1. CORPORATE INFORMATION

The registered office of CATIC International Holdings Limited is situated at Cedar House, 41 Cedar Avenue, Hamilton, HM12, Bermuda.

During the year, the Company was involved in investment holding and the Group was principally engaged in undertaking building facade projects. These projects involve the design, manufacture and installation of fabricated aluminium and stainless steel products for buildings, such as curtain wall and cladding systems, windows, doors, skylights and other related products. The Group was also engaged in the generation and sale of electric and steam power in the regional industrial areas of Hangzhou in the People's Republic of China (the "PRC") through its 70% owned subsidiary, Hangzhou Sealand Electric Power Company Limited. During the year, the Group also earned revenue from its interests in the net income of a jointly-controlled operation of the ultimate holding company in relation to the helicopter development, manufacturing and distribution business (note 15).

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

1. 公司資料

中國航空技術國際控股有限公司之註冊辦事處為Cedar House, 41 Cedar Avenue, Hamilton, HM12, Bermuda。

年內，本公司之業務為投資控股，而本集團之主要業務為承接外牆裝飾工程，包括設計、製造及安裝主要用於大廈之鋁製及不銹鋼產品，包括玻璃幕牆及鋁牆面板系統、窗、門、採光棚及其他有關產品。本集團亦透過擁有70%之附屬公司杭州海聯熱電有限公司在中華人民共和國(「中國」)杭州市工業區從事生產及出售電力及蒸汽。年內，本集團亦自其於最終控股公司之共同控制有關直昇機之開發、製造及分銷業務之淨收入之權益賺取收入(附註15)。

董事認為中國國有企業中國航空技術進出口總公司(「中航技總公司」)為本公司之最終控股公司。該公司由中國國務院直接監管之中國航空工業第一集團公司及中國航空工業第二集團公司分別擁有50%。

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

The following recently-issued and revised SSAPs are effective for the first time in the preparation of the current year's financial statements.

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

These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group's accounting policies and on the amounts disclosed in these financial statements of adopting these SSAPs are summarised as follows:

SSAP 1 (Revised) prescribes the basis for the presentation of financial statements and sets out guidelines for their structure and minimum requirements for the content thereof. The principal impact of the revision to this SSAP is that a consolidated summary statement of changes in equity is now presented on page 35 of the annual report in place of the consolidated statement of recognised gains and losses that was previously required.

SSAP 11 (Revised) prescribes the basis for the translation of foreign currency transactions and financial statements. The principal impact of the revision of this SSAP on the consolidated financial statements is that the profit and loss accounts of overseas subsidiaries and associates are now translated to Hong Kong dollars at the weighted average exchange rates for the year whereas previously they were translated at the exchange rates at the balance sheet date. The adoption of the revised SSAP 11 has had no material effect on the financial statements.

2. 採納新訂及經修訂會計實務準則(「會計實務準則」)之影響

以下為於編製本年度之財務報告時首次生效之最近頒佈經修訂之會計實務準則。

會計實務準則第1號(經修訂)	「財務報表之呈報方式」
會計實務準則第11號(經修訂)	「外幣兑換」
會計實務準則第15號(經修訂)	「現金流量報表」
會計實務準則第34號	「僱員福利」

上述會計原則規定新的會計處理方法及披露要求,其對本集團會計政策及對採納該等會計實務準則之財務報表所披露金額的主要影響概述如下:

會計實務準則第1號(經修訂)規定財務報告的呈報基準和列出其內容之最低要求及結構上指引。此項修訂主要影響為於年報第35頁呈列綜合權益變動摘要表以取代先前所須的綜合已確認盈虧報表。

會計實務準則第11號(經修訂)規定財務報告中對外幣交易之兑換基準。此項修訂對綜合財務報告主要影響為海外附屬公司及聯營公司在損益表應按該年度之加權平均滙率折算為港元,而先前則按結算日之適用滙率計算。採納此項經修訂之會計業務準則第11號對財務報告沒有重大影響。

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs") *(continued)*

SSAP 15 (Revised) prescribes the revised format for the cash flow statement. The principal impact of the revision of this SSAP is that the consolidated cash flow statement now presents cash flows under three headings, cash flows from operating, investing and financing activities, rather than the five headings previously required. In addition, cash flows from overseas subsidiaries arising during the year are now translated to Hong Kong dollars at the exchange rates at the dates of the cash flows or, if appropriate, at the weighted average exchange rates, whereas previously they were translated at the exchange rates at the balance sheet date, and the definition of cash equivalents for the purpose of the cash flow statement has been revised. The consolidated cash flow statement for the current year and comparative figures have been presented in accordance with the revised SSAP 15. Further details of these changes are included in the accounting policies for "Cash and cash equivalents" and "Foreign currencies" in notes 3 and 31(a) to the financial statements.

SSAP 34 prescribes the recognition and measurement criteria to apply to employee benefits, together with the required disclosures in respect thereof. The adoption of this SSAP has resulted in no change to the previously adopted accounting treatments for employee benefits except that additional disclosures are now required in respect of the Company's share option scheme, as detailed in note 29 to the financial statements. These share option scheme disclosures are similar to those required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") previously included in the Report of the Directors, which are now required to be included in the notes to the financial statements as a consequence of the SSAP 34.

2. 採納新訂及經修訂會計實務準則(「會計實務準則」)之影響 *(續)*

會計實務準則第15號(經修訂)規定現金流量表之經修訂格式。修訂本號會計實務準則之主要影響為,綜合現金流量現分三個標題呈報,即經營業務之現金流量,投資活動之現金流量及融資活動之現金流量,而非以往所要求之五個標題。此外,本年度所產生之海外附屬公司之現金流量現以現金流動當日之匯率或(如適用)以加權平均匯率換算為港元,而過往現金流量乃以結算日之匯率換算,且現金流量表之現金等值之定義已經修訂。本年度之綜合現金流轉表及比較數字已按照經修訂之會計實務準則第15號作出呈報。該等變動之進一步詳情載於本財務報告附註3及31(a)之「現金及現金等值」及「外幣」之會計準則之內。

會計實務準則第34號規定僱員福利所適用之確認、計算和披露要求。此修訂對先前僱員福利所採用之會計處理沒有改動。惟對本公司之購股權計劃現時須作另外披露,詳情載於財務報告附註29。此購權計劃之披露與先前載於董事會報告,根據香港聯合交易所有限公司證券上市規則(「上市規則」)之要求相同,惟現時由於採納會計實務準則第34號而被要求包括於財務報告附註中。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2002. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

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

Subsidiaries

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

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

3. 主要會計準則概要

編製基準

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

綜合基準

綜合財務報告包括本公司及其附屬公司截至二零零二年十二月三十一日止年度之財務報告。於年內所收購或出售之附屬公司之業績由其收購之實際日期起或截至出售之實際日期止計入綜合財務報告。所有集團內公司間之重大交易及結存已於綜合賬目時抵銷。

少數股東權益指外界股東於本公司附屬公司之業績及資產淨值中之權益。

附屬公司

附屬公司乃本公司直接或間接控制其財政及營運政策以自其活動獲利之公司。

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

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

Associates

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

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

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

Goodwill

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

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

3. 主要會計準則概要 *(續)*

聯營公司

聯營公司並非附屬公司或共同控制企業，而本集團持有通常不少於20%投票權作長線投資，並可對其行使重大影響力之公司。

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

聯營公司之業績按已收及應收股息列於本公司損益賬內。本公司於聯營公司之權益視為長期資產，以成本減任何減值虧損列賬。

商譽

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

因收購而產生之商譽於綜合資產負債表內確認為資產並按直線法以20年估計使用年期攤銷。如屬聯營公司，任何未攤銷商譽以其賬面值列賬，而非在綜合資產負債表內單獨列為可識別資產。

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

Goodwill *(continued)*

SSAP 30 "Business combinations" was adopted as at 1 January 2001. Prior to that date, goodwill arising on acquisitions was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill on acquisitions subsequent to 1 January 2001 is treated according to the SSAP 30 goodwill accounting policy above.

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

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

3. 主要會計準則概要（續）

商譽（續）

會計實務準則第30號「業務合併」已於二零零一年一月一日採納。於該日期前，收購產生之商譽乃於收購年度內在綜合儲備中扣除。於採納會計實務準則第30號後，本集團已採納會計實務準則第30號之過渡規定，容許收購所產生之商譽仍然在綜合儲備中扣除。於二零零一年一月一日後所進行收購產生之商譽乃按上述新會計政策處理。

出售附屬公司及聯營公司時，因出售而產生之損益乃參照出售當日之資產淨值計算，包括尚未攤銷之商譽應佔數額及任何相關儲備（如適用）。

商譽之賬面值每年均作檢討並撇減視為必要之減值。就商譽於先前確認之減值虧損不予撥回，除非該減值虧損乃因特殊之個別外部事件引起，而此等事項預期將不會再發生及隨後發生相反抵銷該事件影響之外部事件。

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

Financial asset under Project EC120

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

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

Revenue recognition

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

(a) from the rendering of contracting works services, based on the stage of completion of the construction contracts as further explained in the accounting policy "Recognition of income from construction contracts";

(b) from the sale of electric and steam power, based on actual consumption derived from the reading of meters during the year;

3. 主要會計準則概要 *(續)*

就項目EC120之財務資產

項目EC120下之投資指於日後自另一企業收取現金之合約權利，並已視為一項財務資產，該項資產初步按收購中航技總公司於項目EC120應計之淨收入之80%權益所付代價之公平值(包括與其相關之收購費用)入賬。項目EC120之權益乃按成本扣除減值虧損(如有)列賬。本集團於項目EC120之權益之進一步詳情載於本財務報告附註15。

該資產之賬面值每年均作檢討並撇減視為必要之減值。

收入之確認

當本集團可能獲得經濟利益並且能可靠衡量其數額時會以下列準則確認收入：

(a) 按會計政策「建築合約之收入之確認」所述，在提供建築工程服務時，根據建築合約已完成之階段計算；

(b) 出售電力及蒸汽之收入乃根據年內由計量表讀數而得出之實際消耗量計算；

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

Revenue recognition *(continued)*

(c) from the development, manufacture and distribution of helicopters, when the Group's right to receive its share of profit from Project EC120 has been established (note 15);

(d) from the rendering of services, when the services are rendered;

(e) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable;

(f) rental income, on a time proportion basis over the lease terms;

(g) government subsidies, on cash receipt basis; and

(h) income from long term investment, on an accrual basis.

Recognition of income from construction contracts

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

3. 主要會計準則概要 *(續)*

收入之確認 *(續)*

(c) 開發、製造及分銷直升機之收入乃於本集團收取其分佔項目EC120溢利之權利獲確立時確認（附註15）；

(d) 服務之收入於提供服務時確認；

(e) 利息收入根據未償還本金及適用實際利率按時間比例計算；

(f) 租金收入根據有關租約年期按時間比例確認；

(g) 政府補貼按已收現金確認；及

(h) 長期投資之收入按應計基準確認。

建築合約收入之確認

長期建築合約之溢利在每份合約之成效可合理確定之情況下，及當某一合約經已完成最少20%時（按估計總工程成本計算），並經就或有事項作出應有撥備後，按完成工程之百份比於損益賬中確認。倘建築合約之成效不能可靠地估計及合約完成少於20%時，則收入僅可以確認至合約成本可收回之數額。倘管理階層預期有任何虧損出現，即會就可預見之虧損作出撥備。

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

Recognition of income from construction contracts *(continued)*

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

Impairment of assets

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

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

3. 主要會計準則概要 *(續)*

建築合約收入之確認 *(續)*

倘因出現合約規定之特定情況或因客戶對合約規格作出變動時，本集團會可就所完成之額外工程索取補償。倘於結算日尚未就該項索償額正式達成協議，則管理階層估計可能收取之款額(按當時所有資料估計)將計入合約價值內，以釐定合約之預測溢利或可預見之虧損。

資產虧損

於各個結算日均須作出評估，以考慮任何資產是否出現虧損跡象，或是否有跡象顯示資產於過往年度之已於確認之資產減值虧損可能不再存在或可能已出現減少。如有任何該等跡象發生，則須估計該資產之可收回金額。資產之可收回金額以使用中資產價值或其出售價兩者之較高者為準。

減值虧損僅於資產賬面值超逾其可收回數額時確認。當減值虧損根據有關會計政策就重估資產列賬時，除非該資產以重估數額列賬，否則減值虧損於其發生期間之損益賬內扣除。

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

Impairment of assets *(continued)*

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Fixed assets and depreciation

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

3. 主要會計準則概要 *(續)*

資產虧損 *(續)*

先前確認之減值虧損僅於釐定資產之可收回數額之估計出現變動時撥回；惟假使過往年度並無就該資產確認減值虧損，則高出於此情況下所釐定之賬面值之數額(扣除任何折舊／攤銷)則不得撥回。

當減值虧損根據重估資產之有關會計政策撥回時，除非該資產以重估數額列賬，任何減值虧損之撥回於其發生期間計入損益賬內。

固定資產及折舊

固定資產(投資物業及在建工程除外)乃按原值或估值減累積折舊及任何減值虧損入賬。一項資產之成本包括其購買價及任何將資產達致運作情況及運抵某一地點以供擬定之用途而應佔之直接成本。在固定資產開始運作後所發生之費用(包括維修保養費用)一般會在支出之期間在損益賬中扣除。如可清楚顯示有關費用令使用固定資產之預期日後經濟利益增加，則該費用會撥作固定資產之額外成本。

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

Fixed assets and depreciation *(continued)*

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

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

Leasehold land/land use rights	Over the remaining lease terms
Leasehold buildings	25 years or over the remaining lease terms, whichever is shorter
Leasehold improvements	4 years
Plant and machinery	5 years
Generation plant and related structure	15 years
Furniture, fixtures and equipment	5 years
Motor vehicles	4 years
Tools and moulds	4 years

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

3. 主要會計準則概要 *(續)*

固定資產及折舊 *(續)*

固定資產(投資物業除外)價值之變動按重估儲備之變動處理。如該項儲備總額少於虧絀(按個別資產基準),則超逾之虧絀將自損益賬內扣除。任何其後重估盈餘按先前扣除之虧絀為限計入損益賬。出售重估資產時,就先前估值變現之有關重估儲備部份轉撥至保留溢利以儲備變動列賬。

固定資產折舊計算方法乃按每項資產下列之估計可使用年期以直線法撇銷其原值:

租約土地／土地使用權	剩餘租約年期
租約樓宇	25年或剩餘租約年期,以較短者為準
租約物業裝修	4年
廠房及機器	5年
發電廠房及有關設施	15年
傢俬、裝置及設備	5年
汽車	4年
工具及模具	4年

在損益賬中確認之出售固定資產或棄用固定資產引起之盈虧,指有關資產之出售所得款項與賬面值之差額。

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

Construction in progress

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

Investment properties

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

3. 主要會計準則概要 *(續)*

在建工程

在建工程指處於收購階段之固定資產，以成本值減任何減值虧損列賬，並不予折舊。資產之收購階段包括資產處於興建、安裝及測試階段之時期。成本值包括直接建造費用連同於資產收購期所發生之借貸費用，而這些費用如並無就該資產作出開支理論上本可避免。當籌備該資產以作既定用途所需之所有活動大致完成時，則借貸費用不再撥作資本。當在建工程完成並準備作既定用途時，儘管有關當局延遲簽發啟用證書，則將該在建工程轉撥為適當類別的固定資產。

投資物業

投資物業乃具有投資潛力並計劃作為長期持有之已完成興建及發展之土地及樓宇，任何租金收入按公平磋商計算。投資物業根據每個財政年度年末之專業估值按公開市值入賬。投資物業價值之變動，作投資物業重估儲備變動處理。如儲備總額不足以按組合基準彌補減值，則不足之數額會自損益賬扣除。如以前有不足數額自損益賬扣除，而其後出現重估增值，則該增值會撥入損益賬，以彌補之前扣除之減值。

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

Investment properties *(continued)*

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

Leased assets

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

Club debentures

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

Long term investments

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

3. 主要會計準則概要 *(續)*

投資物業 *(續)*

出售投資物業時，就之前估值而變現之投資物業重估儲備之有關部份會撥入損益賬。

租賃資產

資產業權之大部份回報及風險由租賃公司承擔之租約列為經營租約。如本集團為出租人，本集團根據經營租約所租賃之資產列為非流動資產，根據經營租約之應收租金按直線法於租約期內撥入損益賬計算。如本集團為承租人，根據經營租約之應付租金按直線法於租約期內於入損益賬內扣除計算。

會社債券

會社債券乃作長期持有，以成本值減任何減值虧損入賬。

長期投資

長期投資乃擬以長期持有不作經常買賣用途之非上市股本證券之投資。該等投資按個別投資基準以成本值減任何減值虧損列賬。

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

Properties held for sale

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

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

Construction contracts

Construction contracts of a long term nature are stated at cost, plus any attributable profits, less any foreseeable losses, and progress payments received and receivable. Cost includes all direct material and labour costs, including subcontracted costs, and overheads, including depreciation on plant and machinery used in construction projects, and capitalised interest on loans to finance specific projects. Provision is made for foreseeable losses as they are anticipated by management.

