

財務報表附註

Notes to the Financial Statements

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

1. 一般事項

本公司為一家在中華人民共和國（「中國」）註冊成立之股份有限公司，其H股於香港聯合交易所上市。本公司之控股公司為哈爾濱電站設備集團公司（「哈電集團公司」），其為一家在中國註冊成立之國有企業。本公司之註冊辦事處及主要營業地點之地址詳載於本年報之公司資料。

整份財務報告是以人民幣呈列與本公司之功能性貨幣相同。

本公司為投資控股公司，其主要之附屬公司及聯營公司之主要業務分別載於本財務報表之附註42和附註20。

1. GENERAL

The Company is established as a joint stock limited company in the People's Republic of China (the "PRC"), and its H shares are listed on The Stock Exchange of Hong Kong Limited. Its holding company is Harbin Power Plant Equipment Group Corporation ("HPEGC"), a state-owned enterprise incorporated in the PRC. The address of the registered office and principal place of business of the Company are disclosed in the company information of the annual report.

The financial statements are presented in Renminbi, which is the same as the functional currency of the Company.

The Company acts as an investment holding company and the activities of its principal subsidiaries and associates are set out in notes 42 and 20, respectively.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

2. 應用新增及經修訂之香港財務報告準則

於本年度，本集團首次應用香港會計師公會頒佈對二零零五年十二月一日，二零零六年一月一日或以後開始的會計期間生效的多項新準則、修訂本和詮釋（統稱為「新香港財務報告準則」）。

香港會計準則 第19號修訂	僱員福利
香港會計準則 第21號修訂	對國外經營的投資淨額
香港會計準則第39號 及香港財務報告 準則第4號修訂	財務擔保合約
香港會計準則 第39號修訂	公允值期權
香港會計準則 第39號修訂	預測內部交易的現金 流量對沖
香港財務報告準則 第1號修訂	首次採納國際財務報告 準則
香港財務報告準則 第6號	礦產資源的開採和評估
香港（國際財務報告 詮釋委員會） — 詮釋第4號	釐定一項安排是否包含 租賃
香港（國際財務報告 詮釋委員會） — 詮釋第5號	對拆卸、復原及環境復修 基金權益之權利
香港（國際財務報告 詮釋委員會） — 詮釋第6號	參予特殊市場—電氣及 電子設備廢料—生產 之負債

採納新香港財務報告準則對本期間及過往會計期間業績及財務狀況編製及呈列方式並無重大影響。因此，無需對過往期間作出調整。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new standards amendments and interpretations (the “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are either effective for accounting periods beginning on or after 1st December, 2005 or 1st January, 2006.

HKAS 19 Amendment	Employee Benefits
HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKAS 39 Amendment	The Fair Value Option
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKFRS 1 Amendment	First – time Adoption of Hong Kong Financial Reporting Standards
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HK(IFRIC) – Int 4	Determining Whether an Arrangement Contains a Lease
HK(IFRIC) – Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation, Funds
HK(IFRIC) – Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

The adoption of the new HKFRS had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior year adjustment has been required.

財務報表附註(續)

Notes to the Financial Statements – (continued)

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2. 應用新增及經修訂之香港財務報告準則(續)

本集團並無提早應用下列已頒佈但未生效之新準則、修訂本及詮釋。本公司董事預期，該等準則、修訂或詮釋之應用對本集團之業績及財務狀況並無重大影響。

香港會計準則第1號 (修訂本)	資本披露 ¹
香港財務報告準則第7號	金融工具：披露 ¹
香港財務報告準則第8號	經營分部 ²
香港(國際財務報告詮釋委員會) – 詮釋第7號	惡性通貨膨脹的經濟環境下在財務報告根據香港會計準則第29號應用重列法 ³
香港(國際財務報告詮釋委員會) – 詮釋第8號	香港財務報告準則第2號範圍 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第9號	再評估嵌入衍生工具 ⁵
香港(國際財務報告詮釋委員會) – 詮釋第10號	中期財務報告及減值 ⁶
香港(國際財務報告詮釋委員會) – 詮釋第11號	香港財務報告準則第2號：集團及庫物股份交易 ⁷
香港(國際財務報告詮釋委員會) – 詮釋第12號	服務特許權安排 ⁸

- 1 於2007年1月1日或以後開始之年度期間生效
- 2 於2009年1月1日或以後開始之年度期間生效
- 3 於2006年3月1日或以後開始之年度期間生效
- 4 於2006年5月1日或以後開始之年度期間生效
- 5 於2006年6月1日或以後開始之年度期間生效
- 6 於2006年11月1日或以後開始之年度期間生效
- 7 於2007年3月1日或以後開始之年度期間生效
- 8 於2008年1月1日或以後開始之年度期間生效

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The Group has not early applied the following new standard, amendment or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standard, amendment or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating Segments ²
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ³
HK(IFRIC) – Int 8	Scope of HKFRS 2 ⁴
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives ⁵
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment ⁶
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions ⁷
HK(IFRIC) – Int 12	Service Concession Arrangements ⁸

- 1 Effective for annual periods beginning on or after 1st January, 2007
- 2 Effective for annual periods beginning on or after 1st January, 2009
- 3 Effective for annual periods beginning on or after 1st March, 2006
- 4 Effective for annual periods beginning on or after 1st May, 2006
- 5 Effective for annual periods beginning on or after 1st June, 2006
- 6 Effective for annual periods beginning on or after 1st November, 2006
- 7 Effective for annual periods beginning on or after 1st March, 2007
- 8 Effective for annual periods beginning on or after 1st January, 2008

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要

除了某些在會計政策中解釋的金融工具以公允價值計量外，該綜合財務報表乃按歷史成本慣例編制。

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編制。此外，綜合財務報表包括香港聯合交易所證券上市規則及公司條例規定之適用披露事項。

綜合基準

綜合財務報表合併了本公司及本公司所控制的實體(其附屬公司)的財務報表。控制是指本公司有權力掌管該實體之財務及營運政策，從而受惠於其經營活動。

當年購入或處置的附屬公司，其經營成果分別自購買生效日開始或至處置生效日為止包括在綜合收益表內。

所有集團內交易、結餘、收入及開支均於綜合賬目時對銷。

綜合附屬公司淨資產內之少數股東所佔權益與本集團所佔之權益分開列賬。少數股東之權益包括該等權益於原業務合併日期之數額及少數股東應佔該合併日期以來之股本變動。適用於少數股東的虧損超出於附屬公司股權的少數股東權益的數額將與本集團的權益作出分配，惟少數股東具約束力責任及可以其它投資補足虧損者除外。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of the subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

業務合併

收購附屬公司乃以採購法入賬。收購成本按交換日期本集團指定資產、所產生或所承擔之負債及本集團就交換被收購公司控制權而發行之股本工具各項的公平總值，加上業務合併之任何直接應佔成本計算。符合香港財務報告準則第3號業務合併可確認入帳的被收購公司可識別資產、負債及或然負債乃以彼等於收購日期之公平值確認，而根據香港財務報告準則第5號持作買賣的非流動資產及已終止業務分類為持作買賣的非流動資產則以公平值減出售成本確認及計量。

因收購所產生之商譽乃確認為資產，並初步按成本計量，即業務合併之成本超出本集團所持已確認可識別資產、負債及或然負債公平淨值權益的數額。倘於重新評估後，本集團所持被收購公司的可識別資產、負債及或然負債公平淨值中權益超出業務合併的成本，超出部分則會即時於損益賬內確認。

少數股東所持被收購公司的權益初步按少數股東所持已確認資產、負債及或然負債公平淨值比例計量。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

於聯營公司權益

聯營公司是投資者對其有重大影響的實體，不同於附屬公司及合營公司權益。

聯營公司的經營成果、資產及負債會按權益法計入財務報表內。在權益法下，對聯營公司的投資會在綜合資產負債表中以成本入帳，並根據本集團在購買後享有聯營公司淨資產份額的變動進行調整，再減去任何個別投資減值進行列報。如聯營公司的損失超過本集團在該聯營公司所佔份額（包括任何長期權益會形成本集團對該聯營公司的淨投資），本集團對其所佔的進一步損失不予以確認。只有當本集團發生法定或推定義務或者替聯營公司付款時，額外的分佔聯營公司損失及相關負債才會將被確認。

訂立的購買聯營公司所產生的商譽指購買成本超過本集團在聯營公司的可辨識資產、負債及或有負債在購買當日的公允價值中所佔份額的部份。商譽會包括在投資的金額中並作為長期投資減值認定的一部分。

訂立的購買聯營公司協議所產生的收購折價指本集團在聯營公司的可辨認資產、負債及或有負債在購買當日的公允價值中所佔份額超過業務購並重估的成本的部份，會立即確認於損益內。

當集團內公司與本集團聯營公司進行交易時，損益會按本集團在相關聯營公司權益所佔份額予以抵銷。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interests in associates

An associate is an entity over which the Group has significant influence and that is not a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

財務報表附註(續)

Notes to the Financial Statements – (continued)

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3. 主要會計政策概要(續)

收入確認

收入是按已收或應收對價的公允價值計量，即在正常業務交易中所提供的商品及勞務的應收金額減去折扣及其他與銷售有關的稅項後的金額。

銷售在付貨予客戶後及所有權轉移後即予確認。

服務收入在服務提供時即予確認。

利息收入乃按時間基準，並參照尚未償還本金額及按所適用之實際利率孳生，而實際利率為透過財務資產之預期可用年期將估計日後現金收據實際折讓至該資產之賬面淨值之比率。

投資之股息收入乃於股東有權收取款項時入賬。

日常業務過程中銷售物業之收益於達成以下所有條件時確認入賬：

- 物業所有權上之重要風險及報酬已轉移予買方；
- 不再對所保留之物業施加如同擁有權之管理參與程度及實際控制權；
- 有關收入可以可靠地計量；
- 與交易相關之經濟利益可能流入本集團；及
- 有關交易所產生或將予產生之成本可以可靠地計量。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Service income is recognised when services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Revenue from sale of properties in the ordinary course of business is recognised when all of the following criteria are met:

- the significant risks and rewards of ownership of the properties are transferred to buyers;
- neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

投資物業

初次確認時，投資物業按成本(包括任何直接應佔費用)計量。於初次確認後，投資物業以成本減去其後累積折舊及任何累積的減值準備計量。折舊是根據投資物業之租約年期以直線法計算。

投資物業於出售、永遠不會使用或不能再產生任何經濟利益時取消確認。資產取消確認產生之任何收益或虧損(按該項目之出售所得款項淨額及賬面值間之差額計算)於該項目取消確認之年度計入收益表。

物業、廠房及設備

除在建工程外，物業、廠房及設備之價值為原值減去折舊、攤銷及累計的減值損失列賬。

在建工程按成本值入賬，其中包括所有發展項目支出及該等工程應佔之其他直接成本(包括利息支出)。在建工程於未完成及可以出售之前將不會提供折舊。竣工工程之成本則轉撥入其適當之固定資產類別內。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties over the lease terms using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

Property, plant and equipment

Property, plant and equipment other than construction-in-progress and properties under development are stated at cost less accumulated depreciation and accumulated impairment losses.

Construction-in-progress represents properties under construction and equipment purchases prior to installation and is stated at cost, including borrowing costs capitalised in accordance with the Group's accounting policy for borrowing costs, less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

物業、廠房及設備(續)

除在建工程外，物業廠房及設備的折舊是於計入其估計剩餘價值後以直線法按下列年率於其估計可使用年限中撇銷成本。

房屋建築	3.23% – 6.47%
廠房設備及機器	6.47% – 13.86%
傢俬、裝置及設備	10.78% – 19.40%
汽車	16.17% – 19.40%

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。資產取消確認產生之任何收益或虧損(按該項目之出售所得款項淨額及賬面值間之差額計算)於該項目取消確認之年度計入收益表。

預付土地租賃

預付土地租賃代表在購買土地使用權時所付的預付款，該款項被分類為經營租約。預付土地租賃乃按租約之年期以直線法於收益表內確認或如果減值發生，該減值之數目會在損益表中成為支出。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction-in-progress over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method, on the following bases:

Buildings	3.23% – 6.47%
Plant and machinery	6.47% – 13.86%
Furniture, fixtures and equipment	10.78% – 19.40%
Motor vehicles	16.17% – 19.40%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Prepaid lease payments

The prepayment made on acquired land use rights represents prepaid lease payment and it is accounted for as an operating lease. The prepaid lease payment is released to consolidated income statement on a straight-line basis over the lease term, or when there is impairment, the impairment is expensed in the consolidated income statement.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

無形資產

(i) 個別收購之無形資產

個別收購之有限可使用年期之無形資產乃按成本減累計攤銷及任何累計減值虧損入賬。有限可使用年期之無形資產攤銷乃按直線基準於其估計可使用年期撥備。相反，無限可使用年期之無形資產乃按成本減任何其後累計減值虧損入賬。

取消確認無形資產所產生之損益以出售資產所得款項淨額與賬面值之間之差額計算，並於取消確認資產時在綜合收益表內確認。

(ii) 研究及開發成本

研究活動支出於產生期間確認為開支。

僅於明確界定項目所產生之開發成本預期將可透過日後之商業活動收回之情況下，方會確認為開發支出產生之內部無形資產，而所產生的資產將會於可使用年期以直線法攤銷，並按成本減除其後累計攤銷及累計減值虧損後列賬。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

(i) Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated income statement when the asset is derecognized.

