 1997. He has rich experience in enterprise operation and administration, and has been appointed the executive director of the Company since 2003.

Mr. Pan Lin Wu, aged 49, master of engineering in Beijing Aviation and Astronautics University (北京航空航天大學). He is now holding the positions of Vice President, chief financial officer of AVIC International and executive director and vice-chairman of AVIC INTL, a company listed on the Stock Exchange. He served as the chief accountant at China National Aero-Technology Import and Export Corporation, the predecessor of AVIC International, since 2001. He was appointed as a director and deputy chairman of the board of directors of AVIC United States Company (中航國際美國公司) in March 2011. Mr. Pan has many years experience in financial management, supervision and audit, and has substantial experience in the area of finance, capital operation and risk management. He has been appointed as holds the executive director of the Company since 2012.

Mr. Chen Hong Liang, aged 45, holds the master degree in business administration from Tong Ji University (同濟大學). He is currently vice president of AVIC International and vice president and AVIC Shenzhen. Mr. Chen has extensive experience in administration and human resources management. He has been appointed as executive director of the Company since 2012.

Mr. Liu Jun, aged 51, holds the bachelor degree in engineering from Beijing Aviation College (北京航空學院). He is currently the vice president of AVIC International. He joined China National Aero-Technology Import and Export Corporation, the predecessor of AVIC International, in 1989. Between 1990 and 1993, he was seconded to station at AVIC Germany. He joined Beijing Company. He has been appointed as executive director of the Company since 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wong Wai Ling, aged 52, holds the Bachelor of Arts of The University of Hong Kong and has attended the courses of accounting and finance in LSE. Ms. Wong is the senior member of Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accounts, with 20-year's experience in accounting, tax and auditing. She has been working in international and local large accounting firms for more than seven years, until she founded an accounting firm in Hong Kong in 1994, and has been a CPA till now. She is also the independent non-executive director of two companies listed in Hong Kong – Galaxy Semi-Conductor Holdings Limited and Overseas Chinese Town (Asia) Holdings Limited. She has been appointed as the independent non-executive director of the Company since 2008.

Mr. Wu Wei, aged 40, holds the Bachelor of Arts of Columbia University, majoring in economy and industrial engineering. He is now the managing director of Private Equity Fund Division of CITIC Securities (HK) Limited. He has over 14-year's experience in enterprise investment and investment bank, and worked in Deutsche Bank Asia, Henderson Global Investors Asian Fund and Lehman Brothers Asia Limited. He has been appointed as the independent non-executive director of the Company since 2009.

Mr. Zhang Ping, aged 49, received a doctoral degree in economics from China Social Science College Graduate School (中國社會科學院研究生院). He is currently the deputy head of the China Social Science College Graduate School of Economics (中國社會科學院經濟研究所). Mr. Zhang started to work on China Social Science College Graduate School of Economics in 1988. He once joined and organized several key topics of international co-operation with the World Bank, Asian Development Band and International Labor Organization and social science funds as well as national topics. He published several essays based on theory research and surveys. His major research fields are the growth of China economy and formation of capital. He has been appointed as the independent non-executive director of the Company since 2012.

SUPERVISORS

Mr. Huang Bin, aged 59, graduated from Northwest Industrial University (西北工業大學). He is currently the Vice President of AVIC International. He joined the Ministry of Aviation Industry of the PRC in 1980 and was the deputy committee secretary of the party, secretary of discipline inspection committee and chairman of labor union of China National Aero-Technology Import and Export Corporation, the predecessor of AVIC International. He has been appointed the supervisor of the Company since 2012.

Mr. Deng Bo Song, aged 55, senior economist, graduated from Jiangxi University of Finance and Economics, is now the party secretary and deputy general manager of Tianma. He was the deputy general manager of Shenzhen Kaishi Industry Co., Ltd.; since May 2003, he has successively held the positions of deputy party secretary, deputy general manager, general manager, supervisor of audit and inspection department of Tianma. He has been appointed the supervisor of the Company since 2009.

Ms. Wang Xin, aged 61, holds master's degree and is now the senior partner of Beijing Horizon Law Firm, Shenzhen Office and the arbitrator of Shenzhen Arbitration Committee. She had acted as the senior judge in Changsha Intermediate People's Court and Economic Tribunal of Shenzhen Intermediate People's Court. Ms. Wang has accumulated rich experience in economic and civil judgment; some difficult economic and civil cases under the charge of Ms. Wang have been taken as the judicial guidance in Shenzhen. She has been appointed as the supervisor of the Company since 2009.

COMPANY SECRETARY

Mr. Huang Yong Feng, aged 39, is a senior engineer, a graduate of a master degree from Beijing University of Aeronautics and Astronautics (北京航空航天大學) and a graduate of the executive master degree of business administration from China Europe International Business School (中歐國際工商學院). He is currently the director of Fiyta, director of AVIC Real Estate, director of Rainbow Department Store Co., Ltd. ("Rainbow"), chairman of Castic-SMP Machinery Corporation Limited (深圳中施機械設備有限公司) ("Castic-SMP"). He successively held the positions of manager of corporate strategy and management department, assistant to general manager of AVIC Shenzhen, managing director of Castic-SMP. He once acted as jointly secretary of the third and fourth session of the Board of the Company. He has been appointed as Company Secretary of the Company since 2012 for the second time.

1. CORPORATE GOVERNANCE PRACTICES

Throughout the financial year ended 31 December 2012, the Company has complied with Company Law and the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), faithfully performed the obligations required by the applicable Corporate Governance Code set out in Appendix 14 of the Listing Rules. The Company has also directed its daily activities in strict compliance with various established corporate governance systems and reviewed from time to time its operations and management conducts, adhered to good principles of corporate governance, improved the transparency and independence of company operation, enhanced its corporate governance standards on an on-going basis, ensured a stable development of the Company and strived for maximization of shareholders' value. The Company, by complying with the principles and requirements set out in the Corporate Governance Code, has formulated relevant system, regulations, procedures and plans to maintain good communication between shareholders and the Board, encouraged shareholders to attend annual general meeting and other general meetings and enabled shareholders to understand the application of relevant principles.

Except for the code provision A.2.1, during the period from 1 January 2012 to 31 March 2012, the Company has adopted and complied with the code provisions set out in the Code of Corporate Governance Practices which was contained in Appendix 14 to the Listing Rules and was effective before 1 April 2012, while during the period from 1 April 2012 to 31 December 2012, the Company has adopted and complied with the code provisions set out in the revised Corporate Governance Code (the "Code") which was contained in the revised Appendix 14 to the Listing Rules and was effective from 1 April 2012.

Details of the deviation from above code provision A.2.1 is set out in the following section headed "4. Chairman and Chief Executive".

2. SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct in respect to securities transactions.

The Company, having made specific enquiries with all Directors and Supervisors, confirmed that, during the year ended 31 December 2012, all Directors and Supervisors had complied with the required standards of dealing in securities specified in the Model Code and relevant conduct code of its own in respect of any securities transactions by the Directors.

3. BOARD

The composition of the Board

In the 2011 annual general meeting of the Company held on 19th June 2012, the sixth session of the Board was formed through end-of-term election in accordance with articles of association of the Company. The term of the directors (including independent non-executive Directors) is 3 years and will end at the 2014 annual general meeting of the Company to be held in 2015. The Board of the Company comprises a total of 8 Directors, including 5 executive directors, namely, Mr. Wu Guang Quan (Chairman of the Board), Mr. You Lei, Mr. Pan Lin Wu, Mr. Chen Hong Liang and Mr. Liu Jun; and 3 independent non-executive directors, namely, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Zhang Ping.

Each of Mr. Lai Wei Xuan, Mr. Sui Yong, Mr. Liu Rui Lin and Mr. Xu Dong Sheng had resigned as an executive director of the Company with effect from 19 June 2012 due to change of work positions and each of them had confirmed that he had no disagreement with the Board and there was no matter relating to his resignation that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company.

Each of Mr. Cheng Bao Zhong, Mr. Qiu Shen Qian, Mr. Wang Bin Bin and Mr. Li Cheng Ning resigned as a non-executive director of the Company with effect from 19 June 2012 due to change of work positions and each of them had confirmed that he had no disagreement with the Board and there was no matter relating to his resignation that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company.

Mr. Liu Xian Fa resigned as an independent non-executive director of the Company with effect from 19 June 2012 due to increasing commitments of his professional and personal affairs and had confirmed that he had no disagreement with the Board and there was no matter relating to his resignation that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company.

Details of meetings and attendance

The numbers and attendance of general meetings, Board meetings and meetings of other committees held throughout the financial year ended 31 December 2012 are as follows, in which each director attended all meetings in person with no alternate director being appointed:

Board	General Meeting (including annual general meeting and extraordinary general meeting)	Board		Audit Committee	Remuneration Committee	Nomination Committee
	Attendance/	Attendance/	Attendance	Attendance/	Attendance/	Attendance/
	number of	number of	Rate	number of	number of	number of
	meetings*	meetings*		meetings*	meetings*	meetings*
Executive directors						
Wu Guang Quan (Chairman of the Board)	1/6	20/22	91%		1/1	1/1
You Lei	3/6	20/22	91%			
Pan Lin Wu (appointed on 19 June 2012)	1/4	17/17	100%			
Chen Hong Liang (appointed on 19 June 2012)	2/4	17/17	100%		–	–
Liu Jun (appointed on 19 June 2012)	1/4	17/17	100%			
Lai Wei Xuan (resigned on 19 June 2012)	0/2	5/5	100%			
Sui Yong (resigned on 19 June 2012)	2/2	5/5	100%		1/1	1/1
Liu Rui Lin (resigned on 19 June 2012)	0/2	2/5	40%			
Xu Dong Sheng (resigned on 19 June 2012)	0/2	0/5	0%			
Non-executive Directors						
Cheng Bao Zhong (resigned on 19 June 2012)	0/2	2/5	40%			
Qiu Shen Qian (resigned on 19 June 2012)	0/2	3/5	60%			
Wang Bin Bin (resigned on 19 June 2012)	0/2	0/5	0%			
Li Cheng Ning (resigned on 19 June 2012)	0/2	0/5	0%			
Independent non-executive directors						
Wong Wai Ling	2/6	18/22	82%	2/2	1/1	1/1
Wu Wei	1/6	16/22	73%	2/2	1/1	1/1
Zhang Pin (appointed on 19 June 2012)	1/4	14/17	82%	1/1	–	–
Liu Xian Fa (resigned on 19 June 2012)	0/2	0/5	0%	0/1	0/1	0/1

* refer to the number of meetings convened at the period of each director/member appointed during the financial year ended 31 December 2012.

Responsibility of the Board and the management

The Board is responsible for instituting the overall target, policies, internal control and risk management system of the Group. In addition, the Board also supervises the detailed matters which may affect the equities of all shareholders, such as financial status, human resources, investment and financing, the transaction activities which are notifiable as defined in the Listing Rules, and exercises its management and decision-making powers authorised under the articles of association or in general meetings in terms of capital reconstructing. Details of the responsibilities and powers of the Board in terms of the Company's development strategies and management as well as its responsibilities and powers to supervise and monitor the Company's development and operation are set out in the articles of association of the Company.

The directors shall be elected at the shareholders' general meeting and serve a term of 3 years. A director may serve consecutive terms if be re-elected upon the expiration of his term. Except the retired directors and the candidate recommended by the board of directors, commencing on the second date after the dispatch of the notice of the meeting appointed for election of director(s), a shareholder is entitled to lodge a notice in writing to the Company to nominate directors, the period for lodgment of such notice shall be 7 days. Subject to the relevant laws and administrative regulations, any director (including directors act as the manager or other senior management officers) with an unexpired term of office may be removed by an ordinary resolution of a shareholders' general meeting (but without prejudice to any claim for compensation pursuant to any contract). The board of directors shall be responsible to the shareholders' general meeting and shall have the following duties and powers:

- (1) to be responsible for convening shareholders' general meeting and to report its work at the shareholders' general meeting;
- (2) to execute the resolutions passed at the shareholders' general meeting;
- (3) to determine the business plans and investment proposals of the Company;
- (4) to prepare the annual financial budget and final accounts of the Company;
- (5) to prepare the plans for profit distribution and loss recovery for the Company;
- (6) to prepare proposals for increasing or reducing the registered capital of the Company, and proposals for the issue of debenture;
- (7) to draw up proposal for merger, separation or dissolution of the Company;
- (8) to decide on the set-up of the internal management structure of the Company;
- (9) to appoint or dismiss the manager and to appoint or dismiss vice-manager, the chief financial officer in accordance with the recommendations of the manager and to determine their remuneration packages;
- (10) to set up the basic management system of the Company;
- (11) to draw up proposal for amending the Articles of Association;

- (12) to draw up proposal for material acquisition and disposal;
- (13) subject to the requirements of relevant laws, regulations, rules and the Articles of Association, exercise the Company's powers of fund-raising and borrowing, and determine pledge, leasing, subcontract or transfer of assets of the Company, and to authorise a manager to exercise powers within the scope hereof;
- (14) subject to the requirements of relevant laws, regulations, and within the scope of authority delegated by shareholders in general meeting, to perform other functions.

Except for the matters provided for in paragraphs (6), (7), (11) and (12) which require approval of more than two-thirds of the directors, the remaining matters as contained in the preceding paragraphs shall be approved by a simple majority of the directors.

The Company is an investment holding company, currently the executive Directors exercise the function of the management of the Company and all projects of the Company will be reviewed and approved by the Board. The responsibilities of each executive Directors are as follow:

Mr. Wu Guang Quan: responsible for overall operation of the Company;

Mr. You Lei: assisting the Chairman for daily operation; responsible for operation management, review of strategic investment; responsible for high-tech electronic products segment, resources investment and development segment; and assisting in strategic planning;

Mr. Pan Lin Wu: responsible for financial management, finance and strategic investment and capital operation;

Mr. Chen Hong Liang: responsible for human resources, legal issues, audit, inspection and supervision;

Mr. Liu Jun: responsible for international expansion, foreign issues, overseas institution management and responsible for trading and logistics segment.

Compliance of the Directors

There is no non-compliance with Rule 3.10(1) and (2) and Rule 3.10A of Listing Rules by the directors of the Company during the year ended 31 December 2012. None of the independent non-executive directors did not comply with one or more independence assessment guidelines set out in Rule 3.13 of Listing Rule during the year ended 31 December 2012. None of the members of the Board had any financial, business, family or other material/related relationship with each other during the year ended 31 December 2012.

Directors' training

Each newly appointed Director is provided with necessary introduction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company Secretary also provides Directors with updates on latest development of and amendments to the Listing Rules and other relevant legal and regulatory requirements from time to time.

In addition, all Directors are encouraged to participate in continuous professional development so as to develop and refresh their knowledge and skills. The Company has arranged in house trainings for Directors in the form of attending seminars and reading materials since the revised Code took effect on 1 April 2012. A summary of training received by the Directors for the year ended 31 December 2012 according to the records provided by the Directors to the Company is as follows:

	Listing Rules Compliance Training (2012.6.19)	Listing Rules Compliance Training (2012.9.12)
Executive Directors		
Wu Guang Quan (Chairman)	✓	✓
You Lei	✓	✓
Pan Lin Wu	✓	✓
Chen Hong Liang	✓	
Liu Jun	✓	
Independent non-executive director		
Wong Wai Ling	✓	
Wu Wei	✓	
Zhang Pin	✓	

4. CHAIRMAN AND CHIEF EXECUTIVE

In the 2011 annual general meeting of the Company held on 19th June 2012, the sixth session of the Board was formed through end-of-term election in accordance with articles of association of the Company. Mr. Wu Guang Quan was re-elected as chairman of the Board (Chairman), with the term of 3 years which will end at the date of 2014 annual general meeting of the Company to be held in 2015.

In accordance with code provision A.2.1 of the applicable Corporate Governance Code, roles of the chairman and the chief executive should be separated and should not be performed by the same individual. The responsibility of the chairman and the chief executive should be clearly established and set out in writing. During the year ended 31 December 2012, the executive Directors exercise the function of the management and the Company did not appoint any chief executive. The executive Director and Chairman of the Company, Mr. Wu Guang Quan and the Board of the Company hold meeting regularly to consider major matters that influence the operation of the Group. The Board considers that the structure will not impair the balance of authority and rights between the Board and the management of the Company. Each executive Director being assigned with different functions will complement the role of the Chairman. The Board believes that this structure is beneficial to establishing a stable and consistent leadership, which will enable effective operation of the Group.

5. NON-EXECUTIVE DIRECTOR

In the 2011 annual general meeting of the Company held on 19th June 2012, the sixth session of the Board was formed through end-of-term election in accordance with articles of association of the Company. The non-executive Director of the fifth session of the Board, namely Mr. Cheng Bao Zhong, Mr. Qiu Shen Qian, Mr. Li Cheng Ning and Mr. Wang Bin Bin resigned as non-executive director due to the change of work positions. Each of Mr. Cheng Bao Zhong, Mr. Qiu Shen Qian, Mr. Wang Bin Bin and Mr. Li Cheng Ning had confirmed that he had no disagreement with the Board and there was no matter relating to his resignation that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company.

The independent non-executive Directors of the Company are Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Zhang Ping, who was appointed on 19 June 2012. Mr. Liu Xian Fa resigned as an independent non-executive director of the Company with effect from 19 June 2012 due to increasing commitments of his professional and personal affairs and had confirmed that he had no disagreement with the Board and there was no matter relating to his resignation that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company. The number of independent non-executive Directors accords with the provision of the Listing Rules. Among which, Ms. Wong Wai Ling is a qualified accountant with extensive experience in accounting and finance. The Company has received the confirmation letters in respect of their independence from each of the independent non-executive Directors during the year ended 31 December 2012 pursuant to Rule 3.13 of the Listing Rules, and considers that all the independent non-executive Directors comply with the requirements of independence according to Rule 3.13 of the Listing Rules.

6. SUBCOMMITTEES OF THE BOARD

The Board of the Company established three committees, namely audit committee, remuneration committee and nomination committee. The role and responsibility of each committee are as follow:

(1) Audit committee

The Board has established the audit committee to fulfill the functions of reviewing the financial reporting and monitoring the effectiveness and objectiveness of the internal control system, risk management and auditing procedure of the Company. In order to comply with the amendment, of the revised Code effective on 1 April 2012, the terms of reference of the audit committee was renewed and revised by the resolution of the Board passed on 19 March 2012, and the details of which were published on the websites of the Stock Exchange and the Company on 28 March 2012.

During the period from 1 January 2012 to 18 June 2012, the audit committee comprised all independent non-executive Directors of the Company, namely Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Liu Xian Fa, of which Ms. Wong Wai Ling acted as the chairman. Elected by the sixth session of the Board meeting held on 19 June 2012, the audit committee comprises all independent non-executive Directors, namely Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Zhang Ping, of which Ms. Wong Wai Ling acts as the chairman. She is a qualified accountant with extensive experience in accounting and finance.

The audit committee met twice on 12 March 2012 and 21 August 2012 respectively, to discuss (i) auditor's report, annual report, report of the directors for the year of 2011 and connected transactions of 2011; (ii) unaudited interim financial statement for the period ended 30 June 2012 of the Company, interim report of 2012, internal control resolution for the first half year of 2012 and certain other businesses. The audit committee provided recommendation to the Board regarding to the above matters for its approval. Please refer to the table of attendance records in the paragraph headed "3. Board – Details of meetings and attendance" in this Corporate Governance Report for the attendance of the meetings held by the audit committee.

(2) Remuneration committee

The Board of the Company has established the remuneration committee to fulfill the functions of providing recommendations to the Board in the aspects of the performance, engagement, remuneration and award of each executive Director, and drawing up the overall remuneration policy. The terms of reference of remuneration committee was renewed and revised by the resolution of the Board passed on 19 March 2012, and the details of which were published on the websites of the Stock Exchange and the Company on 28 March 2012.

During the period from 1 January 2012 to 18 March 2012, the remuneration committee comprised the executive directors Mr. Wu Guang Quan, Mr. Sui Yong, and the independent non-executive Directors Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Liu Xian Fa. The chairman of the remuneration committee was Mr. Wu Guang Quan. In order to comply with the amendments of the revised Listing Rules effective on 1 April 2012, Mr. Wu Guang Quan ceased to be the chairman of the remuneration committee and Ms. Wong Wai Ling has been appointed as chairman of the Remuneration Committee with effect from 19 March 2012. The members of the Remuneration Committee remain unchanged.

Elected by the sixth session of the Board meeting held on 19 June 2012, remuneration committee comprises the executive Directors Mr. Wu Guang Quan, Mr. Chen Hong Liang, and the independent non-executive Directors Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Zhang Ping, of which independent non-executive Director Mr. Zhang Ping acts as the chairman.

The remuneration committee of the Company met on 12 March 2012 to review the remuneration policy and the payment method of 2011 for the directors. The chairman reported that, the remuneration of the executive directors should be assessed and determined according to the operation results of the Company during the year and the accomplishment of the targets. The fixed remuneration policy is adopted for the independent directors of the Company. The remuneration committee adopted the model stated in paragraph B.1.2(c)(ii) of the Code as set out in Appendix 14 as its terms of reference where the remuneration committee shall make recommendations to the Board on the remuneration packages of individual executive directors and senior management. The remuneration committee provided recommendation to the Board regarding to the above matters for its approval. Please refer to the table of attendance records in the paragraph headed "3. Board – Details of meetings and attendance" in this Corporate Governance Report for the attendance of the meetings held by the remuneration committee.

(3) Nomination Committee

During the period from 1 January 2012 to 18 March 2012, the Board has not established the nomination committee. In order to comply with the amendments of the Listing Rules effective on 1 April 2012, the Board resolved to establish nomination committee on 19 March 2012, which comprised 3 independent non-executive Directors of the Company, namely Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Liu Xian Fa, of which Ms. Wong Wai Ling acted as the chairman. Details of the terms of reference were published on the websites of the Stock Exchange and the Company on 28 March 2012.

Elected by the sixth session of the Board meeting held on 19 June 2012, the nomination committee comprises executive Directors Mr. Wu Guang Quan, Mr. Chen Hong Liang and independent non-executive Directors Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Zhang Ping, of which independent non-executive Director Mr. Wu Wei acts as the chairman.

The nomination committee is responsible for regular review of the structure, size and composition of the Board, and make recommendations to the Board regarding any proposed change to the structure of the Board to complement the Company's corporate strategy. The nomination committee considers the suitability of a candidate to act as a director on the basis of the candidate's qualification, experience, integrity and potential contribution to the Company, and assesses the independence of the independent non-executive directors under the requirements set out in Rule 3.13 of the Listing Rules. Before its establishment, the role and function of the nomination committee was taken up by the Board. Please refer to the table of attendance records in the paragraph headed "3. Board – Details of meetings and attendance" in this Corporate Governance Report for the details of meeting and attendance of the meetings held by the nomination committee for the year ended 31 December 2012.

(4) Corporate Governance

The corporate governance functions performed by the Board include the following:

- (a) formulate and review the corporate governance policy and practice of the Company;
- (b) review and monitor the training and continuous professional development of the Directors and the senior management;
- (c) review and monitor the policy and practice of the Company regarding its compliance with laws and regulatory requirements;
- (d) formulate, review and monitor the code of conduct and compliance handbook (if any) applicable to the employees and the Directors; and
- (e) review whether the Company has complied with the Appendix 14 of the Listing Rules (Corporate Governance Code and Corporate Governance Report).

During the year ended 31 December 2012, the Board has reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of the corporate governance policy of the Group.

7. AUDITORS' REMUNERATION

The aggregate remuneration paid/payable to the external auditors in relation to their audit and non-audit services provided to the Group for the year ended 31 December 2012 set out as follow:

Type of services	Amount of remuneration (RMB: 0'000)
Audit service	760
Non-audit service	
Review of the opening balance of companies acquired in the very substantial acquisition	110
Review on the continuing connected transaction	60
Review on the preliminary result announcement	40
Total (RMB: 0'000)	970

The expense shown in this table is based on the year of contract instead of year of cash payment

8. DIRECTORS' AND AUDITOR'S RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

All of the Directors acknowledged their responsibility for preparing the accounts and the consolidated financial statements of the Company for the year ended 31 December 2012. The auditors acknowledged their reporting responsibilities in the independent auditors' report on the consolidated financial statements for the year ended 31 December 2012. The Directors was responsible for preparing the financial statements of the Company and the Group with assistance of the financial and accounting departments. The Directors prepared the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies have also been used and applied consistently. The Board has regularly reviewed and monitored the financial reporting procedures, risk management, internal control system and recommendation of external auditors and its appointment, retirement and removal (if any) and reviewed the effectiveness of the internal control system of the Group for the year ended 31 December 2012. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the issuer's ability to operate as a going concern, therefore the Directors continue to adopt the going concern approach in preparing the consolidated financial statements. The audit committee is of the view that the selection and appointment of external auditors met the actual requirement of the Company, its audit and non-audit services can truly reflect the financial condition of the Company.

9. COMPANY SECRETARY

A Board meeting was held on 19 June 2012, during which Mr. Zeng Jun resigned as the Company Secretary of the Company due to the change of work positions. The Board proposed the appointment of Mr. Huang Yong Feng as the Company Secretary of the Company. On 20 July 2012, the Board announced that the abovementioned appointment of the Company Secretary was approved by Stock Exchange, and Mr. Huang Yong Feng became the Company Secretary of the Company. Mr. Huang Yong Feng is a full time employee of the Company and has knowledge of the Company's day-to-day affairs. The Company Secretary of the Company reports to the Chairman and is responsible for providing recommendation of governance matters to the Board. The Company Secretary confirmed that he has obtained no less than 15 hours of professional training for the year ended 31 December 2012.

10. RIGHTS OF SHAREHOLDERS

Two or more shareholders who collectively hold 10% or more of the voting shares at the proposed meeting may make a proposal to the Board on holding an extraordinary general meeting or class meeting by signing one or several written requests with same content in same format and define the meeting agenda. The Board shall convene such meeting as soon as possible upon receipt of the aforesaid written request. The aforesaid number of shares held shall be calculated as of the date when the written request was put forward by the shareholders.

In case the Board fails to give a notice of convening such meeting within thirty days after receipt of the aforesaid written request, the shareholders who put forward the request may convene such a meeting within four months after receipt of the request by the Board, and the procedures shall be the same as those for convening a general meeting by the Board where possible.

Inquiry to the Board

For any inquiry to the Board, please contact the Company directly at 25/F, Hangdu Building, Catic Zone, Shennan Road Central, Futian Dist., Shenzhen, China, telephone: 86-755-83793891; fax: 0755-83790228.

Proposals at General Meeting

When the Company convenes an annual general meeting, shareholder(s) who hold five percent or more of the Company's total shares carrying voting rights shall be entitled to make new proposals to the Company in writing. Where such proposals contain matters within purview of the general meeting, the Company shall include such matters in the agenda of the general meeting. However, the proposal should be delivered to the Company within thirty days from the dispatch date of the notice of such meeting. The contact information of the Company is the same as above.

Communication with Shareholders

The annual general meeting is the primary channel to communicate with shareholders of the Company. The chairman of the general meeting proposes separate resolutions for each issue to be considered. During the year, the chairmen of the Board, Audit Committee, Remuneration Committee and Nomination Committee and external auditors have attended the annual general meeting to answer shareholders' questions.

According to the articles of association of the Company, the notice of the annual general meeting shall be given to shareholders at least forty-five days before the meeting. The chairman of the annual general meeting exercises his power under the Company's articles of association to put each proposed resolution to the vote by way of conducting a poll. The rules and procedures of the vote will be clearly explained before it commences at the meeting, and the results of which will be announced on both the websites of the Stock Exchange and the Company in accordance with the requirements of the Listing Rules.

11. INVESTORS RELATIONS

During the year ended 31 December 2012, the Company has made amendments to the articles of associations for three times, details of which are as follows:

Special resolution in respect of amendment to the articles of associations was approved at the extraordinary general meeting of the Company held on 16 February 2011. And the registration in the administrative department for industry and commerce in China has been completed on 5 September 2012.

Before amendment

Article 24:

After the Company established and altered to a public company on the approval of the examining and approving authorities of the Company authorized by the State Council, it issued 242,000,000 overseas listed foreign capital shares to the overseas investors and such overseas foreign capital shares are listed in the Stock Exchange of Hong Kong.

After amendment

Article 24:

After the Company established and altered to a public company on the approval of the examining and approving authorities of the Company authorized by the State Council, it issued 242,000,000 overseas listed foreign capital shares to the overseas investors and such overseas foreign capital shares are listed in the Stock Exchange of Hong Kong.

Special resolution in respect of amendment to the articles of associations was approved at the extraordinary general meeting of the Company held on 16 February 2011. And the registration in the administrative department for industry and commerce in China has been completed on 5 September 2012.

Before amendment

The Company re-purchased 6,000,000 overseas listed foreign capital shares between 11th August and 29th August 2006. On the completion of re-purchase, the structure of the share capital was: 636,000,000 ordinary shares where the AVIC International Shenzhen Company Limited (the promoter) held 400,000,000 shares, representing 62.89% of the issued share capital of the Company, and 236,000,000 overseas listed foreign capital shares, representing 37.11% of the issued share capital of the Company. On 27th December 2007, the Company placed and issued 47,199,999 overseas listed foreign capital shares totally, including 42,909,090 new overseas listed foreign capital shares placed and issued and 4,290,909 shares in stock which was held by the AVIC International Shenzhen Company Limited and allocated to the National Council for Social Security Fund in accordance with the Interim Measures of the State Council on the Management of Reducing Held State Shares and Raising Social Security Funds and such shares were sold as the overseas listed foreign capital shares. On the completion of the placement, the structure of the share capital was: 678,909,090 ordinary shares where the AVIC International Shenzhen Company Limited (the promoter) held 395,709,091 shares, representing 58.29% of the issued share capital of the Company, and 283,199,999 overseas listed foreign capital shares, representing 41.71% of the issued share capital of the Company. The Company re-purchased 5,542,000 overseas listed foreign capital shares between 29th April 2008 and 30th April 2009. On the completion of the re-purchase, the structure of the share capital was: 673,367,090 ordinary shares, where the AVIC International Shenzhen Company Limited (the promoter) held 395,709,091 shares, representing 58.77% of the issued share capital of the Company, and 277,657,999 overseas listed foreign capital shares, representing 41.23% of the issued share capital of the Company.

Article 27

The registered capital of the Company is RMB673,367,090.

After amendment

The Company re-purchased 6,000,000 overseas listed foreign capital shares between 11th August and 29th August 2006. On the completion of re-purchase, the structure of the share capital was: 636,000,000 ordinary shares where the AVIC International Shenzhen Company Limited (the promoter) held 400,000,000 shares, representing 62.89% of the issued share capital of the Company, and 236,000,000 overseas listed foreign capital shares, representing 37.11% of the issued share capital of the Company. On 27th December 2007, the Company placed and issued 47,199,999 overseas listed foreign capital shares totally, including 42,909,090 new overseas listed foreign capital shares placed and issued and 4,290,909 shares in stock which was held by the AVIC International Shenzhen Company Limited and allocated to the National Council for Social Security Fund in accordance with the Interim Measures of the State Council on the Management of Reducing Held State Shares and Raising Social Security Funds and such shares were sold as the overseas listed foreign capital shares. On the completion of the placement, the structure of the share capital was: 678,909,090 ordinary shares where the AVIC International Shenzhen Company Limited (the promoter) held 395,709,091 shares, representing 58.29% of the issued share capital of the Company, and 283,199,999 overseas listed foreign capital shares, representing 41.71% of the issued share capital of the Company. The Company re-purchased 5,542,000 overseas listed foreign capital shares between 29th April 2008 and 30th April 2009. On the completion of the re-purchase, the structure of the share capital was: 673,367,090 ordinary shares, where the AVIC International Shenzhen Company Limited (the promoter) held 395,709,091 shares, representing 58.77% of the issued share capital of the Company, and 277,657,999 overseas listed foreign capital shares, representing 41.23% of the issued share capital of the Company. The Company issued 437,264,906 domestic shares to AVIC International Holding Corporation, the sole shareholder of AVIC International Shenzhen Company Limited (the promoter) on 5th September 2012. Upon the issuance, the capital structure of the Company is: 1,110,631,996 ordinary shares, of which 437,264,906 shares were held by AVIC International Holding Corporation, representing approximately 39.37% of the total issued share capital of the Company; 395,709,091 shares were held by AVIC International Shenzhen Company Limited (the promoter) representing approximately 35.63% of the total issued share capital of the Company; 277,657,999 overseas listed foreign capital shares representing approximately 25% of the total issued share capital of the Company.

Article 27

The registered capital of the Company is RMB1,110,631,996.

Special resolution in respect of amendment to the articles of associations was approved on the extraordinary general meeting of the Company held on 8 February 2012. And the registration in the administrative department for industry and commerce in China has been completed on 14 March 2012.

Before amendment

Article 16:

The scope of business of the Company as approved by the relevant company registration authorities shall prevail.

The scope of business of the Company includes: engaging in various corporate investments, holdings; setting up and operating high-tech industrial projects and other project investment.

After amendment

Article 16:

The scope of business of the Company as approved by the relevant company registration authorities shall prevail.

The scope of business of the Company includes: engaging in various corporate investments, holdings; setting up and operating high-tech industrial projects and other project investment; engaging in import and export trade.

Special resolution in respect of amendment to the articles of associations was approved on the extraordinary general meeting of the Company held on 20 November 2012. And the registration in the administrative department for industry and commerce in China has been completed on 4 January 2013.

Before amendment

Article 2:

The registered Chinese name of the Company is: 深圳中航集團股份有限公司

The registered English name of the Company is: CATIC Shenzhen Holdings Limited (Mandatory Provision Article 2)

Article 98:

The Company shall establish a board of directors. The board of directors shall be composed of 5 to 13 directors, who shall include one chairman of the board. (Mandatory Provision Article 86)

Sub-section (3) of Article 100:

- (3) The chairman of the board of directors shall be elected or replaced by more than one-half of the directors. The term of office of the chairman is 3 years and he/she is eligible for re-election and reappointment

The second paragraph of Article 103:

If the chairman of the board of directors is unable to perform his/her duties, he/she may designate a director to perform the duties on his/her behalf. (Mandatory Provisions Article 90)

After amendment

Article 2:

The registered Chinese name of the Company is: 中航國際控股股份有限公司

The registered English name of the Company is: AVIC International Holdings Limited (Mandatory Provision Article 2)

Article 98:

The Company shall establish a board of directors. The board of directors shall be composed of 5 to 13 directors, who shall include one chairman of the board and one vice-chairman of the board. (Mandatory Provision Article 86)

Sub-section (3) of Article 100:

- (3) The chairman and vice-chairman of the board of directors shall be elected or replaced by more than one-half of the directors. The term of office of the chairman and vice-chairman is 3 years and he/she is eligible for re-election and reappointment

The second paragraph of Article 103:

If the chairman of the board of directors is unable to perform his/her duties, he/she may designate the vice-chairman of the board of directors or a director to perform the duties on his/her behalf. (Mandatory Provisions Article 90)

12. INVESTOR RELATIONS MANAGEMENT

– Goals

Investor relations management is a kind of active behavior of the listed company for purpose of seeking maximized value. The management of the Company always pays attention to active investment relations. The Company has formulated corresponding internal working system, specifying the methods, contents, scope and working procedure of implementing the investor relations management.

The Company's work of investor relations management aims at helping the investors to have acquaintance with the basic information of the Company and understand the Company's operating strategies in order to make their own rational investment decisions by comprehensively reporting the Company's operating results to the investors. Meanwhile, the Company also identifies its own deficiencies with the help of the recommendations and comments from investors and analysts in order to improve the operation of the Company.

– Communication channels

During the reporting period, the Company strictly and fully disclose relevant information to investors in accordance with relevant regulations, and timely disclose important information and relevant progress which may influence the benefits of the investors through regular or temporary bulletin, striving for improvement of the quality of information disclosure; the website of the Company will regularly publicize the data concerned with investors, such as business status and other information, so that the investors can timely and clearly know the latest development of the Company, and improve the transparency of the Company.

The core of the investor relations management is effective communication. A win-win situation is guaranteed through the interactive communication between the Company and investors. During this year, the Company kept close relationship with media and investors both in China and other countries through diversified forms, such as accepting the visits of investors and analyzers, and telephone conference. In addition, investor can obtain latest information about the Company by visiting its website, where the Company discloses its interim and annual reports, bulletins, circular letters and updated development status.

– Prospect

Through active activities related to investor relations, the Company aims at improving transparency, strengthening communication, making investors better understand the business of the Company and feel confident toward its future development, having the Company recognized and supported by the market, and making the development potential and actual value of the Company fully reflected in the market.

Report of the Directors

The board (the “Board”) of directors (the “Directors”) of the Company presents their report together with the audited financial statements of AVIC International Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the current principal activities of its subsidiaries are set out in note 6 to the financial statements.

The Group is an investment holding company with diversified strategies and is principally engaged in high-tech electronic products, retails and high-end consumer products, real estate and hotel, trading and logistics, resources investment and development business in China.

Details of the contribution from each of the businesses to the profit attributable to shareholders of the Group for the year ended 31 December 2012 are set out in the paragraph “business review” under the section “Management Discussion and Analysis” of this annual report.

SUBSIDIARIES

Information on the principal subsidiaries and associates of the Company is set out in note 14 and 15 to the financial statements respectively.

GEOGRAPHICAL LOCATION OF MARKETS

Information on major markets of the Group is set out in note 6 to the financial statements.

RESULTS

Details of the Group’s results for the year ended 31 December 2012 are set out in the consolidated income statement of the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2012, the distributable reserves of the Group were approximately RMB2,611,602,000 as reported in the statutory accounts prepared in accordance with generally accepted accounting principles in the PRC.

ALLOCATION OF PROFITS

According to the Company Law of the PRC and the articles of association of the Company, when distributing net profit each year, the Company shall set aside 10% of its net profit as reported in the PRC statutory accounts for the statutory general reserve fund (except where the fund has reached 50% of the Company's registered share capital). This reserve cannot be used for purposes other than those for which they are created and are not distributable as cash dividends. For the year ended 31 December 2012, the statutory general reserve fund of the Company is as follows:

	2012		2011	
	%	RMB'000	%	RMB'000
Statutory general reserve fund	6.30%	70,001	10.04%	70,001

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the statements of changes in equity and note 29 to the financial statements.

DIVIDENDS

The Board did not recommend the payment of any final dividend for the year ended 31 December 2012.

FIVE YEARS FINANCIAL SUMMARY

A summary of the Group's operating results, assets and liabilities for the past five years ended 31 December 2012 is set out in the Consolidated Results Summary in this annual report.

MANAGEMENT CONTRACTS

During the year ended 31 December 2012, the Company has not entered into or maintained any contracts in respect of the management or administration of its overall business or any major business.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2012, the Group's purchases from the five largest suppliers were RMB2,492,975,495, accounting for 8.15% of the Group's total purchases. The largest supplier of the Group accounted for approximately 2.3% of the Group's total purchases.

As at 31 December 2012, the Group's sales to the five largest customers accounted for approximately 14.15% (2011: approximately 17.88%) of the Group's turnover. The largest customer accounted for approximately 4.70% (2011: approximately 4.58%) of the Group's turnover.

As at 31 December 2012, the Group's subsidiary, Tianma, held 10% interest of the Group's fourth largest customer. Save as disclosed above, as at 31 December 2012, none of the Directors or supervisors, their associates, or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's share capital) are interested in the five largest suppliers or five largest customers of the Group.

INVESTMENT PROPERTIES

Details of major properties held for investment of the Group are set out in note 12 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in fixed assets of the Group during the year are set out in note 11 to the financial statements.

PLEGDED ASSETS

Information on the pledged assets of the Group for the year is set out in note 7, note 11, note 12, note 13 and note 26 to the financial statements.

BANK LOANS

Information on the bank loans of the Group for the year is set out in note 31 to the financial statements.

ENTRUSTED DEPOSITS AND OVERDUE TERM DEPOSIT

During the year ended 31 December 2012, the Company did not have any entrusted deposit and overdue term deposit in any form.

TAXATION

Details of the Group's taxation for the year are set out in note 42 to the financial statements.

TAXATION POLICY

Pursuant to the relevant income tax laws of the PRC, the subsidiaries of the Group are subject to income tax at the applicable rate of 25% unless preferential tax rate were applicable.

SUBSTANTIAL SHAREHOLDER

As at 31 December 2012, to the knowledge of the Directors or the chief executive of the Company, the following parties (other than the Directors, supervisors or chief executive of the Company) had interests, or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance (the “SFO”):

Long positions in the shares:

Name of shareholder	Capacity	Number and class of securities	Approximate percentage of the same class of securities	Approximate percentage of total registered share capital
<i>Domestic Shares</i> Aviation Industry	Interest of controlled corporation	1,634,608,792 domestic shares (Note 1)	196.24%	147.18%
AVIC International	Beneficial owner and interest of controlled corporation	1,329,499,564 domestic shares (Note 1)	159.61%	119.71%
AVIC Shenzhen	Beneficial owner	429,774,574 domestic shares (Note 1)	51.60%	38.70%
Beijing Raise	Beneficial owner	305,109,228 domestic shares (Note 1)	36.63%	27.47%
<i>H Shares</i> Li Ka-Shing	Interest of controlled corporation and founder of discretionary trusts	29,644,000 shares of H share (Note 2)	10.67%	2.67%
Cheung Kong (Holdings) Limited	Interest of controlled corporation	29,644,000 shares of H share (Note 2)	10.67%	2.67%
Li Ka-Shing Unity Trustee Corporation Limited	Trustee and beneficiary of a trust	29,644,000 shares of H share (Note 2)	10.67%	2.67%
Li Ka-Shing Unity Trustcorp Limited	Trustee and beneficiary of a trust	29,644,000 shares of H share (Note 2)	10.67%	2.67%
Li Ka-Shing Unity Trustee Company Limited	Trustee	29,644,000 shares of H share (Note 2)	10.67%	2.67%

SUBSTANTIAL SHAREHOLDER (continued)

Name of shareholder	Capacity	Number and class of securities	Approximate percentage of the same class of securities	Approximate percentage of total registered share capital
Cheung Kong Investment Company Limited	Interest of controlled corporation	14,823,000 shares of H share (Note 2)	5.33%	1.33%
Empire Grand Limited	Beneficial owner	14,823,000 shares of H share (Note 2)	5.33%	1.33%
Hutchison International Limited	Beneficial owner	14,823,000 shares of H share (Note 2)	5.33%	1.33%
Hutchison Whampoa Limited	Interest of controlled corporation	14,823,000 shares of H share (Note 2)	5.33%	1.33%
Jiang Jian Jun	Interest of controlled corporation	18,262,000 shares of H share (Note 3)	6.57%	1.64%
Huayin Group Investment Development Co., Ltd.	Beneficial owner	18,262,000 shares of H share (Note 3)	6.57%	1.64%

Notes:

1. Aviation Industry owns 76.83% of the equity interest in AVIC International which in turn owns 100% equity interest in AVIC Shenzhen. Hence, Aviation Industry is deemed, or taken to be, interested in the all shares of the Company in which AVIC International and AVIC Shenzhen are interested in, respectively.

Aviation Industry owns 60% of the equity interest in Beijing Raise. Hence, Aviation Industry is deemed, or taken to be, interested in all shares of the Company in which Beijing Raise is interested in.

AVIC International owns 100% of the equity interest in AVIC Shenzhen. Hence, AVIC International is deemed, or taken to be, interested in all shares of the Company in which AVIC Shenzhen is interested in.

As at 31 December 2012:

- (1) AVIC International held: (A) 437,264,906 shares of domestic shares of the Company, representing approximately 39.37% of the issued share capital of the Company; and (B) perpetual subordinated convertible securities in the amount of RMB1,604,736,493 which may be converted into 462,460,084 domestic shares of the Company at the initial conversion price of RMB3.47 (subject to the adjustment pursuant to the terms of perpetual subordinated convertible securities).
- (2) AVIC Shenzhen held: (A) 395,709,091 domestic shares of the Company, representing approximately 35.63% of the issued share capital of the Company; and (B) perpetual subordinated convertible securities in the amount of RMB118,207,225 which may be converted into 34,065,483 domestic shares of the Company at the initial conversion price of RMB3.47 (subject to the adjustment pursuant to the terms of perpetual subordinated convertible securities).
- (3) Beijing Raise held perpetual subordinated convertible securities in the amount of RMB1,058,729,021 which may be converted into 305,109,228 domestic shares of the Company at the initial conversion price of RMB3.47 (subject to the adjustment pursuant to the terms of perpetual subordinated convertible securities).

SUBSTANTIAL SHAREHOLDER *(continued)*

Notes: *(continued)*

2. The same equity interest of the above 29,644,000 shares of H share include:

- (A) Empire Grand Limited ("Empire Grand") holds 14,823,000 shares of H Share and Empire Grand is a wholly-owned subsidiary of Cheung Kong Investment Company Limited, which in turn is a wholly-owned subsidiary of Cheung Kong (Holdings) Limited ("CKH"); and
- (B) Hutchison International Limited ("HIL") holds 14,821,000 shares of H Share and HIL is a wholly-owned subsidiary of Hutchison Whampoa Limited ("HWL"). Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-Shing and Mr. Li Tzar Kuoi, Victor is interested in one-third and two-third respectively of the entire issued share capital, owns the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited ("TUT1"). TUT1 as trustee of The Li Ka-Shing Unity Trust, together with certain companies which TUT1 as trustee of The Li Ka-Shing Unity Trust is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of CKH. Certain subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.

In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") (as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1")) and Li Ka-Shing Unity Trustcorp Limited ("TDT2") (as trustee of another discretionary trust ("DT2")). Each of TDT1 and TDT2 holds units in The Li Ka-Shing Unity Trust.

By virtue of the SFO, each of Mr. Li Ka-shing, being the settler and regarded as the founder of each of DT1 and DT2 for the purpose of the SFO, TUT 1, TDT1, TDT2 and CKH is deemed to be interested in the aggregate 29,644,000 H shares of the Company held by Empire Grand and HIL.

3. Jiang Jian Jun owned the interests by virtue of his 100% beneficial interest in Huayin Group Investment Development Co., Ltd.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 28 to the financial statements.

ISSUE, PURCHASE, SALE OR REDEMPTION OF SHARES

References are made to the announcements of the Company dated 3 December 2010, 16 February 2011 and 15 July 2011, and the circular of the Company dated 31 December 2010 in relation to, among other things, the very substantial acquisitions and connected transactions involving issue of perpetual subordinated convertible securities. All conditions set out in the relevant agreements were fulfilled. According to the relevant agreements, the relevant acquisition was completed on 5 September 2012. Upon the completion and pursuant to the terms and conditions of the relevant agreements, the Company:

- (i) allotted and issued to AVIC International, 437,264,906 consideration shares at the issue price of RMB3.15 (equivalent to approximately HK\$3.89) per Domestic Share;
- (ii) issued to AVIC International, the AVIC International perpetual subordinated convertible securities in the aggregate amount of RMB1,604,736,493 convertible into 462,460,084 conversion shares at the initial conversion price of RMB3.47 (equivalent to approximately HK\$4.28) per Domestic Share;

ISSUE, PURCHASE, SALE OR REDEMPTION OF SHARES *(continued)*

- (iii) issued to AVIC Shenzhen, the AVIC Shenzhen perpetual subordinated convertible securities in the amount of RMB118,207,225 convertible into 34,065,483 conversion shares at the initial conversion price of RMB3.47 (equivalent to approximately HK\$4.28) per Domestic Share; and
- (iv) issued to Beijing Raise perpetual subordinated convertible securities in the amount of RMB1,058,729,021 convertible into 305,109,228 conversion shares at the initial conversion price of RMB3.47 (equivalent to approximately HK\$4.28) per Domestic Share.

Save as disclosed above, for the year ended 31 December 2012, neither the Company nor any of its subsidiaries, as the case may be, had issued, purchased, redeemed or sold any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association and the laws of the PRC, which require the Company to firstly offer new shares to the existing shareholders to purchase according to their respective proportions of shareholding.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company during the year ended 31 December 2012 and up to the date of this report are:

Executive Directors

Mr. Wu Guang Quan (chairman)
Mr. You Lei
Mr. Pan Lin Wu (appointed on 19 June 2012)
Mr. Chen Hong Liang (appointed on 19 June 2012)
Mr. Liu Jun (appointed on 19 June 2012)
Mr. Lai Wei Xuan (resigned on 19 June 2012)
Mr. Sui Yong (resigned on 19 June 2012)
Mr. Liu Rui Lin (resigned on 19 June 2012)
Mr. Xu Dong Sheng (resigned on 19 June 2012)

Non-executive Directors

Mr. Cheng Bao Zhong (resigned on 19 June 2012)
Mr. Qiu Shen Qian (resigned on 19 June 2012)
Mr. Wang Bin Bin (resigned on 19 June 2012)
Mr. Li Cheng Ning (resigned on 19 June 2012)

Independent non-executive Directors

Ms. Wong Wai Ling
Mr. Wu Wei
Mr. Zhang Ping (appointed on 19 June 2012)
Mr. Liu Xian Fa (resigned on 19 June 2012)

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS *(continued)*

Each of the service agreements of Mr. Wu Guang Quan, Mr. You Lei, Mr. Pan Lin Wu, Mr. Chen Hong Liang, Mr. Liu Jun, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Zhang Ping shall expire after three years commencing from 19 June 2012.

The service agreements of executive Directors Mr. Lai Wei Xuan, Mr. Sui Yong, Mr. Liu Rui Lin, Mr. Xu Dong Sheng, independent non-executive Director Mr. Liu Xian Fa, non-executive Directors Mr. Cheng Bao Zhong, Mr. Qiu Shen Qian, Mr. Li Cheng Ning and Mr. Wang Bin Bin expired at the conclusion of the annual general meeting held on 19 June 2012.

No Director or supervisor of the Company 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.

PROFILE OF DIRECTORS

Profiles of the Directors are set out in the section of "Profile of Directors and Supervisors" in this annual report.

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES

For the year ended 31 December 2012, to the best knowledge of the Directors of the Company, none of the Directors, supervisors of the Company is interested in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, supervisors or chief executives were taken or deemed to have under such provisions of the SFO) or which are required to be entered into the register maintained by the Company under section 352 of the SFO or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2012 was the Company, its subsidiaries or its holding company a party to any arrangement to enable any Directors, supervisors or management members of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporates.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

For the year ended 31 December 2012, none of the Director or supervisor of the Company had any significant interest, either direct or indirect, in any contract or arrangement of significance to the business of the Company.

Save as disclosed in this annual report, no contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders or any of its subsidiaries during the year ended 31 December 2012.

EMOLUMENTS OF DIRECTORS, SUPERVISORS

Details of the emoluments of the Directors and supervisors are set out in note 39 to the financial statements.

CHANGES OF DIRECTORS, SUPERVISORS

The term of service of the 5th Board of Directors and Supervisors Committee expired at the 2011 annual general meeting ("AGM") of the Company held on 19 June 2012. According to the provision of the Company's articles of association, the shareholders of the Company re-elected/elected the new Directors and Supervisors. Mr. Wu Guang Quan and Mr. You Lei were re-elected as the executive Directors of the 6th Board of Directors of the Company; Mr. Pan Lin Wu, Mr. Chen Hong Liang and Mr. Liu Jun were elected as the executive Directors of the 6th Board of Directors of the Company. Ms. Wong Wai Ling and Mr. Wu Wei were re-elected as the independent non-executive Directors of the 6th Board of Directors of the Company; and Mr. Zhang Ping was elected as an independent non-executive Director of the 6th Board of Directors of the Company. Ms. Wang Xin and Mr. Deng Bo Song were re-elected as supervisors of the 6th Supervisors Committee of the Company. Mr. Huang Bin was elected as a supervisor of the 6th Supervisors Committee of the Company.

Each of Mr. Lai Wei Xuan, Mr. Sui Yong, Mr. Liu Rui Lin and Mr. Xu Dong Sheng had resigned as an executive director of the Company with effect from 19 June 2012 due to change of work positions and each of them had confirmed that he had no disagreement with the Board and there was no matter relating to his resignation that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company.

Each of Mr. Cheng Bao Zhong, Mr. Qiu Shen Qian, Mr. Wang Bin Bin and Mr. Li Cheng Ning resigned as a non-executive director of the Company with effect from 19 June 2012 due to change of work positions and each of them had confirmed that he had no disagreement with the Board and there was no matter relating to his resignation that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company.

Mr. Liu Xian Fa resigned as an independent non-executive director of the Company with effect from 19 June 2012 due to increasing commitments of his professional and personal affairs and had confirmed that he had no disagreement with the Board and there was no matter relating to his resignation that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company.

Mr. Wang Xin Kuo resigned as a supervisor and chairman of the supervisory committee of the Company with effect from 19 June 2012 due to change of work positions and had confirmed that he had no disagreement with the Board and there was no matter relating to his resignation that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company.

EMPLOYEES AND REMUNERATION

As at 31 December 2012, the Group had 25,516 employees (2011: 24,458) with employee related costs of approximately RMB1,805,958,000 (2011: approximately RMB1,652,150,000). The Group formulated its competitive remuneration policy based on market condition and individual employee's performance.

SOCIAL INSURANCE SCHEMES

Details of the retirement fund scheme and health insurance scheme maintained by the Group are set out in note 33 to the financial statements.

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION ON CONTINUING CONNECTED TRANSACTIONS

Independent non-executive Directors of the Company have reviewed the continuing connected transactions set out below, and confirmed that these transactions have been entered into, in accordance with the relevant agreements, by the Group in the ordinary and usual course of business and on normal commercial terms which are fair and reasonable and in the interest of the shareholders of the Company as a whole.