3. 主要會計準則概要 *(續)*

待售物業

待售物業即建築工程及發展計劃已完成並計劃出售之土地及樓宇之權益。該等物業並無折舊，並按賬面值及可變現淨值兩者中較低者入賬。賬面成本為轉自土地及樓宇之賬面淨值(該等物業之前乃留作自用)，或撤銷有關債項的數額(該物業乃以撤銷債項作交換物業形式所取得)。可變現淨值參照適用市價按個別物業釐定。任何賬面成本減值於損益賬扣除。

計入損益賬之出售待售物業盈虧乃出售所得款項淨額與有關物業之賬面值之差額。

建築合約

長期之建築合約乃按成本加任何應佔溢利減去可預見之虧損及已收與應收進度付款後入賬。成本包括所有直接之物料及勞工費用(包括分包費用)及間接費用(包括建築工程所用設備及機器之折舊及為指定工程而籌措之貸款所支付之資本化利息)。就管理層預期之可見虧損作出撥備。

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

Construction contracts *(continued)*

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

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

Inventories

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

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

3. 主要會計準則概要 *(續)*

建築合約 *(續)*

當時已支出之合約成本加已確認溢利減已確認虧損之數額如超過進度賬單數額，則超出之數額列為合約客戶欠款。

倘進度賬單數額超過當時已支出合約成本加已確認溢利減已確認虧損，則超出之數額列為欠合約客戶款項。

存貨

存貨(為施工中工程所購入之原料及副原料)在適當扣除任何為陳舊或滯銷貨品所作出之折讓後，按成本或可變現淨值二者中之較低者入賬。成本乃按先入先出法釐定。可變現淨值乃參考最終將會使用該存貨之相關施工中合約而釐定。

生產電力及蒸汽之存貨主要由維修及保養機器及設備所需之煤炭、零件及消耗品組成，並會就任何陳舊或滯銷項目作適當減值後，以成本值及可變現之淨值兩者之較低者入賬。成本乃按先入先出法釐定。可變現淨值根據估計出售價減除任何直至完成及出售所產生之任何估計成本計算。

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

Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

Provisions

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

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

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

3. 主要會計準則概要 *(續)*

借貸成本撥充資本

收購、建造或生產未完成資產(亦即必須耗用大量時間才可作其擬定用途或銷售之資產)之應佔直接借貸成本，乃作為該等資產之部份成本撥充資本。在資產接近準備作擬定用途或銷售時，有關借貸成本則不再撥充資本。

撥備

當因過往事件而產生及可能須於日後撥出資源以清償之現時責任(法定或推定性)時，並可就該責任下之數額作出可靠估計之情況下，須確認作出撥備。

當折讓之影響屬重大時，就撥備而確認之數額乃預期須於日後解決該責任之開支於結算日之現值。因時間流失而產生之折現現值增加乃於損益賬內列為財政費用。

本集團所發出之保養撥備乃根據過往所錄得之維修程度進行確認。

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

Dividends

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

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

Related parties

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

Deferred tax

Deferred tax is provided, using the liability method, for significant timing differences in the recognition of revenue and expenses for tax and financial reporting purposes, except where it is considered to be probable that the tax effects of such deferrals will continue in the foreseeable future. A deferred tax asset is not recognised until its realisation is assured beyond reasonable doubt.

3. 主要會計準則概要*（續）*

股息

董事擬派之末期股息按股本及儲備項下保留溢利獨立分配於資產負債表列賬，直至該等股息獲股東於股東大會上批准為止。該等股息獲股東批准及宣派後，則確認為負債。

中期股息同時予以擬派及宣派，因為本公司組織章程大綱及細則授予本公司董事宣派中期股息之權力。因此，中期股息於擬派及宣派時即確認為負債。

關連人士

倘一方擁有可直接或間接控制另一方能力，或於作出財政及經營決策時可對另一方行使重大影響力，則該等人士被視為關連人士。關連人士可能為個人或公司實體。

遞延稅項

遞延稅項乃採用負債法，就稅項及財政申報目的所確認之收支之重大時差而撥備，惟倘預期該遞延項目之稅務影響於可見之將來會持續者則除外。遞延稅項資產只有在合理確定變現時始會入賬。

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

Foreign currencies

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

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

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

Prior to the adoption of the revised SSAPs 11 and 15 during the year, as explained in note 2 to the financial statements, the profit and loss accounts of overseas subsidiaries and an associate and the cash flows of overseas subsidiaries were translated to Hong Kong dollars at the exchange rates at the balance sheet date. The adoption of the revised SSAP 11 has had no material effect on the financial statements, while the adoption of the revised SSAP 15 has resulted in changes to the layout of the consolidated cash flow statement, further details of which are set out in note 31(a) to the financial statements.

3. 主要會計準則概要（續）

外幣

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

於綜合賬目時，海外附屬公司之財務報告乃按淨投資法折算為港元，而海外附屬公司及聯營公司之損益賬則按照該年度之加權平均匯率折算為港元。海外附屬公司及聯營公司之資產負債表乃按結算日之匯率折算為港元。所產生之匯兑差額已計入匯兑波動儲備內。

就綜合現金流量報表而言，海外附屬公司之現金流量乃按照現金流量產生日期之匯率折算為港元。海外附屬公司於整年內經常出現之現金流量乃按該年度之加權平均匯率折算為港元。

於年內採納會計實務準則第11號及第15號（詳情見財務報表附註2），海外附屬公司及聯營公司之損益賬及海外附屬公司之現金流量乃按照結算日之滙率折算為港元。採納經修訂之會計實務準則第11號對財務報表並無重大影響，而採納經修訂之會計實務準則第15號導致綜合現金流轉表之編排有變，其進一步詳情載於本財務報告附註31(a)。

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

Employee benefits

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

Prior to the adoption of SSAP 34 during the year, as explained in note 2 to the financial statements, the Group did not accrue for paid annual leave carried forward at the balance sheet date. This change in accounting policy has had no material effect on the amounts previously recorded in the financial statements and therefore no prior year adjustment has been made.

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

3. 主要會計準則概要（續）

僱員福利

有薪假期結轉
本集團根據僱員合約按曆年基準給予其僱員有薪年假。在若干情況下，於結算日未支取之年假容許結轉，留待有關僱員於來年享用，於結算日，將會就年內僱員享有之有關有薪假期之預期未來成本作出累算並予結轉。

誠如財務報告附註2所解釋，於年內採納會計實務準則第34號前，本集團並無累算於結算日結轉之有薪年假。是項會計政策之轉變對先前於財務報告記錄之金額並無重大影響，因此並無作出過往年度調整。

僱傭條例長期服務金
本集團若干僱員在本集團已工作滿所需服務年期，根據香港僱傭條例合資格於終止受聘時獲取長期服務金。倘若終止聘用符合僱傭條例所規定之若干情況，本集團有責任支付有關服務金。由於在結算日目前若干僱員已為本集團服務滿僱傭條例項下合資格於終止僱用時獲取長期服務金之所需年資，有關可能於未來支付予僱員之長期服務金之或然負債已作披露。由於該情況不大可能導致本集團未來有重大資源流出，因此並無就有關可能於未來支付予僱員之長期服務金確認撥備。

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

Employee benefits *(continued)*

Pension scheme and other retirement benefits

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

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

3. 主要會計準則概要*（續）*

僱員福利*（續）*

退休計劃及其他退休福利

本集團根據強制性公積金計劃條例（「該條例」），為其所有合資格參與該計劃之僱員提供一項定額供款之強制性公積金退休福利計劃（「該計劃」）。本集團作出之僱主供款乃根據該計劃界定之僱員有關收入之百分比計算，並當有關款項須根據該計劃之規則之規則支付時於損益賬內扣除。該計劃之資產乃獨立於本集團之資產，並由獨立管理之基金持有。本集團之僱主供款將於向該計劃作出供款時全數歸於僱員。

於該計劃生效前，本集團為其合資格並已選擇參加之僱員設有一項定額供款公積金。該基金以類似強制性公積金退休福利計劃之方式管理，惟對於僱員在其於本集團之僱主供款中之權益全數歸屬於彼前離開此基金，則本集團已自其應付之持續供款中減除已沒收之有關供款額。於二零零零年十二月一日實施該計劃後，該公積金已被凍結，且本集團或合資格僱員於該日後並無作出其他供款。當合資格僱員離開本集團，彼等將根據此基金之現有規則收取應得權益。

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

Employee benefits *(continued)*

Pension scheme and other retirement benefits (continued)

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

Share options scheme

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

3. 主要會計準則概要 *(續)*

僱員福利 *(續)*

退休計劃及其他退休福利(續)

本集團於中國經營之附屬公司之僱員須參加一項定額供款退休計劃。所有僱員均按年享有相等於退休當日彼等最後受僱所在地區之平均基本薪金之固定百分比之退休金。此中國附屬公司須向當地社會保障局作出供款，供款比例為該僱員受僱於該中國附屬公司之所在地區之上一年度平均基本薪金之21%。此中國附屬公司對上述向當地社會保障局所作每年供款以外之退休金福利之繳付並無責任。有關供款於根據此定額供款退休計劃之規則須付時於損益賬內扣除。

購股權計劃

本公司設有一項購股權計劃，旨在鼓勵及嘉獎為本集團業務成功作出貢獻之合資格參與者。根據購股權計劃所授出購股權所產生之財務影響直到購股權獲行使時方可列入本公司或本集團之資產負債表內，且於損益賬或資產負債表中不會記錄該等成本之扣除。於購股權獲行使後，本公司會將由此產生之已行發行股份按股份面值列賬為額外股本，且本公司會將每股行使價高於股份面值部份列入股份溢價賬。在其行使日期前已註銷或已失效之購股權已於未行使購股權登記冊中刪除。

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

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

3. 主要會計準則概要 *(續)*

現金及現金等值

就綜合現金流量表而言，現金及現金等值指手頭現金及活期存款，與可隨時轉換為已確認現金款項而價值變動風險不大且期限較短（一般自收購起計三個月內到期）之短期高流動性投資（經扣減須接要求隨時還款並構成本集團整體現金管理一部分之銀行透支）。就資產負債表而言、現金及現金等值指手頭及銀行現金，包括使用時不受限制之定期存款。

4. SEGMENT INFORMATION

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

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

(a) the facade contracting works segment engages in the design, manufacture and installation of fabricated aluminium and stainless steel products for buildings, such as curtain wall and cladding systems, windows, doors, skylights and other related products;

4. 分類資料

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

本集團經營之業務乃根據各項業務之性質及所提供之產品及服務獨立組成架構及管理。本集團各項業務代表著提供產品及服務之各個策略性經營單位，以承擔不同於其他業務項目之風險及回報。業務分類之詳情概要如下：

(a) 外牆裝飾工程項目，包括設計、製造及安裝用於大廈之鋁製及不銹鋼產品，包括玻璃幕牆及鋁牆面板系統、窗、門、採光棚及其他有關產品；

4. SEGMENT INFORMATION *(continued)*

(b) the electric and steam power supply segment engages in the generation and sale of electric and steam power in the regional industrial areas of Hangzhou in the PRC;

(c) the aero-technology related business segment engages in the development, manufacturing and distribution of EC120 helicopters; and

(d) the long term investments segment engages in equity investment holding in certain companies.

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

4. 分類資料 *(續)*

(b) 電力及蒸汽供應項目，在中國杭州市工業區生產及銷售電力及蒸汽；

(c) 有關航空技術之業務項目、從事開發、製造及經銷EC120型號直升機；及

(d) 長期投資項目，持有若干公司之股本投資。

在釐定本集團之地區分類時，收益及業績按有關客戶之所在地分類，資產則按資產之所在地分類。

4. SEGMENT INFORMATION *(continued)*

4. 分類資料（續）

(a) Business segments

The following tables present revenue and profit/(loss) information regarding business segments for the years ended 31 December 2002 and 2001, and certain asset, liability and expenditure information regarding business segments as at 31 December 2002 and 2001.

(a) 按業務劃分

以下列表乃呈報截至二零零二年及二零零一年十二月三十一日止年度按業務劃分之收益及溢利／(虧損)，以及於二零零二年及二零零一年十二月三十一日按業務劃分之若干資產、負債及開支資料。

Group

集團

		Facade contracting works 大廈外牆裝飾工程		Electric and steam power supply 電力及蒸汽銷售		Aero-technology related business 有關航空技術之業務		Long term investments 長期投資		Consolidated 綜合賬目	
		2002 二零零二年 HK$'000 千港元	2001 二零零一年 HK$'000 千港元	**2002 二零零二年 HK$'000 千港元**	2001 二零零一年 HK$'000 千港元	**2002 二零零二年 HK$'000 千港元**	2001 二零零一年 HK$'000 千港元	**2002 二零零二年 HK$'000 千港元**	2001 二零零一年 HK$'000 千港元	**2002 二零零二年 HK$'000 千港元**	2001 二零零一年 HK$'000 千港元
Segment revenue:	分類收益：										
Turnover	營業額	**560,150**	309,417	**71,688**	48,262	**6,280**	–	**–**	–	**638,118**	357,679
Other revenue	其他收益	**399**	39	**3,534**	3,405	**–**	–	**2,000**	–	**5,933**	3,444
Total	收益總額	**560,549**	309,456	**75,222**	51,667	**6,280**	–	**2,000**	–	**644,051**	361,123
Segment results	分類業績	**8,884**	5,354	**11,927**	(33,703)	**6,116**	–	**2,000**	(36,415)	28,927	(64,764)
Interest income, rental income and unallocated gains	利息收入、租務收入及未攤分利潤									**4,114**	6,813
Unallocated expenses	未攤分費用									**(9,646)**	(11,483)
Profit/(loss) from operating activities	經營溢利／(虧損)									**23,395**	(69,434)
Finance costs	財政開支									**(1,834)**	(1,912)
Share of loss of an associate	分佔聯營公司虧損			**–**	(71)	**(6)**	–			**(6)**	(71)
Profit/(loss) before tax	除税前溢利／(虧損)									**21,555**	(71,417)
Tax	税項									**(3,074)**	(799)
Profit/(loss) before minority interests	未計少數股東權益之溢利／(虧損)									**18,481**	(72,216)
Minority interests	少數股東權益									**(3,159)**	2,896
Net profit/(loss) attributable to shareholders	股東應佔溢利／(虧損)淨額									**15,322**	(69,320)

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4. SEGMENT INFORMATION *(continued)* 4. 分類資料（續）

