

## Notes to Financial Statements 31 December 2006

## 財務報表附註 二零零六年十二月三十一日

**1. CORPORATE INFORMATION**

CATIC International Holdings Limited is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda.

During the year, the Group was involved in the following activities:

- (i) the design, manufacture and installation of fabricated aluminium and stainless steel products for buildings, such as curtain wall and cladding systems, windows, doors, skylights and other related products;
- (ii) the generation and sale of electric and steam power; and
- (iii) the share of profit from the development, manufacture and distribution of EC120 helicopters.

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

**2.1 BASIS OF PREPARATION**

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment property, certain plant and equipment and equity investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars except when otherwise indicated.

**1. 公司資料**

中國航空技術國際控股有限公司為一間於百慕達註冊成立之有限公司。本公司之註冊辦事處為Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda。

年內，本集團之主要業務包括：

- (i) 設計、製造及安裝用於大廈之鋁製及不銹鋼產品，如玻璃幕牆及鋁牆面板系統、窗、門、採光棚及其他有關產品；
- (ii) 生產及銷售電力及蒸汽；及
- (iii) 分享開發、製造及分銷EC120直升機之溢利。

董事會認為在中華人民共和國（「中國」）的中國航空技術進出口總公司（「中航技總公司」）為本公司之最終控股公司。該公司由中國國務院直轄之中國航空工業第一集團公司及中國航空工業第二集團公司分別擁有50%。

**2.1 編製基準**

此等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（「HKFRS」）（其中包括香港會計準則（「HKAS」）和解釋公告）、香港普遍採用之會計原則及香港公司條例之披露要求，並按歷史成本法編製，惟投資物業、若干廠房和設備及股本投資除外（以公平值計量）。此等財務報表以港元呈列（除非另有說明）。

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### 2.1 BASIS OF PREPARATION (continued)

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2006. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease

### 2.1 編製基準 (續)

#### 綜合基準

綜合財務報表包括本公司及其附屬公司截至二零零六年十二月三十一日止年度之財務報表，並已就可能存在之不相似會計政策作出調整，以確保一致。附屬公司業績乃自其收購日期（即本集團取得控制權當天）起計入綜合財務報表內，並一直計入直至該控制權中止當天止。所有集團內公司間之重大交易及結存於綜合賬目時抵銷。

少數股東權益指非由本集團持有之外界股東於本公司附屬公司之業績及資產淨值中之權益。

### 2.2 新訂及修訂之香港財務報告準則之影響

本集團於本年度財務報表中首次採用以下新訂和經修訂HKFRS。除若干情況下會引起會計準則新增及變更以及附加披露外，採用該等新訂和經修訂的準則和解釋公告並未對財務報表產生重大影響。

境外業務投資淨額
財務擔保合約
預測集團內公司交易的現金流量對沖會計處理
公平值選擇
釐定安排是否包括租賃

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## 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The principal changes in accounting policies are as follows:

### (a) HKAS 21 *The Effects of Changes in Foreign Exchange Rates*

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This change has had no material impact on these financial statements as at 31 December 2006 or 31 December 2005.

### (b) HKAS 39 *Financial Instruments: Recognition and Measurement*

#### (i) *Amendment for financial guarantee contracts*

This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance

## 2.2 新訂及修訂之香港財務報告準則之影響 (續)

會計準則的主要變更如下：

### (a) HKAS 21 *匯率變動的影響*

採用HKAS 21 Amendment有關於境外業務投資淨額後，所有由貨幣項目產生的外匯差額而又構成本集團在境外業務投資淨額，不論該貨幣項目為何種貨幣，均於綜合財務報表被確認為權益的獨立部份。該改變並未對二零零六年十二月三十一日或二零零五年十二月三十一日的財務報表構成重大影響。

### (b) HKAS 39 *金融工具：確認及計量*

#### (i) *財務擔保合約(經修訂)*

該項修訂乃修訂HKAS 39的範圍，要求不被視為保險合約的已發行財務擔保合約，初始按公平價值確認，其後按HKAS 37撥備、或然負債和或有資產釐定之金額及初始確認之金額減(如適用)按照HKAS 18收益確認之累積攤銷兩者

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## 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

### (b) HKAS 39 *Financial Instruments: Recognition and Measurement* (continued)

#### (i) *Amendment for financial guarantee contracts (continued)*

with HKAS 18 *Revenue*. During the current and prior years, the Group and the Company provided guarantees to banks in connection with bank loans and other banking facilities granted to its subsidiaries and certain suppliers of the Group. Upon the adoption of this amendment, the Group and the Company are required to recognise these financial guarantee contracts as financial liabilities. This change has had no material impact on these financial statements as at 31 December 2006 and 31 December 2005.

#### (ii) *Amendment for the fair value option*

This amendment has changed the definition of a financial instrument classified as fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The Group had not previously used this option, and hence the amendment has had no effect on the financial statements.

## 2.2 新訂及修訂之香港財務報告準則之影響 (續)

### (b) HKAS 39 金融工具：確認及計量 (續)

#### (i) 財務擔保合約 (經修訂) (續)

之較高者重新計量。於本年及過往年度內，本集團及本公司就銀行給予其附屬公司及本集團的某些供應商之銀行貸款及其他信貸提供擔保。採用該項修訂後，本集團及本公司須確認該等財務擔保為財務負債。此變動並未對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的財務報表構成重大影響。

#### (ii) 公平值選擇 (經修訂)

本修訂改變了透過損益按公平值列值的金融工具的定義，並且對指定任何財務資產或財務負債為按公平值計量並在利潤表中確認公平值變動的選擇權使用進行了限制。本集團以前未採用過此選擇權，因此，本修訂對財務報表並無影響。

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## 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

### (b) HKAS 39 *Financial Instruments: Recognition and Measurement* (continued)

#### (iii) *Amendment for cash flow hedge accounting of forecast intragroup transactions*

This amendment has revised HKAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as a hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated income statement. As the Group currently has no such transactions, the amendment has had no effect on these financial statements.

### (c) HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*

The Group has adopted this interpretation as of 1 January 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. This interpretation has had no material impact on these financial statements.

## 2.2 新訂及修訂之香港財務報告準則之影響 (續)

### (b) HKAS 39 金融工具：確認及計量 (續)

#### (iii) 預測集團內公司交易的現金流量對沖會計處理 (經修訂)

該修訂把HKAS 39修訂至容許極有可能進行集團內公司交易之外幣風險列為綜合財務報表之對沖項目，惟該交易須以進行交易實體之功能貨幣以外之貨幣列值而外幣風險將影響綜合利潤表。由於本集團目前並無此種交易，該修訂對此等財務報表並無影響。

### (c) HK(IFRIC)-Int 4釐定安排是否包括租賃

本集團已於2006年1月1日採納了該解釋公告，該解釋公告為安排之內容是否包括租賃並且使用何種租賃會計提供了指引。該解釋公告對此等財務報表並無重大影響。

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### 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

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

The HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 January 2007. The revised standard will affect the disclosures about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 shall be applied for annual periods beginning on or after 1 January 2007. The standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments and also incorporates many of the disclosure requirements of HKAS 32.

### 2.3 已頒報但尚未生效之香港財務報告準則之影響

本集團並無於本財務報表採用以下已頒報但尚未生效之任何新訂及經修訂之HKFRS。

資本披露
金融工具：披露
經營分類
根據HKAS 29嚴重通脹經濟中的財務申報應用重列方式
HKFRS 2 之範圍
嵌入衍生工具的重估
中期財務報告及減值
HKFRS 2 – 集團及庫存股份交易
特許權服務協議

HKAS 1 Amendment適用於二零零七年一月一日或之後開始的年度期間。經修訂準則將影響下列各項的披露：有關本集團管理資本的目標、政策及程序等非量化資料；有關本公司視為資本的量化數據；對任何資本要求的遵行情況；以及任何不合規情況的後果。

HKFRS 7適用於二零零七年一月一日或之後開始的年度期間。該準則要求的披露事項能夠使財務報表使用者評估本集團金融工具之重要性及由此金融工具引起之風險性質及範疇，同時結合了HKAS 32許多要求的披露事項。

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**2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS** (continued)

HKFRS 8 shall be applied for annual periods beginning on or after 1 January 2009. The standard specifies how an entity should report information about its operating segments in annual financial statements and, as a consequential amendment to HKAS 34 *Interim Financial Reporting*, requires an entity to report selected information about its operating segments in interim financial reports. It also sets out requirements for related disclosures about the products and services provided by the segments, geographical areas in which the Group operates and revenues from the Group's major customers. This standard will supersede HKAS 14 *Segment Reporting*.

HK(IFRIC)-Int 7, HK(IFRIC)-Int 8, HK(IFRIC)-Int 9, HK(IFRIC)-Int 10, HK(IFRIC)-Int 11 and HK(IFRIC)-Int 12 shall be applied for annual periods beginning on or after 1 March 2006, 1 May 2006, 1 June 2006, 1 November 2006, 1 March 2007 and 1 January 2008, respectively.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of the HKAS 1 Amendment, HKFRS 7 and HKFRS 8 may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

**2.3 已頒報但尚未生效之香港財務報告準則之影響** (續)

HKFRS 8適用於二零零九年一月一日或之後開始的年度期間。該準則訂明企業應如何就其經營類別呈報資料，並隨之因應HKAS 34 *中期財務報告*的修訂，要求企業於中期財務報告內須呈報有關其經營類別之選擇性資料。該準則亦要求披露有關其由各類別提供之產品和服務、本集團經營之不同地區及從主要客戶所得收益的資料。本準則將取代HKAS 14分類呈報。

HK(IFRIC)-Int 7、HK(IFRIC)-Int 8、HK(IFRIC)-Int 9、HK(IFRIC)-Int 10、HK(IFRIC)-Int 11及HK(IFRIC)-Int 12分別適用於二零零六年三月一日、二零零六年五月一日、二零零六年六月一日、二零零六年十一月一日、二零零七年三月一日及二零零八年一月一日或之後開始的年度期間。

本集團已開始評估有關此等新訂及經修訂之HKFRS於首次採納時之影響，截至目前本集團推論採用HKAS 1 Amendment、HKFRS 7及HKFRS 8將會導致新增的或經修訂的披露事項。此等新訂及經修訂之HKFRS將不會對本集團的營運業績及財務狀況產生重大影響。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Subsidiaries**

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

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

**Associates**

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

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated income statement and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. Goodwill arising from the acquisition of associates, which was not previously eliminated or recognised in the consolidated reserves, is included as part of the Group's interests in associates. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

**Goodwill**

Goodwill arising on the acquisition of subsidiaries and associates represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

**2.4 主要會計政策概要****附屬公司**

附屬公司乃本公司直接或間接控制其財務及營運政策以自其活動獲利之公司。

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

**聯營公司**

聯營公司指附屬公司或共同控制企業以外，由本集團持有通常不少於20%投票權作長線投資，並可對其發揮重大影響之企業。

本集團分佔聯營公司收購後之業績及儲備分別載於綜合利潤表及綜合儲備。本集團之聯營公司權益乃根據權益會計法按本集團分佔之資產淨值減任何減值虧損後計入綜合資產負債表。以往沒有於綜合儲備抵銷或確認之收購聯營公司產生之商譽，乃包括在本集團於聯營公司之權益的部份，並已就可能存在之不相似會計政策作出調整，以確保一致。

**商譽**

收購附屬公司及聯營公司所產生之商譽乃指企業合併成本超逾本集團於收購當日所佔被購買方之可識別資產、負債及或然負債之公平淨值之差額。



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Goodwill (continued)

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses. In the case of associates, goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with HKAS 14 *Segment Reporting*.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

## 2.4 主要會計政策概要 (續)

### 商譽 (續)

收購所產生之商譽於綜合資產負債表內確認為資產，並初始按成本值列賬，其後按成本值減任何減值虧損計量。收購聯營公司產生之商譽則計入其賬面值內，而不在綜合資產負債表內單獨列為可識別資產。

商譽之賬面值需每年進行減值測試，或在某些事項或情形的變動顯示賬面價值可能發生減值時更頻繁地進行減值測試。

就減值測試而言，於企業合併收購之商譽自收購當日起分配至預期可從合併之協同效益得益之本集團之現金產生單元或現金產生單元組別，而不需理會本集團的其他資產或負債是否已分配至該些單元或單元組別。該些被分配商譽之單元或單元組別是：

- 代表本集團內部管理層用以監察商譽之最低位置；及
- 不大於根據HKAS 14分類呈報而釐定之本集團主要或本集團次要呈報格式之分類。

減值乃根據與商譽相關之現金產生單元之估計可收回金額而釐定。如現金產生單元(現金產生單元組別)的可收回金額比賬面值低，則須確認減值虧損。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Goodwill (continued)

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

### *Goodwill previously eliminated against consolidated retained profits*

Prior to the adoption of the HKICPA's Statement of Standard Accounting Practice 30 *Business Combinations* ("SSAP 30") in 2001, goodwill arising on acquisition was eliminated against consolidated retained profits in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against consolidated retained profits and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

## 2.4 主要會計政策概要 (續)

### 商譽 (續)

如商譽組成現金產生單元(現金產生單元組別)的一部份,而該單元之部份營運被出售,則計算出售該營運之收益或虧損時,應把與被出售之營運聯繫之商譽包括在該營運之賬面值內。在此情況下,被出售之商譽按被出售之營運及仍保留在現金產生單元之部份之相對價值計算。

減值虧損不會於往後期間撥回。

### *以往於綜合留存溢利扣除之商譽*

於二零零一年採納香港會計師公會之會計實務準則第30號企業合併(「SSAP 30」)前,收購所產生的商譽乃於收購當年於綜合留存溢利扣除。採納HKFRS 3後,當出售與該商譽有關之全部或部份業務時,或當與該商譽有關之現金產出單元減值時,該商譽仍然在綜合留存溢利內扣除而並非在利潤表內確認。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Goodwill (continued)***Excess over the cost of business combinations*

Any excess of the Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of the acquisition of associates (previously referred to as negative goodwill), after reassessment, is recognised immediately in the income statement.

The excess for the associates is included in the Group's share of the associates' profit or loss in the period in which the investments are acquired.

