

Chairman's Statement

主席報告書



Mr. Fu Shula,
Chairman

付舒拉先生 · 主席



Mr. Wang Xinkuo,
Deputy Chairman

王心闊先生 · 副主席

BUSINESS REVIEW

Overall review

The Group's consolidated results for 2006 improved satisfactorily in comparison with last year. Turnover reached HK\$1,057,154,000 (2005: HK\$608,145,000), representing a rise of 74% over last year, which was mainly due to the significant increase in the turnover of facade contracting works. Profit attributable to equity holders amounted to HK\$47,950,000 (2005: HK\$26,054,000), representing a rise of 84% over last year. Basic earnings per share amounted to HK¢1.22 (2005: HK¢0.70).

Facade contracting works

The turnover for 2006 amounted to HK\$885,109,000, a record high in recent years and, when compared to HK\$450,431,000 for 2005, representing an increase of almost 100%. The substantial increase in turnover for the year was largely due to new contracts secured in 2005 in the amount of HK\$850,000,000. However, the increased turnover only resulted in moderate growth in gross profit. As set out in the 2006 Interim Report, the price of aluminium rose sharply since the second half of 2005 and notwithstanding the price of aluminium has stabilised recently, it had pushed up the material costs during the year, thereby squeezing profit margin. Besides, two projects suffered substantial cost overrun. Apart from a Hong Kong project, substantial overrun was incurred on the Group's first United States project in which installation costs rose significantly in order to accommodate to local labour

業務回顧

整體回顧

本集團二零零六年之綜合業績與去年比較有理想增長。營業額達1,057,154,000港元(二零零五年：608,145,000港元)，較去年上升74%，主要由於大廈外牆工程的營業額大幅上升所致。權益持有人應佔溢利為47,950,000港元(二零零五年：26,054,000港元)，較去年上升84%。每股基本溢利為1.22港仙(二零零五年：0.70港仙)。

大廈外牆工程

二零零六年全年的營業額高達885,109,000港元，為近年新高，與二零零五年之營業額450,431,000港元比較增幅接近一倍。年內營業額大幅攀升主要受惠於二零零五年取得高達850,000,000港元的新工程合約，但營業額大幅增加只帶來毛利溫和增長；正如二零零六年之中期報告所述，自二零零五年下半年鋁價格急升，雖然近期鋁價已漸趨穩定，但已導致年內材料成本上漲，拖低邊際利潤。此外，兩項工程錄得重大超支，除香港一項工程外，在本集團首項美國工程上，為適應當地勞工市場情況及工資水平而造成安裝成本大幅增加，但該項工程為本集團在美國市場樹立實際工程範本，並為本集團於二零零六年取得

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market conditions and wage levels. However, that project served as a solid project reference for the Group in the United States market and hence facilitated the award of further new contracts during 2006. Moreover, the Group secured another project in Dubai, namely the Burj Tower which is described as the world's nowadays tallest building. In short, facade contracting works returned a profit contribution of HK\$17,751,000 (2005: HK\$16,265,000) to the Group during the year.

As at 31 December 2006, the remaining value of contracts in hand stood at HK\$2,204,000,000, an all time high, whereas a year ago the amount was HK\$840,000,000. The remaining value of contracts in hand mainly consists of the following new contracts secured during 2006:

- (1) 上海合生國際大廈
- (2) Skyplaza at Chek Lap Kok – South Office Tower, Hong Kong
- (3) Po On Road, Shamshuipo, Kowloon
- (4) Cosmopolitan Resort Hotel and Casino, Las Vegas, the United States
- (5) Sands Podium and Tower, Macau
- (6) Al Durrah Residential Tower in Trade Centre 1, Dubai
- (7) Mandarin Oriental Hotel, Las Vegas, the United States
- (8) Sobella Resort Condominium, Las Vegas, the United States
- (9) Burj Tower, Dubai

