

Consolidated profit and loss account 綜合損益賬

for the year ended 31st December 2002 截至二零零二年十二月三十一日止年度

(in HK\$ Million)	Note 附註	2002	2001	(港幣百萬元)
Turnover	2(i)	2,078	1,994	營業總額
Operating expenses:				營業開支：
Staff remuneration	3	(1,040)	(1,052)	職員薪酬
Cost of direct material/job expenses		(367)	(431)	直接材料費用/工作開支
Depreciation	12	(126)	(103)	折舊
Operating lease rentals – land & buildings		(55)	(60)	營業租賃租金 — 土地及樓宇
Auditors' remuneration		(1)	(1)	核數師酬金
Changes in work in progress		(50)	33	未完工程變動
Other operating expenses		(236)	(222)	其他營業開支
Movements in doubtful debt and stock obsolescence provisions		70	(54)	呆賬及存貨報廢準備變動
Profit on sale of staff housing	5	–	7	出售員工房屋溢利
Profit on sale of business to a jointly controlled company	6	–	7	出售業務予一家共控公司溢利
Operating profit		273	118	營業溢利
Net finance income	7	3	9	財務收入淨額
Net operating profit		276	127	營業淨溢利
Share of results of jointly controlled companies	14	262	222	應佔共控公司業績
Profit before taxation		538	349	除稅前溢利
Taxation	8	(73)	(37)	稅項
Profit after taxation		465	312	除稅後溢利
Minority interest		–	–	少數股東權益
Profit attributable to shareholders	9	465	312	股東應佔溢利
Dividends				股息
Interim – paid		47	38	中期 – 已付
Final – proposed		76	70	末期 – 擬派
Special – proposed		416	–	特別 – 擬派
	10	539	108	
Earnings per share	11	HK\$2.80	HK\$1.87	每股盈利
Dividends per share	10			每股股息
Interim		HK\$0.28	HK\$0.23	中期
Final		HK\$0.46	HK\$0.42	末期
Special		HK\$2.50	–	特別
Total		HK\$3.24	HK\$0.65	合共

The notes on pages 29 to 47 form part of these accounts.

由第二十九頁至第四十七頁之附註均屬此賬目之一部份。

Consolidated balance sheet 綜合資產負債表

at 31st December 2002 二零零二年十二月三十一日結算

(in HK\$ Million)	Note 附註	2002	2001	(港幣百萬元)
Fixed assets	12	1,597	1,636	固定資產
Investment in jointly controlled companies	14	1,070	869	在共控公司的投資
Deferred items				遞延項目
Staff loans		5	5	職員借款
Promissory note	15(a)	2	4	期票
Interest receivable		–	38	應收利息
Retirement benefit assets	16	156	–	退休金資產
Deferred taxation	15(b)	(118)	(58)	遞延稅項
		45	(11)	
Current assets				流動資產
Stocks of aircraft parts	17	68	70	飛機零件存貨
Work in progress	17	69	119	未完工程
Debtors and prepayments	18	273	188	應收及預付賬項
Staff loans		–	171	職員借款
Amounts due from jointly controlled companies		11	18	應收共控公司款項
Deposits and bank balances	22(d)	547	125	存款及銀行結存
		968	691	
Current liabilities				流動負債
Creditors and accruals	18	385	352	應付及應計賬項
Term loan due within one year	21	3	3	一年內期滿之長期借款
Amount due to jointly controlled companies		6	5	應付共控公司款項
		394	360	
Net current assets		574	331	流動資產淨值
		3,286	2,825	
<i>Financed by:</i>				資本來源：
Share capital	19	166	166	股本
Reserves	20	3,011	2,547	儲備
Shareholders' equity		3,177	2,713	股東股權
Minority interest		5	5	少數股東權益
Long term loan	21	104	107	長期借款
		3,286	2,825	

David Turnbull
Dinty Dickson Leach
Directors

Hong Kong, 4th March 2003

The notes on pages 29 to 47 form part of these accounts.

董事
唐寶麟
李德信

香港，二零零三年三月四日

由第二十九頁至第四十七頁之附註均屬
此賬目之一部份。

Company balance sheet 公司資產負債表

at 31st December 2002 二零零二年十二月三十一日結算

(in HK\$ Million)	Note 附註	2002	2001	(港幣百萬元)
Fixed assets	12	1,597	1,636	固定資產
Subsidiary company	13	–	–	附屬公司
Investment in jointly controlled companies	14	499	485	在共控公司的投資
Deferred items				遞延項目
Staff loans		5	5	職員借款
Promissory note	15(a)	2	4	期票
Interest receivable		–	38	應收利息
Retirement benefit assets	16	156	–	退休金資產
Deferred taxation	15(b)	(118)	(58)	遞延稅項
		45	(11)	
Current assets				流動資產
Stocks of aircraft parts	17	68	70	飛機零件存貨
Work in progress	17	69	119	未完工程
Debtors and prepayments	18	273	188	應收及預付賬項
Staff loans		–	171	職員借款
Amounts due from jointly controlled companies		11	18	應收共控公司款項
Deposits and bank balances		534	112	存款及銀行結存
		955	678	
Current liabilities				流動負債
Creditors and accruals	18	380	346	應付及應計賬項
Term loan due within one year	21	3	3	一年內期滿之長期借款
Amount due to jointly controlled companies		6	5	應付共控公司款項
		389	354	
Net current assets		566	324	流動資產淨值
		2,707	2,434	
<i>Financed by :</i>				資本來源 :
Share capital	19	166	166	股本
Reserves	20	2,437	2,161	儲備
Shareholders' equity		2,603	2,327	股東股權
Long term loan	21	104	107	長期借款
		2,707	2,434	

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Hong Kong, 4th March 2003

香港，二零零三年三月四日

The notes on pages 29 to 47 form part of these accounts.

由第二十九頁至第四十七頁之附註均屬此賬目之一部份。

Consolidated cash flow statement 綜合現金流量表

for the year ended 31st December 2002 截至二零零二年十二月三十一日止年度

(in HK\$ Million)	Note 附註	2002	2001	(港幣百萬元)
Cash flow from operating activities				營業現金流量
Cash generated from operations	22(a)	400	267	營業產生之現金
Interest paid		(9)	(10)	已付利息
Interest received		49	12	已收利息
Net cash inflow from operating activities		440	269	營業現金流入淨額
Cash flows from investing activities				投資業務之現金流量
Purchase of fixed assets		(87)	(45)	購買固定資產
Sale of fixed assets		-	9	出售固定資產
Investment in jointly controlled companies		(1)	(31)	在共控公司之投資
Loans advanced to jointly controlled companies		(20)	(22)	予共控公司借款
Dividends received from jointly controlled companies		40	10	已收共控公司之股息
Net decrease in staff loans		171	28	職員借款減少淨額
Net increase in short-term deposits maturing after three months		(60)	(1)	逾三個月定期之短期存款 增加淨額
Net cash inflow/(outflow) from investing activities		43	(52)	投資業務之現金流入/(流出)淨額
Cash flows from financing				融資之現金流量
Repayment of term loan		(3)	(3)	償還長期借款
Purchase of Company's shares		(1)	(7)	購回本公司股份
Dividends paid to shareholders		(117)	(101)	已付予股東之股息
Net cash outflow from financing		(121)	(111)	融資之現金流出淨額
Increase in cash and cash equivalents		362	106	現金及現金等價物增加
Cash and cash equivalents at beginning of the year		113	7	年初結算之現金及現金等價物
Cash and cash equivalents at end of the year	22(c)	475	113	年終結算之現金及現金等價物

The notes on pages 29 to 47 form part of these accounts.