CONNECTED TRANSACTIONS

1. Connected Transaction – Finance Lease Arrangement

On 9 January 2012, Yunnan Hongfu Chemical Fertilizer Co., Ltd. (“Yunnan Hongfu”), an indirect non-wholly owned subsidiary of the Company, entered into, among other things, a finance lease agreement (the “Finance Lease Agreement”) with AVIC International Leasing Company Limited (the “AVIC International Leasing”), pursuant to which Yunnan Hongfu has conditionally agreed to lease from AVIC International Leasing certain lease assets (the “Lease Assets”), which were purchased by Yunnan Hongfu under certain purchase agreements and to be transferred to AVIC International Leasing at a consideration of RMB44,000,000 under a transfer agreement (the “Transfer Agreement”) entered into between Yunnan Hongfu and AVIC International Leasing on 9 January 2012. Pursuant to the Finance Lease Agreement, the total lease consideration (including the principal amount of RMB44,000,000, interests, management fees and the optional purchase price for vesting the title and all rights of the Lease Assets in Yunnan Hongfu) to be paid by Yunnan Hongfu to AVIC International Leasing shall be not more than RMB80,000,000.

AVIC International Leasing is owned as to 52.5%, 16.27% and 31.23% by AVIC Investment Company Limited (“AVIC Investment”), AVIC International and other third parties respectively. AVIC Investment is wholly-owned by Aviation Industry. Aviation Industry owns as to 62.52% in AVIC International, which in turn owns 100% of AVIC Shenzhen. Accordingly, AVIC International Leasing is a connected person of the Company and the entering into the Finance Lease Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Finance Lease Arrangement are more than 0.1% but less than 5%, the finance lease arrangement and transactions contemplated under the Finance Lease Agreement, the Transfer Agreement, the Guarantee (as defined below) and the Share Pledge Agreement (as defined below) (together referred to as the “Finance Lease Arrangement”) are subject to the reporting and announcement requirements but exempted from independent Shareholders’ approval according to Chapter 14A of the Listing Rules.

On 9 January 2012, the Company entered into a guarantee (the “Guarantee”) in favour of AVIC International Leasing to secure due performance of the payment obligations by Yunnan Hongfu to AVIC International Leasing in accordance with the Finance Lease Agreement and the Transfer Agreement. The maximum obligation of the Company under the Guarantee is RMB80,000,000.

As the guarantee provided by the Company under the Guarantee is not in the ordinary and usual course of business of the Group but on normal commercial terms, and was provided not in proportion to the Group’s equity interest in Yunnan Hongfu, the Guarantee constitutes a financial assistance to Yunnan Hongyuan Investment Co., Ltd (“Yunnan Hongyuan”). As at 9 January 2012, Yunnan Hongyuan held 49% equity interest in Yunnan Hongfu, hence a substantial shareholder of Yunnan Hongfu and a connected person of the Company. The financial assistance arising from the Guarantee constitutes a connected transaction of the Company under Rule 14A.13(3) of the Listing Rules. As the applicable percentage ratios of the financial assistance arising from the Guarantee are more than 0.1% but less than 5%, the Guarantee is subject to the reporting and announcement requirements but exempted from independent Shareholders’ approval according to Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS *(continued)*

1. Connected Transaction – Finance Lease Arrangement *(continued)*

On the same date, Yunnan Hongyuan has entered into a share pledge agreement in favour of the Company (the “Share Pledge Agreement”). Pursuant to the Share Pledge Agreement, Yunnan Hongyuan shall pledge its 49% equity interest, dividend and other interest in Yunnan Hongfu to the Company to secure, including but not limiting to, due performance of the payment obligations by Yunnan Hongfu to AVIC International Leasing in accordance with the Finance Lease Agreement.

The transaction contemplated under the Share Pledge Agreement constitutes a connected transaction of the Company, however is exempt from reporting, announcement and approval of the independent shareholders under Rule 14A.65(4) of the Listing Rules as the Share Pledge Agreement is for the benefit of the Group and on normal commercial terms (or better to the Group) where no security over the assets of the Group is granted by the Group in respect of the Share Pledge Agreement.

As at the date of the entering into of the Finance Lease Arrangement, the construction of a phosphate production plant by Yunnan Hongfu is at the final state. As Yunnan Hongfu requires additional financial resources, the entering into of the Finance Lease Arrangement shall enable the Group to obtain additional financial resources for the general working capital of Yunnan Hongfu.

Details of the above Finance Lease Arrangement were set out in the announcement of the Company dated 9 January 2012.

2. Connected Transaction – Renovation Contract of Guangdong International Building

On 12 January 2012, GIB Company, a non-wholly subsidiary of the Company, entered into a renovation contract (the “2012 First Renovation Contract”) with CATIC Building Technology Company (formerly name as “Shenzhen CATIC Building Facilities Company Limited”, the “CATIC Building Facilities”) in relation to works of modernization and renovation of Guangdong International Building at a consideration not exceed RMB3,600,000. The renovation works was completed on 29 February 2012.

The Guangdong International Building is owned by GIB Company, of which the Company holds 75% equity interest. CATIC Building Facilities is owned as to 90% by CATIC Property Management Company Limited (formerly name as “Shenzhen CATIC Property Management Company Limited”, the “CATIC Property Management”) and as to 10% by Shenzhen CATIC Nanguang Elevator Engineering Company (the “CATIC Nanguang Elevator”). CATIC Property Management is wholly-owned by AVIC Real Estate. AVIC Real Estate is an associate of AVIC Shenzhen (which is a controlling Shareholder of the Company). CATIC Nanguang Elevator is owned as to 95% by CATIC Property Management and 5% by CATIC Building Facilities. According to Listing Rules, CATIC Building Facilities is a connected person of the Company. 2012 First Renovation Contract constitutes a connected transaction of the Group. As the applicable percentage ratios of the 2012 First Renovation Contract are more than 0.1% but less than 5%, the 2012 First Renovation Contract is subject to the reporting and announcement requirements but exempt from independent shareholders’ approval under Chapter 14A of the Listing Rules. Details of the 2012 First Renovation Contract were set out in the announcement of the Company dated 12 January 2012.

CONNECTED TRANSACTIONS *(continued)*

3. Continuing Connected Transaction – in relation to Purchase of TFT Colour LCD Modules and Intellectual Property Consulting Services

On 5 March 2012, Achievement Electronics Limited (“Achievement Electronics”) and NEC LCD Technologies, Ltd. (“NLT”) entered into a sale and purchase agreement (the “Sale and Purchase Agreement”) of TFT colour liquid crystal display modules (“TFT-LCD Modules”). Pursuant to the Sale and Purchase Agreement, Achievement Electronics agreed to purchase, and NLT agreed to sell TFT-LCD Modules and provide after-sale support and technical services to Achievement Electronics for an amount of not exceeding US\$14,000,000 for a term commenced on 5 March 2012 and expired on 31 December 2012.

The TFT-LCD Modules to be supplied by Japanese suppliers including NLT represent a leading and advanced level of electronic technology in the world. Apart from supply of TFT-LCD Modules, NLT also provides high quality after-sale service and technical support. The resale of the TFT-LCD Modules by Achievement Electronics to other overseas customers would earn Achievement Electronics and thus the Group a good reputation and influence in the TFT-LCD Modules market.

On 5 March 2012, Shanghai Tian Ma and NLT entered into a consulting service agreement (the “IP Consulting Service Agreement”). Pursuant to the IP Consulting Service Agreement, NLT agreed to provide consulting services in relation to intellectual property rights to Shanghai Tian Ma for an amount of services fee of not exceeding JPY135,000,000 for a term commenced on 5 March 2012 and expired on 31 December 2012.

NLT possesses over 2,000 patents on electronic products and expertise registered in various territories as well as extensive experience in negotiation on patent-related matters and legal suits and disputes within the jurisdiction of the United States. Leveraging on NLT’s advantageous position and with a view to facilitating the development and advancement of electronic products of Tian Ma, Tian Ma engaged NLT as its intellectual property rights consultant through the entering into of the IP Consulting Service Agreement between Shanghai Tian Ma and NLT.

Achievement Electronics is a direct wholly-owned subsidiary of Tian Ma. Shanghai Tian Ma is directly owned as to 21% and 30% by the Company and Tian Ma respectively. Tian Ma is a non-wholly owned subsidiary of the Company. NLT is owned as to 70% by Shenzhen CATIC Opto-electronics. Shenzhen CATIC Opto-electronics is owned as to 51% by AVIC Shenzhen and as to 49% by AVIC International. As at 5 March 2012, AVIC International held 100% interest in AVIC Shenzhen. Accordingly, NLT is a connected person of the Company and the transactions contemplated under each of the Sale and Purchase Agreement and the IP Consulting Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for the respective maximum caps of the Sale and Purchase Agreement and the IP Consulting Service Agreement are more than 0.1% but less than 5%, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under each of the Sale and Purchase Agreement and the IP Consulting Service Agreement are subject to the reporting and announcement requirements but are exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules. Details of the Sale and Purchase Agreement and the IP Consulting Service Agreement were set out in the announcement of the Company dated 5 March 2012.

CONNECTED TRANSACTIONS *(continued)*

4. Continuing Connected Transaction – in relation to Joint Research and Development and Operating Lease

On 24 July 2012, Shanghai Tian Ma and NLT entered into a joint research and development agreement (the “Joint Research and Development Agreement”) for a term of one year commencing from 10 August 2012 to 9 August 2013. Pursuant to the Joint Research and Development Agreement, Shanghai Tian Ma and NLT have agreed to jointly research and develop the structure and the manufacturing process of oxide-based thin film transistors (“Oxide-TFT”), for which Shanghai Tian Ma as lessee shall rent and utilize the production line from NLT as lessor for a rental amount of JPY104,000,000 (equivalent to RMB3,452,000) for a term of one year commencing from 10 August 2012 to 9 August 2013.

The collaboration with NLT in the development of oxide semiconductor technology will help Shanghai Tian Ma to speed up the development of the technology, which is more time-saving and economical, as well as to strengthen the build-up and to accelerate the growth of the research and development team of Shanghai Tian Ma, and to form a competition edge to an adequate extent.

Shanghai Tian Ma is directly owned as to 21% and 30% by the Company and Tian Ma respectively. Tian Ma is a non-wholly owned subsidiary of the Company. NLT is owned as to 70% by Shenzhen CATIC Opto-electronics. Shenzhen CATIC Opto-electronics is owned as to 51% by AVIC Shenzhen and as to 49% by AVIC International. AVIC Shenzhen is the promoter and controlling shareholder of the Company, which as at 24 July 2012, held approximately 58.77% of the issued share capital of the Company. AVIC International held 100% interest in AVIC Shenzhen. The transactions contemplated under the Joint Research and Development Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for the Joint Research and Development Agreement, the IP Consulting Service Agreement mentioned in the third paragraph of this section and each lease mentioned in the announcement on 19 December 2011 are in aggregate more than 0.1% but less than 5%, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under the Sales and Purchase Agreement and IP Consulting Service Agreement are subject to the reporting and announcement requirements but are exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules. Details of the Joint Research and Development Agreement and operating lease were set out in the announcement of the Company dated 24 July 2012.

5. Continuing Connected Transactions – Framework Agreement for the Continuing Connected Transactions with 12 companies recently injected to the Group in the coming three years

On 30 November 2010, the Company entered into equity interests acquisition agreements with AVIC International, AVIC Shenzhen and Beijing Raise. The Company acquired certain equity interests in 12 companies from AVIC International, AVIC Shenzhen and Beijing Raise by way of issuing the domestic shares and perpetual subordinated convertible securities of the Company. Upon the completion of the acquisitions, Aviation Industry, AVIC International, Vanke Enterprise Company Limited (“Vanke Enterprise”), Beijing Raise and their respective associates are connected parties of the Company. The continuing connected transactions subsisting with the above mentioned companies would constitute the continuing connected transactions of the Company. Therefore, the Company revised or renewed the framework agreements contemplating the continuing connected transactions on 5 September 2012, with the term commenced from 5 September 2012 to the 31 December 2014 according to the annual cap as provided in the respective framework agreements. The Company published an announcement on 9 September 2012 in accordance with the requirement of Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS (continued)**5. Continuing Connected Transactions – Framework Agreement for the Continuing Connected Transactions with 12 companies recently injected to the Group in the coming three years** (continued)

Continuing connected transactions that were subject to independent shareholders' approval are set out as follows:

Name of Agreement	Parties	Annual Cap Amount for 2012 (RMB yuan)	Annual Cap Amount for 2013 (RMB yuan)	Annual Cap Amount for 2014 (RMB yuan)
(1) The New Aviation Industry Sale Framework Agreement	1) the Company 2) Aviation Industry	105,000,000	148,000,000	195,000,000
(2) The New Aviation Industry Purchase Framework Agreement	1) the Company 2) Aviation Industry	24,000,000	32,000,000	35,000,000
(3) The New AVIC International Sale Framework Agreement	1) the Company 2) AVIC International	450,000,000	700,000,000	950,000,000
(4) The New AVIC International Purchase Framework Agreement	1) the Company 2) AVIC International	2,000,000,000	3,600,000,000	3,800,000,000
(5) The New Aviation Industry – Agency Services Framework Agreement	1) the Company 2) Aviation Industry	64,000,000	132,000,000	136,000,000
(6) The New AVIC International – Agency Services Provision Framework Agreement	1) the Company 2) AVIC International	81,000,000	125,000,000	160,000,000
(7) The AVIC International – Agency Services Acceptance Framework Agreement	1) the Company 2) AVIC International	23,500,000	65,000,000	72,000,000
(8) Engineering Services Framework Agreement	1) the Company 2) Aviation Industry	20,000,000	24,000,000	27,000,000
(9) Aviation Industry Labour Agency Services Framework Agreement	1) the Company 2) Aviation Industry	5,000,000	11,000,000	13,000,000
(10) AVIC International Labour Agency Services Framework Agreement	1) the Company 2) AVIC International	11,000,000	15,600,000	15,600,000
(11) The New Aviation Industry Financial Framework Agreement	1) the Company 2) Aviation Industry	6,650,000,000	8,450,000,000	9,200,000,000
(a) (amount of acceptance of loans/guarantees)				
(b) (interest/guarantee fee of acceptance of loans/guarantees)		650,000,000	820,000,000	880,000,000
(12) The New AVIC International Financial Framework Agreement	1) the Company 2) AVIC International	11,700,000,000	22,000,000,000	29,000,000,000
(a) (amount of acceptance of loans/guarantees)				
(b) (interest/guarantee fee of acceptance of loans/guarantees)		357,200,000	420,000,000	450,000,000
(13) Aviation Industry Construction Services Framework Agreement	1) Engineering Company 2) Aviation Industry	100,000,000	200,000,000	–
(14) AVIC International Construction Services Framework Agreement	1) Engineering Company 2) AVIC International	200,000,000	470,000,000	–

CONNECTED TRANSACTIONS *(continued)***5. Continuing Connected Transactions – Framework Agreement for the Continuing Connected Transactions with 12 companies recently injected to the Group in the coming three years** *(continued)*

Continuing connected transactions that were exempted from independent shareholders' approval requirement are set out as follows:

Name of Agreement	Parties	Annual Cap Amount for 2012 (RMB yuan)	Annual Cap Amount for 2013 (RMB yuan)	Annual Cap Amount for 2014 (RMB yuan)
The New Property Management Framework Agreement	1) the Company 2) Vanke Enterprise 3) Vanke Property Development Co., Ltd.	65,000,000	66,500,000	69,000,000
Beijing Ruixin Property Management Framework Agreement	1) Beijing Ruixin 2) Beijing AVIC Da Bei Property Management Company Limited	5,000,000	5,000,000	–

For details of above continuing connected transactions, please refer to the announcement of the Company dated 5 September 2012 and circular of the Company dated 24 October 2012. The above connected transactions that were subject to independent shareholders' approval were passed on the extraordinary general meeting held on 24 December 2012. For details, please refer to the announcement of the Company dated 24 December 2012.

6. Connected Transactions – Acquisitions of 5% of equity interests in each of Schneider Tianjin and TJMG

On 22 November 2012, Beijing Company, a wholly-owned subsidiary of the Company, entered into two disposal agreements with Tianjin Tianli Aviation Electro-mechanical Co., LTD ("Tianjin Tianli"), pursuant to which, Beijing Company conditionally agreed to sell to Tianjin Tianli 5% equity interest of Schneider Electric Low Voltage (Tianjin) Co., Ltd. ("Schneider Tianjin"), at the consideration of RMB39,080,000 and 5% equity interest of Tianjin Merlin Gerin Co., Ltd. ("TJMG") to Tianjin Tianli at the consideration of RMB2,810,000 respectively. As Tianjin Tianli is a connected person of the Company, both the two disposals constitute connected transactions of the Company. As the applicable ratios in respect of the aforesaid disposals are more than 0.1% but less than 5%, the disposals were subject to reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Group intends that the disposals will expedite Beijing Company's focus on the corporate transformation, and focus its resources in the development of its principal business to achieve professionalism, and gradually withdrawing from its long term equity investments in non-core business.

Details of the aforesaid two disposals were set out in the announcement of the Company dated 22 November 2012.

CONNECTED TRANSACTIONS *(continued)*

7. Continuing Connected Transaction – in relation to Chengdu Raise Property Service Contract

On 22 November 2012, Chengdu Raise (a 60%-owned subsidiary of the Company) and CATIC Property Management (Chengdu Branch) entered into a property management framework agreement (the “Chengdu Raise Property Service Contract”), pursuant to which CATIC Property Management (Chengdu Branch) agreed to provide property management services to Chengdu Raise for a term commencing on 22 November 2012 and expiring on 31 December 2014. The service fee payable by Chengdu Raise under the Chengdu Raise Property Service Contract for the period from 22 November 2012 to 31 December 2012, and for each of the 12 months ending 31 December 2013 and 31 December 2014 will not exceed RMB500,000, RMB2,100,000 and RMB7,100,000, respectively.

Chengdu Raise is a non-wholly-owned subsidiary of the Company as at 22 November 2012. CATIC Property Management (Chengdu Branch) is a branch of CATIC Property Management, which is, in turn, a wholly-owned subsidiary of CATIC Real Estate, an associate of AVIC Shenzhen. AVIC International owns 100% equity interest of AVIC Shenzhen (a controlling shareholder of the Company holding approximately 35.63% of the issued share capital of the Company and perpetual subordinated convertible securities in the amount of RMB118,207,225). Accordingly, CATIC Property Management (Chengdu Branch) is a connected person of the Company and the transactions contemplated under the Chengdu Raise Property Service Contract constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The entering into of the Chengdu Raise Property Service Contract between Chengdu Raise and CATIC Property Management (Chengdu Branch) is due to the professional knowledge and expertise of CATIC Property Management (Chengdu Branch) in the field of property management and that CATIC Property Management (Chengdu Branch) is one of the top property management enterprises in the PRC.

Details were set out in the announcement of the Company dated 22 November 2012.

8. Very Substantial Disposal and Connected Transaction: Capital Increase Agreement and Deemed Disposal of Interest in AVIC Vanke

On 27 December 2012, the Company, Vanke Enterprise, AVIC International and AVIC Vanke entered into a capital increase agreement (the “Capital Increase Agreement”), pursuant to which AVIC International and Vanke Enterprise have respectively conditionally agreed to make a capital contribution of RMB600,000,000 and RMB400,000,000 in cash to the registered capital and then capital reserve of AVIC Vanke (the “Proposed Capital Increase”).

As at 27 December 2012, the Company held 60% interest in AVIC Vanke. Assuming that upon completion of the capital increase, the shareholding of the Company in AVIC Vanke will be diluted from 60% to 47.12% of the enlarged registered capital of AVIC Vanke. The dilution of the Company’s interest in AVIC Vanke constitutes a deemed disposal of interest in AVIC Vanke under Rule 14.29 of the Listing Rules.

As the percentage ratios under the Listing Rules applicable to the Proposed Capital Increase are more than 75%, the Proposed Capital Increase constitutes a very substantial disposal of the Company. Accordingly, the Proposed Capital Increase is subject to, among other things, the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

CONNECTED TRANSACTIONS *(continued)*

8. **Very Substantial Disposal and Connected Transaction: Capital Increase Agreement and Deemed Disposal of Interest in AVIC Vanke** *(continued)*

As each of AVIC International and Vanke Enterprise is a connected person of the Company, the Proposed Capital Increase also constitutes a connected transaction of the Company. Accordingly, the Proposed Capital Increase is subject to, among other things, the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will hold an extraordinary general meeting to consider this connected transaction on 12 April 2013.

It is expected that AVIC Vanke, following the Proposed Capital Increase, will be able to reduce the finance cost for business development, improve its structure of assets and liabilities and further enhance its financing capability in the future, which will result in a higher level of revenue via facilitating a further business expansion and may benefit the Company with a relevant amount of revenue corresponding to its equity interest in AVIC Vanke.

For further details, please refer to the announcement of the Company dated 27 December 2012 and circular of the Company dated 25 February 2013.

Save as disclosed above, all related party transactions in the year ended 31 December 2012 disclosed in note 50 to the consolidated financial statement did not constitute connected transaction or continuing connected transaction of the Company subject to, among other things, reporting, announcement, annual review or independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

AUDITOR'S CONFIRMATION

For the purpose of Rule 14A.38 of the Listing Rules, the Company appointed the auditors, Pricewaterhousecoopers, to carry out review procedures on the connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 'Assurance Engagement Other Than Audits or Reviews of Historical Financial Information' and with reference to Practice Note 740 'Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules' issued by the Hong Kong Institute of Certified Public Accountants. The auditors provided to the Stock Exchange a copy of letter in respect of the continuing connected transactions confirming that:

- a. nothing has come to the auditors' attention that causes the auditors to believe that the relevant continuing connected transactions have not been approved by the Board.
- b. for transactions involving the provision of goods or services by the Group, nothing has come to the auditors' attention that causes the auditors to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company.
- c. nothing has come to the auditors' attention that causes the auditors to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- d. with respect to the respective amount of the relevant continuing connected transactions, nothing has come to the auditors' attention that causes the auditors to believe that the respective amount of transactions have exceeded the respective cap as disclosed in the previous announcements made by the Company.

SIGNIFICANT EVENTS

1. **Re-election of members of the Board and Supervisor Committee, appointment of Chairman of the Board and Chairman of Supervisor Committee; Change of Company Secretary and Authorized Representative; Appointment of alternate Authorized Representative and Change of composition of committees of the Board**

On 19 June 2012, a general meeting was held to re-elect and appoint Directors and supervisors of the Company. The executive Directors for re-election or appointment are Mr. Wu Guang Quan, Mr. You Lei, Mr. Pan Lin Wu, Mr. Chen Hong Liang and Mr. Liu Jun; independent non-executive Directors are Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Zhang Ping. Mr. Huang Bin, Ms. Wang Xin and Mr. Deng Bo Song were considered and appointed as supervisors of the Company.

Mr. Wu Guang Quan was re-elected and remained as the Chairman of the Board, and Mr. Huang Bin has been appointed as the Chairman of the Supervisor Committee by Supervisor Committee. Mr. Zeng Jun resigned as the company secretary of the Company (the "Company Secretary") and one of authorized representatives of the Company (the "Authorized Representative") due to changes of work position. After Mr. Zeng's resignation, the Board has resolved on 19 June 2012 to appoint Mr. Huang Yong Feng as Company Secretary and Authorized Representative in replace of Mr. Zeng. The appointment of Mr. Huang has been approved by Stock Exchange and took effect from 20 July 2012. Mr. Zhong Si Jun has been appointed as alternate Authorized Representative of the Company to Mr. Huang Yong Feng by the Board of the Company. The appointment of Mr. Zhong took effect from 20 July 2012.

The changes of member for each Audit Committee, Remuneration Committee and Nomination Committee of the Company have been made.

For details, please refer to the announcement of the Company dated 19 June 2012.

2. **Proposal of General Mandate to Issue Debentures Denominated in Renminbi by the Company**

With a view to broadening financing channels, reducing finance costs and improving debt structure of the Company, a Board meeting was held on 19 June 2012 to consider and approve a resolution in relation to the general mandate. It was proposed that general mandate be granted to the Board to issue debentures, in tranches, by way of medium-term notes. The maximum outstanding repayment amount of the debentures to be issued under the general mandate shall not exceed RMB2 billion in aggregate. Each term of maturity for medium-term notes shall not exceed 5 years. Specific terms will be determined by the Board with reference to the market condition and the Company's need for funding. It is expected that the interest rate will not exceed the rate for the loans for the same tenure in the market at the time of issue. Actual interest rate will be determined by the Board with reference to the market condition at the time of issue. For details, please refer to the announcement of the Company dated 19 June 2012.

3. **Proposed Issuance of Debentures by Fiyta, a non-wholly-owned Subsidiary of the Company**

On 19 June 2012, the board of directors of Fiyta, a non-wholly-owned subsidiary of the Company, proposed to issue the debentures on an underwritten basis. The debentures are denominated in RMB, and proposed to have a principal amount not exceed RMB400 million and a maturity not exceeding 5 years. The interest rate and repayment terms will be fixed by Fiyta and the principal underwriter according to the market condition. The principal amount and the maturity of the debentures will be determined with reference to the market condition and capital needs of Fiyta. The debentures issuance was approved by the shareholders of Fiyta, China Securities Regulation Commission and the relevant PRC government authorities. On 27 February 2013, Fiyta issued debentures in the principal amount of RMB400 million to institutional and individual investors holding a registered A-Share account of Fiyta with a maturity period of five years. The interest rate is calculated at the proposed fixed interest rate ranging from 4.5% to 5.5% for the three years from the date of issuance. The interest rate will be adjusted upward within a range from 0.01% to 1% starting from the fourth and fifth years of the maturity period. Fiyta has completed the issuance of debentures. For details, please refer to the announcements of the Company dated 19 June 2012 and 22 February 2013.

SIGNIFICANT EVENTS *(continued)*

4. Supplemental Agreements in Relation to the Very Substantial Acquisitions and Connected Transactions Involving Issue of Perpetual Subordinated Convertible Securities

On 16 November 2011, the Company entered into an acquisition agreement with each of AVIC International (the "Acquisition Agreement 1") and with AVIC Shenzhen (the "Acquisition Agreement 2" and "Acquisition Agreement 3"), respectively in relation to the very substantial acquisitions and connected transactions involving the issue of perpetual subordinated convertible securities by the Company.

On 27 June 2012, the Company entered into a supplemental agreement with each of AVIC International (the "Supplemental Agreement 1") and AVIC Shenzhen (the "Supplemental Agreement 2") to amend certain terms of the Acquisition Agreement 1 and the Acquisition Agreement 2. Pursuant to the Acquisition Agreement 1 and the Acquisition Agreement 2, completion of the Acquisition Agreement 1 and the Acquisition Agreement 2 and the transactions contemplated thereunder are interconditional and shall take place simultaneously. Pursuant to the Supplemental Agreement 1, the Company and AVIC International agreed to cancel the interconditional and simultaneous completion requirement of the Acquisition Agreement 1 with Acquisition Agreement 2. Pursuant to the Supplemental Agreement 2, the Company and AVIC Shenzhen agreed to cancel the inter-conditional and simultaneous completion requirement of the Acquisition Agreement 2 with Acquisition Agreement 1. For details, please refer to the announcements of the Company dated 21 November 2011 and 27 June 2012, and the circular of the Company dated 23 December 2011.

On 29 June 2012, transactions under Acquisition Agreement 1 and Acquisition Agreement 3 received the approval from the State-owned Assets Supervision and Administration Commission of the State Council, while transaction under Acquisition Agreement 2 has not yet received approval from the State-owned Assets Supervision and Administration Commission of the State Council.

On 31 December 2012, the Company entered into a supplemental agreement with each of AVIC International (the "Supplemental Agreement 3") and AVIC Shenzhen (the "Supplemental Agreement 4") to amend certain terms of the Acquisition Agreement 1, the Acquisition Agreement 2 and the Acquisition Agreement 3. Pursuant to the Acquisition Agreement 1, the Acquisition Agreement 2 and the Acquisition Agreement 3, completion of the Acquisition Agreement 1, the Acquisition Agreement 2 and the Acquisition Agreement 3 and the transactions contemplated thereunder shall take place before 31 December 2012 (or such later date as agreed in writing by the related parties). Pursuant to the Acquisition Agreement 3 and the Acquisition Agreement 4, the completion date of said condition above will be extended to 31 December 2013 (or such later date as agreed in writing by the related parties).

5. Completion of Very Substantial Acquisitions and Connected Transactions Involving Issue of Domestic Shares and Perpetual Subordinated Convertible Securities for the Acquisition of Interests in 12 Companies from Parent Company and Its Associates

On 5 September 2012, the very substantial acquisitions and connected transactions of the Company-issuance of Domestic Shares and perpetual subordinated convertible securities for the acquisition of equity interests in 12 companies from AVIC International, AVIC Shenzhen and Beijing Raise was completed. The Company also completed the issuance and registration of the Domestic Shares and perpetual subordinated convertible securities. Such very substantial acquisitions and connected transactions were completed. The new business license of the Company was issued by Economy, Trade and Information Commission of Shenzhen Municipality on 5 September 2012.

6. Proposed Change of Company Name and Proposed Amendments to the Articles of Association

On 5 September 2012, the Company proposed to change the existing name of the Company to "中航國際控股股份有限公司 (AVIC International Holdings Limited)". The Company proposed to make certain amendments to the Articles of Association in relation to, among other things, (i) the proposed change of Company name; and (ii) the inclusion of provision for appointment of deputy chairman. For details, please refer to the announcement of the Company dated 5 September 2012 and the circular of the Company dispatched on 4 October 2012.

SIGNIFICANT EVENTS *(continued)*

7. Further Development in relation to the Very Substantial Acquisitions and Connected Transactions involving Issue of Perpetual Subordinated Convertible Securities

On 11 October 2012, the Company received the approval from China Securities Regulatory Commission, waiving the obligation of the Company for a general offer of shares of Rainbow Stores arising out of the acquisition of 316,257,000 shares of Rainbow Stores. For details, please refer to the announcements of the Company dated 21 November 2011, 27 June 2012 and 11 October 2012, and the circular of the Company dated 23 December 2011.

8. Discloseable Transaction-Acquisition of DELTAMARIN

On 12 October 2012, AVIC International Investments, an indirect subsidiary of the Company, entered into a sale and purchase agreement (the "Agreement") pursuant to which a newly established subsidiary by AVIC International Investments has conditionally agreed to acquire the entire issued share capital of 4,650 shares of Deltamarin Oy at a consideration of €32,109,348. As the applicable percentage ratios under the Listing Rules in relation to the acquisition were more than 5% but less than 25%, the Acquisition constituted a discloseable transaction under Chapter 14 of the Listing Rules and therefore was subject to reporting and announcement requirements under the Listing Rules. For details, please refer to the announcement of the Company dated 12 October 2012.

9. Discloseable Transaction – Finance Lease Arrangement

On 7 December 2012, Shandong New Shipbuilding Heavy Industry Co., Ltd. (the "Shandong Shipbuilding"), an indirect subsidiary of the Company and Minsheng Financial Leasing Company Limited (the "Minsheng Leasing") entered into, among others things, a finance lease contract (the "Finance Lease Contract"), pursuant to which Shandong Shipbuilding agreed to sell to Minsheng Leasing a 100,000 tonnes dock for shipbuilding and a 100,000 tonnes dock for ship repairing (the "Shipyards") for RMB140,000,000; and to lease from Minsheng Leasing the Shipyards for a term of 36 months for RMB155,121,875.18 (subject to adjustment according to the benchmark lending rate promulgated by the People's Bank of China from time to time), inclusive of interest at an annual rate of 6.4575%, payable every three months (together the "Finance Lease Arrangement").

As the applicable percentage ratios under the Listing Rules in relation to the Finance Lease Arrangement are more than 5% but less than 25%, the Finance Lease Arrangement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Finance Lease Arrangement is subject to the requirements of reporting and announcement, but is exempted from the requirements of shareholders' approval, pursuant to Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 7 December 2012.

10. Discloseable Transaction – Provision of Guarantee

On 20 December 2012, Catico Investments Pte. Ltd. (the "Catico"), an indirect wholly-owned subsidiary of the Company, executed a deed of guarantee in favour of a bank, pursuant to which Catico guaranteed to pay all due, owing or unpaid liabilities to the bank by the Borrower (a joint stock company owned as to 37% by Catico) from time to time in the maximum amount of US\$26,412,820 (together with interests, and all costs, charges and expenses of the bank). It is expected that the Deed of Guarantee will be released and replaced by a guarantee agreement to be executed by Xiamen Company in favour of the Bank upon the same being approved and registered by the State Administration of Foreign Exchange of the PRC.

As the applicable percentage ratios under the Listing Rules in relation to the provision of guarantee are more than 5% but less than 25%, the provision of guarantee constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the provision of guarantee is subject to the requirements of reporting and announcement, but is exempted from the requirement of shareholders' approval, pursuant to Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company on 20 December 2012.

FOREIGN EXCHANGE RISK

The Group has no material foreign exchange risk as the Group's products are mainly distributed in domestic market and its export business is mainly settled in US dollar or HK dollar. Details of foreign exchange risk of the Group during the year ended 31 December 2012 are set out in the Note 4 of the financial statement.

CONTINGENT LIABILITIES

As at 31 December 2012, Weihai Shipyard had provided a three years guarantee of RMB150,000,000 in favour of Weihai Port Group Co., Ltd. (威海港集團有限公司), and a one year guarantee of RMB120,000,000 in favour of Weihai Port Co., Ltd. (山東威海港股份有限公司); Shandong New Shipbuilding Co., Ltd. had provided a one year guarantee of RMB15,000,000 and a three year guarantee of RMB22,000,000 in favour of Shandong New Shipbuilding Ship Steel Outfitting Co., Ltd. (山東新船重工船用鋼質舾裝件有限公司), a one year guarantee of RMB55,000,000 in favour of Weihai Port Co., Ltd., a one year guarantee of RMB10,000,000 in favour of Shandong New Shipbuilding Pipe Outfitting Production Co., Ltd, and a one year guarantee of RMB55,000,000 in favour of Weihai Port Group Co., Ltd; Xiamen Company had provided a long term guarantee of RMB140,000,000 in favour of Xiamen Tianma Microelectronics Co., Ltd, and a long term guarantee of USD26,412,820 in favour of Radiance Catco Offshore Pte. Ltd.

MAJOR LITIGATION

On 27 September 2012, Xiamen Arbitration Committee accepted the application for arbitration hearing from Xiamen Company in relation to discharge a sales and purchase agreement entered into by Xiamen Company with a third party, and a claim for outstanding payment for goods of RMB13,145,000, legal costs of RMB150,000 and arbitration costs. The judgment was ruled in favour of Xiamen Company and the execution is currently in progress.

On 28 September 2012, Xiamen Company filed a claim for damages of RMB36,680,000 and legal costs of RMB150,000 for failure to deliver goods purchased and stored by the counterparty at the Intermediate People's Court of Nanjing City (南京市中級人民法院). Intermediate People's Court of Nanjing City accepted the case on 20 November 2012. The proceeding is currently in progress.

On 4 December 2012, Xiamen Arbitration Commission (廈門仲裁委員會) accepted the application for arbitration hearing from Xiamen Company in relation to the performance of the sales and purchase agreement entered into by Xiamen Company and a counterparty, requisition of the discharge of the sales and purchase agreement, and a counterparty repayment of the loan of RMB21,480,000 with compensation for loss of interest, legal cost of RMB150,000 and arbitration costs incurred by Xiamen Company. The proceeding is currently in progress.

MAJOR LITIGATION *(continued)*

On 19 November 2012, the application of arbitration hearing from Xiamen Company was filed by Xiamen Arbitration Commission (廈門仲裁委員會) in relation to a claim of RMB25,370,000 for loss of goods, loss of interest and legal costs, maintenance costs against the counterparty for failure to deliver the goods stored; and to requisition on the confirmation of entitlement of the security rights and application for auction and sales of the pledged properties as well as the priority of compensation over proceeds. On 13 December 2012, the People's Court of Shanghai Baoshan District (上海市寶山區人民法院) accepted the application from Xiamen Company and made the rule of property preservation. The proceeding is currently in progress.

On 25 December 2012, the Higher People's Court of Chongqing City (重慶市高級人民法院) accepted a legal proceeding initiated by Chongqing AVIC Vanke Yunling Real Estate Co., Ltd. (重慶中航萬科雲嶺置業有限公司) (owned as to 50% by AVIC Vanke), Chongqing Wanbin Real Estate Co., Ltd. (重慶萬濱置業有限公司) (owned as to 50% by AVIC Vanke) and Chongqing AVIC Vanke Junjing Real Estate Co., Ltd. (重慶中航萬科峻景置業有限公司) (owned as to 50% by AVIC Vanke) (the above three companies are collectively referred to as the "Project Companies") and CNAIE Properties Development Co., Ltd. (中航技房地產開發有限公司) ("CNAIE Properties") (owned as to 80% by AVIC International and as to 20% by Engineering Company). The legal proceeding was initiated against 3 defendants (the "Defendants") relates to a series of contracts regarding parties' cooperation in the construction of property projects, pursuant to which the Defendants undertake to, among other things, migrate high-voltage line on the lands, construct roads, and renovate and demolish existing properties on the lands. The Project Companies were then initially established by CNAIE Properties to develop and operate the property projects. The Project Companies and CNAIE Properties have claimed for damages resulting from the breach by the Defendants of its contractual obligations under the series of contracts, among other things, (i) full performance by the Defendants of the obligations, and penalty of RMB613,800,000, together with compensation of RMB4,000,000 and disbursement of RMB7,000,000 with joint and several liabilities, (ii) delivery of rights of operation to the plaintiffs, together with penalty of RMB100,000,000, (iii) delivery of legal and valid invoice which can be accounted for cost of RMB152,256,900 and (iv) the bearing by the Defendants of the relevant litigation costs.

SUBSEQUENT EVENTS

1. **Change of Company Name and Change of the Stock Short Name of the Company**

On 5 February 2013, the Board of the Company announced that the name of the Company has been changed from "深圳中航集團股份有限公司 (CATIC Shenzhen Holdings Limited)" to "中航國際控股股份有限公司 (AVIC International Holdings Limited)". Following the change of name of the Company, the stock short name of the Company for trading in the H Shares on the Stock Exchange will be changed from "CATIC SHENZHEN" and "深圳中航集團股份" to "AVIC IHL" and "中航國際控股" with effect from 8 February 2013. The stock code of the Company remains unchanged. A new business license bearing the new name of the Company in Chinese was issued by the Market Supervision Administration of Shenzhen Municipality (深圳市市場監督管理局) on 4 January 2013. The Certificate of Registration of Change of Corporate Name of Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 1 February 2013 certifying that the new name of the Company has been registered in Hong Kong under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). For details, please refer to the announcements of the Company dated 5 September 2012 and 5 February 2013, and the circular of the Company dated 4 October 2012.

SUBSEQUENT EVENTS *(continued)*

2. Continuing Connected Transaction – Beijing Entrusted Management Agreement

On 15 January 2013, Beijing Company (a wholly-owned subsidiary of the Company) and CATIC Real Estate entered into an entrusted management agreement (the “Beijing Entrusted Management Agreement”), pursuant to which CATIC Real Estate agreed to provide management services to Beijing Company for a term commencing on 15 January 2013 and expiring on 31 December 2015. The service fee payable by Beijing Company under the Beijing Entrusted Management Agreement (the “Entrusted Management Fee”) for the period from 15 January 2013 to 31 December 2013, and for each of the year ending 31 December 2014 and 31 December 2015 shall not exceed RMB14,000,000, RMB12,000,000 and RMB17,000,000, respectively.

Beijing Company is a wholly-owned subsidiary of the Company as at 15 January 2013. CATIC Real Estate is an associate of AVIC Shenzhen. Aviation Industry owns 76.83% of the equity interest in AVIC International (a controlling shareholder of the Company holding approximately 39.37% of the issued share capital of the Company and perpetual subordinated convertible securities in the amount of RMB1,604,736,493), which in turn owns 100% equity interest of AVIC Shenzhen (a controlling shareholder of the Company holding approximately 35.63% of the issued share capital of the Company and perpetual subordinated convertible securities in the amount of RMB118,207,225). Aviation Industry also owns 60% of the equity interest of Beijing Raise (holding perpetual subordinated convertible securities in the amount of RMB1,058,729,021). Accordingly, CATIC Real Estate is a connected person of the Company and the transactions contemplated under the Beijing Entrusted Management Agreement constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 15 January 2013.

3. Continuing Connected Transaction – New Lease between Fiyta and Xi'an Tianyue Hotel Company

On 21 January 2013, Fiyta and Xi'an Tianyue Hotel Company Limited (“Xi'an Tianyue”) entered into a lease (the “New Lease”). Pursuant to the New Lease, Fiyta, as lessor, agreed to grant and Xi'an Tianyue Hotel Company, as lessee, agreed to take up the lease in respect of certain portion occupying an area of 12,455.06 sq.m. in Xi'an Tianyue Hotel for a term commencing from 21 January 2013 to 31 December 2013 for a total rent of not more than RMB6,000,000. As at 21 January 2013, Fiyta is a non-wholly owned subsidiary of the Company, and Xi'an Tianyue Hotel Company is owned as to 100% by Shenzhen CATIC Hotel Management Company Limited, which is an associate of AVIC Shenzhen. As at 21 January 2013, AVIC Shenzhen is a controlling shareholder of the Company holding approximately 36.63% of the issued share capital of the Company and perpetual subordinated convertible securities in the amount of RMB118,207,225. Accordingly, Xi'an Tianyue Hotel Company is a connected person of the Company and the New Lease constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 21 January 2013.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Except for the code provision A.2.1, the Company has adopted and complied with the code provisions set out in the Code of Corporate Governance Practices which was contained in Appendix 14 to the Listing Rules and was effective before 1 April 2012 during the period from 1 January 2012 to 31 March 2012 and the code provisions set out in the revised Corporate Governance Code which was contained in the revised Appendix 14 to the Listing Rules and was effective from 1 April 2012 during the period from 1 April 2012 to 31 December 2012. For further details, please refer to the paragraph headed “4. Chairman and Chief Executive” in the Corporate Governance Report in this Annual Report. During the period, the Company has introduced remedial measures and systems for existing drawbacks in order to further improve its internal control.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Model Code for Securities Transactions by Directors of Listed Issuers the (“Model Code”) set out in Appendix 10 of the Listing Rules has been adopted as a code of securities transactions for the Directors and supervisors of the Company. The Company, having made specific enquiries with all Directors and supervisors of the Company, confirmed that, during the fiscal year ended 31 December 2012, all Directors and supervisors of the Company had complied with the required standards of dealing in securities specified in the Model Code.

AUDIT COMMITTEE

The Board of the Company has established an audit committee (the “Audit Committee”) in compliance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting and internal control of the Company. The Audit Committee members currently comprise all the independent non-executive directors, namely Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Zhang Ping. The Audit Committee has reviewed and confirmed the Company’s results announcement and financial statements for the twelve months ended 31 December 2012.

The figures in respect of this annual report of the Group’s results for the year have been agreed by the Company’s auditor, PricewaterhouseCoopers, to the Group’s financial statement for the year.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board of the Company has obtained written confirmations from all independent non-executive Directors concerning their independence in accordance with Rule 3.13 of the Listing Rules during the year ended 31 December 2012. The Directors believe that the independent non-executive Directors had remained independent based on the requirements set out in rule 3.13 of the Listing Rules during the year ended 31 December 2012.

PUBLIC FLOAT

Based on the publicly available information and to the best knowledge of the Board of the Company as at the latest practicable date with respect to the publication of this annual report, the Company has maintained sufficient public float.

AUDITORS

The accompanying financial statements have been audited by PricewaterhouseCoopers. There is no change in its auditors in any of the preceding three years.

By Order of the Board

Wu Guang Quan

Chairman

Shenzhen, 28 March 2013

Reports of the Board's Subcommittees

I. REPORT OF THE AUDIT COMMITTEE

The audit committee of the Company currently comprises Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Zhang Ping, and is chaired by Ms. Wong Wai Ling. During the year 2012, the audit committee, a subcommittee of the Board of the Company, performed its duties in strict compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules and has effectively monitored the Company's financial incomes and expenses and its operating activities for the year 2012. It has reviewed the Company's financial statements and interim and annual reports, as well as supervised the internal control and information disclosure of the Company, and enhanced its communication with the auditors to ensure that they have imposed effective supervision on the Company's operation and management. The performance of duties by the audit committee in 2012 is summarized as follows:

- I) The committee has got to know the actual operations and the progress of major events of the Company, its controlling companies and its subsidiaries, and reviewed the financial statements compiled by the Company.
- II) The committee has overseen the quality of internal auditing and the disclosure of financial information pursuant to the disclosure requirements of the Listing Rules for the issuers. It has also reviewed the interim and annual financial statements prior to the submission to the Board, and communicated closely with the auditors to reach a consensus in all material aspects of the audit report.
- III) The committee has examined the completeness of the Company's financial statements and interim and annual reports and reviewed the major opinions in respect of financial reporting of financial information set out in the financial statements in accordance with the professional ethics of independence, objectiveness and fairness.
- IV) The committee has acted as the major representative for the communications between the issuer and the external auditor pursuant to the best practice of the Code on Corporate Governance Practices and been responsible for monitoring their relationship. It has also reviewed and examined the independence of the external auditor and the effectiveness of the audit procedures in accordance with the applicable standards.
- V) The committee has reviewed the implementation of Connected Transactions of the Company in 2012.
- VI) The committee has undertaken the responsibilities for providing guidance in respect of internal control, and considered and approved the working plan for internal auditing for the year 2012.

The annual result and consolidated financial statement for the year ended 31 December 2012 of the Group have been reviewed by the audit committee.

The audit committee conducted two meetings during the year of 2012, the details of which are as follows:

Subcommittee Members	Audit Committee Wong Wai Ling, Wu Wei, Zhang Ping (appointed on 19 June 2012) and Liu Xian Fa (resigned on 19 June 2012)
Number of meetings held	2
Date of meetings held	12 March 2012 21 August 2012
Proposals considered	<ol style="list-style-type: none"> 1. The Proposal to Review the Auditor's Report, Results Announcement and Report of Directors of the Company for 2011 2. The Proposal to Review the Compliance of the Connected Transactions of the Company 3. The Proposal to Review the Enhancement of Corporate Governance and Internal Control of the Company 4. The Proposal to Review the Interim Financial Report and the Interim Report on Consolidated Results of the Company for 2012 5. The Proposal to Review the Corporate Governance and the Internal Control of the Company for the First Half of 2012

II. REPORT OF THE REMUNERATION COMMITTEE

The remuneration committee of the Company currently comprises Mr. Wu Guang Quan, Mr. Chen Hong Liang, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Zhang Ping, and is chaired by Mr. Zhang Ping. During 2012, the remuneration committee of the Company has reviewed the remuneration policy and the payment method for the directors and senior management. It has also made an assessment on the disclosure of the remuneration of the directors, supervisors and senior management in the Company's annual report and of the opinion that the remuneration standard set for the directors, supervisors and senior management by the Company was in compliance with the relevant requirements of the Stock Exchange and the Company's remuneration policy and the remuneration disclosures were true and accurate. The performance of duties by the remuneration committee in this year is summarized as follows:

- I) During the reporting period, the remuneration committee has reviewed the remuneration policy or scheme for all executive directors, supervisors and other senior management in accordance with laws, statutes and Articles of Associations, and made recommendations to the Board on the remuneration of non-executive directors to ensure that none of the directors was involved in the determination of his remuneration. It was delegated the responsibility by the Board to determine the amount of benefits in kind, pension and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- II) The committee has supervised the establishment of a formal and transparent procedure to formulate the remuneration policy and structure of the directors, supervisors and senior management of the Company;
- III) The committee has reviewed the remunerations for the year 2011 of the Company's directors, supervisors and senior management, and deemed that the remuneration decision-making procedure and distribution standard comply with the provisions of the remuneration system;
- IV) The committee has reviewed the performance of duties by the directors, supervisors, and other senior management, and assessed their annual performance. It has also monitored the implementation of the Company's remuneration policies.

The remuneration committee held one meeting totally during the year of 2012, the details of which are as follows:

Subcommittee	Remuneration Committee
Members	Wu Guang Quan, Sui Yong (resigned on 19 June 2012), Chen Hong Liang (appointed on 19 June 2012), Wong Wai Ling, Wu Wei, Liu Xian Fa (resigned on 19 June 2012) and Zhang Ping (appointed on 19 June 2012)
Number of meetings held	1
Date of meetings held	12 March 2012
Proposals considered	<ol style="list-style-type: none"> 1. The Proposal to Review the Remuneration Policy of the Directors and Senior Management of the Company for 2011 2. The Proposal to Review the Payment Method of the Remuneration of the Directors and Senior Management of the Company for 2011

III. REPORT OF THE NOMINATION COMMITTEE

The nomination committee of the Company currently comprises Mr. Wu Guang Quan, Mr. Chen Hong Liang, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Zhang Ping, and is chaired by Mr. Wu Wei. During 2012, the nomination committee of the Company has reviewed the structure, size and composition of the Board, as well as the qualification and experience of the candidates. It also has reviewed the proposal regarding the independence of independent non-executive directors. The nomination committee considered that the structure of the Board of the Company complies with the requirement of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited, all of the Directors are competent for the director of the Company, including skills, knowledge and experience. All of the independent non-executive directors met the requirement of independence of Rule 3.13 of the Listing Rules during the period under reviewed. The performance of duties by the nomination committee in this year is summarized as follows:

- I) During the reporting period, the committee has, considered and reviewed the structure, size and composition of the Board, including skills, knowledge and experience, and made recommendations to the Board regarding any proposed change to the structure of the Board to complement the Company's corporate strategy;

- II) The committee has considered the suitability of a candidate to act as a director on the basis of the candidate's qualification, experience, integrity and potential contribution to the Company;
- III) The committee has assessed the independence of independent non-executive directors under the requirements set out in Rule 3.13 of the Listing Rules.

The nomination committee held one meeting totally during the year of 2012, the details of which are as follows:

Subcommittee Members	Nomination Committee Wu Guang Quan (appointed on 19 June 2012), Chen Hong Liang (appointed on 19 June 2012), Wong Wai Ling (appointed on 19 March 2012), Wu Wei (appointed on 19 March 2012), Liu Xian Fa (appointed on 19 March 2012 and resigned on 19 June 2012) and Zhang Ping (appointed on 19 June 2012)
Number of meetings held	1
Date of meetings held	19 March 2012
Proposals considered	<ol style="list-style-type: none"> 1. The Proposal to Review the Structure, Size and Composition of the Board 2. The Proposal to Appoint the director of the Company or Re-appoint of director. 3. The Proposal to Review the Independence of Independent Non-executive Directors.

Report of the Supervisory Committee

The first meeting of sixth section of Supervisory Committee of the Company was held on 19 June 2012, in which new members of Supervisory Committee were elected. The Supervisory Committee of the Company is composed of Mr. Huang Bin (chairman of the Supervisory Committee), Ms. Wang Xin and Mr. Deng Bo Song.

During the year of 2012, all members of the Supervisory Committee of the Company earnestly performed the function of supervision in accordance with the regulations and requirements of Company Law of the People's Republic of China, Articles of Associations and the procedure rules of the Supervisory Committee. By means of exercising their functions independently pursuant to the laws through attending the meetings of board of directors as a non-voting member and convening the meeting of the Supervisory Committee, the members of the Supervisory Committee supervised and examined the operations of the Company in accordance with the laws, the financial position of the Company, the implementation of resolutions passed in the shareholders' general meetings, the process of making major decisions by the Board of Directors, the legality and compliance for the operation and management activities of the Company as well as the performance of duties by the Directors. It was thus procured that the Company is operated legally with a view to safeguard the benefits of the Company, its shareholders and employees.

The Supervisory Committee deems that during the reporting period, the Company's behaviors in the aspects of legal operation, financial auditing & result and daily operation and management comply with relevant provisions of the Listing Rules on the Stock Exchange of Hong Kong and the Articles of Associations; the board of directors are scrupulous about their duties, without breach of laws or rules or damaging the Company's benefits by utilizing their powers.

The Supervisory Committee expresses the following opinions for the performance of its operation during the reporting period:

The Supervisory Committee's independent opinions on the legal operation of the Company

During the reporting period, the Company strictly abided to the laws and statutes such as Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Articles of Associations and Listing Rules on the Stock Exchange of Hong Kong, established sound internal control system, run normally and executed legal decision-making procedure. The shareholders' general meetings and the Board meetings were convened in accordance with the procedures as provided in the relevant laws, regulations and the Company's articles of association, where the contents of the relevant resolutions were legal and valid. When fulfilling duties, the directors of the Company can consciously safeguard the benefits of the Company and shareholders, adhere to the principles of good faith and diligence, and do not violate any laws or statutes, or damage the Company's benefits.

The Supervisory Committee's independent opinions on review of Company's financial status

The supervisory committee has reviewed the relevant information such as the 2012 interim report, 2012 annual report and 2012 auditor's report presented by PricewaterhouseCoopers, the auditor of the Company, with unqualified opinion. The supervisor committee considered that the Company's finance system and internal control system are sound, the financial operation is normal and financial status is good, and that the auditor' report can truly, objectively and fairly reflect the financial position and operating results of the Company in 2012.

The Supervisory Committee's independent opinion on the acquisition and disposal of assets by the Company

During the reporting period, the acquisition and disposal of assets by the Company were in compliance with the requirements of laws and regulations including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Listing Rules as well as the Articles of Association and the required review procedures have been performed to ensure that there was no damage to the interests of the listed company nor any impairment to the Company's assets.