(a) Business segments *(continued)* (a) 按業務劃分（續）

		Facade contracting works 大廈外牆裝飾工程		Electric and steam power supply 電力及蒸汽銷售		Aero-technology related business 有關航空技術之業務		Long term investments 長期投資		Consolidated 綜合賬目	
		2002 二零零二年 HK$'000 千港元	2001 二零零一年 HK$'000 千港元	**2002 二零零二年 HK$'000 千港元**	2001 二零零一年 HK$'000 千港元	**2002 二零零二年 HK$'000 千港元**	2001 二零零一年 HK$'000 千港元	**2002 二零零二年 HK$'000 千港元**	2001 二零零一年 HK$'000 千港元	**2002 二零零二年 HK$'000 千港元**	2001 二零零一年 HK$'000 千港元
Segment assets	分類資產	**430,724**	329,646	**175,111**	173,213	**46,039**	–	**200**	200	**652,074**	503,059
Interest in an associate	於聯營公司之權益	**–**	–	**–**	–	**5,562**	–	**–**	–	**5,562**	–
		430,724	329,646	**175,111**	173,213	**51,601**	–	**200**	200	**657,636**	503,059
Unallocated assets	未分配資產									**117,947**	75,456
Total assets	資產總值									**775,583**	578,515
Segment liabilities	分類負債	**312,252**	221,590	**34,663**	38,995	**942**	–	**–**	–	**347,857**	260,585
Unallocated liabilities	未分配負債									**1,233**	1,227
Total liabilities	總負債									**349,090**	261,812
Other segment information:	其他分類資料：										
Depreciation	折舊	**3,807**	3,209	**8,729**	7,484	**–**	–	**–**	–	**12,536**	10,693
Unallocated amounts	未分配款項									**233**	231
										12,769	10,924
Capital expenditure	資本開支	**7,487**	3,488	**5,026**	7,232	**–**	–	**–**	–	**12,513**	10,720
Unallocated amounts	未攤分款項									**13**	103
										12,526	10,823
Impairment losses	減值虧損	**–**	–	**–**	23,006	**–**	–	**–**	36,415	**–**	59,421
Deficit on revaluation of an investment property (unallocated)	投資物業重估減值（未攤分）	**–**	–	**–**	–	**–**	–	**–**	–	**1,400**	1,800
Deficit/(surplus) on revaluation of fixed assets	固定資產重估減值／（增值）	**–**	–	**(2,649)**	8,566	**–**	–	**–**	–	**(2,649)**	8,566
Amortisation of goodwill	商譽攤銷	**–**	–	**2,382**	3,462	**–**	–	**–**	–	**2,382**	3,462
Provision for/(write back of) doubtful receivables	應收呆賬撥備／（撥回）	**2,030**	2,825	**(2,094)**	6,944	**–**	–	**–**	–	**(64)**	9,769

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4. SEGMENT INFORMATION *(continued)*

4. 分類資料（續）

(b) Geographical segments

(b) 按地區劃分

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

以下列表乃呈報本集團按地區劃分之收益及若干資產及開支資料。

		Hong Kong 香港		Elsewhere in the PRC 中國其他地區		Consolidated 綜合賬目	
		2002 二零零二年 HK$'000 千港元	2001 二零零一年 HK$'000 千港元	**2002 二零零二年 HK$'000 千港元**	2001 二零零一年 HK$'000 千港元	**2002 二零零二年 HK$'000 千港元**	2001 二零零一年 HK$'000 千港元
Segment revenue:	分類收益：						
Turnover	營業額	**481,000**	301,519	**157,118**	56,160	**638,118**	357,679
Other revenue	其他收益	**2,399**	39	**3,534**	3,405	**5,933**	3,444
Other segment information:	其他分類資料：						
Segment assets	分類資產	**487,675**	351,802	**287,908**	226,713	**775,583**	578,515
Capital expenditure	資本開支	**7,500**	3,591	**5,026**	7,232	**12,526**	10,823

5. TURNOVER, REVENUE AND GAINS

5. 營業額、收益及利潤

Turnover represents the value of contracting works performed; income received and receivable from the generation and sale of electric and steam power; and income from a project for the development, manufacturing and distribution of helicopters.

營業額乃指所執行合約工程之價值及源自生產及銷售電力及蒸汽之已收及應收收入以及來自開發、製造及經銷直升機項目之收入。

5. TURNOVER, REVENUE AND GAINS *(continued)*

5. 營業額、收益及利潤 *(續)*

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

營業額、其他收益及利潤分析如下：

		Group 集團	
		2002 二零零二年 *HK$ 港元*	2001 二零零一年 *HK$ 港元*
Turnover	**營業額**		
Value of contracting works performed	已執行合約工程之價值	**560,150,189**	309,416,546
Generation and sale of electric and steam power	生產及銷售電力及蒸汽	**71,688,267**	48,262,396
Share of profit from Project EC120 for the development, manufacturing and distribution of helicopters	分佔來自開發、製造及經銷直升機之項目EC120之溢利	**6,279,545**	–
		638,118,001	357,678,942
Other revenue	**其他收益**		
Interest income	利息收入	**2,611,226**	5,296,379
Income from installation of structure for steam supply	安裝供汽設施之收入	**2,554,396**	1,743,446
Warranted profit from a long term investment *(note 19)*	來自長期投資之保證溢利 *(附註19)*	**2,000,000**	–
Rental income	租務收入	**1,428,400**	1,512,000
Government subsidy	政府津貼	**655,514**	1,450,622
Others	其他	**723,923**	249,757
		9,973,459	10,252,204
Gains	**利潤**		
Gain on disposal of fixed assets	出售固定資產之利潤	**74,003**	–
Gain on disposal of subsidiaries	出售附屬公司之利潤	**–**	5,000
Other revenue and gains	其他收益及利潤	**10,047,462**	10,257,204

6. PROFIT/(LOSS) FROM OPERATING ACTIVITIES　6. 經營溢利／(虧損)

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

本集團之經營溢利／(虧損)於扣除／(計入)以下項目後釐定：

		Group 集團 2002 二零零二年 HK$ 港元	Group 集團 2001 二零零一年 HK$ 港元
Cost of contracting works:	合約工程成本：		
Cost of contracting works performed	已執行合約工程之成本	**515,841,561**	267,595,786
Provision for warranty *(note 27)*	保證撥備 *(附註27)*	**4,281,419**	1,207,897
Provision for inventory obsolescence	陳舊存貨撥備	**120,000**	–
		520,242,980	268,803,683
Cost of electric and steam power supply	電力及蒸汽銷售成本	**59,052,008**	37,394,960
		579,294,988	306,198,643
Depreciation *(note 14)*	折舊 *(附註14)*	**12,768,955**	10,923,819
Less: Amounts capitalised to long term construction contracts	*減：*撥作長期建築合約資本之款額	**(2,204,497)**	(1,429,355)
		10,564,458	9,494,464
Minimum lease payments under operating leases on land and buildings	土地及樓宇營業租約之最低租金	**2,160,718**	1,787,831
Less: Amounts capitalised to long term construction contracts	*減：*撥作長期建築合約資本之款額	**(831,949)**	(438,901)
		1,328,769	1,348,930
Staff costs (excluding directors' remuneration *(note 8)*):	員工成本(不包括董事酬金 *(附註8)*)：		
Wages and salaries	工資及薪金	**15,572,513**	17,546,561
Pension contributions	退休金供款	**2,526,499**	2,420,144
Less: Forfeited contributions	*減：*沒收供款	**(292,477)**	(263,898)
Net pension contributions	退休金供款淨額	**2,234,022**	2,156,246
Other operating expenses:	其他經營開支：		
Severance payments	遣散費	**97,264**	519,808
Provision for/(write back of) doubtful receivables, net*	呆賬撥備／(撥回)淨額*	**(63,622)**	9,768,858
Loss on disposal of fixed assets	出售固定資產之虧損	**–**	119
		33,642	10,288,785
Auditors' remuneration	核數師酬金	**838,000**	818,500
Overprovision in prior year	上一年度之超額撥備	**(38,500)**	–
		799,500	818,500
Exchange losses, net	匯兌差額淨額	**55,668**	24,372

6. PROFIT/(LOSS) FROM OPERATING ACTIVITIES *(continued)*

* Included in the prior year's provision for doubtful receivables was RMB7,430,000 (equivalent to HK$6,943,958) made against the amounts due from Asia Capital Financial Group Limited ("Asia Capital"), the minority shareholder in Hangzhou Sealand and 盈華實業有限公司, a subsidiary of Asia Capital (see note 34(a)(ii)). Pursuant to the letter of consent from Asia Capital dated 30 April 2002, the Group set off dividends of Hangzhou Sealand payable to Asia Capital amounting to RMB2,240,310 (equivalent to HK$2,093,748) against the amount due to the Group as partial settlement. Accordingly, provision for doubtful receivables of HK$2,093,748 was written back in the current year.

6. 經營溢利╱(虧損)*(續)*

* 上一年應收呆賬之撥備包括就杭州海聯少數股東亞洲金融財務集團有限公司(「亞洲金融」)及亞洲金融之附屬公司盈華實業有限公司結欠人民幣7,430,000元(相等於6,943,958港元)之撥備(見附註34(a)(ii))。根據二零零二年四月三十日由亞洲金融發出之同意書,本集團抵扣杭州海聯應付予亞洲金融的股息人民幣2,240,310元(約等於2,093,748港元),以償還欠本集團部份款項。因此,為數2,093,748港元之應收賬款呆賬撥備已於本年度回撥。

7. FINANCE COSTS

7. 財政開支

		Group 集團	
		2002 二零零二年	2001 二零零一年
		HK$ 港元	*HK$ 港元*
Interest on overdrafts and bank loans wholly repayable within five years	須於五年內全部償還之透支及銀行貸款之利息	**2,722,258**	2,642,960
Less: Amounts capitalised to long term construction contracts	*減:*撥作長期建築合約資本之款額	**(888,239)**	(835,401)
		1,834,019	1,807,559
Interest payable on finance leases	融資租約之應付利息	**–**	104,876
		1,834,019	1,912,435

8. DIRECTORS' REMUNERATION

8. 董事酬金

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

根據上市規則及公司條例第161條披露之董事酬金如下：

		Group 集團 2002 二零零二年 HK$ 港元	Group 集團 2001 二零零一年 HK$ 港元
Fees:	袍金：		
Executive directors	執行董事	**216,000**	216,000
Non-executive directors	非執行董事	**360,000**	360,000
		576,000	576,000
Other emoluments (executive directors):	其他酬金（執行董事）：		
Basic salaries, housing, other allowances and benefits in kind	基本薪金、房貼、其他津貼及實物利益	**7,510,000**	7,039,196
Retirement scheme contributions	退休金計劃供款	**464,280**	459,197
Bonuses paid or payable	已付或應付花紅	**1,060,000**	470,000
		9,610,280	8,544,393

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

酬金在下列範圍之董事人數如下：

		Number of directors 董事人數 2002 二零零二年	Number of directors 董事人數 2001 二零零一年
Nil – HK$1,000,000	零至1,000,000港元	**6**	7
HK$1,500,001 – HK$2,000,000	1,500,001港元至2,000,000港元	**–**	1
HK$2,000,001 – HK$2,500,000	2,000,001港元至2,500,000港元	**1**	–
HK$2,500,001 – HK$3,000,000	2,500,001港元至3,000,000港元	**1**	2
HK$3,500,001 – HK$4,000,000	3,500,001港元至4,000,000港元	**1**	–
		9	10

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8. DIRECTORS' REMUNERATION *(continued)*

The total remuneration of the independent non-executive directors for the year amounted to HK$240,000 (2001: HK$240,000). The directors' remuneration has not been included in the staff costs disclosed in note 6 above. There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

8. 董事酬金(續)

本年度之獨立非執行董事酬金總額為240,000港元(二零零一年:240,000港元)。董事酬金並無計入上述附註6所披露之員工成本。年內並無任何安排致使董事放棄或同意放棄任何酬金。

9. FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

The five highest paid individuals included three (2001: three) directors, details of whose remuneration are set out in note 8 above. The remuneration of the other two (2001: two) non-director, highest paid individuals is analysed and fell within the bands set out below.

9. 五名最高薪僱員酬金

五名最高薪人士包括三名(二零零一年:三名)董事,彼等酬金之詳情載於上文附註8。其餘兩名(二零零一年:兩名)最高薪非董事人士之酬金在下列範圍並分析如下:

		Group 集團	
		2002 二零零二年 HK$ 港元	2001 二零零一年 HK$ 港元
Basic salaries, housing, other allowances and benefits in kind	基本薪金、房貼、其他津貼及實物利益	**2,656,500**	2,673,952
Retirement scheme contributions	退休金計劃供款	**138,408**	131,838
Bonuses paid or payable	已付或應付花紅	**441,000**	170,000
		3,235,908	2,975,790

		Number of employees 僱員人數	
		2002 二零零二年	2001 二零零一年
HK$1,000,001 – HK$1,500,000	1,000,001港元至1,500,000港元	**1**	1
HK$1,500,001 – HK$2,000,000	1,500,001港元至2,000,000港元	**1**	1
		2	2

10. TAX

No Hong Kong profits tax has been provided as the Group had available tax losses brought forward to offset the assessable profits arising in Hong Kong for the current and prior years. The tax charge for the current and prior years represent income tax in the mainland of the PRC, which is calculated at the applicable tax rate based on existing PRC legislations, interpretations and practices in respect thereof.

The tax charge for the year is represented by:

10. 稅項

由於本集團承前可用之稅務虧損足以抵銷本年度及上年度在香港產生之應課稅溢利，因此並無作出香港利得稅撥備。在中國內地本年度及上年度之稅項開支乃根據有關現行中國法例、詮釋及慣例訂定之適用稅率所計算之中國所得稅。

本年度之稅項開支如下：

		Group 集團	
		2002 二零零二年 *HK$ 港元*	2001 二零零一年 *HK$ 港元*
Group:	集團：		
Mainland China	中國大陸	**3,007,813**	774,468
Hong Kong – underprovision in prior year	香港－過往年度撥備不足	**66,563**	–
Share of tax attributable to an associate	分佔聯營公司稅項	**–**	24,287
Tax charge for the year	本年度稅項支出	**3,074,376**	798,755

There was no provision for deferred tax in respect of the year (2001: Nil).

本年度並無任何遞延稅項撥備(二零零一年：無)。

10. TAX *(continued)*

The principal components of the Group's unprovided deferred tax (asset)/liability arising from tax losses and cumulative timing differences at the balance sheet date, calculated at 16% (2001: 16%), are as follows:

10. 稅項 *(續)*

於結算日，按稅率16%（二零零一年：16%）計算之本集團來自稅項虧損及累計時差之未撥備遞延稅項（資產）╱負債之主要部份如下：

		Group 集團	
		2002 二零零二年 *HK$ 港元*	2001 二零零一年 *HK$ 港元*
Accelerated depreciation allowances	加速折舊抵免	**560,793**	(124,291)
Revenue deferred for tax purposes	稅項遞延收入	**–**	8,457,653
Tax losses carried forward	稅項虧損結轉	**(16,299,702)**	(28,908,386)
General provision for bad debts	壞賬一般撥備	**(522,240)**	(254,400)
Others	其他	**(1,070,124)**	(7,447)
		(17,331,273)	(20,836,871)

11. NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net loss from ordinary activities attributable to shareholders dealt with in the financial statements of the Company is HK$1,483,100 (2001: HK$76,931,598).

11. 股東應佔日常業務溢利╱（虧損）淨額

於本公司財務報告中處理之股東應佔日常業務虧損淨額為1,483,100港元（二零零一年：76,931,598港元）。

12. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the net profit attributable to shareholders for the year of HK$15,321,818 (2001: net loss attributable to shareholders of HK$69,319,808) and the weighted average of 3,412,717,301 (2001: 2,965,969,603) shares in issue during the year.

12. 每股盈利╱（虧損）

每股基本盈利╱（虧損）乃根據年內股東應佔溢利淨額15,321,818港元（二零零一年：69,319,808港元之股東應佔虧損淨額）及年內已發行股份之加權平均數3,412,717,301股（二零零一年：2,965,969,603股）計算。

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12. EARNINGS/(LOSS) PER SHARE *(continued)*

The calculation of diluted earnings per share is based on the net profit attributable to shareholders for the year of HK$15,321,818 and the weighted average number of 3,413,767,370 shares, being the aggregate of the weighted average number of 3,412,717,301 shares in issue during the year, as used in the basic earnings per share calculation and the weighted average of 1,050,069 shares assumed to have been issued at no consideration on the deemed exercise of outstanding share options in full during the year.