**Impairment of non-financial assets other than goodwill**

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets, deferred tax assets, financial assets, investment property and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

**2.4 主要會計政策概要 (續)****商譽 (續)***超逾企業合併成本之差額*

本集團於收購聯營公司當日所佔被購買方之可識別資產、負債及或然負債之公平淨值超逾收購成本之差額(之前稱為「負商譽」)，在重新評估後，立即在利潤表中確認。

聯營公司之超逾差額包括在本集團於收購該投資之期間內所佔聯營公司之損益。

**除商譽以外之非財務資產之減值**

每逢出現減值跡象，或於每年需就資產(存貨、建築合約資產、遞延稅項資產、財務資產、投資物業及商譽除外)進行減值測試時，便須估計該資產之可收回數額。資產之可收回數額以該資產或現金產出單元之使用價值及公平值減銷售成本兩者之較高者為準，並以個別資產釐定，除非該資產所產生之現金流入基本不獨立於其他資產或資產組別所產生之現金流入，則其可收回數額取決於該資產所屬之現金產出單元。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Impairment of non-financial assets other than goodwill** (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

**2.4 主要會計政策概要 (續)****除商譽以外之非財務資產之減值** (續)

減值虧損僅於資產賬面值超逾其可收回數額時確認。在評估使用價值時，會使用除稅前折現率將估計未來現金流量折現至現值。該折現率應是反映市場當時所評估的貨幣時間價值和該資產的獨有風險。減值虧損按所減值資產之功能一致之開支分類於產生期間計入利潤表，惟倘有關資產以重估價值列賬，則根據經重估資產之有關會計政策處理減值虧損。

每逢結算日均須作出評估，以考慮是否有跡象顯示於過往年度已確認之減值虧損可能不再存在或有所減少。如有任何該等跡象，則須估計可收回數額。該資產(商譽除外)之先前確認之減值虧損僅於釐定資產可收回數額之估計出現變動時撥回，惟撥回後之賬面值不得超越假設過往年度並無就該資產確認減值虧損之賬面值之數額(扣除任何折舊)。減值虧損之撥回於產生期間計入利潤表，惟倘該資產以重估數額列賬，則任何減值虧損之撥回根據經重估資產之有關會計政策處理。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

## 2.4 主要會計政策概要 (續)

### 關連人士

以下被視為本集團之關連人士：

- (a) 有關人士透過一名或多名中介人直接或間接(i)控制本集團、受本集團控制或與本集團共同受某一來源控制；(ii)擁有本集團權益，並可對本集團發揮重大影響；或(iii)擁有本集團的共同控制權；
- (b) 有關人士為聯繫人士；
- (c) 有關人士為共同控制實體；
- (d) 有關人士為本集團或其母公司的關鍵管理人員之成員；
- (e) 有關人士為(a)或(d)項所述任何人士的直系親屬；
- (f) 有關人士為受到(d)或(e)項所述任何人士直接或間接控制、共同控制或發揮重大影響或擁有其重大投資權的實體；或
- (g) 有關人士為本集團或屬於本集團關連人士的任何實體的僱員利益而設立的終止受僱後福利計劃的受益人。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Property, plant and equipment and depreciation**

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

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the property, plant and equipment revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the property, plant and equipment revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

**2.4 主要會計政策概要 (續)****物業、廠房和設備及折舊**

物業、廠房和設備(投資物業及在建工程除外)乃按原值或估值減累積折舊及任何減值虧損入賬。物業、廠房和設備之項目之成本包括其購買價及任何使資產達致運作狀況及地點以供擬定用途之直接相關成本。物業、廠房和設備項目投入運作後所涉及之費用(如維修保養費用)一般會在支出期間在利潤表中扣除。倘有關費用顯然可提高使用物業、廠房和設備項目之預期日後經濟利益而該項目之成本又能可靠地計量,則該費用會撥充資本,作為該資產之額外成本或作為更換。

進行估值需足夠頻密以確定重估資產的公平值與其賬面值沒有重大差異。物業、廠房和設備之價值變動作為物業、廠房和設備重估儲備之變動處理。倘儲備總額不足以彌補個別資產之虧絀,則超逾之虧絀將自利潤表內扣除,其後任何有關重估盈餘以經扣除之虧絀為限計入利潤表。出售經重估資產時,先前估值之有關物業、廠房和設備重估儲備部份將轉撥至留存溢利,作為儲備變動處理。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives used for this purpose are as follows:

Land and buildings	Over the lease terms
Leasehold improvements	4 years
Plant and machinery	5 years
Generation plant and related structure	15 years
Furniture, fixtures and equipment	5 years
Motor vehicles	4 years
Tools and moulds	4 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

## 2.4 主要會計政策概要 (續)

### 物業、廠房和設備及折舊 (續)

物業、廠房和設備按各項目之估計可使用年期以直線法計算折舊，以撇銷其成本或估值至其殘值。就此所採用的估計可使用年期如下：

土地及房屋	租期
租約物業裝修	4年
廠房及機器	5年
發電廠房及有關設施	15年
傢俬、裝置及設備	5年
汽車	4年
工具及模具	4年

當物業、廠房和設備之項目的組成部份有不同的可使用年期，則該項目的成本或估值按合理之基準分配至各組成部份，每個組成部份獨立計算折舊。

殘值、可使用年期及折舊方法於各結算日進行檢討及調整(如適用)。

當物業、廠房和設備之項目一經出售，或預計其使用或出售不再產生未來經濟利益時，即終止確認。出售或廢棄所產生的任何收益或虧損於資產終止確認當年在利潤表中確認，其數額為出售有關資產所得款項淨額與賬面值之差額。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Property, plant and equipment and depreciation** (continued)

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

**Investment property**

Investment property is interest in land and building held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment property is stated at fair value, which reflects market conditions at the balance sheet date.

Gains or losses arising from changes in the fair value of the investment property are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

**2.4 主要會計政策概要 (續)****物業、廠房和設備及折舊 (續)**

在建工程指處於收購階段之物業、廠房和設備，以成本減任何減值虧損入賬，並不予折舊。資產之收購階段包括資產處於興建、安裝及測試階段之時期。成本包括直接建造成本，以及於資產收購期之借貸成本，而該等借貸成本如無就該項資產作出開支則理論上應可避免。當籌備該資產以作既定用途所需之所有活動大致完成時，則借貸成本不再撥充資本。在建工程完成並可用時，即重新分類為適當類別的物業、廠房和設備，而不論有關當局是否延遲簽發有關啟用證書。

**投資物業**

投資物業乃持有以賺取租金收入及／或作資本升值之土地及樓宇權益，而並非用作生產或提供貨品或服務或行政管理用途；或作為一般業務過程中之銷售。該些物業於首次計量時以成本入賬（包括交易成本）。首次確認後，投資物業以公平值列賬，以反映結算日之市場狀況。

因投資物業公平值變動而產生之損益包括在其產生年度之利潤表內。

投資物業報廢或出售之損益在其報廢或出售年度之利潤表內確認。



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

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

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

## 2.4 主要會計政策概要 (續)

### 租賃

資產業權除法定業權本身以外大部份回報及風險由本集團承擔之租約列為融資租賃。融資租賃訂立時，有關成本按最低租金現值撥充資本，就有關購買及融資而連同有關承擔(不包括利息部份)一併入賬。根據撥充資本之融資租賃而持有的資產列為物業、廠房和設備，按資產租期及估計可使用年期兩者之較短者計算折舊。有關租賃之財政開支計入利潤表，以於租期內呈列固定開支。

資產業權之大部份回報及風險由租賃公司承擔之租約列為經營租約。如本集團為出租人，則本集團根據經營租約所出租之資產列為非流動資產，而根據經營租約之應收租金按直線法於租期內計入利潤表。如本集團為承租人，根據經營租約之應付租金按直線法於租期內計入利潤表。

經營租賃下之預付土地租賃款初始以成本記錄，之後在租賃期內以直線法攤銷。當租賃無法可靠地在土地和房屋兩部份之間進行分配時，則整個租賃款作為物業、廠房及設備的融資租賃，包括在土地和房屋的成本中。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Investments and other financial assets**

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group considers whether a contract contains an embedded derivative when the Group first becomes a party to it. The embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

**2.4 主要會計政策概要 (續)****投資及其他財務資產**

HKAS 39 所述的財務資產分類為透過損益按公平值列值的財務資產、貸款及應收款項，以及可供出售的財務資產(如適用)。首次確認財務資產時，乃按公平值加(倘投資並非透過損益按公平值列值)直接應佔交易成本列賬。當本集團首次成為合約之訂約方時，會考慮該合約是否包含固有衍生工具。倘有分析顯示固有衍生工具之經濟特性及風險與並非透過損益按公平值列值之主合約者並無密切關係，則固有衍生工具乃與主合約分開入賬。

本集團乃於首次確認後釐定財務資產的分類，並在可能及適合情況下，在結算日重新評估有關分類。

財務資產的所有一般買賣均於交易日(即本集團承諾購買資產當日)確認。一般買賣指買賣財務資產必須於市場所在地法例或規例一般指定之時間內交付資產。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Investments and other financial assets (continued)***Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include the financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Gains or losses on these investments are recognised in the income statement.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

**2.4 主要會計政策概要 (續)****投資及其他財務資產 (續)***透過損益按公平值列值的財務資產*

透過損益按公平值列值的財務資產包括持作買賣之財務資產及於初始確認時指定為透過損益按公平值列值的財務資產。倘收購財務資產是為在短期內出售，則該等資產分類為持作買賣。該等投資之損益在利潤表內確認。

只有符合下列條件的財務資產才可以在初始確認時指定為透過損益按公平值列值的財務資產：(i)該指定可以消除或明顯減少由於計量該資產或確認相關損益時基礎不同而導致有不一致的情況；或(ii)有關風險管理策略之正式書面文件已載明，該資產所屬之財務資產組合乃以公平值為基礎進行管理和評價；或(iii)該財務資產包含了需單獨計量的固有衍生工具。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Investments and other financial assets (continued)

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted securities and financial assets under Project EC120 as set out in note 19 to the financial statements, that are designated as available-for-sale or are not classified in any of the other two categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

When the fair value of unlisted securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

## 2.4 主要會計政策概要 (續)

### 投資及其他財務資產 (續)

#### 貸款及應收賬款

貸款及應收賬款乃具有固定或可確定付款金額，但並無活躍市場報價的非衍生財務資產。有關資產乃按實質利率法以攤銷成本列賬。計量攤銷成本時已考慮到獲得時產生的任何折現或溢價，包括構成實質利率及交易成本的費用。在貸款及應收賬款被終止確認、減值或在攤銷過程中時，其收益及虧損乃於利潤表內確認。

#### 可供出售的財務資產

可供出售的財務資產是指那些指定為可供出售的或者沒有分類為其他兩個財務資產類別的上市和非上市證券的非衍生性財務資產以及項目EC120之財務資產。在初始確認後，可供出售的財務資產按照公平值計量，公平值變動產生的損益作為權益的一個單獨的組成部份來確認，直至該投資出售，收回或轉讓，或者確認投資發生減值，在這時候，之前權益中的確認的累積損益將撥入利潤表。

當因為(a)合理的公平值估計範圍的變動對該投資而言是重大的、或(b)在上述範圍內的各種估計價的概率不能夠合理地確認和用於估計公平值，而不能可靠計算非上市證券的公平值時，這類證券以成本減任何減值虧損列賬。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Investments and other financial assets (continued)

#### Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis and option pricing models.

### Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### Assets carried at amortised cost

If there is objective evidence that an impairment loss has been incurred on loans and receivables carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement.

## 2.4 主要會計政策概要 (續)

### 投資及其他財務資產 (續)

#### 公平值

在組織化的金融市場中活躍交易的投資，其公平值乃參考結算日收盤時市場的買入報價來確定。對於沒有活躍市場的投資，其公平值由估價技術來確定。此類技術包括採用最近期的公平市場交易、參照幾乎相同的其他工具的當前市場價值、現金流量分析的折現和期權定價模型。

### 財務資產之減值

在每一結算日，本集團評估是否有一項財務資產或一組財務資產存在減值的客觀證據。

#### 以攤銷成本計價的資產

倘有客觀證據顯示以攤銷成本計價的貸款及應收款項已出現減值虧損，虧損金額按資產的賬面值與估計未來現金流量(不包括尚未產生的日後信貸損失)按財務資產原有實質利率(即初步確認時的實質利率)折現的現值之間的差額計算。資產的賬面值可直接調低或透過使用備抵賬抵減。該減值虧損在利潤表中確認。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets (continued)

##### Assets carried at amortised cost (continued)

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to trade and retention receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

### 2.4 主要會計政策概要 (續)

#### 財務資產之減值 (續)

##### 以攤銷成本計價的資產 (續)

本集團首先評估減值之客觀證據是否個別存在於個別重大的財務資產，及個別或整體存在於並非個別重大的財務資產。倘本集團釐定以個別方式評估的財務資產(無論重大與否)並無存在減值之客觀證據，此項資產將被歸入具有類似信貸風險特徵的同類財務資產當中，及作整體減值評估。以個別方式進行減值評估的資產若確認或繼續確認減值虧損，則不會納入整體減值評估。

倘其後減值虧損金額減少，且有關減少客觀上與確認減值後發生的事件有關，則先前確認的減值虧損可予撥回。其後撥回的任何減值虧損於利潤表內確認，惟資產的賬面值不得超逾其於撥回當日的攤銷成本。

就應收貿易賬款及保固金而言，倘出現客觀證據(如債務人可能無力償債或出現重大財務困難)顯示本集團將無法按發票之原定條款收回所有到期款項，則會作出減值撥備。應收款項之賬面值透過使用備抵賬而減少。已減值之債務一經評估為無法收回時則會終止確認。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of financial assets (continued)

#### Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

#### Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Impairment losses on equity instruments classified as available-for-sale are not reversed through the income statement.

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

## 2.4 主要會計政策概要 (續)

### 財務資產之減值 (續)

#### 以成本計價的資產

倘有客觀證據表明，因公平值無法可靠計算而不以公平值列賬的非上市股本工具出現減值虧損，有關虧損金額按資產賬面值與估計未來現金流量按類似財務資產現行市場回報率折讓的現值之間的差額計算。該等資產的減值虧損不得撥回。

#### 可供出售的財務資產

倘可供出售的財務資產出現減值，其成本(扣除任何本金付款及攤銷)與其現行公平值兩者間的差異減去以往在利潤表內確認之任何減值虧損的款項，將從權益轉撥至利潤表。分類為可供出售的股本工具的減值虧損不可透過利潤表撥回。

### 終止確認財務資產

在下列情況下，財務資產(或部份財務資產或一組別相類似的財務資產的一部份(如適用))被終止確認：

- 收取資產之現金流量的權利已到期；
- 本集團保留收取資產之現金流量的權利，惟根據「轉手」安排有責任即時將有關金額悉數支付予第三者；或

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Derecognition of financial assets (continued)

- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

## 2.4 主要會計政策概要 (續)

### 終止確認財務資產 (續)

- 本集團已轉讓其收取資產之現金流量的權利，且(a)已基本轉讓資產的所有風險及回報，或(b)並無轉讓或保留資產的所有風險及回報，但已轉讓資產的控制權。

倘本集團已轉讓其收取資產之現金流量的權利，但並無基本轉讓或保留資產的所有風險及回報，亦無轉讓資產的控制權，該資產按本集團持續參與有關資產的部份確認。以就已轉讓資產作出保證的形式作出之持續參與，乃按資產原有賬面值與本集團可能須償還的最高代價金額兩者間的較低者計算。

當以已轉讓資產的已發出及／或已購入期權(包括現金結算期權或相類似撥備)的形式持續參與，則本集團持續參與的部份為本集團可能購回的已轉讓資產的金額，惟倘為按公平值列賬資產的已發出認沽期權(包括現金結算期權或相類似撥備)，則本集團持續參與的部份限於已轉讓資產的公平值與期權行使價兩者間的較低者。



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including trade and bills payable, other payables, interest-bearing bank borrowings and finance lease payables are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

### Financial guarantee contracts

Financial guarantee contracts in the scope of HKAS 39 are accounted for as financial liabilities. A financial guarantee contract is recognised initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial guarantee contract, except when such contract is recognised at fair value through profit or loss. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

## 2.4 主要會計政策概要 (續)

### 財務負債以攤銷成本入賬 (包括附息貸款及借款)

財務負債包括應付貿易賬款及應付票據、其他應付款項、附息銀行貸款以及融資租賃應付款項，初步按公平值減應佔交易成本確認，其後以實質利率法按攤銷成本計算，但如影響甚微則除外，在此情況下，則按成本值列賬。

收益及虧損乃於負債終止確認時，透過攤銷過程後於利潤表中確認。

### 財務擔保合約

在HKAS 39範圍中的財務擔保合同作為財務負債核算。一份財務擔保合同初始計量按其公平值加直接歸屬於購買或發出該等財務擔保合同的交易費用確認，除非該等合同透過損益按公平值列值來確認。初始確認後，本集團按以下兩者中的較高者計量財務擔保合同：(i)根據HKAS 37準備、或有負債和或有資產確定的金額；及(ii)初始確認的金額減(若適用)根據HKAS 18收益確認的累積攤銷。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

### Construction contracts

Construction contracts of a long term nature are stated at cost, plus any attributable profits, less any foreseeable losses, and progress payments received and receivable. Contract costs incurred comprise direct materials, the cost of subcontracting, direct labour, and an appropriate proportion of variable and fixed construction overheads, including depreciation on plant and machinery used in construction projects, and capitalised interest on loans to finance specific projects.