The Supervisory Committee's independent opinion on the connected transactions of the Company

The Supervisory Committee has reviewed the connected transactions and continuing connected transactions of the Company during the reporting period and considered that the connected transactions of Company were in line with the Company's needs for business development and long-term growth, and strictly in compliance with the requirements of the Listing Rules of the Stock Exchange of Hong Kong, the Articles of Association and the Internal Reporting System for Major Events and Connected Transactions issued by the Company. The Company has conducted the review and disclosure procedures such that the interests of the Shareholders and the Company were not prejudiced.

By Order of the Supervisory Committee

Huang Bin

Chairman of the Supervisory Committee

Shenzhen, China

28 March 2013

獨立核數師報告

Independent Auditor's Report



羅兵咸永道

獨立核數師報告
致中航國際控股股份有限公司
(前稱深圳中航集團股份有限公司)
全體股東

(於中華人民共和國註冊成立的股份有限公司)

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
AVIC INTERNATIONAL HOLDINGS LIMITED
(FORMERLY KNOWN AS
CATIC SHENZHEN HOLDINGS LIMITED)**

(Established in the People's Republic of China with limited liability)

本核數師(以下簡稱「我們」)已審計列載於第162至352頁中航國際控股股份有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一二年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合收益表、綜合全面收入報表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋資料。

We have audited the consolidated financial statements of AVIC International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 162 to 352, which comprise the consolidated and company balance sheets as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港公司條例的披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平的反映,及落實其認為編製綜合財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見。我們已根據國際審計準則進行審計。這些準則要求我們遵守道德規範,並規劃及執行審計,以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合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綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映 貴公司及 貴集團於二零一二年十二月三十一日的事務狀況，及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥為編製。

其他事項

本報告(包括意見)乃為股東而編製並僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

羅兵咸永道會計師事務所
執業會計師

香港，二零一三年三月二十八日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 consolidated 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 consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

OTHER MATTERS

This report, including the opinion, has been prepared for and only for you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2013

綜合資產負債表

Consolidated Balance Sheet

於二零一二年十二月三十一日 As at 31 December 2012

		截至十二月三十一日止 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
附註 Note			
資產	ASSETS		
非流動資產	Non-current assets		
土地使用權	Land use rights	7 1,293,452	1,214,682
採礦權	Mining rights	8 505,317	519,906
商譽	Goodwill	9 264,544	260,236
無形資產	Intangible assets	10 156,286	151,236
物業、廠房及設備	Property, plant and equipment	11 8,673,372	9,659,889
投資物業	Investment properties	12 2,099,314	2,030,986
在建工程	Construction-in-progress	13 1,252,051	1,128,005
於聯營公司的投資	Investments in associates	15 1,887,517	1,521,992
於共同控制實體的投資	Investments in jointly controlled entities	16 2,410,774	2,216,165
貿易及其他應收款項	Trade and other receivables	23 388,600	308,772
可供出售金融資產	Available-for-sale financial assets	18 259,819	205,046
遞延所得稅資產	Deferred income tax assets	19 264,331	234,018
其他非流動資產	Other non-current assets	20 309,916	174,120
		19,765,293	19,625,053
流動資產	Current assets		
存貨	Inventories	21 3,825,057	3,802,532
發展中物業	Properties under development	22 1,256,078	494,427
貿易及其他應收款項	Trade and other receivables	23 9,525,525	8,309,786
持有至到期金融資產	Held-to-maturity financial assets	—	15,000
應收合約工程客戶款項	Amounts due from customers for contract work	24 1,161,194	802,666
衍生金融工具	Derivative financial instruments	25 3,110	—
抵押銀行存款	Pledged bank deposits	26 510,563	557,414
現金及現金等價物	Cash and cash equivalents	27 4,038,225	3,249,891
		20,319,752	17,231,716
總資產	Total assets	40,085,045	36,856,769
權益	EQUITY		
本公司權益持有人應佔資本與儲備	Capital and reserves attributable to owners of the Company		
股本	Share capital	28 1,110,632	673,367
股份溢價	Share premium	28 1,294,633	354,513
永久次級可換股證券	Perpetual subordinated convertible securities	30 2,781,674	—
其他儲備	Other reserves	29 (378,924)	3,816,137
未分配利潤	Retained earnings	2,764,599	1,794,760
		7,572,614	6,638,777
非控股股東權益	Non-controlling interests	3,989,079	4,078,716
總權益	Total equity	11,561,693	10,717,493

隨附第172至352頁的附註為該等綜合財務報表的組成部份。

The accompanying notes on page 172 to 352 are an integral part of these consolidated financial statements.

綜合資產負債表(續)

Consolidated Balance Sheet (continued)

於二零一二年十二月三十一日 As at 31 December 2012

		截至十二月三十一日止 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
附註 Note			
負債	LIABILITIES		
非流動負債	Non-current liabilities		
貸款	Borrowings	31 4,044,826	4,962,303
遞延所得稅負債	Deferred income tax liabilities	19 539,245	526,800
政府補貼的遞延收入撥備	Deferred income on government grants	32 538,990	576,231
貿易及其他應付款項	Provisions	—	10,360
退休及其他補充福利責任	Trade and other payables	35 46,128	24,335
其他非流動負債	Retirement and other supplemental benefit obligations	33 48,064	46,595
	Other non-current liabilities	34 1,202,424	153,363
		6,419,677	6,299,987
流動負債	Current liabilities		
貿易及其他應付款項	Trade and other payables	35 11,232,783	10,500,403
應付合約工程客戶款項	Amounts due to customers for contract work	24 200,434	964,180
貸款	Borrowings	31 10,561,740	8,205,377
衍生金融工具	Derivative financial instruments	25 —	441
流動所得稅負債	Current income tax liabilities	106,526	165,043
退休及其他補充福利責任	Retirement and other supplemental benefit obligations	33 2,192	3,845
		22,103,675	19,839,289
總負債	Total liabilities	28,523,352	26,139,276
總權益和負債	Total equity and liabilities	40,085,045	36,856,769
流動淨負債	Net current liabilities	(1,783,923)	(2,607,573)
總資產減流動負債	Total assets less current liabilities	17,981,370	17,017,480

第162至352頁的該等財務報表已於二零一三年三月二十八日經董事會批准，並由下列董事代表簽署。

The financial statements on page 162 to 352 were approved by the Board of Directors on 28 March 2013 and were signed on its behalf.

董事：吳光權
Director: Wu Guang Quan

董事：由鐳
Director: You Lei

隨附第172至352頁的附註為該等綜合財務報表的組成部份。

The accompanying notes on page 172 to 352 are an integral part of these consolidated financial statements.

公司資產負債表

Company Balance Sheet

於二零一二年十二月三十一日 As at 31 December 2012

		截至十二月三十一日止	
		As at 31 December	
		二零一二年	二零一一年
		2012	2011
		人民幣千元	人民幣千元
		RMB'000	RMB'000
附註			
Note			
資產	ASSETS		
非流動資產	Non-current assets		
物業、廠房及設備	Property, plant and equipment	11	7,131
於附屬公司的投資	Investments in subsidiaries	14	4,515,652
於聯營公司的投資	Investments in associates	15	298,198
於共同控制實體的投資	Investments in jointly controlled entities	16	2,385,857
可供出售金融資產	Available-for-sale financial assets	18	1,400
其他非流動資產	Other non-current assets	20	40,000
		7,248,238	1,994,946
流動資產	Current assets		
貿易及其他應收款項	Trade and other receivables	23	666,609
現金及現金等價物	Cash and cash equivalents	27	81,117
		747,726	327,342
總資產	Total assets	7,995,964	2,322,288
權益	EQUITY		
本公司權益持有人應佔資本與儲備	Capital and reserves attributable to owners of the Company		
股本	Share capital	28	1,110,632
股份溢價	Share premium	28	1,294,633
永久次級可換股證券	Perpetual subordinated convertible securities	30	2,781,674
其他儲備	Other reserves	29	70,001
累計虧損	Accumulated losses		(395,981)
總權益	Total equity	4,860,959	506,023

隨附第172至352頁的附註為該等綜合財務報表的組成部份。

The accompanying notes on page 172 to 352 are an integral part of these consolidated financial statements.

公司資產負債表(續)

Company Balance Sheet (continued)

於二零一二年十二月三十一日 As at 31 December 2012

		截至十二月三十一日止 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
	附註 Note		
負債	LIABILITIES		
非流動負債	Non-current liabilities		
貸款	Borrowings	31	186,000
其他非流動負債	Other non-current liabilities	34	—
		1,050,000	186,000
流動負債	Current liabilities		
貿易及其他應付款項	Trade and other payables	35	316,265
貸款	Borrowings	31	1,314,000
		2,085,005	1,630,265
總負債	Total liabilities	3,135,005	1,816,265
總權益和負債	Total equity and liabilities	7,995,964	2,322,288
流動淨負債	Net current liabilities	(1,337,279)	(1,302,923)
總資產減流動負債	Total assets less current liabilities	5,910,959	692,023

第162至352頁的該等財務報表已於二零一三年三月二十八日經董事會批准，並由下列董事代表簽署。

The financial statements on page 162 to 352 were approved by the Board of Directors on 28 March 2013 and were signed on its behalf.

董事：吳光權
Director: Wu Guang Quan

董事：由鐳
Director: You Lei

隨附第172至352頁的附註為本綜合財務報表的組成部份。

The accompanying notes on page 172 to 352 are an integral part of these consolidated financial statements.

綜合收益表

Consolidated Income Statement

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

			截至十二月三十一日止年度 Year ended 31 December	
			二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
		附註 Note		
收入	Revenue	6	31,252,572	27,817,178
銷售成本	Cost of sales	38	(27,343,668)	(24,547,910)
毛利	Gross profit		3,908,904	3,269,268
銷售費用	Distribution costs	38	(1,191,380)	(1,037,428)
行政費用	Administrative expenses	38	(1,743,656)	(1,594,893)
投資物業公允價值收益	Fair value gain on investment properties	12	101,332	38,845
其他收入	Other income	36	688,367	755,855
其他收益／(虧損)－淨額	Other gains/(losses) – net	37	37,038	(332)
經營溢利	Operating profit		1,800,605	1,431,315
融資收入	Finance income	40	84,298	137,876
融資成本	Finance costs	40	(914,556)	(702,325)
融資成本－淨額	Finance costs – net		(830,258)	(564,449)
應佔聯營公司溢利	Share of profit of associates	15	131,873	143,467
應佔共同控制實體溢利	Share of profit of jointly controlled entities	16	345,172	171,393
除所得稅前溢利	Profit before income tax		1,447,392	1,181,726
所得稅開支	Income tax charge	42	(182,014)	(273,764)
本年度溢利	Profit for the year		1,265,378	907,962
應佔溢利： 本公司權益持有人 非控股股東權益	Profit attributable to: Owners of the Company Non-controlling interests		969,839 295,539	674,556 233,406
			1,265,378	907,962
本公司權益持有人年內 應佔每股盈利，每股以 人民幣列示	Earnings per share attributable to the owners of the Company during the year (RMB per share)			
－基本	– basic	44	0.8482	0.5823
－攤薄	– diluted	44	0.5072	0.3528
股息	Dividends	45	–	20,201

隨附第172至352頁的附註為該等綜合財務報表的組成部份。

The accompanying notes on page 172 to 352 are an integral part of these consolidated financial statements.

綜合全面收入報表

Consolidated Statement of Comprehensive Income

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
	附註 Note		
本年度溢利	Profit for the year	1,265,378	907,962
其他全面收益：	Other comprehensive income:		
可供出售金融資產的公允價值收益，未扣除稅款	Fair value gains on available-for-sale financial assets, gross of tax18	183	2,699
可供出售金融資產的公允價值收益，稅款	Fair value gains on available-for-sale financial assets, tax	(46)	(199)
自住物業轉為投資物業時獲得的收益，未扣除稅款	Revaluation gains on transfer of owner-occupied property to investment property, gross of tax12	6,831	138,336
自住物業轉為投資物業時獲得的收益，稅款	Revaluation gains on transfer of owner-occupied property to investment property, tax12	(1,708)	(34,584)
外幣折算差額	Currency translation differences	24,267	(65,671)
所佔一間聯營公司可供出售金融資產的公允價值虧損	Share of fair value losses on available-for-sale financial assets of an associate15	—	(338)
所佔一間聯營公司自住物業轉為投資物業時獲得的公允價值收益	Share of revaluation gains on the transfer of owner-occupied property to investment property of an associate15	—	30,124
年內其他全面收益 (扣除稅款)	Other comprehensive income for the year, net of tax	29,527	70,367
年內全面總收益 (扣除稅款)	Total comprehensive income for the year, net of tax	1,294,905	978,329
應佔：	Attributable to:		
— 本公司權益持有人	— Owners of the Company	996,129	723,472
— 非控股股東權益	— Non-controlling interests	298,776	254,857
年內全面總收益	Total comprehensive income for the year	1,294,905	978,329

第172至352頁隨附的附註為該等綜合財務報表的組成部份。

The accompanying notes on page 172 to 352 are an integral part of these consolidated financial statements.

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

		本公司擁有人應佔 Attributable to owners of the Company						非控股 股東權益 Non- controlling interests	總權益 Total equity
		股本 Share capital	股份溢價 Share premium	永久次級 可換股證券 Perpetual subordinated convertible securities	其他儲備 Other reserves (附註29) (Note 29)	未分配利潤 Retained earnings	合計 Total		
		附註 Note	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
本集團	Group								
於二零一一年一月一日的結餘(經重列)	Balance at 1 January 2011, as restated		673,367	354,513	-	3,776,109	1,140,405	5,944,394	9,383,438
全面收益	Comprehensive income								
年度溢利	Profit for the year		-	-	-	674,556	674,556	233,406	907,962
其他全面收益	Other comprehensive income								
可供出售金融資產的公允價值收益(扣除稅款)	Fair value gains on available-for-sale financial assets, net of tax		-	-	-	300	300	2,200	2,500
自持物業轉為投資物業時獲得的重估收益	Revaluation gain on transfer of owner-occupied property to investment property, net of tax	12	-	-	-	77,559	77,559	26,193	103,752
外幣折算差異	Currency translation differences		-	-	-	(58,729)	(58,729)	(6,942)	(65,671)
所佔一間聯營公司可供出售金融資產之公允價值虧損	Share of fair value losses on available-for-sale financial assets of an associate	15	-	-	-	(338)	(338)	-	(338)
所佔一間聯營公司自持物業轉為投資物業時獲得的公允價值重估收益(扣除稅款)	Share of fair revaluation gain on the transfer of owner-occupied property to investment property of the associate, net of tax	15	-	-	-	30,124	30,124	-	30,124
其他全面總收益	Total other comprehensive income		-	-	-	48,916	48,916	21,451	70,367
全面總收益	Total comprehensive income		-	-	-	48,916	723,472	254,857	978,329
直接於權益確認的本公司擁有人總注資及其分派	Total contributions by and distributions to owners of the Company recognised directly in equity								
與非控股股東權益的交易	Transactions with non-controlling interests		-	-	-	(8,888)	(8,888)	(57,575)	(66,463)
出售附屬公司	Disposals of subsidiaries		-	-	-	-	-	(6,467)	(6,467)
非控股股東權益注資	Capital contributed by non-controlling interests	46	-	-	-	-	-	471,710	471,710
二零一一年股息	Dividends for 2011		-	-	-	(20,201)	(20,201)	(22,853)	(43,054)
本公司擁有人總注資及其分派	Total contributions by and distributions to owners of the Company		-	-	-	(8,888)	(29,089)	384,815	355,726
於二零一一年十二月三十一日的結餘(經重列)	Balance at 31 December 2011, as restated		673,367	354,513	-	3,816,137	6,638,777	4,078,716	10,717,493

綜合權益變動表(續)

Consolidated Statement of Changes in Equity (continued)

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

		本公司擁有人應佔 Attributable to owners of the Company						非控股 股東權益 Non- controlling interests	總權益 Total equity
		股本 Share capital	股份溢價 Share premium	永久次級 可換股證券 Perpetual subordinated convertible securities	其他儲備 Other reserves (附註29) (Note 29)	未分配利潤 Retained earnings	合計 Total		
		附註 Note	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一二年一月一日的結餘	Balance at 1 January 2012		673,367	354,513	-	3,816,137	1,794,760	6,638,777	10,717,493
全面收益	Comprehensive income								
年度溢利	Profit for the year		-	-	-	969,839	969,839	295,539	1,265,378
其他全面收益	Other comprehensive income					-			
可供出售金融資產的 公允價值收益(扣除稅款)	Fair value gains on available-for-sale financial assets, net of tax		-	-	-	448	448	(311)	137
自物業轉為投資物業時 獲得的重估收益(扣除稅款)	Revaluation gain on transfer of owner- occupied property to investment property, net of tax	12	-	-	-	2,337	2,337	2,786	5,123
外幣折算差異	Currency translation differences		-	-	-	23,505	23,505	762	24,267
其他全面總收益	Total other comprehensive income		-	-	-	26,290	26,290	3,237	29,527
全面總收益	Total comprehensive income		-	-	-	969,839	996,129	298,776	1,294,905
直接於權益確認的 本公司擁有人總注資 及向其分派 與非控股股東權益的交易	Total contributions by and distributions to owners of the Company recognised directly in equity Transactions with non-controlling interests	29	-	-	-	(4,892)	(4,892)	(9,650)	(14,542)
所佔聯營公司與非控股股東 權益的交易儲備 (扣除稅款)	Share of reserve of an associate arising from its transactions with non- controlling interests	15	-	-	-	(5,196)	(5,196)	-	(5,196)
合併儲備	Merger reserve		-	-	-	(4,211,263)	(4,211,263)	-	(4,211,263)
就業務合併發行內資股	Issue of domestic shares related to business combination	28	437,265	940,120	-	-	1,377,385	-	1,377,385
就業務合併發行 永久次級 可換股證券	Issue of perpetual subordinated convertible securities related to business combination	30	-	-	2,781,674	-	2,781,674	-	2,781,674
出售附屬公司	Disposals of subsidiaries	46	-	-	-	-	-	(338,643)	(338,643)
非控股股東權益 注資	Capital contributed by non-controlling interests	46	-	-	-	-	-	4,170	4,170
二零一二年股息	Dividends for 2012		-	-	-	-	-	(44,290)	(44,290)
本公司擁有人總注資 及向其分派	Total contributions by and distributions to owners of the Company		437,265	940,120	2,781,674	(4,221,351)	(62,292)	(388,413)	(450,705)
於二零一二年十二月三十一日 的結餘	Balance at 31 December 2012		1,110,632	1,294,633	2,781,674	(378,924)	2,764,599	3,989,079	11,561,693

隨附第172至352頁的附註為該等綜合財務報表的組成部份。

The accompanying notes on page 172 to 352 are an integral part of these consolidated financial statements.

綜合現金流量表

Consolidated Statement of Cash Flows

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
附註 Note			
營運活動產生之現金流量 經營業務產生/(所用)的現金			
Cash flows from operating activities Cash generated from/(used in) operations			
46	已付利息	2,045,397	(332,153)
	已付所得稅	(976,632)	(766,614)
		(252,849)	(209,965)
營運活動產生/(所用)的淨現金			
	Net cash generated from/(used in) operating activities	815,916	(1,308,732)
投資活動產生的現金流量 在建工程增加的付款			
Cash flows from investing activities Payment for the addition of construction-in-progress			
	購買物業、廠房及設備	(574,935)	(1,190,803)
	購買採礦權	(1,046,173)	(1,201,199)
	購買土地使用權	-	(10)
	購買無形資產	(244,465)	(24,912)
	其他非流動資產增加的付款	(18,988)	(72,677)
	收購附屬公司，扣除收購的現金	(135,796)	(6,657)
	收購聯營公司的付款	(2,246)	(399,546)
	收購共同控制實體的付款	(73,730)	(571,862)
	出售附屬公司的現金流出	(19,204)	(72,636)
	收購一間附屬公司的保證金	(537,393)	(635)
	收購附屬公司預付款項	(216,618)	-
	購買可供出售金融資產	(120,756)	-
	出售物業、廠房及設備所得款項	(85,633)	(102,760)
	出售投資物業所得款項	97,580	127,428
	出售無形資產所得款項	41,942	19,639
	出售其他非流動資產所得款項	35	455
	出售可供出售金融資產所得款項	-	1,014
	出售持至到期金融資產所得款項	45,476	13,122
	出售聯營公司所得款項	15,000	2,761
	已收政府補助金	9,746	5
	已收利息	326,670	282,131
	關聯方貸款	81,377	137,876
	關聯方償還貸款	(467,136)	(289,845)
	已收股息	171,549	433,605
		279,056	72,094
投資活動所用的淨現金			
	Net cash used in investing activities	(2,474,642)	(2,843,412)

綜合現金流量表(續)

Consolidated Statement of Cash Flows (continued)

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
附註 Note			
融資活動的現金流量			
Cash flows from financing activities			
	Proceeds from borrowings	11,956,045	10,015,008
	Repayments of borrowings	(10,517,159)	(7,520,619)
	Borrowings from related parties	2,239,196	1,379,783
	Repayments of borrowings from related parties	(1,310,031)	(1,249,181)
	Capital contribution to subsidiaries from non-controlling interests	4,170	471,710
	Dividends paid to non-controlling interests of subsidiaries	(44,290)	(22,853)
	Dividends paid to the shareholders of the Company	—	(20,201)
	Release of collateral for bank borrowings	120,069	23,736
	Net cash generated from financing activities	2,448,000	3,077,383
現金及現金等價物的增加／(減少)淨額			
Net increase/(decrease) in cash and cash equivalents			
	Cash and cash equivalents at beginning of year	3,249,891	4,329,084
	Currency translation differences	(940)	(4,432)
	Cash and cash equivalents at end of year	4,038,225	3,249,891

隨附第172至352頁的附註為該等綜合財務報表的組成部份。

The accompanying notes on 172 to 352 are an integral part of these consolidated financial statements.

財務報表附註

Notes to the Financial Statements

1 一般資料

中航國際控股股份有限公司(「本公司」)為在中華人民共和國(「中國」)成立的股份有限公司，其股份已在香港聯合交易所有限公司主板上市。於二零一三年二月五日，董事會宣佈本公司名稱已由「深圳中航集團股份有限公司」變更為「中航國際控股股份有限公司」。

非常重大收購：

於二零一零年十一月三十日，本公司分別與中國航空技術國際控股有限公司(「中航國際」)、中國航空技術深圳有限公司(「中航深圳」)及北京瑞賽科技有限公司(「北京瑞賽」)(統稱「賣方」)就收購各賣方持有的股本權益(「代價1」、「代價2」、「代價3」)簽訂三項收購協議(「二零一零年收購」)。本公司、中航國際、中航深圳及北京瑞賽均由中國航空工業集團公司(「中航工業」)控制。

根據與中航國際的收購協議，本公司有條件同意收購而中航國際有條件同意出售代價1，即中國航空技術北京有限公司(「北京公司」)100%股權、中國航空技術廈門有限公司(「廈門公司」)100%股權、中國航空技術廣州有限公司(「廣州公司」)100%股權、中航技國際經貿發展有限公司(「經貿公司」)97.5%股權、中國航空技術國際工程有限公司(「工程公司」)100%股權及中航萬科有限公司(「中航萬科」)40%股權。

根據與中航深圳之收購協議，本公司有條件同意收購而中航深圳有條件同意出售中航深圳所持有的代價2，即深圳航空標準件有限公司(「航標公司」)100%股權。

1 GENERAL INFORMATION

AVIC International Holdings Limited (the “Company”) was established as a joint stock limited company in the People’s Republic of China (the “PRC”) and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited. On 5 February 2013, the Board announced that the name of the Company has been changed from CATIC Shenzhen Holdings Limited to AVIC International Holdings Limited.

Very substantial acquisition:

On 30 November 2010, the Company entered into three acquisition agreements with AVIC International Holding Corporation (“AVIC International”), AVIC International Shenzhen Company Limited (“AVIC Shenzhen”), and Beijing Raise Technology Company Limited (“Beijing Raise”) (collectively “the Vendors”), respectively in relation to the acquisition of equity interests (the “Sale Interest 1”, “Sale Interest 2” and “Sale Interest 3”) held by the respective vendors (the “2010 Acquisition”). The Company, AVIC International, AVIC Shenzhen and Beijing Raise are all controlled by Aviation Industry Corporation of China (“AVIC Industry”).

Pursuant to acquisition agreement with AVIC International, the Company has conditionally agreed to acquire and AVIC International have conditionally agreed to sell the Sale Interest 1, which represents 100% equity interests in China National Aero-Technology Beijing Company Limited (“Beijing Company”), 100% equity interests in China National Aero-Technology Xiamen Corporation (“Xiamen Company”), 100% equity interests in China National Aero-Technology Guangzhou Company Limited (“Guangzhou Company”), 97.5% equity interests in China National Aero-Technology Trade and Economy Development Company Limited (“TED Company”), 100% equity interests in China National Aero-Technology International Engineering Company Limited (“Engineering Company”) and 40% equity interests in AVIC International Vanke Company Limited (“AVIC Vanke”).

Pursuant to acquisition agreement with AVIC Shenzhen, the Company has conditionally agreed to acquire and AVIC Shenzhen have conditionally agreed to sell the Sale Interest 2 held by AVIC Shenzhen, which represents 100% equity interests in Shenzhen Aero Fasteners MFG Company Limited (“MFG Company”).

1 一般資料(續)

根據與北京瑞賽之收購協議，本公司有條件同意收購而北京瑞賽有條件同意出售北京瑞賽所持有的代價3，即中航萬科20%股權、北京中航瑞信投資管理有限公司(「北京瑞信」)90%股權、成都中航瑞賽置業有限公司(「成都瑞賽」)60%股權、無錫中航瑞賽置業有限公司(「無錫瑞賽」)40%股權、瀋陽中航產業發展有限公司(「瀋陽中航產業」)50%股權及西安中航瑞賽西控置業有限公司(「西安瑞賽」)51%股權。

二零一零年收購已於股東特別大會及本公司於二零一一年二月十六日舉行之H股類別股東大會上獲得批准。於二零一一年七月，本公司已就二零一零年收購獲取國有資產監督管理委員會之原則批准。

二零一零年收購已於二零一二年九月五日完成，總代價約人民幣4,159,057,000元由下列方式支付：

- (a) 以每股人民幣3.15元向中航國際發行約437,265,000股內資股；及
- (b) 向中航國際發行金額合共為約人民幣1,604,737,000元的永久次級可換股證券(「永久次級可換股證券」)，可按初步轉換價人民幣3.47元轉換為約462,460,000股內資股；及
- (c) 向中航深圳發行金額為約人民幣118,208,000元的永久次級可換股證券，可按初步轉換價人民幣3.47元轉換為約34,065,000股內資股；及
- (d) 向北京瑞賽發行金額約為人民幣1,058,729,000元的永久次級可換股證券，可按初步轉換價人民幣3.47元轉換為約305,109,000股內資股。

1 GENERAL INFORMATION (continued)

Pursuant to acquisition agreement with Beijing Raise, the Company has conditionally agreed to acquire and Beijing Raise have conditionally agreed to sell the Sale Interest 3 held by Beijing Raise, which represents 20% equity interests in AVIC Vanke, 90% equity interests in Beijing AVIC Ruixin Investment Management Company Limited ("Beijing Ruixin"), 60% equity interests in Chengdu AVIC Raise Real Estate Company Limited ("Chengdu Raise"), 40% equity interests in Wuxi AVIC Raise Real Estate Company Limited ("Wuxi Raise"), 50% equity interests in Shenyang AVIC Raise Industry Company Limited ("Shenyang AVIC Industry") and 51% equity interests in Xi'an AVIC Raise Xikong Real Estate Company Limited ("Xi'an Raise").

The 2010 Acquisition was approved at the extraordinary general meeting and the H share class meeting of the Company held on 16 February 2011. In July 2011, the Company received the State-owned Assets Supervision and Administration Commission's approval in principle of the 2010 Acquisition.

The 2010 acquisition was completed on 5 September 2012 for a total consideration of approximately RMB4,159,057,000 satisfied by:

- (a) Issuing approximately 437,265,000 domestic shares at the price of RMB3.15 per share to AVIC International; and
- (b) Issuing to AVIC International perpetual subordinated convertible securities ("PSCS") in the amount of approximately RMB1,604,737,000 convertible into approximately 462,460,000 domestic shares at the initial conversion price of RMB3.47; and
- (c) Issuing to AVIC Shenzhen PSCS in the amount of approximately RMB118,208,000 convertible into approximately 34,065,000 domestic shares at the initial conversion price of RMB3.47; and
- (d) Issuing to Beijing Raise PSCS in the amount of approximately RMB1,058,729,000 convertible into approximately 305,109,000 domestic shares at the initial conversion price of RMB3.47.

1 一般資料(續)

緊接二零一零年收購完成前，本公司及其附屬公司(以下統稱「本集團」)主要從事生產和銷售液晶顯示器、印製電路板、手錶及鐘錶、礦業資源、物業開發及經營酒店業務。隨二零一零年收購完成後，本集團主要業務擴大至涵蓋貿易及物流服務、船舶製造、生產及銷售標準零件及工程服務等等。

本公司的辦公地址為中國深圳市福田區深南中路中航苑航都大廈25樓。

綜合財務報表已於二零一三年三月二十八日獲批准刊發。

2 編製基準

本集團的綜合財務報表是根據國際財務報告準則(「國際財務報告準則」)編製。綜合財務報表按照歷史成本法編製，並就投資物業、可供出售金融資產及衍生金融工具的重估而作出修訂。編製該等財務報表所採用的會計政策及基準與本集團編製法定賬目時採用的中華人民共和國企業會計準則(2006)(「企業會計準則2006」)有所不同。

編製符合國際財務報告準則的財務報表需要使用若干關鍵會計估計，這亦需要管理層在應用本集團的會計政策過程中行使其判斷。涉及高度判斷或複雜性或涉及對綜合財務報表而言屬重大的假設及估計已於財務報表附註5披露。

1 GENERAL INFORMATION (continued)

Prior to the completion of the 2010 Acquisition, the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in the manufacture and sales of liquid crystal displays, printed circuit boards, watches and clocks, mining resources, property development and hotel operation business. After completion of the 2010 Acquisition, the principal activities of the Group extended to trading and logistic services, ship building, manufacturing and sale of standard parts and construction services etc.

The office address of the Company is 25/F, Hangdu Building, CATIC Zone, Shennan Road Central, Futian District, Shenzhen, the PRC.

The consolidated financial statements have been approved for issue on 28 March 2013.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and derivative financial instruments. The accounting policies and bases adopted in the preparation of these financial statements differ from those used in the statutory accounts of the Group which are prepared in accordance with the Accounting Standards for Business Enterprises (2006) of the People’s Republic of China (“CAS 2006”).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

2 編製基準(續)

於二零一二年十二月三十一日，本集團流動負債較其流動資產超出約人民幣1,783,923,000元，而其未償還短期借款約人民幣10,561,740,000元乃於未來十二個月內到期償還。本集團能否持續經營業務及履行其財務責任視乎本集團之盈利能力及經營現金流量以及其放貸銀行會否繼續為其提供融資。

根據相關借款協議之條款及安排，本集團一直履行其償還本金及利息之責任，並維持良好信貸記錄。本公司董事深信，本集團將能於二零一三年貸款到期時就尚未償還銀行貸款續期。於二零一二年十二月三十一日，本集團未動用銀行融資約為人民幣17,200,000,000元。本公司將可於有需要時動用該筆款項，而董事一直致力安排額外信貸融資。

此外，董事將繼續實行措施以改善本集團營運資金及現金流量，包括密切監察日常營運開支，確保資本開支乃由特定銀行借款撥付。彼等亦將盡力安排轉換若干短期借款為長期借款。董事認為，按持續經營基準編製財務報表乃屬恰當。

會計政策及披露變動：

- (a) 於本公司二零一二年一月一日開始的財政年度強制執行的新訂或現有準則的經修訂準則及修訂本現時與本集團並不相關，亦並無對本集團綜合財務報表產生影響。

2 BASIS OF PREPARATION (continued)

As at 31 December 2012, the Group's current liabilities exceeded its current assets by approximately RMB1,783,923,000, and it had outstanding short term borrowings of approximately RMB10,561,740,000 which are due for repayment within the next twelve months. The Group's ability to continue as a going concern and to fulfill its financial obligations depends on the Group's profitability and operating cash flows and the continuing supports of its lending banks to provide financing.

The Group has been servicing its principal and interest payment obligations according to the terms and schedules of the respective agreements for its borrowings and it has maintained a good credit history. The directors of the Company are confident that the Company will be able to roll over its outstanding bank loans when they are due for repayment in 2013. As at 31 December 2012, the Group had undrawn bank credit facilities of approximately RMB17,200,000,000 which can be drawn down when required and the directors are continuing their efforts to arrange for credit facilities.

Furthermore, the directors will continue to implement measures to improve the working capital and cash flows of the Group including closely monitoring daily operating expenses and ensuring capital expenditures are funded by specific bank borrowings. They will also arrange to convert certain short term borrowings into long term borrowings whenever possible. The directors consider that it is appropriate to prepare the financial statements on the going concern basis.

Changes in accounting policy and disclosures:

- (a) The new or revised standards and amendments to the existing standards, which are mandatory for the financial year of the Company beginning 1 January 2012, are either not currently relevant or have no impact on the Group's consolidated financial statements.

2 編製基準(續)

(b) 以下本集團並無提早採納已刊發但於二零一二年一月一日開始的財政年度仍未生效的新訂準則。

- 國際會計準則第1號「財務報表之呈列」有關其他全面收入之修訂。修訂的主要變動為要求實體將呈列於「其他全面收益」的項目按該等項目其後有否可能重新分類至損益(重新分類調整)之基準分組。修訂並未說明須於其他全面收益呈列的項目。上述修訂將於二零一三年一月一日或以後開始之年度期間生效，預期不會對本集團產生重大影響。
- 國際財務報告準則第11號「共同安排」為共同安排之更實質反映，其關注共同安排之權利及義務而非其法律形式共同安排之類型有兩種：合營經營及合營企業。合營經營中，合營經營者可享有與安排有關之資產及並須承擔有關責任，因此其於資產、負債、收益及開支之權益均須入賬。合營企業中，合營經營者可享有安排之淨資產，因此其列作權益入賬。合營企業不得再按比例綜合入賬。上述新訂準則將於二零一三年一月一日或以後開始之年度期間生效。

2 BASIS OF PREPARATION (continued)

(b) The following new standards have been issued but are not effective for the financial year beginning 1 January 2012, and have not been early adopted by the Group.

- Amendment to IAS 1, 'Financial statements presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The above amendment will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 11 'Joint arrangements' is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The above new standard will be effective for annual periods beginning on or after 1 January 2013, and is not expected to have material impact on the Group.

2 編製基準(續)

(b) (續)

- 國際財務報告準則第10號「綜合財務報表」在現有原則上將控制之概念作為釐定實體是否應計入母公司綜合財務報表之決定性因素。該準則提供額外指引，以在難以評估之情況下釐定控制權。上述新訂準則將於二零一三年一月一日或以後開始之年度期間生效。
- 國際財務報告準則第12號「其他實體的權益披露」載入有關其他實體所有形式之權益(包括共同安排、聯營公司、特殊目的實體及其他資產負債表以外之實體)之披露規定。上述新訂準則將於二零一三年一月一日或以後開始之年度期間生效，預期不會對本集團產生重大影響。
- 國際財務報告準則第10號、國際財務報告準則第11號及國際財務報告準則第12號有關過渡指引的修訂本。該等修訂為國際財務報告準則第10號、國際財務報告準則第11號及國際財務報告準則第12號提供進一步過渡寬免，限定僅就上一個比較期間提供經調整比較資料。就有關未經綜合之結構性實體之披露而言，該等修訂將刪除首次應用國際財務報告準則第12號前之期間須呈列比較資料的規定，預期不會對本集團產生重大影響。

2 BASIS OF PREPARATION (continued)

(b) (continued)

- IFRS 10 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The above new standard will be effective for annual periods beginning on or after 1 January 2013, and is not expected to have material impact on the Group.
- IFRS 12 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The above new standard will be effective for annual periods beginning on or after 1 January 2013, and is not expected to have material impact on the Group.
- Amendments to IFRSs 10, 11 and 12 on transition guidance. These amendments provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied, and is not expected to have material impact on the Group.

2 編製基準(續)

(b) (續)

- 國際財務報告準則第13號「公允價值計量」旨在透過提供公允價值之精確定義及公允價值計量之單一來源以及適用於各國際財務報告準則之披露規定，使之較為一致及降低複雜程度。該等規定並無擴大公允價值會計之使用，但就當該準則已獲國際財務報告準則各其他準則規定使用或准許使用時應如何應用提供指引。上述新訂準則將於二零一三年一月一日或以後開始之年度期間生效，預期不會對本集團產生重大影響。
- 國際財務報告準則第7號(修訂本)「金融工具：披露一抵銷金融資產及金融負債」。該修訂本對財務狀況表內獲抵消的已確認金融工具，以及受總互抵協定或類似安排約束的已確認金融工具(無論其是否被抵消)的定量資料有新的披露規定。上述修訂將於二零一三年一月一日或以後開始之年度期間生效，預期不會對本集團產生重大影響。
- 國際會計準則第32號「金融工具：呈報」關於資產及負債抵銷之修訂。該等修訂乃針對國際會計準則第32號「金融工具：呈報」之應用指引而言，並澄清於資產負債表抵銷金融資產及金融負債之若干規定。上述修訂將於二零一四年一月一日或以後開始之年度期間生效，預期不會對本集團產生重大影響。

2 BASIS OF PREPARATION (continued)

(b) (continued)

- IFRS 13 'Fair value measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The above new standard will be effective for annual periods beginning on or after 1 January 2013, and is not expected to have material impact on the Group.
- Amendment to IFRS 7 'Financial instruments: Disclosures' on asset and liability offsetting. The amendments also require new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. The above amendment will be effective for annual periods beginning on or after 1 January 2013, and is not expected to have material impact on the Group.
- Amendment to IAS 32 'Financial instruments: Presentation' on asset and liability offsetting. These amendments are to the application guidance in IAS 32, 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The above amendment will be effective for annual periods beginning on or after 1 January 2014, and is not expected to have material impact on the Group.

2 編製基準(續)

(b) (續)

- 國際財務報告準則第9號「金融工具」闡述金融資產及金融負債之分類、計量及確認。國際財務報告準則第9號於二零零九年十一月及二零一零年十月頒佈。該準則取代了國際會計準則第39號中與金融工具之分類及計量相關之部分。國際財務報告準則第9號規定金融資產分類為兩個計量類別：按公允價值計量類別及按攤銷成本計量類別，並於初步確認時釐定。分類視乎實體管理其金融工具之業務模式及該工具之合約現金流量特徵而定。就金融負債而言，該準則保留了國際會計準則第39號之大部分規定。主要變動為倘金融負債選擇以公允價值列賬，除非造成會計錯配，否則由實體本身信貸風險而產生之公允價值變動部分於其他全面收益而非收益表入賬。上述新訂準則將於二零一五年一月一日或以後開始之年度期間生效，預期不會對本集團產生重大影響。
- 國際財務報告準則第7號及國際財務報告準則第9號(修訂本)「強制性生效日期及過渡性披露」將生效日期推遲至起始日為二零一五年一月一日或以後開始的年度期間，並對重列過往期間之豁免進行修訂。作為豁免的其中部分，要求由國際會計準則第39號過渡至國際財務報告準則第9號，應提供額外披露。上述修訂將於二零一五年一月一日或以後開始的年度期間生效，預期不會對本集團產生重大影響。

2 BASIS OF PREPARATION (continued)

(b) (continued)

- IFRS 9, 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch. The above new standard will be effective for annual periods beginning on or after 1 January 2015, and is not expected to have material impact on the Group.
- IFRS 7 and IFRS 9 (Amendments) "Mandatory effective date and transition disclosures" delay the effective date to annual periods beginning on or after 1 January 2015, and also modify the relief from restating prior periods. As part of this relief, additional disclosures on transition from IAS 39 to IFRS 9 are required. The above amendments will be effective for annual periods beginning on or after 1 January 2015, and is not expected to have material impact on the Group.

2 編製基準(續)

(b) (續)

- 第四次國際財務報告準則二零一一年度改進。該改進將於二零一三年一月一日或以後開始之年度期間生效，預期不會對本集團產生重大影響。
- 國際會計準則第27號(二零一一年修訂本)「獨立財務報表」，國際會計準則第27號之控制原則已包括在新訂香港財務報告準則第10號中，國際會計準則第27號只列示有關獨立財務報表的規定。上述經修訂準則將於二零一三年一月一日或以後開始之年度期間生效，預期不會對本集團產生重大影響。
- 國際會計準則第19號「僱員福利」已在二零一一年六月修改。對本集團的影響為即時將所有過往服務成本確認入賬；及將計劃資產的利息成本和預期回報以淨利息金額(按照貼現率將淨設定福利負債(資產)計算)取代。該等修訂預期不會對本集團產生重大影響。
- 國際會計準則第28號(二零一一年修訂本)「聯營企業及合營企業」規定在國際財務報告準則第11號頒佈後，將合營企業及聯營企業按權益法入賬的規定。上述經修訂準則將於二零一三年一月一日或以後開始之年度期間生效，預期不會對本集團產生重大影響。

概無其他尚未生效的國際財務報告準則或國際財務報告詮釋委員會詮釋預期對本集團產生重大影響。

2 BASIS OF PREPARATION (continued)

(b) (continued)

- Fourth 2011 annual improvements to IFRS. The improvements will be effective for annual periods on or after 1 January 2013, and is not expected to have material impact on the Group.
- IAS 27 (revised 2011) 'Separate financial statements' includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. The above revised standard will be effective for annual periods beginning on or after 1 January 2013, and is not expected to have material impact on the Group.
- IAS 19, 'Employee benefits', was amended in June 2011. The impact on the group will be as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The amendment is not expected to have material impact on the Group.
- IAS 28 (revised 2011) 'Associates and joint ventures' includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11. The above revised standard will be effective for annual periods beginning on or after 1 January 2013, and is not expected to have material impact on the Group.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2 編製基準(續)

應用合併會計

於附註1披露的二零一零年收購被視為涉及共同控制下實體之企業合併，此乃由於本公司及所有公司中代價1、代價2及代價3及均受中航工業之共同控制。

於二零一二年一月五日，本公司間接非全資附屬公司深圳市亨吉利世界名表中心有限公司(「亨吉利公司」)與中航信託股份有限公司(分別由中航工業直接及間接擁有51%及中航深圳擁有21.47%)訂立收購協議，收購遼寧亨達銳商貿有限公司(「亨達銳公司」)100%股本權益，代價為人民幣56,100,000元。收購於二零一二年二月二十八日完成，隨後亨吉利公司取得亨達銳公司之控制權。在合併前後，合併中實體或已合併實體均由中航工業最終控制，本交易為涉及共同控制實體的業務合併。

因此，有關公司中的代價1、代價2及代價3及亨達銳公司之財務資料均已根據香港會計師公會(「香港會計師公會」)所頒佈香港財務報告準則的會計指引第5號「共同控制合併賬目之合併會計處理」(「會計指引第5號」)之規定以合併會計綜合納入本公司財務報表。為與合併後之會計政策保持一致，概無調整資產淨值或純利。

該等綜合財務報表乃根據會計指引第5號訂明的合併會計原則編製。該等綜合財務報表包括資產負債表、收益表及現金流量表，猶如收購已於整年或自其註冊成立日期存在。於二零一一年十二月三十一日及當時年度之比較數字已按相同基準呈列。

2 BASIS OF PREPARATION (continued)

Application of merger accounting

The 2010 Acquisition disclosed in Note 1 was regarded as a business combination involving entities under common control, since the Company and all the companies in Sales Interest 1, Sales Interest 2 and Sales Interest 3 were all under common control of AVIC Industry.

On 5 January 2012, Shenzhen Harmony World Watch Centre Company Limited (“Harmony Company”), an indirect non wholly-owned subsidiary of the Company, entered into an acquisition agreement with AVIC Trust Co., Ltd, which was directly and indirectly owned as to 51% by AVIC Industry and 21.47% by AVIC Shenzhen respectively. Harmony Company acquired the 100% equity interest in Liaoning Heng Da Rui Commerce & Trade Co., Ltd (“Heng Da Rui Company”) at a consideration of RMB56,100,000. The acquisition was completed on 28 February 2012, and consequently Harmony Company obtained control over the Heng Da Rui Company. As both the combining entity and the combined entity are ultimately controlled by AVIC Industry, both before and after the combination, this transaction is a business combination involving entities under common control.

Thus, the financial information of the companies acquired in Sales Interest 1, Sales Interest 2 and Sales Interest 3 and Heng Da Rui Company has been consolidated into the financial statements of the Company under merger accounting in accordance with the requirements of Accounting Guideline 5 “Merger Accounting for Common Control Combinations” (“AG 5”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). No adjustment has been made to the net assets or net profit to achieve consistency of accounting policies as a consequence of the combination.

These consolidated financial statements have been prepared using the principles of merger accounting, as prescribed in AG 5. These consolidated financial statements include the balance sheets, income statements and cash flow statements of the acquired companies as if they had been in existence throughout the year, or since its date of incorporation. Comparative figures as at 31 December 2011 and for the year then ended have been presented on the same basis.

2 編製基準(續) 應用合併會計(續)

因此，本綜合財務資料所呈報之比較期間之財務資料已經重列。

於二零一二年十二月三十一日，綜合資產負債表的影響：

2 BASIS OF PREPARATION (continued)

Application of merger accounting (continued)

Accordingly, the financial information of the comparative period presented in this consolidated financial information has been restated.

The consolidated balance sheet as at 31 December 2012:

		未計及合併會計 影響之金額 Amounts without taken into consideration of the effect of merger accounting 人民幣千元 RMB'000	二零一零年 收購之 公司合併 Merger of companies under 2010 Acquisition 人民幣千元 RMB'000	亨達銳 公司之合併 Merger of Heng Da Rui Company 人民幣千元 RMB'000	調整 Adjustments 人民幣千元 RMB'000 (i)	經重列 Restated 人民幣千元 RMB'000
非流動資產	Non-current assets	18,074,565	4,888,008	129,107	(3,326,387)	19,765,293
流動資產	Current assets	7,642,194	13,222,502	21,683	(566,627)	20,319,752
總資產	Total assets	25,716,759	18,110,510	150,790	(3,893,014)	40,085,045
非流動負債	Non-current liabilities	4,966,173	1,453,506	-	(2)	6,419,677
流動負債	Current liabilities	10,037,544	12,542,265	119,314	(595,448)	22,103,675
總負債	Total liabilities	15,003,717	13,995,771	119,314	(595,450)	28,523,352
股本	Share capital	1,110,632	2,570,000	51,000	(2,621,000)	1,110,632
股份溢價	Share premium	1,294,633	-	-	-	1,294,633
永久次級可換股證券	Perpetual subordinated convertible securities	2,781,674	-	-	-	2,781,674
其他儲備	Other reserves	1,119,511	375,156	-	(1,873,591)	(378,924)
保留盈利	Retained earnings	913,795	796,257	(19,524)	1,074,071	2,764,599
本公司權益持有人應佔 股本及儲備	Capital and reserves attributable to owners of the Company	7,220,245	3,741,413	31,476	(3,420,520)	7,572,614
非控股股東權益	Non-controlling interests	3,492,797	373,326	-	122,956	3,989,079
總權益	Total equity	10,713,042	4,114,739	31,476	(3,297,564)	11,561,693
總權益和負債	Total equity and liabilities	25,716,759	18,110,510	150,790	(3,893,014)	40,085,045
流動淨負債	Net current liabilities	(2,395,350)	680,237	(97,631)	28,821	(1,783,923)
總資產減流動負債	Total assets less current liabilities	15,679,215	5,568,245	31,476	(3,297,566)	17,981,370

2 編製基準(續)

於二零一一年十二月三十一日，綜合資產負債表的影響：

2 BASIS OF PREPARATION (continued)

The consolidated balance sheet as at 31 December 2011:

		原於 二零一一年 年報所呈列 Originally stated in 2011 annual report 人民幣千元 RMB'000	二零一零年 收購之 公司合併 Merger of companies under 2010 Acquisition 人民幣千元 RMB'000	亨達銳 公司之合併 Merger of Heng Da Rui Company 人民幣千元 RMB'000	調整 Adjustments 人民幣千元 RMB'000 (i)	經重列 Restated 人民幣千元 RMB'000
非流動資產	Non-current assets	11,997,646	7,555,351	132,839	(60,783)	19,625,053
流動資產	Current assets	6,798,507	10,464,299	32,985	(64,075)	17,231,716
總資產	Total assets	18,796,153	18,019,650	165,824	(124,858)	36,856,769
非流動負債	Non-current liabilities	5,202,737	1,097,250	–	–	6,299,987
流動負債	Current liabilities	7,977,451	11,794,950	130,963	(64,075)	19,839,289
總負債	Total liabilities	13,180,188	12,892,200	130,963	(64,075)	26,139,276
股本	Share capital	673,367	1,421,600	51,000	(1,472,600)	673,367
股份溢價	Share premium	354,513	–	–	–	354,513
其他儲備	Other reserves	537,563	1,924,936	–	1,353,638	3,816,137
保留盈利	Retained earnings	702,850	1,159,649	(16,139)	(51,600)	1,794,760
本公司權益持有人應佔 股本及儲備	Capital and reserves attributable to owners of the Company	2,268,293	4,506,185	34,861	(170,562)	6,638,777
非控股股東權益	Non-controlling interests	3,347,672	621,265	–	109,779	4,078,716
總權益	Total equity	5,615,965	5,127,450	34,861	(60,783)	10,717,493
總資產及負債	Total equity and liabilities	18,769,153	18,019,650	165,824	(124,858)	36,856,769
流動淨負債	Net current liabilities	(1,178,944)	(1,330,651)	(97,978)	–	(2,607,573)
總資產減流動負債	Total assets less current liabilities	10,818,702	6,224,700	34,861	(60,783)	17,017,480

2 編製基準(續)

以下為共同控制合併綜合收益表的對賬影響：

截至二零一二年十二月三十一日止年度的綜合收益表：

		未計及合併會計 影響之金額 Amounts without taken into consideration of the effect of merger accounting 人民幣千元 RMB'000	二零一零年 收購之 公司合併 Merger of companies under 2010 Acquisition 人民幣千元 RMB'000	亨達銳 公司之合併 Merger of Heng Da Rui Company 人民幣千元 RMB'000	調整 Adjustments 人民幣千元 RMB'000 (i)	經重列 Restated 人民幣千元 RMB'000
收入	Revenue	10,772,476	20,481,301	3,909	(5,114)	31,252,572
本年度溢利	Profit for the year	528,570	653,957	(3,385)	86,236	1,265,378

對截至二零一一年十二月三十一日止年度的綜合收益表的影響：

The consolidated income statement for the year ended 31 December 2011:

		原於 二零一一年 年報所呈列 Originally stated in 2011 annual report 人民幣千元 RMB'000	二零一零年 收購之 公司合併 Merger of companies under 2010 Acquisition 人民幣千元 RMB'000	亨達銳 公司之合併 Merger of Heng Da Rui Company 人民幣千元 RMB'000	公司間 結餘抵銷 Elimination of the intercompany balance 人民幣千元 RMB'000 (i)	經重列 Restated 人民幣千元 RMB'000
收入	Revenue	10,435,966	17,382,245	2,815	(3,848)	27,817,178
本年度溢利	Profit for the year	486,377	437,558	(16,139)	166	907,962

2 編製基準(續)

以下為共同控制合併現金流量表的對賬影響：

截至二零一二年十二月三十一日止年度的綜合現金流量表：

2 BASIS OF PREPARATION (continued)

The following is a reconciliation of the effect arising from the common control combination on the consolidated statement of cash flows:

The consolidated statement of cash flows for the year ended 31 December 2012:

		未計及合併 會計影響之金額 Amounts without taken into consideration of the effect of merger accounting 人民幣千元 RMB'000	合併會計 之影響 Impact of merger accounting 人民幣千元 RMB'000	經重列 Restated 人民幣千元 RMB'000
營運活動產生現金 流入淨額	Net cash inflow generated from operating activities	1,333,461	(517,545)	815,916
投資活動所用現金 流出淨額	Net cash outflow used in investing activities	(2,238,105)	(236,537)	(2,474,642)
融資活動產生現金 流入淨額	Net cash inflow generated from financing activities	825,373	1,622,627	2,448,000

2 編製基準(續)

對截至二零一一年十二月三十一日止年度的綜合現金流量表的影響：

2 BASIS OF PREPARATION (continued)

The consolidated statement of cash flows for the year ended 31 December 2011:

		原於 二零一一年 年報所呈列 Originally stated in 2011 annual report 人民幣千元 RMB'000	合併會計 之影響 Impact of merger accounting 人民幣千元 RMB'000	經重列 Restated 人民幣千元 RMB'000
營運活動所用現金 流出淨額	Net cash outflow used in operating activities	(505,369)	(803,363)	(1,308,732)
投資活動所用現金 流出淨額	Net cash outflow used in investing activities	(1,423,067)	(1,420,345)	(2,843,412)
融資活動產生現金 流入淨額	Net cash inflow generated from financing activities	1,244,701	1,832,682	3,077,383

- (i) 上述調整指對抵銷合併實體股本對投資成本之調整。差額已計入綜合財務報表合併儲備中，且本集團與二零一零年收購公司及亨達銳公司之間的公司間交易以及應收及應付款項結餘已獲抵銷。

概無對任何實體或業務因合併共同控制而達致會計一致之資產淨值及溢利或虧損淨額作出重大調整。

- (i) The above adjustment represents adjustment to eliminate the share capital of the combining entities against the investment cost. The difference has been made to the merger reserve in the consolidated financial statements, and the adjustments to eliminate the intercompany transactions, receivable and payable balances between the Group and companies under 2010 Acquisition companies and Heng Da Rui Company were eliminated.