In the prior year, no diluted loss per share has been presented as the outstanding share options, if fully exercised, would not have had a dilutive effect on the basic loss per share.

12. 每股盈利／(虧損)*(續)*

每股攤薄盈利乃根據股東年內應佔溢利淨額15,321,818港元及年內已發行股份之加權平均數3,413,767,370股計算，該加權平均數乃用作計算每股基本盈利之加權平均數3,412,717,301股及假設尚未行使之購股權於年度全數獲行使而無償發行股份之加權平均數1,050,069股兩者之總和。

由於上一年度全面行使尚未行使之購股權不會對每股基本虧損有攤薄影響，故此並無呈列每股攤薄虧損。

13. INVESTMENT PROPERTIES

13. 投資物業

		Group 集團 2002 二零零二年 *HK$ 港元*	Company 公司 2002 二零零二年 *HK$ 港元*
At beginning of year	年初	**21,200,000**	**21,200,000**
Transfer from properties held for sale *(note 20)*	轉撥自待售物業*(附註20)*	**3,091,481**	**–**
Deficit on revaluation	重估減值	**(1,400,000)**	**(1,400,000)**
At 31 December 2002	於二零零二年十二月三十一日	**22,891,481**	**19,800,000**

The investment property of the Company was revalued by Norton Appraisals Limited, a firm of independent professionally qualified valuers, at HK$19,800,000 on an open market and existing use basis as at 31 December 2002 (2001 HK$21,200,000). The deficit of HK$1,400,000 (2001: HK$1,800,000) arising from the revaluation was charged to the consolidated profit and loss account.

獨立專業合資格估值師普敦國際評估有限公司按公開市值及現有用途基準對本公司投資物業於二零零二年十二月三十一日之估值為19,800,000港元(二零零一年：21,200,000港元)。重估減值1,400,000港元(二零零一年：1,800,000港元)已自綜合損益賬中扣除。

13. INVESTMENT PROPERTIES *(continued)*

The investment properties of the subsidiaries were revalued by Vigers Hong Kong Ltd., a firm of independent professionally qualified valuers, at HK$3,091,481 (2001: HK$3,091,481) on an open market and existing use basis. The revaluation did not give rise to any deficit for both the current and prior years.

The investment properties are leased to third parties under operating lease arrangements. Further details of which are included in note 32(a) to the financial statements. An analysis of the investment properties is as follows:

13. 投資物業（續）

獨立專業合資格估值師威格斯（香港）有限公司按公開市值及現有用途基準對附屬公司之投資物業重新估值為3,091,481港元（二零零一年：3,091,481港元）。該項重估並無導致本年度及上年度任何減值。

投資物業乃根據經營租約安排租予第三者。詳情載於財務報告附註32(a)。投資物業之分析如下：

		Group 集團 2002 二零零二年 *HK$* *港元*	Company 公司 2002 二零零二年 *HK$* *港元*
Hong Kong, held under a long term lease	香港，按長期租約持有	**19,800,000**	**19,800,000**
The PRC other than Hong Kong, held under medium term leases	中國（香港以外），按中期租約持有	**3,091,481**	**–**
		22,891,481	**19,800,000**

14. FIXED ASSETS 14. 固定資產

Group 集團		Construction in progress 在建工程 HK$ 港元	Leasehold land and buildings 租約土地及樓宇 HK$ 港元	Leasehold improvements 租約物業裝修 HK$ 港元	Plant and machinery 廠房及機器 HK$ 港元	Generation plant and related structure 生產設備及相關結構 HK$ 港元	Furniture, fixtures and equipment 傢俬、裝置及設備 HK$ 港元	Motor vehicles 汽車 HK$ 港元	Tools and moulds 工具及模具 HK$ 港元	Total 合計 HK$ 港元
Cost or valuation:	原值或估值：									
At beginning of year	年初	34,579	69,638,359	10,370,081	7,114,775	68,400,000	12,920,944	7,923,985	1,368,134	177,770,857
Additions	添置	1,451,072	94,539	1,853,096	3,305,226	3,207,623	1,191,965	1,384,879	37,582	12,525,982
Disposals	出售	–	–	–	–	(12,720)	(18,454)	(158,560)	–	(189,734)
Surplus on revaluation *(note 30)*	重估盈餘 *(附註30)*	–	–	–	–	(3,428,405)	–	–	–	(3,428,405)
Transfer from properties held for sale *(note 20)*	轉撥自待售物業 *(附註20)*	–	1,723,800	–	–	–	–	–	–	1,723,800
Transfer from construction in progress	轉撥自在建工程	(1,073,502)	–	–	–	1,073,502	–	–	–	–
At 31 December 2002	**於二零零二年十二月三十一日**	**412,149**	**71,456,698**	**12,223,177**	**10,420,001**	**69,240,000**	**14,094,455**	**9,150,304**	**1,405,716**	**188,402,500**
Analysis of cost or valuation:	原值或估值分析：									
At cost	按原值	412,149	71,456,698	12,223,177	10,420,001	–	14,094,455	9,150,304	1,405,716	119,162,500
At 31 December 2002 valuation	**按二零零二年十二月三十一日之估值**	**–**	**–**	**–**	**–**	**69,240,000**	**–**	**–**	**–**	**69,240,000**
		412,149	71,456,698	12,223,177	10,420,001	69,240,000	14,094,455	9,150,304	1,405,716	188,402,500
Accumulated depreciation:	累積折舊：									
At beginning of year	年初	–	16,634,398	9,880,639	5,251,762	–	11,235,611	4,504,649	1,341,320	48,848,379
Provided during the year	年內撥備	–	2,434,625	266,694	1,217,856	6,461,219	903,522	1,448,829	36,210	12,768,955
Disposals	出售	–	–	–	–	(326)	(18,454)	(157,003)	–	(175,783)
Surplus on revaluation *(note 30)*	重估盈餘 *(附註30)*	–	–	–	–	(6,460,893)	–	–	–	(6,460,893)
At 31 December 2002	**於二零零二年十二月三十一日**	**–**	**19,069,023**	**10,147,333**	**6,469,618**	**–**	**12,120,679**	**5,796,475**	**1,377,530**	**54,980,658**
Net book value:	賬面淨值：									
At 31 December 2002	**於二零零二年十二月三十一日**	**412,149**	**52,387,675**	**2,075,844**	**3,950,383**	**69,240,000**	**1,973,776**	**3,353,829**	**28,186**	**133,421,842**
At 31 December 2001	於二零零一年十二月三十一日	34,579	53,003,961	489,442	1,863,013	68,400,000	1,685,333	3,419,336	26,814	128,922,478

14. FIXED ASSETS *(continued)*

14. 固定資產*(續)*

Company

公司

		Furniture, fixtures and equipment 傢俬、裝置及設備 *HK$ 港元*	**Motor vehicles 汽車** *HK$ 港元*	**Total 合計** *HK$ 港元*
Cost:	原值:			
At beginning of year	年初	306,514	780,000	1,086,514
Additions	添置	13,200	–	13,200
At 31 December 2002	**於二零零二年十二月三十一日**	**319,714**	**780,000**	**1,099,714**
Accumulated depreciation:	累積折舊:			
At beginning of year	年初	179,496	390,000	569,496
Provided during the year	年內撥備	38,343	195,000	233,343
At 31 December 2002	**於二零零二年十二月三十一日**	**217,839**	**585,000**	**802,839**
Net book value:	賬面淨值:			
At 31 December 2002	**於二零零二年十二月三十一日**	**101,875**	**195,000**	**296,875**
At 31 December 2001	於二零零一年十二月三十一日	127,018	390,000	517,018

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

本集團之租約土地及樓宇分析如下:

At cost, located in:	原值,位於	*HK$ 港元*
Hong Kong, held under a long term lease	香港,按長期租約持有	6,000,000
The PRC other than Hong Kong, held under a medium term lease	中國(香港以外),按中期租約持有	65,456,698
		71,456,698

14. FIXED ASSETS *(continued)*

At 31 December 2002, certain of the Group's leasehold land and buildings and generation plant and related structure with net book values of approximately HK$5,226,000 (2001: HK$22,850,000) and HK$34,672,000 (2001: HK$18,500,000), respectively, were pledged to secure general banking facilities granted to the Group (see note 24 (i) and (ii)).

At 31 December 2002, the Group's generation plant and related structure was revalued at HK$69,240,000 (2001: HK$68,400,000) by Norton Appraisals Limited on an open market and existing use basis, resulting in a revaluation surplus of HK$3,032,488 (2001: revaluation deficit of HK$8,566,040). Out of the revaluation surplus of HK$3,032,488, HK$2,648,812 was credited to the consolidated profit and loss account and the remaining amount of HK$383,676 to fixed assets revaluation reserve (see note 30). In the prior year, the entire amount of revaluation deficit of HK$8,566,040 was charged to the consolidated profit and loss account for that year. Had these generation plant and related structure been carried at historical cost less accumulated depreciation and impairment losses, their carrying amounts would have been HK$66,208,000 (2001: HK$68,400,000).

In the prior year, prior to its transfer to other categories of fixed assets, the carrying amount of construction in progress included capitalised interest of HK$232,049. No interest was capitalised in the construction in progress at the balance sheet date (2001: Nil).

14. 固定資產 *(續)*

於二零零二年十二月三十一日，本集團賬面淨值分別約5,226,000港元(二零零一年：22,850,000港元)及34,672,000港元(二零零一年：18,500,000港元)之若干租約土地及樓宇與生產設備及相關結構已抵押以擔保本集團獲授一般銀行信貸(見附註24(i)及(ii))。

於二零零二年十二月三十一日，本集團之生產設備及相關結構由普敦國際評估有限公司按公開市值及現有用途基準進行重新估值為69,240,000港元（二零零一年：68,400,000港元），由此產生重估盈餘3,032,488港元(二零零一年：重估減值8,566,040港元)。重估盈餘3,032,488港元中的2,648,812港元及383,676港元已分別計入綜合損益賬及固定資產重估儲備(見附註30)。上年度的重估減值8,566,040港元已全數在該年度綜合損益賬內扣除。倘該等生產設備及相關結構以歷史成本減除累積折舊及減值虧損後入賬，則其賬面金額會為66,208,000港元(二零零一年：68,400,000港元)。

於上一年度，於轉撥至其他類別之固定資產前，在建工程之賬面值包括資本化利息232,049港元。於結算日在建工程並無利息撥充資本(二零零一年：無)。

15. FINANCIAL ASSET UNDER PROJECT EC120

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

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

15. 就項目EC120之財務資產

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

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

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

The income assignment agreement was completed on 17 October 2002. As the investment represents a contractual right to receive cash in the future from another enterprise, total investment cost of HK$39,759,462, including the related professional fees of HK$2,023,613, was capitalised as a non-current financial asset in the balance sheet and is stated at cost less impairment losses, if any. Further details of this acquisition are disclosed in the circular of the Company dated 20 June 2002.

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

15. 就項目EC120之財務資產 *(續)*

該收入轉讓協議已於二零零二年十月十七日完成。由於該項投資指日後從另一家企業收取現金之合約權利，故投資總成本39,759,462港元(包括相關專業費用2,023,613港元)已撥作資本，於資產負債表中作為非流動資產，並按成本扣除減值虧損(如有)列賬。該項收購之進一步詳情已於二零零二年六月二十日之本公司通函中披露。

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

16. GOODWILL

The amount of goodwill capitalised as an asset arising from the acquisition of Hangzhou Sealand less accumulated amortisation and impairment loss is as follows:

16. 商譽

收購杭州海聯撥作資本而產生之商譽減除累積攤銷及減值虧損後之金額如下：

		Group 集團 *HK$* *港元*
Cost:	原值：	
At 1 January 2002 and 31 December 2002	於二零零二年一月一日及二零零二年十二月三十一日	72,189,560
Accumulated amortisation and impairment:	累積攤銷及減值：	
At 1 January 2002	於二零零二年一月一日	26,926,220
Amortisation for the year	年內攤銷	2,382,281
At 31 December 2002	**於二零零二年十二月三十一日**	**29,308,501**
Net carrying amount:	賬面淨值：	
At 31 December 2002	**於二零零二年十二月三十一日**	**42,881,059**
At 31 December 2001	於二零零一年十二月三十一日	45,263,340

The Group initially acquired 31% equity interest in Hangzhou Sealand in September 2000 and in February 2001, the Group acquired a further 39%, resulting in goodwill in the aggregate amount of HK$72,189,560.

The value of Hangzhou Sealand as at 31 December 2001 and 2002 was revalued by Norton Appraisals Limited through the application of discounted cash flow method. In the prior year, as a result of the adverse operating environment relating to Hangzhou Sealand, including the rise in raw material cost and the reduction of pricing on sales of electricity which occurred subsequent to the acquisition of the further 39% equity interest in Hangzhou Sealand, an impairment loss of HK$23 million was charged to the consolidated profit and loss for the year ended 31 December 2001. There was no further impairment in the current year.

於二零零零年九月，本集團首次購入杭州海聯31%之股本權益，並於二零零一年二月增持39%，由此產生的商譽總額72,189,560港元。

杭州海聯之價值已於二零零一年及二零零二年十二月三十一日由普敦國際評估有限公司透過折現現金流量法重新估值。於上一年度，由於增持杭洲海聯39%股本權益後出現不利杭洲海聯之經營環境，包括原料成本上漲及電力銷售價格下降，故已於截至二零零一年十二月三十一日止年度之綜合損益賬中扣除減值虧損23,000,000港元。年內並無進一步錄得減值。

17. INTERESTS IN SUBSIDIARIES

17. 附屬公司權益

		Company 公司	
		2002 二零零二年 *HK$ 港元*	2001 二零零一年 *HK$ 港元*
Unlisted shares, at cost	非上市股份，原值	**43,652,079**	43,652,031
Due from subsidiaries	附屬公司之欠款	**478,487,570**	439,092,149
Due to subsidiaries	欠附屬公司之款項	**(34,506)**	(34,490)
		522,105,143	482,709,690
Less: Provision for impairment	*減：*虧損撥備	**(43,600,000)**	(43,600,000)
Provision for amounts due from subsidiaries	附屬公司之欠款撥備	**(223,976,497)**	(232,467,469)
		254,528,646	206,642,221

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

與附屬公司有關之款項餘額為無抵押、免息且無固定還款期。

17. INTERESTS IN SUBSIDIARIES *(continued)*

17. 附屬公司權益 *(續)*

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

於結算日之附屬公司詳情如下：

Name 名稱	Place of incorporation/ registration and operations 註冊成立／登記及營業地點	Nominal value of issued and fully paid-up ordinary/ registered 已發行及繳足普通股本／註冊股本之面值	Percentage of equity attributable to the Company 本公司應佔股權百分比 Direct 直接	Indirect 間接	Principal activities 主要業務
FEA Holdings Limited	Cayman Islands 開曼群島	US$6,000 6,000美元	100	–	Investment holding 投資控股
Far East Aluminium (Asia) Limited	British Virgin Islands 英屬處女群島	US$100 100美元	–	100	Investment holding 投資控股
Far East Aluminium (B.V.I.) Limited	British Virgin Islands 英屬處女群島	US$6,000 6,000美元	–	100	Investment holding 投資控股
FEA Engineering Limited	British Virgin Islands 英屬處女群島	US$100 100美元	–	100	Investment holding 投資控股
FEA Investments Limited	British Virgin Islands 英屬處女群島	US$1 1美元	–	100	Investment holding 投資控股
Polyson Investment Limited	British Virgin Islands 英屬處女群島	US$1 1美元	100	–	Investment holding 投資控股
China Geographic Information Holdings Limited	British Virgin Islands 英屬處女群島	US$2 2美元	100	–	Dormant 暫無營業