Provision is made for foreseeable losses as soon as they are anticipated by management.

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

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

## 2.4 主要會計政策概要 (續)

### 終止確認財務負債

當負債項下的責任獲解除或取消或屆滿時，終止確認財務負債。

倘現有財務負債被來自同一借款人但條款極不相同的另一項負債所取代，或對現有負債的條款進行大幅修改，上述更替或修訂將被視作終止確認原有負債及確認新負債，而有關賬面值的差額於利潤表內確認。

### 建築合約

長期建築合約按成本入賬，加上任何應佔溢利減可預見之虧損，並計入已收及應收之進度付款。合約成本包括所有直接物料、分包費用、直接勞工及合適比例之可變及固定建築間接費用(包括建築工程所用之設備及機器折舊及為個別工程所作貸款之已撥充資本利息)。

管理層預期出現之可見虧損均作撥備。

倘累計已支出合約成本與已確認溢利及已確認虧損合計後超逾進度賬單數額，則超出之數額列為合約客戶欠款。

倘進度賬單數額超過累計已支出合約成本與已確認溢利及已確認虧損之合計數額，則超出之數額列為欠合約客戶款項。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Inventories**

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

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

**Borrowing costs**

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

All other borrowing costs are recognised as expenses in the income statement in the period in which they are incurred.

**2.4 主要會計政策概要 (續)****存貨**

建築合約存貨(即施工中工程所購入之原料及副原料)在就任何過時或陳舊項目作適當減值後,按成本或可變現淨值兩者之較低者入賬。成本按先入先出法釐定。可變現淨值則參考最終將使用該存貨之相關施工中合約而釐定。

生產電力及蒸汽之存貨主要為煤炭、零件及維修保養機器及設備所需之消耗品,就任何過時或陳舊項目作適當減值後,按成本及可變現淨值兩者之較低者入賬。成本按先入先出法釐定。可變現淨值則根據估計售價減任何完成及出售所需成本計算。

**借貸成本**

收購、建造或生產未完成資產(即需頗長時間才可作擬定用途或銷售之資產)之直接應佔借貸成本撥充資本作為該等資產之部份成本。有關借貸成本在資產大致可作擬定用途或銷售時不再撥充資本。

所有借貸成本於產生期間確認為開支。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Provisions**

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

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

Provisions for warranties granted by the Group are recognised based on past experience of the level of repairs, discounted to their present values as appropriate.

**Income tax**

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

**2.4 主要會計政策概要 (續)****撥備**

當因過往事件而產生即期承擔(法定或推定)並可能須於日後撥出資源應付時，倘能可靠估計有關承擔之數額，則須就此確認撥備。

倘折現影響重大，則按預期須於日後就該承擔所作之開支於結算日之現值而確認撥備。折現現值隨時間經過而增加之有關增幅於利潤表內列為財政開支。

本集團所提供保養之撥備乃根據過往所錄得之維修程度進行確認，並折現至現值(如適用)。

**收益稅**

收益稅包括當期及遞延稅項。當期稅項於利潤表確認，惟與當期或其他期間直接計入權益之項目相關之稅項則計入權益。

本期及過往期間的即期稅項資產及負債乃按預期自稅務機關收回或向其繳付的金額計算。

遞延稅項採用負債法，就資產與負債之稅基與財務報告之有關賬面值於結算日之所有臨時差額作出撥備。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

## 2.4 主要會計政策概要 (續)

### 收益稅 (續)

所有應課稅臨時差額均確認為遞延稅項負債，除了：

- 對於企業合併以外之交易，倘有關交易於當時對會計溢利或稅務盈虧並無影響，則有關商譽或首度確認之資產或負債所產生之遞延稅項負債不在此列；及
- 對於投資附屬公司及聯營公司之有關應課稅臨時差額，倘能控制有關臨時差額之回撥時間而於可見將來應不會回撥，則亦不在此列。

所有可抵扣臨時差額、承前未動用稅項資產及未動用稅項虧損均確認為遞延稅項資產，惟前提是可能取得應課稅溢利，以供動用可抵扣臨時差額、承前未動用稅項資產及未動用稅務虧損予以抵銷，除了：

- 惟對於企業合併以外之交易，倘有關交易於當時對會計溢利或稅務盈虧並無影響，則首度確認之資產或負債所產生之遞延稅項資產則不在此列；及
- 對於投資附屬公司及聯營公司之有關可抵扣差額，則僅在有關臨時差額可能於可見將來回撥，並有應課稅溢利以供動用臨時差額予以抵銷之情況下，方會確認遞延稅項資產。

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財務報表附註 二零零六年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (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 profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

### 2.4 主要會計政策概要 (續)

#### 收益稅 (續)

遞延稅項資產之賬面值每逢結算日檢討，倘不再可能有足夠應課稅溢利以供動用所有或部份遞延稅項資產，則遞延稅項資產將相應減少。相反，每逢結算日重新評估過去並未確認之遞延稅項資產，倘可能有足夠應課稅溢利以供動用所有或部份遞延稅項資產，則予以確認。

遞延稅項資產及負債乃根據於結算日已生效或大致生效之稅率(及稅務法例)，按預期實現有關資產或清償有關負債期間之適用稅率釐定。

倘即期稅項資產與即期稅項負債可合法地互相抵銷，且遞延稅項關乎同一應課稅實體及同一稅務機關，則遞延稅項資產與遞延稅項負債可互相抵銷。

#### 政府補助金

政府補助金若能合理肯定可以收取及可達至所有附帶條件，則按公平值確認入賬。倘屬與支出項目相關之補助金，則按有關獲補助費用之期間相應確認為收入。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

## 2.4 主要會計政策概要 (續)

### 外幣

此等財務報表乃以港元呈列，港元為本公司的功能及呈報貨幣。本集團旗下各實體自行決定其功能貨幣，而各實體財務報表內的項目均以該功能貨幣呈報。外幣交易最初按交易日期適用的功能貨幣匯率入賬。以外幣為單位的貨幣資產及負債按結算日的適用功能貨幣匯率換算。所有匯兌差額計入利潤表內。按歷史成本以外幣計算的非貨幣項目按最初交易日期適用的匯率換算。按公平值以外幣計算的非貨幣項目按釐定公平值當日的適用匯率換算。

若干海外附屬公司及聯營公司之功能貨幣乃港元以外之貨幣。於結算日，該些實體之資產及負債乃以結算日之匯率換算成本公司之呈報貨幣，而利潤表則按年內加權平均匯率換算成港元，所產生之匯兌差額乃計入匯兌波動儲備。於出售境外實體時，由該境外實體在權益內確認的累計金額便於利潤表內確認。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Foreign currencies (continued)

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

### Revenue recognition

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

- (a) from the rendering of contracting works services, based on the stage of completion of the construction contracts, as further explained in the accounting policy for "Recognition of income from construction contracts";
- (b) from the sale of electric and steam power, based on actual consumption derived from the reading of meters during the year;
- (c) from the development, manufacture and distribution of helicopters, when the Group's right to receive its share of profit from Project EC120 has been established (note 19);
- (d) from the rendering of services, when the services are rendered;
- (e) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset;

## 2.4 主要會計政策概要 (續)

### 外幣 (續)

就綜合現金流量表而言，海外附屬公司之現金流量按有關產生日期之匯率折算為港元。海外附屬公司於年內經常出現之現金流量則按該年度之加權平均匯率折算為港元。

### 收入之確認

當本集團可能獲得經濟利益並且能可靠衡量其數額時，會以下列準則確認收入：

- (a) 建築工程服務收入根據建築合約之完成進度計算入賬，詳情載於會計政策「建築合約收入之確認」；
- (b) 出售電力及蒸汽之收入據年內由計量表讀數而出之實際消耗量計算；
- (c) 開發、製造及分銷直升機之收入乃於本集團收取其分佔項目EC120溢利之權益獲確立時確認(附註19)；
- (d) 服務收入於提供服務時確認；
- (e) 利息收入採用實質利率法按應計基準確認，就財務資產的賬面淨額，透過金融資產預算年期，應用該折現估計未來所獲現金數額之利率；



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue recognition (continued)

- (f) rental income, on a time proportion basis over the lease terms;
- (g) government grants, on a systematic basis over the periods necessary to match the grant to the costs that it is intended to compensate;
- (h) income relating to the exclusive distributorship of certain helicopter engines, on an accrual basis pursuant to the relevant agreement; and
- (i) income from the sale of coal residues, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

### Recognition of income from construction contracts

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

## 2.4 主要會計政策概要 (續)

### 收入之確認 (續)

- (f) 租金收入根據有關租期按時間比例確認；
- (g) 政府補助按所收補助金與有關獲補助成本之期間相應確認；
- (h) 有關若干直升機引擎獨家分銷權之收入根據有關協議按應計基準確認；及
- (i) 銷售煤渣之收入乃於所有權之重大風險及回報已轉移至買方時予以確認，惟本集團既不會在管理參與上達到一般被視為擁有權之程度，亦不對所售貨品擁有實際控制權。

### 建築合約收入之確認

倘長期建築合約之溢利在各合約之結果可合理確定而合約經已完成最少20% (根據有關合約之估計總工程成本釐定)，並就或然事項作出應有撥備後，按完成工程之百份比於利潤表中確認。倘建築合約之結果無法可靠估計而合約完成進展低於20%，則僅按可收回之已產生合約成本確認收入。倘管理層預期出現任何虧損，即會就可預見之虧損作出撥備。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Recognition of income from construction contracts** (continued)

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

**Employee benefits***Share-based payment transactions*

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments.

The Group has adopted the transitional provisions of HKFRS 2 in respect of equity-settled awards and has applied HKFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested by 1 January 2005 and to those granted on or after 1 January 2005.

**2.4 主要會計政策概要 (續)****建築合約收入之確認 (續)**

倘因出現合約規定之特定情況或因客戶對合約規格作出變動而須進行額外工程，則本集團將就此索取補償。倘於結算日尚未就該項索償額正式達成協議，則管理層按當時所得之全部資料估計可能收取之款額並計入合約價值內，以釐定合約之預測溢利或可預見之虧損。

**僱員福利***股本償付交易*

本公司設有購股權計劃，旨在鼓勵及嘉獎為本集團業務之成功作出貢獻之合資格參與者。本集團僱員(包括董事)以股本償付交易形式收取酬金，並據此提供服務作為取得股本工具的代價。

本集團已就股本結算報酬採納HKFRS 2的過渡性條文，並僅就二零零二年十一月七日後授出而於二零零五年一月一日前尚未歸屬以及二零零五年一月一日或之後授出的股本結算報酬應用HKFRS 2。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Employee benefits (continued)

#### *Employment Ordinance long service payments*

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

#### *Pension schemes and other retirement benefits*

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

## 2.4 主要會計政策概要 (續)

### 僱員福利 (續)

#### *僱傭條例長期服務金*

本集團若干僱員在本集團已工作滿所需服務年期，根據香港僱傭條例合資格於終止受聘時獲取長期服務金。倘若終止聘用符合僱傭條例所規定之情況，則本集團有責任支付有關服務金。由於若干僱員在結算日已在本集團工作滿所需服務年期，符合資格於規定情況下終止受聘時根據僱傭條例獲取長期服務金，因此已披露可能於未來支付予該等僱員之長期服務金之或然負債。由於估計該情況不大可能導致本集團須於未來作出重大支付，因此並無就有關可能支付款項確撥撥備。

#### *退休計劃及其他退休福利*

本集團根據強制性公積金計劃條例，為所有合資格參與該計劃之僱員提供定額供款強制性公積金退休福利計劃（「強積金計劃」）。供款乃根據僱員基本薪金之百份比計算，並於有關款項根據強積金計劃之規則須予支付時計入利潤表。強積金計劃之資產乃獨立於本集團之資產，並由獨立管理之基金持有。本集團之僱主供款於向強積金計劃作出供款時全數歸於僱員。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Employee benefits (continued)

##### *Pension schemes and other retirement benefits (continued)*

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

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

### 2.4 主要會計政策概要 (續)

#### 僱員福利 (續)

##### *退休計劃及其他退休福利 (續)*

於強積金計劃生效前，本集團為符合資格並選擇參加之僱員設有定額供款公積金。該公積金以類似強積金計劃之方式管理，惟倘僱員在可全數獲取本集團僱主供款之權益前退出此公積金，則本集團可以沒收之有關供款額扣減其後所作之持續供款。於二零零零年十二月一日實施強積金計劃後，該公積金已被凍結，而本集團及合資格僱員其後再無作出供款。當合資格僱員離開本集團時，將根據此公積金之現行規則收取應得權益。

本集團於中國內地經營之附屬公司之僱員須參加由當地市政府所運作的中央退休計劃。該附屬公司須按其薪金成本的若干百分比向該中央退休計劃供款。有關供款於根據該中央退休計劃之規則須支付時計入利潤表。

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財務報表附註 二零零六年十二月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits and assets similar in nature to cash, which are not restricted as to use.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### *Operating lease commitments – Group as lessor*

The Group has entered into commercial property leases on its investment property. The Group has determined that it retains all the significant risks and rewards of ownership of this property which is leased out on operating leases.

#### *Classification between investment property and owner-occupied property*

The Group determines whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

## 2.4 主要會計政策概要 (續)

### 現金及現金等值

就綜合現金流量表而言，現金及現金等值指手頭現金及活期存款，以及可隨時轉換為已知現金額而價值變動風險不大且期限較短（一般自收購起計三個月內到期）之短期高流通性投資，但不包括須按要求隨時還款並屬於本集團整體現金管理一部分之銀行透支。

就資產負債表而言，現金及現金等值指手頭及銀行現金，包括使用時不受限制而性質近似現金之定期存款及資產。

## 3. 重要會計判斷及估計

### 判斷

在應用本集團會計政策過程中，以下管理層所作之判斷（除涉及估計外）乃對財務報表所確認之金額有最重大的影響：

#### *經營租約承擔 – 本集團作為出租人*

本集團就其投資物業訂立了商業物業租約。本集團釐定其保留了該按經營租約出租之物業業權之大部份風險及回報。

#### *投資物業與業主自用物業之分類*

本集團釐定物業是否符合為投資物業，並在作出判斷時訂下了準則。投資物業乃持有以賺取租金或作資本升值，或兩者皆是。因此，本集團會考慮物業有否產生獨立於本集團所持其他資產之現金流量。

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財務報表附註 二零零六年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Judgements (continued)

##### *Classification between investment property and owner-occupied property (continued)*

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

##### *Classification of equity investments between equity investment at fair value through profit or loss and available-for-sale investment*

The Group determines the classification of its equity investments after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date. The Group designated 9.99% equity interest in Sino Gas Group Limited ("Sino Gas") out of the 19.99% interest held by the Group as at 31 December 2006 as an equity investment at fair value through profit or loss as such portion of equity interest in Sino Gas is managed and its performance is evaluated on a fair value basis, in accordance with a documented investment strategy. The rest of 10% equity interest in Sino Gas out of the 19.99% interest held by the Group as at 31 December 2006 is designated as available-for-sale investment. More details are given in notes 20 and 26 to the financial statements.