由第二十九頁至第四十七頁之附註均屬此賬目之一部份。

Consolidated statement of changes in equity 綜合股權變動表

for the year ended 31st December 2002 截至二零零二年十二月三十一日止年度

(in HK\$ Million)	Note 附註	2002	2001	(港幣百萬元)
Total equity at 1st January, as previously reported		2,713	2,509	一月一日結算之股權總計， 如之前報告
Change in accounting policy	20	117	–	會計政策改變
Total equity at 1st January, as restated		2,830	2,509	一月一日結算之股權總計，如重列
Profit attributable to shareholders	20	465	312	股東應佔溢利
Repurchase of own shares				購回本公司股份
– shares repurchased and cancelled	19	–	(1)	– 購回及註銷股份
– premium paid on repurchase	20	(1)	(6)	– 購回溢價
Dividends paid	20	(117)	(101)	已付股息
Total equity at 31st December		3,177	2,713	十二月三十一日結算之股權總計

The notes on pages 29 to 47 form part of these accounts.

由第二十九頁至第四十七頁之附註均屬此賬目之一部份。

1. Principal activities

The Hong Kong Aircraft Engineering Company Limited Group is primarily engaged in the business of commercial aircraft overhaul and maintenance in Hong Kong. The principal activities of the Group's jointly controlled companies are set out on page 47.

The Company is engaged in the business of maintenance, modification and repair of commercial aircraft in Hong Kong. No further business segmental information has therefore been reported.

The Group's jointly controlled companies, all of which are engaged in the same business as the Company, operate both in Hong Kong and overseas. Financial summaries of the jointly controlled companies are provided under note 14.

2. Statement of principal accounting policies

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants (HKSA). They have been prepared under the historical cost convention.

In the current year, the Group adopted the following Statements of Standard Accounting Practice (SSAP) issued by the HKSA which are effective for accounting periods commencing on or after 1st January 2002:

SSAP 1 (revised)	Presentation of financial statements
SSAP 11 (revised)	Foreign currency translation
SSAP 15 (revised)	Cash flow statements
SSAP 34	Employee benefits

(b) Basis of consolidation

The consolidated accounts incorporate the accounts of Hong Kong Aircraft Engineering Company Limited and its subsidiary company made up to 31st December.

The results of the subsidiary company are included in the consolidated profit and loss account and the minority interest therein is deducted from the consolidated profit after taxation.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated upon consolidation.

(c) Subsidiary company

A subsidiary is a company in which the Group has an interest of more than one half of the voting powers or otherwise has the power to govern the financial and operating policies.

(d) Jointly controlled companies

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

1. 主要業務

香港飛機工程有限公司主要在香港從事商用飛機大修及維修業務。本集團之控股公司之主要業務見第四十七頁。

本公司在香港從事商用飛機維修、改裝及修理業務，因此並無報告進一步之業績分項資料。

集團之控股公司全皆經營與本公司相同之業務，於香港及海外營運。控股公司之財務概要於附註14列述。

2. 主要會計政策說明

(a) 編製原則

各項賬目乃按照香港普遍接納之會計原則編製，並符合香港會計師公會頒佈之會計準則。各項賬目乃根據歷史成本常規編製。

在本年度，本集團採用以下由香港會計師公會頒佈之會計實務準則，於二零零二年一月一日或之後開始之會計期間生效：

會計實務準則第一號 (修訂)	「財務報表之呈列」
會計實務準則第十一號 (修訂)	「外幣折算」
會計實務準則第十五號 (修訂)	「現金流量表」
會計實務準則第三十四號	「僱員福利」

(b) 綜合原則

綜合賬目包括香港飛機工程有限公司及其附屬公司結算至十二月三十一日之賬目。

附屬公司之業績已包括於綜合損益賬內，其中少數股東權益則自除稅後綜合溢利扣除。

公司間交易、結存及集團公司間交易之未變現利益，均於合併時沖銷。

(c) 附屬公司

附屬公司乃指本集團持有逾半數投票權之權益或有權管治其財務及營業政策之公司。

(d) 共控公司

合資聯營乃一項合約安排，由集團及其他夥伴進行一項經濟活動，而該項經濟活動為共同控制，沒有一名參與之夥伴能對該實體之經濟活動進行單方面控制。

The consolidated profit and loss account includes the Group's share of results of jointly controlled companies. In the consolidated balance sheet, the investment in jointly controlled companies represents the Group's share of net assets. In the Company's balance sheet, investments in jointly controlled companies are stated at cost less provision for permanent diminution in value, if any.

(e) Goodwill

Goodwill arising on consolidation represents the excess of cost of acquisition of subsidiary and jointly controlled companies over the Group's share of the fair value ascribed to the separable net assets at the date of acquisition. All goodwill arising before 1st January 2001 was eliminated against revenue reserve. Goodwill incurred after 1st January 2001 is capitalised in the balance sheet and is amortised to the profit and loss account on a straight-line base over its estimated useful economic life.

Any impairment arising on goodwill is recognised in the profit and loss account immediately.

(f) Foreign currencies

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

On adoption of SSAP 11 (revised), the profit and loss accounts of foreign jointly controlled entities denominated in foreign currencies are translated at the weighted average exchange rates during the year. This is a change in accounting policy from previous years where these were translated at the balance sheet date. The effect of such change is not material to the accounts.

(g) Assets under operating leases

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

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

(h) Fixed assets and depreciation

Fixed assets are carried at cost less depreciation.

Rates of depreciation are calculated to write off the cost of fixed assets over the estimated useful lives of the assets.

Any land premium payable on acquisition of leasehold land is depreciated from the date of occupation over the remaining lease period. The estimated useful lives of buildings range from 20 to 40 years. Facilities are depreciated over 20 years from the date of occupation. Plant and buildings under construction are not depreciated.

綜合損益賬包括本集團在共控公司之應佔業績。在綜合資產負債表上，在共控公司之投資相等於本集團應佔資產淨值。在本公司資產負債表內，在共控公司之投資按成本扣除永久之減值準備(如有)列賬。

(e) 商譽值

綜合賬目所產生之商譽值，即收購附屬公司及共控公司之成本超過在收購當天本集團在可分資產淨值中應佔之公平價值。所有於二零零一年一月一日前產生之商譽值已於收益儲備中撇銷。二零零一年一月一日後產生之商譽值均需於資產負債表內資本化，及根據其估計之有效期以直線攤銷法計入損益賬中。

任何於商譽值產生之減值即時於損益賬中確認。

(f) 外幣

以外幣為單位之貨幣資產及負債及資產負債表，經按資產負債表結算日之兌換率化為港元。年內之外幣交易以交易日之市場匯兌率換算。兌換盈虧已列入損益賬，但於外國共控公司之投資淨額之未變現差額則除外，該等差額直接計入收益儲備內。

因採用會計實務準則第十一號(修訂)，以外幣計值之外國共控公司之損益賬於年內以加權平均匯率折算。此會計政策與往年不同，往年此等損益賬均以資產負債表結算日之兌換率折算。此變動未有對損益賬造成重大影響。

(g) 營業租賃資產

當絕大部分資產之回報及風險擁有權為租賃公司所持有，租賃當作營業租賃入賬。

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

(h) 固定資產及折舊

固定資產按成本減折舊列賬。

折舊率按固定資產之估計可供使用年期撇銷其成本計算。

任何購買租賃土地應付之土地溢價由佔用當天起於餘下之租賃期內折舊。樓宇之估計可供使用年期由二十年至四十年不等。設施由佔用當天起分二十年折舊。興建中廠房及樓宇不予折舊。

The estimated useful life of certain buildings were revised in 2002. While such buildings were designed to have a 40-year life, the Directors have decided that it is more appropriate that these facilities are amortised over the period of the franchise agreement of 20 years.