17. INTERESTS IN SUBSIDIARIES *(continued)* 17. 附屬公司權益 *(續)*

Name 名稱	Place of incorporation/ registration and operations 註冊成立／登記及營業地點	Nominal value of issued and fully paid-up ordinary/ registered 已發行及繳足普通股本／註冊股本之面值	Percentage of equity attributable to the Company 本公司應佔股權百分比 Direct 直接	Indirect 間接	Principal activities 主要業務
Strong Power International Limited 強勢國際有限公司	Hong Kong 香港	HK$2 2港元	–	100	Investment holding 投資控股
Willbert Limited	British Virgin Islands 英屬處女群島	US$1 1美元	–	100	Dormant 暫無營業
CATIC Helicopter (H.K.) Limited	British Virgin Islands 英屬處女群島	US$2 2美元	100	–	Investment holding 投資控股
CATIC General Aviation Holdings Limited ("CATIC GA")	British Virgin Islands 英屬處女群島	US$2 2美元	100	–	Investment holding 投資控股
CATIC Helicopter Development (Shenzhen) Limited 中航技直升機技術服務(深圳)有限公司	PRC/Mainland China 中國／國內	HK$42,000,000 42,000,000港元	–	100	Investment holding 投資控股
Better View Investment Limited 啟先投資有限公司	Hong Kong/ Mainland China 香港／國內	HK$2 2港元	–	100	Property holding 持有物業
Far East Aluminium Works (Guangzhou) Company Limited 遠東鋁質工程(廣州)有限公司	Hong Kong/ Mainland China 香港／國內	HK$2 2港元	–	100	Property holding 持有物業

17. INTERESTS IN SUBSIDIARIES *(continued)* 17. 附屬公司權益 *(續)*

Name 名稱	Place of incorporation/ registration and operations 註冊成立／登記及營業地點	Nominal value of issued and fully paid-up ordinary/ registered 已發行及繳足普通股本／註冊股本之面值	Percentage of equity attributable to the Company 本公司應佔股權百分比 Direct 直接	Indirect 間接	Principal activities 主要業務
Loyal Truth Investment Limited 利夏威投資有限公司	Hong Kong/ Mainland China 香港／國內	HK$2 2港元	–	100	Property holding 持有物業
Total Real Investment Limited 充實投資有限公司	Hong Kong/ Mainland China 香港／國內	HK$2 2港元	–	100	Property holding 持有物業
FEA Technology Limited 遠東工業科技有限公司	Hong Kong 香港	HK$2 2港元	–	100	Provision of transportation services 提供運輸服務
Far East Aluminium Works Company Limited 遠東鋁質工程有限公司	Hong Kong 香港	HK$200 200港元	–	100	Design, manufacture and installation of curtain wall, aluminium windows and other related products 設計、製造及安裝玻璃幕牆、鋁窗及其他有關產品

17. INTERESTS IN SUBSIDIARIES *(continued)* 17. 附屬公司權益 *(續)*

Name 名稱	Place of incorporation/ registration and operations 註冊成立／登記及營業地點	Nominal value of issued and fully paid-up ordinary/ registered 已發行及繳足普通股本／註冊股本之面值	Percentage of equity attributable to the Company 本公司應佔股權百分比 Direct 直接	 Indirect 間接	Principal activities 主要業務
Seniford Engineering Limited (formerly known as Seniford Limited) 先利富工程有限公司（前稱為先利富有限公司）	Hong Kong 香港	HK$2 2港元	–	100	Design, manufacture and installation of curtain wall, aluminium windows and other related products 設計、製造及安裝玻璃幕牆、鋁窗及其他有關產品
Heng Fai International Ltd.	British Virgin Islands/ Mainland China 英屬處女群島／國內	HK$1,000 1,000港元	–	100	Manufacture of curtain wall and aluminium windows 製造玻璃幕牆及鋁窗
Netfortune Limited 力進有限公司	Hong Kong/ Mainland China 香港／國內	HK$500,000 500,000港元	–	100	Installation of curtain wall and aluminium windows 安裝玻璃幕牆及鋁窗
China Aero International Group Limited 中國航空技術國際控股有限公司	Hong Kong 香港	HK$2 2港元	–	100	Dormant 暫無營業

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17. INTERESTS IN SUBSIDIARIES *(continued)* 17. 附屬公司權益 *(續)*

Name 名稱	Place of incorporation/ registration and operations 註冊成立／登記及營業地點	Nominal value of issued and fully paid-up ordinary/ registered 已發行及繳足普通股本／註冊股本之面值	Percentage of equity attributable to the Company 本公司應佔股權百分比 Direct 直接	Indirect 間接	Principal activities 主要業務
Starnet Investment Limited	British Virgin Islands 英屬處女群島	US$1 1美元	100	–	Investment holding 投資控股
Hangzhou Sealand Electric Power Company Limited ("Hangzhou Sealand") 杭州海聯熱電有限公司（「杭州海聯」）	PRC/Mainland China 中國／國內	RMB50,000,000 人民幣50,000,000元	–	70	Generation and sale of electric and steam power 生產及銷售電力及蒸汽

18. INTEREST IN AN ASSOCIATE 18. 聯營公司權益

	Group 集團		Company 公司	
	2002 二零零二年 HK$ 港元	2001 二零零一年 HK$ 港元	**2002 二零零二年 HK$ 港元**	2001 二零零一年 HK$ 港元
Unlisted shares, at cost 非上市股份，原值	**–**	–	**5,567,614**	–
Share of net assets 分佔資產淨值	**5,562,085**	–	**–**	–
	5,562,085	–	**5,567,614**	–

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18. INTEREST IN AN ASSOCIATE *(continued)*

18. 聯營公司權益 *(續)*

Particulars of the associate are as follows:

聯營公司詳情如下：

Name 名稱	Business structure 業務結構	Place of incorporation/ registration and operations 註冊成立／登記及營業地點	Percentage of equity interest attributable to the Group 2002 二零零二年集團應佔股本權益百分比	Principal activities 主要業務
China Nav-Info Co., Ltd. 北京四維圖新導航信息技術有限公司	Corporate 公司	PRC/Mainland China 中國／國內	20	Manufacture of location-based navigation products and related services 生產定位導航產品及提供相關服務

19. LONG TERM INVESTMENTS

19. 長期投資

		Notes 附註	Group 集團 2002 二零零二年 HK$ 港元	Group 集團 2001 二零零一年 HK$ 港元
Unlisted, at cost	非上市投資，原值			
FEA Design & Engineering N.V. ("FEA Design")	FEA Design & Engineering N.V. ("FEA Design")	*(i)*	**100,000**	100,000
Pimpernel Resources Limited ("Pimpernel")	Pimpernel Resources Limited ("Pimpernel")	*(ii)*	**36,414,905**	36,414,905
Guaranteed funds and certificates of deposits	保本基金及存款證	*(iii)*	**24,624,880**	–
Others	其他		**200,000**	200,000
			61,339,785	36,714,905
Advance to FEA Design	墊款予FEA Design	*(i)*	**20,000**	20,000
			61,359,785	36,734,905
Less: Provision for impairment	*減：*虧損撥備		**(36,534,905)**	(36,534,905)
			24,824,880	200,000

19. LONG TERM INVESTMENTS *(continued)*

Notes:

(i) The Group holds a 20% equity interest in FEA Design. However, the Group's interest in FEA Design has been classified under long term investments as, in the opinion of the directors, the Group does not exercise any influence over the operation of FEA Design and has no obligation to continue financing its operation. Full provision was made against the investment cost and the advance to FEA Design in the prior year.

(ii) During the year ended 31 December 2001, the Group acquired from an independent third party (the "Vendor") a 23.5% equity interest in Pimpernel which had been classified under long term investments as, in the opinion of the directors, the Group has not exercised any influence over the operation of this company and has no obligation to finance its operation. Pursuant to the agreement entered into between the Vendor and the Group, the Vendor has warranted that the Group's 23.5% share in the audited profit after tax of Pimpernel for the period from 1 April 2001 to 31 March 2002 will not be less than HK$2,000,000 (the "Warranted Profit").

In the opinion of the directors, the Group would not be able to recover the investment cost in Pimpernel in light of the continued difficult operating conditions of the industry sector in which Pimpernel was operating. Furthermore, the directors also had doubts as to whether the Vendor was able to honour the Warranted Profit. Accordingly, an impairment loss of HK$36,414,905 was provided and charged to the consolidated profit and loss account in prior year.

During the year, the Group has received the Warranted Profit of HK$2,000,000 which has been recorded as other revenue in the consolidated profit and loss account (note 5 to the financial statements).

19. 長期投資 *(續)*

附註：

(i) 本集團持有FEA Design 20%股權。然而，董事認為，由於本集團並無對FEA Design之業務行使任何影響力，及無責任須為其業務提供融資，因此FEA Design之權益已列入長期投資項下。上一年度已就本集團在FEA Design之投資成本及向其提供之墊款作出全數撥備。

(ii) 於截至二零零一年十二月三十一日止年度，本集團向一位獨立第三者(「賣方」)收購Pimpernel之23.5%股權，董事認為，由於本集團並無對Pimpernel之業務行使任何影響力，並毋須為其業務提供融資，因此在該公司之權益已歸入長期投資項下。根據由賣方及本集團訂立之協議，賣方保證本集團應佔二零零一年四月一日至二零零二年三月三十一日止期間Pimpernel 23.5%經審核稅後溢利將不會少於2,000,000港元(「保證溢利」)。

董事認為，鑑於Pimpernel所在之行業經營條件持續困難，本集團可能難以收回於Pimpernel之投資成本，此外董事亦懷疑賣方是否能夠實現保證溢利。因此，為數36,414,905港元之減值虧損獲撥備，並在上年度綜合損益賬中扣除。

年內，本集團已收到該保證溢利2,000,000港元，並已於綜合損益賬入賬列作其他收益(財務報告附註5)。

19. LONG TERM INVESTMENTS *(continued)*

19. 長期投資 *(續)*

(iii) The guaranteed funds and certificates of deposits amounting to HK$22,624,880 (2001: Nil) have been pledged to banks to secure certain banking facilities granted to the Group.

(iii) 保本基金及存款證22,624,880港元(二零零一年:無)已抵押予銀行,作為本集團獲授若干銀行融資之抵押。

20. PROPERTIES HELD FOR SALE

20. 待售物業

		Group 集團	
		2002 二零零二年 *HK$ 港元*	2001 二零零一年 *HK$ 港元*
Balance at beginning of year	年初結存	**30,645,650**	27,554,169
Additions	添置	**–**	3,091,481
Transfer to investment properties *(note 13)*	轉撥至投資物業 *(附註13)*	**(3,091,481)**	–
Transfer to fixed assets *(note 14)*	轉撥至固定資產 *(附註14)*	**(1,723,800)**	–
		25,830,369	30,645,650
Less: Provision for impairment	*減:*虧損撥備	**(4,341,369)**	(4,341,369)
At lower of carrying cost or net realisable value	賬面值或可變現淨值(較低者)	**21,489,000**	26,304,281

The properties are stated at the lower of carrying cost or net realisable value based on their market value as at the balance sheet date as determined by the revaluation on an individual property basis, performed on an open market value basis as at 31 December 2002 by Vigers Hong Kong Ltd.

該等物業按賬面值或可變現淨值兩者中較低者入賬,後者價值乃根據威格斯(香港)有限公司以二零零二年十二月三十一日之公開市值為基準按個別物業進行重估下所釐定之該等物業於結算日之市值計算。

The properties held for sale as at 31 December 2002 and 2001 were carried at their net realisable values.

於二零零二年及二零零一年十二月三十一日,待售物業乃按可變現淨值列賬。

Subsequent to the balance sheet date, sale and purchase agreements were entered into for the disposal of these properties (note 35).

於結算日後,已就出售該等物業訂立買賣協議(附註35)。

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21. INVENTORIES 21. 存貨

		Group 集團	
		2002 二零零二年 HK$ 港元	2001 二零零一年 HK$ 港元
Raw materials	原料	**5,099,960**	3,528,997
Sub-materials	副原料	**2,114,989**	2,145,938
		7,214,949	5,674,935
Less: Provision for obsolescence	*減*:陳舊準備	**(1,617,727)**	(1,497,727)
		5,597,222	4,177,208

There were no inventories carried at net realisable value at the balance sheet date (2001: Nil).

於結算日，並無存貨以可變現淨值列賬(二零零一年：無)。

22. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS 22. 合約客戶欠款／(欠合約客戶款項)

		Group 集團	
		2002 二零零二年 HK$ 港元	2001 二零零一年 HK$ 港元
Costs incurred to date on long term construction contracts plus attributable profits, less foreseeable losses	長期建築合約至今已發生之支出加應佔溢利減可預見之虧損	**2,391,784,258**	1,750,771,558
Less: Progress payments received and receivable	*減*:已收及應收進度付款	**(2,510,669,587)**	(1,881,661,244)
		(118,885,329)	(130,889,686)
Amount due from contract customers	合約客戶欠款	**36,882,264**	13,646,010
Amount due to contract customers	欠合約客戶款項	**(155,767,593)**	(144,535,696)
		(118,885,329)	(130,889,686)

23. ACCOUNTS AND RETENTIONS RECEIVABLE 23. 應收賬項及保固金

		Group 集團 2002 二零零二年 HK$ 港元	Group 集團 2001 二零零一年 HK$ 港元
Accounts receivable	應收賬款	**161,405,153**	88,367,919
Retentions receivable	應收保固金	**94,194,149**	72,616,841
		255,599,302	160,984,760
Less: Provision for doubtful debts	*減：*呆賬撥備	**(12,970,382)**	(13,057,698)
		242,628,920	147,927,062

An aged analysis of accounts receivable is as follows: 應收賬款之賬齡分析如下：

		Group 集團 2002 二零零二年 HK$ 港元	Group 集團 2001 二零零一年 HK$ 港元
Current	即期	**127,437,584**	71,145,276
31-60 days	31-60日	**2,971,826**	13,890,191
61-90 days	61-90日	**16,108,774**	139,800
Over 90 days	90日以上	**14,886,969**	3,192,652
		161,405,153	88,367,919
Less: Provision for doubtful debts	*減：*呆賬撥備	**(2,502,608)**	(3,235,924)
		158,902,545	85,131,995

23. ACCOUNTS AND RETENTIONS RECEIVABLE *(continued)*

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

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

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

23. 應收賬項及保固金*(續)*

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

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

銷售電力及蒸汽之應收款項之信貸期一般為30至60日。

24. INTEREST-BEARING BANK BORROWINGS 24. 計息銀行貸款

		Group 集團 2002 二零零二年 HK$ 港元	2001 二零零一年 HK$ 港元
Bank overdrafts, secured	銀行透支，有抵押	**–**	13,405
Import loans, secured	進口貸款，有抵押	**44,342,643**	23,546
Bank loans, secured	銀行貸款，有抵押	**26,168,224**	29,420,561
		70,510,867	29,457,512
Bank overdrafts and import loans repayable within one year or on demand	須於一年內或於要求時償還之銀行透支及進口貸款	**44,342,643**	36,951
Bank loans repayable:	須於下列期限償還之銀行貸款：		
Within one year or on demand	於一年內或於要求時	**26,168,224**	26,336,449
In the second year	於第二年	**–**	3,084,112
		26,168,224	29,420,561
		70,510,867	29,457,512
Portion classified as current liabilities	列為流動負債之部分	**(70,510,867)**	(26,373,400)
Non-current portion	非流動部份	**–**	3,084,112

The Group's banking facilities are secured by:

(i) pledges of certain of the Group's leasehold land and buildings with a net book value of approximately HK$5,226,000 (2001: HK$22,850,000) *(note 14)*;

(ii) pledges of certain of the Group's generation plant and related structure with a net book value of HK$34,672,000 (2001: HK$18,500,000) *(note 14)*;

本集團之銀行信貸乃以下列各項作為擔保：

(i) 抵押本集團賬面淨值約5,226,000港元（二零零一年：22,850,000港元）之若干租約土地及樓宇（*附註14*）；

(ii) 抵押本集團賬面淨值34,672,000港元（二零零一年：18,500,000港元）之若干生產設備及相關結構（*附註14*）；

24. INTEREST-BEARING BANK BORROWINGS *(continued)*

(iii) pledges of certain of the Group's time deposits amounting to HK$48,240,000 (2001: HK$41,500,000);

(iv) pledges of certain of the Group's long term investments amounting to HK$22,624,880 (2001: Nil) *(note 19 (iii))*;

(v) corporate guarantees amounting to an aggregate of HK$171,000,000 (2001: HK$171,000,000) executed by the Company *(note 33)*; and

(vi) short term bank loans of RMB15,000,000 (equivalent to approximately HK$14,019,000) (2001: Nil) was guaranteed by 杭州恒生印染有限公司, an independent third party.