(ii) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

無形資產(續)

(ii) 研究及開發成本(續)

內部產生無形資產的首次確認金額，為自無形資產首次符合確認準則之日起所產生的支出總額。倘並無內部產生之無形資產可予確認，則開發支出於產生期間自損益扣除。

於首次確認後，內部產生無形資產根據已個別收購無形資產的相同基準，按成本減累計攤銷及累計減值虧損後列賬。

(iii) 於業務合併所收購之無形資產

倘於業務合併所收購之無形資產符合無形資產之定義，且其公平值能可靠衡量，則會與商譽分開識別及確認。該等無形資產之成本為於收購日之公平值。

於首次確認後，具有有限可使用年期之無形資產，按成本減累計攤銷及任何累計減值虧損。有限可使用年期之無形資產攤銷乃按直線基準於其估計可使用年期撥備。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

(ii) *Research and development expenditure (continued)*

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

(iii) *Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

無形資產(續)

(iv) 減值

不論是否出現可能減值之跡象，無限使用年期之無形資產及尚未準備作出售之無形資產每年進行減值測試，方法為比較其可收回金額與賬面值。倘資產之可收回金額估計會低於其賬面值，則該資產之賬面值將調低至其可收回金額。減值虧損會即時確認為開支。

倘其後減值虧損撥回，則資產之賬面值將增至重新估計之可收回金額，惟增加後之賬面值不得超過資產於過往年度尚未確認減值虧損時釐定之賬面值。

倘一項資產出現可能減值之跡象，有限使用年期之無形資產會進行減值測試。

金融工具

財務資產及財務負債乃當某集團實體成為工具合同條文之訂約方時在資產負債表上確認。財務資產及財務負債按公平值初步確認。收購或發行財務資產及資產負債直接應佔之交易成本(透過損益以公平值列賬之財務資產及財務負債除外)乃於初步確認時加入財務資產或財務負債之公平值或自財務資產或財務負債之公平值內扣除(如合適)。收購透過損益以公平值列賬之財務資產或財務負債直接應佔之交易成本即時於損益賬內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

(iv) Impairment

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount do the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised as income immediately.

Intangible assets with finite useful lives are tested for impairment when there is an indication that an asset may be impaired.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

財務資產

本集團之財務資產歸入下列三個類別之其中一個，包括貸款及應收款項、待銷售性之財務資產以及持金融衍生工具作買賣性質。所有定期購買或出售財務資產乃按交易日基準確認及取消確認。定期購買或出售乃購買或銷售財務資產，並要求於市場上按規則或慣例設定之時間框架內付運資產。所採納之與各類財務資產有關之會計政策乃載於下文。

貸款及應收款項

貸款及應收款項乃於現行市場所報之固定或可釐定付款之非衍生金融工具。於初步確認後各結算日，貸款及應收款項（包括應收貿易賬款、其它應收款項、應收關聯公司款項及銀行存款）均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬。減值虧損乃當可實質證明資產減值時於損益中確認，並按該資產之賬面值與按原先實際利率折讓之估計未來現金流量之現值間的差額計量。當資產之可收回數額增加乃確實與於確認減值後所引致之事件有關時，則減值虧損會於隨後會計期間予以回撥，惟該資產於減值被回撥之日之賬面值不得超過未確認減值時之已攤銷成本。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets

The Group's financial assets are classified into one of the three categories, including loans and receivables, available-for-sale financial assets and derivative instruments held for trading. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of these financial assets are set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including amounts due from fellow subsidiaries, trade and other debtors, bank deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

財務資產(續)

可供出售之財務資產

已表明之待銷售性的財務資產為非投機性。於各最初確認期後的結算日，可供出售的財務資產是以公平價值計量。公平價值之變動於權益表內確認，直至該財務資產出售或確定出現減值，屆時先前在權益表內確認的累積收益或虧損計入該年的淨利潤或虧損。待銷售性權益投資之減值虧損將不會在以後的時期內得到撥回。如果在減值虧損確認後發生的一個事件能令相關的投資之公平價值有所增加，待銷售性債務投資之減值虧損則有可能在以後的時期內撥回。

就可供出售之股本投資而言，倘並無活躍市場之市價報價，而其公平價值未能可靠計算及與該等非上市股本工具有關並須以交付該等工具之方式結算之衍生工具，則可供出售之股本投資於首次確認後之各個結算日按成本值減任何已識別減值虧損計算。倘具備客觀證明資產減值，則減值虧損於損益表確認。減值虧損數額按資產賬面值與按類似金融資產之現行市場回報率折現估計未來現金流量之現值間之差額計算。該等減值虧損將不會於其後期間撥回。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables and held-to-maturity investments. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

金融衍生工具

本集團採用金融衍生工具(主要是外幣遠期合約)來對沖匯率變動之風險。該衍生工具無論是否認定為有效對沖工具,於結算日也按其公平價值計算。

未符合對沖會計準則之衍生工具會視為用作投資買賣性質的財務資產或負債。該衍生工具之公平價值變動會直接計入損益中。

財務負債及股本

集團實體發行之財務負債及股本投資工具乃根據合同安排之性質與財務負債及股本投資工具之定義分類。

股本投資工具乃證明集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。就財務負債及股本工具所採納之會計政策乃載於下文。

財務負債

財務負債(除衍生工具被視為持作買賣性質)包括銀行與其它借款、應付賬款、其它應付款及應計費用、欠最終控股公司款項及最終控股公司收款,乃隨後採用實際利率法按已攤銷成本計量。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments

The Group uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its exposure against changes in exchange rate. Such derivatives are measured at fair value, at each balance sheet date regardless of whether they are designated as effective hedging instruments.

Derivatives that do not qualify for hedge accounting are deemed as financial assets held for trading or financial liabilities held for trading. Changes in fair values of such derivatives are recognised directly in profit or loss.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities (other than derivative instruments which are deemed as held for trading) including bank and other borrowings, trade creditors, other creditors and accrued charges, amount due to holding company and advance from holding company are subsequently measured at amortised cost, using the effective interest rate method.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

股本工具

本公司發行之股本工具乃按已收所得款項(扣除直接發行成本)記賬。

不予確認

不予確認若從資產收取現金之權利已屆滿,或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移,則金融資產將被不予確認。於不予確認金融資產時,資產賬面值與已收或應收代價及已直接於權益確認時累計損益之總和之差額,將於損益中確認。

至於金融負債,則於本集團之資產負債表中剔除(即倘於有關合約訂明之特定責任獲解除、取消或屆滿)。不予確認之金融負債賬面值與已收或應收代價之差額乃於損益中確認。

存貨

存貨按成本與可變現淨值兩者之較低值入賬。成本採用加權平均法計算。

發展中物業之成本以截至目前所發生之成本減去可預見之損失列示。成本包括建築成本、財務及其它有關該物業發展之直接成本。在建物業並不需提折舊。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

Properties held for development for sale in the ordinary course of business are stated at cost less any identified impairment loss. Cost includes the cost of construction, financing and other direct costs attributable to the development of such properties. No depreciation is provided on properties under development.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

建造合同

如果建造合同的結果能夠可靠地估計，應根據完工百分比法在資產負債表日確認合同成本。合同完工進度是根據累計實際發生的合同成本佔合同預計總成本的比例確定。合同中所包括的工程差異需要經客戶同意。

如果建造合同的結果不能夠可靠地估計，合同成本應在發生時確認為費用。

如果合同預計總成本將超過合同預計總收入，應將預計損失立即確認為當期費用。

倘現時之工程費用加經確認溢利減經確認虧損超出進度付款，則盈餘以應收客戶合約工程款項呈示。倘進度付款超出現時之工程費用加經確認溢利減經確認虧損，則盈餘以應付客戶合約工程款項呈示。在有關工程未開始時，預收之款項會於資產負債表內視為負債—預收款，已進行工程，而客戶未付之款項會放於資產負債表內以應收賬款及其它應收款呈示。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs for the contract. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as an amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as an amount due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the balance sheet under trade and other receivables.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

退休金

退休金及撥備乃根據當地政府之有關文件訂立之定額供款合約列入損益賬。

所得稅

所得稅支出代表當期應付所得稅及遞延所得稅的總額。

當期應付所得稅乃按本年度應課稅溢利計算。應課稅溢利不包括已撥往其它年度的應課稅或應扣減之收入及開支項目，亦不包括可作免稅或不可作稅項扣減之項目，故與收益表所列純利不同。

遞延稅項指就綜合財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之差額而確認，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產則於可能出現應課稅溢利以抵銷可扣稅之臨時差額時提撥。若於一項交易中，因商譽或因業務合併以外原因開始確認其他資產及負債而引致之臨時時差既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產及負債。

對附屬公司投資的權益產生的應稅暫時性差異會確認為遞延所得稅負債，除非本集團能夠控制這些暫時性差異的轉回，而且暫時性差異在可預見的將來很可能不會轉回。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit costs

Retirement benefit costs charged to the consolidated income statement represent the amount payable under a defined contribution arrangement with the local government.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

所得稅(續)

在每個資產負債表日，本集團會對遞延所得稅資產的賬面金額進行核查。當很可能不再有足夠的應納稅利潤以轉回部份或全部遞延所得稅資產時，遞延所得稅資產會按不能轉回部份予以扣減。

遞延所得稅是以預期於相關資產實現或相關負債清償當期所使用的所得稅率計算。遞延所得稅會在損益表中扣除或記入，除非其與直接在權益中記入或扣除的項目有關，在這種情況下，該遞延所得稅也會作為權益專案處理。

準備

因為過去事項而承擔了現時義務，並且很可能需要履行有關義務，則本集團會對該義務確認準備。準備的計量金額應是本集團董事對在資產負債表日履行現時義務所需支出的最佳估計。如果折現的影響重大，則會把有關金額折算至現值予以計量。

借貸成本

為購買、建造或生產合資格的資產，即需要一段頗長時間始能達至其擬定用途或出售之資產，其直接應計之借貸成本均撥充資本作為此等資產成本值之一部份。當此等資產大體上已完成可作其預計用途或出售時，即停止將該等借貸成本撥充資本。個別借貸於等待使用於有關合資格資產時用作短暫投資所賺取之投資收益於撥充資本之借貸成本內扣除。

其它借貸成本均計入當期損益。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

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

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

3. 主要會計政策概要(續)

租約

當租約條款將所涉及擁有權之絕大部份風險及回報轉讓予承租人時，租約乃分類為融資租約。所有其它租約均分類為經營租約。

本集團作為出租人

經營租約之租金收入乃按相關租約年期以直線法於收益表確認。於協商及安排時引致之初步直接成本乃加至租約資產之賬面值，並按租約年期以直線法確認作一項支出。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率換算為功能貨幣(如該實體經營所在主要經濟地區之貨幣)記賬。於各結算日，以外幣為定值之貨幣項目均按結算日之適用匯率重新換算。按公平值以外幣定值之非貨幣項目乃按於公平值釐定當日之適用匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益賬中確認。

政府補貼

為彌補發生之成本而給予的政府補貼，於相應成本發生時確認為收入。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

Government subsidies

Government subsidies related to costs which they are intended to compensate are recognised as income when the relevant costs are incurred.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

4. 估計不明朗因素之主要來源

於應用本集團之會計政策時，管理層根據過往經驗，對未來之預期及其他資料作出各種估計。可能對於財務報表中已確認之數額產生重大影響之估計不明朗因素之主要來源披露如下。

貸款及應收款項之估計減值(包括應收同系附屬公司款項，應收賬款及其它應收款)

管理層定期檢討貿易應收賬款、應收貸款及墊付被投資公司之可回收性及／或賬齡情況。當有客觀證據顯示資產已減值，則估計不可收回款項之適當減值，將於損益內確認。

在釐定呆壞賬是否需要作出減值時，本集團已考慮到賬齡情況及收回賬項之可能性。只會就不可能收回之應收賬款作出特定備抵，並根據有效之利率對未來預期可收取現金流之折現值及現值之差額入賬。

存貨撥備

管理層審核可變現淨值及存貨賬齡分析並按現存市場環境，過往年度銷售表現和估計市值(即是估計銷售價減去估計銷售成本)而對滯銷存貨進行撥備。如存貨的估計市值低於其帳面值時，將會作出針對性的撥備。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, management makes various estimates based on past experiences, expectations of the future and other information. The key source of estimation uncertainty that may significantly affect the amounts recognised in the consolidated financial statements are disclosed below:

Estimated impairment on loans and receivables (including amounts due from fellow subsidiaries, trade and other debtors)

Management regularly reviews the recoverability and aging of loans and trade receivables. Appropriate impairment for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

In determining whether impairment for bad and doubtful debts is required, the Group takes into consideration the aging status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive discounted using the original effective interest rate and its carrying value.