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

The depreciation rates in use for other assets are as follows:

Equipment, plant and machinery	10% to 33%
Motor vehicles	20%

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

(j) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost, calculated on a weighted average basis, and net realisable value. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(j) Cash and cash equivalents

Deposits and bank balances are carried in the balance sheet at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, amounts repayable on demand from banks and financial institutions and short-term liquid investments which were within three months of maturity when acquired.

(k) Deferred taxation

Provision is made for deferred taxation at current rates of taxation using the liability method for all material timing differences except where it is considered that no liability or asset will arise in the foreseeable future.

(l) Turnover and revenue recognition

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

(m) Staff benefits

(i) Retirement benefits

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

若干樓宇之估計可供使用年期已於二零零二年修訂。雖然此等樓宇在設計上有四十年之使用年期，但董事局決定此等設施應按專營權協議二十年期攤銷。

如資產之賬面值高於其估計可收回值，則列算一項資本虧損以將資產值減至其可收回值。

其他資產使用之折舊率如下：

設備、廠房及機器	10%至33%
汽車	20%

出售固定資產損益乃指出售淨收入與資產賬面值之差額，並已列入損益賬中。

(i) 存貨及未完工程

存貨及未完工程按以加權平均基準計算之成本與可變現淨值兩者中之較低者入賬。可變現淨值乃按預期出售收入減估計銷售開支而釐定。

(j) 現金及現金等價物

存款及銀行結存已按成本記入資產負債表中。

為編製現金流量表，現金及現金等價物包括庫存現金、銀行及財務機構催繳時須清還之款項及於購入時三個月內期滿之短期流動投資。

(k) 遞延稅項

除非認為在可預見之將來內沒有負債或資產之稅務影響，否則所有重大時間差別以負債法按現時稅率作出遞延稅項準備。

(l) 營業總額及收益認算

營業總額為開給顧客發票之金額總數。發票根據個別合約條款於工程完畢後或按完成階段開出。未完工程之認算收入相等於按該工程估值基準計算之工程成本。完成工程之總認算收入為就該合約開出發票金額總數。財務收入按應計基準認算。股息收入於確定有權接受款項後認算。

(m) 僱員福利

(i) 退休福利

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

On adoption of SSAP 34, contributions to the MPF continue to be charged to the profit and loss account as incurred. For the two defined benefit schemes, retirement benefit costs, which are assessed using the projected unit credit method, are charged to the profit and loss account. Under this method, plan assets are measured at fair value; retirement benefit obligations are measured as the present value of the estimated future cash flows by reference to market yields on Exchange Fund Notes, which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses to the extent of the amount in excess of 10% of the greater of the present value of the plan obligations and the fair value of plan assets are recognised in the consolidated profit and loss account over the expected average remaining service lives of the participating employees. This differs from that for previous years when retirement benefit costs were assessed using the attained age normal method and obligations were discounted at the expected rate of return on plan assets. The opening revenue reserve at 1st January 2002 has been increased by HK\$117 million as a result of the initial transitional surplus net of deferred tax determined as above. Comparatives have not been restated as there is no material difference in the 2001 charge to the profit and loss account under the old and new policy. More details are provided under note 16.

(ii) Staff leave entitlements

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

(n) Related parties

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

3. Staff remuneration

Total staff remuneration for 2002 was HK\$1,040 million (2001 : HK\$1,052 million). The five highest paid employees included four (2001 : four) directors whose remuneration is shown in note 4. The remuneration of the remaining one (2001 : one) highest paid employees comprises:

採用會計實務準則第三十四號後，強積金供款繼續如數記入損益賬內。而兩項界定福利計劃則用預計單位貸記法估量之退休福利費用入賬。按照此法，計劃資產按公平值衡量，而退休福利責任則參考期限與外匯基金票據之相若負債之市場孳息率，以預計其未來現金流量，再折算為現值。精算盈虧以計劃責任現值或計劃資產公平值兩者之間較大者百分之十為限，超過此上限之金額將按參與之僱員之預期平均餘下服務年期，在綜合損益賬中認算。這與往年之做法不同，因往年退休福利費用採用已達工齡法評估，而責任則按計劃資產預期回報率折算。上述確定之初期過渡時期盈餘扣除遞延稅項後，令二零零二年一月一日結算之期初收益儲備增加港幣一億一千七百萬元。由於新舊政策未有對二零零一年記入損益賬之賬項造成重大影響，因此比較數字未有重列。進一步之詳情於附註16列述。

(ii) 僱員可享有之假期

與僱員年假相關之費用獲認算為僱員應計假期。

(n) 有關連人士

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

3. 職員薪酬

二零零二年之職員薪酬合共港幣十億四千萬元（二零零一年為港幣十億五千二百萬元）。五名最高薪職員中包括四名（二零零一年為四名）董事，其薪酬見附註4。餘下一名（二零零一年為一名）最高薪職員之薪酬包括：

<i>(in HK\$ Million)</i>	2002	2001	<i>(港幣百萬元)</i>
Salaries, allowances and benefits in kind	3	2	薪金、津貼及實物利益

4. Directors' remuneration

(in HK\$ Million)

	2002	2001
Pension scheme contributions	3	1
Salaries, allowances and benefits in kind	21	14
	24	15

4. 董事酬金

(港幣百萬元)

退休金計劃供款
薪金、津貼及實物利益

Number of directors
董事人數

Distribution of Directors' remuneration:

HK\$0.0M – HK\$1.0M	8	10
Over HK\$1.0M – HK\$1.5M	2	–
Over HK\$1.5M – HK\$2.0M	–	–
Over HK\$2.0M – HK\$2.5M	1	1
Over HK\$2.5M – HK\$3.0M	1	1
Over HK\$3.0M – HK\$3.5M	–	–
Over HK\$3.5M – HK\$4.0M	–	–
Over HK\$4.0M – HK\$4.5M	1	1
Over HK\$4.5M – HK\$5.0M	–	–
Over HK\$5.0M – HK\$5.5M	–	1
Over HK\$5.5M – HK\$6.0M	1	–
Over HK\$6.0M – HK\$6.5M	1	–
	15	14

董事酬金分配：

港幣零元至港幣一百萬元
港幣一百萬元以上至港幣一百五十萬元
港幣一百五十萬元以上至港幣二百萬元
港幣二百萬元以上至港幣二百五十萬元
港幣二百五十萬元以上至港幣三百萬元
港幣三百萬元以上至港幣三百五十萬元
港幣三百五十萬元以上至港幣四百萬元
港幣四百萬元以上至港幣四百五十萬元
港幣四百五十萬元以上至港幣五百萬元
港幣五百萬元以上至港幣五百五十萬元
港幣五百五十萬元以上至港幣六百萬元
港幣六百萬元以上至港幣六百五十萬元

Directors' fees paid to the independent non-executive Directors during the year totalled HK\$0.1 million (2001 : HK\$0.1 million); they received no other emoluments from the Company or its subsidiary company.