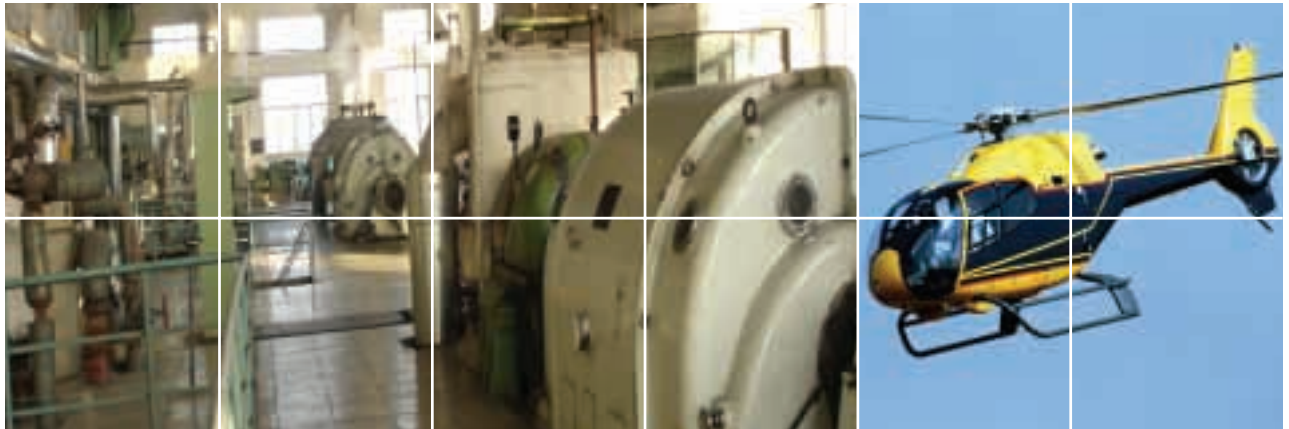
新工程起了很大的作用。此外，本集團在杜拜再下一城，獲得喻為當今世界第一高樓的杜拜Burj Tower的工程。綜合而言，大廈外牆業務年內為本集團提供17,751,000港元(二零零五年：16,265,000港元)的溢利貢獻。

截至二零零六年十二月三十一日，手頭未完成之合約價值達2,204,000,000港元，為歷史新高，而一年前則為840,000,000港元。手頭未完成之合約價值主要包括以下在二零零六年取得之新工程合約：

- (1) 上海合生國際大廈
- (2) 香港赤鱗角航天廣場－南座辦公樓
- (3) 九龍深水埗保安道
- (4) 美國拉斯維加斯Cosmopolitan渡假酒店及賭場
- (5) 澳門金沙賭場酒店大樓
- (6) 杜拜貿易中心一期Al Durrah住宅大樓
- (7) 美國拉斯維加斯Mandarin Oriental酒店
- (8) 美國拉斯維加斯Sobella住宅
- (9) 杜拜Burj Tower

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Electric and steam power supply

During the year, Hangzhou Sealand Electric Power Company Limited ("Hangzhou Sealand"), a subsidiary of the Company, made a great effort to expand its client base, enhance its production efficiency and exercise stringent control on purchase cost of coal, and thus achieved better results. In comparison with last year, the sales volume of electric and steam power increased by approximately 5% and 8%, respectively, and the turnover increased by 11% from HK\$154,306,000 to HK\$170,786,000. The average purchase cost of coal dropped by approximately 9% as compared with last year. As a result, the gross profit rate increased sharply by 30% over last year. However, as a deficit on revaluation of items of property, plant and equipment of HK\$8,444,000 (2005: surplus of HK\$2,014,000) was recorded, the profit contribution of electric and steam power supply business for the year ended 31 December 2006 dropped from HK\$20,467,000 to HK\$15,674,000.

To cope with the instability in the coal market, in April of this year, Hangzhou Sealand contributed fund to establish a company in Qinhuangdao engaging in the coal business, namely 秦皇島晉杭電力燃料有限公司. The cash consideration was RMB1,500,000 and Hangzhou Sealand held its 30% equity interests. The investment was accounted for as an associate of the Group.