Allowance for inventories

Management reviews the net realisable values and aging of inventories and makes allowance for obsolete and slow moving inventory items identified with reference to existing market environment, the sales performance in previous years and estimated market value, i.e. the estimated selling price, less estimated costs of selling. A specific allowance for inventories is made if the estimated market value of the inventories is lower than its carrying value.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

5. 財務風險管理目標及政策

本集團之主要財務工具包括待銷售性投資、應收貿易及其它應收款、應付貿易及其它應付款、銀行借款、銀行結存及現金。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

市場風險

(i) 利率風險

本集團所面對之利率變動風險主要是由其固定利率的銀行存款、債券及貸款所致。本集團現時並無利率對沖政策。然而，管理層對利率風險進行監控並將於有需要時考慮對沖重大外幣風險。

(ii) 其它價格風險

本集團面對股本證券價格風險。管理層透過緊密的監控該等被投資公司的表現來管理其風險。

(iii) 貨幣風險

本集團之若干貿易應收款項以外幣計值。管理層監控外幣風險並用外幣遠期合約來對部份風險。外幣遠期合約並不適用於對沖會計方法。

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments including available-for-sale investments, trade and other debtors, trade and other creditors, bank borrowings and bank balances and deposits. The risks associate with and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure approximate measures are implemented on a timely and effective manner.

Market risk

(i) Interest rate risk

The Group's interest rate risk relates primarily to fixed rate bank deposits, debentures and borrowings. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

(ii) Other price risk

The Group is exposed to equity security price risk. The management manages this exposure by closely monitoring the performance of the respective investee companies.

(iii) Currency risk

Certain trade receivables of the Group are denominated in foreign currencies. The management monitors foreign exchange exposure and hedges certain exposure using foreign currency forward contracts. The foreign currency forward contracts do not qualify for hedging accounting.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

5. 財務風險管理目標及政策(續)

信貸風險

倘對方於二零零六年十二月三十一日未能履行彼等之承擔，則本集團就每類已確認財務資產而須承受之最大信貸風險為已於綜合資產負債表列值之資產之賬面金額反映。為最大限度地降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其它監控措施，以確保採取跟進措施收回逾期未付之債項。此外，於各結算日，本集團定期評估每項個別貿易應收款之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

於銀行存款及結存之信貸風險有限，原因是對手是得到國際信貸評級機構給予高信貸評級之銀行。

就本集團其他主要金融資產產生之信貸風險而言，當中包括本集團就對手失責承擔之信貸風險有限，因為對手具備良好信譽，而本集團並不預期就此等公司未追收墊款／存款產生任何重大虧損。

本集團之信貸風險並非極為集中，所承擔之風險在多名對手之間分攤。

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31st December, 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on bank deposit and balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

With respect of credit risk arising from other major financial assets of the Group, the Group's exposure to credit risk arising from default of counterparties is limited as the counterparties have good credit standing and the Group does not expect any significant loss for uncollected advances/deposits from these entities.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

6. 主營業務收入

主營業務收入指本集團將產品售予外界客戶及為其提供服務之已收及應收金額在扣除增值稅及退貨後之淨額，分列如下：

物業銷售	Sales of properties
產品銷售	Sales of goods
建造合同收入	Revenue from construction contracts
租賃收入	Rental income
服務提供	Services rendered

6. TURNOVER

Turnover represents the amounts received and receivable for goods sold and services rendered by the Group to outside customers during the year, net of value added tax ("VAT") and sales returns, and is analysed as follows:

	2006 人民幣千元 Rmb'000	2005 人民幣千元 Rmb'000
	206,784	668,914
	22,912,057	14,235,472
	5,948,694	3,519,108
	26,170	35,021
	4,311	5,591
	<u>29,098,016</u>	<u>18,464,106</u>

7. 業務和地區分部

業務分部

本集團分為以下五個主要分部－火電主機設備、水電主機設備、電站工程服務、電站輔機和配套設備、交直流電機及其它：

主要經營活動如下：

火電主機設備	－	製造火電主機設備
水電主機設備	－	製造水電主機設備
電站工程服務	－	提供電站工程建設服務
電站輔機和 配套設備	－	製造電站輔機和 配套設備
交直流電機 及其它	－	製造交直流電機及 其它

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

The Group operates in five major segments as follows-main thermal power equipment, main hydro power equipment, engineering services for power stations, ancillary equipment for power stations and AC/DC motors and others.

Principal activities are as follows:

Main thermal power equipment	－	manufacture of main thermal power equipment.
Main hydro power equipment	－	manufacture of main hydro power equipment.
Engineering services	－	providing engineering services for power stations.
Ancillary equipment	－	manufacture of ancillary equipment for power stations.
AC/DC motors and others	－	manufacture of AC/DC motor and others.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

7. 業務和地區分部(續)

業務分部(續)

關於這些業務的分部信息列示如下:

2006

	火電主機 設備 Main thermal power equipment 人民幣千元 Rmb'000	水電主機 設備 Main hydro power equipment 人民幣千元 Rmb'000	電站工程 服務 Engineering services for power stations 人民幣千元 Rmb'000	電站輔機 及配套設備 Ancillary equipment for power stations 人民幣千元 Rmb'000	交直流電機 及其它 AC/DC motors and others 人民幣千元 Rmb'000	內部抵銷 Eliminations 人民幣千元 Rmb'000	合併 Consolidated 人民幣千元 Rmb'000	
主營業務收入	REVENUE							
外部收入	External sales	21,836,612	1,608,561	3,007,672	1,053,026	1,592,145	-	29,098,016
分部收入	Inter-segment sales	594,910	-	-	-	-	(594,910)	-
總收入	Total revenue	<u>22,431,522</u>	<u>1,608,561</u>	<u>3,007,672</u>	<u>1,053,026</u>	<u>1,592,145</u>	<u>(594,910)</u>	<u>29,098,016</u>

分部間的銷售是以現行市場價格計算的。

Inter-segment sales are charged at prevailing market rates.

分部經營成果	SEGMENT RESULTS	<u>2,646,262</u>	<u>112,097</u>	<u>5,199</u>	<u>265,585</u>	<u>209,838</u>	<u>-</u>	<u>3,238,981</u>
未能分攤總部費用	Unallocated corporate expenses							(1,550,719)
財務支出	Finance costs							(156,654)
於聯營公司溢利	Share of results of associates							11,965
除稅前溢利	Profit before taxation							1,543,573
稅項	Income tax expense							(272,218)
本年度溢利	Profit for the year							<u>1,271,355</u>

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Segment information about these businesses is presented below.

2006

	火電主機 設備 Main thermal power equipment 人民幣千元 Rmb'000	水電主機 設備 Main hydro power equipment 人民幣千元 Rmb'000	電站工程 服務 Engineering services for power stations 人民幣千元 Rmb'000	電站輔機 及配套設備 Ancillary equipment for power stations 人民幣千元 Rmb'000	交直流電機 及其它 AC/DC motors and others 人民幣千元 Rmb'000	內部抵銷 Eliminations 人民幣千元 Rmb'000	合併 Consolidated 人民幣千元 Rmb'000	
主營業務收入	REVENUE							
外部收入	External sales	21,836,612	1,608,561	3,007,672	1,053,026	1,592,145	-	29,098,016
分部收入	Inter-segment sales	594,910	-	-	-	-	(594,910)	-
總收入	Total revenue	<u>22,431,522</u>	<u>1,608,561</u>	<u>3,007,672</u>	<u>1,053,026</u>	<u>1,592,145</u>	<u>(594,910)</u>	<u>29,098,016</u>

分部間的銷售是以現行市場價格計算的。

Inter-segment sales are charged at prevailing market rates.

分部經營成果	SEGMENT RESULTS	<u>2,646,262</u>	<u>112,097</u>	<u>5,199</u>	<u>265,585</u>	<u>209,838</u>	<u>-</u>	<u>3,238,981</u>
未能分攤總部費用	Unallocated corporate expenses							(1,550,719)
財務支出	Finance costs							(156,654)
於聯營公司溢利	Share of results of associates							11,965
除稅前溢利	Profit before taxation							1,543,573
稅項	Income tax expense							(272,218)
本年度溢利	Profit for the year							<u>1,271,355</u>

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

7. 業務和地區分部(續)

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

業務分部(續)

Business segments (continued)

2006 (continued)

	火電主機 設備 Main thermal power equipment 人民幣千元 Rmb'000	水電主機 設備 Main hydro power equipment 人民幣千元 Rmb'000	電站工程 服務 Engineering services for power stations 人民幣千元 Rmb'000	電站輔機 及配套設備 Ancillary equipment for power stations 人民幣千元 Rmb'000	交直流電機 及其它 AC/DC motors and others 人民幣千元 Rmb'000	內部抵銷 Eliminations 人民幣千元 Rmb'000	合併 Consolidated 人民幣千元 Rmb'000
資產	ASSETS						
分部資產	21,334,476	1,516,546	4,153,891	939,075	2,084,830	-	30,028,818
於聯營公司之權益							168,448
未能分攤總部資產							7,247,282
合併總資產							<u>37,444,548</u>
負債	LIABILITIES						
分部負債	20,677,518	1,716,088	638,293	812,630	1,560,156	-	25,404,685
未能分攤總部負債							6,260,465
合併總負債							<u>31,665,150</u>
其它資料	OTHER INFORMATION						
資本性支出	380,569	36,614	2,470	24,451	110,508	-	554,612
物業、廠房及 設備折舊	216,443	34,263	2,905	12,597	30,247	-	296,455
投資物業折舊	7,581	5,526	-	78	2,455	-	15,640
專利權攤銷	7,879	-	-	427	2,702	-	11,008
預付土地租賃 攤銷	8,179	1,211	-	322	877	-	10,589

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

7. 業務和地區分部(續)

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

業務分部(續)

Business segments (continued)

2005

		火電主機 設備 Main thermal power equipment 人民幣千元 Rmb'000	水電主機 設備 Main hydro power equipment 人民幣千元 Rmb'000	電站工程 服務 Engineering services for power stations 人民幣千元 Rmb'000	電站輔機 及配套設備 Ancillary equipment for power stations 人民幣千元 Rmb'000	交直流電機 及其他 AC/DC motors and others 人民幣千元 Rmb'000	內部抵銷 Eliminations 人民幣千元 Rmb'000	合併 Consolidated 人民幣千元 Rmb'000
主營業務收入	REVENUE							
外部收入	External sales	13,253,712	1,214,099	2,248,903	316,693	1,430,699	-	18,464,106
分部收入	Inter-segment sales	48,166	28,355	-	660,004	87,513	(824,038)	-
總收入	Total revenue	<u>13,301,878</u>	<u>1,242,454</u>	<u>2,248,903</u>	<u>976,697</u>	<u>1,518,212</u>	<u>(824,038)</u>	<u>18,464,106</u>

分部間的銷售是以現行市場價格計算的。

Inter-segment sales are charged at prevailing market rates.