In the prior year, short term bank loans of HK$2,803,738 as at 31 December 2001 were guaranteed by a subsidiary of the minority shareholder of a subsidiary.

24. 計息銀行貸款 *(續)*

(iii) 抵押本集團為數48,240,000港元(二零零一年：41,500,000港元)之若干定期存款；

(iv) 抵押本集團為數22,624,880港元(二零零一年：無)之長期投資*(附註19(iii))*；

(v) 本公司出具合共171,000,000港元(二零零一年：171,000,000港元)之公司擔保*(附註33)*；及

(vi) 短期銀行貸款人民幣15,000,000元(約等於14,019,000港元)(二零零一年：無)由獨立第三者杭州恒生印染有限公司提供擔保。

上年度，於二零零一年十二月三十一日為數2,803,738港元之短期銀行貸款乃由一間附屬公司之少數權益股東之附屬公司擔保。

25. CASH AND CASH EQUIVALENTS

25. 現金及現金等值

	Group 集團		Company 公司	
	2002 二零零二年 *HK$ 港元*	2001 二零零一年 *HK$ 港元*	**2002 二零零二年 *HK$ 港元***	2001 二零零一年 *HK$ 港元*
Cash and bank balances 現金及銀行結存	**9,070,135**	26,708,332	**644,260**	586,343
Short term deposits 短期存款	**128,643,182**	116,426,814	**92,252,034**	52,879,683
	137,713,317	143,135,146	**92,896,294**	53,466,026

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25. CASH AND CASH EQUIVALENTS *(continued)*

At the balance sheet date, cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$12,048,450 (2001: HK$6,642,693). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

25. 現金及現金等值 *(續)*

於結算日，本集團以人民幣折算之現金及銀行結餘為12,048,450港元(二零零一年：6,642,693港元)。人民幣不可自由轉換為其他貨幣，然而根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外幣兌換之銀行將人民幣兌換為其他貨幣。

26. ACCOUNTS AND BILLS PAYABLE

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

26. 應付賬款及票據

應付賬款及票據之賬齡分析如下：

		Group 集團	
		2002 二零零二年 HK$ 港元	2001 二零零一年 HK$ 港元
Current	即期	**33,520,196**	19,622,647
31–60 days	31–60日	**2,959,919**	3,801,918
61–90 days	61–90日	**2,143,979**	2,004,093
Over 90 days	90日以上	**890,149**	991,644
		39,514,243	26,420,302

27. WARRANTY PROVISION

27. 保證撥備

		Group 集團 HK$ 港元
At beginning of year	年初	6,607,517
Provision for the year	本年度撥備	4,281,419
Amount utilised during the year	年內動用之金額	(1,105,863)
At 31 December 2002	**於二零零二年十二月三十一日**	**9,783,073**
Portion classified as current liabilities	列為流動負債部分	(9,783,073)
Long term portion	長期部分	–

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

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

28. SHARE CAPITAL

28. 股本

		Company 公司 2002 二零零二年 HK$ 港元	Company 公司 2001 二零零一年 HK$ 港元
Authorised: 6,000,000,000 shares of HK$0.10 each	法定：6,000,000,000股每股面值0.10港元之股份	**600,000,000**	600,000,000
Issued and fully paid: 3,675,731,000 (2001: 3,075,731,000) shares of HK$0.10 each	已發行及繳足：3,675,731,000股每股面值0.10港元之股份（二零零一年：3,075,731,000股）	**367,573,100**	307,573,100

During the years, the following movements in the issued share capital of the company were recorded:

(a) On 4 January 2001, 508,616,000 shares of HK$0.10 each were issued to a fellow subsidiary of the Company as partial consideration for the acquisition of a further 39% equity interest in Hangzhou Sealand, as further detailed in notes 16 and 34(f) to the financial statements.

(b) On 20 March 2001 and 10 April 2001, 200,000,000 shares of HK$0.10 each in total were issued to an independent third party as the consideration for the acquisition of a long term investment, as further detailed in note 19(ii) to the financial statements.

年內本公司已發行股本變動記錄如下：

(a) 於二零零一年一月四日，本公司發行508,616,000股每股面值0.10港元之股份予本公司一間同系附屬公司，作為增購杭州海聯39%股權之部分代價，詳情載於財務報告附註16及34(f)。

(b) 於二零零一年三月二十日及二零零一年四月十日，本公司合共發行200,000,000股每股面值0.10港元之股份予一獨立第三方，作為收購一項長期投資之代價。詳情載於財務報告附註19(ii)。

28. SHARE CAPITAL *(continued)*

(c) The subscription rights attaching to options in respect of 21,348,000 shares were exercised at the exercise price of HK$0.17 per share, resulting in the issue of 21,348,000 shares of HK$0.10 each for a total cash proceeds, before expenses, of HK$3,629,160.

(d) On 31 May 2002, Tacko International Limited ("Tacko"), the controlling shareholder of the Company, placed its 600,000,000 shares in the Company to independent investors at a price of HK$0.16 per share. On 10 June 2002, Tacko subscribed for and was allotted 600,000,000 new shares in the Company at the same price of HK$0.16 per share. The net proceeds of HK$93 million from the placing and top-up subscription of 600,000,000 shares was raised for the purpose of providing the necessary funding for the acquisition of (i) 80% interest in the net income in relation to Project EC120 accrued to CATIC (notes 15 and 34(b)); (ii) capital contribution into China Nav-Info (notes 18 and 34(d)); (iii) capital injection into CATIC Siwei Co., Ltd. ("CATIC Siwei") (note 34(c)); and (iv) capital contribution into an equity joint venture engaged in the provision of aircraft leasing and related services in the PRC (note 34(e)). As at 31 December 2002, HK$39.8 million and HK$5.6 million were utilised to finance the investments in (i) and (ii) above, respectively. Subsequent to the balance sheet date, on 17 January 2003, HK$25.1 million was also utilised to fund the capital injection in respect of the investment in (iii) above. Since the agreement referred to in (iv) above to set up the equity joint venture to be engaged in the provision of aircraft leasing and related services in the PRC was terminated, the remaining balance was used to provide general working capital for the Group.

28. 股本 *(續)*

(c) 購股權所附可認購21,348,000股股份之認購權已按每股行使價0.17港元行使，導致發行21,348,000股每股面值0.10港元之股份，扣除開支前之所得現金總額為3,629,160港元。

(d) 於二零零二年五月三十一日，本公司之控權股東Tacko International Limited（「Tacko」）以每股0.16港元之價格配售其600,000,000股本公司股份予獨立投資者。於二零零二年六月十日，Tacko以相同價格每股0.16港元認購並獲配發600,000,000股本公司新股。先配售及後認購600,000,000股股份集資淨額93,000,000港元，就收購(i)中航技總公司應佔項目EC120淨收入80%權益（附註15及34(b)）；(ii)向北京四維注資（附註18及34(d)）；(iii)向四維航空遙感有限公司（「四維遙感」）注資（附註34(c)）；及(iv)向在中國從事提供飛機租賃及相關服務之合資經營企業注資（附註34(e)）提供所需之資金。於二零零二年十二月三十一日，39,800,000港元及5,600,000港元已分別用於為上述(i)及(ii)投資項目提供資金。結算日後，於二零零三年一月十七日，25,100,000港元亦已用於就上述(iii)投資項目注資。由於上文(iv)所提述之成立在中國提供從事提供飛機租賃及相關服務之合資經營企業協議已告終止，餘下金額已撥作本集團之一般營運資金。

28. SHARE CAPITAL *(continued)*

28. 股本 *(續)*

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

有關上述本公司已發行股本變動之年內進行之交易概要如下：

		Notes 附註	Number of shares in issue 已發行股份數目	Issued share capital 已發行股本 HK$ 港元	Share premium account 股份溢價賬 HK$ 港元	Total 合計 HK$ 港元
At 1 January 2001	於二零零一年一月一日		2,345,767,000	234,576,700	217,203,159	451,779,859
Shares issued for the acquisition of a further 39% equity interest in Hangzhou Sealand	就增購杭州海聯39%權益發行之股份	(a)	508,616,000	50,861,600	15,258,480	66,120,080
Shares issued for the acquisition of a long term investment	就收購一項長期投資發行之股份	(b)	200,000,000	20,000,000	6,000,000	26,000,000
Shares issued upon exercise of share options	因購股權獲行使時發行之股份	(c)	21,348,000	2,134,800	1,494,360	3,629,160
At 31 December 2001 and 1 January 2002	於二零零一年十二月三十一日及二零零二年一月一日		3,075,731,000	307,573,100	239,955,999	547,529,099
Shares issued to the controlling shareholder	向控權股東發行之股份	(d)	600,000,000	60,000,000	36,000,000	96,000,000
Placing expenses	配售費用		–	–	(2,771,836)	(2,771,836)
At 31 December 2002	於二零零二年十二月三十一日		3,675,731,000	367,573,100	273,184,163	640,757,263

29. SHARE OPTION SCHEMES

SSAP 34 was adopted during the year, as explained in note 2 and under the heading "Employee benefits" in note 3 to the financial statements. As a result, the following detailed disclosures relating to the Company's share option schemes are now included in the notes to the financial statements. In the prior year, these disclosures, as required by the Listing Rules, were included in the Report of the Directors.

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the share option schemes include any employee or executive directors of the Company or any of its subsidiaries. At the Special General Meeting of the Company held on 20 November 1991, a share option scheme (the "1991 Share Option Scheme") was adopted. The 1991 Share Option Scheme was subsequently terminated on 14 May 2001 upon the adoption of the existing share option scheme (the "Existing Share Option Scheme").

The Existing Share Option Scheme became effective on 14 May 2001 and has a remaining life of approximately 8 years until 13 May 2011. Pursuant to the Existing Share Option Scheme, the maximum number of shares in respect of which options may be granted (together with shares issued pursuant to options exercised and shares in respect of which any option remains outstanding) and any other share option schemes (excluding the 1991 Share Option Scheme) of the Company is not permitted to exceed 10% of the shares of the Company in issue from time to time. The maximum number of shares issuable to each eligible participant under the Existing Share Option Scheme is limited to 25% of the aggregate number of shares at the time of proposed grant of that option.

29. 購股權計劃

年內已採納會計實務準則第34號，詳情載於財務報告附註2及附註3「僱員福利」一段。因此，以下有關本公司購股權計劃之詳盡披露現經已包括於財務報告附註內。上年度，該等披露事項已按上市規則之規定刊載於董事會報告內。

本公司設有一項購股權計劃，旨在鼓勵及獎勵對本集團之成功經營作出貢獻之合資格參與者。購股權計劃之合資格參與者包括本公司及其任何附屬公司之任何僱員或執行董事。在本公司於一九九一年十一月二十日舉行之股東特別大會上曾採納一項購股權計劃（「1991購股權計劃」）。1991購股權計劃其後在二零零一年五月十四日於現有購股權計劃（「現有購股權計劃」）獲採納時終止。

現有購股權計劃於二零零一年五月十四日生效，剩餘年期約為8年，至二零一一年五月十三日止。根據現有購股權計劃，可授出之購股權所涉股份（連同根據購股權獲行使而發行之股份及任何未獲行使購股權所涉股份）及本公司其他任何購股權計劃（不包括1991購股權計劃）下所涉股份數目最多不得超過本公司不時已發行股份之10%。根據現有購股權計劃向每一名合資格參與者可發行之股份最高數目以於擬授出該項購股權之時股份總數之25%為限。

29. SHARE OPTION SCHEMES *(continued)*

The offer of share option may be accepted with the payment of a nominal consideration of HK$1 by the grantee. Share options must be held for a minimum of six months before they can be exercised The exercise price of the share options is determined by the directors, but may not be less than the higher of (i) a price of not less than 80% of the average closing price of the five business days immediately preceding the date of grant; and (ii) the nominal value of one share.

Subsequent to the adoption of the Existing Share Option Scheme, The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has introduced a number of amendments to Listing Rules on share option schemes. These new rules came into effect on 1 September 2001. No share options have been granted under the New Share Option Scheme since its adoption on 14 May 2001 up to 31 December 2002. However, any option to be granted under the Existing Share Option Scheme shall be subject to the new rules which include, inter alia, the following:

(a) the maximum number of shares issuable under share options to each eligible participant within any 12-month period is limited to 1% of the shares in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting;

(b) share options granted to a director, chief executive or substantial shareholder, or to any of their associates, are subject to approval in advance by independent non-executive directors; and

(c) the exercise price of share options is determined by directors, but may not be less than the higher of (i) the closing price of the shares on the date of grant of the share options; and (ii) the average closing price of the shares for the five trading days immediately preceding the date of the grant.

29. 購股權計劃 *(續)*

承授人可支付象徵式代價1港元接納購股權。購股權最少須持有六個月方可行使。購股權之行使價由董事釐定，惟不得超過下列兩項之較高者(i)不低於緊接授出日期前五個交易日之平均收市價80%的價格；及(ii)一股股份之面值。

於採納現有購股權計劃後，香港聯合交易所有限公司(「聯交所」)就上市規則有關購股權計劃之規定引入多項修訂。該等新規則自二零零一年九月一日起生效。自二零零一年五月十四日新購股權計劃獲採納起至二零零二年十二月三十一日止，並無據其授出購股權。惟任何根據現有購股權計劃將授出之任何購股權須符合新規定，其中包括以下內容：

(a) 於任何十二個月期間根據授予各合資格參與者之購股權之可發行股份數目最多不得超過於任何時間已發行股份之1%。任何授予超出此限額之其他購股權均須經股東於股東大會上批准；

(b) 授予董事、行政總裁或主要股東或彼等任何聯繫人士之購股權須事先取得獨立非執行董事批准；

(c) 購股權之行使價由董事釐定，惟不得低於以下兩項較高者：(i)於授出購股權當日股份之收市價；及(ii)於緊接授出購股權日期前五個交易日股份之平均收市價。

29. SHARE OPTION SCHEMES *(continued)*

Notwithstanding the termination of the 1991 Share Option Scheme on 14 May 2001, share options granted prior to its termination remain valid and exercisable according to its terms. The following share options granted prior to the termination of the 1991 Share Option Scheme were outstanding during the year:

29. 購股權計劃 *(續)*

雖然1991購股權計劃已於二零零一年五月十四日被終止，惟於該計劃終止前已授出之購股權將繼續有效，並可根據其條款行使。於1991年購股權計劃終止前已授出之下列購股權於年內尚未行使：

Name or category of participant 參與者姓名或類別	Number of shares in respect of options 購股權所涉股份數目 At 1 January 2002 於二零零二年一月一日	Exercised during the year 年內已行使	Lapsed during the year 年內失效	At 31 December 2002 於二零零二年十二月三十一日	Date of grant of share options* 購股權授出日期*	Exercise price of share options** 購股權之行使價** *HK$* *港元*	Option period of share options outstanding at 31 December 2002*** 於二零零二年十二月三十一日尚未行使之購股權之行使期***
Directors 董事							
Yang Chunshu 楊春澍	8,160,000	–	–	8,160,000	28/1/2000	0.17	28/7/2000 to 27/7/2005
Yu Li 于莉	5,400,000	–	–	5,400,000	28/1/2000	0.17	28/7/2000 to 27/7/2005
	13,560,000	–	–	13,560,000			
Other employees 其他僱員	912,000	–	–	912,000	28/1/2000	0.17	28/7/2000 to 27/7/2005
	14,472,000	–	–	14,472,000			

29. SHARE OPTION SCHEMES *(continued)*

No theoretical value of share options is disclosed as no share options were granted during the year.

* Share options must be held for a minimum of six months before they can be exercised.

** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

*** Option period shall not exceed a period of 5 years commencing on the expiry of a period of not less than 6 months after the date option is accepted.

No share options were exercised or lapsed during the year.