### 3. 重要會計判斷及估計 (續)

#### 判斷 (續)

##### *投資物業與業主自用物業之分類 (續)*

一些物業既包括持作賺取租金的一部份，又包括持作用於生產或提供產品或服務或行政管理用途的另一部份。如果這些部份能夠分開出售（或根據融資租賃分開出租），則本集團將這些部份分開處理。如果這些部份不能分開出售，則只有當其持作用於生產或提供產品或服務或行政管理用途的部份不重要時，才會作為投資物業。

進行判斷時須按個別物業基準，釐定物業之附屬服務是否重要，以致該物業不符合為投資物業。

##### *股本投資在透過損益按公平值列值的股本投資或可供出售的投資之間的分類*

本集團於初始確認時釐定其股本投資的分類，並且於結算日（如可行及合適）再重新評核該分類。本集團把二零零六年十二月三十一日所持的19.99%的中油潔能集團有限公司（「中油潔能」）權益的其中9.99%股本權益指定為透過損益按公平值列值的股本投資，此乃由於根據投資策略之正式書面文件，該中油潔能股本權益之部份以公平值的基礎進行管理和評核表現。二零零六年十二月三十一日所持的19.99%中油潔能權益的餘下10%股本權益則指定為可供出售的投資。更多詳情載於財務報表附註20及26。

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財務報表附註 二零零六年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Judgements (continued)

##### *Profitability and percentage of completion of construction contracts*

The Group determines the profitability of its construction contracts based on the net income that could be obtained after deducting its estimation of the total costs of the contracts. The Group also recognises its revenue from its contracts by the percentage of completion of the contracts which is measured by reference to the proportion of costs incurred to date to the estimated total costs of the relevant contract.

Judgement is also made on the contingency costs that may arise from variation orders and claims as well as the recovery of such costs from their customers.

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### *Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill on the acquisition of a subsidiary and an associate at 31 December 2006 were HK\$38,116,502 (2005: HK\$38,116,502) and HK\$2,936,264 (2005: HK\$2,936,264), respectively. More details are given in note 16 to the financial statements on the impairment testing of goodwill on acquisition of a subsidiary.

### 3. 重要會計判斷及估計 (續)

#### 判斷(續)

##### *建築合約之利潤及完工百分比*

本集團根據可得淨收入減估計總合約成本而釐定建築工程之利潤。本集團並根據完工百分比確認來自合約之收益，該完工百分比乃參考截至當天之成本與估計有關總合約成本之比例計量。

有關產生自額外工程或索償之或然成本、以及該成本能否從客戶收回，均須進行判斷。

#### 估計的不確定性

下文討論於結算日有關未來的關鍵假設以及估計不確定性的其他關鍵來源，這些對下個財政年度資產及負債之賬面值造成重大調整均具有重大風險。

##### *商譽之減值*

本集團最少每年評估商譽有否減值。在進行評估時，必須估計已分配商譽的現金產生單元的使用價值。於計算此等價值時，本集團必須估計由現金產生單元所產生的預期未來現金流量，並選擇合適的折現率來計算該現金流量之現值。收購附屬公司及聯營公司之商譽於二零零六年十二月三十一日之賬面值分別為38,116,502港元(二零零五年：38,116,502港元)及2,936,264港元(二零零五年：2,936,264港元)。有關收購附屬公司所產生的商譽之減值測試之詳情，載於財務報表附註16。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES***(continued)***Estimation uncertainty** *(continued)**Deferred tax assets*

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognised tax losses at 31 December 2006 was HK\$13,153,200 (2005: HK\$23,491,000). The amount of unrecognised tax losses at 31 December 2006 was HK\$25,897,308 (2005: HK\$18,447,162). Further details are detailed in note 21 to the financial statements.

*Impairment of interests in associates*

The Group determines whether interests in associates is impaired on an annual basis. Valuation techniques used was discounted future cash flows generated from the continuous operations of the associates by applying a suitable discount rate in order to calculate the present value of those cash flows.

*Impairment of a financial asset under Project EC120*

The Group determines whether the financial asset under Project EC120 is impaired on an annual basis. The financial asset has been valued based on discounted future cash flows generated from the sale of helicopters covering a 9-year period by applying a suitable discount rate in order to calculate the present value of those cash flows.

**3. 重要會計判斷及估計***(續)***估計的不確定性** *(續)**遞延稅項資產*

確認遞延稅項資產只限於可能取得應課稅溢利以供動用所有未動用之稅項虧損之部份。管理層須作重大判斷，根據未來應課稅溢利可能之時間及水平以及未來稅務策略，以釐定可確認之遞延稅項資產金額。於二零零六年十二月三十一日，已確認稅項虧損之賬面值為13,153,200港元（二零零五年：23,491,000港元）。於二零零六年十二月三十一日，未確認稅項虧損之金額為25,897,308港元（二零零五年：18,447,162港元）。進一步詳情載於財務報表附註21。

*聯營公司權益之減值*

本集團每年決定聯營公司權益有否減值，所用之估值技術乃應用合適之折現率來折現由聯營公司持續經營而產生的未來現金流量，以計算該現金流量之現值。

*項目EC120之財務資產之減值*

本集團每年決定項目EC120之財務資產有否減值，該財務資產之估值乃應用合適之折現率來折現由銷售直升機而產生的9年期的未來現金流量，以計算該現金流量之現值。



## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES***(continued)***Estimation uncertainty** *(continued)**Useful lives and residue values of items of property, plant and equipment*

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that is used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at each financial year end date based on changes in circumstances.

*Impairment of trade receivables*

The Group maintains an allowance for estimated losses arising from the inability of its customers to make the required payments. The Group makes its estimates based on the ageing of its trade receivable balances, customers' creditworthiness, and historical write-off experience. If the financial condition of its customers was to deteriorate so that the actual impairment loss might be higher than expected, the Group would be required to revise the basis of making the allowance and its future results would be affected.

**3. 重要會計判斷及估計***(續)***估計的不確定性** *(續)**物業、廠房和設備之可使用年期及殘值*

本集團為其物業、廠房和設備之項目釐定可使用年期及殘值時，會考慮不同因素，如該資產的預期使用情況、預期耗損、資產保養及使用資產時所受到之法律或類似之限制。估計可使用年期乃根據本集團於使用同類資產之經驗所得。如估計之可使用年期及／或殘值與之前估計不同，則會作額外折舊。可使用年期及殘值於每個財政年度結算日根據情況轉變作出檢討。

*應收貿易賬款之減值*

當客戶無力償還要求之款項時，本集團根據應收貿易賬款餘額之賬齡、客戶之信譽及過往註銷經驗而估計損失，並以備抵賬處理。如客戶之財務狀況將惡化以致實際減值虧損可能高於預期時，本集團必須修改備抵賬之計量基礎，而本集團之未來業績亦隨之受到影響。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

### 4. SEGMENT INFORMATION

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

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

- (a) the facade contracting works segment engages in the design, manufacture and installation of fabricated aluminium and stainless steel products for buildings, such as curtain wall and cladding systems, windows, doors, skylights and other related products;
- (b) the electric and steam power supply segment engages in the generation and sale of electric and steam power in the Linping industrial region of Hangzhou in the PRC; and
- (c) the aero-technology related business segment engages in the share of profit from the development, manufacture and distribution of EC120 helicopters.

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

### 4. 分類資料

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

本集團經營之業務乃根據各項業務之性質及所提供之產品及服務而獨立組成架構及管理。本集團各項業務各自代表提供不同產品及服務之策略性經營單位，以承受各自不同之風險及回報。業務分類詳情之概要如下：

- (a) 大廈外牆工程項目，包括設計、製造及安裝用於大廈之鋁製及不銹鋼產品，包括玻璃幕牆及鋁牆面板系統、窗、門、採光棚及其他有關產品；
- (b) 電力及蒸汽供應項目，在中國杭州臨平工業區生產及銷售電力及蒸汽；及
- (c) 航空技術相關業務項目，從事開發、製造及經銷EC120型號直升機。

在釐定本集團之地區分類時，收益按有關客戶之所在地劃分，而資產則按資產之所在地劃分。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

4. SEGMENT INFORMATION  
(continued)

## (a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2006 and 2005.

## 4. 分類資料 (續)

## (a) 業務分類

下表呈列本集團截至二零零六年及二零零五年十二月三十一日止年度之分類業務之收益、溢利／(虧損)及若干資產、負債及開支資料。

		Facade contracting works 大廈外牆工程		Electric and steam power supply 電力及蒸汽供應		Aero-technology related business 航空技術相關業務		Consolidated 綜合	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Segment revenue:	分類收益：								
Sales to external customers	外部客戶銷售	885,109	450,431	170,786	154,306	1,259	3,408	1,057,154	608,145
Other income	其他收入	32	196	7,894	10,512	1,560	3,120	9,486	13,828
Total	合計	885,141	450,627	178,680	164,818	2,819	6,528	1,066,640	621,973
Segment results	分類業績	17,751	16,265	15,674	20,467	(3,422)	2,586	30,003	39,318
Interest income, rental income and unallocated gains	利息收入、租金收入及未分攤利潤							5,316	4,612
Unallocated expenses	未分攤開支							(11,955)	(11,563)
Fair value gain on an equity investment at fair value through profit or loss	透過損益按公平值列值的股本投資之公平值利潤							37,797	-
Finance costs	財務開支							(5,366)	(6,186)
Gain on deemed disposal of an interest in an associate	被視為出售聯營公司權益之利潤							22,030	-
Share of profits and losses of associates	分佔聯營公司溢利／(虧損)							(22,171)	4,380
Excess over cost of acquisition of an associate recognised as income	確認超逾收購聯營公司成本之部份為收入							-	6,070
Profit before tax	除稅前溢利							55,654	36,631
Tax	稅項							(4,551)	(6,643)
Profit for the year	本年溢利							51,103	29,988

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

4. SEGMENT INFORMATION  
(continued)

## 4. 分類資料 (續)

## (a) Business segments (continued)

## (a) 業務分類 (續)

		Facade contracting works 大廈外牆工程		Electric and steam power supply 電力及蒸汽供應		Aero-technology related business 航空技術相關業務		Consolidated 綜合	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Segment assets	分類資產	450,333	406,305	326,139	299,657	50,476	55,688	826,948	761,650
Interests in associates	聯營公司權益							48,136	113,629
Unallocated assets	未分配資產							233,688	72,948
Total assets	資產總值							1,108,772	948,227
Segment liabilities	分類負債	243,162	219,172	71,074	68,445	587	485	314,823	288,102
Unallocated liabilities	未分配負債							169,152	154,203
Total liabilities	負債總額							483,975	442,305
Other segment information:	其他分類資料：								
Depreciation	折舊	5,405	5,561	10,965	10,380	1	1	16,371	15,942
Unallocated amounts	未分攤款項							889	801
								17,260	16,743
Capital expenditure	資本開支	6,337	6,748	32,686	13,983	-	-	39,023	20,731
Unallocated amounts	未分攤款項							383	883
								39,406	21,614
Deficit/(surplus) on revaluation of items of property, plant and equipment	物業、廠房和設備項目重估虧損/(盈餘)	-	-	8,444	(2,014)	-	-	8,444	(2,014)
Impairment of financial asset under Project EC120	項目EC120財務資產減值	-	-	-	-	4,800	3,000	4,800	3,000
Impairment of available-for-sale investments	可供出售的投資之減值	580	-	-	-	-	-	580	-
Provision/(write-back of provision) for impairment of trade and retention receivables, net	應收貿易賬款及保固金之減值撥備/(撥備回撥)淨額	(1,016)	1,586	(1,957)	-	-	-	(2,973)	1,586
Provision for warranty	保證撥備	3,920	435	-	-	-	-	3,920	435

## Notes to Financial Statements 31 December 2006

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#### 4. SEGMENT INFORMATION (continued)

##### (b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 December 2006 and 2005.

#### 4. 分類資料 (續)

##### (b) 地區分類

下表呈列本集團截至二零零六年及二零零五年十二月三十一日止年度之不同地區之收益及若干資產及開支資料。

		Hong Kong		Mainland China		Macau		United States of America		Others		Consolidated	
		香港		中國內地		澳門		美國		其他		綜合	
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue:	分類收益:												
Sales to external customers	外部客戶銷售	348,379	252,249	228,666	305,579	281,967	50,317	155,178	-	42,964	-	1,057,154	608,145
Other segment information:	其他分類資料:												
Segment assets	分類資產	582,391	495,732	415,684	402,020	42,695	46,972	65,366	3,503	2,636	-	1,108,772	948,227
Capital expenditure	資本開支	1,001	1,480	35,551	19,955	5	179	2,611	-	238	-	39,406	21,614

#### 5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents an appropriate proportion of contract revenue of the construction contracts; the net invoiced value of electric and steam power sold; and income from Project EC120 for the development, manufacture and distribution of helicopters.

#### 5. 收益、其他收入及利潤

收益(亦即本集團之營業額)乃指所執行合約工程之價值、源自銷售電力及蒸汽之發票淨值,以及來自開發、製造及經銷直升機之項目EC120之收入。

## Notes to Financial Statements 31 December 2006

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## 5. REVENUE, OTHER INCOME AND GAINS (continued)

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

## 5. 收益、其他收入及利潤 (續)

收益、其他收入及利潤分析如下：

		2006 二零零六年	2005 二零零五年
	Note 附註	HK\$ 港元	HK\$ 港元
<b>Revenue</b>	<b>收益</b>		
Value of contracting works performed	已執行合約工程之價值	<b>885,109,287</b>	450,431,243
Generation and sale of electric and steam power	生產及銷售電力及蒸汽	<b>170,786,264</b>	154,305,801
Share of profit from Project EC120 for the development, manufacture and distribution of helicopters	分佔來自開發、製造及經銷直升機之項目 EC120之溢利	<b>1,258,854</b>	3,408,211
		<b>1,057,154,405</b>	608,145,255
<b>Other income</b>	<b>其他收入</b>		
Income in respect of an exclusive distributorship of certain helicopter engines	若干直升機引擎獨家分銷權之收入	25 <b>1,560,005</b>	3,119,995
Bank interest income	銀行利息收入	<b>4,698,622</b>	1,911,470
Income from installation of infrastructure for steam supply	安裝供汽結構之收入	<b>818,583</b>	3,039,191
Government grants*	政府補助金*	<b>1,203,384</b>	2,072,896
Income from sale of coal residues	出售煤渣之收入	<b>5,812,097</b>	5,321,175
Gross rental income	租金收入總額	<b>587,760</b>	550,000
Others	其他	<b>91,624</b>	247,253
		<b>14,772,075</b>	16,261,980
<b>Gains</b>	<b>利潤</b>		
Gain on disposal of available-for-sale investments	出售可供出售之投資之利潤	-	27,828
Others	其他	<b>30,000</b>	-
		<b>30,000</b>	27,828
		<b>14,802,075</b>	16,289,808

## Notes to Financial Statements 31 December 2006

## 財務報表附註 二零零六年十二月三十一日

## 5. REVENUE, OTHER INCOME AND GAINS (continued)

\* Various coal prices subsidies and government grants relating to anti-pollution research activities in Hangzhou, the PRC, have been received from the government authorities in Hangzhou. There are no unfulfilled conditions or contingencies relating to these grants.