分部經營成果	SEGMENT RESULTS	<u>1,523,274</u>	<u>67,851</u>	<u>33,051</u>	<u>79,788</u>	<u>159,125</u>	<u>-</u>	1,863,089
未能分攤總部費用	Unallocated corporate expenses							(1,135,324)
財務支出	Finance costs							(33,767)
於聯營公司溢利	Share of results of associates	-	-	-	-	2,127	-	2,127
除稅前溢利	Profit before taxation							696,125
稅項	Income tax expense							(136,739)
本年度溢利	Profit for the year							<u>559,386</u>
資產	ASSETS							
分部資產	Segment assets	20,779,516	1,641,722	2,629,856	2,201,258	1,600,558	-	28,852,910
於聯營公司之權益	Interests in associates	-	-	-	-	118,372	-	118,372
未能分攤總部資產	Unallocated corporate assets							7,477,605
合併總資產	Consolidated total assets							<u>36,448,887</u>

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

7. 業務和地區分部(續)

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

業務分部(續)

Business segments (continued)

2005 (continued)

	火電主機 設備 Main thermal power equipment 人民幣千元 Rmb'000	水電主機 設備 Main hydro power equipment 人民幣千元 Rmb'000	電站工程 服務 Engineering services for power stations 人民幣千元 Rmb'000	電站輔機 及配套設備 Ancillary equipment for power stations 人民幣千元 Rmb'000	交直流電機 及其他 AC/DC motors and others 人民幣千元 Rmb'000	內部抵銷 Eliminations 人民幣千元 Rmb'000	合併 Consolidated 人民幣千元 Rmb'000	
負債	LIABILITIES							
分部負債	Segment liabilities	22,596,386	1,730,915	528,435	1,322,777	1,362,880	-	27,541,393
未能分攤總部負債	Unallocated corporate liabilities							4,382,814
合併總負債	Consolidated total liabilities							<u>31,924,207</u>
其它資料	OTHER INFORMATION							
資本性支出	Capital additions	324,093	35,268	2,748	19,640	20,526	-	402,275
物業、廠房及 設備折舊	Depreciation of property, plant and equipment	203,171	28,083	3,185	17,473	14,638	-	266,550
投資物業折舊	Depreciation of investment properties	-	-	-	-	14,869	-	14,869
專利權攤銷	Amortisation of patent	5,013	-	-	-	-	-	5,013
預付土地租賃 攤銷	Release of prepaid lease payments	6,679	1,154	-	365	431	-	<u>8,629</u>

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

7. 業務和地區分部(續)

地區分部

本集團之主營業務收入主要來自於中國境內，按地區分類如下：

境內	PRC
境外	Overseas
總收入	Total revenue

本集團之主要資產和負債主要位於中國境內。於二零零六年十二月三十一日及二零零五年十二月三十一日，位於境外的資產和負債少於集團總資產和總負債的10%。

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Geographical segments

The Group's operations are located mainly in the PRC. The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	2006 人民幣千元 Rmb'000	2005 人民幣千元 <i>Rmb'000</i>
境內	25,553,963	15,145,782
境外	3,544,053	3,318,324
總收入	29,098,016	18,464,106

The majority of the Group's assets and liabilities are located in the PRC. The assets and liabilities situated overseas account for less than 10% of the Group's assets and liabilities as at 31st December, 2006 and 2005.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

8. 其它業務收入

其它業務收入包括如下：

8. OTHER INCOME

Included in other income are the following:

		2006	2005
		人民幣千元	人民幣千元
		Rmb'000	Rmb'000
待銷售性投資之股息	Dividend income from available-for-sale investments	40,594	4,064
處置待銷售性投資收益	Gain on disposal of available-for-sales investments	–	91,780
處置物業、廠房及設備收益	Gain on disposal of property, plant and equipment	–	3,933
政府補貼	Government subsidy	14,605	351
金融衍生工具公允價值變化收益	Gain on fair value changes of derivative financial instruments	–	35,456
存放於金融機構之存款利息收入	Interest income from financial institutions	178,803	96,523
廢料銷售利潤	Profit from sales of scrap materials	26,071	9,631
呆壞賬準備回撥	Reversal of allowance for bad and doubtful debts	5,003	–
存貨跌價準備回撥	Reversal of allowance for inventories	7,287	–
待銷售性投資減值準備回撥	Reversal of impairment loss recognised in respect of available-for-sale investments	343	–
其他	Other income	111,545	15,231
		384,251	256,969

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

9. 財務支出

9. FINANCE COSTS

		2006 人民幣千元 Rmb'000	2005 人民幣千元 Rmb'000
借款利息支出:	Interest on borrowings:		
– 須於五年內 全部償還借款	– wholly repayable within five years	46,883	71,089
– 毋須於五年內 全部償還借款	– not wholly repayable within five years	110,092	32,643
		156,975	103,732
減: 已撥充資本之有關存貨 利息支出	Less: Interest capitalised in inventories interest	–	(68,932)
已撥充資本之有關 在建工程利息支出	Interest capitalised in construction in progress	(321)	(1,033)
		156,654	33,767

本年已撥充資本之借貸成本是指用於資產的一般性貸款按6.2% (二零零五年: 6%) 的利率予以資本化的金額。

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 6.2% (2005: 6%) to expenditure on qualifying assets.

10. 稅項

10. INCOME TAX EXPENSE

稅項支出包括:

The charge comprises:

		2006 人民幣千元 Rmb'000	2005 人民幣千元 Rmb'000
中國所得稅	PRC enterprise income tax		
– 本年度	– current year	273,958	136,991
– 過往年度撥備過剩	– overprovision in prior years	(1,740)	(252)
		272,218	136,739

該支出乃指按本年度估計之應課稅收入以稅率15%計算之中國所得稅。

The charge mainly represents PRC enterprise income tax calculated at 15% of the estimated taxable income for the year.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

10. 稅項(續)

根據中國財政部及國家稅務局於一九九四年三月二十九日所發出之文件，本集團除某些附屬公司以外應課稅收入須按15%之稅率繳付所得稅。

本年度稅務支出與綜合收益表內溢利之對照如下：

10. INCOME TAX EXPENSE (continued)

Pursuant to a document issued by the PRC Ministry of Finance and the State Tax Bureau on 29th March, 1994, taxable income earned by the Group, except for certain subsidiaries, is subject to an enterprise income tax rate of 15%.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

		2006 人民幣千元 Rmb'000	2005 人民幣千元 <i>Rmb'000</i>
除稅前溢利	Profit before taxation	1,543,573	696,125
本集團按15%的稅率計算	Tax charge at the enterprise income tax rate of 15%	231,536	104,419
共享聯營公司經營成果對稅務的影響	Tax effect of share of results of associates	(1,795)	(319)
因集團附屬公司按所得稅33%所增加之企業所得稅	Additional enterprise income tax in respect of the income tax rate of 33% for certain subsidiaries	8,319	2,701
在計算本年應課稅金額時不須課稅收入對稅務的影響	Tax effect of income not taxable for tax purpose	(17,177)	(10,776)
在計算本年應課稅金額時不可扣除支出對稅務的影響	Tax effect of expenses not deductible for tax purpose	81,505	50,681
因一家中國附屬公司獲稅務豁免影響	Effect of tax exemptions granted to a PRC subsidiary	(28,430)	(9,715)
過往年度之撥備過剩	Overprovision in respect of prior years	(1,740)	(252)
本年度稅務支出	Tax charge for the year	272,218	136,739

於資產負債表結算日及本年度內並無重大未撥備之遞延稅項。

There was no significant unprovided deferred taxation for the year or at the balance sheet date.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

11. 本年度溢利

扣除費用後的溢利：

11. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

		2006 人民幣千元 Rmb'000	2005 人民幣千元 <i>Rmb'000</i>
人工成本(包括董事和 監事的薪酬)	Staff costs including directors' and supervisors' emoluments	825,540	719,995
退休福利計劃	Retirement benefit scheme contributions	172,470	103,709
人工總成本	Total staff costs	998,010	823,704
呆壞賬準備	Allowance for bad and doubtful debts	291,820	274,600
存貨跌價準備	Allowance for inventories	113,526	38,042
專利權攤銷	Amortisation of patents	11,008	5,013
預付土地租賃攤銷	Release of prepaid lease payments	10,589	8,629
審計費	Auditors' remuneration	2,650	2,920
投資物業折舊	Depreciation for investment properties	15,640	14,869
物業、廠房及設備 折舊	Depreciation for property, plant and equipment	296,455	266,550
出售待銷售性 投資虧損	Loss on disposal of available-for-sale investments	4,196	–
出售物業、廠房及 設備虧損	Loss on disposal of property, plant and equipment	508	–
待銷售性投資減值 確認(包含於其它 業務費用)	Impairment loss recognized in respect of available-for sale investments (included in other expenses)	5,299	2,758
專利權減值確認	Impairment loss recognized in respect of patents	3,000	–
匯兌淨損失	Net foreign exchange loss	32,728	25,151
物業、廠房及設備撇銷	Property, plant and equipment written off	2,584	–
研究開發費用	Research and development expenses	452,740	302,761
應付聯營公司稅項 (包含於聯營公司 溢利)	Share of tax of associates (included in share of results of associates)	1,795	325

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

12. 董事及監事酬金

2006年

下表分別列示了16 (2005:16) 位董事和監事個人的薪酬情況：

	*	*	*	*	*	*	***	***	***	***	***	****	****	****	****	****	2006合計
	官晶望	趙克非	俞大庄	段洪義	商中福	吳偉章	姜魁	李荷君	周道剛	賈成炳	丁雪梅	郎恩齊	楊旭	高旭光	盧春蓮	陳思	2006合計
	Mr. Gong	Mr. Zhao	Mr. Qu	Mr. Duan	Mr. Shang	Mr. Wu	Mr.	Ms. Li	Mr. Zhou	Mr. Jia	Ms. Ding	Mr. Lang	Mr.	Mr. Gao	Ms. Lu	Mr.	Total
	Jing-kun	Ke-fei	Da-zhuang	Hong-yi	Zhong-fu	Wei-zhang	Jiang Kui	He-jun	Dao-jiong	Cheng-bing	Xue-mei	En-qi	Yang Xu	Xu-guang	Chun-lian	Chen Si	2006
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
酬金	Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
其他薪資	Other emoluments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
工資與其他福利費	Salaries and other benefits	-	-	358	-	316	347	-	-	-	-	294	102	80	136	-	1,633
退休福利計劃	Contributions to retirement benefits schemes	-	-	9	-	9	9	-	-	-	-	10	9	10	10	-	66
薪酬總額	Total emoluments	-	-	367	-	325	356	-	-	-	-	304	111	90	146	-	1,699

12. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

2006

The emoluments paid or payable to each of the 16 (2005: 16) directors and supervisors were as follows:

2005年

	*	*	*	*	*	*	**	**	***	***	***	****	****	****	****	****	2005合計
	耿雷	官晶望	趙克非	段洪義	商中福	吳偉章	李根深	梁維燕	周道剛	鄒興有	丁雪梅	郎恩齊	楊旭	胡辰付	盧春蓮	李振華	2005合計
	Mr. Geng	Mr. Gong	Mr. Zhao	Mr. Duan	Mr. Shang	Mr. Wu	Dr. Li	Mr. Liang	Mr. Zhou	Mr. Du	Ms. Ding	Mr. Lang	Mr.	Mrs. Hu	Mrs. Lu	Mr. Li	Total
	Geng Lei	Jing-kun	Ke-fei	Hong-yi	Zhong-fu	Wei-zhang	Gen-shen	Wei-yan	Dao-jiong	Xing-you	Xue-mei	En-qi	Yang Xu	Chang-fu	Chun-lian	Zhen-hua	2005
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
酬金	Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
其他薪資	Other emoluments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
工資與其他福利費	Salaries and other benefits	-	-	329	-	283	240	-	70	-	-	280	49	31	91	-	1,373
退休福利計劃	Contributions to retirement benefits schemes	-	-	9	-	9	9	-	9	-	-	9	8	9	9	-	71
薪酬總額	Total emoluments	-	-	338	-	292	249	-	79	-	-	289	57	40	100	-	1,444

- * 集團執行董事
- ** 集團非執行董事
- *** 集團的獨立非執行董事

**** 集團的監事

- * Being executive directors of the Group
- ** Being non-executive directors of the Group
- *** Being independent non-executive directors of the Group
- **** Being supervisors of the Group

這兩年無個別董事薪酬超過港幣100萬元。

None of the directors received more than HK\$1,000,000 for any of these two years.

於二零零五年及二零零六年，本集團五位最高薪金之個別人士均為本公司之董事或監事，其酬金列示如上。

The five highest paid individuals in the Group in 2005 and 2006 were directors and supervisors of the Company and details of their emoluments are set out above.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

13. 股息

13. DIVIDENDS

		2006 人民幣千元 Rmb'000	2005 人民幣千元 <i>Rmb'000</i>
末期已付2005股息	Final dividend paid for 2005 of		
人民幣0.061元	Rmb0.061 (2004: Rmb0.051)		
(2004: 人民幣0.051元)	per share	77,742	60,647

董事建議本年每股派發股息人民幣0.09元(二零零五年:人民幣0.061元),上述提議有待年度股東大會批准。

The final dividend for 2006 of Rmb0.09 (2005: Rmb0.061) per share has been proposed by the directors and is subject to approval by the shareholders in annual general meeting.

14. 每股盈利

14. EARNINGS PER SHARE

每股盈利乃按本年度溢利人民幣1,024,581,000元(二零零五年:人民幣464,990,000元)及全年加權平均之股份1,274,451,000股(二零零五年:1,193,124,000股)計算。

The calculation of the earnings per share is based on the profit for the year of approximately Rmb1,024,581,000 (2005: Rmb464,990,000) and on the weighted average number of shares of 1,274,451,000 (2005: 1,193,124,000).