電力及蒸汽供應

年內，本公司的附屬公司杭州海聯熱電有限公司（「杭州海聯」）積極開拓客源、提高生產效能及嚴格控制煤炭購入價，因而取得較好的成果。與去年比較，電力及蒸汽銷售量分別有約5%及8%的增長，營業額亦由154,306,000港元增加11%至170,786,000港元。煤炭平均購入價較去年下跌約9%。因此，毛利率較去年大幅增加30%。然而，由於錄得物業、廠房和設備項目重估虧損8,444,000港元（二零零五年：盈餘2,014,000港元），電力及蒸汽供應業務於截至二零零六年十二月三十一日止年度之溢利貢獻由20,467,000港元下跌至15,674,000港元。

為應對煤炭市場的不穩定性，於本年四月，杭州海聯參資在秦皇島設立一家經營煤炭業務的公司，名為秦皇島晉杭電力燃料有限公司，現金代價為1,500,000元人民幣，杭州海聯擁有其30%之股權。該投資已列作為本集團之聯營公司。

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Aero-technology related business

Although the production progress of EC120 helicopters was delayed in the first half of 2006, it resumed in the second half year. The delivery quantity in the whole year for the International market was higher than that in 2005. Nevertheless, the delivery time for the Mainland market lagged behind that for the International market that resulted in a drop in the delivery quantity for the Mainland market and thus the overall business performance was encumbered. Turnover decreased by 63% from HK\$3,408,000 for last year to HK\$1,259,000. Having considered the profit and cashflow forecast of Project EC120, the Group made a provision for impairment of HK\$4,800,000 (2005: HK\$3,000,000) against the financial assets thereunder. Together with the accrued income in respect of an exclusive distributorship of certain helicopter engines as mentioned below, the aero-technology related business recorded a loss of HK\$3,422,000 (2005: profit of HK\$2,586,000).

During the year, the Group recorded an income for distributing helicopter engines for an independent third party of approximately HK\$1,560,000 (2005: HK\$3,120,000), as included in other income. The exclusive distributorship expired on 31 December 2006.

During the year, the Group recorded investment profit in an aggregate of HK\$4,469,000 (2005: HK\$2,588,000) from CATIC Siwei Co., Ltd. ("CATIC Siwei") (an associate which is engaged in the provision of aero-photographic services in the Mainland) and China Nav-Info Co., Ltd. ("China Nav-Info") (an associate which is engaged in the business of utilising geographical information system and global positioning system technologies to manufacture location-based navigation products and to provide related services).

航空技術相關業務

雖然EC120直升機於二零零六年上半年生產進度緩慢，但是於下半年已回復生產進度，國際市場的全年交貨量高過二零零五年。然而，由於國內市場的交貨時間滯後於國際市場，使得國內市場交貨量反而下跌，拖累了整體業務表現，營業額由去年的3,408,000港元減少63%至1,259,000港元。經考慮項目EC120的未來利潤及現金流入預測，本集團就該項目財務資產作出虧損撥備4,800,000港元（二零零五年：3,000,000港元）。連同如下文所述之若干直升機引擎獨家分銷權之收入，航空技術相關業務錄得虧損3,422,000港元（二零零五年：溢利2,586,000港元）。

年內，本集團為一獨立第三者分銷直升機引擎錄得收入約1,560,000港元（二零零五年：3,120,000港元），已包括在其他收入內。該獨家分銷權已於二零零六年十二月三十一日屆滿。

年內，本集團從四維航空遙感有限公司（「四維遙感」）（一家在國內提供空中攝影服務之聯營公司）及北京四維圖新導航信息技術有限公司（「北京圖新」）（一家從事利用全球衛星定位系統及地理資訊系統技術生產定位導航產品及提供相關服務業務的聯營公司）錄得投資溢利合共4,469,000港元（二零零五年：2,588,000港元）。

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Others

Sino Gas Group Limited ("Sino Gas") is a Hong Kong listed company and is principally engaged in the trading of conversion parts, gas station equipment and in the operation of natural gas station. The Group held its 26.42% shareholding as at 31 December 2005 and treated it as an associate of the Group. During the year, the Group recorded a share of loss of HK\$26,640,000 (2005: profit of HK\$1,792,000).