本年度內支付予獨立非常務董事之袍金總計港幣十萬元(二零零一年為港幣十萬元)；彼等並無向本公司或其附屬公司收取其他酬金。

5. Profit on sale of staff housing

In 2001, the Company disposed of the last residential unit at Twin Bay Villas, Clearwater Bay Road, Sai Kung, New Territories. This property was originally acquired in 1970 as staff quarter.

5. 出售員工房屋溢利

二零零一年，本公司出售了最後一個位於新界西貢清水灣道勝景別墅之住宅單位。此物業原於一九七零年購入以作為員工住所。

6. Profit on sale of business to a jointly controlled company

The profit in 2001 arose from the sale of the Company's wheel and brake business to Goodrich Asia-Pacific Limited.

6. 出售業務予一家共控公司溢利

二零零一年之溢利來自出售本公司之輪轂及掣動片業務予Goodrich Asia-Pacific Limited。

7. Net finance income

<i>(in HK\$ Million)</i>	2002	2001	<i>(港幣百萬元)</i>
Finance income	12	19	財務收入
Interest on bank loans and overdrafts	–	(1)	銀行借款及透支之利息
Interest on long term loan not wholly repayable within five years	(9)	(9)	毋須於五年內全部清還之長期借款利息
	3	9	

7. 財務收入淨額**8. Taxation**

<i>(in HK\$ Million)</i>	Note 附註	2002	2001	<i>(港幣百萬元)</i>
The taxation charge comprises:				稅項支出包括：
The Company and its subsidiary company:				本公司及其附屬公司：
Deferred tax	15(b)	(38)	(12)	遞延稅項
Share of taxation attributable to jointly controlled companies		(35)	(25)	應佔共控公司之稅項
		(73)	(37)	

8. 稅項

No provision for Hong Kong profits tax has been made for the year as the Group's assessable profit is wholly absorbed by the tax losses brought forward. Overseas taxation is calculated at tax rates prevailing in the respective jurisdictions.

因集團之應課稅溢利已完全為前期稅項虧損所抵銷，所以未有為本年度香港利得稅作出準備。海外稅項乃按各司法管轄區所採用之稅率計算。

Provision has been made for all significant deferred taxation liabilities.

已為所有重大遞延稅項負債作出準備。

9. Profit attributable to shareholders

Of the profit attributable to shareholders, HK\$277 million (2001 : HK\$129 million) is dealt with in the accounts of the Company.

9. 股東應佔溢利

股東應佔溢利中，已計算於本公司賬項內為港幣二億七千七百萬元(二零零一年為港幣一億二千九百萬元)。

10. Dividends

<i>(in HK\$ Million)</i>	2002	2001	<i>(港幣百萬元)</i>
Interim, paid on 23rd September 2002, of HK\$0.28 per share (2001 : HK\$0.23)	47	38	於二零零二年九月二十三日已派發之中期股息，每股港幣0.28元(二零零一年為港幣0.23元)。
Final, proposed, of HK\$0.46 per share (2001: HK\$0.42)	76	70	擬派末期股息每股港幣0.46元(二零零一年為港幣0.42元)。
Special, proposed, of HK\$2.50 per share (2001: nil)	416	–	擬派特別股息每股港幣2.50元(二零零一年為零)。
	539	108	

10. 股息

At a Board meeting held on 4th March 2003, Directors recommended a final dividend and a special dividend of HK\$0.46 and HK\$2.50 per share respectively. The proposed dividends are not reflected as dividend payables in these accounts, but will be accounted for as an appropriation of the revenue reserve for the year ending 31st December 2003.

董事局於二零零三年三月四日舉行之董事局大會上，建議派發末期股息及特別股息分別為每股港幣0.46元及港幣2.50元。擬派股息不在此等賬目中反映為應付股息，但將列為截至二零零三年十二月三十一日止年度之收益儲備提撥。

11. Earnings per share

Earnings per share are calculated by reference to the profit attributable to shareholders of HK\$465 million (2001 : HK\$312 million) and to the weighted average of 166,329,738 (2001 : 166,945,373) ordinary shares in issue.

11. 每股盈利

每股盈利乃根據股東應佔溢利港幣四億六千五百萬元(二零零一年為港幣三億一千二百萬元)及已發行之加權平均股份數目166,329,738股(二零零一年為166,945,373股)普通股計算。

12. Fixed assets

12. 固定資產

(in HK\$ Million)	Group and Company 集團及公司							(港幣百萬元)
	Land held in Hong Kong – on medium term lease 在香港持有之土地 – 中期租約	Buildings 樓宇	Plant, machinery and tools 廠房、機器及工具	Motor vehicles 汽車	Equipment and furniture 設備及傢俬	Plant and buildings under construction 興建中廠房及樓宇	Total held by Group and Company 集團及公司擁有總額	
<i>Cost</i>							<i>原價</i>	
At 31st December 2001	21	1,066	927	114	65	4	2,197	二零零一年十二月三十一日結算
Additions and transfers	–	–	81	4	2	–	87	增置及轉撥
Disposals	–	–	(8)	(2)	(1)	–	(11)	出售
At 31st December 2002	21	1,066	1,000	116	66	4	2,273	二零零二年十二月三十一日結算
<i>Depreciation</i>							<i>折舊</i>	
At 31st December 2001	1	93	333	80	54	–	561	二零零一年十二月三十一日結算
Charge for the year	1	54	54	13	4	–	126	本年度折舊
Disposals	–	–	(8)	(2)	(1)	–	(11)	出售
At 31st December 2002	2	147	379	91	57	–	676	二零零二年十二月三十一日結算
<i>Net book value</i>							<i>賬面淨值</i>	
At 31st December 2002	19	919	621	25	9	4	1,597	二零零二年十二月三十一日結算
At 31st December 2001	20	973	594	34	11	4	1,636	二零零一年十二月三十一日結算

The estimated useful life of the hangar and its related backshops and offices has been revised to the length of the franchise agreement from the Airport Authority. As a result of amortising the remaining cost over the last 16 years of the franchise, the depreciation charge for the year has increased by HK\$27 million.

機庫及其相關之支援工場及辦公室之估計可供使用年期已予修訂至相等於與機場管理局簽訂之專營權協議年期。因餘下之價值已按專營權最後十六年之年期攤銷，本年度之折舊費增加了港幣二千七百萬元。

13. Subsidiary company

The Company holds 60% of the 500,000 issued and paid ordinary shares of HK\$1.00 each, totalling HK\$300,000 (2001 : HK\$300,000) in South China Aero Technology Limited (SCAT).

Principal activity of the subsidiary is set out on page 47.

14. Jointly controlled companies

(in HK\$ Million)	Group 集團		Company 公司		(港幣百萬元)
	2002	2001	2002	2001	
Unlisted shares at cost	237	236	237	236	非上市原股值
Attributable post-acquisition profits	600	413	–	–	收購後應佔溢利
	837	649	237	236	
Goodwill	(29)	(29)			商譽
Share of net assets	808	620			應佔資產淨值
Loans due from jointly controlled companies	263	250	263	250	共控公司未還貸款
Loans due to jointly controlled companies	(1)	(1)	(1)	(1)	未還共控公司借款
	1,070	869	499	485	
Dividends received and receivable from jointly controlled companies			40	10	已收及應收共控公司股息

HK\$76 million or 29% of the Group's share of the pre-tax results of the jointly controlled companies (2001 : HK\$79 million or 36%) was contributed by companies operating in Mainland China while the remaining amounts were contributed by companies operating in Hong Kong.