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

15. 物業、廠房及設備

15. PROPERTY, PLANT AND EQUIPMENT

本集團

THE GROUP

		房屋建築 Buildings 人民幣千元 Rmb'000	廠房設備 及機器 Plant and machinery 人民幣千元 Rmb'000	傢俬、 裝置及設備 Furniture, fixtures and equipment 人民幣千元 Rmb'000	汽車 Motor vehicles 人民幣千元 Rmb'000	在建工程 Con- struction- in-progress 人民幣千元 Rmb'000	總計 Total 人民幣千元 Rmb'000
成本	COST						
於二零零五年一月一日	At 1st January, 2005	1,216,934	2,242,204	213,816	85,698	650,235	4,408,887
添置	Additions	10,067	50,390	11,365	11,527	264,613	347,962
轉撥	Transfers	66,293	299,222	50,416	6,093	(422,024)	-
投資物業轉入	Transferred to investment properties	(50,437)	-	-	-	-	(50,437)
處置	Disposals	(23,729)	(36,549)	(8,750)	(35,128)	-	(104,156)
於二零零六年一月一日	At 1st January, 2006	1,219,128	2,555,267	266,847	68,190	492,824	4,602,256
添置	Additions	10,486	31,628	7,935	7,246	422,820	480,115
收購附屬公司	Acquisition from subsidiaries	13,013	17,626	1,517	1,766	1,825	35,747
轉撥	Transfers	54,747	259,335	14,627	8,454	(337,163)	-
預付土地租賃轉入	Transferred to prepaid lease payments	-	-	-	-	(37,716)	(37,716)
專利權轉入	Transferred to patents	-	-	-	-	(8,994)	(8,994)
撇銷	Written off	(949)	(23,480)	(3,587)	(3,050)	-	(31,066)
處置	Disposals	(700)	(8,232)	(4,953)	(8,940)	-	(22,825)
於二零零六年十二月三十一日	At 31st December, 2006	1,295,725	2,832,144	282,386	73,666	533,596	5,017,517
累計折舊	DEPRECIATION						
於二零零五年一月一日	At 1st January, 2005	422,768	1,337,821	107,661	54,714	-	1,922,964
本年度撥備	Charge for the year	42,789	187,303	26,615	9,843	-	266,550
投資物業轉入	Transferred to investment properties	(7,606)	-	-	-	-	(7,606)
處置的轉銷	Eliminated on disposals	(14,443)	(33,633)	(7,894)	(27,032)	-	(83,002)
於二零零六年一月一日	At 1st January, 2006	443,508	1,491,491	126,382	37,525	-	2,098,906
本年度撥備	Charge for the year	44,574	213,456	27,667	10,758	-	296,455
撇銷	Written off	(792)	(21,897)	(1,872)	(3,921)	-	(28,482)
處置的轉銷	Eliminated on disposals	(104)	(5,748)	(37)	(5,259)	-	(11,148)
於二零零六年十二月三十一日	At 31st December, 2006	487,186	1,677,302	152,140	39,103	-	2,355,731
賬面淨值	NET BOOK VALUE						
於二零零六年十二月三十一日	At 31st December, 2006	808,539	1,154,842	130,246	34,563	533,596	2,661,786
於二零零五年十二月三十一日	At 31st December, 2005	775,620	1,063,776	140,465	30,665	492,824	2,503,350

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

15. 物業、廠房及設備(續)

15. PROPERTY, PLANT AND EQUIPMENT (continued)

本公司

THE COMPANY

		房屋建築 Buildings 人民幣千元 Rmb'000	廠房設備 及機器 Plant and machinery 人民幣千元 Rmb'000	傢俬、 裝置及設備 Furniture, fixtures and equipment 人民幣千元 Rmb'000	汽車 Motor vehicles 人民幣千元 Rmb'000	在建工程 Con- struction- in-progress 人民幣千元 Rmb'000	總計 Total 人民幣千元 Rmb'000
成本	COST						
於二零零五年一月一日	At 1st January, 2005	184,617	50,516	41,649	3,858	36,549	317,189
添置	Additions	24	-	685	1,041	27,557	29,307
處置	Disposals	-	-	(1,804)	-	-	(1,804)
於二零零六年一月一日	At 1st January, 2006	184,641	50,516	40,530	4,899	64,106	344,692
添置	Additions	-	-	560	349	94,182	95,091
轉撥	Transfers	15,286	47,135	(13,551)	-	(48,870)	-
預付土地租賃轉入	Transferred to prepaid lease payments	-	-	-	-	(37,716)	(37,716)
於二零零六年十二月三十一日	At 31st December, 2006	199,927	97,651	27,539	5,248	71,702	402,067
累計折舊	DEPRECIATION						
於二零零五年一月一日	At 1st January, 2005	8,277	2,091	5,218	2,712	-	18,298
本年度撥備	Charge for the year	7,132	5,146	4,810	239	-	17,327
處置的轉銷	Eliminated on disposals	-	-	(1,750)	-	-	(1,750)
於二零零六年一月一日	At 1st January, 2006	15,409	7,237	8,278	2,951	-	33,875
本年度撥備	Charge for the year	6,688	15,381	2,346	397	-	24,812
於二零零六年十二月三十一日	At 31st December, 2006	22,097	22,618	10,624	3,348	-	58,687
賬面淨值	NET BOOK VALUE						
於二零零六年十二月三十一日	At 31st December, 2006	<u>177,830</u>	<u>75,033</u>	<u>16,915</u>	<u>1,900</u>	<u>71,702</u>	<u>343,380</u>
於二零零五年十二月三十一日	At 31st December, 2005	<u>169,232</u>	<u>43,279</u>	<u>32,252</u>	<u>1,948</u>	<u>64,106</u>	<u>310,817</u>

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

16. 投資物業

本集團

成本

於二零零五年一月一日
物業、廠房及設備轉入
存貨轉入

於二零零六年一月一日
存貨轉入

於二零零六年十二月三十一日

累計折舊

於二零零五年一月一日
本年度撥備

於二零零六年一月一日
本年度撥備

於二零零六年十二月三十一日

賬面淨值

於二零零六年十二月三十一日

於二零零五年十二月三十一日

於資產負債表日，本集團投資物業的公允價值約人民幣328,037,000元。其公允價值是由獨立於集團之外的評估機構參考同類近期的市場價格後作為的合理評估。

上述投資物業均以5%的比例直線攤銷。

16. INVESTMENT PROPERTIES

THE GROUP

COST

At 1st January, 2005 –
Transferred from property, plant and equipment 42,831
Transferred from inventory 268,839

At 1st January, 2006 311,670
Transferred from inventory 21,914

At 31st December, 2006 333,584

ACCUMULATED DEPRECIATION

At 1st January, 2005 –
Charge for the year 14,869

At 1st January, 2006 14,869
Charge for the year 15,640

At 31st December, 2006 30,509

CARRYING AMOUNT

At 31st December, 2006 303,075

At 31st December, 2005 296,801

The fair value of the Group's investment properties at 31st December, 2006 is approximately Rmb328,037,000. The fair value has been arrived at based on valuation carried out by independent valuers not connected with the Group. The valuation was determined by reference to recent market prices for similar properties.

The above investment properties are depreciated on a straight-line basis at rate of 5%.

人民幣千元
Rmb'000

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

16. 投資物業(續)

以上投資物業的賬面淨值包括：

16. INVESTMENT PROPERTIES (continued)

The carrying amount of investment properties shown above comprises:

		2006	2005
		人民幣千元	人民幣千元
		Rmb'000	Rmb'000
在中國持有	Land in the PRC		
中期租約	Medium-term lease	281,624	274,198
短期租約	Short-term lease	21,451	22,603
		<u>303,075</u>	<u>296,801</u>

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

17. 預付土地租賃

17. PREPAID LEASE PAYMENTS

本集團

THE GROUP

人民幣千元
Rmb'000

成本	COST	
於二零零五年一月一日及 二零零六年一月一日 由物業、廠房及設備轉入	At 1st January, 2005 and at 1st January, 2006 Transferred from property, plant and equipment	431,526
收購附屬公司轉入	Acquisition from subsidiaries	37,716 9,410
於二零零六年十二月三十一日	At 31st December, 2006	478,652
累計攤銷	ACCUMULATED AMORTISATION	
於二零零五年一月一日	At 1st January, 2005	87,433
本年度攤銷	Amortise for the year	8,629
於二零零六年一月一日	At 1st January, 2006	96,062
本年度攤銷	Amortise for the year	10,589
於二零零六年十二月三十一日	At 31st December, 2006	106,651
賬面淨值	NET BOOK VALUE	
於二零零六年十二月三十一日	At 31st December, 2006	372,001
於二零零五年十二月三十一日	At 31st December, 2005	335,464

本集團的預付土地租賃為中華人民共和國境內的土地使用權。預付土地租賃根據報告使用需要分析如下：

The Group's prepaid lease payments represent medium-term land use rights in the PRC. They are analysed for reporting purpose as follows:

		2006	2005
		人民幣千元	人民幣千元
		Rmb'000	Rmb'000
流動部分	Current portion	10,589	8,629
非流動部分	Non-current portion	361,412	326,835
		372,001	335,464

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

17. 預付土地租賃(續)

17. PREPAID LEASE PAYMENTS (continued)

本公司

THE COMPANY

人民幣千元
Rmb'000

成本	COST	
於二零零五年一月一日及 二零零六年一月一日	At 1st January, 2005 and at 1st January, 2006	–
由物業、廠房及設備轉入	Transferred from property, plant and equipment	37,716
		<u>37,716</u>
於二零零六年十二月三十一日	At 31st December, 2006	37,716
累計攤銷	ACCUMULATED AMORTISATION	
於二零零五年一月一日及 二零零六年一月一日	At 1st January, 2005 and at 1st January, 2006	–
本年度攤銷	Amortise for the year	1,753
		<u>1,753</u>
於二零零六年十二月三十一日	At 31st December, 2006	1,753
賬面淨值	NET BOOK VALUE	
於二零零六年十二月三十一日	At 31st December, 2006	35,963
		<u><u>35,963</u></u>
於二零零五年十二月三十一日	At 31st December, 2005	–
		<u><u>–</u></u>

本公司的預付土地租賃為中華人民共和國境內的土地使用權。預付土地租賃根據報告使用需要分析如下：

The Company's prepaid lease payments represent medium-term land use rights in the PRC. They are analysed for reporting purpose as follows:

		2006	2005
		人民幣千元	人民幣千元
		Rmb'000	Rmb'000
流動部分	Current portion	1,753	–
非流動部分	Non-current portion	34,210	–
		<u><u>35,963</u></u>	<u><u>–</u></u>

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

18. 專利權

本集團

成本

於二零零五年一月一日
添置

於二零零六年一月一日
添置
由物業、廠房及設備轉入

收購附屬公司轉入

於二零零六年十二月三十一日

累計攤銷

於二零零五年一月一日
本年度攤銷

於二零零六年一月一日
本年度攤銷
減值準備

於二零零六年十二月三十一日

賬面淨值

於二零零六年十二月三十一日

於二零零五年十二月三十一日

該專利權主要是超臨界鍋爐技術、冷凝器引進技術、高水頭水力機構技術及輕合金表面陶瓷化處理新技術。該專權利的使用期限為3至10年並且按直線法在使用年限內攤銷。

18. PATENTS

THE GROUP

COST

At 1st January, 2005
Additions

At 1st January, 2006
Additions
Transferred from property,
plant and equipment
Acquisition from subsidiaries

At 31st December, 2006

ACCUMULATED AMORTISATION

At 1st January, 2005
Charge for the year

At 1st January, 2006
Charge for the year
Impairment loss

At 31st December, 2006

CARRYING AMOUNT

At 31st December, 2006

At 31st December, 2005

人民幣千元
Rmb'000

	–
	54,313
	54,313
	11,805
	8,994
	17,535
	92,647
	–
	5,013
	5,013
	11,008
	3,000
	19,021
	73,626
	49,300

The patents are related to the technology of ultra-super critical- steam boiler, condenser, ball valve for high head water-power unit and micro-plasma-enhanced electrochemistry. These have definite useful life and are amortised on a straight-line basis over a period of 3 to 10 years.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

19. 於附屬公司之權益

本公司

		2006 人民幣千元 <i>Rmb'000</i>	2005 人民幣千元 <i>Rmb'000</i>
投資成本	Investment, at cost		
中國非上市附屬公司	Unlisted in PRC	2,101,593	2,027,841
應收附屬公司款項	Amounts due from subsidiaries	1,605,748	902,313
應付附屬公司款項	Amounts due to subsidiaries	(8,753)	(367,863)
		3,698,588	2,562,291

此筆款項乃無抵押及免息，並沒有固定還款期。

附屬公司之詳細資料詳述於附註42。

19. INTERESTS IN SUBSIDIARIES

THE COMPANY

The amounts due are unsecured, non-interest bearing and are repayable on demand.