As at the balance sheet date, the exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 14,472,000 additional shares of HK$0.10 each which would represent approximately 0.39% of the Company's shares in issue as at the balance sheet date, for a total cash proceeds, before expenses, of HK$2,460,240. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Subsequent to the balance sheet date, on 25 February 2003, the Company granted under the Existing Share Option Scheme options in respect of 150,000,000 shares with option period from 25 August 2003 to 24 August 2008 and at an exercise price of HK$0.13 per share, of which options in respect of 120,000,000 shares were granted to the executive directors of the Company and options in respect of 30,000,000 shares were granted to other employees. The above options in respect of 150,000,000 shares under the Existing Share Option Scheme were granted in accordance with the terms of the Existing Share Option Scheme in addition to the requirements of the amended Listing Rules on share option schemes. The exercise price of HK$0.13 per share was determined based on the higher of (i) the closing price of the shares of the Company on 25 February 2003, being the date on which the options were granted; and (ii) the average closing price of the shares of the Company for the five trading days immediately preceding 25 February 2003. Furthermore, the options in respect of the 120,000,000 shares granted to the executive directors of the Company were approved by the independent non-executive directors of the Company.

The Company proposes that the Existing Share Option Scheme be terminated and a new share option scheme in compliance with the amended Listing Rules on share option schemes be adopted at the forthcoming annual general meeting to be held on 13 May 2003.

29. 購股權計劃 *(續)*

由於年內並無授出購股權，故此並無披露購股權之理論價值。

* 購股權行使之前必須持有之最短限期為六個月。

** 購股權之行使價須就供股或派發紅股或本公司股本發生其他類似變動時作出調整。

*** 行使期不得超過購股權獲接納後不少於六個月期限屆滿後起計五年。

年內並無購股權獲行使或失效。

於結算日，按照本公司目前之股本結構，倘該等購股權獲全面行使，將導致額外發行14,472,000股（佔本公司於結算日已發行股份之約0.39%）每股面值0.10港元之股份，未計開支前所得現金總額將為2,460,240港元。購股權並不賦予持有人享有股息或於股東會上投票之權利。

結算日後，於二零零三年二月二十五日，本公司根據現有購股權計劃授出涉及150,000,000股之購股權，行使期由二零零三年八月二十五日至二零零八年八月二十四日止，行使價為每股0.13港元；其中涉及120,000,000股之購股權乃授予本公司之執行董事，而涉及30,000,000股之購股權則授予其他僱員。上述現有購股權計劃下涉及150,000,000股之購股權除按上市規則有關購股權計劃經修訂的規定外，亦根據現有購股權計劃之條款授出。每股行使價0.13港元乃按(i)本公司股份於二零零三年二月二十五日（即授出購股權當日）之收市價；及(ii)本公司股份於緊接二零零三年二月二十五日前五個交易日之平均收市價（以較高者為準）釐定。此外，向本公司執行董事授予可認購120,000,000股股份之購股權已獲本公司獨立非執行董事批準。

為附合有關購股權計劃經修訂上市規則的規定，本公司建議在即將於二零零三年五月十三日舉行之來屆股東週年大會上終止現有購股權計劃及採納新購股權計劃。

30. RESERVES

30. 儲備

Group

集團

		Note 附註	Share premium account 股份溢價賬 HK$ 港元	Capital reserve* 資本儲備* HK$ 港元	Fixed assets revaluation reserve 固定資產重估儲備 HK$ 港元	Reserve fund** 儲備金** HK$ 港元	Accumulated losses 累積虧損 HK$ 港元	Total 合計 HK$ 港元
At 1 January 2001	於二零零一年一月一日		217,203,159	162,134	–	706,937	(188,576,492)	29,495,738
Issue of shares	發行股份		22,752,840	–	–	–	–	22,752,840
Net loss for the year	本年度虧損淨額		–	–	–	–	(69,319,808)	(69,319,808)
Transfer to reserve fund	轉撥至儲備金		–	–	–	651,532	(651,532)	–
At 31 December 2001 and 1 January 2002	於二零零一年十二月三十一日及二零零二年一月一日		239,955,999	162,134	–	1,358,469	(258,547,832)	(17,071,230)
Issue of shares	發行股份	28	36,000,000	–	–	–	–	36,000,000
Placing expenses	配售費用	28	(2,771,836)	–	–	–	–	(2,771,836)
Net profit for the year	本年度溢利淨額		–	–	–	–	15,321,818	15,321,818
Transfer to reserve fund	轉撥至儲備金		–	–	–	823,392	(823,392)	–
Surplus on revaluation	重估盈餘		–	–	383,676	–	–	383,676
At 31 December 2002	**於二零零二年十二月三十一日**		**273,184,163**	**162,134**	**383,676**	**2,181,861**	**(244,049,406)**	**31,862,428**
Reserves retained by:	所保留儲備:							
Company and subsidiaries	本公司及附屬公司		273,184,163	162,134	383,676	2,181,861	(244,043,877)	31,867,957
Associate	聯營公司		–	–	–	–	(5,529)	(5,529)
31 December 2002	**於二零零二年十二月三十一日**		**273,184,163**	**162,134**	**383,676**	**2,181,861**	**(244,049,406)**	**31,862,428**
Company and subsidiaries	本公司及附屬公司		239,955,999	162,134	–	1,358,469	(258,547,832)	(17,071,230)
31 December 2001	於二零零一年十二月三十一日		239,955,999	162,134	–	1,358,469	(258,547,832)	(17,071,230)

* In the prior year, the Group adopted the transitional provision of SSAP 30 which permits negative goodwill in respect of acquisitions which occurred prior to 1 January 2001 to remain credited to capital reserve. The amount of negative goodwill remaining credited in capital reserve is HK$162,134 as at 1 January and 31 December 2002.

** The balance represents the Group's share of the statutory reserve fund of a subsidiary operating as a Foreign Investment Enterprise in the PRC. The reserve fund is non-distributable in nature.

* 於上年度，本集團已採納會計實務準則第30號之過渡性條文，當中批准於二零零一年一月一日以前發生之收購所產生之負商譽繼續計入資本儲備中。於二零零二年一月一日及十二月三十一日仍然計入資本儲備中之負商譽金額為162,134港元。

** 結餘指本集團應佔其於中國以外資企業方式經營之一家附屬公司之法定儲備。該儲備金不可分派。

30. RESERVES (CONTINUED) *(continued)*

30. 儲備 *(續)*

Company

公司

		Note 附註	Share premium account 股份溢價賬 HK$ 港元	Contributed surplus 繳入盈餘 HK$ 港元	Accumulated losses 累積虧損 HK$ 港元	Total 合計 HK$ 港元
At 1 January 2001	於二零零一年一月一日		217,203,159	15,652,000	(205,178,165)	27,676,994
Issue of shares	發行股份		22,752,840	–	–	22,752,840
Net loss for the year	本年度虧損淨額		–	–	(76,931,598)	(76,931,598)
At 31 December 2001 and 1 January 2002	於二零零一年十二月三十一日及二零零二年一月一日		239,955,999	15,652,000	(282,109,763)	(26,501,764)
Issue of shares	發行股份	28	36,000,000	–	–	36,000,000
Share issue expenses	股份發行費用	28	(2,771,836)	–	–	(2,771,836)
Net loss for the year	本年度虧損淨額		–	–	(1,483,100)	(1,483,100)
At 31 December 2002	**於二零零二年十二月三十一日**		**273,184,163**	**15,652,000**	**(283,592,863)**	**5,243,300**

The contributed surplus of the Company represents the difference between the consolidated net asset value of Far East Aluminium (B.V.I.) Limited on 20 November 1991 when its entire issued share capital was acquired by the Company pursuant to a group reorganisation, and the nominal amount of the Company's shares issued in consideration for such acquisition. Under the Companies Act of 1981 of Bermuda (as amended), the contributed surplus of the Company is distributable to shareholders under certain circumstances. The Company's share premium account of HK$273,184,163 as at 31 December 2002 may be distributed in the form of fully paid bonus shares.

本公司之繳入盈餘為本公司根據集團重組安排於一九九一年十一月二十日購入Far East Aluminium (B.V.I.) Limited全部已發行股本時，Far East Aluminium (B.V.I.) Limited之綜合資產淨值與本公司作為收購代價而發行之股份面值兩者之差額。根據百慕達一九八一年公司法(修訂本)，本公司之繳入盈餘在若干情況下可供分派予各股東。本公司於二零零二年十二月三十一日之股份溢價賬273,184,163港元可以繳足紅股之方式分派。

31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Changes to the layout of the consolidated cash flow statement

SSAP 15 (Revised) was adopted during the current year, as detailed in note 2 to the financial statements, which has resulted in a change to the layout of the consolidated cash flow statement. The consolidated cash flow statement is now presented under three headings: cash flows from operating activities, investing activities and financing activities. Previously five headings were used, comprising the three headings listed above, together with cash flows from returns on investments and servicing of finance and from taxes paid. The significant reclassifications resulting from the change in presentation are that taxes and interest paid are now included in cash flows from operating activities, and interest received and dividends paid are now included in cash flows from investing activities. The presentation of the 2001 comparative cash flow statement has been changed to accord with the new layout.

Also, the definition of "cash equivalents" has been revised from that under the previous SSAP 15, as explained under the heading "Cash and cash equivalents" in note 3 to the financial statements. This has resulted in trust receipt loans no longer qualifying as cash equivalents. This has had no effect on amounts previously reported in prior year's financial statements.

(b) Major non-cash transactions

During the year, the Group capitalised depreciation charges amounting to HK$2,204,497 (2001: HK$1,429,355) *(note 6)* and interest expense of HK$888,239 (2001: HK$835,401) in long term construction contracts *(note 7)*.

31. 綜合現金流轉表附註

(a) 綜合現金流轉表之格式變動

會計實務準則第15號(經修訂)於本年度獲採納(詳情見財務報告附註2),已導致綜合現金流轉表之格式發生變動。綜合現金流轉表現時分三項呈報:經營活動、投資活動及融資活動之現金流量。先前採用五項,包括上述三項,連同投資回報及融資費用及已付稅項之現金流量。呈報方式變更所引致之重大重新分類為現將稅項及已付利息列入經營業務之現金流量,而已收利息及已付股息現列入投資活動之現金流量。所呈列之2001年比較現金流轉表已變更至符合新呈報格式。

此外,根據財務報告附註3「現金及現金等值」一段所解釋,過往會計實務準則15號內有關「現金及現金等值」之定義經已作出修訂。因此,信託收據貸款不再列入現金及現金等值。是項修訂對先前於上一年度財務報告內呈列之金額並無影響。

(b) 重大非現金交易

年內,本集團將折舊開支2,204,497港元(二零零一年:1,429,355港元)*(附註6)*及利息開支888,239港元(二零零一年:835,401港元)撥入長期建築合約成本*(附註7)*。

31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(continued)*

(b) Major non-cash transactions *(continued)*

During the year, the Group set off dividends of Hangzhou Sealand payable to Asia Capital amounting to HK$2,093,748 (2001: Nil) against the amount due to the Group as partial settlement *(note 6)*.

In the prior year, the Group accepted two properties from a customer as settlement of accounts receivable of HK$3,091,481. The two properties were classified as properties held for sale *(note 20)*.

In the prior year, 508,616,000 shares at an issue price of HK$0.13 per share were issued to a fellow subsidiary of the Company as partial consideration for the acquisition of a further 39% equity interest in Hangzhou Sealand, as further detailed in notes 16, 31(d) and 34(f) to the financial statements.

In the prior year, 200,000,000 shares at an issue price of HK$0.13 per share were issued to an independent third party as the consideration for the acquisition of a long term investment, as further detailed in note 19 to the financial statements.

(c) Restricted cash and cash equivalent balances

Certain of the Group's time deposits are pledged to banks to secure banking facilities granted to the Group, as further explained in note 24.

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

31. 綜合現金流轉表附註*(續)*

(b) 重大非現金交易*(續)*

年內，本集團抵扣杭州海聯應付予亞洲金融之股息2,093,748港元(二零零一年：無)，以償還欠本集團部份款項*(附註6)*。

上年度，本集團接納客戶兩項物業作為償還應收賬項3,091,481港元。該兩項物業已列為待售物業*(附註20)*。

上年度，已向本公司一家同系附屬公司發行508,616,000股每股發行價0.13港元作為進一步收購杭州海聯39%股本權益之部份代價，進一步詳情載於財務報告附註16、31(d)及34(f)。

上年度，已向獨立第三方發行200,000,000股每股發行價0.13港元作為收購一項長期投資之代價，進一步詳情載於財務報告附註19。

(c) 有限制現金及現金等值結餘

本集團之若干定期存款已抵押予銀行，以擔保本集團獲授之銀行信貸(進一步解釋見附註24)。

本集團之若干現金及現金等值結餘不可自由兌換成港元。

31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(continued)*

31. 綜合現金流轉表附註 *(續)*

(d) Acquisition of a subsidiary

(d) 收購附屬公司

		2002 二零零二年 HK$ 港元	2001 二零零一年 HK$ 港元
Net assets acquired:	已收購資產淨值：		
Fixed assets	固定資產	–	120,250,757
Cash and bank balances	現金及銀行結餘	–	1,854,522
Accounts receivables	應收賬項	–	6,286,651
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬項	–	7,937,054
Inventories	存貨	–	2,609,149
Accounts payable	應付賬項	–	(645,538)
Other payables and accrued liabilities	其他應付賬項及應計負債	–	(10,109,842)
Tax payable	應付税項	–	(152,743)
Interest-bearing bank and other borrowings	計息銀行貸款及其他貸款	–	(29,420,561)
Minority interests	少數股東權益	–	(29,097,799)
		–	69,511,650
Goodwill on acquisition	收購時之商譽	–	35,478,137
		–	104,989,787
Satisfied by:	支付方式：		
Cash	現金	–	14,999,920
Shares issued	已發行股份	–	56,120,080
Purchase consideration	收購代價	–	71,120,000
Transfer from interest in an associate to interests in subsidiaries	撥轉聯營公司權益為附屬公司權益	–	31,367,231
Legal and professional fees and related expenses incurred	法律及專業費用及所發生之有關開支	–	2,502,556
		–	104,989,787

31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(continued)*

31. 綜合現金流轉表附註 *(續)*

(d) Acquisition of a subsidiary *(continued)*

(d) 收購附屬公司 *(續)*

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

上年度有關收購附屬公司之現金及現金等值流出淨額分析如下：

		2002 二零零二年 *HK$ 港元*	2001 二零零一年 *HK$ 港元*
Cash consideration	現金代價	–	(14,999,920)
Cash and bank balances acquired	已收購之現金及銀行結餘	–	1,854,522
Legal and professional fees and related expenses incurred	法律及專業費用及所發生之有關開支	–	(2,502,556)
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	有關收購附屬公司之現金及現金等值流出淨額	–	(15,647,954)

In the prior year, the Group acquired a further 39% equity interest in Hangzhou Sealand which became a subsidiary of the Company thereafter, as detailed in note 16 to the financial statements. The purchase consideration of HK$81,120,000 was satisfied by a cash payment of HK$14,999,920 together with the issue and allotment of 508,616,000 new shares in the Company. By reference to the prevailing market prices of the Company's shares on the date of completion, the above new shares issued were valued at HK$0.11 per share, resulting in an adjustment of the cost of acquisition (including professional fees and related expenses of HK$2,502,556) to HK$73,622,556 in accordance with the requirements under SSAP 30. Since acquisition by the Group, Hangzhou Sealand contributed HK$48,262,396 to the Group's turnover and HK$36,217,000 to the consolidated loss after tax and before minority interests for the year ended 31 December 2001.