As at 31 December 2006, through various capital transactions of Sino Gas during the year, the Group's shareholding in Sino Gas was diluted to 19.99%. As a result, the Group recorded a gain on deemed disposal of an interest in an associate of HK\$22,030,000. In the meantime, the Group's investments in Sino Gas were reclassified to equity investments at fair value through profit or loss and available-for-sale investments, and a fair value gain on an equity investment at fair value through profit or loss of HK\$37,797,000 was recorded.

其他

中油潔能集團有限公司(「中油潔能」)乃是一家香港上市公司，其主要業務為買賣轉換零件、加氣站設備及經營天然氣加氣站，本集團於二零零五年十二月三十一日擁有其26.42%之股權，並視之為本集團的聯營公司。年內，本集團錄得分佔虧損26,640,000港元(二零零五年：溢利1,792,000港元)。

由於中油潔能於年內經過多次股本交易，於二零零六年十二月三十一日，本集團所持之中油潔能股權已被攤薄至19.99%，因此，本集團錄得被視為出售聯營公司權益之利潤22,030,000港元。同時，本集團於中油潔能之投資亦已重新分類為透過損益按公平值列值的股本投資及可供出售的投資，並錄得透過損益按公平值列值的股本投資之公平值利潤37,797,000港元。

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PROSPECTS

After several years of hard work, the Group's facade contracting works has succeeded to go out of its homebase in Hong Kong and Macau to set foot in the United States and Dubai, winning a number of projects there. Whilst having preliminarily realised its strategic market shift to overseas markets, the Group continues to secure more overseas projects in accordance with its policy of "Actively pursuing overseas markets, Strengthening its homebase in Hong Kong and Macau and Prudently selecting Mainland projects" in pursuit of long term, sustainable business growth.

Hangzhou Sealand will continue to take measures including making appropriate alteration of the equipments, enlarging the steam power supply network and striving to expand client base, so as to achieve the purpose of enhancing its production efficiency, strengthening the environmental protection and earning greater economic benefits. Moreover, in coordination with the stringent cost control and enhanced management implemented, it is expected to continue to bring promising returns to the Group.

By reference to the order on hand situation, the Group expects that the delivery quantity of EC120 helicopters in the coming years will go upwards and Project EC120 will be able to provide stable and reasonable investor returns to the Group.

As the consuming power in the Mainland becomes stronger and stronger which drives the consumer demand for intelligent electronic devices and relating products, the Group expects that CATIC Siwei and China Nav-Info will enjoy a steady growth in their businesses.

前景

經過近幾年的努力，本集團大廈外牆工程業務已成功衝出港澳基地，在美國及杜拜取得多項重大工程，初步實現了市場的戰略轉移；與此同時將繼續秉承「努力開拓海外市場，着力鞏固港澳基地，慎重選擇國內項目」的方針，在海外爭取更多工程，使業務得以長遠穩定持續發展。

杭州海聯將繼續透過適當改造設備、擴大供熱網管及致力開拓客源等措施，以達到提高生產效能、加強保護環境及獲取更大經濟效益的目的。同時，配合杭州海聯所實行的嚴格成本監控及優化管理，預期能繼續為本集團帶來可觀回報。

根據手頭訂單狀況，本集團預期EC120直升機於未來幾年之交貨量將有所提升，項目EC120將能為本集團提供穩定合理的投資回報。

隨著國內消費能力愈趨強勁，帶動了消費者對電子智能產品及其相關產品的需求，本集團預期四維遙感及北京圖新之業務將保持平穩發展。

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APPRECIATION

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

By Order of the Board

Fu Shula

Chairman

Hong Kong, 24 April 2007

致謝

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

承董事會命

主席

付舒拉

香港，二零零七年四月二十四日