Details of subsidiaries are set out in note 42 to the financial statements.

20. 於聯營公司之權益

		本集團 THE GROUP		本公司 THE COMPANY	
		2006 人民幣千元 <i>Rmb'000</i>	2005 人民幣千元 <i>Rmb'000</i>	2006 人民幣千元 <i>Rmb'000</i>	2005 人民幣千元 <i>Rmb'000</i>
中國非上市聯營公司	Cost of investment in associates				
投資成本	unlisted in PRC	87,273	122,884	17,740	62,840
佔購入後收益(損失)	Share of post-acquisition				
(減收到股利後)	profit (losses), net of dividend received	4,569	(4,512)	-	(5,000)
應收聯營公司款項	Amounts due from associates	84,864	-	6	-
應付聯營公司款項	Amounts due to associates	(8,258)	-	-	-
		168,448	118,372	17,746	57,840

此筆款項乃無抵押及免息，並沒有固定還款期。

The amounts due are unsecured, non-interest bearing and are repayable on demand.

20. INTERESTS IN ASSOCIATES

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

20. 於聯營公司之權益(續)

下述信息為集團之聯營公司的匯總財務狀況：

公司名稱	公司類型	公司註冊		主要經營地	本公司持有	面值之比率	持有表決權	主要經營活動
		國家/註冊地			已發行股本			
Name of entity	Form of business structure	Country of incorporation/ registration	Principal place of operation	Class of share held	Proportion of nominal value of issued capital/ registered capital held by the Group	Proportion of voting power held	Principal activity	
通用電氣-哈動能源服務(秦皇島)有限責任公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	41%	41%	為鍋爐廠、汽輪機廠及電機廠提供維修、安裝及現場服務 Provision of maintenance, installation and on-site services to owners of turbines, boilers and electricity generators	
葫蘆島濱海水電大件製造有限責任公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	50%	50%	生產電站設備 Manufacture of electrical equipments	
哈爾濱鍋爐容器工程有限公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	27.28%	27.28%	為鍋爐生產提供質量保證服務 Provision of quality control services for boilers manufacturing	
哈爾濱利源礦泉飲品有限公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	44.56%	44.56%	生產及銷售礦泉飲料 Manufacture & sale of mineral beverages	
哈電日立電力設備新技術開發有限公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	43.69%	43.69%	開發電力設備技術 Development of power equipment technology	
哈爾濱市哈電加油站有限公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	43.69%	43.69%	加油站服務 Provision of petrol station services	

20. INTERESTS IN ASSOCIATES (continued)

As at 31st December, 2006, the Group had interests in the following associates:

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

20. 於聯營公司之權益(續)

20. INTERESTS IN ASSOCIATES (continued)

公司名稱	公司類型	公司註冊 國家/註冊地	主要經營地	本公司持有 已發行股本 股票類型	面值之比率 Proportion of nominal value of issued capital/ registered capital held by the Group	持有表決權 Proportion of voting power held	主要經營活動 Principal activity
Name of entity	Form of business structure	Place/ Country of incorporation/ registration	Principal place of operation	Class of share held			
哈爾濱斯柯達哈電機床 新技術開發公司	設立 Established	中華人民 共和國 PRC	中華人民 共和國 PRC	普通股 Ordinary	43.69%	43.69%	開發電機床新技術 Development of new technology on power machine tools
哈爾濱哈電多能水電 開發有限責任公司	設立 Established	中華人民 共和國 PRC	中華人民 共和國 PRC	普通股 Ordinary	41.72%	41.72%	水力發電 Hydropower generation
哈爾濱匯通電力工程 有限公司	設立 Established	中華人民 共和國 PRC	中華人民 共和國 PRC	普通股 Ordinary	33.50%	33.50%	電力工程 Provision of power engineering

於二零零六年十二月三十一日，本集團於聯營公司之權益如下：

The summarised financial information in respect of the Group's associates is set out below:

		2006 人民幣千元 Rmb'000	2005 人民幣千元 Rmb'000
總資產	Totals assets	554,632	618,497
總負債	Total liabilities	(327,173)	(333,292)
淨資產	Net assets	227,459	285,205
集團公司對其聯營公司 資產所佔份額	Group's share of net assets of associates	91,842	118,372
收入	Revenue	482,502	311,164
本年利潤	Profit for the year	35,715	8,120
本年集團公司從 聯營公司獲取的收益	Group's share of results of associates for the year	11,965	2,127

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

21. 待銷售性投資

於二零零六年十二月三十一日待銷售性投資的組成：

中國非上市證券投資
— 投資成本減去
減值準備

按票面價值購入的
固定利率為2.3%至
3.8%、2006年到期的
中國債券

Unlisted equity securities
in PRC, at cost less
impairment

Debentures in PRC with
fixed interest ranging
from 2.3% to 3.8%
and maturity date in 2006,
at fair value

本集團		本公司	
THE GROUP		THE COMPANY	
2006	2005	2006	2005
人民幣千元	人民幣千元	人民幣千元	人民幣千元
Rmb'000	Rmb'000	Rmb'000	Rmb'000
30,947	56,245	17,879	17,879
-	1,381,939	-	-
30,947	1,438,184	17,879	17,879

按報告要求分析如下： Analysed for reporting purposes as:

非流動部分	Non-current portion	30,947	56,245	17,879	17,879
流動部分	Current portion	-	1,381,939	-	-
		30,947	1,438,184	17,879	17,879

資產負債表日，除了那些無法可靠估量的非上市證券投資外，所有的待銷售性投資都以公允價值列示。集團待銷售性投資的公允價值由公開交易市場的競標價決定。

非上市證券投資是指在由中國成立的非上市公司發行的股票證券。在每個資產負債表日，他們按成本減減值準備後的淨值估算，因為通常其估價的差異太大以至於投資公司的主管認為此類證券的公允價值是無法可靠估量的。

Available-for-sale investments as at 31st December, 2006 comprise:

As at the balance sheet date, all available-for-sale investments are stated at fair value, except for those unlisted equity investments of which their fair values cannot be measured reliably. Fair values of the Group's available-for-sale investments have been determined by reference to bid prices quoted in active markets.

The unlisted equity investments represent investments in unlisted equity securities issued by private entities incorporated in the PRC. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so wide that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

22. 存貨

22. INVENTORIES

		本集團 THE GROUP		本公司 THE COMPANY	
		2006	2005	2006	2005
		人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000
原材料	Raw materials	3,469,434	2,680,191	1,730	2,093
在製品	Work in progress	6,866,210	8,670,656	246,229	55,697
製成品	Finished goods	752,116	741,951	4,261	–
房地產開發成本	Properties under development	242,361	198,058	–	–
用於銷售之房地產 開發產品	Completed properties for sale	173,570	272,582	–	–
		<u>11,503,691</u>	<u>12,563,438</u>	<u>252,220</u>	<u>57,790</u>

23. 應收賬款、其它應收款、按金及預付款項

給予客戶之信貸期各不相同，一般按個別客戶之財政情況而定。為了有效管理與應收賬款相關之信貸風險，本集團定期披露客戶信用評估。

於資產負債表日應收賬款的賬齡分析如下：

1年內	Within 1 year
1年至2年	1 to 2 years
2年至3年	2 to 3 years
3年以上	Over 3 years

二零零五年十二月三十一日和二零零六年十二月三十一日集團應收賬款和其他應收款的公允價值接近於相應的賬面價值。

23. TRADE DEBTORS/OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically.

An aged analysis of trade debtors at the balance sheet date is as follows:

		本集團 THE GROUP	
		2006	2005
		人民幣千元 Rmb'000	人民幣千元 Rmb'000
		5,066,049	3,751,947
		1,409,499	319,447
		84,295	65,552
		18,092	63,472
		<u>6,577,935</u>	<u>4,200,418</u>

The fair value of the Group's trade debtors and other debtors at 31st December, 2006 and 2005 approximates to the corresponding carrying amount.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

24. 建造合同應收(預收)款

24. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

		本集團 THE GROUP	
		2006 人民幣千元 <i>Rmb'000</i>	2005 人民幣千元 <i>Rmb'000</i>
於資產負債表日的 建造合同：	Contracts in progress at the balance sheet date:		
迄今成本	Contract costs incurred	8,184,845	8,082,388
應佔溢利扣除 可預見虧損	Recognised profits less recognized losses	42,480	410,979
		8,227,325	8,493,367
減：已收及應收工程 進度款項	Less: Progress billings	(5,373,250)	(6,765,513)
		2,854,075	1,727,854
其中：	Represented by:		
建造合同應收款	Amounts due from customers included in current assets	3,541,262	2,078,776
建造合同預收款	Amounts due to customers included in current liabilities	(687,187)	(350,922)
		2,854,075	1,727,854

截至二零零五年十二月三十一日和二零零六年十二月三十一日止，並無未付足的建造合同工程款。

As at 31st December, 2005 and 2006, there were no retentions held by customers for contract works.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

25. 應收(付)同系附屬公司/關聯公司/控股公司/股東款項

本集團及本公司

此款項為無抵押·不計息·且無固定還款期限。二零零五年十二月三十一日和二零零六年十二月三十一日的公允價值接近於相應的賬價值。

26. 銀行存款、現金和現金等價物

現金	Cash at bank and in hand
3個月內到期的定期存款	Bank deposits, matured within 3 months
3個月以後到期的定期存款	Bank deposits, matured over 3 months

截止於二零零六年十二月三十一日止的銀行存款餘額和現金共人民幣5,013,653,000元(2005年:人民幣4,065,426,000元)均存於中華人民共和國的銀行·這些人民幣兌換成外幣均遵循中國政府公佈的外匯控制法律法規。

於二零零六年十二月三十一日有效的銀行存款利率加權平均值為2.43%(2005年:2.25%)。

董事會認為賬面價值接近它們的公允價值。

25. AMOUNTS DUE FROM/(TO) FELLOW SUBSIDIARIES/RELATED COMPANIES/ HOLDING COMPANY/ SHAREHOLDERS

THE GROUP AND THE COMPANY

The amounts are unsecured, non-interest bearing and are repayable on demand. The fair value of the amounts at 31st December, 2006 and 2005 approximates to the corresponding carrying amount.

26. BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

		本集團 THE GROUP		本公司 THE COMPANY	
		2006	2005	2006	2005
		人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000
現金	Cash at bank and in hand	4,845,708	4,327,546	939,437	628,075
3個月內到期的定期存款	Bank deposits, matured within 3 months	311,554	268,360	-	-
		5,157,262	4,595,906	939,437	628,075
3個月以後到期的定期存款	Bank deposits, matured over 3 months	581,209	284,802	433,307	207,105

As at 31st December, 2006, Rmb5,013,653,000 (2005: Rmb4,065,426,000) of the bank balances and cash were denominated in Renminbi and deposited with banks in the PRC. The conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The weighted average effective interest rates on bank deposits as at 31st December, 2006 were 2.43% (2005: 2.25%).

The directors consider that the carrying amounts approximates their fair value.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

27. 應付賬款／其他應付款及應計費用

應付賬款的賬齡分析如下：

1年內	Within 1 year
1年至2年	1 to 2 years
2年至3年	2 to 3 years
3年以上	Over 3 years

二零零五年十二月三十一日和二零零六年十二月三十一日集團應付賬款和其他應付款接近於相應的賬面價值。

28. 已收按金

本集團

已收按金為在建中合約工程向顧客已收取之進度款項。已收按金中，約有人民幣1,510,798,000元(2005：人民幣2,220,972,000元)為於結算日後十二個月才開始動工之合約按金，故歸入非流動負債。而其餘部份則為於結算日後十二個月內開始動工的在建工程按金，故歸入流動負債。已收按金將會用作抵銷基於完工的合同價

二零零五年十二月三十一日和二零零六年十二月三十一日的公允價值接近於相應的賬面價值。

27. TRADE CREDITORS/OTHER CREDITORS AND ACCRUED CHARGES

An aged analysis of trade creditors at the balance sheet date is as follows:

本集團		THE GROUP	
2006	2005	2006	2005
人民幣千元	人民幣千元	Rmb'000	Rmb'000
4,861,066	4,041,474	4,861,066	4,041,474
1,534,830	190,193	1,534,830	190,193
63,917	28,048	63,917	28,048
79,930	75,613	79,930	75,613
6,539,743	4,335,328	6,539,743	4,335,328

The fair value of the Group's trade creditors, other creditors and accrued charges at 31st December, 2006 and 2005 approximates to the corresponding carrying amount.