No other significant adjustments were made to the net assets and net profit or loss of any entities or businesses as a result of the common control combination to achieve consistency of accounting policies.

3 主要會計政策概要

編製綜合併財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

3.1 附屬公司

3.1.1 綜合賬目

附屬公司指本集團有權管控其財政及營運政策之所有實體（包括特殊目的實體），一般附帶超過半數投票權的股權。在評定本集團是否控制另一實體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。當本集團持有一間實體少於50%之投票權股份之情況下，但因實際控制權而可管控其財政及營運政策時，其亦會評估是否存在控制權。

倘相對其他股東的表決權益的數量及分散情況，本集團的表決權益數量佔優，使本集團獲得控制其財務及經營政策等的權力，則本集團擁有實際控制權。

附屬公司於其控制權轉移至本集團之日起全面綜合入賬。附屬公司於控制權終止日期當天解除綜合入賬。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Subsidiaries

3.1.1 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

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

3 主要會計政策概要(續)

3.1 附屬公司(續)

3.1.1 綜合賬目(續)

除業務合併應用下文附註3.1.1(a)所詳述的實體共同控制下企業合併外，附屬公司在控制權轉移至本集團之日起全面綜合入賬，並在控制權終止之日起取消綜合入賬。

集團內公司之間的交易、交易的結餘及收支予以對銷。於資產確認公司之間的交易產生的盈虧亦予以對銷。在必要的時候，附屬公司的會計政策會予以變動，以確保與集團所採納的政策保持一致。

- (a) 共同控制下企業合併
就受共同控制之企業合併而言，綜合財務報表包括發生共同控制合併之合併實體或業務之財務報表項目，猶如該等項目自合併實體或業務首次受控制方控制當日起已合併計算。

合併各實體或業務的淨資產已按控制方預期之現有賬面值綜合入賬。在控制方之權益持續之情況下，並無就商譽或共同控制合併時收購方於被收購方之可識別資產、負債及或然負債公平淨值之權益超過成本之差額確認任何金額。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Subsidiaries (continued)

3.1.1 Consolidation (continued)

Except for business combinations applying business combination involving entities under common control as detailed in Note 3.1.1(a) below, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

- (a) Business combination involving entities under common control
For business combination involving entities under common control, the consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

3 主要會計政策概要(續)

3.1 附屬公司(續)

3.1.1 綜合賬目(續)

- (a) 共同控制下企業合併(續)

綜合收益表包括各合併實體或業務由所呈列之最早日期或合併實體或業務首次受共同控制以來(以較短期間為準)之業績,而不論共同控制合併之日期。

呈列綜合財務報表之比較金額時乃假設該等實體或業務於上一個結算日或其首次受共同控制以來(以較短者為準)已合併計算。

該等實體採納一套統一的會計政策。合併實體或業務之間所有集團間交易、結餘及未變現收益於綜合時抵銷。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Subsidiaries (continued)

3.1.1 Consolidation (continued)

- (a) Business combination involving entities under common control (continued)

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

3 主要會計政策概要(續)

3.1 附屬公司(續)

3.1.1 綜合賬目(續)

- (b) 共同控制下以外的
企業合併

本集團進行業務合併時採用收購會計法入賬。收購附屬公司之轉讓代價為所轉讓資產、對被收購方之前擁有人所產生負債及本集團所發行股權之公允價值。所轉讓代價包括或然代價安排產生之任何資產或負債之公允價值。於業務合併時所收購之可識別資產及所承擔之負債及或然負債，初步按收購日之公允價值計量。本集團按逐項收購基準，以公允價值或按非控股權益所佔被收購方可識別資產淨值已確認金額之比例確認於被收購方之任何非控股股東權益。

與購買相關的成本按發生費用時支銷。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Subsidiaries (continued)

3.1.1 Consolidation (continued)

- (b) Business combination other than involving entities under common control

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

3 主要會計政策概要(續)

3.1 附屬公司(續)

3.1.1 綜合賬目(續)

- (b) 共同控制下以外的
企業合併(續)

如業務合併乃分階段達成，於收購日期收購方先前所持的被收購方股權的賬面值於收購日期按公允價值重新計量，重新計量所產生的盈虧在損益中確認。

集團所轉讓的任何或然代價將在收購日期按公允價值確認。被視為一項資產或負債的或然代價公允價值隨後變動，將按照國際會計準則第39號規定，確認為損益賬或其他全面收益變動。分類為權益的或然代價毋須重新計量，而其後結算於權益入賬。

商譽初步按轉讓代價及非控股股東權益公允價值的總額超出收購所得可識別資產淨值及所承擔負債之公允價值的數額計量。倘此代價低於所收購附屬公司資產淨值之公允價值，則有關差額於損益賬確認。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Subsidiaries (continued)

3.1.1 Consolidation (continued)

- (b) Business combination other than involving entities under common control (continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

3 主要會計政策概要(續)

3.1 附屬公司(續)

3.1.1 綜合賬目(續)

- (c) 於附屬公司擁有權的變動(不會導致控制權變動)

集團將其與非控股股東權益進行且不導致失去控制權的交易入賬為權益交易－即與擁有人以其作為擁有人身份進行的交易。所支付任何代價的公允價值與相關應佔所收購附屬公司淨資產賬面價值的差額記錄為權益。向非控股股東權益的出售的損益亦記錄在權益中。

- (d) 出售附屬公司
倘集團喪失任何實體剩餘權益的控制權，則於失去控制權當日按公允價值重新計量，賬面價值的變動在損益賬內確認。就其後入賬列作聯營公司、合資公司及金融資產的剩餘權益，公允價值為初始賬面價值。此外，先前於其他綜合收益內確認與該實體有關的任何金額按猶如集團已直接出售有關資產或負債的方式入賬。這可能意味著先前在其他綜合收益內確認的金額重新分類至損益賬。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Subsidiaries (continued)

3.1.1 Consolidation (continued)

- (c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

- (d) Disposal of subsidiaries
When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3 主要會計政策概要(續)

3.1 附屬公司(續)

3.1.2 個別財務報表

對附屬公司的投資按成本值扣除減值入賬。成本亦包括投資直接應佔成本。本公司根據已收及應收的股息為基準，計算附屬公司的業績。

於附屬公司的投資的減值評估須於自該等投資收取股息時作出，倘若派發股息期內股息超出附屬公司的全面收入總額或倘若於個別財務報表內投資之賬面值超出綜合財務報表內受投資公司資產淨值(包括商譽)的賬面值。

3.2 聯營公司及共同控制實體

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20%-50%投票權的股權。

共同控制實體指以公司、合夥或其他實體形式成立的合營企業，而合營各方於該合營企業擁有各自的權益，並訂立合約安排以界定各方對該實體經濟活動的共同控制權。

於聯營公司及共同控制實體的投資以權益會計法入賬。按權益法，初始按成本確認，並增加或減少賬面價值以確認投資者在收購日期後佔被投資方損益的比例。集團於聯營公司及共同控制實體的投資包括收購時識別的商譽。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Subsidiaries (continued)

3.1.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

3.2 Associates and jointly controlled entities

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

A jointly controlled entity is a joint venture established as a corporation, partnership or other entity in which the ventures have their respective interests and establish a contractual arrangement among them to define joint control over the economic activity of the entity.

Investments in associates and jointly controlled entities are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates and jointly controlled entities includes goodwill identified on acquisition.

3 主要會計政策概要(續)

3.2 聯營公司及共同控制實體(續)

倘聯營公司及共同控制實體中的所有者權益被減少，而實質影響被保留，則僅一部分之前在其他綜合收益中被確認的金額將被重新歸類為溢利或虧損(如適用)。

本集團應佔收購後溢利或虧損於收益表內確認，而應佔收購後其他綜合收益的變動則於其他綜合收益內確認，投資賬面價值會作出相應調整。於其他權益項目中本集團應佔的收購後變動於本集團其他儲備中確認，投資賬面價值會作出相應調整。本集團應佔聯營公司及共同控制實體的虧損等於或超過其在該聯營公司及共同控制實體之權益，包括任何其他無抵押應收款項，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔法律或推定責任或作出付款。

本集團於各報告日期釐定是否有任何客觀證據顯示於聯營公司及共同控制實體之投資出現減值；如有，則本集團計算減值金額，即聯營公司及共同控制實體可收回金額與其賬面價值間之差額，並於收益表內之「應佔聯營公司溢利」或「應佔共同控制實體溢利」確認該金額。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Associates and jointly controlled entities (continued)

If the ownership interest in associates and jointly controlled entities are reduced but significant influence are retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. The Group's share of post-acquisition movements in other equity items is recognised in other reserves of the Group with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in associates and jointly controlled entities equal or exceed its interest in the associates and jointly controlled entities, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associates and jointly controlled entities are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and jointly controlled entities and its carrying value and recognises the amount adjacent to 'share of profit of associates' or 'share of profit of jointly controlled entities' in the income statement.

3 主要會計政策概要(續)

3.2 聯營公司及共同控制實體(續)

本集團及其聯營公司之間之上游及下游交易所產生溢利及虧損於集團財務報表確認，惟僅以非關連投資者於聯營公司及本集團之權益為限。除非有關交易提供已轉讓資產減值證據，否則未變現虧損予以對銷。在必要的時候，聯營公司及共同控制實體的會計政策會作出改變，以確保與集團所採納的政策保持一致。

於聯營公司及共同控制實體的投資所產生攤薄溢利及虧損於收益表確認。

3.3 分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。首席經營決策者被認為作出策略決定的董事會，由他們負責分配資源和評估經營分部的表現。

3.4 外幣匯兌

(a) 功能和列賬貨幣

本集團每個實體的財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以人民幣(「人民幣」)呈報，人民幣為本公司的功能貨幣及本集團的列賬貨幣。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Associates and jointly controlled entities (continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates and Group. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and jointly controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates and jointly controlled entities are recognised in the income statement.

3.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

3.4 Foreign currency translation

(a) Functional and presentation currency

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

3 主要會計政策概要(續)

3.4 外幣匯兌(續)

(b) 交易及結餘

外幣交易採用交易日或重新計量項目作出估值的匯率換算為功能貨幣。除了符合在權益中遞延入賬的現金流量對沖和淨投資對沖外，結算此等交易產生的匯兌損益以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在收益表確認。

與借款、現金及現金等價物相關的外匯收益及虧損在收益表中的「融資收入或成本」範圍內呈列。而其他的外匯收益在收益表中的「其他收益／(虧損)－淨額」範圍內呈列。

以外幣為單位被分類為可供出售貨幣性證券的公允價值變動，按照證券的攤銷成本變動與該證券賬面價值的其他變動所產生的折算差額進行分析。與攤銷成本變動有關的折算差額於收益表確認，賬面價值的其他變動則於權益中確認。

非貨幣性金融資產及負債（如按公允價值持有透過損益記賬的權益工具）的折算差額在收益表中呈報確認為公允價值盈虧的一部份。非貨幣性金融資產（如分類為可供出售的股權）的換算差額包括在其他全面收益內。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Foreign exchange gains and losses that related to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other gains/(losses) – net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised as part of the fair value gain or loss. Translation difference on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

3 主要會計政策概要(續)

3.4 外幣匯兌(續)

(c) 集團公司

功能貨幣與列賬貨幣不同的所有集團實體(當中沒有嚴重通脹貨幣)的業績及財務狀況，按如下方式換算為列賬貨幣：

- 每份呈報的資產負債表內的資產及負債按該資產負債表日期的收市匯率換算；
- 每份收益表內的收入和費用按平均匯率換算(除非此匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支則按交易日期的匯率換算)；及
- 所有由此而產生的匯兌差額在其他綜合收益中確認。

因收購海外實體產生的商譽及公允價值調整視為海外實體資產和負債，並按收市匯率換算。所產生的匯兌差額於其他全面收益中確認。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3 主要會計政策概要(續)

3.4 外幣匯兌(續)

(d) 出售海外業務及部分出售

出售海外業務(即集團的海外業務全部權益出售,或出售涉及失去控制權之附屬公司的海外業務,出售涉及失去共同控制權之共同控制實體之海外業務,或處置涉及出售失去重大影響的一間聯營公司之海外業務),所有歸屬於本公司股東權益的累計匯兌差額,將重新分類至損益賬中。

倘為部分出售而並未導致本集團失去對擁有海外業務的該附屬公司的控制權,該累計匯兌差額之應佔比例重新歸類為非控股股東權益,而不會於損益賬中確認。就所有其他部分出售(即是,本集團遞減在聯營公司或共同控制實體的擁有權權益後,不會導致本集團失去重大影響力或共同控制權)而言,該累計匯兌差額之應佔比例則須重新分類至損益賬中。

3.5 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊列賬。歷史成本包括收購該項目直接應佔的開支。成本可包括從權益中轉撥的有關以外幣購買物業、廠房及設備的合資格現金流量對沖產生的任何收益/虧損。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Foreign currency translation (continued)

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

3.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

3 主要會計政策概要(續)

3.5 物業、廠房及設備(續)

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，則包括在資產賬面價值或確認為個別資產(如適用)。已更換零件的賬面價值已被剔除入賬。所有其他維修及保養在產生的財政期間內於收益表支銷。

物業、廠房及設備折舊在扣除其估計剩餘價值後按其估計可使用年限以直線法計提。估計可使用年限如下：

樓宇	10至50年
租賃裝修	3至5年
設備及機器	5至30年
運輸工具	5至18年
電腦及電子設備	3至10年
採礦構築物*	10至20年
其他設備	5至13年

* 採礦構築物包括主要及輔助礦井以及地下隧道。

資產剩餘價值及可使用年期在每個報告期進行檢討，及在適當時調整。

倘資產賬面價值高於其預計可收回金額時，其賬面價值即時撇減至可收回金額(附註3.11)。

出售盈虧按所得款與賬面價值的差額釐定，並在收益表的「其他收益／(虧損)－淨額」中確認。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property, plant and equipment (continued)

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

Depreciation of property, plant and equipment is provided using the straight-line method over their estimated useful lives, after deducting the estimated residual value. The estimated useful lives are as follows:

Buildings	10 to 50 years
Leasehold improvement	3 to 5 years
Machinery and Equipment	5 to 30 years
Motor vehicles	5 to 18 years
Computer and electronic equipment	3 to 10 years
Mining structures*	10 to 20 years
Other equipment	5 to 13 years

* Mining structures comprise the main and auxiliary mine shafts and underground tunnels.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3.11).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within 'Other gains/(losses) – net' in the income statement.

3 主要會計政策概要(續)

3.6 投資物業

投資物業主要由租賃土地及樓宇所組成，為獲得長期租金或資本增值或兩者兼備持有，且並非由本集團佔用。投資物業亦包括正在就日後用作投資性物業建設或開發的物業。以經營租賃持有的土地，如符合投資性物業其餘定義，按投資物業記賬。在該情況下，經營租賃猶如其為融資租賃而記賬。投資物業初步按成本計量，包括相關的交易成本及(如適用)借貸成本。在初步確認後，投資物業按公允價值列賬，公允價值指由外部估值師於每個報告日期釐定的公開市值。公允價值根據活躍市場價格計算，如有需要就個別資產的性質、地點或狀況的任何差異做出調整。如沒有此項資料，本集團利用其他估值方法，例如比較不活躍市場的近期價格或折現現金流量預測法。公允價值變動在收益表內記錄為投資物業公允價值收益的部分估值收益或虧損。

僅有當存在以下證據證明用途改變時，才可轉入或轉出投資性物業：

- (a) 投資物業用途改變為自用之時，將投資物業轉換為自用物業；
- (b) 開發用以出售之時，將投資物業轉換為開發物業；
- (c) 自用物業終止自用用途時，將自用物業轉換為投資物業；或

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Investment property

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the income statement as part of a valuation gain or loss in 'fair value gain on investment properties'.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- (a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (b) commencement of development with a view to sale, for a transfer from investment property to properties under development;
- (c) end of owner-occupation, for a transfer from owner-occupied property to investment property; or

3 主要會計政策概要(續)

3.6 投資物業(續)

- (d) 經營租賃予另一方之時，
將存貨轉換為投資物業。

倘業主佔用物業轉變為投資物業
(以公允價值計量)，

- (a) 因此導致物業賬面值之任何減少，在損益中確認。

- (b) 因此產生之任何賬面值增加按以下方式處理：

- (i) 若增加僅限於撥回先前就該物業確認之減值虧損，增加在損益中確認。若並無確認減值虧損，於損益中確認的金額並不超出需要回復至所釐定賬面值(扣除折舊後)之金額。

- (ii) 餘下賬面值增額則於其他綜合收益確認，及於權益項下增加重估盈餘。於其後出售該物業時，計入權益之重估盈餘相關部分將轉撥至保留溢利。由重估盈餘轉撥至保留溢利毋須經損益作出。

以公允價值計量的投資物業轉換為自用物業，該物業的視為成本為轉換使用之日的公允價值。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Investment property (continued)

- (d) commencement of an operating lease to another party, for a transfer from inventories to investment property.

When an owner-occupied property becomes an investment property, which is measured as fair value,

- (a) Any resulting decrease in the carrying amount of the property is recognised in profit or loss.

- (b) Any resulting increase in the carrying amount is treated as follows:

- (i) To the extent that the increase reverses a previous impairment loss for that property, the increase is recognised in profit or loss. The amount recognised in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised.

- (ii) Any remaining part of the increase is recognised in other comprehensive income and increases the revaluation surplus within equity. On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

For a transfer from investment property carried at fair value to owner-occupied property, the property's deemed cost is its fair value at the date of change in use.

3 主要會計政策概要(續)

3.7 無形資產

(a) 商譽

來自收購附屬公司及聯營公司之商譽，乃指所轉移代價超出本集團於被收購方可識別資產、負債及或然負債淨額之公允淨值所佔權益及於被收購方非控股股東權益之公允價值之差額。

就減值測試而言，業務合併所取得之商譽分配給預期可從合併之協同效應中獲益之各現金產生單位或現金產生單位組別。獲分配商譽之各單位或單位組別，乃指該公司就內部管理目的而監察商譽之最低層面。商譽按經營分部層面監察。

商譽減值檢討每年進行，或倘發出顯示潛在減值之事件或事態變化，則更頻密地進行。商譽之賬面值與可收回金額作對比，而可收回金額為使用價值與扣除銷售成本後之公允價值間之較高者。任何減值均即時確認為開支，且於其後不予撥回。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and associates and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

3 主要會計政策概要(續)

3.7 無形資產(續)

- (b) 商標及特許權
分開購入的商標及特許權按歷史成本列示。在業務合併中購入的商標及特許權於收購日期按公允價值確認。商標及特許權有限定可使用年限，並按成本減累計攤銷列賬。攤銷利用直線法將商標及特許權的成本分攤至其估計可使用年限10年計算。
- (c) 電腦軟件
所購電腦軟件程序乃按收購特定軟件及投入使用所產生的成本進行資本化。有關成本按其預計可使用年限5至10年以直線法攤銷。
- 與開發或維護不會產生經濟利益之電腦軟件程序相關的成本於發生時確認為開支。
- (d) 專利權
專利權按其預計可使用年限10年以直線法攤銷。
- (e) 海事使用權
海事使用權按10至50年期限以直線法攤銷。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Intangible assets (continued)

- (b) Trademarks and licenses
Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 10 years.
- (c) Computer software
Acquired computer software programmes are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful lives of 5 to 10 years on a straight-line basis.
- Cost associated with developing or maintaining computer software programmes which do not generate economic benefits are recognised as expense as incurred.
- (d) Patents
Patents are amortised on a straight-line basis over the estimated useful lives of 10 years.
- (e) Maritime right of use
Maritime right of use are amortised on a straight-line basis over the period of 10-50 years.

3 主要會計政策概要(續)

3.8 採礦權

採礦權按成本減累計攤銷及累計減值虧損入賬。採礦權以工作量法攤銷。

3.9 土地使用權

所有在中國的土地都是國有的，個人擁有權並不存在。本集團收購若干土地的使用權，支付的溢價記錄為土地使用權。

自用的土地使用權以成本列示並以直線法按土地剩餘租賃期限攤銷。

待發展待售物業的土地使用權為存貨並按成本及可變現價值較低者計量。當開始發展時，土地使用權會轉到發展中物業。

3.10 在建工程

在建工程包括興建中之廠房及其他物業、機械及設備，按成本列賬。成本包括建築成本、廠房及機械成本，以及於興建、安裝及測試期間之有關工程借貸的利息支出。在建工程達致可使用狀態，其成本轉入物業、廠房及設備，並按上述有關的政策計算折舊。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Mining rights

Mining rights are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation of mining rights is calculated on unit of production method basis.

3.9 Land use rights

All land in the PRC is stated-owned and no individual ownership right exists. The Group acquired the rights to use certain land and the premiums paid for such rights are recorded as land use rights.

Land use rights which are held for self-use are stated at cost and amortised over the remaining period of the leases on a straight-line basis.

Land use rights which are held for development for sale are inventories and measured at lower of cost and net realisable value. Land use rights are transferred to properties under development upon commencement of development.

3.10 Construction-in-progress

Construction-in-progress represents plant and other property, machinery and equipment under construction and is stated at cost. This includes the costs of construction, the costs of plant and machinery, and interest charges arising from borrowings used to finance these assets during the period of construction or installation and testing. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policies as stated above.

3 主要會計政策概要(續)

3.11 非金融資產的減值

沒有確定使用年期之資產(例如商譽或未可以動用的無形資產)無需攤銷,但每年須就減值進行測試。各項需要攤銷的資產當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行評估。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公允價值扣除銷售成本或使用價值兩者之較高者為準。於評估減值時,資產按可分開識別現金流量的最低層次組合。除商譽外,已蒙受減值的非金融資產在每個報告日期均就減值是否可以撥回進行檢討。

3.12 金融資產

3.12.1 分類

本集團把金融資產分為以下幾類:按公允價值透過損益記賬的金融資產、貸款和應收款項及可供出售的金融資產。分類視乎購入金融資產之目的。管理層在初始確認時釐定金融資產的分類。

- (a) 按公允價值透過損益記賬的金融資產
按公允價值透過損益記賬的金融資產指持有作買賣用途的金融資產。金融資產若在購入時主要用作在短期內出售,則分類為此類別。衍生工具除非被指定為對沖,否則亦分類為持作買賣用途。倘預期於12個月內結算,此類別資產分類為流動資產,否則分類為非流動。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3.12 Financial assets

3.12.1 Classification

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

- (a) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

3 主要會計政策概要(續)

3.12 金融資產(續)

3.12.1 分類(續)

- (b) 貸款和應收款項
貸款及應收款項為有固定或可釐定付款且沒有在活躍市場上報價的非衍生金融資產。此等項目包括在流動資產內，但若到期日由結算日起計超過12個月者，則分類為非流動資產。本集團的貸款及其他應收款項包括資產負債表中「貿易及其他應收款項」及「現金及現金等價物」及「已抵押銀行存款」(附註3.17及附註3.18)。
- (c) 可供出售的金融資產
可供出售金融資產為被指定作為此類別或並無分類為任何其他類別之非衍生工具。除非投資到期或管理層有意在結算日後12個月內出售該項投資，否則此等資產列在非流動資產內。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets (continued)

3.12.1 Classification (continued)

- (b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period, these are classified as non-current assets. The Group's loans and other receivables comprise 'trade and other receivables' and 'cash and cash equivalents' and 'pledged bank deposit' in the balance sheet (Note 3.17 and Note 3.18).
- (c) Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period.

3 主要會計政策概要(續)

3.12 金融資產(續)

3.12.2 確認及計量

定期購入及出售的金融資產在交易日確認－交易日指本集團承諾購入或出售該資產之日。對於並非按公允價值透過損益記賬的所有金融資產，其投資初步按公允價值加交易成本確認。按公允價值透過損益列賬的金融資產，初步按公允價值確認，而交易成本則在收益表支銷。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權的所有風險和回報實際轉讓時，金融資產即終止確認。可供出售金融資產及按公允價值透過損益記賬的金融資產其後按公允價值列賬。貸款及應收款項其後利用實際利率法按攤銷成本列賬。

當分類為可供出售的證券售出或減值時，在權益中確認的累計公允價值調整列入收益表「投資證券產生之收益及虧損」內。

採用實際利率法計算之可供出售證券之利息，於收益表確認為其他收入之一部分。當本集團收取款項之權利確立時，可供出售股本工具之股息於收益表內確認為其他收入之一部分。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets (continued)

3.12.2 Recognition and measurement

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

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

3 主要會計政策概要(續)

3.13 金融工具抵銷

倘若存在合法可強制執行之權利以抵銷所確認金額及擬按淨額基準結算或變現資產及同時結算負債，則金融資產與負債相互抵銷，而淨額於資產負債表內呈報。

3.14 金融資產減值

(a) 按攤銷成本計算之資產

本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某組金融資產出現減值。只有當存在客觀證據證明於因為首次確認資產後發生一宗或多宗事件導致出現減值(「損失事項」)，而該宗(或該等)損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關金融資產或金融資產組才算出現減值及產生減值虧損。

減值證據可包括債務人或一組債務人正面臨重大財務困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量之減少，例如欠款數目變動或出現與違約相關之經濟狀況。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.14 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3 主要會計政策概要(續)

3.14 金融資產減值(續)

(a) 按攤銷成本計算之資產
(續)

就貸款及應收賬款類別而言，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在綜合收益表確認。如貸款或持有至到期投資有浮動利率，計量任何減值損失的貼現率為按合約釐定的當前實際利率。在實際應用中，本集團可利用可觀察的市場價格，按工具的公允價值計量減值。

如在隨後期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損可在綜合收益表轉回。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Impairment of financial assets (continued)

(a) Assets carried at amortised cost
(continued)

For loans and receivables category, 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. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

3 主要會計政策概要(續)

3.14 金融資產減值(續)

- (b) 分類為可供出售的資產
- 本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某組金融資產出現減值。就債務證券而言，本集團使用上文(a)項所述準則。就分類為可供出售之股本投資而言，證券公允價值之重大或持續下跌至低於其成本亦為資產出現減值之憑證。倘可供出售金融資產出現減值憑證，其累計虧損(收購成本與當前公允價值兩者之差額)減該金融資產以往於損益內確認之任何減值虧損則於權益中撤銷，並於損益確認。於綜合收益表內確認之股本工具減值虧損不會透過綜合收益表撥回。倘於其後之期間，分類為可供出售之債務工具之公允價值增加，且能夠客觀地釐定減少與於損益確認減值後發生之事項相關，減值虧損則透過綜合收益表撥回。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Impairment of financial assets (continued)

- (b) *Assets classified as available for sale*
- The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

3 主要會計政策概要(續)

3.14 金融資產減值(續)

(c) 分類為持有至到期金融資產的資產

持有至到期金融資產是指設有固定或可予釐定的款項，並具備固定到期日且管理層明確打算並能夠持有至到期日的非衍生金融資產。倘本集團出售持有至到期金融資產(金額微不足道者除外)，整個類別將受到影響，並重新分類至可供出售的金融資產。持有至到期金融資產計入非流動資產，惟於結算日起計十二個月內到期者，則分類為流動資產。

(d) 分類為衍生金融工具的資產

衍生工具初步按衍生工具合約訂立日期的公允價值確認，其後按公允價值重新計量。本集團的衍生工具不合資格按對沖會計處理，並透過損益按公允價值入賬。任何不合資格按對沖會計處理之衍生工具的公允價值變動，即時於損益確認。交易衍生界定為流動資產及負債。

3.15 存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本利用加權平均法釐定。製成品及在製品的成本包括設計成本、原材料、直接勞工、其他直接成本和相關的生產經常開支(依據正常營運能力)。這不包括貸款成本。可變現淨值為在通常業務過程中的估計售價，減適用的變動銷售費用。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Impairment of financial assets (continued)

(c) Assets classified as held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payment and fixed maturities that the Group's management has the position intention and ability to hold it maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(d) Assets classified as derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The Group's derivative instruments do not qualify for hedge accounting, and are accounted for at fair value through profit or loss. Changes in the fair value of the Group's derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss. Trading derivative are defined as a current asset and liability.

3.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3 主要會計政策概要(續)

3.16 發展中物業

發展中物業以成本或可變現淨值之較低者列賬。可變現淨值參考於日常業務過程中銷售物業所得款項減去適用可變動銷售開支及預期竣工成本，或由管理層根據當時市況作出之估計釐定。

發展中物業的成本包括土地使用權費用、建築成本、資本化融資成本及在正常經營週期之發展期間產生的專業費用。竣工後，該等物業轉為持作銷售用途的竣工物業。

倘一項發展中物業成為自用物業，其被分類為物業、廠房及設備。發展中物業作為投資物業的未來用途乃分類為在建投資物業。

成本以加權平均成本法釐定。

3.17 貿易及其他應收款項

貿易應收賬項是於日常業務過程中向客戶銷售商品或提供服務而應收之款項。倘貿易及其他應收款項計將在一年或一年以內收回（若更長則在業務正常經營週期內），則歸類為流動資產。否則，在非流動資產中列報。

貿易及其他應收款項初步按公允價值確認，其後則以實際利率法按攤銷成本減減值撥備計算。

3.18 現金及現金等價物

在綜合現金流量表中，現金及現金等值項目包括手頭現金及銀行定期存款。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties in the ordinary course of business, less applicable variable selling expense and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

Development cost of property comprises land use rights, construction costs, capitalised finance costs and professional fees incurred during the development period of a normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

If a property under development becomes owner-occupied, it is reclassified as property, plant and equipment. Property under development for future use as investment property is classified as investment property under construction.

Cost is determined using the weighted average cost method.

3.17 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.18 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

3 主要會計政策概要(續)

3.19 股本

普通股分類為權益。

發行新股份或購股權直接應佔的增量成本，列入權益作為所得款項的減值(扣除稅項)。

如任何本集團公司購入本公司的權益股本，所支付的代價，包括任何直接所佔的新增成本(扣除所得稅後)，由本公司權益持有人的應佔權益中扣除，直至股份被註銷或重新發行為止。如股份其後被重新發行，任何已收取的代價(扣除任何直接所佔的新增交易成本及相關的所得稅影響)計入本公司權益持有人的應佔權益內。

3.20 永久次級可換股證券

本集團發行的永久次級可換股證券給予持有人權利以固定每股行使價隨時以該等證券轉換固定數目的本公司股份。永久可換股證券並無到期日，且不可贖回。該等證券為權益工具。

3.21 貿易應付款項

貿易應付款項是於日常業務過程中向供應商購買商品或服務而應付的債務。應付賬目如在一年或以內(或如較長則為業務正常經營週期內)到期，則分類為流動負債。否則，將作為非流動負債呈列。

貿易應付款項初始以公允價值確認，其後利用實際利息法按攤銷成本計量。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Share capital

Ordinary shares are classified as equity.

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

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to owners of the Company.

3.20 Perpetual subordinated convertible securities

Perpetual convertible securities issued by the Group gives the right to the holder to convert those securities into a fixed number of the Company's shares at any time at a fixed exercise price per share. The perpetual convertible securities have no maturity date and are not redeemable. These securities are equity instruments.

3.21 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

3 主要會計政策概要(續)

3.22 借款

借款初始按公允價值扣除產生的交易成本確認。借款其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於借貸期間內在收益表確認。

除非本集團有無條件權利將負債的結算遞延至結算日後最少12個月，否則借款分類為流動負債。

3.23 借款成本

發生的可直接歸屬於需經較長時間的購建活動方能達至預定可使用狀態之物業、廠房及設備的購建的借款成本，在資產支出及借款成本已經發生、為使資產達至預定可使用狀態所必要的購建活動已開始時，開始資本化並計入該資產的成本。當購建的資產達至預定可使用狀態時停止資本化，其後發生的借款成本於收益表確認。如果物業、廠房及設備的購建活動發生非正常中斷，並且中斷時間連續超過3個月，暫停借款成本的資本化，直至資產的購建活動重新開始。

就取得合資格資產之特定用途借款而言，合資格資本化的借貸成本的金額為於該期間借款產生的實際借貸成本減以該借款進行臨時性投資而獲得的任何投資收益。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3.23 Borrowing costs

The borrowing costs that are directly attributable to the acquisition and construction of a property, plant and equipment that needs a substantially long period of time of acquisition and construction for its intended use commence to be capitalized and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalization of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use, the borrowing costs incurred thereafter are recognized in income statement. Capitalization of borrowing costs is suspended when the acquisition or construction of a property, plant and equipment is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For a borrowing that is specifically for the purpose of obtaining a qualifying asset, the amounts of borrowing costs eligible for capitalisation are the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of these borrowings.

3 主要會計政策概要(續)

3.23 借款成本(續)

就其他有關合資格資產的收購及構建的借款而言，合資格資本化的借貸成本金額應為產生的實際借貸成本或並非由特定借款提供資金之合資格資產乘資本化率的較低者。資本化率為該等借款的加權平均利率。所有其他借款費用均列作支銷。

3.24 建築合約

合約成本於產生期間確認。倘建築合約之結果不能可靠計量，則合約收入僅就所產可以收回之合約成本予以確認。倘建築合約之結果能可靠計量，且合約將可獲利，則合約收入於合約期間予以確認。倘合約成本將超過合約總收入，則預期虧損即時確認為開支。

合約工程修改、申索及獎勵金計入合約收入，以已與客戶協定且能可靠計量者為限。

本集團採用「完成百分比法」確定在某段期間內應記賬的適當金額。完成百分比以已經完成的合約工作量比例確定，參考每份合約截至結算日止已發生之標準人工小時，佔該合約的估計總標準人工小時之百分比計算。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Borrowing costs (continued)

For the other borrowings related to acquisition, construction and production of a qualifying asset, the amount of borrowing costs eligible for capitalisation shall be the lower of the actual borrowing costs incurred and the amount of qualifying asset not financed by specific borrowings multiplying capitalisation rate. The capitalisation rate is the weighted average interest rate of these borrowings. All other borrowing costs are expensed.

3.24 Construction contracts

Contract costs are recognised when incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that they have been agreed with the customer and are capable of being reliably measured.

The Group uses the “percentage of completion method” to determine the appropriate amount to be recognised in a given period. The stage of completion is determined based on the completion of a physical proportion of the contract work by reference to the cost incurred up to the balance sheet date as a percentage of total estimated budgeted cost for each contract.

3 主要會計政策概要(續)

3.24 建築合約(續)

本集團對所有進行中合約，而其已產生的成本加已確認的利潤(減已確認虧損)超過進度付款時，將合約工程的應收客戶毛金額呈報為資產。客戶未支付的進度付款和保留款列入貿易應收款內。

本集團對所有進行中合約，而其進度付款超過已產生的成本加已確認的利潤(減已確認虧損)時，將合約工程的應付客戶毛金額呈報為負債。

3.25 當期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項於收益表確認，惟於其他綜合收益確認或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他綜合收益或直接於權益確認。

(a) 當期所得稅

當期所得稅支出根據本公司之附屬公司及聯營公司營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 Construction contracts (continued)

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within trade receivables.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

3.25 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3 主要會計政策概要(續)

3.25 當期及遞延所得稅(續)

- (b) 遞延所得稅
- 內在基準差異
- 遞延所得稅乃按負債法就各項資產或負債計稅基數與其於綜合財務報表中所載之賬面金額之間的暫時性差異作出確認。然而，若遞延所得稅來自在交易(不包括企業合併)中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延所得稅採用在結算日前已實行或大致實行，並在有關之遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用之稅率(及法例)而釐定。

遞延所得稅資產是就可能
有未來應課稅盈利而就此
可使用暫時差異而確認。

外部基準差異

遞延所得稅就於附屬公司
及聯營公司投資產生之暫
時差異提取撥備，但假若
本集團可以控制暫時差異
之撥回時間，而暫時差異
在可預見將來有可能不會
撥回則除外。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.25 Current and deferred income tax (continued)

- (b) Deferred income tax
- Inside basis differences
- Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

3 主要會計政策概要(續)

3.25 當期及遞延所得稅(續)

(c) 抵銷

遞延所得稅資產及負債在有合法行使的權利將即期稅項資產與負債互相抵銷，且有關所得稅由同一稅務機關向同一應課稅實體或不同應課稅實體徵收但擬按淨額基準處理結餘方可互相抵銷。

3.26 僱員福利

(a) 退休金責任及其他補充福利責任

本集團的中國全職僱員參與多項政府資助退休金計劃，僱員可按若干公式每月獲得退休金。相關政府機構承擔向此等退休僱員支付退休金的責任。本集團每月向此等退休金計劃供款。根據此等退休金計劃，除所作供款外，本集團並無退休後福利債務。該等計劃供款於產生時支銷。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.25 Current and deferred income tax (continued)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.26 Employee benefit

(a) Pension obligations and other supplementary benefit obligations

The full-time employees of the Group in the PRC are covered by various government sponsored pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred.

3 主要會計政策概要(續)

3.26 僱員福利(續)

(a) 退休金責任及其他補充福利責任(續)

本集團亦向中國的退休僱員提供補充退休金津貼。由於需要本集團提供離職後福利予特定數量員工，該等補充退休金津貼被視為界定福利計劃。於綜合資產負債表上就該等界定福利確認的負債，界定福利責任於結算日的現值，並就未確認精算收入或虧損以及過往服務成本作出調整。界定福利責任由獨立合資格精算師每年以預計單位貸記法計算。界定福利責任的現值以到期日與有關退休金負債相當的政府證券的利率，按估計未來現金流出折現釐定。因按經驗調整而產生的精算損益以及精算假設變動，如超過界定福利責任的10%，則即時於損益扣除或計入。過往服務成本也即時於綜合收益表確認，除非對退休計劃之修改須視乎在某特定期間(歸屬期)僱員是否仍然在任。在此情況下，過往服務成本按歸屬期以直線法攤銷。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.26 Employee benefit (continued)

(a) Pension obligations and other supplementary benefit obligations (continued)

The Group also provided supplementary pension subsidies to certain retired employees in the PRC. Such supplementary pension subsidies are considered to be defined benefit plans as the Group is obligated to provide post-employment benefits to these employees. The liability recognised in the consolidated balance sheets in respect of these defined benefit plans is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities which have maturity approximating to the terms of the related pension liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of 10% of the defined benefit obligation are charged or credited to profit or loss immediately. Past-service costs are recognised immediately in the consolidated income statements, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting time). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

3 主要會計政策概要(續)

3.26 僱員福利(續)

(b) 終止僱用福利及提前退休福利

終止僱用福利和提前退休福利是指在正常退休日之前本集團終止僱用而須支付的款項或員工自願接受裁員以換取的福利。本集團於(i)按照詳細而不可撤銷的正式計劃終止現職員工的僱用；或(ii)鼓勵自願終止僱用而提供終止僱用福利作出明確承諾時，確認終止僱用和提前退休福利。終止僱用及提前退休僱員的具體條款，視乎相關僱員的職位、服務年資及地區等各項因素而有所不同。於報告期末後超過12個月到期須付之福利折現至其現值。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.26 Employee benefit (continued)

(b) Termination benefits and early retirement benefits

Termination and early retirement benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination and early retirement benefits when it is demonstrably committed to either: (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy. The specific terms vary among the terminated and early retired employees depending on various factors including position, length of service and district of the employee concerned. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

3 主要會計政策概要(續)

3.27 研究及開發

研究開支在發生時作為費用支銷。開發項目(涉及新產品及改良產品的設計和測試)產生的成本滿足下列條件的可確認為無形資產：

- 完成該無形資產以使其能夠使用或出售在技術上具有可行性；
- 管理層有意完成並使用或出售該無形資產；
- 有能力使用或出售該無形資產；
- 可證明該無形資產將可產生未來經濟利益；
- 有足夠的技術、財務資源和其他資源支持，以完成該無形資產的開發，並有能力使用或出售該無形資產；及
- 歸屬於該無形資產開發階段的支出能夠可靠地計量。

其他不符合該等標準的開發成本在發生時作為費用支銷。先前已入賬為費用之開發成本不會在往後期間確認為資產。已資本化的開發成本列為無形資產，由資產可以使用時起按其預期可用年期以直線法攤銷。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.27 Research and development

Research expenditures is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development cost previously recognised as an expense is not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over their estimated useful lives.

3 主要會計政策概要(續)

3.28 經營租賃

如租賃資產擁有權的重大部分風險和回報由出租人保留，相關租賃則分類為經營租賃。根據經營租賃支付的款項(扣除自出租人收取之任何獎勵金後)，於租賃期內以直線法在收益表支銷。

3.29 撥備

當本集團因已發生的事件而產生現有的法律或推定義務：很可能需要資源的流出以結算義務及金額已被可靠估計時，當就環境復原、重組費用和法律索償確認撥備。重組撥備包括租賃終止罰款和職工辭退付款。就未來經營虧損作出之撥備不予確認。

如有多項類似義務，其需要在結算中有資源流出的可能性，則可根據義務的類別整體考慮。即使在同一義務類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備採用稅前利率按照預期需結算有關義務的支出現值計量，該利率反映當時市場對金錢時間值和有關義務固有風險的評估。隨著時間過去而增加的撥備確認為利息費用。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.28 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

3.29 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3 主要會計政策概要(續)

3.30 收入確認

收入按已收或應收代價之公允價值計量，為就供應貨品應收之金額，並於入賬後扣除折扣、回扣及增值稅。當收入的數額能夠可靠計量、未來經濟利益有可能流入有關實體，而本集團每項業務均符合具體條件時(如下文所述)，本集團便會將收入確認。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

- (a) **銷售貨品**
銷售貨品在集團實體已將貨品交付予顧客，顧客已接收產品，以及有關應收款的收回可合理確保時確認。
- (b) **合約收入**
個別建築合約之收入採用「完成百分比法」(附註3.24)確認。
- (c) **租金收入**
按經營租約出租的投資物業所得的租金收入以直線法按租賃期於收益表內確認。
- (d) **服務收入**
提供服務之收入在提供服務之會計期間確認。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.30 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (a) **Sale of goods**
Sale of goods are recognised when a Group entity has delivered products to the customer. The customer has accepted the products and collectability of the related receivables is reasonably assured.
- (b) **Contract revenue**
Revenue from individual construction contracts is recognised by using the "percentage of completion method" (Note 3.24).
- (c) **Rental income**
Rental income from investment properties leased out under an operating lease is recognised in the income statement on a straight-line basis over the term of the lease.
- (d) **Services income**
Revenue from rendering of services is recognised in the accounting period in which the services are rendered.

3 主要會計政策概要(續)

3.30 收入確認(續)

(e) 利息收入
利息收入採用實際利率法按時間比例基準確認。

(f) 股息收入
股息收入在收取款項的權利確定時確認。

3.31 股息分派

向本公司股東分派的股息在股息獲本公司股東批准的期間內於本集團的財務報表內列為負債。

3.32 政府補貼

當能夠合理地保證政府補貼將可收取，而本集團將會符合所有附帶條件時，政府提供的補貼將按其公允價值確認。

與成本有關之政府補貼遞延入賬，並按擬補償之成本配合所需期間在收益表中確認。

與物業、廠房及設備有關之政府補貼列入非流動負債作為政府補貼之遞延收入，並按有關資產之預計使用年期以直線法在收益表內列賬。

3.33 財務擔保

財務擔保合約乃要求發出人就償付持有人因指定債務人未能根據債務工具之原有或經修訂條款支付到期款項所蒙受損失而作出特定付款之合約。於初步確認後，財務擔保合約由發出人須按對債務的最佳估計及初步確認款項之較高者減(如適用)就確認所賺取費用收入於擔保合約年內按直線法計算所得累計攤銷計量。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.30 Revenue recognition (continued)

(e) Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

(f) Dividend income
Dividend income is recognised when the right to receive payment is established.

3.31 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3.32 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income on government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

3.33 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. After initial recognition, an issuer of such a contract shall measure it at the higher of the best estimate of the obligation and the amount initially recognized less, when appropriate, cumulative amortisation calculated to recognise the fee income earned on a straight line basis over the life of the guarantee contract.

4 財務風險管理

本集團的業務承受著多種財務風險：市場風險（包括貨幣風險、價格風險、公允價值利率風險及現金流量利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於金融市場的難預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。本集團採用衍生金融工具對沖若干風險。

(a) 市場風險

(i) 外匯風險

本集團的業務主要以人民幣為單位。雖然本集團的大部分資產及負債以人民幣結算但仍然面臨來自於未來的商業交易以及所確認以非人民幣（包括美元（「美元」）、歐元（「歐元」）、阿聯酋迪拉姆（「阿聯酋迪拉姆」）、委內瑞拉銀幣（「委內瑞拉銀幣」）、斯里蘭卡盧比（「斯里蘭卡盧比」）、肯尼亞先令（「肯尼亞先令」）、港元（「港元」）、坦桑尼亞先令（「坦桑尼亞先令」）、阿爾及利亞第納爾（「阿爾及利亞第納爾」）、日圓（「日圓」）、馬來西亞林吉特（「馬來西亞林吉特」）、烏干達先令（「烏干達先令」）、韓元（「韓元」）、瑞士法郎（「瑞士法郎」）、英鎊（「英鎊」）等結算之資產及負債的外匯風險。本集團目前並無外幣對沖政策。此外，人民幣與外幣的兌換應符合中國政府頒布的外匯管理條例的規定。

4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

(a) Market risk

(i) Foreign exchange risk

The Group's activities are principally conducted in RMB. Although majority of the Group's assets and liabilities are denominated in RMB, the Group is still subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB, including US dollars ("USD"), European dollars ("EUR"), Arab Emir. dirham ("AED"), Venezuelan bolivar ("VEF"), Sri Lankan rupee ("LKR"), Kenyan shilling ("KES"), Hong Kong dollars ("HKD"), Tanzanian shilling ("TZS"), Algerian dinar ("DZD"), Japanese yen ("JPY"), Malaysian Ringgit ("MYR"), Uganda Shilling ("UGX"), Korean won ("KRW"), Swiss franc ("CHF"), Great Britain pounds ("GBP") etc. The Group currently does not have a foreign currency hedging policy. In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange controls promulgated by the PRC government.

4 財務風險管理(續)

(a) 市場風險(續)

(i) 外匯風險(續)

本集團以外幣列值之貨幣資產及貨幣負債於各個結算日之賬面值如下：

4 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective balance sheet dates are as follows:

		二零一二年 十二月三十一日 31 December 2012 人民幣千元 RMB'000	二零一一年 十二月三十一日 31 December 2011 人民幣千元 RMB'000 (經重列) (Restated)
資產	Assets		
美元	USD	3,386,632	2,399,544
歐元	EUR	306,447	130,196
阿聯酋迪拉姆	AED	152,823	200,713
委內瑞拉銀幣	VEF	147,644	—
斯里蘭卡盧比	LKR	136,383	346,576
肯尼亞先令	KES	47,737	30,002
港元	HKD	39,399	82,433
坦桑尼亞先令	TZS	36,197	29,220
阿爾及利亞第納爾	DZD	29,234	15,339
日圓	JPY	9,831	3,569
馬來西亞林吉特	MYR	7,071	—
韓元	KRW	6,699	6,330
瑞士法郎	CHF	4,578	—
英鎊	GBP	296	761
烏干達先令	UGX	290	1,261
其他	Others	62,585	119,626
總計	Total	4,373,846	3,365,570

4 財務風險管理(續)
(a) 市場風險(續)
(i) 外匯風險(續)

4 FINANCIAL RISK MANAGEMENT (continued)
(a) Market risk (continued)
(i) Foreign exchange risk (continued)

		二零一二年 十二月三十一日 31 December 2012 人民幣千元 RMB'000	二零一一年 十二月三十一日 31 December 2011 人民幣千元 RMB'000 (經重列) (Restated)
負債	Liabilities		
美元	USD	2,600,850	3,022,095
斯里蘭卡盧比	LKR	382,856	629
港元	HKD	308,389	221,549
歐元	EUR	296,440	194,685
阿聯酋迪拉姆	AED	239,355	272,706
日圓	JPY	123,311	130,934
阿爾及利亞第納爾	DZD	58,866	44,606
坦桑尼亞先令	TZS	26,119	2,974
肯尼亞先令	KES	18,470	18,470
烏干達先令	UGX	2,610	2,610
瑞士法郎	CHF	2,289	—
馬來西亞林吉特	MYR	442	—
韓元	KRW	259	1,841
其他	Others	3,018	51,505
總計	Total	4,063,274	3,964,604

4 財務風險管理(續)

(a) 市場風險(續)

(i) 外匯風險(續)

下表顯示人民幣兌有關外幣除稅前溢利升值5%的敏感度分析。本敏感度分析僅包括以外幣結算的貨幣項目，並在年底就各自的匯率變動作出換算調整。

4 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The following table shows the sensitivity analysis on profit before tax of a 5% increase in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year end for the respective changes in rate.

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
兌美元匯率升值5%	5% appreciation in exchange rate against US Dollar		
年度除稅前溢利(減少)/增加	(Decrease)/increase in the profit before tax for the year	(39,289)	31,128
兌港元匯率升值5%	5% appreciation in exchange rate against Hong Kong Dollar		
年度溢利增加	Increase in the profit before tax for the year	13,450	6,956
兌斯里蘭卡盧比匯率升值5%	5% appreciation in exchange rate against Sri Lankan rupee		
年度除稅前溢利增加/(減少)	Increase/(decrease) in the profit before tax for the year	12,324	(17,297)
兌委內瑞拉銀幣匯率升值5%	5% appreciation in exchange rate against Venezuelan bolivar		
年度除稅前溢利減少	Decrease in the profit before tax for the year	(7,382)	—
兌日圓匯率升值5%	5% appreciation in exchange rate against Japanese Yen		
年度除稅前溢利增加	Increase in the profit before tax for the year	5,674	6,368

4 財務風險管理(續)

(a) 市場風險(續)

(ii) 價格風險

由於本集團持有深圳聯交所的A股投資在綜合資產負債表列為可供出售金融資產，本集團面臨股本證券價格風險(附註18)。本集團所面臨的可供出售金融資產的價格風險並不重大。

(iii) 現金流量及公允價值利率風險

本集團的利率風險主要來自借款。按浮動利率發行的借款令本集團承受現金流量利率風險，按固定利率發行的借款令本集團承受公允價值利率風險。本集團目前並無使用任何利率掉期安排。然而，本集團會於有需要時考慮對沖利率風險。

下表概述在其他變數維持不變下，利率於二零一二年十二月三十一日之變動對本集團年度溢利之影響。

浮動利率借款

Borrowings at variable rates

於融資成本(扣除)/計入

(Charged)/credited to finance costs

(45,042)

45,042

本集團借款之利率及還款期於附註31披露。

The interest rates and terms of repayment of borrowings of the Group are disclosed in Note 31.

4 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to equity securities price risk of its A share investments in the Shenzhen Stock Exchange which are classified on the consolidated balance sheet as available-for-sale financial assets (Note 18). The exposure of the price risk of available-for-sale financial assets is not material to the Group.

(iii) Cash flow and fair value interest rate risk

The Group's interest-rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

The table below summaries the impact of changes in interest rate at 31 December 2012 with all other variables held at constant on the Group's profit for the year.

利率 Interest rate	
10%上升 10% higher	10%下跌 10% lower
年度溢利(減少)/增加 (Decrease)/increase in profit for the year	
人民幣千元 RMB'000	人民幣千元 RMB'000

浮動利率借款

Borrowings at variable rates

於融資成本(扣除)/計入

(Charged)/credited to finance costs

(45,042)

45,042

本集團借款之利率及還款期於附註31披露。

The interest rates and terms of repayment of borrowings of the Group are disclosed in Note 31.

4 財務風險管理(續)

(b) 信貸風險

本集團因現金及現金等價物、初始期限超逾三個月之定期存款、受限制現金及貿易及其他應收款項承受信貸風險。

本集團絕大部分現金及現金等價物均存放於屬於高信貸質量的國有大型金融機構。本集團已全部履約的絕大部分銀行現金、銀行存款及受限制存款概無於本年度內進行重新商討。

貿易及其他應收款項之賬面值，乃本集團就金融資產所面對的最大信貸風險。於二零一二年十二月三十一日，前五大客戶佔貿易及其他應收款項結餘的逾28%(二零一一年：24%)。

本集團一般向現有客戶授出不超過一年的信用期限，且不需抵押品。本集團貿易應收款項之賬齡分析於附註23披露。管理層定期對貿易及其他應收款項之可收回性進行集中及個別評估，基準為過往付款記錄、逾期時間長短、債務人財政狀況及與相關債務人是否有任何爭議。本集團於收取貿易及其他應收款項之過往經驗屬已列賬撥備範圍內，董事認為已就不可收回應收款計提足夠撥備。

4 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, term deposits with initial term of over three months, restricted cash, and trade and other receivables.

Substantially all of the Group's cash and cash equivalents are held in state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions. None of cash at bank, bank deposits and restricted cash of the Group that were fully performing has been renegotiated during the year.

The carrying amounts of trade and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. The top 5 customers accounted for more than 28% of the balance of trade and other receivables as at 31 December 2012 (2011: 24%).

The Group normally grants credit terms of not more than 1 year to existing customers without collaterals. Aging analysis of the Group's trade receivables is disclosed in Note 23. Management makes periodic collective assessment as well as individual assessment on the recoverability of trade and other receivables based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any disputes with the relevant debtors. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible receivables has been made.