## 5. 收益、其他收入及利潤 (續)

\* 杭州市政府部門已就煤炭價格補貼及在中國杭州進行之環保研究活動提供多項政府補助金，有關此等補助金均未出現任何無法履行之情況或或然事項。

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

## 6. 除稅前溢利

本集團之除稅前溢利已扣除／(計入)以下項目：

			2006 二零零六年	2005 二零零五年
		Notes 附註	HK\$ 港元	HK\$ 港元
Cost of contracting works: Cost of contracting works performed	合約工程成本： 已執行合約 工程之成本		<b>813,304,472</b>	389,407,431
Warranty provision	保證撥備	29	<b>3,920,000</b>	435,200
			<b>817,224,472</b>	389,842,631
Cost of electric and steam power supply	供應電力及 蒸汽之成本		<b>146,358,446</b>	138,378,486
			<b>963,582,918</b>	528,221,117
Depreciation	折舊	14	<b>17,260,191</b>	16,742,566
Less: Amounts capitalised to long term construction contracts	減：撥作長期建築 合約資本之款額	36(a)	<b>(3,646,879)</b>	(4,004,234)
			<b>13,613,312</b>	12,738,332
Minimum lease payments under operating leases on land and buildings	土地及樓宇經營 租約之最低租金		<b>5,226,532</b>	2,739,203
Less: Amounts capitalised to long term construction contracts	減：撥作長期建築 合約資本之款額		<b>(3,695,341)</b>	(2,150,956)
			<b>1,531,191</b>	588,247
Recognition of prepaid land lease payments	確認預付 土地租賃款	15	<b>957,163</b>	952,671

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 6. PROFIT BEFORE TAX (continued)

The Group's profit before tax is arrived at after charging/(crediting): (continued)

## 6. 除稅前溢利 (續)

本集團之除稅前溢利已扣除/(計入)以下項目：(續)

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Employee benefits expense (excluding directors' remuneration (note 8)):	僱員福利費用 (不包括董事酬金 (附註8)):		
Wages and salaries	工資及薪金	<b>32,188,138</b>	22,267,654
Pension scheme contributions	退休金計劃供款	<b>2,560,142</b>	2,969,245
Less: Forfeited contributions	減：已沒收供款	<b>(97,495)</b>	(71,496)
Net pension scheme contributions*	退休金計劃供款淨額*	<b>2,462,647</b>	2,897,749
Other operating expenses/ (income), net:	其他經營開支/ (利潤)淨額:		
Provision/(write-back of provision) for impairment of trade and retention receivables, net	應收貿易賬款及 保固金之減值撥備/ (撥備回撥)淨額	<b>(2,972,740)</b>	1,586,093
Impairment of available-for-sale investments	可供出售的投資 之減值	<b>580,000</b>	-
Others	其他	-	747,679
		<b>(2,392,740)</b>	2,333,772
Auditors' remuneration	核數師酬金	<b>1,300,000</b>	1,190,000
Foreign exchange differences, net	外匯兌換差額，淨額	<b>178,367</b>	67,448
Net rental income	租金收入淨額	<b>(587,760)</b>	(550,000)

\* At 31 December 2006, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2005: Nil).

\* 於二零零六年十二月三十一日，本集團並無任何已沒收供款可用作減少未來年度之退休計劃供款(二零零五年：無)。



## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 7. FINANCE COSTS

## 7. 財務開支

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$ 港元	HK\$ 港元
	Note 附註		
Interest on bank overdrafts and bank loans wholly repayable within five years	須於五年內全部償還之銀行透支及銀行貸款之利息	<b>9,117,505</b>	7,057,805
Less: Amounts capitalised to long term construction contracts	減：撥作長期建築合約資本之款項	<b>(3,776,367)</b>	(909,081)
	36(a)		
Interest on a finance lease	融資租賃之利息	<b>5,341,138</b>	6,148,724
		<b>24,951</b>	37,718
		<b>5,366,089</b>	6,186,442

## 8. DIRECTORS' REMUNERATION

## 8. 董事酬金

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

根據上市規則及公司條例第161條披露之董事酬金如下：

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$ 港元	HK\$ 港元
Fees:	袍金：		
Executive Directors	執行董事	<b>250,839</b>	216,000
Non-executive Directors	非執行董事	<b>420,000</b>	420,000
		<b>670,839</b>	636,000
Other emoluments (Executive Directors):	其他酬金(執行董事)：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	<b>5,516,550</b>	5,452,567
Pension scheme contributions	退休金計劃供款	<b>359,160</b>	359,160
		<b>5,875,710</b>	5,811,727
		<b>6,546,549</b>	6,447,727

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

8. DIRECTORS' REMUNERATION  
(continued)

## (a) Independent Non-executive Directors

The fees paid to Independent Non-executive Directors during the year were as follows:

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Chu Yu Lin, David	朱幼麟	120,000	120,000
Li Ka Cheung, Eric	李家祥	120,000	120,000
Li Zhaoxi	李兆熙	60,000	60,000
		<b>300,000</b>	300,000

There were no other emoluments payable to the Independent Non-executive Directors during the year (2005: Nil).

## 8. 董事酬金 (續)

## (a) 獨立非執行董事

於年內支付予獨立非執行董事之袍金如下：

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Chu Yu Lin, David	朱幼麟	120,000	120,000
Li Ka Cheung, Eric	李家祥	120,000	120,000
Li Zhaoxi	李兆熙	60,000	60,000
		<b>300,000</b>	300,000

於年內並無其他應付予獨立非執行董事的酬金(二零零五年：無)。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

8. DIRECTORS' REMUNERATION  
(continued)

## (b) Executive Directors and a Non-executive Director

## 8. 董事酬金 (續)

## (b) 執行董事及非執行董事

		Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration	
		Fees 袍金	薪金、津貼 及實物利益	退休金 計劃供款	酬金總額
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
<b>2006</b>	<b>二零零六年</b>				
Executive Directors:	執行董事：				
Fu Shula	付舒拉	36,000	-	-	36,000
Wang Xinkuo	王心闊	36,000	-	-	36,000
Ji Guirong	季貴榮	36,000	3,360,000	219,000	3,615,000
Ma Zhiping	馬志平	34,839	-	-	34,839
Diao Weicheng	刁偉程	36,000	-	-	36,000
Liu Rongchun	劉榮春	36,000	-	-	36,000
Ren Haifeng	任海峰	36,000	2,156,550	140,160	2,332,710
		250,839	5,516,550	359,160	6,126,549
Non-executive Director:	非執行董事：				
Ip Tak Chuen, Edmond	葉德銓	120,000	-	-	120,000
		370,839	5,516,550	359,160	6,246,549

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

8. DIRECTORS' REMUNERATION  
(continued)

## (b) Executive Directors and a Non-executive Director (continued)

## 8. 董事酬金 (續)

(b) 執行董事及非執行董事  
(續)

			Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	Fees	薪金、津貼 及實物利益	退休金 計劃供款	酬金總額	
	袍金	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元	
<b>2005</b>		<b>二零零五年</b>			
Executive Directors:	執行董事：				
Fu Shula	付舒拉	36,000	—	—	36,000
Wang Xinkuo	王心闊	36,000	—	—	36,000
Ji Guirong	季貴榮	36,000	3,362,567	219,000	3,617,567
Diao Weicheng	刁偉程	26,300	—	—	26,300
Liu Rongchun	劉榮春	26,300	—	—	26,300
Ren Haifeng	任海峰	36,000	2,090,000	140,160	2,266,160
Yang Chunshu	楊春澍	9,700	—	—	9,700
Yu Li	于莉	9,700	—	—	9,700
		216,000	5,452,567	359,160	6,027,727
Non-executive Director:	非執行董事：				
Ip Tak Chuen, Edmond	葉德銓	120,000	—	—	120,000
		336,000	5,452,567	359,160	6,147,727

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內並無任何安排致使董事放棄或同意放棄任何酬金。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees included two (2005: two) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three (2005: three) non-director, highest paid employees for the year are as follows:

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$ 港元	HK\$ 港元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	3,796,960	3,298,000
Pension scheme contributions	退休金計劃供款	254,478	222,139
Performance related bonuses	工作表現相關花紅	1,020,000	814,000
		<b>5,071,438</b>	4,334,139

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2006 二零零六年	2005 二零零五年
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	–	3
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	2	–
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	1	–
		<b>3</b>	3

## 9. 五名最高薪僱員

五名最高薪僱員包括兩名(二零零五年：兩名)董事，彼等酬金之詳情載於上文附註8。其餘三名(二零零五年：三名)最高薪非董事僱員之酬金之詳情如下：

酬金在下列範圍之最高薪非董事僱員數目：

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 10. TAX

Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profits arising in Hong Kong during the year ended 31 December 2006. No Hong Kong profits tax had been provided for the year ended 31 December 2005 as the Group had available tax losses brought forward to offset the estimated assessable profits arising in Hong Kong.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

## 10. 稅項

本集團已就截至二零零六年十二月三十一日止年度源於香港之估計應課稅溢利以17.5%之稅率作出香港利得稅撥備。由於本集團於截至二零零五年十二月三十一日止年度有承前可用之稅項虧損足以抵銷源於香港之估計應課稅溢利，因此該年度並無作出香港利得稅撥備。

其他地區之稅項開支按本集團經營所在國家／管轄區域當時之稅率，根據有關之現行法例、詮釋及慣例計算。

		Group 本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$	HK\$
		港元	港元
Current	即期		
– Hong Kong	– 香港	<b>(12,934)</b>	–
– Elsewhere	– 其他地區	<b>5,230,092</b>	3,847,030
Deferred (note 21)	遞延 (附註21)	<b>(665,767)</b>	2,796,342
Total tax charge for the year	本年稅項開支總額	<b>4,551,391</b>	6,643,372

## Notes to Financial Statements 31 December 2006

## 財務報表附註 二零零六年十二月三十一日

## 10. TAX (continued)

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax charge for the year is as follows:

## 10. 稅項 (續)

本公司及其主要附屬公司使用所在國家／管轄區域法定稅率計算之除稅前溢利稅項支出與本集團本年稅項支出之對賬如下：

		Group – 2006			
		本集團 – 二零零六年			
		Mainland			Total
		Hong Kong	China	Elsewhere	
		香港	國內	其他地區	合計
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Profit/(loss) before tax	除稅前溢利／(虧損)	48,581,683	27,870,811	(20,797,988)	55,654,506
Tax at the statutory tax rates	按法定稅率計算之稅項	8,501,795	9,197,368	(7,531,494)	10,167,669
Lower tax rates for specific provinces	特定省份之較低稅率	-	(6,905,582)	-	(6,905,582)
Deemed income of the PRC construction business	中國建築業之假設收入	169,242	562,823	-	732,065
Profits and losses attributable to associates	分佔聯營公司之損益	4,661,967	(535,672)	-	4,126,295
Income not subject to tax	毋須繳稅收入	(13,103,767)	-	(63,732)	(13,167,499)
Expenses not deductible for tax	不得扣稅之開支	2,914,820	2,586,187	1,514,049	7,015,056
Tax losses utilised from previous periods	動用過往期間稅項虧損	(814,930)	(220,284)	-	(1,035,214)
Increase in unprovided tax losses carried forward	未撥備結轉稅項虧損增加	-	45,074	3,573,527	3,618,601
Tax charge/(credit) for the year	本年稅項開支／(抵減)	2,329,127	4,729,914	(2,507,650)	4,551,391

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 10. TAX (continued)

## 10. 稅項 (續)

		Group – 2005 本集團 – 二零零五年			
		Mainland			Total
		Hong Kong	China	Elsewhere	
		香港	國內	其他地區	合計
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Profit/(loss) before tax	除稅前溢利/(虧損)	13,973,180	22,663,144	(5,448)	36,630,876
Tax at the statutory tax rates	按法定稅率計算之稅項	2,445,307	7,478,837	37,045	9,961,189
Lower tax rates for specific provinces	特定省份之較低稅率	–	(6,404,082)	–	(6,404,082)
Deemed income of the PRC construction business	中國建築業之假設收入	109,045	332,111	–	441,156
Profits and losses attributable to associates	分佔聯營公司之損益	(313,653)	(194,112)	–	(507,765)
Income not subject to tax	毋須繳稅收入	(2,091,799)	(314,983)	(26,612)	(2,433,394)
Expenses not deductible for tax	不得扣稅之開支	2,531,979	1,373,268	32,318	3,937,565
Tax losses utilised from previous periods	動用過往期間稅項虧損	(271,834)	–	–	(271,834)
Increase in unprovided tax losses carried forward	未撥備結轉稅項虧損增加	–	1,740,988	179,549	1,920,537
Tax charge for the year	本年稅項開支	2,409,045	4,012,027	222,300	6,643,372

Certain PRC subsidiaries of the Group were eligible for exemption from corporate income tax (“CIT”) for the two years starting from the first year in which assessable profits were generated, and a 50% exemption from CIT for the following three years. In addition, another PRC subsidiary was eligible for a concessionary CIT rate of 16.5%.

The share of tax attributable to associates amounting to HK\$1,010,171 (2005: HK\$963,050) is included in “Share of profits and losses of associates” on the face of the consolidated income statement.

本集團若干中國附屬公司合資格於首個產生可課稅溢利年度起兩年內免除企業所得稅(「所得稅」)，並在以後三年內獲得50%之所得稅減免。此外，另一家中國附屬公司合資格享有16.5%之優惠所得稅稅率。

佔聯營公司之稅項為1,010,171港元(二零零五年：963,050港元)已包括在綜合利潤表之「分佔聯營公司溢利/(虧損)」內。



## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**11. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT**

The consolidated profit attributable to equity holders of the parent for the year ended 31 December 2006 includes a loss of HK\$10,651,671 (2005: HK\$6,828,069) which has been dealt with in the financial statements of the Company (note 35(b)).

**12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT**

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share amounts for the years ended 31 December 2006 and 2005 have not been disclosed as the share options outstanding during these years had an anti-dilutive effect on the basic earnings per share for these years.

The calculation of basic earnings per share is based on:

**11. 公司權益持有人應佔溢利**

截至二零零六年十二月三十一日止年度之公司權益持有人應佔綜合溢利中，包括了於本公司財務報表所載之虧損10,651,671港元(二零零五年：6,828,069港元)(附註35(b))。

**12. 公司普通權益持有人應佔每股溢利**

每股基本溢利乃根據公司普通權益持有人應佔本年溢利及年內已發行普通股之加權平均數計算。

由於截至二零零六年及二零零五年十二月三十一日止年度內未行使之認購權對該等年間的每股基本溢利並無攤薄影響，故此並無披露每股攤薄溢利金額。

每股基本溢利的計算乃根據：

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
<b>Earnings</b>	<b>溢利</b>		
Profit attributable to ordinary equity holders of the parent	公司普通權益持有人應佔溢利	<b>47,949,807</b>	26,053,554
		<b>Number of shares 股份數目</b>	
		<b>2006 二零零六年</b>	2005 二零零五年
<b>Shares</b>	<b>股份</b>		
Weighted average number of ordinary shares in issue during the year	年內已發行普通股之加權平均數	<b>3,937,995,160</b>	3,741,481,000

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 13. INVESTMENT PROPERTY

## 13. 投資物業

		Group and Company 本集團及本公司	
		2006 二零零六年	2005 二零零五年
		HK\$ 港元	HK\$ 港元
Carrying amount at 1 January	於一月一日之賬面值	<b>14,900,000</b>	12,750,000
Net profit from a fair value adjustment	公平值調整之淨利潤	-	2,150,000
Carrying amount at 31 December	於十二月三十一日之賬面值	<b>14,900,000</b>	14,900,000

The Group's and the Company's investment property was revalued on 31 December 2006 by BMI Appraisals Limited (2005: Grant Sherman Appraisal Limited), independent professionally qualified valuers, at HK\$14,900,000 (2005: HK\$14,900,000) on an open market, existing use basis.