28. DEPOSITS RECEIVED

THE GROUP

The amount represents the progress payments received from customers in respect of work in progress. Included in deposits received of approximately Rmb1,510,798,000 (2005: Rmb2,220,972,000) were the progress payments received in respect of contract works to be commenced twelve months from the balance sheet date and were classified in the balance sheet as non-current. The remaining balance represents deposit received for contract works to be commenced within one year and were classified as current liabilities. The deposits received will be used to set-off the contract price upon the completion of contract works.

The fair value of the amount at 31st December, 2006 and 2005 approximates to the corresponding carrying amount.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

29. 欠控股公司款項

本集團及本公司

短期

此款項為無抵押，按照年利率5.51%計息，且無固定還款期限。二零零五年十二月三十一日和二零零六年十二月三十一日的公允價值接近於相應的賬面價值。

長期

此欠款將會按照年固定利率5.76%計息，且無固定還款條件。在資產負債表日後的十二個月內，不被要求歸還此款項。因此被歸為長期負債。二零零五年十二月三十一日和二零零六年十二月三十一的公允價值接近於賬面價值。

30. 應交稅金

29. ADVANCE FROM HOLDING COMPANY

THE GROUP AND THE COMPANY

Current

The amount is unsecured, with interest bearing at 5.51% and repayable within one year. The fair value of the amount at 31st December, 2006 and 2005 is approximate to the corresponding carrying amount.

Non-current

The advances will be subject to an annual fixed interest rate of 5.76% and have no fixed repayment term. The amount will not be demanded for repayment in the next twelve months of the balance sheet date and, accordingly, the amounts have been classified as non-current liabilities. Their fair value at 31st December, 2006 and 2005 approximates to their carrying value.

30. TAX LIABILITIES

		本集團		本公司	
		THE GROUP		THE COMPANY	
		2006	2005	2006	2005
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
增值稅	Value added tax	257,295	16,224	(70,478)	(26,765)
所得稅	Enterprise income tax	202,201	102,392	28,073	27,277
營業稅	Business tax	3,686	11,644	6,648	7,281
其他	Others	27,794	8,011	490	787
應交稅金/(可退回稅項)	Tax liabilities/(Tax recoverables)	490,976	138,271	(35,267)	8,580

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

31. 借款

31. BORROWINGS

		本集團 THE GROUP		本公司 THE COMPANY	
		2006	2005	2006	2005
		人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000
銀行借款	Bank loans	4,264,922	3,057,574	475,000	425,000
其他借款	Other loans	108,116	73,371	–	–
		4,373,038	3,130,945	475,000	425,000
擔保	Secured	574,722	93,800	340,000	425,000
非擔保	Unsecured	3,798,316	3,037,145	135,000	–
		4,373,038	3,130,945	475,000	425,000
借款還款情況如下：	The borrowings are repayable as follows:				
一年內	Within one year	501,117	407,180	220,000	170,000
一至兩年	More than one year but not more than two years	542,000	220,000	120,000	–
兩至三年	More than two years but not more than three years	722,000	505,000	120,000	120,000
三至四年	More than three years but not more than four years	627,000	490,000	15,000	120,000
四至五年	More than four years but not more than five years	563,000	500,000	–	15,000
五年以上	Over five years	1,417,921	1,008,765	–	–
		4,373,038	3,130,945	475,000	425,000
減：一年內到期的短期負債	Less: Amounts due within one year classified as current liabilities	(501,117)	(452,180)	(220,000)	(170,000)
		3,871,921	2,678,765	255,000	255,000

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

31. 借款(續)

兩年內所有的集團借款固定利率在3.51%至6.91%中浮動。合同利率與實際利率相同。

截止於二零零六年十二月三十一日，本集團銀行借款人民幣340,000,000元(2005年：人民幣425,000,000元)均由哈電集團擔保。

於二零零六年十二月三十一日和二零零五年十二月三十一日，本集團的借款是以人民幣作為本位幣，是本集團的功能性貨幣。

年內本集團新增借款人民幣1,579,691,500元。借款有固定利息，借款期限為二零零七至二零一一年，此借款用於運營資金。

董事會認為賬面價值接近於它們的公允價值。

32. 金融衍生工具

本集團

本集團的金融衍生工具，不能按對沖會計來計算的：

外幣遠期合約

Foreign currency forward contracts

31. BORROWINGS (continued)

All of the Group's borrowings carrying at fixed rate ranging from 3.51% to 6.91% at both years. The contracted interest rates are equal to the effective interest rates.

At 31st December, 2006, Rmb340,000,000 (2005: Rmb425,000,000) of the Group's bank borrowings are guaranteed by HPEGC.

The Group's borrowings at 31st December, 2006 and 2005 are denominated in Renminbi, which is the functional currency of the Group.

During the year, the Group obtained new loans in the amount of Rmb1,579,691,500. The loans bear interest at fixed rate and will be repayable starting from 2007 to 2011. These loans were used for working capital of operation.

The directors consider that the carrying amounts of the borrowings approximate their fair value.

32. DERIVATIVE FINANCIAL INSTRUMENTS

THE GROUP

The Group's derivative financial instruments, which are not accounted for under hedge accounting, are as follows:

	2006	2005
	人民幣千元 Rmb'000	人民幣千元 Rmb'000
外幣遠期合約	-	344
Foreign currency forward contracts	<u> </u>	<u> </u>

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

33. 股本

33. SHARE CAPITAL

		2006 人民幣千元 Rmb'000	2005 人民幣千元 <i>Rmb'000</i>
已註冊·已發行及繳足：	Registered, issued and fully paid:		
國有法人股每股面值	State owned equity interest shares		
人民幣1元	of Rmb1.00 each	711,470	711,470
H股每股面值人民幣1元	H Shares of Rmb1.00 each	562,981	562,981
		1,274,451	1,274,451

股本變動如下：

The movements in share capital are as follows:

		發行股權 Number of shares in issue	發行的股本 Issued share capital 人民幣千元 <i>Rmb'000</i>
於二零零五年一月一日	At 1st January, 2005	1,189,151,000	1,189,151
發行H股	Issue of H shares	93,830,000	93,830
國有法人股轉換	Conversion of state owned equity interest shares	<u>(8,530,000)</u>	<u>(8,530)</u>
於二零零六年 一月一日及 二零零六年 十二月三十一日	At 1st January, 2006 and at 31st December, 2006	<u>1,274,451,000</u>	<u>1,274,451</u>

除股利支付的幣種不同以及對中國境內和境外投資者的限制不同外，國有法人股和H股在其他方面均相同。

Except for the currency in which dividends are paid and restrictions as to whether the shareholders can be PRC investors or foreign investors, state owned equity interest shares and H shares rank pari passu in all respects with each other.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

35. 綜合現金流量表附註

收購附屬公司

於本年期間，本集團收購附屬公司總值人民幣64,881,000元。所收購資產淨值如下：

收購淨資產值：
物業、廠房及設備
待銷售性投資
預付土地租賃
專利權
應收賬款及其它應收款
存貨
銀行結存及現金
應付賬款及其它應付款
應付稅金
借款
少數股東權益

代價總值

代價總值以下列方式支付：

現金
於聯營公司之權益
待銷售性投資

收購附屬公司之現金流入
分析如下：

銀行結存及現金
已付現金代價

35. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

Acquisition of subsidiaries

During the year, the Group acquired subsidiaries at the total consideration of Rmb64,881,000. Details of assets and liabilities acquired were as follows:

人民幣千元
Rmb'000

Net asset value acquired of:	
Property, plant and equipment	35,747
Available-for-sale investments	1,100
Prepaid lease payments	9,410
Patents	17,535
Trade and other receivables	335,883
Inventories	93,794
Cash and cash equivalents	113,873
Trade and other payables	(473,984)
Tax payables	(3,672)
Borrowings	(3,700)
Minority interests	(61,105)

Total consideration 64,881

Total consideration satisfied by:

Cash	12,820
Investments in associates	40,541
Available-for-sale investments	11,520

64,881

Analysis of net cash inflow in respect of
acquisition of subsidiaries:

Cash and cash equivalents acquired	(12,820)
Cash consideration paid	113,873

101,053

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

36. 或有負債

36. CONTINGENT LIABILITIES

		2006 人民幣千元 Rmb'000	2005 人民幣千元 Rmb'000
子公司為外部 第三方貸款 提供擔保	Guarantee given to banks and financial institutions in respect of general banking facilities granted to external parties	186,340	216,490

於二零零六年本集團的一個同系附屬公司被客戶(原告)起訴違約。原告要求人民幣12,000,000元賠償款,並向法院申請凍結本公司之一間附屬公司之銀行存款人民幣12,000,000元。本集團認為以上行為是不合理的,因為本集團之附屬公司和原告之間沒有合同關係。此外該附屬公司與其同系附屬公司是獨立的法律主體,因此該附屬公司不應承擔法律責任。本集團已經聘請了法律顧問,在訴訟過程中進行諮詢。截止至此份報告書日期,法院還未作出最終判決。

In last year, a fellow subsidiary of the Group was sued by a customer (the "Plaintiff") for the breach of contract. The Plaintiff demanded a compensation of Rmb12,000,000 and applied to the Court to freeze the bank deposit of the Company's subsidiary amounted to Rmb12,000,000 for payment of the compensation. The Group is of the view that the above action is without merit. In their opinion, there was no contractual relationship between the Group and the Plaintiff. In addition, the Company's subsidiary is a separate legal entity from the fellow subsidiary, therefore it should not be liable to the action of its fellow subsidiary. The Group has appointed a legal advisor to advice them in the legal proceedings. No final decision has been made by the High Court up to the date of this report.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

37. 經營租賃

集團作為出租人

年內設備租賃收入約為人民幣26,170,000元(2005年:人民幣35,021,000元)。本集團以出租為目的所持有的財產有望產生每年持續增長7.98%的租金收入。一切所持有的財產均有承租人允諾租賃1至20年。

在資產負債表日,本集團和承租人定合約規定將來最低的可收租金:

一年內	Within one year
一至五年	In the second to fifth year inclusive
五年後	After five years

於二零零五年十二月三十一日和二零零六年十二月三十一日,本集團均無經營租賃承擔。

38. 資本承擔

購買物業、廠房及設備的資本支出

— 已簽約但未於財務報表中撥備

37. OPERATING LEASES

The Group as lessor

Property rental income earned during the year was approximately Rmb26,170,000 (2005: Rmb35,021,000). The Group's properties held for rental purposes are expected to generate rental yields of 7.98% on an ongoing basis. All of the properties held have committed tenants ranging from 1 to 20 years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2006 人民幣千元 <i>Rmb'000</i>	2005 人民幣千元 <i>Rmb'000</i>
一年內	43,900	30,587
一至五年	151,921	120,668
五年後	290,642	331,814
	<u>486,463</u>	<u>483,069</u>

At 31st December, 2005 and 2006, the Group had no commitments under operating leases.

38. CAPITAL COMMITMENTS

Capital expenditure for the acquisition of Property, plant and equipment
— contracted for but not provided in the financial statements

	2006 人民幣千元 <i>Rmb'000</i>	2005 人民幣千元 <i>Rmb'000</i>
購買物業、廠房及設備的資本支出		
— 已簽約但未於財務報表中撥備	<u>336,953</u>	<u>251,349</u>

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

39. 資產抵押

於二零零六年十二月三十一日，本集團將賬面淨值約為人民幣259,890,364元（2005：人民幣233,197,000元）之投資物業以及約人民幣40,500,000元（2005：人民幣355,000,000元）銀行存款作為有關銀行發予本集團若干借貸的抵押品。

40. 退休福利計劃

根據一九九六年頒發的規定，本集團應按要求提撥及繳付予哈爾濱市社會保險事業管理局監管的退休養基金。本集團按現有職工基本工資的22%繳付退休養老基金，職工按其基本工資的8%繳付。除按上述要求每年按期提撥退休養老基金外，在過渡期內，本集團還要按規定支付部分退休金及退休福利支出責任；過渡期後，本集團將無重大的退休金及退休福利支出責任，退休員工其養老金，在過渡期內，是按退休員工每月基本工資及服務年限計算，並分別由哈爾濱市社會保險事業管理局及本集團支付給退休員工；在過渡期後，是按個人賬戶儲存額每月應付金額計算，並由哈爾濱市社會保險事業管理局支付給退休員工，並且過渡期後，本集團將無重大的退休金及退休福利支出責任。

39. PLEDGE OF ASSETS

At 31st December, 2006, the Group had pledged investment properties having a net book value of approximately Rmb259,890,364 (2005: Rmb233,197,000) and bank deposits amounting to approximately Rmb40,500,000 (2005: Rmb355,000,000) to secure certain of Group's trading facilities.