4 財務風險管理(續)

(b) 信貸風險(續)

扣除持有抵押品或其他信用增級前之最高信用風險：

		本集團最高風險 Group Maximum exposure	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
有關資產負債表外項目的 信貸風險值：	Credit risk exposure relating to off- balance sheet items:		
財務擔保	Financial guarantees	733,018	270,000

(c) 流動資金風險

本集團董事會透過維持充足現金以應付日常營運承擔以及透過銀行信貸(包括短期及長期銀行貸款)取得充足資金來管理流動資金風險。本集團董事會進一步評估及管理本集團的流動資金及持續經營事宜。詳情請參閱附註2。

下表根據結算日餘下期間至合約到期日的分析，將本集團及本公司的非衍生金融負債分為有關到期日組別。該表所披露的金額為合約未貼現現金流。由於折現的影響不大，故於十二個月內到期的結餘相等於其賬面結餘。

4 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Maximum exposure to credit risk before collateral held or other credit enhancements:

(c) Liquidity risk

The board of directors of the Group manage the liquidity risk by maintaining sufficient cash to meet the normal operating commitments and sourcing adequate funding through banking credit facilities, including short-term and long-term bank loans. The board of directors of the Group have further assessed and managed the liquidity and going concern issue of the Group. Please refer to Note 2 for detail.

The table below analyses the Group's and Company's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

4 財務風險管理(續)
(c) 流動資金風險(續)

4 FINANCIAL RISK MANAGEMENT (continued)
(c) Liquidity risk (continued)

		少於1年 Less than 1 year 人民幣千元 RMB'000	1至2年 Between 1 and 2 years 人民幣千元 RMB'000	2至5年 Between 2 and 5 years 人民幣千元 RMB'000	超過5年 Over 5 years 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
本集團 於二零一二年十二月三十一日	Group At 31 December 2012					
借款	Borrowings	11,098,384	1,304,205	2,699,049	477,405	15,579,043
貿易及其他應收款項 (扣除非金融負債)	Trade and other payables (excluded non-financial liabilities)	7,097,751	46,128	-	-	7,143,879
其他非流動負債	Other non-current liabilities	71,049	133,625	1,196,643	1,180	1,402,497
財務擔保合約	Financial guarantee contracts	458,018	135,000	-	140,000	733,018
總計	Total	18,725,202	1,618,958	3,895,692	618,585	24,858,437
於二零一一年十二月三十一日， 經重列	At 31 December 2011, as restated					
借款	Borrowings	8,730,219	1,308,129	3,225,018	888,788	14,152,154
貿易及其他應收款項 (扣除非金融負債)	Trade and other payables (excluded non-financial liabilities)	7,526,255	24,335	-	-	7,550,590
其他非流動負債	Other non-current liabilities	20,118	6,755	112,483	41,180	180,536
財務擔保合約	Financial guarantee contracts	-	270,000	-	-	270,000
總計	Total	16,276,592	1,609,219	3,337,501	929,968	22,153,280

4 財務風險管理(續)

(d) 公允價值估計

下表按估值法分析按公允價值計量之金融工具。不同級別定義如下：

- 同類資產或負債在活躍市場上的報價(未經調整)(第一級)。
- 除第一級所包括的報價外，資產或負債的可直接(即價格)或間接(即從價格得出)觀察所得輸入值(第二級)。
- 並非根據可觀察市場數據釐定的資產或負債輸入值(即不可觀察輸入值)(第三級)。

下表載列於二零一二年十二月三十一日本集團按公允價值計量之資產。

		第一級 Level 1 人民幣千元 RMB'000	第二級 Level 2 人民幣千元 RMB'000	第三級 Level 3 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
資產	Assets				
衍生金融工具	Derivative financial instruments	-	3,110	-	3,110
可供出售金融資產	Available-for-sale financial assets	23,449	-	236,370	259,819
總資產	Total assets	23,449	3,110	236,370	262,929

4 FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that are measured at fair value at 31 December 2012.

4 財務風險管理(續)

(d) 公允價值估計(續)

下表載列於二零一一年十二月三十一日本集團按公允價值計量之資產及負債。

		第一級 Level 1 人民幣千元 RMB'000	第二級 Level 2 人民幣千元 RMB'000	第三級 Level 3 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
資產	Assets				
持至到期金融資產	Held-to-maturity financial assets	–	15,000	–	15,000
可供出售金融資產	Available-for-sale financial assets	23,976	–	181,070	205,046
總資產	Total assets	23,976	15,000	181,070	220,046
負債	Liabilities				
衍生金融工具	Derivative financial instruments	–	441	–	441

於交投活躍市場買賣的金融工具公允價值根據報告期末的市場報價計算。交投活躍市場乃指可輕易及定期地從交易所、經銷商、經紀人、行業集團、報價服務或規管機構取得報價的市場，而有關報價反映真實、有規律並按公平基準進行的市場交易。本集團所持金融資產所用的市場報價為當時買盤價。該等工具會被列為第一級。第一級所包括的工具包含A股權益投資。

於活躍市場並無買賣的金融工具公允價值乃利用估值技術釐定。估值技術盡量利用可觀察市場數據(如有)，盡量少依賴實體之特定估計。如計算金融工具的公允價值所需所有重大輸入為可觀察數據，則該金融工具列入第二級。

4 FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value estimation (continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2011.

		第一級 Level 1 人民幣千元 RMB'000	第二級 Level 2 人民幣千元 RMB'000	第三級 Level 3 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
資產	Assets				
持至到期金融資產	Held-to-maturity financial assets	–	15,000	–	15,000
可供出售金融資產	Available-for-sale financial assets	23,976	–	181,070	205,046
總資產	Total assets	23,976	15,000	181,070	220,046
負債	Liabilities				
衍生金融工具	Derivative financial instruments	–	441	–	441

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise equity investments in A shares.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

4 財務風險管理(續)

(d) 公允價值估計(續)

如一項或多項重大輸入值並非根據可觀察市場數據，則該金融工具列入第三級。

第一級與第二級公允價值分類等級限制之間並無重大金融資產轉撥。

由於到期期限短，本集團流動金融資產(包括現金及現金等價物、貿易及其他應收款項)以及本集團流動金融負債(包括貿易及其他應付款及流動借款)賬面值與其公允價值相若。

到期期限少於一年的金融資產及負債面值減任何估計信用調整假定與其公允價值相若。就披露而言的金融負債公允價值乃根據本集團就類似金融工具可取得的現行市場利率將未來合約現金流量貼現而估算。

下表載列截至二零一二年十二月三十一日止年度第三級工具的變動。

		可供出售 金融資產 Available- for-sale financial assets
期初結餘	Opening balance	181,070
添置	Additions	84,066
轉撥至共同控制實體(附註18)	Transfer to jointly controlled entities (Note 18)	(640)
出售	Disposals	(28,126)
期末結餘	Closing balance	236,370

4 FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value estimation (continued)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no significant transfers of financial assets between level 1 and level 2 fair value hierarchy classifications.

The carrying amounts of the Group's current financial assets, including cash and cash equivalents, trade and other receivables and the Group's current financial liabilities including trade and other payables and current borrowings approximate their fair values due to their short maturities.

The nominal values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The following table presents the changes in level 3 instruments for the year ended 31 December 2012.

4 財務風險管理(續)

(e) 資本風險管理

本集團管理資本的目的為保障本集團繼續以持續經營方式為股東提供回報以及為其他利益相關者帶來利益，並且維持最佳資本結構以減少資金成本。

為維持或調整資本結構，本集團可調整向股東支付股息的金額、發行新股份或出售資產以減少債項。

與業內其他公司一樣，本集團根據資本負債比率監控資本。資本負債比率乃按負債淨額除以資本總額計算。負債淨額乃按借款總額(包括「流動及非流動借款」，如綜合資產負債表中所示)減現金及現金等價物計算。資本總額乃按「權益」(如綜合資產負債表所示)加負債淨額計算。

於二零一二年及二零一一年十二月三十一日之資本負債比率如下：

4 FINANCIAL RISK MANAGEMENT (continued)

(e) Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

The gearing ratios at 31 December 2012 and 2011 are as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
借款總額(i)	Total borrowings (i)	16,661,917	14,498,064
減：現金及現金等價物 (附註27)	Less: cash and cash equivalents (Note 27)	(4,038,225)	(3,249,891)
負債淨額	Net debt	12,623,692	11,248,173
總權益	Total equity	11,561,693	10,717,493
總資本	Total capital	24,185,385	21,965,666
資本負債比率	Gearing ratio	52%	51%

4 財務風險管理(續)

(e) 資本風險管理(續)

- (i) 總借款包括為數人民幣14,606,566,000元(二零一一年:人民幣13,167,680,000元)(附註31)之借款,計入其他非流動負債人民幣1,190,000,000元(二零一一年:人民幣140,000,000元)(附註34)之借款及計入貿易及其他應收款項人民幣865,351,000元(二零一一年:人民幣1,190,384,000元)(附註35)之借款。

5 關鍵會計估算及判斷

估算及判斷會持續予以評估,並以過往經驗及其他因素(包括在某些情況下對未來事件的合理預計)為依據。

5.1 關鍵會計估算及假設

本集團對未來作估算及假設。根據定義,所得的會計估算極少與相關的實際結果相同。所作的推算及假設可能存在重大風險,並導致下一財政年度的資產及負債賬面值有重大調整的項目在下文論述。

(a) 應收款項減值

本集團參考將予收回之金額之數額及時間,根據貿易及其他應收款項之可收回程度之評估,從而作出減值撥備。倘發生事件或變動顯示結欠可能不能收回,則對貿易及其他應收款項作出撥備。識別潛在減值需要運用判斷及估計。倘預期與原本估計不同,有關差異將影響有關估計變動期間貿易及其他應收款項之賬面值以及呆壞賬開支。

4 FINANCIAL RISK MANAGEMENT (continued)

(e) Capital risk management (continued)

- (i) Total borrowings comprised borrowings of RMB14,606,566,000 (2011: RMB13,167,680,000) (Note 31), borrowings included in other non-current liabilities of RMB1,190,000,000 (2011: RMB140,000,000) (Note 34), and borrowings included in trade and other payables of RMB865,351,000 (2011: RMB1,190,384,000) (Note 35).

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

(a) Impairment of receivables

The Group makes provision for impairment of receivables based on an assessment of the recoverability of trade and other receivables with reference to the extent and duration that the amount will be recovered. Provisions are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of potential impairment requires the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

5 關鍵會計估算及判斷(續)

5.1 關鍵會計估算及假設(續)

- (b) **礦產資源儲量**
礦產資源儲量及攤銷方法是計算採礦權攤銷時的關鍵因素，而礦產資源儲量也是減值測試中的一個重要元素。礦產資源儲量的變動將影響在財務報告所記錄的採礦權攤銷。探明的可開採儲量的減少將增加攤銷費用。對探明儲量的估計將基於新的資訊而上下浮動，比如經濟因素的變動，包括產品價格、合同條款、技術革新或開採計劃。

- (c) **採礦權及物業、廠房及設備減值**
採礦權及物業、廠房及設備按成本減累計攤銷及折舊列賬。倘發生事件或變動顯示可能不能收回賬面值，則就減值而檢討賬面值。所確認之減值虧損為資產之賬面值超過其可收回金額之數額。可收回金額為資產之公允價值減出售成本或使用價值之較高者。於估計資產之可收回價值時，將作出多項假設，包括與採礦權及物業、廠房及設備有關之未來現金流量，折舊以及貼現率。倘未來事件並未與有關假設相對，將須修訂可收回金額，而此舉可能對本集團之經營業績或財務狀況有影響。管理層認為二零一二年十二月三十一日採礦權及物業、廠房及設備的賬面值無須計提減值。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

5.1 Critical accounting estimates and assumptions (continued)

- (b) **Mineral resources reserves**
Mineral resources reserves and the amortisation method are key factors in the calculation of amortisation of mining rights. Mineral resources reserves are also an important element in testing for impairment. Changes in mineral resources reserves will affect amortisation recorded in the financial statements for mining rights. A reduction in proven developed reserves will increase amortisation charges. Proven reserve estimates are subject to revision, either upward or downward, based on new information, such as from changes in economic factors, including product prices, contract terms, evolution of technology or development plans.

- (c) **Impairment of mining rights and property, plant and equipment**
Mining rights and property, plant and equipment are carried at cost less accumulated amortisation and depreciation. These carrying amounts are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In estimating the recoverable amounts of assets, various assumptions, including future cash flows to be associated with the mining rights and depreciation and discount rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will need to be revised, and this may have an impact on the Group's results of operations or financial position. Management considered that there was no impairment charge required to be made to the carrying value of the mining rights and property, plant and equipment as at 31 December 2012.

5 關鍵會計估算及判斷(續)

5.1 關鍵會計估算及假設(續)

(d) 投資物業估值

本集團的若干投資物業位於無活躍房地產市場的區域，於此情況下，公允價值使用現金流量貼現法估算，其中包括若干主要假設，如市場租金、佔用率及貼現率。假設需運用判斷及估計。倘預期與最初估算不同，該等差異將於該估計改變的期間影響投資物業的賬面值以及投資物業公允價值變動損益。

(e) 確認遞延所得稅資產

於釐定所得稅撥備時需作出重大判斷。在正常業務過程中，許多交易及計算的最終釐定是不確定的。倘該等事項的最終稅務結果與最初所錄金額不同，該差異將影響作出釐定期間的所得稅及遞延稅項撥備。

當管理層認為將來很有可能應課稅利潤以抵銷暫時性差異或可使用稅務虧損時，有關若干暫時性差異及稅務虧損的遞延稅項資產予以確認。實際使用的結果可能不同。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

5.1 Critical accounting estimates and assumptions (continued)

(d) Investment property valuation

The Group's certain investment properties are located in areas where there are no active property market, in such cases, the fair value is estimated by discounted cash flow method, which involves a number of key assumptions, including market rents, occupancy rates, discounts rates. The assumptions require the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of investment and fair value gain/loss on investment property in the period in which such estimate has been changed.

(e) Recognition of deferred income tax assets

Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

5 關鍵會計估算及判斷(續)

5.1 關鍵會計估算及假設(續)

- (f) 商譽的減值
本集團根據附註3.11所述的會計政策每年或於出現減值跡象時測試商譽有否出現任何減值。現金產生單位的可收回金額已按資產的公允價值減銷售成本後的淨額與使用價值兩者中的較高者釐定。該等計算需要使用估計(附註9)。

- (g) 建造合約
本集團採用完工百分比法將合約收入列賬。完工階段乃參照迄今所產生的合約成本與估計總合約成本的比較計算。

於估計總合約成本時須作出重大假設，管理層依賴過往經驗及行業知識作出估計。管理層監察施工進度並定期按合約進度審核各項合約的估計總成本。

倘實際成本有別於管理層估計，則收入、銷售成本及可預見虧損撥備將予以調整。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

5.1 Critical accounting estimates and assumptions (continued)

- (f) *Impairment of goodwill*
The Group tests whether goodwill has suffered any impairment annually or, whenever there is an indication of impairment, in accordance with the accounting policy stated in Note 3.11. The recoverable amounts of cash-generating units have been determined based on the higher of an asset's fair value less costs to sell and value in use. These calculations require the use of estimates (Note 9).

- (g) *Construction contracts*
The Group uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract.

Significant assumptions are required to estimate the total contract costs and in making these estimates, management has relied on past experience and industry knowledge. Management monitors the progress of the construction and reviews periodically the estimated total costs for each contract as the contract progresses.

If the actual costs differ from management's estimates, the revenue, cost of sales and provision for foreseeable losses would be adjusted.

5 關鍵會計估算及判斷(續)

5.2 關鍵判斷

若干附屬公司實際控制權

本集團於天馬微電子股份有限公司(「天馬」)及深圳市飛亞達(集團)股份有限公司(「飛亞達」)兩間附屬公司之股權分別為45.62%及41.49%，其他股權由公眾廣泛持有。本集團投票權相較其他股東的持股量及分散程度而言，給予本集團權力可控制該兩間公司之財務及營運決定。因此，本公司董事認為縱使本集團於該兩間附屬公司之股權低於50%，本集團仍能維持於該等附屬公司之實際控制權，而本集團將繼續將其以附屬公司作呈報。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

5.2 Critical judgments

De facto control in certain subsidiaries

The Group's equity interests held in two listed subsidiaries, Tianma Micro-electronics Co. Ltd. (the "Tianma") and Fiyta Holdings Limited (the "Fiyta"), were 45.62% and 41.49% respectively, other equity interests are widely held by public interests. The Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies. As such, the directors of the Company considered that the Group has maintained de facto control of these subsidiaries despite its equity interests in these two subsidiaries are below 50% and the Group continued to report them as subsidiaries.

6 分部資料

本公司董事會為主要經營決策者。管理層根據經董事會審閱的報告(用以作出策略性決定)釐定營運分部。

董事會從產品的角度考慮業務。本集團劃分為五個業務分類：

- 電子高科技－生產及銷售液晶顯示器、印製電路板及緊固件
- 零售及高端消費品－中高檔手錶製造及世界名錶連鎖銷售
- 地產與酒店－提供工程服務、物業開發及經營酒店
- 貿易物流－商品貿易、船舶製造及提供物流服務
- 資源投資與開發－採礦及礦石銷售

董事會根據溢利評估經營分部表現。

分部資產主要包括土地使用權、物業、廠房及設備、投資物業、在建工程、存貨、發展中物業、貿易及其他應收款項及現金及現金等價物。

分部間收入乃根據訂約雙方協商之條款及條件釐定。

向董事會提供的截至二零一二年十二月三十一日止年度的可報告分部的分部資料如下：

6 SEGMENT INFORMATION

The chief operating decision-makers have been identified as the board of directors of the Company. Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions.

The board considers the business from a product perspective. The Group is organised into five business segments:

- High-tech Electronic Products – manufacture and sales of liquid crystal displays, printed circuit boards and standard parts
- Retails and High-end Consumer Products – manufacture and sales of mechanical and branded quartz timepieces
- Real Estate and Hotel – providing construction services, real estate development and hotel operation
- Trading and Logistics – trading of commodities, ship building and providing logistic services
- Resources Investment and Development – mining and sales of minerals

The board assesses the performance of the operating segments based on the profit.

Segment assets consist primarily of land use rights, property, plant and equipment, investment properties, construction-in-progress, inventories, properties under development, trade and other receivables and cash and equivalents.

Inter-segment revenue are carried out according to the terms and conditions agreed by both parties.

The segment information provided to the board of directors for the reportable segments for the year ended 31 December 2012 is as follows:

6 分部資料(續)

本集團的分部資料分析如下：

6 SEGMENT INFORMATION (continued)

An analysis of the Group's segment information is as follows:

		截至二零一二年十二月三十一日止年度 Year ended 31 December 2012						
		電子高科技 High-tech Electronic Products	零售及高端 消費品 Retails and High-end Consumer Products	地產與酒店 Real Estate and Hotel	貿易物流 Trading and Logistics	資源投資 與開發 Resources Investment and Development	未分配項目 Unallocated	總計 Total
分部業績	Segment results							
來自外部客戶的營業收入	Revenue from external customers	6,779,206	2,987,857	2,769,814	17,656,704	1,058,991	-	31,252,572
分部間收入	Inter-segment revenue	1,106	4,008	-	-	-	-	5,114
分部業績	Segment results	321,245	227,404	99,919	395,154	(18,575)	(51,279)	973,868
其他收入(附註36)	Other income (Note 36)	301,818	25,209	1,128	286,196	70,661	3,355	688,367
其他收益/(虧損)－淨額 (附註37)	Other gains/(losses) – net (Note 37)	(7,053)	299	1,243	66,825	(23,971)	(305)	37,038
投資物業公允價值收益 (附註12)	Fair value gain on investment properties (Note 12)	1,015	7,387	51,342	41,588	-	-	101,332
經營溢利/(虧損)	Operating profit/(loss)	617,025	260,299	153,632	789,763	28,115	(48,229)	1,800,605
融資成本淨額(附註40)	Finance costs, net (Note 40)	(227,341)	(99,033)	(65,178)	(201,571)	(72,884)	(164,251)	(830,258)
應佔聯營公司溢利/ (虧損)(附註15)	Share of profit/(losses) of associates (Note 15)	(9,179)	1,732	61,910	(14,595)	-	92,005	131,873
應佔共同控制實體溢利 (附註16)	Share of profit of jointly controlled entities (Note 16)	-	-	-	2,518	-	342,654	345,172
所得稅支出(附註42)	Income tax charge (Note 42)	(42,867)	(22,674)	(35,410)	(75,626)	(5,437)	-	(182,014)
年內溢利/(虧損)	Profit/(loss) for the year	337,638	140,324	114,954	500,489	(50,206)	222,179	1,265,378
其他分部項目如下：	Other segment items are as follows:							
分部資產	Segment assets	9,596,996	2,975,076	5,234,437	11,280,158	2,245,772	4,454,315	35,786,754
在聯營公司之投資(附註15)	Investments in associates (Note 15)	191,520	41,649	109,496	705,684	-	839,168	1,887,517
在共同控制實體之投資 (附註16)	Investment in jointly controlled entities (Note 16)	-	-	-	88,314	-	2,322,460	2,410,774
總資產	Total assets	9,788,516	3,016,725	5,343,933	12,074,156	2,245,772	7,615,943	40,085,045
總負債	Total liabilities	6,404,481	1,853,582	4,991,515	10,200,926	1,981,117	3,091,731	28,523,352
資本性支出	Capital expenditure	585,470	118,245	89,519	439,820	188,720	-	1,421,774
非現金開支	Non-cash expenses							
－物業、廠房及設備 折舊(附註38)	－ Depreciation of property, plant and equipment (Note 38)	723,530	11,010	51,534	75,856	51,544	1,206	914,680
－土地使用權攤銷 (附註38)	－ Amortisation of land use rights (Note 38)	7,756	-	11,480	9,745	872	-	29,853
－採礦權攤銷 (附註38)	－ Amortisation of mining rights (Note 38)	-	-	-	-	14,589	-	14,589
－無形資產攤銷 (附註38)	－ Amortisation of intangible assets (Note 38)	4,604	1,356	24	4,140	317	-	10,441
－其他非流動資產攤銷 (附註38)	－ Amortisation of other non-current assets (Note 38)	2,692	2,043	3,671	4,693	1,284	-	14,383
－壞賬撥備/(撥回) (附註38)	－ Provision for/(reversal of) bad debts (Note 38)	12,280	2,335	6,897	43,212	(7,143)	-	57,581
－陳舊存貨撥備 (附註38)	－ Provision for inventory obsolescence (Note 38)	40,297	4,553	-	526	-	-	45,376
－應收合約客戶的撥備 金額(附註38)	－ Provision for amounts due from customers for contract work (Note 38)	-	-	-	2,808	-	-	2,808

6 分部資料(續)

6 SEGMENT INFORMATION (continued)

截至二零一一年十二月三十一日止年度(經重列)
Year ended 31 December 2011(Restated)

		電子高科技 High-tech Electronic Products	零售及高端 消費品 Retails and High-end Consumer Products	地產與酒店 Real Estate and Hotel	貿易物流 Trading and Logistics	資源投資 與開發 Resources Investment and Development	未分配項目 Unallocated	總計 Total
分部業績	Segment results							
來自外部客戶的營業收入	Revenue from external customers	6,812,696	2,537,539	2,024,047	15,298,425	1,096,776	47,695	27,817,178
分部間收入	Inter-segment revenue	520	3,041	-	287	-	-	3,848
分部業績	Segment results	156,722	212,892	(10,178)	289,851	9,519	(21,859)	636,947
其他收入/(虧損)	Other income/(losses)	456,294	19,235	(5,113)	241,829	44,339	(729)	755,855
其他收益/(虧損)-淨額	Other gains/(losses) - net	(908)	(399)	(408)	2,471	(177)	(911)	(332)
投資物業公允價值收益	Fair value gain on investment properties	3,066	2,472	4,080	29,227	-	-	38,845
經營溢利	Operating profit	615,174	234,200	(11,619)	563,378	53,681	(23,499)	1,431,315
融資成本淨額	Finance costs, net	(156,641)	(59,296)	(81,557)	(128,602)	(50,334)	(88,019)	(564,449)
應佔聯營公司溢利/(虧損)	Share of profit/(losses) of associates	(15,589)	-	4,683	37,969	-	116,404	143,467
應佔共同控制實體溢利	Share of profit of jointly controlled entities	-	-	-	(2,948)	-	174,341	171,393
所得稅支出	Income tax charge	(30,890)	(33,544)	(12,485)	(202,033)	5,112	76	(273,764)
年內溢利/(虧損)	Profit/(losses) for the year	412,054	141,360	(100,978)	267,764	8,459	179,303	907,962
其他分部項目如下：	Other segment items are as follows:							
分部資產	Segment assets	10,607,837	2,976,140	6,639,483	10,424,492	1,913,133	557,527	33,118,612
在聯營公司之投資	Investments in associates	148,589	-	38,060	566,988	-	768,355	1,521,992
在共同控制實體之投資	Investment in jointly controlled entities	-	-	-	71,359	-	2,144,806	2,216,165
總資產	Total assets	10,756,426	2,976,140	6,677,543	11,062,839	1,913,133	3,470,688	36,856,769
總負債	Total liabilities	7,264,866	1,599,552	4,155,863	9,925,844	1,392,654	1,800,497	26,139,276
資本性支出	Capital expenditure	1,299,938	148,180	191,577	1,524,310	166,987	328	3,331,320
非現金開支	Non-cash expenses							
- 物業、廠房及設備折舊	- Depreciation of property, plant and equipment	757,819	30,021	43,721	140,363	48,541	1,649	1,022,114
- 土地使用權攤銷	- Amortisation of land use rights	3,344	344	6,584	3,737	453	-	14,462
- 採礦權攤銷	- Amortisation of mining rights	-	-	-	-	14,133	-	14,133
- 無形資產攤銷	- Amortisation of intangible assets	3,252	572	11	2,711	3	1	6,550
- 其他非流動資產攤銷	- Amortisation of other non-current assets	14,735	14,904	3,529	4,614	581	-	38,363
- 壞賬撥備/(撥回)	- Provision for/(reversal of) bad debts	1,183	3,128	(12)	1,394	(303)	-	5,390
- 陳舊存貨撥備/(撥回)	- Provision for/(reversal of) inventory obsolescence	13,310	2,759	-	(166,227)	-	-	(150,158)
- 應收合約工程客戶款項撥備	- Provision for amounts due from customers for contract work	-	-	-	148,337	-	-	148,337

6 分部資料(續)

本集團各實體主要位於中國。其來自中國以及其他國家及地區的外部客戶的營業收入列示如下：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
收入	Revenue		
中國內地	Mainland China	22,376,960	20,795,220
香港	Hong Kong	1,812,764	1,537,164
歐美	Europe and America	2,139,626	1,408,930
東亞及東南亞	East and Southeast Asia	2,981,482	2,049,134
其他國家	Other countries	1,941,740	2,026,730
收益表收入總額	Total revenue per income statement	31,252,572	27,817,178

收入乃按客戶所在國家進行分配。概無自單一客戶產生超過總收入10%的收入。

6 SEGMENT INFORMATION (continued)

The Group entities are principally domiciled in the PRC. The result of its revenue from external customers in PRC and other countries and districts are disclosed as follows:

Revenue is allocated based on the country in which customers are located. No revenues derived from a single external customer have exceeded 10% of the total revenues.

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
除金融工具及遞延稅項 資產外的非流動資產 總值	Total of non-current assets other than financial instruments and deferred tax assets		
中國內地	Mainland China	14,420,247	15,081,764
香港	Hong Kong	86,605	125
歐美	Europe and America	6,148	548
東亞及東南亞	East and Southeast Asia	23,564	27,713
其他	Others	17,687	28,910
於聯營公司之投資	Investments in associates	14,554,251	15,139,060
於共同控制實體之投資	Investments in jointly controlled entities	1,887,517	1,521,992
		2,410,774	2,216,165
		18,852,542	18,877,217

6 分部資料(續)

6 SEGMENT INFORMATION (continued)

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
資本性支出	Capital expenditure		
中國內地	Mainland China	1,399,860	3,254,248
香港	Hong Kong	14,805	1,388
歐美	Europe and America	3,688	22,978
東亞及東南亞	East and Southeast Asia	996	24,190
其他	Others	2,425	28,516
		1,421,774	3,331,320

資本性支出按資產所在地進行分配。

Capital expenditure is allocated based on where the assets are located.

收入細分如下：

Revenue consists of the following:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
分類收入分析	Analysis of revenue by category		
貨品銷售	Sale of goods	24,950,855	21,305,875
建築合約	Construction contracts	5,768,383	6,020,184
租金收入	Rental income	200,260	230,935
服務收入	Services income	172,073	105,466
其他	Others	161,001	154,718
收益表收入總額	Total revenue per income statement	31,252,572	27,817,178

7 土地使用權

7 LAND USE RIGHTS

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
於一月一日之賬面淨值	Net book value at 1 January	1,214,682	878,985
添置	Additions	244,465	24,912
收購一間附屬公司	Acquisition of a subsidiary	—	372,806
攤銷	Amortisation	(30,503)	(22,191)
轉撥至投資物業 (附註12(e))	Transfer to investment properties (Note 12(e))	—	(39,830)
出售附屬公司(附註46)	Disposal of subsidiaries (Note 46)	(135,192)	—
於十二月三十一日之賬面淨值	Net book value at 31 December	1,293,452	1,214,682

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
於香港以外，以30至50年 租約持有	Outside Hong Kong, held on leases of 30 to 50 years	1,293,452	1,214,682

7 土地使用權(續)

計入土地使用權的人民幣72,214,000元乃自於二零一一年收購中航威海船廠有限公司(「威海船廠」)69.77%股權對威海船廠的土地使用權公允價值評估而產生。

威海船廠根據當地政府城市規劃及促進山東半島造船業發展的要求搬遷業務。在搬遷之前威海船廠經營業務的土地將由當地政府收回。當地政府隨後將透過轉讓土地使用權所得款項至物業開發公司賠償威海船廠。根據當地政府的政策，威海船廠可獲得轉讓土地使用權96%的款項，且該款項須用作新廠房建設。

攤銷支出人民幣29,853,000元(二零一一年：人民幣14,462,000元)(附註38)及人民幣650,000元(二零一一年：人民幣7,729,000元)已分別計入年內行政費用及資本化在建工程。

本集團之土地使用權均位於中國境內，位於中國境內的有關土地使用權由城市規劃及土地管理局授予30至50年使用期，該期間自授出之日起計。

於二零一二年十二月三十一日，若干銀行借款由本集團賬面淨值合共人民幣517,952,000元(二零一一年：人民幣518,721,000元)的土地使用權作抵押。有關已抵押借款之詳情載於附註31。

7 LAND USE RIGHTS (continued)

Included in land use rights were RMB72,214,000 arose from fair value evaluation of land use rights of (AVIC Weihai Shipyard Co., Ltd. (中航威海船廠有限公司) ("Weihai Shipyard")) for acquiring 69.77% equity interests of Weihai Shipyard in 2011.

Weihai Shipyard relocated its business according to local government's requirement for city planning and promoting the development of shipbuilding industry of Shandong Peninsula. The land on which Weihai Shipyard operated its business before relocation will be taken back by the local government, local government will then compensate Weihai Shipyard through proceeds from transferring the land use right to property development companies. According to local government's policy, Weihai Shipyard could get 96% of proceeds from transferring the land-use-right, and the proceeds shall be used for the new factory construction.

Amortisation charges of RMB29,853,000 (2011: RMB14,462,000) (Note 38) and RMB650,000 (2011: RMB7,729,000) were included in the administrative expenses and capitalised in construction in process for the year respectively.

The Group's land use rights are situated in the mainland China, the respective land use rights in mainland China were granted by the Town Planning and Land Administration Bureau for periods of 30-50 years from the date of grant.

As at 31 December 2012, certain bank borrowings were secured by the land use rights of the Group with net book value totalling RMB517,952,000 (2011: RMB518,721,000). Details of the secured borrowings are in Note 31.

8 採礦權

8 MINING RIGHTS

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
於一月一日之賬面淨值	Net book value at 1 January	519,906	534,029
添置	Additions	—	10
攤銷	Amortisation	(14,589)	(14,133)
於十二月三十一日之賬面淨值	Net book value at 31 December	505,317	519,906

攤銷支出金額人民幣14,589,000元（二零一一年：人民幣14,133,000元）（附註38）已計入本年度綜合收益表的銷貨成本內。

Amortisation charges of RMB14,589,000 (2011: RMB14,133,000) (Note 38) were included in the cost of goods sold in the consolidated income statement for the year.

於二零一二年十二月三十一日，本集團採礦權由以下組成：

As of 31 December 2012, the mining rights of the Group comprise the following:

- 賬面淨值為人民幣219,212,000元（二零一一年：人民幣219,212,000元）之磷礦之採礦權涉及面積約2.4553平方公里，位於中國雲南省昆明市東川區。
- 賬面淨值人民幣220,250,000元（二零一一年：人民幣233,897,000元）之鉀礦之採礦權涉及面積約284,526平方公里，位於中國青海省海西市冷湖區。
- 賬面淨值為人民幣65,855,000元（二零一一年：人民幣66,797,000元）之磷礦之採礦權涉及面積約6.85平方公里，位於中國雲南省昆明市東川區。

- The mining rights of the phosphorus mine of a net book value of RMB219,212,000 (2011: RMB219,212,000) has a site area of approximately 2.4553 sq. Km. It is located in Dongchuan District, Kunming Prefecture of Yunnan Province, the PRC.
- The mining rights of a potassium mine of a net book value of RMB220,250,000 (2011: RMB233,897,000) has a site area of approximately 284,526 sq. Km. It is located in Lenghu District, Haixi Prefecture of Qinghai Province, the PRC.
- The mining rights of a phosphorus mine of a net book value of RMB65,855,000 (2011: RMB66,797,000) has a site area of approximately 6.85 sq. Km. It is located in Dongchuan District, Kunming Prefecture of Yunnan Province, the PRC.

餘下採礦權使用年限為5至10年。管理層預期毋須重大成本即可重續採礦權。

The remaining useful life of mining rights is 5-10 years. Management expects to be able to renew the mining rights without significant cost.

9 商譽

9 GOODWILL

本集團
Group
人民幣千元
RMB'000

截至二零一一年十二月三十一日止年度		Year ended 31 December 2011	
於二零一一年一月	As at January 2011		5,240
收購附屬公司	Acquisition of subsidiaries		254,996
於二零一一年十二月，經重列	As at December 2011, as restated		260,236
截至二零一二年十二月三十一日止年度		Year ended 31 December 2012	
於二零一二年一月	As at January 2012		260,236
收購一間附屬公司(附註49)	Acquisition of a subsidiary (Note 49)		4,308
於二零一二年十二月	As at December 2012		264,544

商譽是由於二零零八年收購青海中航資源有限公司(「青海中航資源」)60%股權，於二零一一年收購威海船廠69.77%股權及卓越緊固系統(上海)有限公司(「卓越緊固」)100%股權，於二零一二年收購北京中航華泰連科貿有限公司(「華泰」)70%股權所導致。

與威海船廠有關之現金產生單位之可收回金額按公允價值減銷售成本計算，其他現金產生單位之可收回金額乃基於使用價值計算，其按管理層所編製涵蓋五年之財務預測採用稅前現金流預測計得。超過五年之現金流乃採用以下所述的估計增長率推算。

The goodwill arose from the acquisition of 60% interest of Qinghai CATIC Resources Company Limited ("Qinghai CATIC Resources"), 69.77% interest of Weihai Shipyard, 100% interest of Superior Metal Hardware Products (Shanghai) Company Limited ("Superior Metal") (卓越緊固系統(上海)有限公司) and 70% interest of CATIC Huatai Liankemao (Beijing) Company Limited ("Huatai") (北京中航華泰連科貿有限公司) in 2008, 2011, 2011 and 2012 respectively.

The recoverable amount of the CGU related to Weihai Shipyard is determined based on fair value less costs to sell calculation, the recoverable amount of other CGUs is determined based on value-in-use calculations. Those calculations use pre-tax cash flow projections based on financial forecasts prepared by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

9 商譽(續)

用作公允價值減銷售成本及使用價值計算之主要假設如下：

		青海 中航資源 Qinghai CATIC Resources	威海船廠 Weihai Shipyards	卓越緊固 Superior Metal	華泰 Huatai
賬面淨值	Net book value	5,240	227,107	27,889	4,308
邊際利潤	Gross margin	27.68%	10%	24.8%	5%
增長率	Growth rate	5%	13%	2%	5%
貼現率	Discount rate	15%	15%	9.2%	8%

此等假設已用於分析經營分部內各現金產生單位。

管理層根據過往表現以及其對市場發展之預期而釐定預算邊際利潤。所採用之加權平均增長率與業界報告所載之預測一致。所採用之貼現率為稅前貼現率，並反映有關經營分部相關之特別風險。

經進行減值測試後，本公司董事認為無須計提減值撥備。

倘估計未來現金流量已較二零一二年及二零一一年十二月三十一日管理層之估計低10%，本集團則毋須確認商譽減值虧損(二零一一年：無)。

倘於二零一二年及二零一一年十二月三十一日貼現率已增加2%，本集團則毋須確認商譽減值虧損(二零一一年：無)。

9 GOODWILL (continued)

The key assumptions used for fair value less costs to sell and value-in-use calculations are as follows:

These assumptions have been used for the analysis of each CGU within the operating segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

The directors of the Company consider that no impairment charge was required after performing the impairment assessment.

If the estimated future cash flows had been 10% lower than management's estimates as at 31 December 2012 and 2011, the Group would have recognized no impairment loss on the goodwill (2011: Nil).

If the discount rate had increased 2% as at 31 December 2012 and 2011, the Group would have recognized no impairment loss on the goodwill (2011: Nil).

10 無形資產

10 INTANGIBLE ASSETS

		電腦軟體 Computer software 人民幣千元 RMB'000	已資本化的 開發成本 Capitalised development costs 人民幣千元 RMB'000	商標及 許可證 Trademark and licenses 人民幣千元 RMB'000	海域使用權 Maritime rights of use 人民幣千元 RMB'000	專利 Patents 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一二年一月一日	At 1 January 2012							
成本	Cost	85,142	57,973	7,199	25,669	-	5,943	181,926
累計攤銷及累計減值	Accumulated amortisation and impairment	(24,331)	-	(828)	(3,648)	-	(1,883)	(30,690)
賬面淨值	Net book amount	60,811	57,973	6,371	22,021	-	4,060	151,236
截至二零一二年十二月三十一日止年度	Year ended 31 December 2012							
年初賬面淨值	Opening net book amount	60,811	57,973	6,371	22,021	-	4,060	151,236
添置	Additions	9,066	9,922	-	-	-	-	18,988
轉撥至專利	Transfer to patents	-	(66,947)	-	-	66,947	-	-
出售	Disposals	(35)	-	-	-	-	-	(35)
攤銷開支	Amortisation charge	(10,869)	-	(12)	(1,073)	(1,619)	(330)	(13,903)
年終賬面淨值	Closing net book amount	58,973	948	6,359	20,948	65,328	3,730	156,286
於二零一二年十二月三十一日	At 31 December 2012							
成本	Cost	94,161	948	7,086	25,670	66,947	5,943	200,755
累計攤銷及累計減值	Accumulated amortisation and impairment	(35,188)	-	(727)	(4,722)	(1,619)	(2,213)	(44,469)
賬面淨值	Net book amount	58,973	948	6,359	20,948	65,328	3,730	156,286

10 無形資產(續)

10 INTANGIBLE ASSETS (continued)

		電腦軟體 Computer software 人民幣千元 RMB'000	已資本化的 開發成本 Capitalised development costs 人民幣千元 RMB'000	商標及 許可證 Trademark and licenses 人民幣千元 RMB'000	海域使用權 Maritime right of use 人民幣千元 RMB'000	專利 Patents 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000
於二零一一年一月一日，經重列	At 1 January 2011, as restated						
成本	Cost	71,800	-	7,199	-	5,943	84,942
累計攤銷及累計減值	Accumulated amortisation and impairment	(15,982)	-	(186)	-	(2,915)	(19,083)
賬面淨值	Net book amount	55,818	-	7,013	-	3,028	65,859
截至二零一一年十二月三十一日止 年度，經重列	Year ended 31 December 2011, as restated						
年初賬面淨值	Opening net book amount	55,818	-	7,013	-	3,028	65,859
收購一間附屬公司	Acquisition of a subsidiary	1,227	-	-	22,810	-	24,037
添置	Additions	13,342	57,973	-	-	1,362	72,677
出售	Disposals	(455)	-	(587)	-	-	(1,042)
攤銷開支	Amortisation charge	(9,121)	-	(55)	(789)	(330)	(10,295)
年終賬面淨值	Closing net book amount	60,811	57,973	6,371	22,021	4,060	151,236
於二零一一年十二月 三十一日，經重列	At 31 December 2011, as restated						
成本	Cost	85,142	57,973	7,199	25,669	5,943	181,926
累計攤銷及累計減值	Accumulated amortisation and impairment	(24,331)	-	(828)	(3,648)	(1,883)	(30,690)
賬面淨值	Net book amount	60,811	57,973	6,371	22,021	4,060	151,236

攤銷金額人民幣10,441,000元(二零一一年：人民幣6,550,000元)(附註38)及人民幣3,462,000元(二零一一年：人民幣3,745,000元)分別計入本年度行政費用及資本化在建工程。

Amortisation charges of RMB10,441,000 (2011: RMB6,550,000) (Note 38) and RMB3,462,000 (2011: RMB3,745,000) were included in the administrative expenses and capitalised in construction in progress for the year respectively.

11 物業、廠房及設備
本集團

11 PROPERTY, PLANT AND EQUIPMENT
Group

		二零一二年 2012							
		樓宇 Buildings	租賃裝修 Leasehold improvement	機器及設備 Machinery and equipment	汽車 Motor vehicles	電腦及 電子設備 Computer and electronic equipment	採礦構築物 Mining structures	其他設備 Other equipment	總額 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
截至二零一二年十二月 三十一止年度	Year ended 31 December 2012								
成本	Cost								
年初	At beginning of year	5,076,688	147,290	6,385,906	181,239	262,794	249,106	109,242	12,412,265
在建工程轉入(附註13)	Transfer from construction-in- progress (Note 13)	91,520	-	346,881	-	546	13,798	-	452,745
收購一間附屬公司(附註49)	Acquisition of a subsidiary (Note 49)	-	-	7	197	48	-	-	252
添置	Additions	103,094	77,417	221,554	36,878	23,989	5,333	9,853	478,118
投資物業轉入(附註12)	Transfer from investment properties (Note 12)	35,494	-	-	-	-	-	-	35,494
轉撥至投資物業 (附註12(e))	Transfer to investment properties (Note 12(e))	(17,227)	-	-	-	-	-	-	(17,227)
出售附屬公司(附註46)	Disposals of subsidiaries (Note 46)	(714,537)	-	(360,500)	(16,687)	(4,058)	-	(3,169)	(1,098,951)
其他出售(附註46)	Other disposals (Note 46)	(42,937)	-	(129,365)	(10,683)	(8,658)	-	(2,015)	(193,658)
匯兌差額	Exchange differences	(1,408)	-	(514)	(612)	359	-	(258)	(2,433)
年末	At end of year	4,530,687	224,707	6,463,969	190,332	275,020	268,237	113,653	12,066,605
累計折舊	Accumulated depreciation								
年初	At beginning of year	535,034	36,871	1,860,789	82,439	132,329	27,847	61,351	2,736,660
本年度計提	Charge for the year	157,891	68,386	598,912	22,775	47,845	20,963	17,232	934,004
轉撥至投資物業 (附註12(e))	Transfer to investment properties (Note 12(e))	(1,519)	-	-	-	-	-	-	(1,519)
出售附屬公司(附註46)	Disposals of subsidiaries (Note 46)	(80,035)	-	(71,975)	(3,307)	(1,449)	-	(900)	(157,666)
其他出售(附註46)	Other disposals (Note 46)	(9,817)	-	(107,623)	(7,515)	(7,757)	-	(1,250)	(133,962)
年末	At end of year	601,554	105,257	2,280,103	94,392	170,968	48,810	76,433	3,377,517
減值	Impairment								
年初及年末	At beginning and end of year	5,524	-	9,919	-	273	-	-	15,716
賬面淨值	Net book amount								
年末	At end of year	3,923,609	119,450	4,173,947	95,940	103,779	219,427	37,220	8,673,372
年初	At beginning of year	4,536,130	110,419	4,515,198	98,800	130,192	221,259	47,891	9,659,889

11 物業、廠房及設備(續)

本集團(續)

11 PROPERTY, PLANT AND EQUIPMENT

(continued)

Group (continued)

		二零一一年 2011							總額 Total
		樓宇 Buildings	租賃裝修 Leasehold improvement	機器及設備 Machinery and equipment	汽車 Motor vehicles	電腦及 電子設備 Computer and electronic equipment	採礦構築物 Mining structures	其他設備 Other equipment	
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
截至二零一一年十二月 三十一日止年度(經重列)	Year ended 31 December 2011, as restated								
成本	Cost								
年初	At beginning of year	3,518,147	49,674	5,390,596	143,858	344,141	199,846	165,806	9,812,068
在建工程轉入(附註13)	Transfer from construction-in-progress (Note 13)	756,646	-	224,560	-	15,490	49,245	-	1,045,941
收購附屬公司	Acquisition of subsidiaries	754,440	-	306,225	7,791	3,846	-	-	1,072,302
投資物業轉入(附註12)	Transfer from investment properties (Note 12)	32,434	-	-	-	-	-	-	32,434
添置	Additions	232,531	97,616	564,847	44,966	30,596	15	16,600	987,171
轉撥至投資物業 (附註12(e))	Transfer to investment properties (Note 12(e))	(170,142)	-	-	-	-	-	-	(170,142)
出售附屬公司	Disposals of subsidiaries	(6,566)	-	(283)	(538)	(5,819)	-	-	(13,206)
其他出售	Other disposals	(36,725)	-	(83,869)	(14,733)	(125,384)	-	(74,284)	(334,995)
匯兌差額	Exchange differences	(4,077)	-	(16,170)	(105)	(76)	-	1,120	(19,308)
年末	At end of year	5,076,688	147,290	6,385,906	181,239	262,794	249,106	109,242	12,412,265
累計折舊	Accumulated depreciation								
年初	At beginning of year	365,855	7,059	1,183,362	70,265	204,945	10,385	108,484	1,950,355
本年度計提	Charge for the year	199,814	29,812	704,909	21,991	36,521	17,462	17,697	1,028,206
轉撥至投資物業 (附註12(e))	Transfer to investment properties (Note 12(e))	(18,102)	-	-	-	-	-	-	(18,102)
出售附屬公司	Disposals of subsidiaries	(3,608)	-	(210)	(254)	(5,005)	-	-	(9,077)
其他出售	Other disposals	(8,925)	-	(27,272)	(9,563)	(104,132)	-	(64,830)	(214,722)
年末	At end of year	535,034	36,871	1,860,789	82,439	132,329	27,847	61,351	2,736,660
減值	Impairment								
年初	At beginning of year	-	-	9,919	-	273	-	-	10,192
本年度計提	Charge for the year	5,524	-	-	-	-	-	-	5,524
年末	At end of year	5,524	-	9,919	-	273	-	-	15,716
賬面淨值	Net book amount								
年末	At end of year	4,536,130	110,419	4,515,198	98,800	130,192	221,259	47,891	9,659,889
年初	At beginning of year	3,152,292	42,615	4,197,315	73,593	138,923	189,461	57,322	7,851,521

11 物業、廠房及設備(續)

本公司

11 PROPERTY, PLANT AND EQUIPMENT

(continued)

Company

		二零一二年 2012			
		樓宇 Buildings 人民幣千元 RMB'000	機器及設備 Machinery and equipment 人民幣千元 RMB'000	汽車 Motor vehicles 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
截至二零一二年十二月 三十一日止年度	Year ended 31 December 2012				
成本	Cost				
年初及年末	At beginning and end of year	19,000	1,646	4,327	24,973
累計折舊	Accumulated depreciation				
年初	At beginning of year	11,946	598	4,092	16,636
本年度計提	Charge for the year	855	309	42	1,206
年末	At end of year	12,801	907	4,134	17,842
賬面淨值	Net book amount				
年末	At end of year	6,199	739	193	7,131
年初	At beginning of year	7,054	1,048	235	8,337

11 物業、廠房及設備(續)

本公司(續)

11 PROPERTY, PLANT AND EQUIPMENT

(continued)

Company (continued)

		二零一一年 2011			
		樓宇 Buildings 人民幣千元 RMB'000	機器及設備 Machinery and equipment 人民幣千元 RMB'000	汽車 Motor vehicles 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
截至二零一二年十二月三十一日止年度		Year ended 31 December 2012			
成本		Cost			
年初	At beginning of year	19,000	1,646	4,107	24,753
添置	Additions	–	–	220	220
年末	At end of year	19,000	1,646	4,327	24,973
累計折舊		Accumulated depreciation			
年初	At beginning of year	11,091	286	4,068	15,445
本年度計提	Charge for the year	855	312	24	1,191
年末	At end of year	11,946	598	4,092	16,636
賬面淨值		Net book amount			
年末	At end of year	7,054	1,048	235	8,337
年初	At beginning of year	7,909	1,360	39	9,308

本集團之物業、廠房及設備乃按歷史成本列賬。

The property, plant and equipment of the Group were stated at historical cost.

11 物業、廠房及設備(續)

折舊費在以下分類中資本化或記入費用：

11 PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation charge was capitalised or expensed in the following categories:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
銷貨成本	Cost of goods sold	769,991	852,518
行政費用	Administrative expenses	130,254	161,997
銷售費用	Distribution costs	14,435	7,599
在建工程	Construction in progress	19,324	6,092
		934,004	1,028,206

本集團之所有樓宇主要位於中國境內。

The Group's buildings are mainly situated in the mainland China.

於二零一二年十二月三十一日，若干銀行借款人民幣1,764,343,000元(二零一一年十二月三十一日：人民幣2,341,941,000元)由物業、廠房及設備作如下抵押：

As at 31 December 2012, certain bank borrowings of RMB1,764,343,000 (31 December 2011: RMB2,341,941,000) were secured by the property, plant and equipment as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
賬面淨值	Net book value		
樓宇	Buildings	1,444,472	1,300,473
機器及設備	Machinery and equipment	—	218,983
		1,444,472	1,519,456

截至二零一二年十二月三十一日，本集團仍在辦理賬面淨值為人民幣619,879,000元(二零一一年：人民幣1,141,582,000元)的樓宇的產權證。

As at 31 December 2012, the Group was still in the progress of obtaining title certificates of buildings with a net book value of RMB619,879,000 (2011: RMB1,141,582,000).

12 投資物業

12 INVESTMENT PROPERTIES

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
按公允價值	At fair value		
一月一日期初結餘	Opening balance at 1 January	2,030,986	1,719,187
物業、廠房及設備及 土地使用權轉入	Transfer from property, plant and equipment and land use rights	22,539	330,206
公允價值變動淨收益	Net gain from fair value adjustment	101,332	38,845
轉撥至物業、廠房及設備 (附註11)	Transfer to property, plant and equipment (Note 11)	(35,494)	(32,434)
出售(附註46)	Disposals (Note 46)	(20,049)	(24,818)
十二月三十一日期末結餘	Closing balance at 31 December	2,099,314	2,030,986

(a) 投資物業之確認損益金額列示如下：

(a) Amounts recognised in profit and loss for investment properties were as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
租賃收入	Rental income	166,621	173,453
產生租賃收入之出租物業 之直接運營費用	Direct operating expenses from property that generated rental income	(52,885)	(49,439)
不產生租賃收入之出租 物業之直接運營費用	Direct operating expenses from property that did not generate rental income	(3,629)	(27,887)
		110,107	96,127

12 投資物業(續)

(b) 估價基礎

二零一二年之重估乃基於中國聯合資產評估有限公司的獨立評估。評估值代表的公允價值是該物業可以在各方之間自願公平交易，基於同一地點、同條件以受租於同類租賃的同類物業在活躍市場中的目前價格。

(c) 投資物業抵押資產

於二零一二年十二月三十一日，若干銀行借款由廣東國際大廈實業有限公司(「廣東國際」)公允價值約人民幣857,700,000元(二零一一年：人民幣826,881,000元)的投資物業作抵押。若干銀行借款由北京公司公允價值約人民幣283,956,000元(二零一一年：零)的投資物業作抵押。廣東國際及北京公司為本集團附屬公司。有關已抵押借款之詳情載於附註31。

(d) 租賃協定

若干投資物業通過長期經營租賃出租予承租人，承租人每月支付租金。

基於未在財務報告中確認之投資物業之不可撤銷經營租賃下的最低應收租賃款額如下：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
一年以內	Not later than one year	134,461	84,547
一年以上五年以內	Later than one year and not later than five years	330,305	125,696
五年以上	Later than five years	260,985	99,086
		725,751	309,329

本集團的投資物業均位於中國境內。

12 INVESTMENT PROPERTIES (continued)

(b) Valuation basis

The 2012 revaluations were based on independent assessments made by China United Assets Appraisal Co., Ltd. The valuations represented the fair value amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active property market for similar properties in the same location and condition and subject to similar leases.

(c) Investment properties pledged as security

As at 31 December 2012, certain bank borrowings were secured by the investment properties of the Guangdong International Building Industrial Co., Ltd. ("GIB Company") at the fair value of approximately RMB857,700,000 (2011: RMB826,881,000). Certain bank borrowings were secured by the investment properties of Beijing Company at the fair value of approximately RMB283,956,000 (2011: Nil). GIB Company and Beijing Company are subsidiaries of the Group. Details of the secured borrowings are in Note 31.