上年度，本集團進一步收購杭州海聯之39%股本權益，該公司因而成為本公司之附屬公司，詳情載於財務報告附註16。收購代價81,120,000港元以現金14,999,920港元及發行及配發508,616,000股本公司新股之方式支付。經參考本公司股份於完成當天之普遍市價，上述發行新股價值乃按每股0.11港元釐定，導致收購成本（包括專業費用及有關開支2,502,556港元）根據會計實務準則第30號之規定調整為73,622,556港元。自從被本集團收購後，杭州海聯對本集團截至二零零一年十二月三十一日止年度綜合業績之貢獻為48,262,396港元之營業額及36,217,000港元之稅後但未計少數股東權益前虧損。

31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(continued)*

31. 綜合現金流轉表附註 *(續)*

(e) Disposal of subsidiaries

(e) 出售附屬公司

		2002 二零零二年 HK$ 港元	2001 二零零一年 HK$ 港元
Net assets disposed of:	已出售之資產淨值：		
Other payables and accrued liabilities	其他應付賬款及應計負債	–	(5,000)
		–	(5,000)
Gain on disposal of subsidiaries	出售附屬公司之收益	–	5,000
		–	–

32. OPERATING LEASE ARRANGEMENTS

32. 經營租約安排

(a) As lessor

(a) 作為出租人

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

本集團及本公司根據租期議定為一年至兩年之經營租約安排出租投資物業予第三方。

At 31 December 2002, the Group and the Company had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

於二零零二年十二月三十一日，本集團及本公司根據與租戶訂立介乎以下年期到期之不可撤銷經營租約享有日後租約最低應收租金總額載列如下：

		Group 集團		Company 公司	
		2002 二零零二年 HK$ 港元	2001 二零零一年 HK$ 港元	2002 二零零二年 HK$ 港元	2001 二零零一年 HK$ 港元
Within one year	於一年內	1,039,714	1,260,000	842,000	1,260,000
In the second to fifth years, inclusive	二至五年（包括首尾兩年）	197,714	–	–	–
		1,237,428	1,260,000	842,000	1,260,000

32. OPERATING LEASE ARRANGEMENTS *(continued)*

32. 經營租約安排 *(續)*

(b) As lessee

(b) 作為承租人

The Group and the Company entered into non-cancellable operating lease arrangements with landlords, with the terms of the leases ranging from one to five years.

本集團及本公司與業主訂立不可撤銷經營租約安排，租期介乎一至五年之間。

At 31 December 2002, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

於二零零二年十二月三十一日，根據介乎以下年期到期之不可撤銷經營租約，本集團及本公司持有日後租約最低應付租金總額載列如下：

		Group 集團		Company 公司	
		2002 二零零二年 *HK$ 港元*	2001 二零零一年 *HK$ 港元*	**2002 二零零二年 *HK$ 港元***	2001 二零零一年 *HK$ 港元*
Within one year	於一年內	**1,425,055**	1,007,200	**1,114,555**	731,200
In the second to fifth years, inclusive	二至五年（包括首尾兩年）	**8,737,613**	323,355	**127,114**	323,355
		10,162,668	1,330,555	**1,241,669**	1,054,555

33. CONTINGENT LIABILITIES

33. 或然債項

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

於結算日，本集團及本公司之或然負債如下：

		Group 集團		Company 公司	
		2002 二零零二年 *HK$ 港元*	2001 二零零一年 *HK$ 港元*	**2002 二零零二年 *HK$ 港元***	2001 二零零一年 *HK$ 港元*
Corporate guarantees for banking facilities granted to a subsidiary	就銀行給予一間附屬公司之銀行信貸作出之公司擔保	**–**	–	**171,000,000**	171,000,000
Guarantees under performance bonds	履約保證書之擔保	**109,565,100**	62,052,000	**–**	–

33. CONTINGENT LIABILITIES *(continued)*

As at 31 December 2002, banking facilities granted to the subsidiaries subject to guarantees given by the Company were utilized as follows:

33. 或然債項 *(續)*

於二零零二年十二月三十一日，附屬公司因本集團所作出之擔保而獲授之銀行信貸已用於以下用途：

		2002 二零零二年 HK$ 港元	2001 二零零一年 HK$ 港元
Bank borrowings	銀行借貸	**44,342,643**	36,951
Guarantees under performance bonds	履約保證書之擔保	**78,396,100**	30,883,000
		122,738,743	30,919,951

The securities for the banking facilities are set out in note 24 to the financial statements.

該等銀行信貸之擔保載列於財務報告附註24。

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

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

34. RELATED PARTY TRANSACTIONS

34. 關連人士交易

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

(a) 除財務報告另所述之交易及結餘外，本集團於年內曾進行以下關連人士交易：

		Notes 附註	2002 二零零二年 HK$ 港元	2001 二零零一年 HK$ 港元
Rental expenses paid to a fellow subsidiary	付予同系附屬公司之租金支出	(i)	**468,000**	399,280
Provision for/(write back of) doubtful receivables from the minority shareholder of a subsidiary and a subsidiary of the said minority shareholder	應收一間附屬公司少數股東及該名少數股東之一間附屬公司之呆賬撥備／（撥回）	(ii)	**(2,093,748)**	6,943,958

Notes:

(i) On 23 November 2001, the Company entered into a tenancy agreement with Karlane for a term of one year commencing on 5 November 2001 at a total monthly rental of HK$39,000 (exclusive of rates, management fees and air-conditioning charges). On 28 November 2002, the tenancy agreement with Karlane was renewed with term extended for another 1 year up to 4 November 2003, while other conditions remained unchanged. The premises are used as offices of the Company. The monthly rentals were determined with reference to open market rentals.

附註：

(i) 於二零零一年十一月二十三日，本公司與嘉領訂立一項租賃協議，月租總額為39,000港元(不包括差餉、管理費及空調費)，租期由二零零一年十一月五日起計，為期一年。本公司與嘉領訂立之是項協議已於二零零二年十一月二十八日更新，租期延長一年至二零零三年十一月四日，其他條款則維持不變。該物業乃用作本公司之辦公室。月租乃參考公開市場租金釐定。

34. RELATED PARTY TRANSACTIONS *(continued)*

Notes: (continued)

(ii) In the prior year, a full provision of RMB7,430,000 (equivalent to HK$6,943,958) was made and charged to the consolidated profit and loss account in respect of the unsecured advances made by Hangzhou Sealand to Asia Capital, the minority shareholder in Hangzhou Sealand, and 盈華實業有限公司, a subsidiary of Asia Capital prior to the acquisition by the Group of the initial 31% interest in Hangzhou Sealand in 2000. During the year, pursuant to the letter of consent from Asia Capital dated 30 April 2002, the Group set off dividends of Hangzhou Sealand payable to Asia Capital amounting to RMB2,240,310 (equivalent to HK$2,093,748) against the amount due to the Group as partial settlement. Accordingly, provision for doubtful receivables of HK$2,093,748 was written back to the consolidated profit and loss account during the year.

(b) On 28 May 2002, the Group entered into an income assignment agreement with CATIC pursuant to which, CATIC agreed to assign 80% of its interest in the net income in relation to Project EC120 to the Group at a purchase consideration of RMB40 million (equivalent to approximately HK$38 million). Project EC120 is a jointly-controlled operation established in October 1992 by CATIC in co-operation with Eurocopter S.A. and Singapore Aerospace Ltd., both independent third parties, to develop, manufacture and globally distribute the multi-purpose EC120 helicopters. Further details of this transaction and the financial asset resulted therefrom are set out in note 15 to the financial statements.

34. 關連人士交易 *(續)*

附註：(續)

(ii) 上年度，就杭州海聯在本集團於二零零零年收購杭州海聯首31%權益前向亞洲金融(杭州海聯之少數股東)及盈華實業有限公司(亞洲金融之附屬公司)給予之無抵押墊款，作出全數撥備人民幣7,430,000元(相等於6,943,958港元)並於綜合損益賬中扣除。本年內，根據二零零二年四月三十日由亞洲金融發出之同意書，本集團抵扣杭州海聯應付予亞洲金融之股息人民幣2,240,310元(約等於2,093,748港元)以償還欠本集團之部份款項。因此，年內已將為數2,093,748港元之應收賬款呆賬撥備撥回綜合損益賬內。

(b) 於二零零二年五月二十八日，本集團與中航技總公司簽訂收入轉讓協議；據此，中航技總公司同意按人民幣40,000,000元(約等於38,000,000港元)之收購代價，轉讓其項目EC120之淨收入80%權益。項目EC120是一項於一九九二年十月由中航技總公司與獨立第三者Eurocopter S.A.及Singapore Aerospace Ltd.合作成立之共同控制項目。據此，該等公司合作開發、製造及全球經銷EC120型號之多用途直升機。此項交易及所產生的財務資產之詳情載於財務報告附註15。

34. RELATED PARTY TRANSACTIONS *(continued)*

(c) On 28 May 2002, CATIC General Aviation Holdings Limited ("CATIC GA"), a wholly owned subsidiary of the Company, entered into a capital injection agreement with CATIC and China Siwei Surveying & Mapping Technology Corporation ("China Siwei"), an independent third party, pursuant to which CATIC GA agreed to contribute approximately HK$26.5 million to CATIC Siwei Co., Ltd. ("CATIC Siwei"), representing 40% of the registered capital of CATIC Siwei as enlarged. CATIC Siwei is principally engaged in the provision of aerophotographic services in the PRC.

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

(d) On 28 May 2002, the Company entered into an equity joint venture agreement with China Siwei, CATIC Siwei and two other independent third parties. Pursuant to the agreement, a Sino-foreign equity joint venture entity known as China Nav-Info Co., Ltd. ("China Nav-Info") was established on 3 December 2002 with a term of 10 years from 3 December 2002 to 2 December 2012 to be engaged in utilising geographical information system and global positioning system technologies to manufacture location-based navigation products and to provide related services. Pursuant to the equity joint venture agreement, the Company has contributed RMB5.9 million (equivalent to approximately HK$5.56 million) into China Nav-Info, representing 20% of its registered capital. Details of this investment are set out in note 18 to the financial statements.

34. 關連人士交易 *(續)*

(c) 於二零零二年五月二十八日，本公司之全資附屬公司CATIC General Aviation Holdings Limited（「CATIC GA」）與中航技總公司及一名獨立第三者中國四維測繪技術總公司（「中國四維」）簽訂注資協議，據此CATIC GA同意向四維航空遙感有限公司（「四維遙感」）注資約26,500,000港元，佔四維遙感經擴大註冊資本40%。四維遙感的主要業務是於中國提供空中攝影服務。

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

(d) 於二零零二年五月二十八日，本公司與中國四維、四維遙感及兩名其他獨立第三者訂立合資經營企業協議。據此協議，一家名為北京四維圖新導航信息技術有限公司（「北京四維」）之合資經營企業已於二零零二年十二月三日成立，利用全球衛星定位系統及地理資訊系統技術生產定立導航產品及提供相關服務，經營年期由二零零二年十二月三日起至二零一二年十二月二日為期十年。據此合資經營企業協議，本公司已向北京四維注資人民幣5,900,000元（約等於5,560,000港元），佔其註冊資本之20%。有關該項投資之詳情載於財政報告附註18。

34. RELATED PARTY TRANSACTIONS *(continued)*

(e) On 28 May 2002, CATIC GA entered into an equity joint venture agreement with CATIC pursuant to which, CATIC GA and CATIC would contribute HK$24.5 million and HK$25.5 million, respectively, representing 49% and 51%, respectively, of the registered capital of the equity joint venture. The equity joint venture would be principally engaged in the provision of aircraft leasing and related services in the PRC. The directors of the Company were of the view that currently the prospect of aircraft leasing market in the PRC was not as promising as expected. Accordingly, on 27 January 2003, CATIC GA and CATIC entered into an agreement to terminate the relevant equity joint venture agreement so as to reduce the investment risk and their respective obligations and liabilities under the relevant equity joint venture agreement have thereupon ceased. No capital contribution has been made by either parties.

34. 關連人士交易 *(續)*

(e) 於二零零二年五月二十八日，CATIC GA與中航技總公司簽訂合資經營企業協議，據此，CATIC GA及中航技總公司將分別注資24,500,000港元及25,500,000港元，分別佔合資企業註冊資本之49%及51%。該合資企業將主要經營在國內提供飛機租賃及相關服務。本公司董事認為目前國內飛機租賃市場之前景並未如預期般理想，因此，CATIC GA及中航技總公司已經於二零零三年一月二十七日訂立協議終止有關合資經營企業協議，藉此減低投資風險，而各自就有關合資經營企業協議之承擔及責任亦告終止。各方並無注資。

34. RELATED PARTY TRANSACTIONS *(continued)*

(f) On 4 January 2001, the Group entered into a sale and purchase agreement with Speed Profit to acquire from Speed Profit a further 39% equity interest in Hangzhou Sealand at a consideration of HK$81,120,000, which was determined with reference to the fair market value of the business interests of Hangzhou Sealand of approximately HK$208 million as at 31 December 2000 as valued by B.I. Appraisals Limited, a firm of independent professional valuers. The consideration was satisfied by a cash payment of HK$14,999,920 and the issue and allotment of 508,616,000 new shares in the Company to Speed Profit at an issue price of HK$0.13 per share. By reference to the prevailing market prices of the Company's shares at the date of completion, the above new shares issued were valued at HK$0.11 per share, resulting in an adjustment of the cost of acquisition (including legal and professional fees and related expenses of HK$2,502,556) to HK$73,622,556 in accordance with the requirements under SSAP 30. Hangzhou Sealand became a 70% subsidiary of the Company after the acquisition. Further details of this acquisition are disclosed in the circular of the Company dated 22 January 2001.

Details regarding the above transactions (c) to (f) are set out in the announcements of the Company dated 30 May, 26 August and 29 November 2002 and 30 January 2003 and the circular dated 20 June 2002 issued by the Company.

34. 關連人士交易（續）

(f) 於二零零一年一月四日，本集團與凱得利訂立買賣協議，向凱得利增購杭州海聯39%股權，代價為81,120,000港元。上述代價乃參考獨立專業估值師保柏國際評估有限公司於二零零零年十二月三十一日對杭州海聯業務權益之公平市值估值約208,000,000港元釐定。代價以現金14,999,920港元及以每股0.13港元之發行價向凱得利發行及配發508,616,000股本公司新股之方式支付。經參考本公司股份於完成當日之市價後，上述已發行新股之價值每股0.11港元，導致收購成本（包括法律及專業費用及有關開支2,502,556港元）須根據會計實務準則第30號之規定調整為73,622,556港元。杭州海聯於收購後成為本公司擁有70%權益之附屬公司。此項收購事項詳情已於本公司日期為二零零一年一月二十二日之通函內披露。

有關上述(c)至(f)項交易之詳情已載於本公司日期為二零零二年五月三十日、八月二十六日、十一月二十九日及二零零三年一月三十日之公佈，以及本公司於二零零二年六月二十日刊發之通函內。

35. POST BALANCE SHEET EVENTS

(a) On 17 January 2003, the Group completed the capital injection agreement as further detailed in note 34(c) to the financial statements.

(b) On 28 March 2003, the Group entered into sale and purchase agreements with two independent third parties for the disposal of the two properties situated in the PRC held for sale (note 20) for an aggregate cash proceeds of RMB23,610,000 (equivalent to approximately HK$22,486,000).

(c) On 27 January 2003, CATIC GA and CATIC entered into an agreement to terminate the relevant equity joint venture agreement as further detailed in note 34(e) to the financial statements.

(d) On 25 February 2003, options in respect of 150,000,000 share were granted to certain of the directors and employees of the Company, as further detailed in note 29 to the financial statements.

35. 結算日後事項

(a) 於二零零三年一月十七日，本集團完成注資協議，詳情載於財務報告附註34(c)。

(b) 於二零零三年三月二十八日，本集團與兩名獨立第三者訂立買賣協議，按現金總額人民幣23,610,000元（約等於22,486,000港元）向彼等出售兩項位於中國之待售物業（附註20）。

(c) 於二零零三年一月二十七日，CATIC GA與中航技總公司訂立一項協議，以終止相關之合資企業協議，詳情載於財務報告附註34(e)。

(d) 於二零零三年二月二十五日，涉及150,000,000股股份之購股權已授予若干本公司董事及僱員，詳情載於財務報告附註29。

36. COMPARATIVE AMOUNTS

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

36. 比較數字

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

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2003.

37. 財務報告之批准

財務報告已於二零零三年三月二十八日獲董事會批准及授權發放。