The principal jointly controlled companies are shown on page 47.

13. 附屬公司

本公司擁有其附屬公司華南航空技術有限公司已發行及已全繳每股面值港幣一元之五十萬股普通股中百分之六十股權，總計港幣三十萬元(二零零一年為港幣三十萬元)。

附屬公司之主要業務列於第四十七頁。

14. 共控公司

集團應佔共控公司除稅前業績其中港幣七千六百萬元或百分之二十九(二零零一年為港幣七千九百萬元或百分之三十六)來自於中國內地營運之公司，餘下的來自於香港營運之公司。

主要共控公司列於第四十七頁。

14. Jointly controlled companies (cont'd)

The financial results of the jointly controlled companies at 31st December are as follows:

14. 共控公司 (續)

共控公司於十二月三十一日之財務業績如下：

(in HK\$ Million)	HAESL 香港航空發動機 維修服務公司		TAEEO 廈門太古 飛機工程公司		Others 其他		Total 總額		(港幣百萬元)
	2002	2001	2002	2001	2002	2001	2002	2001	
Turnover	3,356	3,279	583	591	272	184	4,211	4,054	營業總額
Operating profit	403	328	160	174	49	36	612	538	營業溢利
Net finance (charges)/income	(20)	(44)	–	1	(2)	(2)	(22)	(45)	財務(支出)/收入淨額
Share of results of associates	(8)	–	(11)	(15)	–	–	(19)	(15)	應佔聯屬公司業績
Profit before taxation	375	284	149	160	47	34	571	478	除稅前溢利
Taxation	(62)	(44)	(7)	(6)	(7)	(5)	(76)	(55)	稅項
Profit attributable to shareholders	313	240	142	154	40	29	495	423	股東應佔溢利
Dividends	–	–	(39)	–	(43)	(20)	(82)	(20)	股息
Surplus/(deficit) retained for the year	313	240	103	154	(3)	9	413	403	本年度保留盈餘/(逆差)
Funds employed:									資金運用：
Long-term assets	819	772	838	747	141	109	1,798	1,628	長期資產
Current assets	1,211	1,450	187	178	138	147	1,536	1,775	流動資產
	2,030	2,222	1,025	925	279	256	3,334	3,403	
Less: current liabilities	666	1,020	103	105	151	137	920	1,262	減：流動負債
	1,364	1,202	922	820	128	119	2,414	2,141	
Financed by:									資本來源：
Shareholders' equity and loans	1,307	980	908	805	111	95	2,326	1,880	股東股權及借款
Long-term liabilities	57	222	14	15	17	24	88	261	長期負債
	1,364	1,202	922	820	128	119	2,414	2,141	
Group's weighted average % shareholding in the year	45.0%	45.0%	49.6%	47.9%					集團於本年度之加權平均 權益百分率
Group's attributable pre-tax profits	169	128	74	79	19	15	262	222	集團應佔除稅前溢利
Less: share of taxation thereon	(28)	(20)	(3)	(3)	(4)	(2)	(35)	(25)	減：其應佔之稅項
Group's share of profit attributable to shareholders	141	108	71	76	15	13	227	197	集團應佔股東溢利
Group's share of funds employed at 31st December	588	441	447	396	35	32	1,070	869	十二月三十一日結算 集團應佔資金運用

15. Deferred items**(a) Promissory note**

The promissory note from a third party, the final repayment date of which is in 2004, and which is irrevocable and interest-free, represents the balance of an instalment payment receivable from the sale of aircraft spare parts. The current portion of the promissory note is included under debtors and prepayments in current assets.

(b) Deferred taxation

(in HK\$ Million)	Group and Company 集團及公司		(港幣百萬元)
	2002	2001	
At 1st January, as previously reported	58	46	一月一日結算，如之前報告
Change in accounting policy to retirement benefits (Note 2(m))	22	–	會計政策對退休福利之改變(附註 2(m))
At 1st January, as restated	80	46	一月一日結算，如重列
Transfer from/(to) profit and loss account			撥自/(撥往)損益賬
Current year charge	–	3	本年度支出
Offset of tax losses	38 38	9 12	抵銷稅項虧損
At 31st December	118	58	十二月三十一日結算
Provided in accounts in respect of:			在賬目中提撥以下項目：
Accelerated depreciation allowances	147	147	加速折舊免稅額
Offset of tax losses	(51)	(89)	抵銷稅項虧損
Other timing differences	22	–	其他時間差別
	118	58	

Provision has been made for all significant deferred taxation liabilities.

15. 遞延項目**(a) 期票**

該項來自第三者，最後償還日期定於二零零四年之不可撤回及免息期票乃指來自出售飛機零件之應收分期付款結餘。期票之現有部分已納入流動資產賬之應收及預付賬內。

(b) 遞延稅項

一月一日結算，如之前報告

會計政策對退休福利之改變(附註 2(m))

一月一日結算，如重列

撥自/(撥往)損益賬

 本年度支出

 抵銷稅項虧損

十二月三十一日結算

在賬目中提撥以下項目：

加速折舊免稅額

抵銷稅項虧損

其他時間差別

已為所有重大遞延稅項負債作出準備。

16. Retirement benefits**(a) Overall**

Staff employed by the Company before 1st December 2000 were offered a choice between Hong Kong's Mandatory Provident Fund (MPF) and the defined benefit retirement schemes as described below. Since 1st December 2000, all new staff employed have been enrolled in the MPF.

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

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

Actuarial valuations of the two defined benefit schemes were performed by Watson Wyatt, an independent firm of actuaries, using the projected unit credit method.

16. 退休福利**(a) 總述**

於二零零零年十二月一日前獲本公司聘用之僱員，可選擇參加香港的強制性公積金(強積金)計劃或下述之界定退休福利計劃。自二零零零年十二月一日起，所有新入職的僱員已加入強積金計劃。

香港飛機工程有限公司之本地僱員退休福利計劃，為其在本地僱用之員工離職時提供退休福利。公司承擔僱員根據該計劃所享有之一切福利之全部費用，職員毋須向該計劃供款。

同樣地，香港飛機工程有限公司職員退休福利計劃乃為按海外僱傭條款僱用之職員而設。不過，職員及公司均須向該計劃供款。

該兩項界定退休福利計劃之精算估值由一間獨立之精算公司 Watson Wyatt 按預計單位貸記法計算。

16. Retirement benefits (cont'd)

The retirement benefits costs recognised in the profit and loss account were as follows:

(in HK\$ Million)	2002	2001	(港幣百萬元)
Local Staff Retirement Benefits Scheme	47	30	本地僱員退休福利計劃
Expatriate Staff Retirement Benefits Scheme	1	–	海外僱用職員退休福利計劃
MPF Scheme (@5% of staff's relevant income capped at HK\$1,000/month)	3	2	強積金計劃(供款額為僱員有關收入百分之五，上限為每月港幣一千元)
	51	32	

16. 退休福利(續)