(d) Leasing arrangements

Certain investment properties have been leased to tenants under long-term operating leases with rentals payable monthly.

Minimum lease receivables under non-cancellable operating leases of investment properties not recognised in the financial statements are as follows:

The investment properties of the Group are situated in the PRC.

12 投資物業(續)

- (e) 二零一二年，賬面淨值分別為人民幣15,708,000元(二零一一年：人民幣152,040,000元)及零(二零一一年：人民幣39,830,000元)的自住物業樓宇及土地使用權被轉為投資物業。截至轉讓之日，該等投資物業的公允價值為人民幣22,539,000元(二零一一年：人民幣330,206,000元)。在轉讓之日的公允價值與賬面淨值之差額(扣除遞延稅項負債後)人民幣5,123,000元(二零一一年：人民幣103,752,000元)在其他綜合收益中入賬。

12 INVESTMENT PROPERTIES (continued)

- (e) In 2012, owner-occupied property of buildings and land use rights with net book values of RMB15,708,000 (2011: RMB152,040,000) and nil (2011: RMB39,830,000), respectively, were transferred to investment properties. As at the date of transfer, the fair value of these investment properties amounted to RMB22,539,000 (2011: RMB330,206,000). The difference between the fair value and net book value at the transfer date of RMB5,123,000 (2011: RMB103,752,000), net of deferred tax liability, was recorded in other comprehensive income.

13 在建工程

13 CONSTRUCTION-IN-PROGRESS

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
年初	At beginning of year	1,128,005	907,143
收購附屬公司	Acquisition from subsidiaries	—	94,177
添置(附註(a))	Additions (Note (a))	577,681	1,174,243
轉撥至物業、廠房及設備 (附註11)	Transfer to property, plant and equipment (Note 11)	(452,745)	(1,045,941)
轉撥至其他非流動資產	Transfer to other non-current assets	(890)	(1,617)
		1,252,051	1,128,005

- (a) 添置主要包括建造廠房、裝修改造及翻新工程產生的成本。

- (a) Included in the additions were mainly costs incurred for the construction of production plants, modernisation and renovation projects.

- (b) 於二零一二年，計入在建工程的資本化銀行貸款利息為人民幣10,457,000元(二零一一年：人民幣804,000元)，資本化利率為5.66%(二零一一年：4.65%)。

- (b) Bank loan interest capitalised in the construction in progress in 2012 amounting to RMB10,457,000 (2011: RMB804,000) and the capitalised interest rate was 5.66% (2011: 4.65%).

13 在建工程(續)

於二零一二年十二月三十一日，若干銀行借款由廣東國際及北京公司賬面值人民幣16,361,000元(二零一一年：人民幣3,301,000元)的在建工程作抵押。有關已抵押借款之詳情載於附註31。

13 CONSTRUCTION-IN-PROGRESS (continued)

As at 31 December 2012, certain bank borrowings were secured by the construction-in-progress of GIB Company and Beijing Company at the net book value of approximately RMB16,361,000 (2011: RMB3,301,000). Details of the secured borrowings are in Note 31.

14 於附屬公司之投資

14 INVESTMENTS IN SUBSIDIARIES

		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
投資，按成本：	Investments at cost:		
－上市公司股份	－ shares in listed companies	432,838	432,838
－非上市股權	－ unlisted equity interests	4,082,814	1,254,173
		4,515,652	1,687,011

於二零一二年十二月三十一日，上市公司股份之市值約為人民幣3,005,864,000元(二零一一年：人民幣3,154,498,000元)。

As at 31 December 2012, the market value of shares in listed companies approximated RMB3,005,864,000 (2011: RMB3,154,498,000).

於二零一二年十二月三十一日，本公司於下列主要附屬公司中擁有股本權益(本公司董事認為該等附屬公司(均於中國註冊／成立及經營)在本集團淨收益或本集團資產及負債中佔有重大比例)。

As at 31 December 2012, the Company had equity interests in the following major subsidiaries which, in the opinion of the directors, materially contributed to the net results of the Group or constituted a material portion of the assets or liabilities of the Group (all incorporated/established and operated in the PRC).

14 於附屬公司之投資(續)

14 INVESTMENTS IN SUBSIDIARIES (continued)

附屬公司名稱 Name of subsidiary	註冊／成立日期 Date of incorporation/ establishment	所佔股權權益 Attributable equity interest		註冊資本 Registered capital		企業類別 Type of legal entity	主要業務 Principal activities	
		二零一二年 2012		二零一一年 2011				
		直接 Direct	間接 Indirect	直接 Direct	間接 Indirect			
天馬(附註(a)) Tianma (Note(a))	一九八三年十一月八日 8 November 1983	45.62%	-	45.62%	-	人民幣574,237,500元 RMB574,237,500	股份有限公司(深圳證 交所上市公司) Joint stock company (listed on the Shenzhen Stock Exchange)	製造及銷售液晶顯示器 Manufacture and sales of liquid crystal displays
深南電路有限公司 (「深南電路」) Shennan Circuit Co., Ltd. ("SCC")	一九八四年七月三日 3 July 1984	93.00%	-	88.35%	-	人民幣139,800,000元 RMB139,800,000	有限責任公司 Limited liability company	製造及銷售印刷電路板 Manufacture and sales of printed circuit boards
飛亞達(附註(a)) Fiyta (Note(a))	一九九零年三月三十日 30 March 1990	41.49%	-	41.49%	-	人民幣280,548,479元 RMB280,548,479	股份有限公司(深圳證 交所上市公司) Joint stock company (listed on the Shenzhen Stock Exchange)	製造及銷售鐘錶 Manufacture and sales of watches and clocks
深圳中航資源有限公司 (「中航資源」) Shenzhen AVIC Resources Co., Ltd. ("Resources Company")	二零零七年九月十七日 17 September 2007	100%	-	100%	-	人民幣500,000,000元 RMB500,000,000	獨資企業 Wholly owned company	礦產資源開發 Mineral resources development
廣東國際 GIB Company	二零零九年一月三十一日 31 January 2009	75%	-	75%	-	人民幣416,459,417元 RMB416,459,417	合資共同控制實體 Contractual jointly controlled entities	酒店及物業經營 Hotel and property operations
航標公司 MFG Company	一九八五年三月十三日 13 March 1985	100%	-	-	-	人民幣21,600,000元 RMB21,600,000	獨資企業 Wholly owned company	製造及銷售標準部件 Manufacture and sales of standard parts
北京公司 Beijing Company	一九九二年六月四日 4 June 1992	100%	-	-	-	人民幣300,000,000元 RMB300,000,000	獨資企業 Wholly owned company	貿易活動及製造船隻 Trading activities and shipbuilding
經貿公司 TED Company	一九九五年十一月二日 2 November 1995	97.5%	-	-	-	人民幣60,000,000元 RMB60,000,000	有限責任公司 Limited liability company	買賣電子及電腦設備以及 招標管理 Trading of electronic and computer equipment and tender management

14 於附屬公司之投資 (續)

14 INVESTMENTS IN SUBSIDIARIES (continued)

附屬公司名稱 Name of subsidiary	註冊／成立日期 Date of incorporation/ establishment	所佔股權權益 Attributable equity interest		註冊資本 Registered capital		企業類別 Type of legal entity	主要業務 Principal activities	
		二零一二年 2012		二零一一年 2011				
		直接 Direct	間接 Indirect	直接 Direct	間接 Indirect			
廣州公司 Guangzhou Company	一九七九年十一月一日 1 November 1979	100%	—	—	—	人民幣300,000,000元 RMB300,000,000	獨資企業 Wholly owned company	製造船隻、貿易及其他業務 Ship building, trading and other business
廈門公司 Xiamen Company	一九八零年七月一日 1 July 1980	100%	—	—	—	人民幣550,000,000元 RMB550,000,000	獨資企業 Wholly owned company	製造船隻、貿易及其他業務 Ship building, trading and other business
工程公司 Engineering Company	一九八零年八月六日 6 August 1980	100%	—	—	—	人民幣400,000,000元 RMB400,000,000	獨資企業 Wholly owned company	建築業務、項目管理、房地產發展、建築物料買賣及提供勞務服務 Construction activities, project management, Real estate development, construction material trade and rendering of labour service
北京瑞信 Beijing Ruixin	二零零二年十二月三十日 30 December 2002	90%	—	—	—	人民幣60,000,000元 RMB60,000,000	合資共同控制實體 Contractual jointly controlled entities	房地產發展 Real estate development
西安瑞賽 Xi'an Raise	二零零八年四月二十二日 22 April 2008	51%	—	—	—	人民幣30,000,000元 RMB30,000,000	合資共同控制實體 Contractual jointly controlled entities	房地產發展 Real estate development
成都瑞賽 Chengdu Raise	二零零七年十月十八日 18 October 2007	60%	—	—	—	人民幣120,000,000元 RMB120,000,000	合資共同控制實體 Contractual jointly controlled entities	房地產發展 Real estate development
無錫瑞賽(附註(b)) Wuxi Raise (Note (b))	二零零七年十月十二日 12 October 2007	40%	—	—	—	人民幣30,000,000元 RMB30,000,000	合資共同控制實體 Contractual jointly controlled entities	房地產發展 Real estate development
中航國際新能源發展有限公司 (「新能源」) AVIC International Renewable Energy Development Co., Ltd (“RED Company”)	二零一零年七月二十六日 26 July 2010	—	60%	—	—	人民幣100,000,000元 RMB100,000,000	合資共同控制實體 Contractual jointly controlled entities	買賣再生能源設備 Trading of renewable energy equipment

14 於附屬公司之投資(續)

14 INVESTMENTS IN SUBSIDIARIES (continued)

附屬公司名稱 Name of subsidiary	註冊／成立日期 Date of incorporation/ establishment	所佔股權權益 Attributable equity interest		註冊資本 Registered capital		企業類別 Type of legal entity	主要業務 Principal activities	
		二零一二年 2012		二零一一年 2011				
		直接 Direct	間接 Indirect	直接 Direct	間接 Indirect			
上海天馬微電子股份有限公司 (「上海天馬」) Shanghai Tianma Microelectronics Co., Ltd. ("Shanghai Tianma")	二零零七年四月七日 7 April 2007	21%	30%	21%	30%	人民幣515,000,000元 RMB515,000,000	合資共同控制實體 Contractual jointly controlled entities	製造及銷售液晶顯示器 Manufacture and sales of liquid crystal displays
青海中航資源有限公司 (「青海中航資源」) Qinghai CATIC Resources Co., Ltd. ("Qinghai CATIC Resources")	二零零七年五月十六日 16 May 2007	-	100%	-	100%	人民幣550,000,000元 RMB550,000,000	獨資企業 Wholly owned company	鉀資源業務 Potassium resources business
成都天馬微電子股份有限公司 (「成都天馬」)(附註(b)) Chengdu Tianma Microelectronics Co., Ltd ("Chengdu Tianma") (Note(b))	二零零八年九月十一日 11 September 2008	-	30%	-	30%	人民幣1,200,000,000元 RMB1,200,000,000	合資共同控制實體 Contractual jointly controlled entities	製造及銷售液晶顯示器 Manufacture and sales of liquid crystal displays
雲南紅富化肥有限公司 (「雲南紅富」) Yunnan Hongfu Fertilizer Company Limited ("Yunnan Hongfu")	二零一一年九月十五日 15 September 2011	-	51%	-	51%	人民幣108,793,654元 RMB108,793,654	合資共同控制實體 Contractual jointly controlled entities	磷資源業務 Phosphorus resources business

(a) 本集團於天馬及飛亞達的股權分別為45.62%及41.49%，其他股權由公眾廣泛持有。本集團投票權相較其他股東的持股量及分散程度而言，給予本集團權力可控制該兩間公司之財務及營運決定，股仍將彼等入賬為附屬公司。

(b) 本公司已與該等附屬公司非控股權益股東就股東及董事會會議投票達成與本公司一致行動協議，據此本公司能夠控制彼等。

(a) The Group's equity interests held in Tianma and Fiyta are 45.62% and 41.49% respectively, other equity interests are widely held by public interests. The Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies and account them as subsidiaries.

(b) The Company has reached the agreement with non-controlling shareholders of those subsidiaries to act in concert with the Company when casting votes in shareholder and board of director's meetings, pursuant to which the Company is able to control them.

15 於聯營公司的投資

15 INVESTMENTS IN ASSOCIATES

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
年初	At beginning of year	1,521,992	825,591	298,198	298,198
注資	Capital injection	73,730	571,862	—	—
自預付款轉入 (附註20)	Transfer from prepayment (Note 20)	40,300	—	—	—
自附屬公司的轉入 (附註46)	Transfer from subsidiaries (Note 46)	248,923	—	—	—
已收股息	Dividends received	(127,079)	(8,104)	—	—
分佔一間聯營公司可供出售 金融資產公允價值虧損 (附註29)	Share of fair value losses from available-for-sale financial assets of an associate (Note 29)	—	(338)	—	—
分佔一間聯營公司自住物業 轉為投資物業時獲得的 收益(附註29)	Share of gain on the transfer of owner-occupied property to investment property of an associate (Note 29)	—	30,124	—	—
分佔一間聯營公司與 非控股權益交易的儲備 (附註29)	Share of reserve of an associate arising from its transactions with non-controlling interests (Note 29)	(5,196)	—	—	—
分佔外幣兌換差額	Share of currency translation differences	9,268	(40,079)	—	—
出售	Disposals	(6,294)	(5)	—	—
下游交易未實現溢利對銷	Elimination of unrealised profit from downstream transaction	—	(526)	—	—
分佔聯營公司溢利	Share of profit of associates	131,873	143,467	—	—
年末	At end of year	1,887,517	1,521,992	298,198	298,198

15 於聯營公司的投資(續)

於二零一二年十二月三十一日，本集團擁有直接權益之主要聯營公司如下：

聯營公司名稱 Name of associate	註冊／成立日期 Date of incorporation/ establishment	應佔權益 Attributable equity interest		企業類別 Type of legal entity	主要業務／註冊及營業地 Principal activities/ place of incorporation and operation
		二零一二年 2012	二零一一年 2011		
深圳中施機械設備有限公司 CASTIC-SMP Machinery Corporation Limited	一九八六年十一月十五日 15 November 1986	50%	50%	有限責任公司 Limited liability company	製造及銷售乾洗洗衣機， 中國 Manufacture and sales of dry cleaning machines, PRC
深圳深蓉工程塑料有限公司 Shenzhen Shenrong Engineering Plastics Co., Ltd.	一九八九年一月十七日 17 January 1989	30%	30%	有限責任公司 Limited liability company	製造及銷售注塑製品，中國 Manufacture and sales of plastic casings, PRC
深圳中航數碼顯示科技有限公司 (「中航數碼」) Shenzhen CAERO Digital Display Inc. ("CAERO")	二零零五年二月二十六日 26 February 2005	39.51%	39.51%	有限責任公司 Limited liability company	數字顯示器的研究、開發及 銷售，中國 Research and development and sales of digital displays, PRC
武漢天馬微電子有限公司(附註(a)) Wuhan Tianma Microelectronics Co. Ltd. (Note (a))	二零零八年十一月十七日 17 November 2008	10%	10%	有限責任公司 Limited liability company	液晶顯示器的製造、研究及 銷售，中國 Manufacture, research and sales of liquid crystal displays, PRC
中航地產股份有限公司 AVIC Real Estate Co., Ltd.	一九八五年五月二十九日 29 May 1985	22.35%	22.35%	股份有限公司(深圳證交所 上市公司) Joint Stock Company (Listed on the Shenzhen Stock Exchange)	物業開發及建築、投資、 零售及酒店營運，中國 Property developing and construction, investment, retailing and hotel operation, PRC
黃石瑞視光電技術股份有限公司 Huangshi Raece Technology Co., Ltd.	二零一一年六月二十九日 29 June 2011	20%	20%	有限責任公司 Limited liability company	數字顯示器的研究、開發及 銷售，中國 Research and development and sales of digital displays, PRC
上海錶業有限公司 Shanghai Watch Industry Co., Ltd.	二零零零年三月二日 2 March 2000	25%	—	有限責任公司 Limited liability company	製造及銷售手錶，中國 Manufacture and sales of watches, PRC

15 INVESTMENTS IN ASSOCIATES (continued)

As at 31 December 2012, the Group had direct interests in the following major associates:

15 於聯營公司的投資(續)

15 INVESTMENTS IN ASSOCIATES (continued)

聯營公司名稱 Name of associate	註冊/成立日期 Date of incorporation/ establishment	應佔權益 Attributable equity interest		企業類別 Type of legal entity	主要業務/註冊及營業地 Principal activities/ place of incorporation and operation
		二零一二年 2012	二零一一年 2011		
上海合穎實業有限公司 Shanghai Heying Industrial Investment Co., Ltd.	二零一二年十月二十五日 25 October 2012	20%		- 有限責任公司 Limited liability company	為中國印製電路行業協會 提供服務，中國 Provision of service for China Printed Circular Association (中國印製電 路行業協會), PRC
華進半導體封裝先導研發中心有 限公司半導體封裝先導研發 中心(附註b) Advanced Semiconductor Packaging Technology Research & Development Centre (ASPTC) (Note (b))	二零一二年九月二十九日 29 September 2012	15%		- 有限責任公司 Limited liability company	綜合電路研究，中國 Integrated circuit research, PRC
山東山推歐亞陀機械有限公司 Shandong Shantui Ouyatuo Machinery Co., Ltd.	二零零三年十一月二十一日 21 November 2003	25%		25% 有限責任公司 Limited liability company	工業產品製造，中國 Industrial product manufacturing, PRC
泰州中航船舶重工有限公司 (「泰州船舶」) Taizhou AVIC Shipbuilding Heavy Industry Limited ("Taizhou AVIC")	二零零二年六月二十一日 21 June 2002	45%		- 有限責任公司 Limited liability company	製造及修理船隻，中國 Manufacture and repairmen of ships, PRC
KHD Humboldt Wedag International AG	一八五六年 Year 1856	20%		20% 股份有限公司(法蘭克福證 交所上市公司) Joint Stock Company (Listed on the Frankfurt Stock Exchange)	水泥設備生產，德國 Cement equipment production, Germany
山東新船重工管舾裝製作 有限公司 Shandong New Shipbuilding Pipe Outfitting Production Co., Ltd	二零零七年八月九日 9 August 2007	30%		- 有限責任公司 Limited liability company	製造及裝置船隻部件。防鏽 漆及機器業務，中國 Manufacture and installation of ships' components. Antirust paint and machine operation, PRC
廈門富銘置業有限公司 Xiamen Fu Ming Property Co., Ltd.	二零一零年十一月九日 9 November 2010	30%		30% 有限責任公司 Limited liability company	物業發展及建造，中國 Property developing and construction, PRC
廈門中航物業管理公司 Xiamen AVIC Property Management Co., Ltd.	二零一一年四月二十五日 25 April 2011	30%		30% 有限責任公司 Limited liability company	物業管理，中國 Property management, PRC

15 於聯營公司的投資(續)

15 INVESTMENTS IN ASSOCIATES (continued)

聯營公司名稱 Name of associate	註冊/成立日期 Date of incorporation/ establishment	應佔權益 Attributable equity interest		企業類別 Type of legal entity	主要業務/註冊及營業地 Principal activities/ place of incorporation and operation
		二零一二年 2012	二零一一年 2011		
Radiance CATICO Offshore Pte. Ltd.	二零一二年四月五日 05 April 2012	37%		- 有限責任公司 Limited liability company	製造船隻, 新加坡 Manufacture of ship, Singapore
廣州華航自行車有限公司 Guangzhou Huahang Bicycle Co., Ltd.	二零一二年七月二十三日 23 July 2012	40%		- 有限責任公司 Limited liability company	製造及銷售單車、操作儀器、裝置及設備, 中國 Manufacture and sales of bicycles, exercise equipment instrument and apparatus and furniture, PRC
常州泰德高爾夫用品有限公司 Changzhou TED Golf Product Ltd.	二零零五年十二月六日 6 December 2005	25%		25% 有限責任公司 Limited liability company	買賣高爾夫球產品, 中國 Trading of golf product, PRC
航發投資管理有限公司 Hangfa Investment Management Co., Ltd.	二零一零年九月二十九日 29 September 2010	20%		20% 有限責任公司 Limited liability company	物業發展及管理, 中國 Property developing and management, PRC
中航技房地產開發有限公司 CATIC Real Estate Development Co., Ltd.	一九九七年六月十八日 18 June 1997	20%		20% 有限責任公司 Limited liability company	物業發展及管理, 中國 Property developing and management, PRC
中航建築工程有限公司 CATIC Construction Engineering Co., Ltd.	一九九二年十一月二十四日 24 November 1992	25%		25% 有限責任公司 Limited liability company	建築業務及項目管理, 中國 Construction activities, project management, PRC
衡陽中航電鍍中心有限公司 Hengyang AIVC Electroplating Centre Co., Ltd.	二零一二年十一月二十三日 23 November 2012	40%		- 有限責任公司 Limited liability company	製造業務, 中國 Manufacturing industry, PRC
威海濟鋼啟躍船材有限公司 (「啟躍」) Jinan Iron & Steel Group Weihai Qiyue Ship Materials Co. Ltd. (“Qi Yue”)	二零零六年六月二日 2 June 2006	30%		30% 有限責任公司 Limited liability company	製造及裝置船隻部件, 中國 Manufacture and installation of ships' components, PRC
廈門紫金中航置業有限公司 (附註(c)) Xiamen Zijin CATIC Co., Ltd. (Note (c))	二零一一年十一月二十一日 21 November 2011	15%		15% 有限責任公司 Limited liability company	物業發展, 中國 Property developing, PRC

15 於聯營公司的投資 (續)

本集團應佔主要聯營公司之業績及應佔淨資產(包括商譽)如下：

15 INVESTMENTS IN ASSOCIATES (continued)

The Group's share of the results of its principal associates and its share of the net assets (including goodwill) are as follows:

名稱 Name	註冊地 Place of incorporation	授權／註冊資本 Authorised/ Registered capital	已繳足股本 Paid up capital	二零一二年 2012				持有權益 百分比 % Interest held
				資產 Assets	負債 Liabilities	收入 Revenue	溢利/ (虧損) Profit/ (Loss)	
				人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	
深圳中施機械設備有限公司 CASTIC-SMP Machinery Corporation Limited	中國 The PRC	1,595,000美元 USD1,595,000	1,595,000美元 USD1,595,000	58,650	37,442	53,540	281	50%
深圳深蓉工程塑料有限公司 Shenzhen Shenrong Engineering Plastics Co., Ltd.	中國 The PRC	人民幣3,600,000元 RMB3,600,000	人民幣3,600,000元 RMB3,600,000	8,265	2,302	9,050	(901)	30%
深圳中航數碼顯示科技有限公司 Shenzhen CAERO Digital Display Inc.	中國 The PRC	人民幣10,000,000元 RMB10,000,000	人民幣10,000,000元 RMB10,000,000	3,370	478	-	-	39.51%
武漢天馬微電子有限公司 Wuhan Tianma Microelectronics Co. Ltd.	中國 The PRC	人民幣1,711,110,000元 RMB1,711,110,000	人民幣1,711,110,000元 RMB1,711,110,000	537,712	394,377	246,182	(10,546)	10%
中航地產股份有限公司 AVIC Real Estate Co., Ltd	中國 The PRC	人民幣666,961,416元 RMB666,961,416	人民幣666,961,416元 RMB666,961,416	3,196,119	2,294,172	935,420	92,625	22.35%
黃石瑞視光電技術股份有限公司 Huangshi Raeece Technology Co., Ltd	中國 The PRC	人民幣30,000,000元 RMB30,000,000	人民幣30,000,000元 RMB30,000,000	16,898	9,512	29,632	1,431	20%
上海錶業有限公司 Shanghai Watch Industry Co., Ltd	中國 The PRC	人民幣15,350,000元 RMB15,350,000	人民幣15,350,000元 RMB15,350,000	19,861	1,184	14,110	1,732	25%
上海合穎實業有限公司 Shanghai Heying Industrial Investment Co., Ltd	中國 The PRC	人民幣10,000,000元 RMB10,000,000	人民幣10,000,000元 RMB10,000,000	3,968	10	-	(7)	20%
華進半導體封裝先導研發中心有限公司半導體封裝 先導研發中心 Advanced Semiconductor Packaging Technology Research & Development Centre (ASPTC)	中國 The PRC	人民幣100,000,000元 RMB100,000,000	人民幣100,000,000元 RMB100,000,000	11,098	-	-	-	15%

15 於聯營公司的投資(續)

15 INVESTMENTS IN ASSOCIATES (continued)

名稱 Name	註冊地 Place of incorporation	授權/註冊資本 Authorised/ Registered capital	已繳足股本 Paid up capital	二零一二年 2012				持有權益 百分比 % Interest held
				資產	負債	收入	溢利/ (虧損)	
				Assets 人民幣千元 RMB'000	Liabilities 人民幣千元 RMB'000	Revenue 人民幣千元 RMB'000	Profit/ (Loss) 人民幣千元 RMB'000	
山東山推歐亞機械有限公司 Shandong Shantui Ouyatuo Machinery Co., Ltd	中國 The PRC	人民幣20,000,000元 RMB20,000,000	人民幣20,000,000元 RMB20,000,000	128,978	87,126	154,382	9,146	25%
泰州中航船舶重工有限公司 Taizhou AVIC Shipbuilding Heavy Industry Limited	中國 The PRC	人民幣200,000,000元 RMB200,000,000	人民幣200,000,000元 RMB200,000,000	1,178,005	1,100,214	702,177	(31,080)	45%
KHD Humboldt Wedag International AG	德國 Germany	49,703,573歐元 EUR49,703,573	49,703,573歐元 EUR49,703,573	724,772	336,155	355,238	3,873	20%
山東新船重工管舾裝製作有限公司 Shandong New Shipbuilding Pipe Outfitting Production Co., Ltd	中國 The PRC	人民幣3,000,000元 RMB3,000,000	人民幣3,000,000元 RMB3,000,000	10,329	9,338	8,436	-	30%
廈門富銘置業有限公司 Xiamen Fu Ming Property Co., Ltd	中國 The PRC	人民幣400,000,000元 RMB400,000,000	人民幣400,000,000元 RMB400,000,000	1,994,011	1,874,050	-	-	30%
廈門中航物業管理公司 Xiamen AVIC Property Management Co., Ltd	中國 The PRC	人民幣6,000,000元 RMB6,000,000	人民幣6,000,000元 RMB6,000,000	2,624	1,009	4,148	19	30%
Radiance CATICO Offshore Pte. Ltd.	中國 The PRC	5,000,000美元 USD5,000,000	5,000,000美元 USD5,000,000	56,455	46,194	-	(1,368)	37%
廣州華航自行車有限公司 Guangzhou Huahang Bicycle Co., Ltd	中國 The PRC	人民幣1,000,000元 RMB1,000,000	人民幣1,000,000元 RMB1,000,000	623	301	624	2	40%
常州泰德高爾夫用品有限公司 Changzhou TED Golf Product Ltd	中國 The PRC	人民幣2,079,624元 RMB2,079,624	人民幣2,079,624元 RMB2,079,624	14,252	779	21,233	4,525	25%
航發投資管理有限公司 Hangfa Investment Management Co., Ltd.	中國 The PRC	人民幣80,000,000元 RMB80,000,000	人民幣80,000,000元 RMB80,000,000	3,608,893	3,426,662	81,226	61,351	20%

15 於聯營公司的投資(續)

15 INVESTMENTS IN ASSOCIATES (continued)

名稱 Name	註冊地 Place of incorporation	授權/註冊資本 Authorised/ Registered capital	已繳足股本 Paid up capital	二零一二年 2012				持有權益 百分比 % Interest held
				資產	負債	收入	溢利/ (虧損)	
				Assets 人民幣千元 RMB'000	Liabilities 人民幣千元 RMB'000	Revenue 人民幣千元 RMB'000	Profit/ (Loss) 人民幣千元 RMB'000	
中航技房地產開發有限公司 CATIC Real Estate Development Co., Ltd.	中國 The PRC	人民幣20,000,000元 RMB20,000,000	人民幣20,000,000元 RMB20,000,000	3,327	2,449	-	(27)	20%
中航建築工程有限公司 CATIC Construction Engineering Co., Ltd.	中國 The PRC	人民幣100,000,000元 RMB100,000,000	人民幣100,000,000元 RMB100,000,000	41,069	15,391	79,646	585	25%
衡陽中航電鍍中心有限公司 Hengyang AIVC Electroplating Centre Co., Ltd	中國 The PRC	人民幣50,000,000元 RMB50,000,000	人民幣50,000,000元 RMB50,000,000	19,943	-	-	(57)	40%
威海濟鋼啟躍船材有限公司 Jinan Iron & Steel Group Weihai Qiyue Ship Materials Co. Ltd	中國 The PRC	人民幣9,000,000元 RMB9,000,000	人民幣9,000,000元 RMB9,000,000	234,616	212,404	170,602	289	30%
廈門紫金中航置業有限公司 Xiamen Zijin CATIC Co., Ltd.	中國 The PRC	人民幣250,000,000元 RMB250,000,000	人民幣250,000,000元 RMB250,000,000	57,780	20,514	1,905	-	15%
				11,931,618	9,872,063	2,867,551	131,873	

15 於聯營公司的投資(續)

15 INVESTMENTS IN ASSOCIATES (continued)

名稱 Name	註冊地 Place of incorporation	授權/註冊資本 Authorised/ Registered capital	已繳足股本 Paid up capital	二零一一年 2011			溢利/ (虧損) Profit/ (Loss)	持有權益 百分比 % Interest held
				資產 Assets 人民幣千元 RMB'000	負債 Liabilities 人民幣千元 RMB'000	收入 Revenue 人民幣千元 RMB'000		
深圳中施機械設備有限公司 CASTIC-SMP Machinery Corporation Limited	中國 The PRC	1,595,000美元 USD1,595,000	1,595,000美元 USD1,595,000	44,222	19,841	60,491	563	50%
深圳深蓉工程塑料有限公司 Shenzhen Shenrong Engineering Plastics Co., Ltd.	中國 The PRC	人民幣3,600,000元 RMB3,600,000	人民幣3,600,000元 RMB3,600,000	10,033	3,170	10,639	217	30%
深圳中航數碼顯示科技有限公司 Shenzhen CAERO Digital Display Inc.	中國 The PRC	人民幣10,000,000元 RMB10,000,000	人民幣10,000,000元 RMB10,000,000	3,370	478	-	-	39.51%
武漢天馬微電子有限公司 Wuhan Tianma Microelectronics Co. Ltd.	中國 The PRC	人民幣 1,600,000,000元 RMB1,600,000,000	人民幣 1,600,000,000元 RMB1,600,000,000	505,989	363,686	92,674	(15,722)	10%
中航地產股份有限公司 AVIC Real Estate Co., Ltd.	中國 The PRC	人民幣666,961,416元 RMB666,961,416	人民幣666,961,416元 RMB666,961,416	2,475,440	1,715,581	828,274	115,624	22.35%
黃石瑞視光電技術股份有限公司 Huangshi Raee Technology Co., Ltd	中國 The PRC	人民幣30,000,000元 RMB30,000,000	人民幣30,000,000元 RMB30,000,000	14,940	9,054	15,505	133	20%
山東山推歐亞機械有限公司 Shandong Shantui Ouyatuo Machinery Co., Ltd	中國 The PRC	人民幣20,000,000元 RMB20,000,000	人民幣20,000,000元 RMB20,000,000	119,185	37,082	268,382	10,914	25%
KHD Humboldt Wedag International AG	德國 Germany	49,703,573歐元 EUR49,703,573	49,703,573歐元 EUR49,703,573	705,113	323,872	382,947	20,881	20%
山東新船重工管舫裝製作有限公司 Shandong New Shipbuilding Pipe Outfitting Production Co., Ltd	中國 The PRC	人民幣3,000,000元 RMB3,000,000	人民幣3,000,000元 RMB3,000,000	5,757	4,906	5,561	44	30%
廈門富銘置業有限公司 Xiamen Fu Ming Property Co., Ltd.	中國 The PRC	人民幣400,000,000元 RMB400,000,000	人民幣400,000,000元 RMB400,000,000	1,179,016	1,059,055	-	(39)	30%

15 於聯營公司的投資(續)

15 INVESTMENTS IN ASSOCIATES (continued)

名稱 Name	註冊地 Place of incorporation	授權/註冊資本 Authorised/ Registered capital	已繳足股本 Paid up capital	二零一一年 2011				持有權益 百分比 % Interest held
				資產 Assets 人民幣千元 RMB'000	負債 Liabilities 人民幣千元 RMB'000	收入 Revenue 人民幣千元 RMB'000	溢利/ (虧損) Profit/ (Loss) 人民幣千元 RMB'000	
廈門中航物業管理公司 Xiamen AVIC Property Management Co., Ltd	中國 The PRC	人民幣6,000,000元 RMB6,000,000	人民幣6,000,000元 RMB6,000,000	2,202	606	1,096	322	30%
常州泰德高爾夫用品有限公司 Changzhou TED Golf Product Ltd	中國 The PRC	人民幣2,079,624元 RMB2,079,624	人民幣2,079,624元 RMB2,079,624	10,068	438	17,821	5,847	25%
航發投資管理有限公司 Hangfa Investment Management Co., Ltd.	中國 The PRC	人民幣80,000,000元 RMB80,000,000	人民幣80,000,000元 RMB80,000,000	1,977,190	1,881,964	-	4,714	20%
中航技房地產開發有限公司 CATIC Real Estate Development Co., Ltd.	中國 The PRC	人民幣20,000,000元 RMB20,000,000	人民幣20,000,000元 RMB20,000,000	4,787	2,009	-	(41)	20%
中航建築工程有限公司 CATIC Construction Engineering Co., Ltd.	中國 The PRC	人民幣100,000,000元 RMB100,000,000	人民幣100,000,000元 RMB100,000,000	22,906	7,922	501	10	25%
北京星期五餐飲有限公司 Beijing T.G.I.Friday Restaurant Co., Ltd	中國 The PRC	4,300,000美元 USD4,300,000	4,300,000美元 USD4,300,000	10,271	3,115	13,087	-	35%
廈門紫金中航置業有限公司 Xiamen Zijin CATIC Co., Ltd.	中國 The PRC	人民幣250,000,000元 RMB250,000,000	人民幣250,000,000元 RMB250,000,000	38,130	752	-	-	15%
				7,128,619	5,433,531	1,696,978	143,467	

15 於聯營公司的投資(續)

- (a) 儘管本集團所持武漢天馬微電子有限公司(「武漢天馬」)股權少於20%，本集團對委任武漢天馬董事會兩名董事擁有合約賦予權利，可行使重大影響力，並有權參與武漢天馬財務及經營政策的決策。
- (b) 儘管本集團所持半導體封裝先導研發中心股權少於20%，本集團對委任半導體封裝先導研發中心董事會一名董事擁有合約賦予權利，可行使重大影響力，並有權參與半導體封裝先導研發中心財務及經營政策的決策。
- (c) 儘管本集團所持廈門紫金中航置業有限公司股權少於20%，本集團對委任廈門紫金中航置業有限公司董事會一名董事擁有合約賦予權利，可行使重大影響力，並有權參與廈門紫金中航置業有限公司財務及經營政策的決策。

於二零一二年十二月三十一日，本集團於中航地產股份有限公司的權益公允價值為人民幣997,397,000元(二零一一年：469,627,000)，深圳中航地產股份有限公司於深圳證交所上市。

於二零一二年十二月三十一日，本集團於KHD Humboldt Wedag International AG的權益公允價值為人民幣387,782,000元(二零一一年：405,705,400)，KHD Humboldt Wedag International AG於德國證交所上市。

本集團應佔聯營公司由投資者共同產生的或然負債為人民幣176,019,000元(二零一一年：人民幣10,000,000元)。

15 INVESTMENTS IN ASSOCIATES (continued)

- (a) Although the Group holds less than 20% of the equity interest in Wuhan Tianma Microelectronics Co. Ltd. ("Wuhan Tianma"), the Group exercises significant influence by virtue of its contractual right to appoint two directors to the board of directors of Wuhan Tianma and has the power to participate in the financial and operating policy decisions of Wuhan Tianma.
- (b) Although the Group holds less than 20% of the equity interest in ASPTC, the Group exercises significant influence by virtue of its contractual right to appoint one director to the board of directors of ASPTC and has the power to participate in the financial and operating policy decisions of ASPTC.
- (c) Although the Group holds less than 20% of the equity interest in Xiamen Zijing CATIC Co., Ltd, the Group exercises significant influence by virtue of its contractual right to appoint one director to the board of directors of Xiamen Zijing CATIC Co., Ltd and has the power to participate in the financial and operating policy decisions of Xiamen Zijing CATIC Co., Ltd.

As at 31 December 2012, the fair value of the Group's interest in AVIC Real Estate Co., Ltd. which is listed on the Shenzhen Stock Exchange, was RMB997,397,000 (2011: RMB469,627,000).

As at 31 December 2012, the fair value of the Group's interest in KHD Humboldt Wedag International AG, which is listed on the Germany Stock Exchange, was RMB387,782,000 (2011: RMB405,705,400).

The Group's share of associates contingent liabilities incurred jointly by investors is RMB176,019,000 (2011: RMB10,000,000).

16 於共同控制實體之投資

16 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
年初	At beginning of year	2,216,165	1,971,995	-	-
注資	Capital injection	19,204	72,636	-	-
二零一零年收購	2010 Acquisition	-	-	2,385,857	-
可供出售的金融資產轉入 (附註18)	Transfer from available-for-sale financial assets (Note 18)	640	-	-	-
已收股息	Dividends received	(168,541)	-	-	-
分佔匯兌差額	Share of currency translation differences	(23)	141	-	-
轉撥至附屬公司 (a)	Transfer to subsidiaries (a)	(882)	-	-	-
抵銷自下游交易未 變現溢利	Elimination of unrealised profit from downstream transaction	(961)	-	-	-
分佔共同控制實體溢利	Share of profit of jointly controlled entities	345,172	171,393	-	-
年末	At end of year	2,410,774	2,216,165	2,385,857	-

- (a) 廈門公司持有中航(廈門)醫療科技有限公司(「廈門醫療」)51%股權。根據廈門醫療章程細則，董事會決策會議須有三分之二的投票贊成決議案方可生效。因此，廈門醫療入賬為一間共同控制實體。於二零一二年三月三十日，章程細則已獲修訂，以令董事會決策須有超過一半投票贊成決議案方可生效。因此，廈門醫療於二零一二年三月三十日之後入賬為附屬公司。

- (a) Xiamen Company held 51% equity interest in AVIC (Xiamen) Medical Technology Co., Ltd ("Xiamen Medical"). According to the articles of association of Xiamen Medical, the decision of the Board of Directors meeting shall be valid on condition that more than two-thirds of the votes were cast in favor of resolution. Therefore, Xiamen Medical was accounted as a jointly controlled entity. On 30 March 2012, the articles of association have been amended so that the decision of Board of Directors shall be valid on condition that more than half of the votes were cast in favour of the resolution. Thus, Xiamen Medical was accounted as a subsidiary by Xiamen Company after 30 March 2012.

16 於共同控制實體之投資(續)

於二零一二年十二月三十一日，本集團擁有直接權益之主要共同控制實體如下：

16 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

As at 31 December 2012, the Group had direct interests in the following major jointly controlled entities:

聯營公司名稱 Name of associate	註冊／成立日期 Date of incorporation/ establishment	應佔權益 Attributable equity interest	註冊資本 Registered capital		企業類別 Type of legal entity	主要業務／ 註冊及營業地 Principal activities/ place of incorporation and operation
		二零一二年 2012	二零一一年 2011			
中航萬科(附註(a)) AVIC Vanke (Note (a))	二零零七年三月十五日 15 March 2007	60%	60%	人民幣 3,000,000,000元 RMB3,000,000,000	合約制共同控制實體 Contractual jointly controlled entities	物業發展及建築，中國 Property developing and construction, PRC
瀋陽中航產業 Shenyang AVIC Industry	二零零九年七月二十七日 27 July 2009	50%	50%	人民幣100,000,000元 RMB100,000,000	合約制共同控制實體 Contractual jointly controlled entities	物業發展及建築，中國 Property developing and construction, PRC
CATICBJ-SHANTUI Construction Machinery (E.A) Company Limited	二零一一年二月二十四日 24 February 2011	51%	51%	1,000,000美元 USD1,000,000	合約制共同控制實體 Contractual jointly controlled entities	貿易，肯尼亞共和國 Trading, Republic of Kenya
山東德他馬林海事工程 有限公司 Shandong Deta Malin Marine Engineering Company Limited	二零零六年十二月三十日 30 December 2006	50%	50%	人民幣2,600,000元 RMB2,600,000	合約制共同控制實體 Contractual jointly controlled entities	船隻及海軍工程設計及 服務 Ship and marine engineering design and service
中航三葉物流投資股份 有限公司 AVIC Sanye Logistics Investment Co., Ltd.	二零一一年八月十五日 15 August 2011	50%	50%	人民幣500,000,000元 RMB500,000,000	合約制共同控制實體 Contractual jointly controlled entities	物流及投資，中國 Logistics and investment, PRC
Brizo Marine Limited	二零一一年三月二十五日 25 March 2011	50%	50%	3,045,000美元 USD3,045,000	合約制共同控制實體 Contractual jointly controlled entities	船隻建造，英屬處女群島 Shipping building, British virgin island
Vesper Marine Limited	二零一一年三月二十五日 25 March 2011	50%	50%	3,045,000美元 USD3,045,000	合約制共同控制實體 Contractual jointly controlled entities	船隻建造，英屬處女群島 Shipping building, British virgin island
Hermus Marine Limited	二零一一年三月二十五日 25 March 2011	50%	-	3,045,000美元 USD3,045,000	合約制共同控制實體 Contractual jointly controlled entities	船隻建造，英屬處女群島 Ship building, British virgin island
Proteus Marine Limited	二零一一年三月二十五日 25 March 2011	50%	-	3,045,000美元 USD3,045,000	合約制共同控制實體 Contractual jointly controlled entities	船隻建造，英屬處女群島 Ship building, British virgin island
Nereus Marine Pte. Ltd.	二零一二年二月二十日 20 February 2012	50%	-	100,000美元 USD100,000	合約制共同控制實體 Contractual jointly controlled entities	船隻建造，英屬處女群島 Ship building, Singapore

16 於共同控制實體之投資(續)

本集團應佔主要共同控制實體之業績及應佔淨資產(包括商譽)如下：

16 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

The Group's share of the results of its principal jointly controlled entities and its share of the net assets (including goodwill) are as follows:

名稱 Name	註冊地及 企業類別 Place of incorporation and kind of legal entity	授權／註冊資本 Authorised/ Registered capital	已繳足股本 Paid up capital	二零一二年 2012							持有權益 百分比 % Interest held
				非流動資產		非流動負債		收入	開支	溢利／ (虧損)	
				流動資產	Non-	流動負債	Non-				
				Current assets	current assets	Current liabilities	current liabilities	Revenue	Expenses	Profit/ (Loss)	
				人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	
中航萬科 (附註(b)) AVIC Vanke (Note (b))	中國，有限責任公司 The PRC, Limited Liability company	人民幣 3,000,000,000元 RMB3,000,000,000	人民幣 3,000,000,000元 RMB3,000,000,000	4,911,379	3,338,439	4,835,485	537,158	3,658,206	3,315,552	342,654	60%
瀋陽中航產業(附註(c)) Shenyang AVIC Industry (Note (c))	中國，有限責任公司 The PRC, Limited Liability company	人民幣100,000,000元 RMB100,000,000	人民幣100,000,000元 RMB100,000,000	35,492	10,772	50	-	-	-	-	50%
CATICBJ-SHANTUI Construction machinery (E.A) Company Limited (附註(c)) CATICBJ-SHANTUI Construction machinery (E.A) Company Limited (Note (c))	肯尼亞，有限責任 公司 Kenya, Limited Liability company	1,000,000美元 USD1,000,000	1,000,000美元 USD1,000,000	16,826	1,000	15,282	-	23,955	23,472	483	51%
山東德他馬林海事工程有 限公司(附註(c)) Shandong Deta Malin Marine Engineering Company Limited (Note (c))	中國，有限責任公司 The PRC, Limited Liability company	人民幣2,600,000元 RMB2,600,000	人民幣2,600,000元 RMB2,600,000	1,158	373	373	-	2,129	2,129	-	50%
中航三葉物流投資股份有 限公司(附註(c)) AVIC Sanye Logistics Investment Co., Ltd. (Note (c))	中國，有限責任公司 The PRC, Limited Liability company	人民幣50,000,000元 RMB50,000,000	人民幣50,000,000元 RMB50,000,000	47,323	1,671	109	-	-	293	(293)	50%
廈門醫療(附註(c)) Xiamen Medical (Note (c))	中國，有限責任公司 The PRC, Limited Liability company	人民幣3,000,000元 RMB3,000,000	人民幣3,000,000元 RMB3,000,000	13,802	212	11,550	-	16,908	16,979	(71)	50%

16 於共同控制實體之投資(續)

16 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

名稱 Name	註冊地及 企業類別 Place of incorporation and kind of legal entity	授權／註冊資本 Authorised/ Registered capital	已繳足股本 Paid up capital	二零一二年 2012							持有權益 百分比 % Interest held
				非流動資產		非流動負債		收入	開支	溢利／ (虧損)	
				流動資產	Non- current	流動負債	Non- current				
				Current assets	assets	Current liabilities	liabilities	Revenue	Expenses	Profit/ (Loss)	
				人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	
Brizo Marine Limited (附註(c))	英國，有限責任公司 UK, Limited Liability company	3,045,000美元 USD3,045,000	3,045,000美元 USD3,045,000	9,648	-	1	-	4,249	378	3,871	50%
Brizo Marine Limited (Note (c))											
Vesper Marine Limited (附註(c))	英屬處女群島，有限 責任公司	3,045,000美元 USD3,045,000	3,045,000美元 USD3,045,000	3	9,098	92	-	-	308	(308)	50%
Vesper Marine Limited (Note (c))	British Virgin Island, Limited Liability company										
Hermus Marine Limited (附註(c))	英屬處女群島，有限 責任公司	3,045,000美元 USD3,045,000	3,045,000美元 USD3,045,000	3,618	9,098	3,707	-	-	561	(561)	50%
Hermus Marine Limited (Note (c))	British Virgin Island, Limited Liability company										
Proteus Marine Limited (附註(c))	英屬處女群島，有限 責任公司	3,045,000美元 USD3,045,000	3,045,000美元 USD3,045,000	4	9,098	92	-	-	560	(560)	50%
Proteus Marine Limited (Note (c))	British Virgin Island, Limited Liability company										
Nereus Marine Pte. Ltd.(附註(c))	新加坡，有限責任 公司	100,000美元 USD100,000	100,000美元 USD100,000	272	5,468	5,468	-	-	43	(43)	50%
Nereus Marine Pte. Ltd. (Note (c))	Singapore, Limited Liability company										
				5,039,525	3,385,229	4,872,209	537,158	3,705,447	3,360,275	345,172	

16 於共同控制實體之投資(續)

16 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

名稱 Name	註冊地及 企業類別 Place of incorporation and kind of legal entity	授權／註冊資本 Authorised/ Registered capital	已繳足股本 Paid up capital	二零一一年 2011								持有權益 百分比 % Interest held
				流動資產 Current assets 人民幣千元 RMB'000	非流動資產 Non- current assets 人民幣千元 RMB'000	流動負債 Current liabilities 人民幣千元 RMB'000	非流動負債 Non- current liabilities 人民幣千元 RMB'000	收入 Revenue 人民幣千元 RMB'000	開支 Expenses 人民幣千元 RMB'000	溢利／ (虧損) Profit/ (Loss) 人民幣千元 RMB'000		
中航萬科(附註(b)) AVIC Vanke (Note (b))	中國，有限責任公司 The PRC, Limited Liability company	人民幣3,000,000,000元 RMB3,000,000,000	人民幣3,000,000,000元 RMB3,000,000,000	5,765,528	3,638,801	6,313,980	327,404	2,075,123	1,898,746	176,377	60%	
瀋陽中航產業 (附註(c)) Shenyang AVIC Industry (Note (c))	中國，有限責任公司 The PRC, Limited Liability company	人民幣100,000,000元 RMB100,000,000	人民幣100,000,000元 RMB100,000,000	35,583	10,930	59	—	—	2,036	(2,036)	50%	
CATICBJ-SHANTUI Construction machinery (E.A) Company Limited (附註(c)) CATICBJ-SHANTUI Construction Machinery (E.A) Company Limited (Note (c))	肯尼亞，有限責任公 司 Kenya, Limited Liability company	1,000,000美元 USD1,000,000	1,000,000美元 USD1,000,000	5,413	666	3,853	—	3,338	4,355	(1,017)	51%	
山東德他馬林海事工程 有限公司(附註(c)) Shandong Deta Malin Marine Engineering Company Limited (Note (c))	中國，有限責任公司 The PRC, Limited Liability company	人民幣2,600,000元 RMB2,600,000	人民幣2,600,000元 RMB2,600,000	859	502	243	—	2,637	2,130	507	50%	
中航三葉物流投資股份 有限公司(附註(c)) AVIC Sanye Logistics Investment Co., Ltd (Note (c))	中國，有限責任公司 The PRC, Limited Liability company	人民幣50,000,000元 RMB50,000,000	人民幣50,000,000元 RMB50,000,000	48,052	1,197	71	—	—	823	(823)	50%	
廈門醫療(附註(c)) Xiamen Medical (Note (c))	中國，有限責任公司 The PRC, Limited Liability company	人民幣3,000,000元 RMB3,000,000	人民幣3,000,000元 RMB3,000,000	1,539	134	739	—	720	1,297	(577)	50%	
Brizo Marine Limited (附註(c)) Brizo Marine Limited (Note (c))	英屬處女群島，有限 責任公司 British Virgin Island, Limited Liability company	3,045,000美元 USD3,045,000	3,045,000美元 USD3,045,000	45	9,121	18	—	—	785	(785)	50%	
Vesper Marine Limited (附註(c)) Vesper Marine Limited (Note (c))	英屬處女群島，有限 責任公司 British Virgin Island, Limited Liability company	3,045,000美元 USD3,045,000	3,045,000美元 USD3,045,000	45	9,121	18	—	—	253	(253)	50%	
				5,857,064	3,670,472	6,318,981	327,404	2,081,818	1,910,425	171,393		

16 於共同控制實體之投資(續)

- (a) 中航萬科股權由本公司及第三方萬科企業股份有限公司分別擁60%及40%。根據中航萬科的組織章程細則，其財務及經營政策應由相當於至少三分之二投票權的股東批准。因此，中航萬科由本公司及萬科企業股份有限公司共同控制，並入賬為本公司的共同控制實體。
- (b) 本集團應佔中航萬科的或然負債如下：

16 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

- (a) The equity interest of AVIC Vanke is owned as to 60% by the Company and 40% by Vanke Enterprise Company Limited, which is a third party. According to the article of association of AVIC Vanke, its financial and operating policies shall be approved by shareholders representing at least two thirds of the voting rights. Therefore AVIC Vanke is jointly controlled by the Company and Vanke Enterprise Company Limited, and is accounted for as a jointly controlled entity by the Company.
- (b) The Group's share of contingent liabilities of AVIC Vanke is as follows:

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
就若干購買方房貸 融資的擔保	Guarantees in respect of mortgage facilities for certain purchasers	54,811	123,936
就借款作擔保	Guarantee in respect of borrowings	—	163,200
		54,811	287,136

本集團應佔中航萬科的承擔如下：

The Group's share of commitments of AVIC Vanke is as follows:

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
應佔發展中物業的發展 成本	Development costs attributable to properties under development	500,345	782,180

- (c) 概無任何其他與本集團於共同控制實體之權益有關的重大或然負債及承擔，而共同控制實體本身亦無任何或然負債。

- (c) There are no other significant contingent liabilities and commitments relating to the Group's interest in the jointly controlled entities and no contingent liabilities of the jointly controlled entities themselves.