The Group's and the Company's investment property is situated in Hong Kong and is held under a medium term lease. At 31 December 2006, this investment property is pledged to secure a bank loan of the Group and the Company (note 31(a)(i)) and was leased to a shareholder of the Company under an operating lease, further details of which are included in notes 37(a) and 40(a)(i) to the financial statements.

本集團及本公司之物業於二零零六年十二月三十一日由獨立專業合資格估值師邦盟匯駿評估有限公司(二零零五年：中證評估有限公司)按公開市值、現有用途基準重新估值為14,900,000港元(二零零五年：14,900,000港元)。

本集團及本公司之投資物業乃位於香港並按中期租約持有。由二零零六年十二月三十一日，此投資物業已抵押，作為本集團及本公司銀行貸款之擔保(附註31(a)(i))，並根據經營租約出租予本公司之股東，詳情載於財務報表附註37(a)及40(a)(i)。

## Notes to Financial Statements 31 December 2006

## 財務報表附註 二零零六年十二月三十一日

## 14. PROPERTY, PLANT AND EQUIPMENT

## 14. 物業、廠房和設備

		Group – 31 December 2006 本集團 – 二零零六年十二月三十一日								
		Generation								
		Construction in progress 在建工程	Land and buildings 土地 及樓宇	Leasehold improvements 租約 物業裝修	Plant and machinery 廠房 及機器	plant and related structure 發電廠房及 有關設備	Furniture, fixtures and equipment 傢俬、裝置 及設備	Motor vehicles 汽車	Tools and moulds 工具 及模具	Total 合計
		HKS 港元	HKS 港元	HKS 港元	HKS 港元	HKS 港元	HKS 港元	HKS 港元	HKS 港元	HKS 港元
At 31 December 2005 and at 1 January 2006:	於二零零五年 十二月三十一日 及二零零六年 一月一日：	22,791,485	84,487,197	14,468,033	13,345,378	78,331,695	19,888,016	12,232,535	2,266,024	247,810,363
Cost or valuation	原值或估值	22,791,485	84,487,197	14,468,033	13,345,378	78,331,695	19,888,016	12,232,535	2,266,024	247,810,363
Accumulated depreciation	累積折舊	-	(22,964,573)	(13,162,146)	(9,814,683)	-	(15,405,227)	(10,190,124)	(1,784,349)	(73,321,102)
Net carrying amount	賬面淨值	22,791,485	61,522,624	1,305,887	3,530,695	78,331,695	4,482,789	2,042,411	481,675	174,489,261
At 1 January 2006, net of accumulated depreciation	於二零零六年 一月一日， 扣除累積折舊	22,791,485	61,522,624	1,305,887	3,530,695	78,331,695	4,482,789	2,042,411	481,675	174,489,261
Additions	添置	29,438,993	908,005	126,070	979,073	1,681,514	4,755,455	1,414,130	102,304	39,405,544
Transfer	轉撥	(17,239,185)	2,063,429	-	-	14,750,457	-	425,299	-	-
Deficit on revaluation	重估虧損	-	-	-	-	(6,991,597)	-	-	-	(6,991,597)
Depreciation provided during the year	年內折舊撥備	-	(2,858,113)	(1,029,631)	(1,647,953)	(8,563,701)	(1,632,169)	(1,287,971)	(240,653)	(17,260,191)
Exchange realignment	匯兌調整	817,224	1,336,242	-	-	2,655,177	90	31,239	-	4,839,972
At 31 December 2006, net of accumulated depreciation	於二零零六年 十二月三十一日， 扣除累積折舊	35,808,517	62,972,187	402,326	2,861,815	81,863,545	7,606,165	2,625,108	343,326	194,482,989
At 31 December 2006:	於二零零六年 十二月三十一日：	35,808,517	89,479,368	14,594,103	14,324,451	81,863,545	24,643,612	13,234,611	2,368,328	276,316,535
Cost or valuation	原值或估值	35,808,517	89,479,368	14,594,103	14,324,451	81,863,545	24,643,612	13,234,611	2,368,328	276,316,535
Accumulated depreciation	累積折舊	-	(26,507,181)	(14,191,777)	(11,462,636)	-	(17,037,447)	(10,609,503)	(2,025,002)	(81,833,546)
Net carrying amount	賬面淨值	35,808,517	62,972,187	402,326	2,861,815	81,863,545	7,606,165	2,625,108	343,326	194,482,989
Analysis of cost or valuation:	原值或估值分析：	35,808,517	89,479,368	14,594,103	14,324,451	-	24,643,612	13,234,611	2,368,328	194,452,990
At cost	按原值	35,808,517	89,479,368	14,594,103	14,324,451	-	24,643,612	13,234,611	2,368,328	194,452,990
At 31 December 2006 valuation	按二零零六年 十二月三十一日 之估值	-	-	-	-	81,863,545	-	-	-	81,863,545
		35,808,517	89,479,368	14,594,103	14,324,451	81,863,545	24,643,612	13,234,611	2,368,328	276,316,535

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 14. PROPERTY, PLANT AND EQUIPMENT (continued)

## 14. 物業、廠房和設備 (續)

		Group – 31 December 2005 本集團 – 二零零五年十二月三十一日								
		Generation								
		Construction in progress 在建工程	Land and buildings 土地 及樓宇	Leasehold improvements 租約 物業裝修	Plant and machinery 廠房 及機器	plant and related structure 發電廠房及 有關設備	Furniture, fixtures and equipment 傢俬、裝置 及設備	Motor vehicles 汽車	Tools and moulds 工具 及模具	Total 合計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1 January 2005:	於二零零五年 十二月三十一日:									
Cost or valuation	原值或估值	16,966,753	81,742,772	14,163,816	10,392,570	76,383,751	16,138,417	11,988,346	1,803,080	229,579,505
Accumulated depreciation	累積折舊	-	(19,943,958)	(12,137,658)	(7,970,936)	-	(13,943,466)	(8,920,450)	(1,559,876)	(64,476,344)
Net carrying amount	賬面淨值	16,966,753	61,798,814	2,026,158	2,421,634	76,383,751	2,194,951	3,067,896	243,204	165,103,161
At 1 January 2005, net of accumulated depreciation	於二零零五年一月一日， 扣除累積折舊	16,966,753	61,798,814	2,026,158	2,421,634	76,383,751	2,194,951	3,067,896	243,204	165,103,161
Additions	添置	8,965,075	696,804	304,217	2,952,808	4,088,535	3,749,524	393,686	462,944	21,613,593
Disposals	出售	-	-	-	-	-	-	(23,186)	-	(23,186)
Transfer	轉撥	(3,466,627)	1,016,625	-	-	2,450,002	-	-	-	-
Surplus on revaluation	重估盈餘	-	-	-	-	1,993,123	-	-	-	1,993,123
Depreciation provided during the year	年內折舊撥備	-	(2,715,681)	(1,024,488)	(1,843,747)	(8,052,634)	(1,461,754)	(1,419,789)	(224,473)	(16,742,566)
Exchange realignment	匯兌調整	326,284	726,062	-	-	1,468,918	68	23,804	-	2,545,136
At 31 December 2005, net of accumulated depreciation	於二零零五年 十二月三十一日， 扣除累積折舊	22,791,485	61,522,624	1,305,887	3,530,695	78,331,695	4,482,789	2,042,411	481,675	174,489,261
At 31 December 2005:	於二零零五年 十二月三十一日:									
Cost or valuation	原值或估值	22,791,485	84,487,197	14,468,033	13,345,378	78,331,695	19,888,016	12,232,535	2,266,024	247,810,363
Accumulated depreciation	累積折舊	-	(22,964,573)	(13,162,146)	(9,814,683)	-	(15,405,227)	(10,190,124)	(1,784,349)	(73,321,102)
Net carrying amount	賬面淨值	22,791,485	61,522,624	1,305,887	3,530,695	78,331,695	4,482,789	2,042,411	481,675	174,489,261
Analysis of cost or valuation:	原值或估值分析:									
At cost	按原值	22,791,485	84,487,197	14,468,033	13,345,378	-	19,888,016	12,232,535	2,266,024	169,478,668
At 31 December 2005 valuation	按二零零五年 十二月三十一日 之估值	-	-	-	-	78,331,695	-	-	-	78,331,695
		22,791,485	84,487,197	14,468,033	13,345,378	78,331,695	19,888,016	12,232,535	2,266,024	247,810,363

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 14. PROPERTY, PLANT AND EQUIPMENT (continued)

## 14. 物業、廠房和設備 (續)

Company – 31 December 2006

本公司 – 二零零六年十二月三十一日

		Land and building 土地及樓宇 HK\$ 港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$ 港元	Motor vehicles 汽車 HK\$ 港元	Total 合計 HK\$ 港元
At 31 December 2005 and 1 January 2006:	於二零零五年 十二月三十一日 及二零零六年 一月一日：				
Cost	原值	12,750,000	1,434,389	780,000	14,964,389
Accumulated depreciation	累積折舊	(300,000)	(605,031)	(780,000)	(1,685,031)
Net carrying amount	賬面淨值	12,450,000	829,358	-	13,279,358
At 1 January 2006, net of accumulated depreciation	於二零零六年 一月一日， 扣除累積折舊	12,450,000	829,358	-	13,279,358
Additions	添置	-	50,510	331,547	382,057
Depreciation provided during the year	年內折舊撥備	(300,000)	(235,677)	(82,887)	(618,564)
At 31 December 2006, net of accumulated depreciation	於二零零六年 十二月三十一日， 扣除累積折舊	12,150,000	644,191	248,660	13,042,851
At 31 December 2006:	於二零零六年 十二月三十一日：				
Cost	原值	12,750,000	1,484,899	331,547	14,566,446
Accumulated depreciation	累積折舊	(600,000)	(840,708)	(82,887)	(1,523,595)
Net carrying amount	賬面淨值	12,150,000	644,191	248,660	13,042,851

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 14. PROPERTY, PLANT AND EQUIPMENT (continued)

## 14. 物業、廠房和設備 (續)

Company – 31 December 2005

本公司—二零零五年十二月三十一日

		Land and building 土地及樓宇 HK\$ 港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$ 港元	Motor vehicles 汽車 HK\$ 港元	Total 合計 HK\$ 港元
At 1 January 2005:	於二零零五年 一月一日：				
Cost	原值	12,750,000	551,948	780,000	14,081,948
Accumulated depreciation	累積折舊	–	(375,498)	(780,000)	(1,155,498)
Net carrying amount	賬面淨值	12,750,000	176,450	–	12,926,450
At 1 January 2005, net of accumulated depreciation	於二零零五年 一月一日， 扣除累積折舊	12,750,000	176,450	–	12,926,450
Additions	添置	–	882,441	–	882,441
Depreciation provided during the year	年內折舊撥備	(300,000)	(229,533)	–	(529,533)
At 31 December 2005, net of accumulated depreciation	於二零零五年 十二月三十一日， 扣除累積折舊	12,450,000	829,358	–	13,279,358
At 31 December 2005:	於二零零五年 十二月三十一日：				
Cost	原值	12,750,000	1,434,389	780,000	14,964,389
Accumulated depreciation	累積折舊	(300,000)	(605,031)	(780,000)	(1,685,031)
Net carrying amount	賬面淨值	12,450,000	829,358	–	13,279,358

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**14. PROPERTY, PLANT AND EQUIPMENT** (continued)

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

**14. 物業、廠房和設備 (續)**

本集團及本公司之土地及樓宇分析如下：

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At cost, located in:	按原值，位於：				
Hong Kong, held under a long term lease	香港，按長期租約持有	<b>6,000,000</b>	6,000,000	-	-
Hong Kong, held under a medium term lease	香港，按中期租約持有	<b>12,750,000</b>	12,750,000	<b>12,750,000</b>	12,750,000
Mainland China, held under a medium term lease	中國內地，按中期租約持有	<b>70,729,368</b>	65,737,197	-	-
		<b>89,479,368</b>	84,487,197	<b>12,750,000</b>	12,750,000

The net book value of the Group's items of property, plant and equipment held under a hire purchase contract included in the total amount of motor vehicles at 31 December 2006 amounted to HK\$45,137 (2005: HK\$315,957).

計入二零零六年十二月三十一日汽車總額之本集團按租購合約持有之物業、廠房和設備項目賬面淨值為45,137港元(二零零五年：315,957港元)。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**14. PROPERTY, PLANT AND EQUIPMENT** (continued)

At 31 December 2006, the Group's generation plant and related structure was revalued at HK\$81,863,545 (2005: HK\$78,331,695) by BMI Appraisals Limited (2005: Grant Sherman Appraisal Limited) on the open market value and existing use basis, resulting in a revaluation deficit of HK\$6,991,597 (2005: revaluation surplus of HK\$1,993,123), of which a surplus of HK\$1,452,489 was credited to the property, plant and equipment revaluation reserve (2005: deficit of HK\$21,363 charged to the property, plant and equipment revaluation reserve) whereas the remaining deficit of HK\$8,444,086 was charged to the consolidated income statement for the year ended 31 December 2006 (2005: surplus of HK\$2,014,486 credited to the consolidated income statement).

Had these generation plant and related structure been carried at historical cost less accumulated depreciation and impairment losses, their carrying amounts would have been HK\$68,816,073 (2005: HK\$56,065,927).

At 31 December 2006, certain of the Group's land and buildings with a net book value of approximately HK\$41,938,104 (2005: HK\$32,825,835) were pledged to secure general banking facilities granted to the Group (note 31(a)(ii)). At 31 December 2005, certain of the Group's generation plant and related structure with net book value of approximately HK\$7,595,569 had been pledged to secure general banking facilities granted to the Group (note 31(a)(iii)).