已在損益賬中確認之退休福利費用如下：

(b) Defined benefits retirement schemes

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

(in HK\$ Million)	2002			(港幣百萬元)
	Local Scheme 本地僱員計劃	Expatriate Scheme 海外僱用職員計劃	Total 總額	
Current service cost	71	5	76	本期服務費用
Interest cost	86	5	91	利息費用
Expected return on plan assets	(110)	(9)	(119)	計劃資產預期回報
Total	47	1	48	總額
Actual return on plan assets	(110)	(10)	(120)	計劃資產之實際回報

(b) 界定退休福利計劃

計入損益賬之數額結算如下：

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

於資產負債表中確認之數額如下：

(in HK\$ Million)	Group and Company 集團及公司			(港幣百萬元)
	2002			
	Local Scheme 本地僱員計劃	Expatriate Scheme 海外僱用職員計劃	Total 總額	
Present value of funded obligations	1,460	95	1,555	已提撥責任之現值
Fair value of plan assets	(1,244)	(112)	(1,356)	計劃資產之公平值
Present value of unfunded obligations	216	(17)	199	未提撥責任之現值
Unrecognised actuarial losses	(333)	(22)	(355)	未確認精算虧損
Asset recognised in the balance sheet	(117)	(39)	(156)	已於資產負債表中確認之資產

16. Retirement benefits (cont'd)

Movement in the asset recognised in the balance sheet:

(in HK\$ Million)	Group and Company 集團及公司		
	2002		
	Local Scheme 本地僱員計劃	Expatriate Scheme 海外僱用職員計劃	Total 總額
At 1st January	(99)	(40)	(139)
Total expense – as shown above	47	1	48
Contributions paid	(65)	–	(65)
At 31st December	(117)	(39)	(156)

Principal actuarial assumptions for the year:

	2002
Discount rate	5%
Assumed rate of return on plan assets	6%
Assumed rate of future salary increases	2% for 2004 and 4% thereafter 2004年為2%，之後為4%

17. Stocks and work in progress

Stocks and work in progress are stated at the lower of cost, calculated on a weighted average basis, and net realisable value. The carrying amount of stocks and work in progress at year end carried at net realisable value is HK\$40 million (2001 : HK\$52 million) and HK\$7 million (2001 : HK\$55 million) respectively. The remaining balance is carried at cost.

16. 退休福利 (續)

已於資產負債表中確認之資產變動：

(港幣百萬元)
一月一日結算
總開支 – 如上列
已付供款
十二月三十一日結算

本年度主要精算假設：

	2002
貼現率	5%
假設計劃資產回報率	6%
假設未來增薪率	2% for 2004 and 4% thereafter 2004年為2%，之後為4%

17. 存貨及未完工程

存貨及未完工程按以加權平均基準計算之成本與可變現淨值兩者中之較低者入賬。於本年底結算，以可變現淨值估值之存貨及未完工程賬面值分別為港幣四千萬元(二零零一年為港幣五千二百萬元)及港幣七百萬元(二零零一年為港幣五千五百萬元)。餘下結餘以成本入賬。

18. Debtors and creditors

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

As at 31st December 2002, 97% of debtors (65% as at 31st December 2001) and 99% of creditors (93% as at 31st December 2001) were aged under six months.

19. Share capital

	Company 公司	
	No. of shares 股份數目	HK\$M 港幣百萬元
<i>Authorised:</i>		
Ordinary shares of HK\$1.00 each At 31st December 2001 and 2002	210,000,000	210
<i>Issued and fully paid:</i>		
Ordinary shares of HK\$1.00 each At 31st December 2000	166,983,450	167
Shares repurchased and cancelled At 31st December 2001	(532,000)	(1)
Shares repurchased and cancelled At 31st December 2002	166,451,450	166
	(126,600)	—
	166,324,850	166

During the year under review, the Company repurchased 126,600 (2001 : 532,000) of its own shares on the Hong Kong Stock Exchange at an aggregate consideration of HK\$1 million (2001 : HK\$6 million).

All the shares repurchased were subsequently cancelled. An amount equal to the nominal value of the shares cancelled was transferred from the revenue reserve to the capital redemption reserve as disclosed in note 20.

18. 應收及應付賬項

給予顧客的信貸條件各不相同，一般視乎其個別的財務實力而定。本公司定期對債務人作信用評估，以盡量減低與應收款項有關的信貸風險。

二零零二年十二月三十一日結算，百分之九十七應收賬項(二零零一年十二月三十一日結算為百分之六十五)及百分之九十九應付賬項(二零零一年十二月三十一日結算為百分之九十三)之賬齡均低於六個月。

19. 股本

法定股本：

每股面值港幣1.00元普通股
二零零一年及二零零二年十二月三十一日結算

發行及繳足股本：

每股面值港幣1.00元普通股
二零零零年十二月三十一日結算
購回及註銷股份
二零零一年十二月三十一日結算
購回及註銷股份
二零零二年十二月三十一日結算

在本年度內，本公司在香港聯合交易所總代價港幣一百萬元(二零零一年為港幣六百萬元)購回共126,600股股份(二零零一年為532,000股)。

所有購回之股份隨即被註銷。誠如附註20所披露，一筆相等於已註銷股份面值之款項已由收益儲備撥入資本贖回儲備。

20. Reserves

20. 儲備

(in HK\$ Million)	Revenue reserve 收益儲備		Capital redemption reserve 資本贖回儲備		Total 總額		(港幣百萬元)
	2002	2001	2002	2001	2002	2001	
Group							集團
At 1st January, as previously reported	2,528	2,324	19	18	2,547	2,342	一月一日結算，如之前報告
Change in accounting policy to retirement benefits (Note 2(m))	117	–	–	–	117	–	會計政策對退休福利之改變(附註2(m))
At 1st January, as restated	2,645	2,324	19	18	2,664	2,342	一月一日結算，如重列
Profit attributable to shareholders	465	312	–	–	465	312	股東應佔溢利
Repurchase of own shares							購回本公司股份
– premium paid on repurchase	(1)	(6)	–	–	(1)	(6)	– 購回溢價
– transfer between reserves	–	(1)	–	1	–	–	– 儲備轉撥
Previous year's final dividend paid	(70)	(63)	–	–	(70)	(63)	已付上年度末期股息
Current year's interim dividend paid	(47)	(38)	–	–	(47)	(38)	已付本年度中期股息
At 31st December	2,992	2,528	19	19	3,011	2,547	十二月三十一日結算
The Company	2,384	2,107	19	19	2,403	2,126	本公司
Subsidiary company	8	8	–	–	8	8	附屬公司
Jointly controlled companies	600	413	–	–	600	413	共控公司
	2,992	2,528	19	19	3,011	2,547	
Company							公司
At 1st January, as previously reported	2,142	2,121	19	18	2,161	2,139	一月一日結算，如之前報告
Change in accounting policy to retirement benefits (Note 2(m))	117	–	–	–	117	–	會計政策對退休福利之改變(附註2(m))
At 1st January, as restated	2,259	2,121	19	18	2,278	2,139	一月一日結算，如重列
Profit attributable to shareholders	277	129	–	–	277	129	股東應佔溢利
Repurchase of own shares							購回本公司股份
– premium paid on repurchase	(1)	(6)	–	–	(1)	(6)	– 購回溢價
– transfer between reserves	–	(1)	–	1	–	–	– 儲備轉撥
Previous year's final dividend paid	(70)	(63)	–	–	(70)	(63)	已付上年度末期股息
Current year's interim dividend paid	(47)	(38)	–	–	(47)	(38)	已付本年度中期股息
At 31st December	2,418	2,142	19	19	2,437	2,161	十二月三十一日結算

Distributable reserves of the Company at 31st December 2002, calculated under section 79B of the Hong Kong Companies Ordinance, amounted to HK\$2,418 million (2001 : HK\$2,142 million).