17 按類別分類的金融工具

本集團：

於二零一二年十二月三十一日
資產，如綜合資產負債表所載

17 FINANCIAL INSTRUMENTS BY CATEGORY

The Group:

At 31 December 2012

Assets as per consolidated balance sheet

		貸款及 應收款項 Loans and receivables 人民幣千元 RMB'000	衍生 金融工具 Derivative financial instruments 人民幣千元 RMB'000	持有至 到期日的 金融資產 Held-to- maturity financial assets 人民幣千元 RMB'000	可供出售 金融資產 Available- for-sale financial assets 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
可供出售金融資產 (附註18)	Available-for-sale financial assets (Note 18)	—	—	—	259,819	259,819
衍生金融工具(附註25)	Derivative financial instruments (Note 25)	—	3,110	—	—	3,110
貿易及其他應收款項 (不包括非金融資產) (附註23)	Trade and other receivables excluding non-financial assets (Note 23)	7,658,804	—	—	—	7,658,804
抵押銀行存款(附註26)	Pledged bank deposits (Note 26)	510,563	—	—	—	510,563
現金及現金等價物 (附註27)	Cash and cash equivalents (Note 27)	4,038,225	—	—	—	4,038,225
總計	Total	12,207,592	3,110	—	259,819	12,470,521

負債，如綜合資產負債表所載

Liabilities as per consolidated balance sheet

		其他金融 負債之 攤銷成本 Other financial liabilities at amortised cost 人民幣千元 RMB'000
借款(附註31)	Borrowings (Note 31)	14,606,566
貿易及其他應付款項(不包括非金融 負債)(附註35)	Trade and other payables excluding non-financial liabilities (Note 35)	7,143,879
其他非流動負債(附註34)	Other non-current liabilities (Note 34)	1,202,424
總計	Total	22,952,869

17 按類別分類的金融工具(續)

本集團：(續)

於二零一一年十二月三十一日(經重列)

資產，如綜合資產負債表所載

17 FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

The Group: (continued)

At 31 December 2011, as restated

Assets as per consolidated balance sheet

		貸款及 應收款項 Loans and receivables 人民幣千元 RMB'000	衍生 金融工具 Derivative financial instruments 人民幣千元 RMB'000	持有至 到期日的 金融資產 Held-to- maturity financial assets 人民幣千元 RMB'000	可供出售 金融資產 Available- for-sale financial assets 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
可供出售金融資產 (附註18)	Available-for-sale financial assets (Note 18)	-	-	-	205,046	205,046
持有至到期日的金融資產	Held-to-maturity financial assets	-	-	15,000	-	15,000
貿易及其他應收款項 (不包括非金融資產) (附註23)	Trade and other receivables excluding non-financial assets (Note 23)	5,564,448	-	-	-	5,564,448
抵押銀行存款(附註26)	Pledged bank deposits (Note 26)	557,414	-	-	-	557,414
現金及現金等價物 (附註27)	Cash and cash equivalents (Note 27)	3,249,891	-	-	-	3,249,891
總計	Total	9,371,753	-	15,000	205,046	9,591,799

負債，如綜合資產負債表所載

Liabilities as per consolidated balance sheet

		衍生 金融工具 Derivative financial instruments 人民幣千元 RMB'000	其他 金融負債之 攤銷成本 Other financial liabilities at amortised cost 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
借款(附註31)	Borrowings (Note 31)	-	13,167,680	13,167,680
衍生金融工具(附註25)	Derivative financial instruments (Note 25)	441	-	441
貿易及其他應付款 (不包括非金融負債) (附註35)	Trade and other payables excluding non-financial liabilities (Note 35)	-	7,550,590	7,550,590
其他非流動負債(附註34)	Other non-current liabilities (Note 34)	-	153,363	153,363
總計	Total	441	20,871,633	20,872,074

17 按類別分類的金融工具(續)

本公司：
於二零一二年十二月三十一日
資產，如資產負債表所載

17 FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

The Company:
At 31 December 2012
Assets as per balance sheet

		貸款及 應收款項 Loans and receivables 人民幣千元 RMB'000	可供出售 金融資產 Available- for-sale financial assets 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
可供出售金融資產 (附註18)	Available-for-sale financial assets (Note 18)	–	1,400	1,400
其他應收款項及應收股息 (附註23)	Other receivables and dividends receivables (Note 23)	666,609	–	666,609
現金及現金等價物 (附註27)	Cash and cash equivalents (Note 27)	81,117	–	81,117
總計	Total	747,726	1,400	749,126

負債，如資產負債表所載

Liabilities as per balance sheet

		其他金融 負債之 攤銷成本 Other financial liabilities at amortised cost 人民幣千元 RMB'000
借款(附註31)	Borrowings (Note 31)	1,800,000
貿易及其他應付款項(不包括非金融 負債)(附註35)	Trade and other payables excluding non-financial liabilities (Note 35)	278,396
其他非流動負債(附註34)	Other non-current liabilities (Note 34)	1,050,000
總計	Total	3,128,396

17 按類別分類的金融工具(續)

本公司：(續)

於二零一一年十二月三十一日

資產，如資產負債表所載

17 FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

The Company: (continued)

At 31 December 2011

Assets as per balance sheet

		貸款及 應收款項 Loans and receivables 人民幣千元 RMB'000	可供出售 金融資產 Available- for-sale financial assets 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
可供出售金融資產 (附註18)	Available-for-sale financial assets (Note 18)	—	1,400	1,400
其他應收款項(附註23)	Other receivables (Note 23)	300,763	—	300,763
現金及現金等價物 (附註27)	Cash and cash equivalents (Note 27)	26,579	—	26,579
總計	Total	327,342	1,400	328,742

負債，如資產負債表所載

Liabilities as per balance sheet

		其他金融 負債之 攤銷成本 Other financial liabilities at amortised cost 人民幣千元 RMB'000
借款(附註31)	Borrowings (Note 31)	1,500,000
貿易及其他應付款項(不包括非金融 負債)(附註35)	Trade and other payables excluding non-financial liabilities (Note 35)	313,746
總計	Total	1,813,746

18 可供出售金融資產

18 AVAILABLE-FOR-SALE FINANCIAL ASSETS

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
於深圳或上海證券交易所上市公司的上市A股之投資	Investments in listed A shares of companies listed in Shenzhen or Shanghai Stock Exchange	23,449	23,976	—	—
於非上市公司股份之投資	Investments in shares of unlisted companies	236,370	181,070	1,400	1,400
		259,819	205,046	1,400	1,400

所有可供出售金融資產均以人民幣列值。

All available-for-sale financial assets are all denominated in RMB.

年內可供出售金融資產之變動如下：

The movements of available-for-sale financial assets during the year are as follows:

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
年初	At beginning of year	205,046	121,252	1,400	1,400
轉撥至共同控制實體 (附註16)	Transfer to jointly controlled entities (Note 16)	(640)	—	—	—
添置	Additions	85,633	102,760	—	—
出售	Disposals	(30,403)	(12,499)	—	—
計入權益之公允價值變動 (未扣除稅款)	Fair value change charged to equity, gross of tax	183	2,699	—	—
撥備	Provisions	—	(9,166)	—	—
年末	At end of year	259,819	205,046	1,400	1,400

19 遞延所得稅

19 DEFERRED INCOME TAX

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
遞延稅項資產：	Deferred tax assets:				
— 超過十二個月後撥回	– to be recovered after more than 12 months	249,403	196,088	–	–
— 十二個月內撥回	– to be recovered within 12 months	14,928	37,930	–	–
		264,331	234,018	–	–
遞延稅項負債：	Deferred tax liabilities:				
— 超過十二個月後支銷	– to be settled after more than 12 months	(539,245)	(526,800)	–	–
遞延稅項負債－淨額	Deferred tax liabilities – net	(274,914)	(292,782)	–	–

遞延所得稅款項之淨變動如下：

The net movements on the deferred income tax account are as follows:

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
年初	Beginning of the year	(292,782)	(246,079)	–	–
於收益表中計入(附註42)	Credited to income statement (Note 42)	22,923	497	–	–
直接於其他綜合收益中扣除之稅項	Tax charged directly to other comprehensive income	(1,754)	(34,783)	–	–
出售附屬公司(附註46)	Disposals of subsidiaries (Note 46)	(3,405)	(836)	–	–
收購附屬公司(附註49)	Acquisition of subsidiaries (Note 49)	104	(11,581)	–	–
年末	End of year	(274,914)	(292,782)	–	–

所得稅開支於附註42詳述。

The income tax charge is detailed in Note 42.

19 遞延所得稅(續)

年內遞延所得稅資產和負債(沒有考慮結餘可在同一徵稅區內抵銷)的變動如下：

遞延稅項資產：

19 DEFERRED INCOME TAX (continued)

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax assets:

		本集團 Group										
		貿易及 其他應收 款項的減值 虧損撥備 Provision for impairment losses on trade and other receivables	陳舊存貨撥備 Provision for inventory obsolescence	撥備 Provisions	稅項虧損 Tax losses	政府補貼 Government grants	內部 未變現溢利 Internal unrealised profits	應付薪金 以及退休及 其他補充 福利責任 Salaries payable and retirement and other benefit obligations	應計開支 Accrued expenses	應付利息 Interest payable	其他 Others	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一一年一月一日，經重列	At 1 January 2011, as restated	39,376	16,999	6,484	27,081	11,359	13,941	27,972	-	-	22,664	165,876
於收益表(扣除)/計入	(Charged)/credited to the income statement	(56,940)	10,553	(4,414)	7,613	3,540	16,545	(10,501)	27,369	3,684	16,816	14,265
收購附屬公司	Acquisition of subsidiaries	55,427	-	-	-	-	-	-	-	-	-	55,427
出售附屬公司	Disposals of subsidiaries	-	-	-	-	-	-	-	-	-	(836)	(836)
於二零一一年十二月三十一日	At 31 December 2011	37,863	27,552	2,070	34,694	14,899	30,486	17,471	27,369	3,684	38,644	234,732
於收益表計入/扣除	Credited/(charged) to the income statement	13,545	(7,202)	220	31,520	24,873	21,517	5,310	(22,996)	(1,518)	(23,716)	41,553
收購一間附屬公司 (附註49)	Acquisition of a subsidiary (Note 49)	104	-	-	-	-	-	-	-	-	-	104
出售附屬公司 (附註46)	Disposals of subsidiaries (Note 46)	(6,989)	-	(2,290)	-	-	-	-	-	(2,166)	-	(11,445)
於二零一二年十二月三十一日	At 31 December 2012	44,523	20,350	-	66,214	39,772	52,003	22,781	4,373	-	14,928	264,944

19 遞延所得稅(續)

遞延稅項負債：

19 DEFERRED INCOME TAX (continued)

Deferred tax liabilities:

		本集團 Group					
		可供出售 金融資產之 公允價值 收益 Fair value gains of available-for- sale financial assets	業務收購之 資產公允 價值收益 Fair value gain on assets acquired from business acquisition	投資物業之 公允價值變動 Fair value change on investment properties	自住物業轉 投資物業 Transfer of owner- occupied property to investment properties	未確認 融資成本 Unrecognised financial cost	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一一年一月一日， 經重列	At 1 January 2011, as restated	(131)	(2,028)	(253,096)	(156,700)	-	(411,955)
於收益表扣除(計入)/扣除	(Credited)/charged to income statement	3	426	5,932	(19,603)	(526)	(13,768)
收購附屬公司	Acquisition of subsidiaries	-	-	(67,008)	-	-	(67,008)
直接於其他綜合收益中 計入之稅項	Tax credited directly to other comprehensive income	-	(199)	-	(34,584)	-	(34,783)
於二零一一年十二月三十一日	At 31 December 2011	(128)	(1,801)	(314,172)	(176,303)	(34,584)	(527,514)
於收益表計入/(扣除)	Credited/(charged) to income statement	128	(580)	5,515	(23,693)	-	(18,630)
出售附屬公司(附註46)	Disposals of subsidiaries (Note 46)	-	-	8,040	-	-	8,040
直接於其他綜合收益中計入	Tax credited directly to other comprehensive income	-	(46)	-	(1,708)	-	(1,754)
於二零一二年十二月三十一日	At 31 December 2012	-	(2,427)	(300,617)	(199,996)	(36,292)	(539,858)

19 遞延所得稅(續)

遞延稅項負債：(續)

未列賬之潛在遞延稅項資產如下：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
結轉稅項虧損	Tax losses carried forward	1,424,425	1,307,373

根據新中國企業所得稅法，中國公司稅項虧損可結轉用以抵銷於未來五年內之應課稅溢利。

由於可預見將來內不可能有應課稅溢利而就此可動用上述可扣稅虧損及暫時差異，故並無確認遞延所得稅資產。

於二零一二年十二月三十一日，遞延稅項資產及遞延稅項負債結餘人民幣613,000元(二零一一年：人民幣714,000元)與同一公司有關及與彼此抵銷。

與結轉之稅項虧損相關的未列賬之遞延稅項資產到期日如下：

19 DEFERRED INCOME TAX (continued)

Deferred tax liabilities: (continued)

The potential deferred tax assets not recognised in the accounts were related to:

According to the new Corporate Income Tax Law, tax losses of the PRC companies can be carried forward to offset future assessable profit for a period of 5 years.

Deferred income tax assets had not been recognised as it is not probable that taxable profit will be made available to utilise the deductible tax losses and temporary differences in the foreseeable future.

As at 31 December 2012, deferred tax assets and deferred tax liabilities balances of RMB613,000 (2011: RMB714,000) were related to the same company and were offset against each other.

The expiry date of deferred tax assets not accounted for in respect of tax losses carried forward is as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
一年內到期	Expire within 1 year	87,461	2,998
一至二年內到期	Expire in 1-2 years	336,743	87,461
二至三年內到期	Expire in 2-3 years	223,216	336,743
三至四年內到期	Expire in 3-4 years	487,923	223,216
四至五年內到期	Expire in 4-5 years	289,082	656,955
		1,424,425	1,307,373

20 其他非流動資產

20 OTHER NON-CURRENT ASSETS

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
土地使用權預付款	Prepayments for land use rights	-	45,618	-	-
收購一間聯營公司預付款(a)	Prepayment for acquisition of an associate (a)	-	40,300	-	-
收購附屬公司預付款(b)	Prepayment for acquisition of subsidiaries (b)	120,756	-	40,000	-
購買設備預付款	Prepayment for purchase of equipments	115,850	25,650	-	-
廣告費用預付款	Prepaid advertisement fee	6,801	13,624	-	-
其他	Others	66,509	48,928	-	-
		309,916	174,120	40,000	-

(a) 該金額指飛亞達購買上海錶業有限公司(由本集團最終控股公司中航工業的一間附屬公司深圳市中航投資管理有限公司全資擁有)25%股權的預付款。總購買代價為人民幣40,300,000元。

(b) 有關金額主要指(1)中航資源以人民幣96,690,000元購買山東魯源礦業投資有限公司70%股本權益的預付款；(2)北京公司以人民幣120,000,000元成立中航御銘(北京)科技有限公司(其中本集團將有60%股本權益)的預付款；及(3)新能源以人民幣7,650,000元成立中航光合(上海)新能源有限公司(其中本集團將擁有51%股本權益)的預付款。

(a) The amount represented prepayment by Fiyta for the purchase of 25% equity interests in Shanghai Watch Co., Ltd which is wholly owned by Shenzhen CATIC Investment Management Company Limited, a subsidiary of AVIC Industry, the ultimate holding company of the Group. Total purchase consideration is RMB40,300,000.

(b) The amount mainly represented (1) prepayment by Resources Company of RMB96,690,000 for the purchasing of 70% equity interest of Shandong Luyuan Mining Investment Co., Ltd. (山東魯源礦業投資有限公司); (2) prepayment by Beijing Company of RMB120,000,000 for establishing Yu Ming (Beijing) Technology Co., Ltd. (中航御銘(北京)科技有限公司), in which the Group will have 60% equity interest; and (3) prepayment by RED Company for establishing CATIC Photosynthetic (Shanghai) New Energy Co., Ltd (中航光合(上海)新能源有限公司) of RMB7,650,000, in which the Group will have 51% equity interest.

21 存貨

21 INVENTORIES

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
存貨－成本	Inventories – cost		
原材料	Raw materials	526,091	833,015
在製品	Work-in-progress	316,045	292,840
製成品	Finished goods	3,099,566	2,777,505
		3,941,702	3,903,360
減：存貨撇減撥備	Less: provision for write-down of inventories		
原材料	Raw materials	(34,965)	(49,165)
在製品	Work-in-progress	(6,122)	(7,135)
製成品	Finished goods	(75,558)	(44,528)
		(116,645)	(100,828)
存貨－淨值	Inventories – net	3,825,057	3,802,532

確認為開支並列入銷售成本的存貨成本為人民幣25,123,249,000元（二零一一年：人民幣22,811,541,000元）。

本集團已於二零一二年撇銷於過往年度作出之撥備人民幣29,559,000元。本集團已出售所有貨品，其金額已計入收益表「銷售成本」。

The cost of inventories recognised as expense and included in cost of sales amounted to RMB25,123,249,000 (2011: RMB22,811,541,000).

The Group had written-off provision of RMB29,559,000 in 2012 that was made in prior years. The Group has sold all the goods and the amount has been included in 'cost of sales' in the income statement.

22 發展中物業

22 PROPERTIES UNDER DEVELOPMENT

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
預期將完成的發展中物業	Properties under development expected to be completed:		
於正常經營週期計入流動資產	Within the normal operating cycle included under current assets	1,256,078	494,427
結餘包括：	Balance comprises:		
建築成本	Construction cost	711,373	259,741
土地使用權	Land user rights	514,460	223,734
資本化權益	Interest capitalised	30,245	10,952
		1,256,078	494,427

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
將於超過12個月後收回	To be recovered after more than 12 months	1,256,078	494,427

釐定二零一二年符合資本化所產生權益金額的資本化率為10.8%(二零一一年：7.7%)。所有發展中物業均位於中國。

The capitalisation rate used to determine the amount of interest incurred eligible for capitalisation in 2012 was 10.8% (2011: 7.7%). The properties under development are all located in the PRC.

23 貿易及其他應收款項

23 TRADE AND OTHER RECEIVABLES

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
貿易應收款項(a)	Trade receivables (a)	4,843,417	4,158,900	-	-
減：應收款減值撥備	Less: provision for impairment of receivables	(91,076)	(201,215)	-	-
貿易應收款項－淨額	Trade receivables – net	4,752,341	3,957,685	-	-
應收票據(c)	Notes receivables (c)	384,993	565,455	-	-
其他應收款(b)	Other receivables (b)	2,195,818	862,674	660,709	300,763
支付供應商預付款	Prepayments to suppliers	1,789,545	2,533,091	-	-
尚未抵扣的增值稅款	Excess of input over output value added tax	465,776	521,019	-	-
應收利息	Interest receivables	7,365	4,444	-	-
應收股息	Dividend receivables	85,578	21,725	5,900	-
按金	Deposits	232,709	152,465	-	-
		9,914,125	8,618,558	666,609	300,763
減：非即期部分	Less: non-current portion				
–尚未抵扣的增值稅款	– Excess of input over output value added tax	(205,860)	(200,120)	-	-
–按金	– Deposits	(133,036)	(108,652)	-	-
–貿易應收款項	– Trade receivables	(45,975)	-	-	-
–其他	– Others	(3,729)	-	-	-
		(388,600)	(308,772)	-	-
即期部分	Current portion	9,525,525	8,309,786	666,609	300,763

於二零一二年十二月三十一日，概無應收票據作為銀行借款(二零一一年：流動銀行借款人民幣93,000,000元)的抵押。抵押借款的詳情載於附註31(a)。

As at 31 December 2012, none of the notes receivables were pledged for bank borrowings (2011: RMB93,000,000 for current bank borrowings). Details of the secured borrowings are in Note 31(a).

23 貿易及其他應收款項(續)

本集團貨物銷售之信用期限為一年。貿易應收款項之賬齡分析如下：

23 TRADE AND OTHER RECEIVABLES (continued)

The Group's credit term on sale of goods is one year. The aging analysis of trade receivables is as follows:

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
一年內	Within 1 year	4,642,022	3,704,599
一至二年	Between 1 and 2 years	128,377	197,163
二至三年	Between 2 and 3 years	30,101	97,425
超過三年	Over 3 years	42,917	159,713
		4,843,417	4,158,900
減：減值虧損撥備	Less: provision for impairment losses	(91,076)	(201,215)
		4,752,341	3,957,685

本集團貿易應收款項之賬面值以下列貨幣計值：

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
人民幣	RMB	2,810,927	3,031,204
美元	USD	1,733,426	903,834
斯里蘭卡盧比	LKR	119,506	28,654
阿聯酋迪拉姆	AED	107,348	108,816
坦桑尼亞先令	TZS	32,202	23,673
歐元	EUR	16,523	18,224
肯尼亞先令	KES	10,135	2,410
港元	HKD	8,269	20,479
日圓	JPY	25	5,713
其他	Others	5,056	15,893
		4,843,417	4,158,900

23 貿易及其他應收款項(續)

- (a) 貿易應收款項減值撥備之變動如下：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
於一月一日	At 1 January	201,215	190,945
應收款項減值撥備	Provision for receivable impairment	30,591	23,189
年內作為不可收回款項 進行撇銷之應收款項	Receivables written off during the year as uncollectible	(126,572)	(4,096)
年內撥回	Reversals during the year	(14,158)	(8,823)
於十二月三十一日	At 31 December	91,076	201,215

於二零一二年十二月三十一日，人民幣14,164,000元(二零一一年：人民幣25,110,000元)之貿易應收款項已逾期但未減值。根據過往經驗，由於信用質素並無重大變動，且該等結餘仍被視為可悉數收回，故管理層認為無須就該等結餘計提減值撥備。本集團並無就該等結餘持有任何抵押品。該等貿易應收款項之賬齡分析如下：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
一至二年	Between 1 and 2 years	14,111	25,110
二至三年	Between 2 and 3 years	53	—
		14,164	25,110

23 TRADE AND OTHER RECEIVABLES

(continued)

- (a) Movements on the provision for impairment of trade receivables are as follows:

As at 31 December 2012, trade receivables of RMB14,164,000 (2011: RMB25,110,000) were past due but not impaired. Based on past experience, management believes that no impairment allowance 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 over these balances. The aging analysis of these trade receivables is as follows:

23 貿易及其他應收款項(續)

- (a) (續)
於二零一二年十二月三十一日，貿易應收款項人民幣187,231,000元(二零一一年：人民幣429,191,000元)已減值。於二零一二年十二月三十一日，撥備金額為人民幣91,076,000元(二零一一年：人民幣201,215,000元)。

應收款項減值撥備的增加及撥回已計入行政費用。計入撥備賬目的金額一般於預期不可收回額外現金時撇銷。

於報告日，信貸風險的上限為上述應收款的賬面價值。本集團並無持有任何抵押品作為擔保。

- (b) 計入其他應收款項為給予關聯方貸款人民幣360,191,000元於附註50(d)中披露(二零一一年：人民幣64,604,000元)。該等款項為無抵押、以年利率0%-5%計息，並須按要求償還。
- (c) 應收票據包括銀行承兌匯票及商業承兌匯票，分析如下：

23 TRADE AND OTHER RECEIVABLES

(continued)

- (a) (continued)
As at 31 December 2012, trade receivables of RMB187,231,000 (2011: RMB429,191,000) were impaired. The amount of the provision was RMB91,076,000 as of 31 December 2012 (2011: RMB201,215,000).

The additional and reversal of provisions for impaired receivables have been included in administrative expenses. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

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

- (b) Included in other receivables were RMB360,191,000 loan to related parties as disclosed in Note 50(d) (2011: RMB64,604,000). These amounts were unsecured, bearing annual interest rate from 0%-5% and are payable on demand.
- (c) Notes receivable include bank acceptance bills and commercial acceptance bills which are analysed as follows:

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
商業承兌匯票	Commercial acceptance bills	82,655	85,033
銀行承兌匯票	Bank acceptance bills	302,338	480,422
		384,993	565,455

流動貿易及其他應收款之賬面值與其公允價值相若。

The carrying amount of current trade receivables and other receivables approximated their fair values.

24 建築合約

24 CONSTRUCTION CONTRACTS

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
所產生合約成本加應佔溢利	Contract costs incurred plus attributable profits	8,461,545	8,405,912	—	—
減：迄今之進度付款	Less: progress billings to date	(7,497,977)	(8,516,128)	—	—
減：撥備	Less: provision	(2,808)	(51,298)	—	—
進行中合約的資產負債表淨值狀況	Net balance sheet position for ongoing contracts	960,760	(161,514)	—	—
呈列如下：	Presented as:				
就合約工作應收客戶款項	Amounts due from customers for contract work	1,161,194	802,666	—	—
就合約工作應付客戶款項	Amounts due to customers for contract work	(200,434)	(964,180)	—	—
		960,760	(161,514)	—	—

本集團已撇銷於過往年度作出之撥備人民幣51,298,000元。本集團已出售所有相關船隻，其金額已計入收益表「銷售成本」。

The Group had written-off provisions of RMB51,298,000 that was made in prior years. The Group has sold all the related ships and the amount has been included in 'cost of sales' in the income statement.

25 衍生金融工具

25 DERIVATIVE FINANCIAL INSTRUMENTS

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated) (負債) (Liabilities)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
外匯合約(a)	Foreign exchange contracts (a)	3,110	(265)	—	—
利率掉期合約(b)	Interest rate swap contracts (b)	—	(176)	—	—
		3,110	(441)	—	—

(a) 尚未行使遠期外匯合約的名義本金額如下：

(a) The notional principal amounts of the outstanding forward foreign exchange contracts are as follows:

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
外匯合約	Foreign exchange contracts				
— 賣出美元換人民幣	— Selling USD for RMB	38,400	171,748	—	—
— 以人民幣買入美元	— Buying USD with RMB	84	41,368	—	—
		38,484	213,116	—	—

(b) 於二零一二年十二月三十一日，尚未行使利率掉期合約的名義本金額為零(二零一一年：6,000,000美元)。

(b) The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2012 were nil (2011: USD6,000,000).

26 抵押銀行存款

若干銀行結餘已被抵押，且該等存款將於償付銀行貸款及使用信用證金額後解除抵押。

26 PLEDGED BANK DEPOSITS

Certain bank balances were pledged deposits which will be released upon the settlement of the repayment of the bank loan and the use of credit amount.

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
銀行借款抵押	Collateral for bank borrowings	—	120,069
信用證簽發之擔保存款	Guarantee deposits for issuance of letters of credit	87,978	97,080
發行承兌匯票之擔保存款	Guarantee deposits for issuance of bank acceptance bill	165,193	261,144
履行建築合約之擔保存款	Guarantee deposits for performance security of construction contract	22,975	62,068
收購一間附屬公司之擔保存款	Guarantee deposits for acquisition of a subsidiary	216,618	—
其他	Others	17,799	17,053
		510,563	557,414

27 現金及現金等價物

本集團現金及現金等價物之結餘分析列示如下：

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
銀行存款及手頭現金	Cash at bank and on hand	4,038,225	3,249,891	81,117	26,579

28 股本及股份溢價

28 SHARE CAPITAL AND SHARE PREMIUM

		本集團及本公司 Group and Company					
		股份數目 Number of share			股本 Capital		
		內資股 Domestic Shares (千股) (thousands)	H股 H Shares (千股) (thousands)	股份總數 Total Number of shares (千股) (thousands)	普通股 Ordinary shares (人民幣千元) (RMB'000)	股份溢價 Share premium (人民幣千元) (RMB'000)	總計 Total (人民幣千元) (RMB'000)
於二零一一年一月一日及二零一一年十二月三十一日	As at 1 January 2011 and 31 December 2011	395,709	277,658	673,367	673,367	354,513	1,027,880
收購附屬公司發行股份 (附註(a))	Issuance of shares for acquisition of subsidiaries (Note (a))	437,265	-	437,265	437,265	940,120	1,377,385
於二零一二年十二月三十一日	As at 31 December 2012	832,974	277,658	1,110,632	1,110,632	1,294,633	2,405,265

(a) 於二零一二年九月五日，本公司以每股人民幣3.15元之價格發行437,265,000股內資股予中航國際，作為二零一零年收購的購買代價。

(a) The Company issued 437,265,000 domestic shares on 5 September 2012 at the price of RMB3.15 per share to AVIC International as part of the purchase consideration for the 2010 Acquisition.

29 其他儲備

29 OTHER RESERVES

		資本儲備 Capital reserve 人民幣千元 RMB'000	法定盈餘 公積金 Statutory general reserve fund 人民幣千元 RMB'000	可供出售 金融資產 重估儲備 Available-for- sale financial assets revaluation reserve 人民幣千元 RMB'000	自住物業轉 投資物業之 重估收益 Revaluation gain on transfer of owner- occupied property to investment property 人民幣千元 RMB'000	外幣兌換 差額 Currency translation differences 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
本集團	Group						
於二零一一年一月一日之結餘 (經重列)	Balance as at 1 January 2011, as restated	3,685,180	70,001	15,423	9,274	(3,769)	3,776,109
可供出售金融資產之 公允價值收益	Fair value gain on available-for-sale financial assets	-	-	300	-	-	300
自住物業轉投資物業之 重估收益	Revaluation gain on transfer of owner-occupied property to investment property	-	-	-	77,559	-	77,559
外幣兌換差額	Currency translation differences	-	-	-	-	(58,729)	(58,729)
應佔一間聯營公司可供出售 金融資產之公允價值虧損 (附註15)	Share of fair value losses on available-for-sale financial assets of an associate (Note 15)	-	-	(338)	-	-	(338)
應佔一間聯營公司自住物業 轉為投資物業時獲得的重估 收益(附註15)	Share of revaluation gain on the transfer of owner-occupied property to investment property of an associate (Note 15)	-	-	-	30,124	-	30,124
與非控制權益之交易	Transactions with non-controlling interests	(8,888)	-	-	-	-	(8,888)
於二零一一年 十二月三十一日之結餘	Balance as at 31 December 2011	3,676,292	70,001	15,385	116,957	(62,498)	3,816,137
於二零一二年 一月一日之結餘，如上所述	Balance as at 1 January 2012 as per above	3,676,292	70,001	15,385	116,957	(62,498)	3,816,137
可供出售金融資產之公允價值 重估收益	Fair value gain on available-for-sale financial assets	-	-	448	-	-	448
自住物業轉投資物業之 重估收益	Revaluation gain on transfer of owner-occupied property to investment property	-	-	-	2,337	-	2,337
外幣兌換差額	Currency translation differences	-	-	-	-	23,505	23,505
與非控制權益之交易 (附註(a))	Transactions with non-controlling interests (Note (a))	(4,892)	-	-	-	-	(4,892)
應佔一間聯營公司與 非控股權益交易的 儲備(附註15)	Share of reserve of an associate arising from its transactions with non-controlling interests (Note 15)	(5,196)	-	-	-	-	(5,196)
合併儲備	Merger reserve	(4,211,263)	-	-	-	-	(4,211,263)
於二零一二年十二月三十一日之 結餘	Balance as at 31 December 2012	(545,059)	70,001	15,833	119,294	(38,993)	(378,924)

29 其他儲備(續)

29 OTHER RESERVES (continued)

法定盈餘
公積金
**Statutory
general
reserve fund**
人民幣千元
RMB'000

本公司

於二零一一年一月一日、
二零一一年及二零一二年
十二月三十一日之結餘

Company

Balance as at 1 January 2011, 31 December 2011
and 2012

70,001

根據中國公司法及本公司之組織章程細則，於每年分派淨溢利時，本公司須分別將中國法定賬目所載純利的10%撥作法定盈餘公積金(除非該公積金已達本公司註冊股本金額的50%)。除儲備設立之目的外，該儲備不得用作其他用途及不得用作分派現金股息。

According to the Company Law of the PRC and the Articles of Association of the Company, when distributing net profit each year, the Company shall set aside 10% of its net profit as reported in the PRC statutory accounts for the statutory general reserve fund (except where the fund has reached 50% of the Company's registered share capital). This reserve cannot be used for purposes other than those for which they are created and are not distributable as cash dividend.

法定盈餘公積金

經股東大會決議批准後，法定盈餘公積金可轉為股本，但以留存的該項公積金不得少於註冊股本金額的25%為限。

Statutory general reserve fund

The statutory general reserve fund may be converted into share capital provided it is approved by a resolution at a shareholders' general meeting and the balance of the statutory general reserve fund does not fall below 25% of the registered share capital.

於截至二零一二年十二月三十一日止年度，本公司董事建議不提取法定盈餘公積金(二零一一年：無)，因為本公司於截至二零一二年十二月三十一日止年度仍有累計虧損。

The directors of the Company did not propose the appropriation to the statutory general reserve fund for the year ended 31 December 2012 (2011: Nil) as the Company still has accumulated losses as at 31 December 2012.

29 其他儲備(續)

法定盈餘公積金(續)

(a) 與非控制權益之交易

於二零一二年一月一日，工程公司收購其附屬公司中國航空技術國際公寓坦桑尼亞公司(「坦桑尼亞公寓公司」)之60%股份，代價為人民幣12,786,000元。工程公司持有坦桑尼亞公寓公司40%股權。然而，坦桑尼亞公寓公司董事會所有成員均由工程公司提名。因此，工程公司對坦桑尼亞公寓公司擁有控制權，並將其入賬為附屬公司。坦桑尼亞公寓公司權益變動於年內對本公司權益持有人應佔股權之影響如下：

29 OTHER RESERVES (continued)

Statutory general reserve fund (continued)

(a) Transaction with non-controlling interests

On 1 January 2012, Engineering Company purchased 60% shares in its subsidiary, AVIC International Apartment Company, Tanzania (中國航空技術國際公寓坦桑尼亞公司) ("Tanzania Apartment Company"), at a consideration of RMB12,786,000. Engineering Company held 40% equity interests of Tanzania Apartment Company. However, all the members of the board of Tanzania Apartment Company are nominated by Engineering Company. Therefore, Engineering Company has control over Tanzania Apartment Company and accounts for it as a subsidiary. The effect of change in the ownership interests of Tanzania Apartment Company on the equity attributable to owners of the Company during the year is as follows:

		人民幣千元 RMB'000
支付非控制權益之代價	Consideration paid to non-controlling interests	12,786
減：所收購非控制權益之賬面值	Less: Carrying amount of non-controlling interests acquired	(8,740)
於權益確認之所付代價超出差額	Excess of consideration paid recognised within equity	4,046

29 其他儲備(續)

法定盈餘公積金(續)

(a) 與非控制權益之交易(續)

於二零一二年一月一日，工程公司收購其附屬公司中國航空技術國際工程(坦桑尼亞)公司(「坦桑尼亞工程公司」)之15%股份，代價為人民幣1,756,000元。坦桑尼亞工程公司擁有權權益變動於年內對本公司擁有人應佔股權之影響如下：

29 OTHER RESERVES (continued)

Statutory general reserve fund (continued)

(a) Transaction with non-controlling interests (continued)

On 1 January 2012, International Engineering Company purchased 15% shares in its subsidiary, CATIC International Engineering Company, Tanzania (中國航空技術國際工程(坦桑尼亞)公司) ("Tanzania Engineering Company"), at a consideration of RMB1,756,000. The effect of change in the ownership interests of Tanzania Engineering Company on the equity attributable to owners of the Company during the year is as follows:

		人民幣千元 RMB'000
支付非控制權益之代價	Consideration paid to non-controlling interests	1,756
減：所購非控制權益之賬面值	Less: Carrying amount of non-controlling interests acquired	(910)
於權益確認之所付代價超出差額	Excess of consideration paid recognised within equity	846

30 永久次級可換股證券

於二零一二年九月五日，本公司發行本金額合共人民幣2,781,674,000元的永久次級可換股證券予中航國際、中航深圳及北京瑞賽，分別作為二零一零年收購的購買代價。此等永久次級可換股證券可按初步轉換價每股人民幣3.47元轉換為801,634,000股本公司內資股。

有關永久次級可換股證券構成本公司直接、無抵押及後償責任，並享有同等地位，彼此之間並無任何優先權或優先次序。倘本公司清盤，有關永久次級可換股證券持有人的權利及索償地位應：(i)優先於就本公司任何股本類別提出索償之人士，(ii)將付款權利次於支付予本公司所有其他現時及未來優先債權人的款項，及(iii)各自享有同等地位。

永久次級可換股證券並無到期日及有權收取永久次級可換股證券自發行日期起（包括該日）於任何尚未行使本金額按年息1厘計算的每年七月三十一日拖欠的年度分派款項，惟須受永久次級可換股證券的條款所限。本公司有權按永久次級可換股證券的條款選擇延期分派款項。永久次級可換股證券持有人行使轉換權後，本公司將透過派發其可發行股份全數終止任何就永久次級可換股證券而到期的分派欠款。

30 PERPETUAL SUBORDINATED CONVERTIBLE SECURITIES

The Company issued an aggregate principal amount of RMB2,781,674,000 PSCS on 5 September 2012 to AVIC International, AVIC Shenzhen and Beijing Raise, respectively as part of the purchase consideration for the 2010 Acquisition. These PSCS being convertible into 801,634,000 domestic shares of the Company at an initial conversion price of RMB3.47 per share.

The PSCS constitutes direct, unsecured and subordinated obligations of the Company and rank pari passu without any preference or priority among themselves. In the event of the winding-up of the Company, the rights and claims of the PSCS holder(s) would; (i) rank ahead of those persons whose claims are in respect of any class of share capital of the Company, (ii) be subordinated in right of payment to the claims of all other present and future preference creditors of the Company, and (iii) pari passu with each other.

The PSCS have no maturity date and conferred a right to receive distributions from and including the date of issue of the PSCS at 1% per annum on any outstanding principal amount of distribution payable annually in arrears on 31 July each year, subject to the terms of the PSCS. The Company was entitled to elect to defer a distribution pursuant to the terms of the PSCS. Any arrears of distributions due in respect of the PSCS would be extinguished by the Company in full through the delivery by the Company of its domestic shares issuable by it upon the exercise of the PSCS holder's conversion right.

30 永久次級可換股證券(續)

永久次級可換股證券持有人可於發行永久次級可換股證券當日起隨時按轉價人民幣3.47元轉換永久次級可換股證券為內資股。轉換價可經發行紅利、轉換資本儲備及其他攤薄事項調整。永久次級可換股證券持有人可於下列條件轉換永久次級可換股證券部份：(i)轉換將不會引致本公司違反上市規則條文，包括但不限於上市規則項下最低公眾持股量規定及(ii)轉換將遵守所有使用法例及法規(包括但不限於上市規則及香港公司收購及合併守則)。

自永久次級可換股證券發行之日後12個月或任何時間，本公司可全權並根據永久次級可換股證券條款選擇轉換全部(但非部份)永久次級可換股證券為內資股，惟須受永久次級可換股證券條款所載轉換限制條文所限)。

永久次級可換股證券持有人無權僅因其作為永久次級可換股證券持有人而接收本公司任何股東大會通告、出席大會或於會上投票。

30 PERPETUAL SUBORDINATED CONVERTIBLE SECURITIES (continued)

The PSCS holders can convert PSCS into domestic shares at any time from the date of issue of the PSCS, subject to relevant terms as provided in the terms of the PSCS, at conversion price of RMB3.47. The conversion price will be subject to adjustment for bonus issue, conversion of capital reserve and other dilutive events. The PSCS Holders may convert such portion of the PSCS on condition that: (i) the conversion would not cause the Company to contravene provisions of the Listing Rules including but not limited to the minimum public float requirement under the Listing Rules; and (ii) conversion would comply with all applicable laws and regulations (including but not limited to the Listing Rules and the Hong Kong Code on Takeovers and Mergers).

On or at any time after 12 months after the date of issue of the PSCS, the Company may, at its sole discretion and pursuant to the terms of the PSCS, elect to convert the PSCS in whole (but not in part) into domestic shares, subject to the provisions of restriction on conversion set out in the terms of the PSCS.

The PSCS holder(s) were not entitled to receive notice of, attend or vote at general meetings of the Company by reason only of its being a PSCS holder.

31 借款

借款包括銀行借款及其他借款，分析如下：

31 BORROWINGS

Borrowings include bank borrowings and other borrowings which are analysed as follows:

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
非流動	Non-current				
銀行借款	Bank borrowings				
— 抵押(a)	— pledged (a)	1,656,343	2,377,341	—	—
— 有擔保(b)	— guaranteed (b)	1,840,642	2,918,250	186,000	946,000
— 無抵押	— unsecured	1,817,101	2,211,055	—	—
債券(c)	Debentures (c)	200,000	200,000	—	—
關聯方借款(附註50(c))	Related party borrowings (Note 50(c))	363,767	—	—	—
減：非流動借款之 即期部分	Less: current portion of non-current borrowings	(1,833,027)	(2,744,343)	(186,000)	(760,000)
		4,044,826	4,962,303	—	186,000
流動	Current				
銀行借貸	Bank borrowings				
— 抵押(a)	— pledged (a)	248,000	160,817	—	—
— 有擔保(b)	— guaranteed (b)	972,971	1,482,924	200,000	554,000
— 無抵押	— unsecured	6,819,742	3,227,293	1,414,000	—
債券(d)	Debentures (d)	100,000	—	—	—
關聯方借款(附註50(c))	Related party borrowings (Note 50(c))	588,000	590,000	—	—
非流動銀行借款之即期部分	Current portion of non-current bank borrowings	1,833,027	2,744,343	186,000	760,000
		10,561,740	8,205,377	1,800,000	1,314,000
		14,606,566	13,167,680	1,800,000	1,500,000

31 借款(續)

- (a) 於二零一二年十二月三十一日，本集團銀行貸款人民幣1,904,343,000元(二零一一年：人民幣2,538,158,000元)作抵押的情況如下：

31 BORROWINGS (continued)

- (a) At 31 December 2012, bank loans of RMB1,904,343,000 (2011: RMB2,538,158,000) of the Group were secured by the following:

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
抵押銀行存款 (附註26)	Pledged bank deposits (Note 26)	-	120,069	-	-
抵押應收票據 (附註23(a))	Pledged notes receivables (Note 23(a))	-	93,000	-	-
土地使用權(附註7)	Land use rights (Note 7)	517,952	518,721	-	-
樓宇(附註11)	Buildings (Note 11)	1,444,472	1,300,473	-	-
在建工程(附註13(b))	Construction-in-progress (Note 13(b))	16,361	3,301	-	-
投資物業(附註12(c))	Investment properties (Note 12(c))	1,141,656	826,881	-	-
機器及設備(附註11)	Machinery and equipment (Note 11)	-	218,983	-	-
		3,120,441	3,081,428	-	-

31 借款(續)

- (b) 於二零一二年十二月三十一日，本集團銀行貸款人民幣2,813,613,000元(二零一一年：人民幣4,401,174,000元)及本公司銀行貸款人民幣386,000,000元(二零一一年：1,500,000,000元)受下列擔保所支持：

31 BORROWINGS (continued)

- (b) At 31 December 2012, bank loans of RMB2,813,613,000 (2011: RMB4,401,174,000) of the Group and RMB386,000,000(2011: RMB1,500,000,000) of the Company were supported by the following guarantees:

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
中航深圳	AVIC Shenzhen	402,000	1,500,000	386,000	1,500,000
中航國際	AVIC International	-	74,415	-	-
其他關聯方	Other related parties	765,971	270,000	-	-
第三方	Third Party	1,645,642	2,556,759	-	-
		2,813,613	4,401,174	386,000	1,500,000

- (c) 該等債券由威海船廠於二零一零年十月二十八日發行，以年利率4.95%計息，並將於二零一三年十月二十八日到期。該等債券由山東省再擔保集團有限公司擔保。

- (c) The debentures were issued by Weihai Shipyard on 28 October 2010, carried an annual interest rate of 4.95%, and will mature on 28 October 2013. The debentures are guaranteed by Shandong Re-guarantee Group Co., Ltd. (山東省再擔保集團有限公司).

- (d) 該等債券由深南電路於二零一二年四月十二日發行，以年利率6.11%計息，並將於二零一三年四月十二日到期。該等債券為無抵押。

- (d) The debentures were issued by SCC on 12 April 2012, carried an annual interest rate of 6.11%, and will mature on 12 April 2013. The debentures are unsecured.

31 借款(續)

(e) 借款之賬面值以下列貨幣計值：

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
人民幣	RMB	12,339,429	11,084,022	1,800,000	1,500,000
美元	USD	1,821,022	1,838,382	-	-
港元	HKD	222,887	191,909	-	-
歐元	EUR	216,406	-	-	-
瑞士法郎	SHF	6,822	-	-	-
日圓	JPY	-	53,367	-	-
		14,606,566	13,167,680	1,800,000	1,500,000

於結算日，借款面臨之利率變動
及合約重新定價日期風險如下：

The exposure of the borrowings to interest-rate
changes and the contractual repricing dates at the
balance sheet dates are as follows:

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
一年內	Within 1 year	10,561,740	8,205,377	1,800,000	1,314,000
一至二年	Between 1 and 2 years	1,236,807	1,267,170	-	186,000
二至五年	Between 2 and 5 years	2,331,815	2,863,018	-	-
須於五年內全數償還	Wholly repayable within 5 years	14,130,362	12,335,565	1,800,000	1,500,000
五年以上	Over 5 years	476,204	832,115	-	-
		14,606,566	13,167,680	1,800,000	1,500,000

31 借款(續)

(e) (續)

非流動銀行其他借款之到期日如下：

31 BORROWINGS (continued)

(e) (continued)

The maturity of non-current bank and other borrowings is as follows:

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
一至二年	Between 1 and 2 years	1,236,807	1,267,170	-	186,000
二至五年	Between 2 and 5 years	2,331,815	2,863,018	-	-
須於五年內全數償還	Wholly repayable within 5 years	3,568,622	4,130,188	-	186,000
五年以上	Over 5 years	476,204	832,115	-	-
		4,044,826	4,962,303	-	186,000

(f) 於結算日之實際利率如下：

(f) The effective interest rates at the balance sheet dates are as follows:

		本集團 Group							
		二零一二年 2012				二零一一年 2011			
		人民幣 RMB	美元 USD	歐元 EUR	港元 HKD	人民幣 RMB	美元 USD	日圓 JPY	港元 HKD
銀行借款	Bank borrowings	6.08%	3.30%	3.00%	3.14%	6.03%	3.57%	3.53%	3.03%

		本公司 Company	
		二零一二年 2012 人民幣 RMB	二零一一年 2011 人民幣 RMB
銀行借款	Bank borrowings	6.40%	6.28%

31 借款(續)

- (g) 本集團及本公司之借貸面臨的利率風險如下：

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
浮息借款	Borrowings at floating rates	6,991,980	7,911,287	360,000	554,000
定息借款	Borrowings at fixed rates	7,614,586	5,256,393	1,440,000	946,000
總計	Total	14,606,566	13,167,680	1,800,000	1,500,000

- (h) 非流動固定利率借款賬面值及公允價值如下：

		賬面值 Carrying amount		公允價值 Fair value	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
銀行借款	Bank borrowings	1,544,906	1,604,697	1,474,949	1,551,520
債券	Debentures	-	200,000	-	194,347
總計	Total	1,544,906	1,804,697	1,474,949	1,745,867

31 BORROWINGS (continued)

- (g) The interest rate exposure of the borrowings of the Group and the Company are as follows:

- (h) The carrying amounts and fair value of the non-current borrowings carried at fixed interest rate are as follows:

32 政府補貼之遞延收入

此等金額代表由中國當地政府機關授出及自中國當地政府機關收取之各項津貼，其變動如下：

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
於一月一日	At 1 January	576,231	565,264
已收津貼(a)	Receipt of grants (a)	416,970	458,309
年內計入收益表	Credited to income statement during the year	(454,211)	(447,342)
於十二月三十一日	At 31 December	538,990	576,231

- (a) 該金額主要代表由中國當地政府機構授予天馬之津貼人民幣209,568,000元(二零一一年：人民幣361,730,000元)、授予深南電路人民幣34,837,000元(二零一一年：人民幣71,199,000元)及北京公司人民幣110,000,000元(二零一一年：無)及中航資源人民幣20,046,000元(二零一一年：無)以資助收購物業、廠房及設備以及補償就新產品研發將產生的成本。

於二零一二年十二月三十一日，政府補貼之遞延收入結餘包括融資及資助收購物業、廠房及設備的政府補貼，以及補償就新產品研發將產生成本之政府補貼，分別人民幣448,690,000元(二零一一年：人民幣400,053,000元)及人民幣90,300,000元(二零一一年：人民幣176,178,000元)。

32 DEFERRED INCOME ON GOVERNMENT GRANTS

The amounts represented various subsidies granted by and received from local government authorities in the PRC. The movements are as follows:

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
於一月一日	At 1 January	576,231	565,264
已收津貼(a)	Receipt of grants (a)	416,970	458,309
年內計入收益表	Credited to income statement during the year	(454,211)	(447,342)
於十二月三十一日	At 31 December	538,990	576,231

- (a) The amount mainly represented subsidies granted by local government authorities in the PRC to Tianma amounting to RMB209,568,000 (2011: RMB361,730,000) and SCC amounting to RMB34,837,000 (2011: RMB71,199,000) and Beijing Company amounting to RMB110,000,000 (2011: Nil) and AIVC Resources amounting to RMB20,046,000 (2011: Nil) for financing and subsidising acquisition of property, plant and equipment; and for compensating costs to be incurred for research and development of new products.

As at 31 December 2012, the balance of deferred income on government grants included government grants for financing and subsidising acquisition of property, plant and equipment; and for compensating costs to be incurred for research and development of new products amounting to RMB448,690,000 (2011: RMB400,053,000) and RMB90,300,000 (2011: RMB176,178,000) respectively.

33 退休及其他補充福利責任

(a) 國家管理退休計劃

本集團中國籍僱員參與中國政府機關組織及管理的僱員社會保障計劃。於中國的集團公司須按工資成本16%至22%，供款予國家管理退休計劃，視乎當地適用法規而定。此等於中國的集團公司的責任乃就國家管理退休計劃作出特定供款。

於綜合收益表扣除的成本總額如下：

		本集團 Group	
		二零一二年 2012	二零一一年 2011 (經重列) (Restated)
供款予國家管理退休計劃 (附註41)	Contributions to state-managed retirement plans (Note 41)	173,877	141,894

於結算日，下列金額尚未支付予國家管理退休計劃：

		本集團 Group	
		二零一二年 2012	二零一一年 2011 (經重列) (Restated)
計入貿易及其他款項之 應付國家管理退休計劃 款項	Amount due to state-managed retirement plans included in trade and other payables	6,401	14,224

33 RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS

(a) State-managed retirement plans

The Chinese employees of the Group participate in employee social security plans organised and administrated by the PRC government authority. The PRC group companies are required to contribute from 16% to 22%, depending on the applicable local regulations, of payroll costs to the state-managed retirement plans. The obligation of these PRC group companies with respect to the state-managed retirement plans is to make the specified contributions.

The total cost charged to consolidated income statement is as follows:

At the balance sheet date, the following amount had not been paid to the state-managed retirement plans:

33 退休及其他補充福利責任(續)

(b) 提前退休及補充福利責任

於綜合資產負債表確認的提前退休及補充福利責任金額釐定如下：

33 RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS

(continued)

(b) Early retirement and supplemental benefit obligations

The amounts of early retirement and supplemental benefit obligations recognised in the consolidated balance sheets are determined as follows:

		本集團 Group	
		二零一二年 2012	二零一一年 2011 (經重列) (Restated)
界定福利責任的現值	Present value of defined benefits obligations	53,649	53,419
未確認精算虧損	Unrecognised actuarial losses	(3,393)	(2,979)
界定福利責任產生的負債	Liability arising from defined benefit obligations	50,256	50,440
減：即期部分	Less: current portion	(2,192)	(3,845)
非即期部分	Non-current portion	48,064	46,595

本集團提前退休及補充福利責任的變動如下：

The movements of Group's early retirement benefit and supplemental benefit obligations are as follows:

		本集團 Group	
		二零一二年 2012	二零一一年 2011 (經重列) (Restated)
於年初	At beginning of the year	50,440	52,099
年內	For the year		
— 利息成本	— Interest costs	1,824	1,933
— 付款	— Payment	(4,198)	(3,975)
— 精算損失	— Actuarial losses	2,190	383
於年末	At end of the year	50,256	50,440

33 退休及其他補充福利責任(續)

(b) 提前退休及補充福利責任(續)

上述責任根據獨立執業精算行美世諮詢(上海)有限公司(精算師協會及中國精算師協會會員)進行的精算估值釐定，採用預計單位基數精算成本法。

對此等責任估值所採用的重大精算假設如下：

33 RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS

(continued)

(b) Early retirement and supplemental benefit obligations (continued)

The above obligations were determined based on actuarial valuations performed by an independent qualified actuarial firm, Mercer Consulting (Shanghai) Company Limited (member of the Society of Actuaries and the China Association of Actuaries), using the projected unit credit actuarial cost method.

The material actuarial assumptions used in valuing these obligations are as follows:

		本集團 Group	
		二零一二年 2012	二零一一年 2011 (經重列) (Restated)
貼現率(每年)	Discount rates (per annum)		
— 補充退休福利計劃	— Supplemental retirement benefits plan	3.60%	3.50%
— 提前退休福利計劃	— Early retirement benefit plan	3.00%	2.80%
死亡率：居民平均壽命— 補充退休福利計劃	Mortality: Average life expectancy of residents-Supplemental retirement benefit plan	86	86
死亡率：居民平均壽命— 提前退休福利計劃	Mortality: Average life expectancy of residents-Early retirement benefit plan	86	86

34 其他非流動負債

34 OTHER NON-CURRENT LIABILITIES

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
應付控股公司款項(a)	Payable to the holding company (a)	1,050,000	–	1,050,000	–
應付中航深圳款項(b)	Payable to AVIC Shenzhen (b)	100,000	100,000	–	–
應付威海經濟技術開發區 國有資產經營管理 公司款項(c)	Payable to Weihai Economic and Technological Development Zone State-owned Assets Management Co., Ltd (威海經濟 技術開發區國有資產經營管理 公司) (c)	40,000	40,000	–	–
其他	Others	12,424	13,363	–	–
		1,202,424	153,363	1,050,000	–

(a) 本公司於二零一二年四月向控股公司借貸人民幣1,050,000,000元，為無抵押、按年利率4.94%計息及須於二零一五年四月償還。

(b) 本集團附屬公司深南電路於二零零九年十月向中航深圳借貸人民幣75,000,000元及人民幣25,000,000元。該筆款項為無抵押、按3.48%及4.70%計息及分別須於二零一四年十月及二零一六年十月償還。

(c) 本集團一間附屬公司山東新船重工有限公司於二零零九年六月向威海經濟開發區國有資產經營管理有限公司借款人民幣40,000,000元。該等款項為無抵押，以中國銀行所定基準利率計息，並於二零一七年六月償還。

(a) The Company borrowed RMB1,050,000,000 from the holding company in April 2012. The amounts are unsecured, bearing annual interest rate of 4.94% and repayable in April 2015.

(b) SCC, a subsidiary of the Group, borrowed RMB75,000,000 and RMB25,000,000 from AVIC Shenzhen in October 2009. The amounts are unsecured, interest bearing at a rate of 3.48% and 4.70% and repayable in October 2014 and October 2016 respectively.