**14. 物業、廠房和設備 (續)**

於二零零六年十二月三十一日，本集團發電廠房及有關設施經邦盟匯駿評估有限公司(二零零五年：中證評估有限公司)按公開市值及現有用途基準進行重新估值為81,863,545港元(二零零五年：78,331,695港元)，由此產生重估虧損6,991,597港元(二零零五年：重估盈餘1,993,123港元)，其中1,452,489港元之盈餘計入物業、廠房和設備重估儲備(二零零五年：21,363港元之虧損於物業、廠房和設備重估儲備扣除)，餘下之8,444,086港元之虧損則於截至二零零六年十二月三十一日止年度之綜合利潤表內扣除(二零零五年：2,014,486港元之盈餘計入綜合利潤表)。

倘該等發電廠房及有關設施以歷史成本減除累積折舊及減值虧損後入賬，則彼等之賬面值應為68,816,073港元(二零零五年：56,065,927港元)。

於二零零六年十二月三十一日，賬面淨值約41,938,104港元(二零零五年：32,825,835港元)之本集團若干土地及樓宇經已抵押，作為本集團所獲一般銀行信貸之擔保(附註31(a)(ii))。於二零零五年十二月三十一日，賬面淨值約7,595,569港元之本集團若干發電廠房及有關設施經已抵押，作為本集團所獲一般銀行信貸之擔保(附註31(a)(iii))。



## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 15. PREPAID LAND LEASE PAYMENTS

## 15. 預付土地租賃款

		Group 本集團	
		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Carrying amount at 1 January	於一月一日之賬面值	<b>29,537,844</b>	7,778,368
Exchange realignment	匯兌調整	<b>958,538</b>	1,014,034
Addition	增加	-	21,698,113
Recognised during the year (note 6)	年內確認(附註6)	<b>(957,163)</b>	(952,671)
Carrying amount at 31 December	於一二月三十一日之賬面值	<b>29,539,219</b>	29,537,844
Current portion included in prepayments, deposits and other receivables	流動部份，包括在預付款項、按金及其他應收賬款內	<b>(960,338)</b>	(959,576)
Non-current portion	非流動部份	<b>28,578,881</b>	28,578,268

The leasehold land is held under a medium term lease and is situated in Mainland China.

該租賃土地乃按短期租約持有並位於中國內地。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 16. GOODWILL

## 16. 商譽

Group  
本集團  
HK\$  
港元

Cost and carrying amount at 1 January 2005, 31 December 2005, 1 January 2006 and 31 December 2006	於二零零五年一月一日、 二零零五年十二月三十一日、 二零零六年一月一日及 二零零六年十二月三十一日之 原值及賬面淨值	38,116,502
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As further detailed in note 2.4 to the financial statements, the Group applied the transitional provisions of HKFRS 3 that permitted goodwill in respect of business combinations which occurred prior to 2001, to remain eliminated against consolidated retained profits.

The amounts of goodwill remaining in consolidated retained profits, arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 in 2001, were HK\$162,134 as at 31 December 2005 and 2006. The amount of goodwill is stated at its cost of HK\$162,134 which arose in years prior to 1 January 2005.

**Impairment testing of goodwill**

Goodwill arising from the acquisition of Hangzhou Sealand Power Company Limited ("Hangzhou Sealand") has been allocated to the electric and steam power supply cash-generating unit, one of the reporting segments of the Group, for impairment testing.

The recoverable amount of the electric and steam power supply cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 11% (2005: 10%) and cash flows beyond the first five-year period are extrapolated using a zero growth rate.

誠於財務報表附註2.4所詳述，本集團採用HKFRS 3的過渡性條款，該條款容許二零零一年之前企業合併之商譽仍然在綜合留存溢利內扣除。

於二零零五年及二零零六年十二月三十一日，收購附屬公司（於二零零一年採用SSAP 30前）所產生之商譽而仍然保留在綜合留存溢利的金額為162,134港元。此162,134港元之商譽乃於二零零五年一月一日前產生並按成本值列值。

**商譽之減值測試**

收購杭州海聯熱電有限公司（「杭州海聯」）所產生之商譽已分配至電力及蒸汽供應之現金產生單元（乃本集團其中一個呈報分類）作減值測試。

電力及蒸汽供應之現金產生單元之可收回數額乃按其使用價值計算，該使用價值按現金流量預測推算，而這些預測是根據已獲管理高層審批的五年期財務預算而作。所應用之折現率為11%（二零零五年：10%）。超逾五年期的現金流量按零增長率推斷。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**16. GOODWILL** (continued)**Impairment testing of goodwill** (continued)

Key assumptions used in its cash flow projections to undertake impairment testing of goodwill are as follows:

*Budgeted gross margins* – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements.

*Discount rates* – The discount rates used are before tax and reflect specific risks relating to the relevant units.

**16. 商譽** (續)**商譽之減值測試** (續)

進行商譽減值測試之現金流量預測所使用之主要假設如下：

*預算毛利率* – 預算毛利率之數值乃根據預算年度前一年所實現的平均毛利率計算，並因應預期效能改善而增加。

*折現率* – 所採用之折現率乃於稅前並反映有關個別單元之特定風險。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 17. INTERESTS IN SUBSIDIARIES

## 17. 附屬公司權益

		Company	
		本公司	
		2006	2005
		二零零六年	二零零五年
		HK\$	HK\$
		港元	港元
Unlisted shares, at cost	非上市股份，按原值	<b>277,877,823</b>	277,877,800
Due from subsidiaries	附屬公司欠款	<b>333,205,540</b>	332,319,066
Due to subsidiaries	欠附屬公司款項	<b>(13,000,000)</b>	(13,000,000)
		<b>598,083,363</b>	597,196,866
Less: Provision for impairment and amounts due from subsidiaries	減：減值及附屬公司 欠款撥備	<b>(243,376,497)</b>	(243,376,497)
		<b>354,706,866</b>	353,820,369

The balances with the subsidiaries are unsecured, interest-free and are not expected to be repaid within one year. In the opinion of the Company's directors, the amounts due from the subsidiaries are considered as quasi-equity loans to the subsidiaries. The carrying amounts of these amounts due from/to subsidiaries approximate to their fair values.

與附屬公司有關之款項餘額為無抵押、免息及無須於一年內償還。本公司董事認為，附屬公司欠款可視為向附屬公司提供之準權益貸款。附屬公司欠款／欠附屬公司款項之賬面值與其公平值相若。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

17. INTERESTS IN SUBSIDIARIES  
(continued)

Particulars of the principal subsidiaries are as follows:

## 17. 附屬公司權益 (續)

主要附屬公司詳情如下：

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued and fully paid-up ordinary/ registered share capital 已發行及繳足 普通股本/註冊 股本之面值	Percentage of equity attributable to the Company 本公司應佔股本 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
FEA Holdings Limited <sup>#</sup>	Cayman Islands/ Hong Kong 開曼群島/香港	US\$18,880,000 18,880,000美元	100	–	Investment holding 投資控股
CATIC Helicopter Development (Shenzhen) Limited <sup>**</sup> 中航技直升機技術服務 (深圳)有限公司 <sup>**</sup>	PRC/Mainland China 中國/中國內地	HK\$42,000,000 42,000,000港元	–	100	Investment holding 投資控股
Billirich Investment Ltd. ("Billirich") <sup>#</sup>	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1,000 1,000美元	100	–	Investment holding 投資控股
Better View Investment Limited 啟先投資有限公司	Hong Kong/ Mainland China 香港/中國內地	HK\$2 2港元	–	100	Property holding 持有物業
Far East Aluminium Works (Guangzhou) Company Limited 遠東鋁質工程 (廣州)有限公司	Hong Kong/ Mainland China 香港/中國內地	HK\$2 2港元	–	100	Property holding 持有物業
FEA Technology Limited 遠東工業科技有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Provision of transportation services 提供運輸服務

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

17. INTERESTS IN SUBSIDIARIES  
(continued)

## 17. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued and fully paid-up ordinary/ registered share capital 已發行及繳足 普通股／註冊 股本之面值	Percentage of equity attributable to the Company 本公司應佔股本 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Far East Aluminium Works Company Limited 遠東鋁質工程有限公司	Hong Kong 香港	HK\$90,500,000 90,500,000港元	–	100	Design, manufacture and installation of curtain walls, aluminium windows and other related products 設計、製造及安裝 玻璃幕牆、鋁窗 及其他相關產品
Seniford Engineering Limited 先利富工程有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Design, manufacture and installation of curtain walls, aluminium windows and other related products 設計、製造及安裝 玻璃幕牆、鋁窗 及其他相關產品
Far East Aluminium Works (Singapore) Pte. Ltd.	Singapore 新加坡	SGD50,000 50,000坡元	–	100	Design, manufacture and installation of curtain walls, aluminium windows and other related products 設計、製造及安裝 玻璃幕牆、鋁窗 及其他相關產品
Netfortune Engineering (FEA) Macau Limited*	Macau 澳門	MOP25,000 25,000元葡幣	–	100	Design, manufacture and installation of curtain walls, aluminium windows and other related products 設計、製造及安裝 玻璃幕牆、鋁窗 及其他相關產品

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

17. INTERESTS IN SUBSIDIARIES  
(continued)

## 17. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued and fully paid-up ordinary/ registered share capital 已發行及繳足 普通股本/註冊 股本之面值	Percentage of equity attributable to the Company 本公司應佔股本 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Heng Fai International Ltd.*	British Virgin Islands/ Mainland China 英屬處女群島/中國內地	HK\$1,000 1,000港元	-	100	Manufacture of curtain walls, aluminium windows and other related products 製造玻璃幕牆、鋁窗 及其他相關產品
Netfortune Limited 力進有限公司	Hong Kong/ Mainland China 香港/中國內地	HK\$500,000 500,000港元	-	100	Installation of curtain walls and aluminium windows 安裝玻璃幕牆及鋁窗
Netfortune (Shanghai) Aluminium Works Company Limited*** 上海力進鋁質工程 有限公司***	PRC/Mainland China 中國/中國內地	RMB10,000,000 10,000,000元人民幣	-	96.25	Design, manufacture and installation of curtain walls, aluminium windows and other related products 設計、製造及安裝 玻璃幕牆、鋁窗 及其他相關產品
Hangzhou Sealand**** 杭州海聯****	PRC/Mainland China 中國/中國內地	RMB68,000,000 68,000,000元人民幣	-	70	Generation and sale of electric and steam power 生產及銷售電力及蒸汽

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

17. INTERESTS IN SUBSIDIARIES  
(continued)

## 17. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued and fully paid-up ordinary/ registered share capital 已發行及繳足 普通股／註冊 股本之面值	Percentage of equity attributable to the Company 本公司應佔股本 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Far East Aluminum Works (U.S.) Corporation <sup>#</sup>	United States of America 美國	US\$200,000 200,000美元	-	100	Design, manufacture and installation of curtain walls, aluminum windows and other related products 設計、製造及 安裝玻璃幕牆、 鋁窗及其他相關產品
* CATIC Helicopter Development (Shenzhen) Limited is registered as a wholly-foreign-owned enterprise under PRC law.			* 中航技直升機技術服務(深圳)有限公司 根據中國法例註冊為全外資企業。		
** Netfortune (Shanghai) Aluminium Works Company Limited is registered as a co-operative joint venture under PRC law.			** 上海力進鋁質工程有限公司根據中國法 例註冊為合資經營企業。		
*** Hangzhou Sealand is registered as a foreign investment enterprise under PRC law.			*** 杭州海聯根據中國法例註冊為外資企 業。		
<sup>#</sup> Not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.			<sup>#</sup> 並非由安永香港或其他安永國際之成員 審核。		

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表列出董事認為主要影響本年度業績或構成本集團資產淨值主要部份之本公司附屬公司。董事認為倘詳列其他附屬公司資料將過份冗長。



## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 18. INTERESTS IN ASSOCIATES

## 18. 聯營公司權益

		Group 本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$	HK\$
		港元	港元
Share of net assets	分佔資產淨值	<b>45,199,422</b>	110,692,346
Goodwill on acquisition	收購商譽	<b>2,936,264</b>	2,936,264
		<b>48,135,686</b>	113,628,610

Particulars of the principal associates are as follows:

主要聯營公司詳情如下：

Name 名稱	Particulars of issued shares/registered share capital 已發行股本/ 註冊資本	Place of incorporation/ registration 註冊成立/ 註冊地點	Percentage of ownership attributable to the Group 本集團應佔所有者 權益百分比		Principal activities 主要業務
			2006 二零零六年	2005 二零零五年	
China Nav-Info Co., Ltd.* 北京四維圖新導航信息 技術有限公司*	Registered share capital of RMB63,400,000 註冊資本 63,400,000元 人民幣	PRC 中國	<b>28.71</b>	28.71	Manufacture of location-based navigation products and provision of related services 生產定位導航產品及 提供相關服務
CATIC Siwei Co., Ltd.* 四維航空遙感有限公司*	Registered share capital of RMB56,758,150 註冊資本 56,758,150元 人民幣	PRC 中國	<b>40</b>	40	Provision of aero-photographic services 提供航空攝影服務

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

18. INTERESTS IN ASSOCIATES  
(continued)

## 18. 聯營公司權益 (續)

Name 名稱	Particulars of issued shares/registered share capital 已發行股本/ 註冊資本	Place of incorporation/ registration 註冊成立/ 註冊地點	Percentage of ownership attributable to the Group 本集團應佔所有者 權益百分比		Principal activities 主要業務
			2006 二零零六年	2005 二零零五年	
Sino Gas# (notes 20 and 26) 中油潔能# (附註20及26)	Ordinary shares of HK\$0.02 each 普通股每股 0.02港元	Hong Kong 香港	-	26.42	Trading of conversion parts and gas station equipment and the operation of natural gas stations 買賣轉換零件及 加油站設備及 經營天然氣加油站
秦皇島晉杭電力燃料 有限公司*	Registered share capital of RMB5,000,000 註冊資本 5,000,000元 人民幣	PRC 中國	21	-	Trading of ironware, coal and other chemical products 買賣五金、煤炭及 其他化工產品
Ning Bo Dawn Aerospace Bio-Science Developing Co., Ltd.* 寧波東方紅航天生物 科技開發有限公司*	Registered share capital of RMB20,000,000 註冊資本 20,000,000元 人民幣	PRC 中國	20	-	Research and development of biological products 研究及開發生物產品

\* Not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.

\* 並非由安永香港或其他安永國際之成員審核。

# During 2005, Billirich, a wholly-owned subsidiary of the Company, through acquisitions and a subsequent subscription arrangement, acquired an aggregate of 2,655,000,000 ordinary shares of Sino Gas, representing approximately 26.42% of the then issued share capital of Sino Gas which was then accounted for as an associate of the Group in the prior year.

# 於二零零五年，本公司一家全資附屬公司Billirich經過收購及隨後之認購安排後，收購合共2,655,000,000股中油潔能普通股股份，約佔中油潔能已發行股本26.42%，而中油潔能則被視為本集團之聯營公司。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 18. INTERESTS IN ASSOCIATES (continued)

The total consideration paid by the Group for the above acquisitions together with the direct professional fee amounting to HK\$67,678,604 and the related excess over the costs of acquisition of this associate of HK\$6,069,856 was recognised as income in the consolidated income statement during the year ended 31 December 2005.

During the year ended 31 December 2006, the Group's interest in Sino Gas had been diluted to 19.99% through various capital transactions of Sino Gas, including certain placement of shares, and the exercise of certain options by its employees and consultants. A gain on deemed disposal of the Group's interest in Sino Gas amounting to HK\$22,030,133 was derived and was credited to the Group's consolidated income statement for the year.

Having considered that the Group can no longer exercise significant influence over Sino Gas, the Group discontinued the use of the equity method to account for the Group's interest in Sino Gas during the year and the Group's investment in Sino Gas shares has therefore been accounted for as a financial asset at the balance sheet date (notes 20 and 26).