The revenue reserve includes HK\$539 million (2001 : HK\$70 million) representing final dividend and special dividend for the year under review (note 10).

根據香港公司條例第七十九(B)條計算，本公司於二零零二年十二月三十一日可分配之儲備為港幣二十四億一千八百萬元(二零零一年為港幣二十一億四千二百萬元)。

收益儲備包括本年度末期股息及特別股息(附註10)港幣五億三千九百萬元(二零零一年為港幣七千萬)。

21. Long term loan

(in HK\$ Million)	Group and Company 集團及公司	
	2002	2001
Outstanding at 1st January	110	113
Repayment during the year	(3)	(3)
Balance at 31st December	107	110
Maturity profile:		
Repayable within one year	3	3
Repayable between one and two years	4	3
Repayable between two and five years	14	13
Repayable after five years	86	91
	107	110
Amount due within one year included under current liabilities	(3)	(3)
	104	107

21. 長期借款

(港幣百萬元)

於一月一日未償還

於本年內償還

十二月三十一日結算

還款期限：

於一年內償還

於一年至兩年內償還

於兩年至五年內償還

於五年後償還

列入流動負債項下須於一年內償還款項

The loan is provided by Troon Limited, a subsidiary of Cathay Pacific Airways Limited, to the Company for the construction of storage areas for aircraft spares within the Company's facilities. The loan is unsecured and repayable over 40 semi-annual instalments from December 1998 to June 2018. It bears an interest rate of 8.35% per annum subject to review on the 10th anniversary. During the year, the interest incurred was HK\$9 million (2001 : HK\$9 million). The loan arrangement constitutes a transaction with a related party as defined in SSAP 20 "Related party disclosures".

該項借款由國泰航空有限公司之附屬公司 Troon Limited 提供予本公司，以在本公司的設施內興建飛機零件儲存庫。該項借款並無抵押，由一九九八年十二月至二零一八年六月分四十個半年期償還。年利率為百分之八點三五，於屆滿十周年時作出檢討。在本年內應付利息為港幣九百萬元（二零零一年為港幣九百萬元）。根據會計實務準則第二十號「有關連人士披露」界定，該項借款安排構成一項與一名有關連人士之交易。

22. Notes to the consolidated cash flow statement

(in HK\$ Million)	2002	2001	(港幣百萬元)
(a) Reconciliation of operating profit to net cash inflow from operating activities			(a) 營業溢利與營業現金流入淨額對賬
Operating profit	273	118	營業溢利
Depreciation	126	103	折舊
Negative goodwill arising on acquisition of additional interest in a jointly controlled company	–	(1)	收購一家共控公司額外權益產生之負商譽值
Gain on disposal of fixed assets and staff housing	–	(2)	出售固定資產及員工房屋收益
Receipt/(profit) on sale of business to a jointly controlled company	7	(7)	出售業務予一家共控公司收入/(溢利)
Decrease/(increase) in promissory note	2	(1)	期票減少/(增加)
Increase in retirement benefits assets	(17)	–	退休福利資產增加
Decrease/(increase) in stocks and work in progress	52	(26)	存貨及未完工程減少/(增加)
(Increase)/decrease in debtors and prepayments	(83)	41	應收及預付賬項(增加)/減少
Increase in creditors and accruals	40	42	應付及應計賬項增加
Net cash inflow from operating activities	400	267	營業現金流入淨額

(in HK\$ Million)	Long-term loan 長期借款	Minority interest 少數股東權益	Total 總額	(港幣百萬元)
(b) Analysis of changes in financing				(b) 融資變動分析
At 31st December 2000	113	5	118	二零零零年十二月三十一日結算
Repayment of term loan	(3)	–	(3)	償還長期借款
At 31st December 2001	110	5	115	二零零一年十二月三十一日結算
Repayment of term loan	(3)	–	(3)	償還長期借款
At 31st December 2002	107	5	112	二零零二年十二月三十一日結算

(in HK\$ Million)	2002	2001	(港幣百萬元)
(c) Analysis of changes in cash and cash equivalents			(c) 現金及現金等價物變動分析
At start of the year	113	7	本年度開始
Increase in cash and cash equivalents	362	106	現金及現金等價物增加
At end of the year	475	113	本年底結算
(d) Analysis of deposits and bank balances at end of the year			(d) 本年底結算之存款及銀行結存分析
Cash and cash equivalents			現金及現金等價物
– Short term deposits and bank balances	475	113	– 短期存款及銀行結存
Deposits maturing after three months	72	12	逾三個月定期存款
	547	125	

23. Capital commitments

(in HK\$ Million)	Group and Company 集團及公司		(港幣百萬元)
	2002	2001	
Contracted for but not provided in the accounts	23	27	經訂約但未在賬項中作準備
Authorised by directors but not contracted for	18	25	經董事局批准但未訂約
The Group's share of capital commitments of jointly controlled companies not included above:			上述不包括本集團應佔共控公司之資本性承擔如下：
Contracted for but not provided in the accounts	95	68	經訂約但未在賬項中作準備
Authorised by directors but not contracted for	10	119	經董事局批准但未訂約

23. 資本性承擔

24. Lease commitments

(in HK\$ Million)	Group and Company 集團及公司		(港幣百萬元)
	2002	2001	
At 31st December 2002, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:			二零零二年十二月三十一日結算，集團未來於不可撤銷營業租賃項之最低租賃支出總額如下：
Land and buildings:			土地及樓宇：
Leases expiring:			租約期滿時間：
– Within one year	53	57	– 一年內
– After one year but within five years	205	225	– 一年後五年內
– After five years	538	645	– 五年後
	796	927	

24. 租賃承擔

25. Related Party Transactions

The Group has a number of transactions with its related parties. All trading transactions are conducted on normal commercial terms in the ordinary and usual course of business. The aggregated transactions and balances which are material to the Group and which have not been disclosed elsewhere in the annual report are summarised below:

(in HK\$ Million)	Note 附註	Jointly Controlled Companies 共控公司		Other Related Parties 其他有關連人士		Total 總計		(港幣百萬元)
		2002	2001	2002	2001	2002	2001	
Revenue from provision of services	a	177	193	1,083	919	1,260	1,112	提供服務所得之收入
Purchase of services	b	3	6	76	37	79	43	購買服務
Debtors at 31st December	c			166	115			十二月三十一日結算應收賬項
Creditors at 31st December	c			28	7			十二月三十一日結算應付賬項

Note:

a. Revenue from the provision of services to jointly controlled companies comprised mainly services to HAESL and TAECO. Services provided to HAESL included engine component repairs charged at normal commercial rates and the provision of certain administrative services charged at cost based on the agreement with Rolls-Royce plc concerning the formation of HAESL. Services provided to TAECO related principally to charges at commercial rates covering the stationing of a working team of 145 people on average in TAECO and management services. Services provided to other jointly controlled companies included component and other operational support charged at normal commercial rates.

Revenue from the provision of services to other related parties comprised maintenance charges for the Cathay Pacific Airways, Dragonair and Air Hong Kong fleets as well as logistic support and storage charges for Cathay Pacific Airways.

b. Purchases of services from jointly controlled companies comprised mainly overhaul charges for work carried out on aircraft components by HAESL.