(c) Shandong New Shipbuilding Co., Ltd., a subsidiary of the Group, borrowed RMB40,000,000 from Weihai Economic and Technological Development Zone State-owned Assets Management Co., Ltd, in June 2009. The amounts are unsecured, bearing interest rate at the benchmark interest rate prescribed by The People's Bank of China and repayable in June 2017.

其他非流動負債之公允價值與賬面值相若。

The fair value of other non-current liabilities approximated the carrying amount.

35 貿易及其他應付款項

35 TRADE AND OTHER PAYABLES

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
貿易應付款項	Trade payables	3,892,317	3,565,351	-	-
應付薪金及員工福利	Salaries and staff welfare payable	291,591	335,212	6,476	2,376
應付票據	Notes payable	755,930	1,006,189	-	-
客戶墊支	Advance from customers	3,688,730	2,318,037	-	-
應付利息	Interest payable	34,758	46,823	3,230	-
應付股息	Dividend payable	10,699	21,328	-	-
其他應付稅項	Other taxes payable	154,711	320,899	133	143
應計費用及其他應付款項(a)	Accruals and other payables (a)	2,357,673	2,662,042	275,166	313,746
自一名第三方之借款(b)	Borrowings from a third party (b)	18,000	222,198	-	-
按金	Deposits	74,502	26,659	-	-
		11,278,911	10,524,738	285,005	316,265
減：非流動部分	Less: non-current portion				
– 按金	– Deposits	(46,128)	(24,335)	-	-
流動部分	Current portion	11,232,783	10,500,403	285,005	316,265

(a) 計入應計及其他應付款項人民幣847,351,000元乃為應付關聯方款項，於附註50(c)披露（二零一一年：人民幣968,186,000元）。該等款項為無抵押、以年利率0%-12.5%計息，並須按要求償還。

(b) 本集團一間附屬公司威海船廠於二零一二年一月向威海市工業發展投資有限責任公司借貸人民幣18,000,000元。該等款項為無抵押，以年利率7.872%計息，並須按要求償還。

(a) Included in accruals and other payables were RMB847,351,000 due to related parties as disclosed in Note 50(c) (2011: RMB968,186,000). These amounts were unsecured, bearing annual interest rate from 0%-12.5% and are payable on demand.

(b) Weihai Shipyard, a subsidiary of the Group, borrowed RMB18,000,000 from Weihai Industrial Developing Investment Co., Ltd. (威海市工業發展投資有限責任公司), in January 2012. The amounts are unsecured, bearing annual interest of 7.872% and are payable on demand.

35 貿易及其他應付款項(續)

於二零一二年十二月三十一日，貿易應付款的賬齡分析如下：

35 TRADE AND OTHER PAYABLES (continued)

At 31 December 2012, the ageing analysis of the trade payables is as follows:

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
1年內	Within 1 year	3,380,058	3,158,780	—	—
1-2年	Between 1 and 2 years	327,124	312,438	—	—
2-3年	Between 2 and 3 years	120,647	28,726	—	—
3年以上	Over 3 years	64,488	65,407	—	—
		3,892,317	3,565,351	—	—

本集團貿易應付款項的賬面值以下列貨幣計值：

The carrying amounts of the Group's trade payables are denominated in the following currencies:

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
人民幣	RMB	2,768,863	2,583,772	—	—
斯里蘭卡盧比	LKR	334,712	629	—	—
美元	USD	320,622	292,398	—	—
迪拉姆	AED	235,818	272,706	—	—
日圓	JPY	64,031	72,581	—	—
歐羅	EUR	61,420	193,162	—	—
先令	TZS	25,041	2,974	—	—
港元	HKD	13,069	28,097	—	—
其他	Others	68,741	119,032	—	—
		3,892,317	3,565,351	—	—

36 其他收入

36 OTHER INCOME

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
政府補助	Government grants	454,211	447,342
服務及保修收入	Service and maintenance income	61,876	138,644
副產品銷售收入	Sales of by-products	53,969	29,216
股息收入	Dividend income	47,289	52,916
財政津貼(a)	Financial subsidy (a)	33,563	25,908
違約收入	Default income	26,937	39,954
補償收入	Compensation income	4,521	2,121
擔保費收入	Guarantee fee income	—	2,344
其他	Others	6,001	17,410
		688,367	755,855

(a) 此金額指應收青海省地方財政部門就青海中航資源於年內繳付若干增值稅退款而發放的已收／應收財政津貼。

(a) The amount represented financial subsidy received/receivable from the local finance bureau of Qinghai Province for refund of certain value-added-tax paid by Qinghai CATIC Resources for the year.

37 其他收益／(虧損)－淨額

37 OTHER GAINS/(LOSSES) – NET

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
出售物業、廠房及設備 收益(附註46)	Gain from disposals of property, plant and equipment (Note 46)	37,884	7,155
出售投資物業之收益／(虧損) (附註46)	Gain/(Loss) from disposals of investment properties (Note 46)	21,893	(5,179)
出售衍生金融工具之收益	Gain on disposals of derivative financial instruments	2,346	5,708
出售持至到期金融資產之收益 (附註46)	Gain on disposals of held-to-maturity financial assets (Note 46)	–	2,761
出售聯營公司之收益(附註46)	Gain on disposals of associates (Note 46)	3,452	–
出售可供出售金融資產之 收益(附註46)	Gain on disposals of available-for-sale financial assets (Note 46)	15,073	623
出售附屬公司之收益	Gain on disposals of subsidiaries	38	2,134
衍生金融工具公允價值變動 (附註46)	Fair value changes on derivative financial instruments (Note 46)	3,550	(1,773)
來自貼現銀行承兌匯票之 虧損	Losses from discounting bank acceptance bills	(25,368)	(11,446)
終止確認貿易應收款項虧損 (附註a)	Losses from derecognition of trade receivables (Note a)	(24,557)	–
其他	Others	2,727	(315)
		37,038	(332)

(a) 該款項指終止確認山東農大肥業科技有限公司貿易應收款項人民幣90,532,000元之虧損。根據青海中航資源、北京兆豐年化肥有限公司及山東農大肥業科技有限公司訂立之三方協議，向青海中航資源支付未償付餘額之責任轉移至北京兆豐年化肥有限公司。北京兆豐年化肥有限公司將於四年內支付餘下結餘，而每年金額不少於人民幣20,000,000元。

(a) The amount represented the loss from derecognition of trade receivable of RMB90,532,000 from Shandong Nongda Fertilizer Technology Co., Ltd. (山東農大肥業科技有限公司). According to a tri-party agreement among Qinghai CATIC Resources, Beijing Zhaofengnian Fertilizer Co. Ltd. (北京兆豐年化肥有限公司) and Shandong Nongda Fertilizer Technology Co., Ltd., the latter's obligations to pay Qinghai CATIC Resources the outstanding balances are transferred to Beijing Zhaofengnian Fertilizer Co. Ltd. which will pay the remaining balances within 4 years with annual payment no less than RMB20,000,000.

38 按性質分類的費用

38 EXPENSES BY NATURE

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
製成品及在製品的存貨變動	Changes in inventories of finished goods and work in progress	345,266	588,895
應收客戶合約工程款項變動	Changes in amounts due from customers for contract work	358,528	203,560
使用的原材料及消耗品	Raw materials and consumables used	24,756,700	22,200,500
員工福利支出(附註41)	Employee benefits expenses (Note 41)	1,805,958	1,652,150
維修保養支出	Repairs and maintenance expenditure	76,710	101,023
陳舊存貨撥備／(撥回)	Provision for/(reversal of) inventory obsolescence	45,376	(150,158)
壞賬撥備	Provision for bad debts	57,581	5,390
應收客戶合約工程款項撥備	Provision for amounts due from customers for contract work	2,808	148,337
物業、廠房及設備折舊 (附註11)	Depreciation of property, plant and equipment (Note 11)	914,680	1,022,114
土地使用權攤銷(附註7)	Amortisation of land use rights (Note 7)	29,853	14,462
採礦權攤銷(附註8)	Amortisation of mining rights (Note 8)	14,589	14,133
無形資產攤銷(附註10)	Amortisation of intangible assets (Note 10)	10,441	6,550
其他非流動資產攤銷	Amortisation of other non-current assets	14,383	38,363
有關寫字樓的經營租賃支出	Operating lease rentals in respect of office buildings	190,057	153,468
營業稅及其他徵費	Business tax and other levies	182,489	126,503
核數師酬金	Auditors' remuneration	12,526	26,572
水電費	Utility expenses	325,682	329,225
運輸費	Transportation	251,609	146,538
差旅費	Travelling expenses	94,095	91,736
業務招待費	Entertainment	71,555	63,484
專業費用	Professional fees	85,067	89,228
銀行費用	Bank charges	75,571	51,404
其他費用	Other expenses	557,180	256,754
營業成本，銷售費用及行政費用總額	Total cost of sales, distribution expenses and administrative expenses	30,278,704	27,180,231

39 董事酬金

(a) 董事酬金

於二零一二年及二零一一年度，本公司並未委任任何行政總裁。截至二零一二年十二月三十一日止年度，各董事薪酬如下：

39 DIRECTORS' EMOLUMENTS

(a) Directors' emoluments

The Company did not appoint any chief executive in 2012 and 2011. The remunerations of the directors for the year ended 31 December 2012 are set out below:

		袍金	薪金	酌情花紅	員工退休 福利供款 Employer's contribution to pension schemes	合計
		Fee	Salaries	Discretionary bonuses		Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
董事姓名：	Name of directors:					
吳光權先生*	Mr. Wu Guang Quan*	-	-	-	-	-
由鐳先生*	Mr. You Lei*	-	-	-	-	-
潘林武先生*	Mr. Pan Lin Wu*	-	-	-	-	-
陳宏良先生*	Mr. Chen Hong Liang*	-	-	-	-	-
劉軍先生*	Mr. Liu Jun*	-	-	-	-	-
賴偉宣先生**	Mr. Lai Wei Xuan**	-	-	-	-	-
隋湧先生**	Mr. Sui Yong**	-	-	-	-	-
劉瑞林先生**	Mr. Liu Rui Lin**	-	-	-	-	-
程保忠先生**	Mr. Cheng Bao Zhong**	-	-	-	-	-
仇慎謙先生**	Mr. Qiu Shen Qian**	-	-	-	-	-
王濱濱先生**	Mr. Wang Bin Bin**	-	-	-	-	-
李承寧先生**	Mr. Li Cheng Ning**	-	-	-	-	-
徐東升先生**	Mr. Xu Dong Sheng**	-	311	-	-	311
黃惠玲女士	Ms. Wong Wai Ling	140	-	-	-	140
鄺煒先生	Mr. Wu Wei	140	-	-	-	140
張平先生	Mr. Zhang Ping	70	-	-	-	70
劉憲法先生**	Mr. Liu Xian Fa**	29	-	-	-	29
		379	311	-	-	690

潘林武先生、劉軍先生、陳宏良先生及張平先生於二零一二年獲委任為董事。

Mr. Pan Lin Wu, Mr. Liu Jun, Mr. Chen Hong Liang and Mr. Zhang Ping were appointed as directors in 2012.

39 董事酬金(續)

(a) 董事酬金(續)

截至二零一一年十二月三十一日止年度，各董事薪酬如下：

39 DIRECTORS' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

The remunerations of the directors for the year ended 31 December 2011 are set out below:

		袍金	薪金	酌情花紅	員工退休 福利供款 Employer's contribution to pension schemes	合計
		Fee	Salaries	Discretionary bonuses		Total
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
董事姓名：	Name of directors:					
吳光權先生*	Mr. Wu Guang Quan*	-	-	-	-	-
由鐳先生*	Mr. You Lei*	-	-	-	-	-
賴偉宣先生*	Mr. Lai Wei Xuan*	-	-	-	-	-
程保忠先生*	Mr. Cheng Bao Zhong*	-	-	-	-	-
仇慎謙先生*	Mr. Qiu Shen Qian*	-	-	-	-	-
王濱濱先生*	Mr. Wang Bin Bin*	-	-	-	-	-
李承寧先生*	Mr. Li Cheng Ning*	-	-	-	-	-
徐東升先生	Mr. Xu Dong Sheng	-	610	1,419	-	2,029
隋湧先生	Mr. Sui Yong	-	326	1,023	137	1,486
劉瑞林先生	Mr. Liu Rui Lin	-	610	1,245	25	1,880
鄒煒先生	Mr. Wu Wei	124	-	-	-	124
黃惠玲女士	Ms. Wong Wai Ling	124	-	-	-	124
劉憲法先生	Mr. Liu Xian Fa	50	-	-	-	50
		298	1,546	3,687	162	5,693

* 該等董事就向本公司之服務自控股公司中航國際或中航深圳收取酬金。由於董事認為分攤彼等對本集團與控股公司之服務屬不切實際，故此金額並無分攤。

** 該等董事已於二零一二年向本公司辭任。

* These directors received emoluments from the holding company AVIC International or AVIC Shenzhen for their services to the Company. No apportionment has been made for emoluments from the holding company, as the directors consider that it is impracticable to apportion this amount between their services to the Group and their services to the Company's holding company.

** These directors had resigned from the Company in 2012.

39 董事酬金(續)

(a) 董事酬金(續)

上文披露之董事袍金包括支付予獨立非執行董事的袍金人民幣379,000元(二零一一年：人民幣298,000元)。

本年度並無董事放棄任何酬金(二零一一年：無)。

(b) 五名最高薪酬人士

於二零一二年本集團五名最高薪酬人士並無計入上文分析之任何董事薪酬之內(二零一一年：三名)。年內應付該等五名人士(二零一一年：兩名)之薪酬如下：

39 DIRECTORS' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

Directors' fees disclosed above included RMB379,000 (2011: RMB298,000) paid to independent non-executive directors.

None of the directors waived any emoluments during the year (2011: Nil).

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year 2012 do not include any directors whose emoluments are reflected in the analysis presented above (2011: 3). The emoluments payable to these five individuals (2011: 2) during the year are as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
基本薪金、房屋津貼、 其他津貼及實物利益	Basic salaries, housing allowance, other allowances and benefits in kind	8,658,000	3,900,000

薪酬介乎以下範圍：

The emoluments fell within the following bands:

		二零一二年 2012	二零一一年 2011
酬金範圍	Emolument bands		
1,500,001港元至 2,000,000港元	HKD1,500,001 – HKD2,000,000	4	1
2,000,001港元至 3,000,000港元	HKD2,000,001 – HKD3,000,000	1	1

40 融資成本－淨額

40 FINANCE COSTS – NET

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
利息支出	Interest expenses		
－須於五年內全數償還之 銀行借貸	– bank borrowings wholly repayable within 5 years	841,112	735,529
－須應要求償還予關聯方之 借貸	– borrowings from related party repayable on demand	113,555	42,616
－債券	– debentures	9,900	9,900
減：資本化利息	Less: interest capitalised	(29,750)	(11,704)
		934,817	776,341
融資活動的匯兌收益淨額	Net foreign exchange gain on financing activities	(20,261)	(74,016)
		914,556	702,325
融資成本	Finance costs		
利息收入	Interest income	(84,298)	(137,876)
		830,258	564,449

於二零一二年，在建工程銀行貸款資本化利息為人民幣10,457,000元（二零一一年：人民幣804,000元），而資本化利率為5.66%（二零一一年：4.65%）。

Bank loan interest capitalised in the construction in progress amounted to RMB10,457,000 (2011: RMB804,000) during 2012. The capitalised interest rate was 5.66% (2011: 4.65%).

於二零一二年，發展中物業銀行貸款資本化利息為人民幣19,293,000元（二零一一年：人民幣10,900,000元）（附註22），而資本化利率為10.8%（二零一一年：7.7%）。

Bank loan interest capitalised in the properties under development amounted to RMB19,293,000 (2011: RMB10,900,000) during 2012 (Note 22). The capitalised interest rate was 10.8% (2011: 7.7%).

41 僱員福利費用

41 EMPLOYEE BENEFIT EXPENSES

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
工資、薪金及獎金	Wages, salaries and bonus	1,302,997	1,226,797
福利、醫療及其他費用	Welfare, medical and other expenses	126,150	132,714
社會保險成本	Social security costs	198,920	148,429
提早退休及補助退休福利 (附註33)	Early retirement and supplemental pension benefits (Note 33)	4,014	2,316
退休計劃供款(附註33)	Contributions to pension plans (Note 33)	173,877	141,894
		1,805,958	1,652,150

本集團已參與由政府機關組織及管理，並於中國實行的僱員社會保險計劃，包括退休金、醫療及其他社會福利。根據有關規定，本集團每月須向政府機構繳納養老保險基金及醫療保險基金，供款額分別為僱員月薪的19%及9%。本集團分別承擔其中14%及7%，其餘款項由僱員承擔。除以上供款之外，本集團並無其他義務。

The Group has participated in employee social security plans enacted in the PRC, which cover pension, medical and other welfare benefits. The plans are organised and administered by the governmental authorities. Pursuant to the relevant provisions, the Group is required to make monthly contributions in respect of retirement insurance and health insurance to governmental authorities, equivalent to 19% and 9% respectively based on the monthly salaries of its employees, of which, the Group bears 14% and 7% respectively, and the employees bear the rest. The Group has no further obligation beyond the contribution.

42 所得稅開支

根據中國有關所得稅法，除非另有適用優惠稅率，否則本集團於中國成立的附屬公司適用所得稅率為25%。

本公司以及於深圳市經濟特區內成立的若干附屬公司，原適用企業所得稅稅率為15%。根據有關企業所得稅法條文，若干附屬公司的企業所得稅稅率將於二零零八年至二零一二年五年間過渡至25%。二零一二年度適用企業所得稅稅率為25%(二零一一年：24%)。

廈門公司於廈門市經濟特區內成立，原適用企業所得稅稅率為15%。根據有關企業所得稅法條文，廈門公司的企業所得稅稅率將於二零零八年至二零一二年五年間過渡至25%。二零一二年企業所得稅稅率為25%(二零一一年：24%)。

青海中航資源於青海省海西州成立，可享有發展中國西部適用的優惠稅率，並於二零一二年可享有15%優惠所得稅稅率(二零一一年：15%)。

42 INCOME TAX CHARGE

Pursuant to the relevant income tax law of PRC, the subsidiaries of the Group established in the PRC were subject to income tax at a rate of 25% unless preferential rates were applicable.

For certain subsidiaries established in Shenzhen special economic zone, the original enterprise income tax rate was 15%. In accordance with the relevant provisions of the Corporate Income Tax law, the corporate income tax rate of certain subsidiaries will transit to 25% in five years from 2008 to 2012. The corporate income tax rate was 25% in 2012 (2011: 24%).

Xiamen Company established in a special economic zone in Xiamen. Xiamen Company's original applicable income tax rate was 15%. In accordance with the relevant provisions of the Corporate Income Tax law, the corporate income tax rate of Xiamen Company will transit to 25% in five years from 2008 to 2012. The corporate income tax rate was 25% in 2012 (2011: 24%).

Qinghai CATIC Resources was established in Haixi Prefecture of Qinghai Province. It was eligible for preferential tax policies applicable for the development of western regions in the PRC, and was entitled to a preferential income tax rate of 15% in 2012 (2011: 15%).

42 所得稅開支(續)

天馬及其附屬公司上海天馬和成都天馬、深南電路及中航網信(北京)科技有限公司因被認定為中國高新技術企業而於二零一二年獲得15%優惠所得稅稅率(二零一一年:15%)。

本年度所得稅開支如下：

42 INCOME TAX CHARGE (continued)

Tianma and its subsidiaries Shanghai Tianma and Chengdu Tianma, SCC and AVIC Wang Xin (Beijing) Science and Technology Co.,Ltd were qualified as High and New Technology Enterprises in the PRC and were entitled to a preferential income tax rate of 15% in 2012 (2011: 15%).

Income tax charged for the year represents:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
本年度就溢利之即期稅項	Current tax on profits for the year	195,902	268,817
就前一年度之調整	Adjustments in respect of prior year	9,035	5,444
即期稅項總額	Total current tax	204,937	274,261
遞延稅項	Deferred tax	(22,923)	(497)
所得稅開支	Income tax charged	182,014	273,764

42 所得稅開支(續)

本集團除稅前溢利產生的稅項與根據本公司及其附屬公司所在國家稅率計算的理論稅項差額如下：

42 INCOME TAX CHARGE (continued)

The tax on the Group's profit before taxation differs from the theoretical amount that would arise using the tax rates of the home country of the Company and its subsidiaries as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
除所得稅前溢利	Profit before income tax	1,447,392	1,181,726
按本公司適用稅率25%計算的稅項(二零一一年：25%)	Tax calculated at the tax rates applicable to the Company of 25% (2011: 25%)	361,848	295,432
因稅率變動而產生的遞延所得稅	Deferred income taxes resulting from change in the tax rates	(5,748)	2,801
未確認稅項虧損的稅務影響	Tax effect on unrecognised tax losses	72,271	164,239
動用先前未確認的稅項虧損	Utilisation of previously unrecognised tax losses	(42,258)	(14,998)
不得作稅項抵扣用途的費用	Expenses not deductible for tax purpose	5,210	6,981
毋須繳稅收入	Income not subject to tax	(134,882)	(122,541)
可加計扣除的研發費用	Research and development expenses eligible for additional deduction	(15,712)	(5,574)
過往年度作出的調整	Adjustment in respect of prior year	9,035	5,444
應用過往年度並無確認遞延所得稅資產的暫時性差額稅務影響	Use of tax effect of temporary differences for which no deferred income tax assets was recognised in the previous year	(727)	(19,621)
未確認暫時性差額的稅務影響	Tax effect on unrecognised temporary differences	6,260	9
較低稅率所產生稅務優惠的影響	Effect of tax concessions from lower tax rate	(71,603)	(37,037)
購買環保設備的稅項豁免	Tax credit for purchasing environmental protection equipment	(1,668)	(1,370)
其他	Others	(12)	(1)
稅項開支	Tax charge	182,014	273,764

43 本公司權益持有人應佔溢利

本公司權益持有人應佔溢利已計入本公司財務報表，並以人民幣195,877,000元(二零一一年：虧損人民幣77,617,000元)為限。

43 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of RMB195,877,000 (2011: Loss of RMB77,617,000).

44 每股盈利

(a) 基本

每股基本及攤薄盈利乃按本公司權益持有人應佔溢利除以年內已發行普通股加權平均股數計算。

44 EARNINGS PER SHARE

(a) Basic

Basic and diluted earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

		二零一二年 2012	二零一一年 2011 (經重列) (Restated)
本公司權益持有人應佔溢利 (人民幣千元)	Profit attributable to owners of the Company (RMB'000)	969,839	674,556
減：歸屬於永久次級可換股 證券持有人溢利 (人民幣千元)	Less: Profit attributable to PSCS holders (RMB'000)	(27,817)	(27,817)
歸屬於本公司普通股股東 溢利(人民幣千元)	Profit attributable to ordinary shares holders of the Company (RMB'000)	942,022	646,739
已發行普通股加權平均股數 (千股)	Weighted average number of ordinary shares in issue (thousands)	1,110,632	1,110,632
每股基本盈利(人民幣／每股)	Basic earnings per share (RMB per share)	0.8482	0.5823

44 每股盈利(續)

(b) 攤薄

每股攤薄盈利乃按調整已發行普通股加權平均股數以假設所有潛在攤薄普通股獲轉換而計算。本公司擁有一個類別的潛在攤薄普通股：永久次級可換股證券，並已假設永久次級可換股證券已獲轉換為普通股。

44 EARNINGS PER SHARE (continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: perpetual subordinated convertible securities. The perpetual subordinated convertible securities are assumed to have been converted into ordinary shares.

		二零一二年 2012	二零一一年 2011 (經重列) (Restated)
本公司權益持有人應佔溢利 (人民幣千元)	Profit attributable to owners of the Company (RMB'000)	969,839	674,556
已發行普通股加權平均股數 (千股)	Weighted average number of ordinary shares in issue (thousands)	1,110,632	1,110,632
調整項目：	Adjustments for:		
— 永久次級可換股證券(千股) (附註30)	— Perpetual subordinated convertible securities (thousands) (Note 30)	801,634	801,634
每股攤薄盈利的普通股 加權平均股數(千股)	Weighted average number of ordinary shares for diluted earnings per share (thousands)	1,912,266	1,912,266
每股攤薄盈利 (人民幣/每股)	Diluted earnings per share (RMB per share)	0.5072	0.3528

45 股息

於二零一三年三月二十八日召開的董事會會議上，董事會建議不派發截至二零一二年十二月三十一日止年度的末期股息(二零一一年：無)。董事會並無派發中期股息(二零一一年：人民幣20,201,000元)。

45 DIVIDENDS

At the board of directors' meeting held on 28 March 2013, the board did not propose a final dividend for the year ended 31 December 2012 (2011: Nil). The board did not declare interim dividend (2011: RMB20,201,000).

46 營運產生的現金

年度溢利因營運產生現金的對賬：

46 CASH GENERATED FROM OPERATIONS

Reconciliation of profit for the year to cash generated from operations:

	附註 Note	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
除所得稅前溢利	Profit before income tax	1,447,392	1,181,726
調整項目：	Adjustments for:		
終止確認金融資產的虧損	Losses from derecognition of financial assets	24,557	—
貼現銀行承兌匯票虧損	Losses from discounting bank acceptance bills	25,368	11,446
陳舊存貨撥備／(撥回)	Provision for/(reversal of) inventory obsolescence	45,376	(150,158)
壞賬撥備	Provision for bad debts	57,581	5,390
應收客戶合約工程款項撥備	Provision for amounts due from customers for contract work	2,808	148,337
物業、廠房及設備的折舊	Depreciation of property, plant and equipment	914,680	1,022,114
採礦權攤銷	Amortisation of mining rights	14,589	14,133
土地使用權攤銷	Amortisation of land use rights	29,853	14,462
無形資產攤銷	Amortisation of intangible assets	10,441	6,550
其他攤銷開支	Other amortisation charges	14,383	38,363
投資物業的公允價值收益	Fair value gain on investment property	(101,332)	(38,845)
出售聯營公司收益	Gain on disposals of associates	(3,452)	—
出售可供出售金融資產收益	Gain on disposals of available-for-sale financial assets	(15,073)	(623)
出售附屬公司收益	Gain on disposals of subsidiaries	(38)	(2,134)
出售持至到期金融資產收益	Gain on disposals of held-to-maturity financial assets	—	(2,761)
衍生金融工具公允價值變動	Fair value changes on derivative financial instruments	(3,550)	1,773
政府補貼的遞延收入	Deferred income on government grants	(363,823)	(42,387)
出售物業、廠房及設備的收益	Gain on disposals of property, plant and equipment	(37,884)	(7,155)
出售投資物業的收益／(虧損)	Gain on/(Loss from) disposals of investment properties	(21,893)	5,179
利息收入	Interest income	(84,298)	(137,876)
利息開支	Interest expenses	914,556	702,325
應佔聯營公司溢利	Share of profit of associates	(131,873)	(143,467)
應佔共同控制實體溢利	Share of profit of jointly controlled entities	(345,172)	(171,393)
與聯營公司下游交易未實現溢利對銷	Elimination of unrealised profit from downstream transaction with associates	—	526
與共同控制實體下游交易未實現溢利對銷	Elimination of unrealised profit from downstream transaction with jointly controlled entities	961	—
		2,394,157	2,455,525

46 營運產生的現金(續)

46 CASH GENERATED FROM OPERATIONS
(continued)

	附註 Note	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
營運資金變動	Changes in working capital		
存貨增加	Increase in inventories	(38,342)	(1,298,998)
發展中物業增加	Increase in properties under development	(761,651)	(267,506)
應收客戶合約工程款項增加	Increase in amounts due from customers for contract work	(358,528)	(203,560)
應付客戶合約工程款項(增加)/減少	(Increase)/Decrease in amounts due to customers for contract work	(763,746)	694,200
貿易及其他應收款項減少/(增加)	Decrease/(Increase) in trade and other receivables	628,401	(2,826,540)
貿易及其他應付款項增加	Increase in trade and other payables	945,106	1,114,726
營運產生/(所用)的現金	Cash generated from/(used in) operations	2,045,397	(332,153)

於截至二零一二年十二月三十一日止年度的現金流量表，非控制權益向附屬公司的注資包括：

In the cash flow statement for the year ended 31 December 2012, capital contribution to subsidiaries from non-controlling interests comprises:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
新能源	RED Compnay	1,690	6,000
廈門公司	Xiamen Company	1,135	1,250
工程公司	Engineering Company	1,000	—
北京公司	Beijing Company	195	134,760
北京瑞信	Beijing Ruixin	150	2,000
成都天馬	Chengdu Tianma	—	168,000
廣州公司	Guangzhou Company	—	159,700
		4,170	471,710

46 營運產生的現金 (續)

於截至二零一二年十二月三十一日止年度的現金流量表，出售物業、廠房及設備以及投資物業的所得款項包括：

46 CASH GENERATED FROM OPERATIONS

(continued)

In the cash flow statement for the year ended 31 December 2012, proceeds from sales of property, plant and equipment and investment properties comprise:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
出售物業、廠房及設備之 賬面淨值(附註11)	Net book value of property, plant and equipment disposed (Note 11)	59,696	120,273
已出售投資物業的 公允價值(附註12)	Fair value of investment properties disposed (Note 12)	20,049	24,818
		79,745	145,091
出售物業、廠房及設備 所得款項	Proceeds from disposals of property, plant and equipment	97,580	127,428
出售投資物業 所得款項	Proceeds from disposals of investment properties	41,942	19,639
		139,522	147,067
出售物業、廠房及設備 以及投資物業的 收益(附註37)	Gain from disposals of property, plant and equipment and investment properties (Note 37)	37,884	7,155
出售投資物業收益／(虧損) (附註37)	Gain/(Loss) from disposals of investment properties (Note 37)	21,893	(5,179)
		59,777	1,976

46 營運產生的現金(續)

於截至二零一二年十二月三十一日止年度的現金流量表，出售附屬公司的所得款項包括：

於二零一二年十二月，廈門公司出售其於廈門興西海岸能源有限公司(「興西海岸」)60%權益，是次出售的現金流量如下：

46 CASH GENERATED FROM OPERATIONS (continued)

In the cash flow statement for the year ended 31 December 2012, proceeds from disposals of subsidiaries comprise:

In December 2012, Xiamen Company disposed of 60% equity interest in Xiamen Xingxi Coast Energy Co. Ltd. ("Xingxi Coast") (廈門興西海岸能源有限公司), the cash flows from the disposals were as follows:

		人民幣千元 RMB'000
所獲得代價	Consideration received	
－現金代價	－ Cash consideration	2,336
減：興西海岸持有的現金及 現金等價物	Less: Cash and cash equivalents held by Xingxi Coast	(3,820)
因出售而支付的現金淨額	Net cash paid on disposals	(1,484)

興西海岸的淨資產如下：

The net assets of Xingxi Coast were as follows:

		於出售日期 On disposal date 人民幣千元 RMB'000
現金	Cash	3,820
貿易及其他應收款項	Trade and other receivables	47
物業、廠房及設備	Property, plant and equipment	10
貿易及其他應付款項	Trade and other payables	(47)
淨資產	Net assets	3,830
以下應佔：	Attributable to:	
廈門公司擁有人	Owners of Xiamen Company	2,298
非控制權益	Non-controlling interests	1,532

46 營運產生的現金 (續)

北京公司原持有啟躍30%股權。於二零一一年，北京公司與啟躍的非控股權益訂立協議，據此，北京公司有啟躍70%的投票權並將其入賬為附屬公司。

北京公司與啟躍的非控股權益一致行動的協議於二零一二年八月屆滿，故本集團隨後失去對啟躍的控制權。有關出售的現金流量如下：

46 CASH GENERATED FROM OPERATIONS (continued)

Beijing Company originally held 30% equity interests in Qi Yue. In 2011, Beijing Company has reached an agreement with non-controlling interests of Qi Yue pursuant to which Beijing Company has 70% voting rights in Qi Yue and accounted for it as a subsidiary.

The validity of the agreement to act in concert between Beijing Company and the non-controlling interests of Qi Yue expired in August 2012. The Group then lost the control over Qi Yue. The cash flows from the disposal were as follows:

		人民幣千元 RMB'000
所獲得代價	Consideration received	
— 現金代價	— Cash consideration	—
減：啟躍持有的現金及 現金等價物	Less: Cash and cash equivalents held by Qi Yue	(108,804)
因出售而支付的現金淨額	Net cash paid on disposal	(108,804)

啟躍的淨資產如下：

The net assets of Qi Yue were as follows:

		於出售日期 On disposal date 人民幣千元 RMB'000
現金	Cash	108,804
貿易及其他應收款項	Trade and other receivables	297,274
存貨	Inventories	7,114
物業、廠房及設備	Property, plant and equipment	34,304
遞延所得稅資產	Deferred income tax assets	594
土地使用權	Land use rights	49,750
貿易及其他應付款項	Trade and other payables	(400,003)
淨資產	Net assets	97,837
以下應佔：	Attributable to:	
北京公司擁有人	Owners of Beijing Company	29,351
非控制權益	Non-controlling interests	68,486

46 營運產生的現金(續)

北京公司原持有泰州船舶45%股權。於二零零七年，北京公司與泰州船舶的非控股權益訂立協議，據此，北京公司有泰州船舶89%的投票權並將其入賬為附屬公司。

北京公司與泰州船舶的非控股權益一致行動的協議於二零一二年八月屆滿，故本集團隨後失去對泰州船舶的控制權。有關出售的現金流量如下：

46 CASH GENERATED FROM OPERATIONS (continued)

Beijing Company originally held 45% equity interests in Taizhou AVIC. In 2007, Beijing Company has reached an agreement with non-controlling interests of Taizhou AVIC pursuant to which Beijing Company has 89% voting rights in Taizhou AVIC and accounted for it as a subsidiary.

The validity of the agreement to act in concert between Beijing Company and the non-controlling interests of Taizhou AVIC expired in August 2012. The Group then lost the control over Taizhou AVIC. The cash flows from the disposal were as follows:

		人民幣千元 RMB'000
所獲得代價	Consideration received	
— 現金代價	— Cash consideration	—
減：泰州船舶持有的現金及 現金等價物	Less: Cash and cash equivalents held by Taizhou AVIC	(427,105)
因出售而支付的現金淨額	Net cash paid on disposal	(427,105)

46 營運產生的現金 (續)

泰州船舶的淨資產如下：

46 CASH GENERATED FROM OPERATIONS

(continued)

The net assets of Taizhou AVIC were as follows:

		於出售日期 On disposal date 人民幣千元 RMB'000
現金	Cash	427,105
貿易及其他應收款項	Trade and other receivables	592,640
存貨	Inventories	524,796
物業、廠房及設備	Property, plant and equipment	906,971
遞延所得稅資產	Deferred income tax assets	10,851
土地使用權	Land use rights	85,442
借款	Borrowings	(956,509)
貿易及其他應付款項	Trade and other payables	(1,085,898)
遞延所得稅負債	Deferred income tax liabilities	(8,040)
撥備	Provisions	(9,161)
淨資產	Net assets	488,197
以下應佔：	Attributable to:	
北京公司擁有人	Owners of the Beijing Company	219,572
非控制權益	Non-controlling interests	268,625

北京公司於失去啟躍及泰州船舶控制權後維持重大影響力，並呈報彼等為聯營公司。於失去對啟躍及泰州船舶控制權當日，北京公司於啟躍及泰州船舶餘下股權公允價值與北京公司於啟躍及泰州船舶投資的賬面值約分別為人民幣29,351,000元及人民幣219,572,000元相若。

因出售該等附屬公司的淨現金總額減少人民幣537,393,000元。

Beijing Company retained significant influence after losing control over Qiyue and Taizhou AVIC and reports them as associates. At the date of losing control over Qiyue and Taizhou AVIC, the fair value of Beijing Company's remaining equity interests in Qiyue and Taizhou AVIC approximated the carrying amount of Beijing Company's investment in Qiyue and Taizhou AVIC of RMB29,351,000 and RMB219,572,000, respectively.

The total net cash decreased on disposals of these subsidiaries was RMB537,393,000.

47 或有事項

於二零一二年十二月三十一日，本集團有以下未履行財務擔保：

47 CONTINGENCIES

As at 31 December 2012, the Group has the following financial guaranties outstanding:

擔保方 Guarantor	擔保方與本集團之關係 Guarantor's relationship with the Group	擔保對象 Guarantee	擔保對象與本集團之關係 Guarantee's relationship with the Group	尚未償還擔保金額 Outstanding amounts guaranteed 千元 '000
威海船廠 Weihai Shipyard	本集團附屬公司 Subsidiary of the Group	山東威海港股份有限公司 Weihai Port Co., Ltd.	由中國政府共同控制 Under common control by PRC Government	人民幣120,000 RMB120,000
威海船廠 Weihai Shipyard	本集團附屬公司 Subsidiary of the Group	威海港集團有限公司 Weihai Port Group Co., Ltd.	由中國政府共同控制 Under common control by PRC Government	人民幣150,000 RMB150,000
山東新船重工有限公司 Shandong New Shipbuilding Co., Ltd.	本集團附屬公司 Subsidiary of the Group	山東新船重工船用鋼質舾裝件 有限公司 Shandong New Shipbuilding Ship Steel Outfitting Co., Ltd.	擔保方持有擔保對象 10%權益 The guarantor holds 10% equity interest in the guaranteee	人民幣37,000 RMB37,000
山東新船重工有限公司 Shandong New Shipbuilding Co., Ltd.	本集團附屬公司 Subsidiary of the Group	山東新船重工管舾裝製作 有限公司 Shandong New Shipbuilding Pipe Outfitting Production Co., Ltd.	擔保方持有擔保對象 10%權益 The guarantor holds 10% equity interest in the guaranteee	人民幣10,000 RMB10,000
山東新船重工有限公司 Shandong New Shipbuilding Co., Ltd.	本集團附屬公司 Subsidiary of the Group	威海港集團有限公司 Weihai Port Co., Ltd.	由中國政府共同控制 Under common control by PRC Government	人民幣55,000 RMB55,000
山東新船重工有限公司 Shandong New Shipbuilding Co., Ltd.	本集團附屬公司 Subsidiary of the Group	威海港集團有限公司 Weihai Port Group Co., Ltd.	由中國政府共同控制 Under common control by PRC Government	人民幣55,000 RMB55,000
廈門公司 Xiamen Company	本集團附屬公司 Subsidiary of the Group	廈門天馬微電子有限公司 Xiamen Tianma Microelectronics Co., Ltd.	擔保方持有擔保對象 6%權益 The guarantor holds 6% equity interest in the guaranteee	人民幣140,000 RMB140,000
CATICO Investments Pte. Ltd. CATICO Investments Pte. Ltd.	本集團附屬公司 Subsidiary of the Group	Radiance Catico Offshore Pte. Ltd. Radiance Catico Offshore Pte. Ltd.	擔保方聯營公司 Associate company of the guarantor	美元26,413 USD26,413

48 承擔

(a) 資本承擔

於結算日仍未產生的資本承擔如下：

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
已訂約但未撥備	Contracted but not provided for				
物業、廠房及設備	Property, plant and equipment	118,412	103,249	-	-
發展中物業	Properties under development	732,970	732,483	-	-
		851,382	835,732	-	-

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
已授權但未訂約	Authorised but not contracted for				
物業、廠房及設備	Property, plant and equipment	2,497,350	1,761,934	-	-
酒店現代化及裝修	Hotel modernisation and renovation	-	100,000	-	-
		2,497,350	1,861,934	-	-

48 承擔(續)

(b) 經營租約承擔

本集團根據辦公樓宇之不可撤銷經營租約承擔如下：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
不超過一年	Not later than one year	88,263	72,423
超過一年但不超過五年	Later than one year and not later than five years	141,954	169,313
		230,217	241,736

49 業務合併

於二零一二年一月一日，本集團收購華泰70%股權，代價為人民幣4,760,000元。收購產生商譽人民幣4,308,000元乃源自本集團與華泰合併預期可獲得的規模經濟效益。概無已確認商譽預計可就所得稅扣稅。

48 COMMITMENTS (continued)

(b) Operating lease commitments

The Group has commitments under non-cancellable operating leases in respect of office premises as follows:

49 BUSINESS COMBINATIONS

On 1 January 2012, the Group acquired 70% of the equity interests of Huatai for RMB4,760,000. Goodwill of RMB4,308,000 arising from the acquisition was attributable to economies of scale expected from combining the operations of the Group and Huatai. None of the goodwill recognised is expected to be deductible for income tax purposes.

49 業務合併(續)

下表概述就華泰已支付的代價、於收購日期所購入資產與所承擔負債之公允價值以及非控股權益。

49 BUSINESS COMBINATIONS (continued)

The following table summarises the consideration paid for Huatai, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

代價： 於二零一二年一月一日	Consideration: At 1 January 2012	人民幣千元 RMB'000
現金	Cash	4,760
就所收購資產及所承擔負債 確認之金額	Recognised amounts of identifiable assets acquired and liabilities assumed	
現金及現金等價物	Cash and cash equivalents	2,514
物業、廠房及設備(附註11)	Property, plant and equipment (Note 11)	252
貿易及其他應收款項	Trade and other receivables	867
遞延所得稅資產(附註19)	Deferred income tax assets (Note 19)	104
其他非流動資產	Other non-current assets	119
貿易及其他應付款項	Trade and other payables	(3,196)
其他非流動負債	Other non-current liabilities	(14)
可識別淨資產總額	Total identifiable net assets	646
非控股權益	Non-controlling interest	(194)
商譽(附註9)	Goodwill (Note 9)	4,308
		4,760

自二零一二年一月一日起概無於綜合收益表計入華泰貢獻之收入。華泰於同期產生虧損人民幣1,622,000元。

No revenue included in the consolidated income statement since 1 January 2012 was contributed by Huatai. Huatai contributed losses of RMB1,622,000 over the same period.

50 重大關聯方交易

本集團由中國航空技術國際控股有限公司(於中國註冊成立之國有公司)控制，該公司直接及間接持有本公司75%股份。其餘25%股份由公眾廣泛持有。董事認為，中航國際及中航工業分別為本集團之控股公司及最終控股公司。

50 SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group is controlled by AVIC International Holding Corporation, a state-controlled company established in the PRC which directly and indirectly hold 75% of the Company's shares. The remaining 25% of the shares are widely held. The directors regard AVIC International and AVIC Industry as the holding company and ultimate holding company of the Group respectively.

50 重大關聯方交易(續)

除本財務報表其他部份所披露者外，本集團在日常經營過程中與其關聯方進行的重大關聯方交易及由關聯方交易產生的結餘概述如下：

(a) 與關聯方的交易

50 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

Save as disclosed elsewhere in the financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties and the balances arising from related party transactions:

(a) Transactions with related parties

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
收入：	Revenue:		
銷售貨物	Sale of goods		
— 非控股權益	— Non-controlling interests	754,960	766,873
— 聯營公司	— Associates	607,355	432,357
— 共同控制實體	— Jointly controlled entities	112,195	21,655
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	90,787	13,220
— 最終控股公司	— Ultimate holding company	10,804	25,257
— 控股公司	— Holding company	1,442	31,287
		1,577,543	1,290,649
租賃收入	Rental income		
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	10,421	3,673
— 聯營公司	— Associates	1,657	8,749
		12,078	12,422
工程及管理收入	Engineering and management income		
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	155,393	23,576
— 控股公司	— Holding company	3,299	—
— 聯營公司	— Associates	1,800	—
— 共同控制實體	— Jointly controlled entities	—	563
		160,492	24,139

50 重大關聯方交易 (續)

(a) 與關聯方的交易 (續)

50 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
技術服務收入	Technical service income		
— 聯營公司	— Associates	—	31,575
其他服務收入	Other service income		
— 控股公司	— Holding company	22,103	14,970
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	19,670	6,106
— 聯營公司	— Associates	4,096	—
— 共同控制實體	— Jointly controlled entities	468	—
— 最終控股公司	— Ultimate holding company	221	—
		46,558	21,076
購買貨品及服務：	Purchase of goods and services:		
購買貨品	Purchases of goods		
— 非控股權益	— Non-controlling interests	1,793,466	1,559,279
— 聯營公司	— Associates	709,321	535,713
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	134,477	49,659
		2,637,264	2,144,651
購買工程及管理服務	Purchases of engineering and management services		
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	25,639	27,584
— 共同控制實體	— Jointly controlled entities	4,375	5,486
— 聯營公司	— Associates	—	2,152
		30,014	35,222
租賃費用及物業管理費用	Rental fee and property management fee		
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	6,275	—
— 聯營公司	— Associates	—	24,343
		6,275	24,343
其他服務成本	Other service costs		
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	44,729	32,901
— 中航深圳	— AVIC Shenzhen	8	—
— 非控股權益	— Non-controlling interests	—	5
		44,737	32,906

50 重大關聯方交易(續)

(a) 與關聯方的交易(續)

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
利息開支	Interest expenses		
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	82,009	14,154
— 控股公司	— Holding company	47,075	25,883
— 中航深圳	— AVIC Shenzhen	24,845	6,377
— 非控股權益	— Non-controlling interests	—	2,371
		153,929	48,785
出售投資	Dispose of investment		
— 中航工業同系附屬公司 ⁽ⁱ⁾	— Fellow subsidiaries of AVIC Industry ⁽ⁱ⁾	41,890	—

- (i) 北京公司與天津天利航空機電有限公司(「天津天利」)於二零一二年十一月二十二日訂立股份轉讓協議。截至二零一二年十二月三十一日，北京公司已向天津天利按代價人民幣39,080,000元出售其於施耐德電器低壓(天津)有限公司全部5%股份，及按代價人民幣2,810,000元出售天津梅日蘭有限公司5%股份。

與政府相關實體的交易：

本公司是國有企業，由中國於政府最終控制。中國政府控制於中國內的大部份生產資產及實體。本公司與其他中國政府控制實體的交易為關連方交易。此等交易主要包括於若干國有銀行存放現金及取得借款。年內，本公司幾乎全部現金均存放於國有銀行，而所有借款均向國有銀行借入。

50 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

- (i) Beijing Company entered into a share transfer agreement with Tianjin Tianli Aviation Electromechanical Co., Ltd. ("Tianjin Tianli") (天津天利航空機電有限公司) on 22 November, 2012. As at 31 December 2012, Beijing Company had disposed of all its 5% share in Schneider Electric Low-voltage (Tianjin) Co., Ltd. (施耐德電器低壓(天津)有限公司) with the consideration RMB39,080,000 and all its 5% share in Tianjin Meirilan Co., Ltd. (天津梅日蘭有限公司) with the consideration RMB2,810,000 to Tianjin Tianli.

Transactions with government related entities:

The Company is a state-owned enterprise ultimately controlled by the PRC government. The PRC government controls a significant portion of the productive assets and entities in the PRC. The transactions between the Company and other PRC government controlled entities are related party transactions. These transactions mainly include depositing cash in and obtaining borrowings from certain state-owned banks. Nearly all of the Company's cash were deposited in and all of the borrowings were borrowed from state-owned banks during the year.

50 重大關聯方交易 (續)

(b) 與關聯方的結餘

與關連公司的結餘均為無抵押、免息及須應要求償還。

50 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties

The balances with related parties companies are unsecured, non-interest bearing and repayable on demand.

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
其他應收款項	Other receivables		
— 聯營公司	— Associates	492,435	23,615
— 非控股權益	— Non-controlling interests	387,289	—
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	293,314	133,118
— 控股公司	— Holding company	134,265	142,931
— 中航深圳	— AVIC Shenzhen	11,700	11,500
— 共同控制實體	— Jointly controlled entities	5,882	—
		1,324,885	311,164
應收利息	Interest receivables		
— 聯營公司	— Associates	6,181	—
預付款項	Prepayments		
— 非控股權益	— Non-controlling interests	169,024	279,498
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	5,107	28,126
— 聯營公司	— Associates	2,489	17,207
		176,620	324,831
應收賬款	Accounts receivable		
— 聯營公司	— Associates	321,126	263,279
— 非控股權益	— Non-controlling interests	285,496	—
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	150,083	107,880
— 共同控制實體	— Jointly controlled entities	31,816	10,793
— 控股公司	— Holding company	17,737	12,171
— 最終控股公司	— Ultimate holding company	511	122
		806,769	394,245

50 重大關聯方交易(續)

(b) 與關聯方的結餘(續)

50 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties (continued)

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
應計費用及其他應付款項	Accrual and other payables		
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	214,398	304,437
— 控股公司	— Holding company	142,272	35,309
— 非控股權益	— Non-controlling interests	21,000	—
— 中航深圳	— AVIC Shenzhen	8,377	68,853
— 聯營公司	— Associates	7,326	—
— 共同控制實體	— Jointly controlled entities	3,699	—
— 最終控股公司	— Ultimate holding company	—	1,750
		397,072	410,349
應付賬款	Accounts payable		
— 非控股權益	— Non-controlling interests	209,561	29,581
— 聯營公司	— Associates	110,933	216,710
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	38,161	13,726
— 共同控制實體	— Jointly controlled entities	1,963	451
— 控股公司	— Holding company	327	179
		360,945	260,647
客戶墊款	Advance from customers		
— 聯營公司	— Associates	152,302	805
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	142,193	178,332
— 非控股權益	— Non-controlling interests	49,368	141,217
— 共同控制實體	— Jointly controlled entities	27,438	9,262
— 控股公司	— Holding company	3,864	98,914
		375,165	428,530

50 重大關聯方交易 (續)

(b) 與關聯方的結餘 (續)

50 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties (continued)

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000 (經重列) (Restated)
應付利息	Interest payables		
— 非控股權益	— Non-controlling interests	1,435	—
— 中航深圳	— AVIC Shenzhen	924	854
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	920	—
		3,279	854
其他非流動負債	Other non-current liabilities		
— 控股公司	— Holding company	1,050,000	—
— 中航深圳	— AVIC Shenzhen	100,000	100,000
		1,150,000	100,000

50 重大關聯方交易(續)

(c) 自關聯方借款

		本集團 Group			二零一二年 2012 人民幣千元 RMB'000
		二零一一年 2011 人民幣千元 RMB'000	新增 Additions 人民幣千元 RMB'000	償還 Repayment 人民幣千元 RMB'000	
計入其他應付款項 (附註35(a))	Included in other payables (Note 35(a))				
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	447,074	536,846	(511,772)	472,148
— 非控股權益	— Non-controlling interests	3,780	2,000	(1,500)	4,280
— 中航深圳	— AVIC Shenzhen	223,200	600,350	(470,205)	353,345
— 控股公司	— Holding company	294,132	1,100,000	(1,376,554)	17,578
		968,186	2,239,196	(2,360,031)	847,351
計入借款(附註31)	Included in borrowings (Note 31)				
— 中航工業同系附屬公司	— Fellow subsidiaries of AVIC Industry	590,000	603,767	(242,000)	951,767

(d) 給予關連方貸款

(d) Loan to related parties

		本集團 Group			二零一二年 2012 人民幣千元 RMB'000
		二零一一年 2011 人民幣千元 RMB'000	新增 Additions 人民幣千元 RMB'000 (經重列) (Restated)	償還 Repayment 人民幣千元 RMB'000	
計入其他應收款項 (附註23(b))	Included in other receivables (Note 23(b))				
— 聯營公司	— Associates	28,080	314,056	—	342,136
— 中航深圳	— AVIC Shenzhen	36,524	153,080	(171,549)	18,055
		64,604	467,136	(171,549)	360,191

51 期後事項

本公司之附屬公司飛亞達於二零一三年二月二十七日經中國證券監督管理委員會批准發行金額人民幣400,000,000元之公司債券。公司債券將於二零一八年二月二十七日到期，並以年利率5.04厘計息。

飛亞達可於二零一六年二月二十七日按相當於本金金額另加贖回日期應計未付利息(如有)之金額100%之贖回價贖回公司債券。

飛亞達可選擇於二零一六年二月二十七日前三十日，知會公司債券持有人其決定增加公司債券之利率(1至100基點)。倘飛亞達並無行使該選擇權，公司債券之利率將於到期日前之餘下期間維持不變。

向公司債券持有人發出是否增加利率之通知後，公司債券持有人可選擇要求飛亞達按相當於本金金額另加應計未付利息之金額100%之贖回價贖回全部或部分公司債券。

飛亞達之公司債券由中航深圳擔保。

51 SUBSEQUENT EVENTS

Fiyta, a subsidiary of the Company, with the approval by China Securities Regulatory Commission, issued corporate debenture amounting to RMB400,000,000 on 27 February 2013. The corporate debenture will mature on 27 February 2018 and carries fixed annual interest rate of 5.04%.

Fiyta may redeem the corporate debenture on 27 February 2016, in whole, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, if any, to the redemption date.

Fiyta may, at its option, choose to increase the interest rate of the corporate debenture from 1 point basis to 100 point basis by notifying the corporate debenture holders 30 days before 27 February 2016. If Fiyata does not exercise the option, the interest rate of the corporate debenture will remain unchanged in the remaining period before maturity.

After the issuance of notification to corporate debenture holders on whether to increase the interest rate, the corporate debenture holders may choose to require Fiyta to redeem the corporate debenture, in whole or in part, at a redemption price equal to 100% of principal amount plus accrued and unpaid interest.

The corporate debenture of Fiyta is guaranteed by AVIC Shenzhen.



中航國際控股股份有限公司
AVIC INTERNATIONAL HOLDINGS LIMITED

Level 25, Hangdu Building, Shennan Road, Central,

CATIC Zone, Futian District, Shenzhen, PRC

中國深圳市福田區深南中路中航苑航都大廈25層

Tel 電話：86-755-8379 3891 Fax 傳真：86-755-8379 0228

P.O. Box 郵箱：3-023 Shenzhen Postcode 郵政編號：518031