40. RETIREMENT BENEFIT SCHEME

In accordance with regulations issued by the local government in 1996, the Group is required to make contributions to a defined contribution retirement fund which is administered by the Harbin Social Insurance Administration Bureau of the local government. The Group is required to contribute 22% of the basic salary of its existing PRC staff, while employees contribute 8% of their basic salary. Apart from the above, the Group is also obliged to pay pensions and retirement benefits during the transition period. During the transition period, pension payments are calculated by reference to the staff's monthly basic salaries and period of service and are paid by the Harbin Social Insurance Administration Bureau and the Group. After the transition period, pension payments will be paid by the Harbin Social Insurance Administration Bureau only by reference to the payable amount of individual saving account and the Group has no material obligation for the pension payments or any post-retirement benefits beyond the annual contributions described above.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

41. 關聯人士交易

(i) 與控股公司和同系附屬公司的交易/結存

本公司於二零零四年十一月八日和哈電集團公司簽署三年有關提供福利及後勤服務的新協議。此協議為原本於二零零四年十一月七日和哈電集團簽署之協議的更新本。根據新協議，本集團付予哈電集團及向其收取之服務費用總額分別為人民幣44,239,000元(2005年：人民幣47,347,000元)及人民幣8,775,000元(2005年：人民幣8,801,000元)。

截至二零零六年十二月三十一日，本集團付予哈電集團之附屬公司原材料採購費為人民幣84,703,000元(2005年：人民幣49,046,000元)。

截至二零零六年十二月三十一日，哈電集團向銀行提供擔保，為本公司取得一般信貸融資。

有關欠控股公司款項之條款，請參看附註25及29。

(ii) 和其他中國國有企業的交易/結餘

本集團的運營目前直接或間接由中國政府擁有或控制的企業(國有企業)。此外，本集團本身就是由中國政府控制的哈電集團的一部分。除了和哈電集團以及在以上(i)披露的附屬公司交易外，本集團也與其他國企有生產往來。董事會認為那些國有企業在集團交易層面上是獨立第三方。

41. RELATED PARTY TRANSACTIONS

(i) Transactions/balance with holding company and fellow subsidiaries

On 8th November, 2004, the Company entered into a 3-year service agreement with HPEGC for the provision of welfare and supporting services. This agreement was a renewal of the original services agreement signed with HPEGC on 7th November, 2004. Pursuant to the above agreements, the service fees paid to and received from HPEGC and its subsidiaries amounted to approximately Rmb44,239,000 (2005: Rmb47,347,000) and Rmb8,775,000 (2005: Rmb8,801,000) respectively.

For the year ended 31st December, 2006, the Group made purchases from subsidiaries of HPEGC amounting to approximately Rmb84,703,000 (2005: Rmb49,046,000).

At the balance sheet date, credit facilities granted by certain banks to the Company were secured by corporate guarantee given by HPEGC.

For details of the arrangement concerning balances with holding company and fellow subsidiaries, see notes 25 and 29.

(ii) Transactions/balances with other state-controlled entities in the PRC

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government ("state-controlled entities"). In addition, the Group itself is part of a larger group of companies under HPEGC, which is controlled by the PRC government. Apart from the transactions with HPEGC and fellow subsidiaries disclosed in section (i) above, the Group also conducts business with other state-controlled entities. The directors consider those state-controlled entities are independent third parties so far as the Group's business transactions with them are concerned.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

41. 關聯人士交易(續)

(ii) 和其他中國國有企業的交易／結餘(續)

在建立價格策略以及贊同與其他國企交易的過程中，本集團並不區分對方是否是一個國有企業。

重要的與其他國有企業的交易／結餘如下：

銷售	Trade sales	
採購	Trade purchases	
其他國有企業應欠款	Amounts due to other state-controlled entities	
其他國有企業應收款	Amounts due from other state-controlled entities	

此外，本集團在其日常業務中和一些國有銀行和金融機構有不同往來，包括設制保證金，借款和其他一般銀行授信。在看待這些銀行交易的實質上，董事會認為分開披露無意義。

除了上述披露，董事會認為與其他國有企業的交易對於本集團營運不重要。

41. RELATED PARTY TRANSACTIONS (continued)

(ii) Transactions/balances with other state-controlled entities in the PRC (continued)

In establishing its pricing strategies and approval process for transactions with other state-controlled entities, the Group does not differentiate whether the counter-party is a state-controlled entity or not.

Material transactions/balances with other state-controlled entities are as follows:

		2006 人民幣千元 Rmb'000	2005 人民幣千元 <i>Rmb'000</i>
銷售	Trade sales	<u>25,399,170</u>	<u>14,809,989</u>
採購	Trade purchases	<u>11,279,952</u>	<u>7,513,540</u>
其他國有企業應欠款	Amounts due to other state-controlled entities	<u>16,920,332</u>	<u>21,151,119</u>
其他國有企業應收款	Amounts due from other state-controlled entities	<u>13,604,214</u>	<u>7,810,538</u>

In addition, the Group has entered into various transactions, including deposits placements, borrowings and other general banking facilities, with certain banks and financial institutions which are state-controlled entities in its ordinary course of business. In view of the nature of those banking transactions, the directors are of the opinion that separate disclosure would not be meaningful.

Except as disclosed above, the directors are of the opinion that transactions with other state-controlled entities are not significant to the Group's operations.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

42. 主要附屬公司詳述

截至於二零零六年十二月三十一日，公司在中國建立並營運的主要附屬公司詳細如下：

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries as at 31st December, 2006, all of which are incorporated and operating in the PRC, are:

附屬公司名稱 Name of subsidiary	註冊資本 Registered share capital 人民幣千元 Rmb'000	公司持有註冊資本 名義價值比例 Proportion of nominal value of registered capital held by the Company		主要活動 Principal activities
		直接 Directly %	間接 Indirectly %	
哈爾濱鍋爐廠有限責任公司 *	746,853	90.94	–	生產鍋爐 Manufacture of boilers
哈爾濱電機廠有限責任公司 *	709,237	87.37	–	生產蒸汽渦輪發動裝置和 水渦輪發動裝置 Manufacture of steam turbine generator sets and hydro turbine generator sets
哈爾濱電站工程有限責任公司 *	136,000	100	–	為電站提供工程服務 Provision of engineering services for power stations
哈爾濱三利亞股份有限公司 **	76,116	72.13	–	非金屬合金表面處理、功能性 膜層的開發和應用、電液漆、 電解液及相關化工產品 生產與銷售 Development, production and sale of plasma-enhanced and electrochemical surface ceramicised light alloy materials, building aluminum templates and boards, industrial special nature materials, electrophoresis paints and electrolyte, relevant chemical products.
哈爾濱動力科技貿易股份 有限公司**	27,000	55.55	44.45	貿易 Trading
哈爾濱汽輪機廠有限責任公司*	859,723	62.54	–	生產電站汽輪機 Manufacture of steam turbines

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

42. 主要附屬公司詳述(續)

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

附屬公司名稱 Name of subsidiary	註冊資本 Registered share capital 人民幣千元 Rmb'000	公司持有註冊資本 名義價值比例 Proportion of nominal value of registered capital held by the Company		主要活動 Principal activities
		直接 Directly %	間接 Indirectly %	
哈爾濱東力房地產開發有限 責任公司*	10,000	–	75	房地產開發 Property development
哈爾濱哈鍋閥門股份有限公司**	80,000	34	63.85	生產閥門 Manufacture of valves
哈電發電設備國家工程研究中心 有限公司*	50,000	60	–	發電設備研發工程化技術 Research and development of power equipment engineerisation technology
成都三利亞中瓷有限責任公司*	53,127	–	50	輕合金材料、鋁特種工件、 輕合金表面陶瓷化處理及 相關技術的研究；電子產品、 科研所需的原輔材料、 零配件及相關產品的生產、 加工及銷售 Development, production and sale of electrochemical surface ceramicised light alloy materials and relevant technology; Manufacture, processing and trading of electricity products, relevant raw materials and accessories.
哈爾濱汽輪機廠高科技 有限責任公司*	10,010	–	100	為蒸汽渦輪提供修理保養服務 Provision of repairs and maintenance service for steam turbines
哈爾濱國家水力發電設備技術 研究中心有限公司*	10,000	–	100	研究及開發水力發電設備技術 Research and development of hydropower generation equipment engineerisation technology

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

42. 主要附屬公司詳述(續)

附屬公司名稱 Name of subsidiary	註冊資本 Registered share capital 人民幣千元 Rmb'000	公司持有註冊資本 名義價值比例 Proportion of nominal value of registered capital held by the Company		主要活動 Principal activities
		直接 Directly %	間接 Indirectly %	
秦皇島哈電置業房地產 開發有限公司*	20,000	–	90	房地產開發和租賃 Property development and property rentals
哈爾濱電站設備製造廠*	8,000	–	78	生產工程設備 Manufacture of engineering equipment
哈爾濱哈電地產置業 股份有限公司**	20,000	–	35 (註) (note)	房地產開發和租賃 Property development and property rentals
哈爾濱汽輪機廠輔機 工程有限公司*	60,000	–	100	為渦輪提供工程服務 Provision of engineering service to turbines
哈爾濱樂松購物廣場有限公司*	3,000	–	75	房地產租賃 Property rental

* 有限責任公司
** 股份有限公司

註：根據從擁有哈爾濱電地產置業股份有限公司16%註冊資本的部分股本收到的書面聲明中，股東將會與集團意見一致，因此本集團能控制一半以上的公司投票權。

董事會認為以上表格列示了主要能影響集團的結果或資產。董事會認為列舉其他附屬公司會使此報告極其冗長。

年末沒有一家附屬公司發生任何債務擔保事項。

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

附屬公司名稱 Name of subsidiary	註冊資本 Registered share capital 人民幣千元 Rmb'000	公司持有註冊資本 名義價值比例 Proportion of nominal value of registered capital held by the Company		主要活動 Principal activities
		直接 Directly %	間接 Indirectly %	
秦皇島哈電置業房地產 開發有限公司*	20,000	–	90	房地產開發和租賃 Property development and property rentals
哈爾濱電站設備製造廠*	8,000	–	78	生產工程設備 Manufacture of engineering equipment
哈爾濱哈電地產置業 股份有限公司**	20,000	–	35 (註) (note)	房地產開發和租賃 Property development and property rentals
哈爾濱汽輪機廠輔機 工程有限公司*	60,000	–	100	為渦輪提供工程服務 Provision of engineering service to turbines
哈爾濱樂松購物廣場有限公司*	3,000	–	75	房地產租賃 Property rental

* Limited liabilities company
** Joint stock limited enterprise

Note: According to the written declaration received from certain shareholders who held 16% registered capital of 哈爾濱哈電地產置業股份有限公司, these shareholders would vote for the same decision as the Group and therefore the Group could control more than half of the voting power of the companies.

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

財務報表附註(續)

Notes to the Financial Statements – (continued)

截至二零零六年十二月三十一日止年度 For the year ended 31st December, 2006

43. 結算日後事項

二零零七年二月十三日，本公司與承銷商就配售事項訂立配售協議，並於二零零七年二月二十三日完成了H股配售工作。配售H股10,235萬股，發行價格每股10港元，募集資金淨額約102,350萬港元。同日，本公司控股股東將1,023.5萬股國有股劃轉給社保基金並轉為H股。募集資金主要用於建設本公司於秦皇島百萬千瓦級核電核島設備項目及百萬千瓦級核電製造項目及測試設施；用於購買大型抽水蓄能機組生產技術及機械；用於購買及升級本集團之生產設備；用於引進核電技術、開發風力發電產品。發行後本公司總股本137,681萬股，其中哈電集團持有70,124萬股，佔50.93%，H股67,557萬股，佔49.07%。

43. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, the Company entered into a placing agreement on 13th February, 2007 for the issuance of 102.35 million new H shares at the price of HK\$10 each. The placing exercise was then completed on 23rd February, 2007 with the proceeds of HK\$1,023.5 million. On the same day, the shareholders of the Company remitted 10.23 million shares of state share to National Social Security Fund and registered as H shares. The proceeds are mainly for the financing activities with respect to the 1000MW nuclear power workshop in Qinhuangdao and the construction of the 1000MW nuclear plant and testing facilities; for acquiring large-scale pumped storage unit production technologies and machinery; for upgrading and purchasing production equipment; for introduction of nuclear power technology and the development of wind power product. The total capital stock of the Company increased from 1,274.451 million shares to 1,376.806 million shares immediately after the placing exercise. Among which 701.23 million shares were held by HPEGC, accounting for 50.93%. H share amounted to 675.571 million shares, accounting for 49.07%.