Purchases of services from other related parties comprised spares purchased from Cathay Pacific Airways and a services fee payable to John Swire & Sons Limited Group of HK\$8 million (2001 : HK\$3 million) and reimbursement, at cost, of expenses incurred of HK\$13 million (2001 : HK\$8 million).

c. The outstanding amounts at 31st December 2002 due from/to other related parties are contained respectively in "debtors and prepayments" and "creditors and accruals" in the consolidated and company balance sheet.

With the exception of the services fee payable to John Swire & Sons Limited Group as described in note b, none of the above related party transactions constitute a discloseable connected transaction as defined in the Listing Rules.

25. 有關連人士交易

本集團有若干有關連人士交易。所有交易均按照一般商業條件以及在正常業務程序下進行。本集團之重大及未有在此年報其他章節披露之交易總值及年終結餘摘要如下：

附註：

a. 向共控公司提供服務所得之收入主要包括為香港航空發動機維修服務公司及廈門太古飛機工程公司提供之服務。為香港航空發動機維修服務公司提供之服務包括按一般商業價格收費之發動機部件修理，及根據與勞斯萊斯公司就成立香港航空發動機維修服務公司所訂之協議按成本收費提供之若干行政服務。為廈門太古飛機工程公司提供之服務主要為在廈門太古飛機工程公司派駐一個平均一百四十五人的工作小組按商業價格收取之費用及管理服務費。向其他共控公司提供之服務包括按一般商業價格收費之部件及其他運作支援。

向其他有關連人士提供服務所得之收入包括向國泰航空公司、港龍航空公司及華民航空公司收取之維修費及向國泰航空公司收取之後勤支援及儲存開支。

b. 自共控公司購買之服務主要包括向香港航空發動機維修服務公司支付之飛機部件大修費用。

自其他有關連人士購買之服務包括向國泰航空公司購買備件及向英國太古集團支付港幣八百萬元(二零零一年為港幣三百萬元)之服務費，以及按成本代之費用港幣一千三百萬元(二零零一年為港幣八百萬元)。

c. 於二零零二年十二月三十一日結算應收/應付其他有關連人士賬項分別列載於「綜合資產負債表」及「公司資產負債表」之「應收及預付賬項」及「應付及應計賬項」內。

除於附註b所述向英國太古集團支付之服務費外，上述有關連人士交易並不構成上市規則所界定之須予披露關連交易。

Principal subsidiary and jointly controlled companies 主要附屬公司和共控公司

at 31st December 2002 二零零二年十二月三十一日結算

	Place of incorporation and operation 註冊成立及經營地點	Principal activities 主要業務	Owned directly 直接擁有	Owned by jointly controlled companies 共控公司擁有	Attributable to the Group 集團佔有
Subsidiary company:					
附屬公司：					
South China Aero Technology Limited 華南航空技術有限公司	Hong Kong 香港	Aviation products trading 航空產品貿易	60%	–	60%
Jointly controlled companies:					
共控公司：					
EADS SOGERMA HAECO Services Company Limited	Hong Kong 香港	Aircraft component repair services 飛機部件修理服務	50%	–	50%
GE Engine Services (Xiamen) Company Limited 通用電氣發動機服務(廈門)有限公司	Xiamen 廈門	Aircraft engine overhaul services 飛機引擎大修服務	–	20%	9.9%
Goodrich Asia-Pacific Limited (formerly named Goodrich Aerospace Asia-Pacific Limited) (前稱Goodrich Aerospace Asia-Pacific Limited)	Hong Kong 香港	Carbon brake machining and wheel hub overhaul 碳質掣動片切削及輪轂大修	49%	–	49%
Goodrich TAECO Aeronautical Systems (Xiamen) Company Limited (formerly named TRW TAECO Aeronautical Systems (Xiamen) Company Limited) 廈門豪富太古宇航有限公司 (前稱廈門天合太古宇航有限公司)	Xiamen 廈門	Aircraft fuel control, flight control and electrical component repairs 飛機燃油控制儀、航空控制儀及電器部件修理	–	35%	17.3%
Honeywell TAECO Aerospace (Xiamen) Company Limited 廈門霍尼韋爾太古宇航有限公司	Xiamen 廈門	Aircraft hydraulic, pneumatic, avionic component and other aviation equipment repairs 飛機液壓、氣壓、航電部件及其他航空設備修理服務	25%	10%	30%
Hong Kong Aero Engine Services Limited 香港航空發動機維修服務有限公司	Hong Kong 香港	Commercial aero engine overhaul services 商用飛機引擎大修服務	45%	–	45%
In-Services Asia Limited	Hong Kong 香港	Aircraft component trading and repair services 飛機部件貿易及修理服務	35%	–	35%
Shandong TAECO Aircraft Engineering Company Limited 山東太古飛機工程有限公司	Shandong 山東	Heavy maintenance services for B737 aircraft B737型飛機大型維修服務	20%	10%	25%
Singapore Aero Engine Services Pte. Limited 新加坡航空發動機維修服務有限公司	Singapore 新加坡	Trent engine overhaul services 特倫特引擎大修服務	–	20%	9%
Taikoo (Xiamen) Aircraft Engineering Company Limited 廈門太古飛機工程有限公司	Xiamen 廈門	Aircraft heavy maintenance 飛機大規模維修服務	49.6%	–	49.6%

Principal subsidiary and jointly controlled companies are those which, in the opinion of the Directors, materially affect the result or assets of the Group. 董事局認為主要附屬公司及共控公司指對集團之業績及資產有重要影響之公司。

Auditors' report 核數師報告書

Auditors' report to the shareholders of Hong Kong Aircraft Engineering Company Limited (Incorporated in Hong Kong with limited liability)

We have audited the accounts on pages 24 to 47 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Hong Kong Companies Ordinance requires the directors to prepare accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the Company and the Group as at 31st December 2002 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 4th March 2003

致香港飛機工程有限公司 (於香港註冊成立之有限公司) 全體股東

本核數師已完成審核第二十四頁至四十七頁之賬目，該等賬目乃按照香港普遍採納之會計原則編製。

董事及核數師各自之責任

香港公司條例規定董事須編製真實兼公平之賬目。在編製該等真實兼公平之賬目時，董事必須採用適當之會計政策，並且貫徹應用該等會計政策。

本核數師之責任是根據審核之結果，對該等賬目作出獨立意見，並向股東報告。

意見之基礎

本核數師已按照香港會計師公會所頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與賬目所載數額及披露事項有關之憑證，亦包括評審董事於編製賬目時所作之重大估計和判斷，所採用之會計政策是否適合 貴公司與 貴集團之具體情況，及有否貫徹應用並足夠披露該等會計政策。

本核數師在策劃和進行審核工作時，均以取得所有本核數師認為必需之資料及解釋為目標，以便獲得充分憑證，就該等賬目是否存有重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已評估該等賬目所載之資料在整體上是否足夠。本核數師相信我們之審核工作已為下列意見提供合理之基礎。

意見

本核數師認為，上述之賬目足以真實兼公平地顯示 貴公司與 貴集團於二零零二年十二月三十一日結算時之財務狀況，及 貴集團截至該日止年度之溢利及現金流量，並按照香港公司條例妥為編製。

羅兵咸永道會計師事務所

香港執業會計師

香港，二零零三年三月四日