The above table lists the associates of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

## 18. 聯營公司權益 (續)

本集團就以上收購所支付之總代價連同直接專業費用為67,678,604港元，超逾收購聯營公司成本之部份為6,069,856港元，已於截至二零零五年十二月三十一日止年度內在綜合利潤表確認為收入。

於截至二零零六年十二月三十一日止年度，經過中油潔能多次股本交易(包括若干配股)以及其僱員及顧問行使了若干購股權，本集團於中油潔能之權益已被攤薄至19.99%，年內，錄得被視為出售聯營公司權益之利潤22,030,133港元，已計入本集團綜合利潤表內。

經考慮本集團不能再對中油潔能發揮重大影響，本集團於年內停用權益會計法處理本集團於中油潔能之權益。因此，於結算日，本集團於中油潔能之投資已作為財務資產處理(附註20及26)。

上表列出董事認為主要影響本年度業績及構成本集團資產淨值主要部份之本公司聯營公司。董事認為倘詳列其他聯營公司資料將過份冗長。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 18. INTERESTS IN ASSOCIATES (continued)

The following table illustrates the summarised financial information of the Group's associates at the balance sheet dates and for the years ended 31 December 2006 and 2005:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Assets	資產	<b>236,709</b>	633,207
Liabilities	負債	<b>(68,676)</b>	(180,788)
Revenues	收益	<b>155,406</b>	225,448
Profit/(loss)	溢利／(虧損)	<b>(113,478)</b>	21,789

## 19. FINANCIAL ASSET UNDER PROJECT EC120

The balance represents the carrying value of the Group's interest in 80% of CATIC's interest in the net income in relation to Project EC120 which was acquired from CATIC in 2002. Project EC120 is a jointly-controlled operation established in October 1992 by CATIC in co-operation with Eurocopter S.A. and Singapore Aerospace Ltd., both independent third parties, to develop, manufacture and globally distribute the multi-purpose EC120 helicopters.

CATIC's net income derived from Project EC120 is limited to CATIC's share of income, net of all expenses, to be derived from its interest in Project EC120 in relation to (i) the sale and production of parts and spares of helicopters and profits accrued to CATIC from the sale of helicopters globally; (ii) the recovery of non-recurring costs accrued to CATIC; (iii) commission income accrued to CATIC from the sale of helicopters by CATIC; and (iv) administrative income accrued to CATIC from the operations of Project EC120.

## 18. 聯營公司權益 (續)

下表列出本集團聯營公司於結算日及截至二零零六年及二零零五年十二月三十一日止年度之財務資料概要：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Assets	資產	<b>236,709</b>	633,207
Liabilities	負債	<b>(68,676)</b>	(180,788)
Revenues	收益	<b>155,406</b>	225,448
Profit/(loss)	溢利／(虧損)	<b>(113,478)</b>	21,789

## 19. 項目EC120之財務資產

結餘指本集團於二零零二年從中航技總公司所購之項目EC120應計之淨收入之80%權益之權益賬面值。項目EC120是一項於一九九二年十月由中航技總公司與獨立第三者Eurocopter S.A.及Singapore Aerospace Ltd.成立之共同控制項目。該等公司透過此項目合作開發、製造及全球經銷EC120型號之多用途直升機。

中航技總公司來自項目EC120之淨收入，限於中航技總公司在項目EC120權益所產生之應佔以下項目之收入(減所有開支)：(i)銷售及生產直升機零部件，及中航技總公司自全球銷售直升機之應計溢利；(ii)收回中航技總公司應計之非經常成本；(iii)就中航技總公司銷售直升機之中航技總公司應計佣金收入；及(iv)中航技總公司於項目EC120營運之應計管理收入。

## Notes to Financial Statements 31 December 2006

## 財務報表附註 二零零六年十二月三十一日

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

As the investment represents a contractual right to receive cash in the future from another enterprise, the investment has been classified as a non-current available-for-sale financial asset and stated at fair value, by using discounted cash flow analysis.

During the year, having considered the future cash flow and profit forecasts of Project EC120, the directors made a provision for impairment of HK\$4,800,000 (2005: HK\$3,000,000) which was charged to the consolidated income statement in the current year.

The cost less accumulated impairment losses of the financial asset is analysed as follows:

**19. 項目 EC120 之財務資產 (續)**

由於該項投資指日後從另一家企業收取現金之合約權利，故此該投資已分類為非流動可供出售的財務資產，並且按採用折現現金流量分析得出之公平值列賬。

年內，經考慮項目 EC120 之未來現金流量及溢利預測後，董事已作出減值撥備 4,800,000 港元（二零零五年：3,000,000 港元），於年內自綜合利潤表扣除。

財務資產之原值減累積減值虧損之分析如下：

		<b>Group</b>
		<b>本集團</b>
		<i>HK\$</i>
		<b>港元</b>
Cost:	原值：	
At 1 January 2006	於二零零六年一月一日及	
and 31 December 2006	二零零六年十二月三十一日	39,759,462
Accumulated impairment:	累積減值：	
At 1 January 2006	於二零零六年一月一日	9,000,000
Impairment during the year	年內減值	4,800,000
At 31 December 2006	於二零零六年十二月三十一日	13,800,000
Fair value:	公平值：	
<b>At 31 December 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>25,959,462</b>
At 31 December 2005	於二零零五年十二月三十一日	30,759,462

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 20. AVAILABLE-FOR-SALE INVESTMENTS

## 20. 可供出售的投資

		Group 本集團	
		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Non-current:	非流動：		
Listed equity investment in Hong Kong, at fair value, transferred from interest in an associate (note 18)*	於香港之上市股本投資，按公平值，由聯營公司權益轉入(附註18)*	79,887,500	-
Unlisted investments, at fair value:	非上市投資，按公平值：		
Club debentures	會所債券	380,000	960,000
Guaranteed funds and certificates of deposits	保本基金及存款證	10,834,600	9,106,600
		<b>91,102,100</b>	10,066,600
Current:	流動：		
Unlisted investments, at fair value:	非上市投資，按公平值：		
Guaranteed funds and certificates of deposits	保本基金及存款證	-	11,702,100

\* As a result of the Group's loss of significant influence over Sino Gas during the year as detailed in note 18 to the financial statements, the directors have designated the Group's investment in Sino Gas according to its investment strategy such that 10% equity interest in Sino Gas out of the 19.99% interest stated at the then carrying value of HK\$42,090,544 was designated as an available-for-sale investment. According to the Group's accounting policy, the fair value gain of such investments amounting to HK\$37,796,956 has been recognised directly in equity.

During the year, the gross loss of other available-for-sale investments of the Group recognised directly in equity amounted to HK\$612,000 (2005: Nil).

The above investments consist of investments in equity securities which were designated as available-for-sale investments and have no coupon rate.

\* 誠如財務報表附註18所詳述，本集團於年內對中油潔能已喪失了重大影響力，因此，董事按投資策略把中油潔能之投資分類，把所持的19.99%的中油潔能權益的其中10%(賬面值為42,090,544港元)指定為可供出售的投資。根據本集團之會計政策，該投資之公平值利潤37,796,956港元已直接於權益確認。

年內，本集團直接在權益確認之其他可供出售的投資之虧損總額為612,000港元(二零零五年：無)。

以上投資包括股本證券的投資，該等投資已被指定為可供出售的投資及並無票息率。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**20. AVAILABLE-FOR-SALE INVESTMENTS**  
(continued)

The fair value of a listed equity investment is based on quoted market value. The fair values of unlisted available-for-sale equity investments have been estimated using a valuation technique based on assumptions that are not supported by observable market prices or rates. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated balance sheet, and the related changes in fair values and impairment loss, which are recorded in the consolidated equity and income statement, respectively, are reasonable, and that they are the most appropriate values at the balance sheet date.

Certain of the Group's unlisted investments amounting to HK\$10,834,600 (2005: HK\$20,808,700) have been pledged to banks to secure certain banking facilities granted to the Group (note 31(a)(iv)).

**21. DEFERRED TAX**

The movements in the Group's deferred tax assets and liabilities during the year are as follows:

**Deferred tax assets**

		<b>遞延稅項資產</b>		
		<b>Group – 2006</b>		
		<b>本集團 – 二零零六年</b>		
		<b>Losses available for offset against future taxable profit</b>		
		<b>可用作抵銷未來應課稅溢利之虧損</b>	<b>Others</b>	<b>Total</b>
		<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
		<b>港元</b>	<b>港元</b>	<b>港元</b>
At 1 January 2006	於二零零六年一月一日	<b>4,110,862</b>	<b>495,527</b>	<b>4,606,389</b>
Deferred tax charged to the income statement during the year*	年內在利潤表扣除之遞延稅項*	<b>(410,862)</b>	<b>(495,527)</b>	<b>(906,389)</b>
Gross deferred tax assets at 31 December 2006	於二零零六年十二月三十一日之遞延稅項資產總額	<b>3,700,000</b>	<b>–</b>	<b>3,700,000</b>

**20. 可供出售的投資 (續)**

上市股本投資之公平值乃根據市場報價而定。非上市可供出售的股本投資之公平值乃利用估價技術根據假設估計出來，而該等假設並無已發表之市場價格可供支持。董事相信由該估價技術所計算出之估計公平值(記錄於綜合資產負債表)及相關之公平值變動及減值虧損(分別記錄於綜合權益及利潤表)是合理的，並且是結算日當天最合適之價值。

本集團若干合共價值10,834,600港元(二零零五年: 20,808,700港元)之非上市投資已抵押予銀行，作為本集團獲授若干銀行融資之抵押(附註31(a)(iv))。

**21. 遞延稅項**

本集團遞延稅項資產與負債於年內之變動如下：

**遞延稅項資產****Group – 2006****本集團 – 二零零六年****Losses available for offset against future taxable profit**

<b>可用作抵銷未來應課稅溢利之虧損</b>	<b>Others</b>	<b>Total</b>
<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
<b>港元</b>	<b>港元</b>	<b>港元</b>

At 1 January 2006	於二零零六年一月一日	<b>4,110,862</b>	<b>495,527</b>	<b>4,606,389</b>
Deferred tax charged to the income statement during the year*	年內在利潤表扣除之遞延稅項*	<b>(410,862)</b>	<b>(495,527)</b>	<b>(906,389)</b>
Gross deferred tax assets at 31 December 2006	於二零零六年十二月三十一日之遞延稅項資產總額	<b>3,700,000</b>	<b>–</b>	<b>3,700,000</b>

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 21. DEFERRED TAX (continued)

## Deferred tax liabilities

		21. 遞延稅項 (續)		
		遞延稅項負債		
		Group – 2006		
		本集團 – 二零零六年		
		Revaluation of property, plant and equipment		
		重估物業、 廠房和設備	Others 其他	Total 合計
		HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1 January 2006	於二零零六年一月一日	6,401,374	(317,309)	6,084,065
Deferred tax charged/ (credited) to the income statement during the year*	年內在利潤表扣除/ (計入)之遞延稅項*	(1,889,465)	317,309	(1,572,156)
Gross deferred tax liabilities at 31 December 2006	於二零零六年十二月 三十一日之遞延 稅項負債總額	4,511,909	–	4,511,909
Net deferred tax liabilities at 31 December 2006	於二零零六年十二月 三十一日之遞延 稅項負債淨額			811,909

\* Total deferred tax credited to the income statement during the year ended 31 December 2006 was HK\$665,767 (note 10).

\* 截至二零零六年十二月三十一日止年度在利潤表計入之遞延稅項總額為665,767港元(附註10)。

## Deferred tax assets

		遞延稅項資產		
		Group – 2005		
		本集團 – 二零零五年		
		Losses available for offset against future taxable profit		
		可用作抵銷 未來應課稅 溢利之虧損	Others 其他	Total 合計
		HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1 January 2005	於二零零五年一月一日	6,410,862	495,527	6,906,389
Deferred tax charged to the income statement during the year*	年內在利潤表 扣除之 遞延稅項*	(2,300,000)	–	(2,300,000)
Gross deferred tax assets at 31 December 2005	於二零零五年十二月 三十一日之 遞延稅項資產總額	4,110,862	495,527	4,606,389



## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 21. DEFERRED TAX (continued)

## Deferred tax liabilities

At 1 January 2005	於二零零五年一月一日
Deferred tax charged to the income statement during the year*	年內在利潤表扣除之遞延稅項*
Exchange realignment	匯兌調整
Gross deferred tax liabilities at 31 December 2005	於二零零五年十二月三十一日之遞延稅項負債總額
Net deferred tax liabilities at 31 December 2005	於二零零五年十二月三十一日之遞延稅項負債淨額

\* Total deferred tax charged to the income statement during the year ended 31 December 2005 was HK\$2,796,342 (note 10).

At 31 December 2006, the Group had tax losses arising in Hong Kong of HK\$1,961,200 (2005: HK\$23,491,000) and in the United States of HK\$11,192,000 (2005: Nil) that are available indefinitely for offsetting against future taxable profits of certain subsidiaries in which the losses arose. As the Group expects that the subsidiary will have sufficient taxable profits generated in the future to utilise these tax losses, a deferred tax asset has been recognised.

## 21. 遞延稅項 (續)

## 遞延稅項負債

Group – 2005

本集團 – 二零零五年

Revaluation of property, plant and equipment

重估物業、  
廠房和設備HK\$  
港元Others  
其他HK\$  
港元Total  
合計HK\$  
港元

5,905,032	(311,322)	5,593,710
496,342	–	496,342
–	(5,987)	(5,987)

6,401,374	(317,309)	6,084,065
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		1,477,676
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\* 截至二零零五年十二月三十一日止年度在利潤表扣除之遞延稅項總額為2,796,342港元(附註10)。

於二零零六年十二月三十一日，本集團在香港及美國產生之稅項虧損為1,961,200港元(二零零五年：23,491,000港元)及11,192,000港元(二零零五年：無)，可用作抵銷出現虧損之若干附屬公司之未來應課稅溢利。由於本集團預期該附屬公司在日後將有足夠應課稅溢利動用該等稅項虧損，故此遞延稅項資產因應而確認。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 21. DEFERRED TAX (continued)

At 31 December 2006, the Group also had aggregate tax losses arising in Hong Kong, in the PRC and in the United States of HK\$25,897,308 (2005: HK\$18,447,162) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At 31 December 2006, there was no significant unrecognised deferred tax liability (2005: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries or associates as the Group has no liability to additional tax should such amounts be remitted.

At the balance sheet date, the Company did not have any significant temporary differences for which deferred tax assets/liabilities were not provided.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

## 22. INVENTORIES

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$ 港元	HK\$ 港元
Raw materials	原料	15,431,748	11,604,022
Sub-materials	副原料	191,911	1,343
		<b>15,623,659</b>	11,605,365

## 21. 遞延稅項 (續)

於二零零六年十二月三十一日，本集團在香港、中國及美國產生之稅項虧損合共為25,897,308港元(二零零五年：18,447,162港元)，可用作抵銷出現虧損公司之未來應課稅溢利。由於該等虧損來自長時期出現虧損之附屬公司，而且並不認為可能有應課稅溢利以供動用稅項虧損，故此並無確認遞延稅項資產。

於二零零六年十二月三十一日，並無就本集團若干附屬公司或聯營公司之未匯出盈利而應付之稅項有重大未確認遞延稅項負債(二零零五年：無)，此乃由於本集團在匯出有關金額時並無任何額外稅項負債。

於結算日，本公司並無未就遞延稅項資產／負債撥備之任何重大暫時差額。

本公司向股東派發股息並無附帶任何利得稅後果。

## 22. 存貨

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

23. AMOUNTS DUE FROM/(TO)  
CONTRACT CUSTOMERS23. 合約客戶欠款／(欠合約  
客戶款項)

		Group 本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$	HK\$
		港元	港元
Gross amounts due from contract customers	合約客戶欠款總額	<b>70,550,508</b>	72,904,015
Gross amounts due to contract customers	欠合約客戶款項總額	<b>(113,568,100)</b>	(103,165,723)
		<b>(43,017,592)</b>	(30,261,708)
Contract costs incurred to date on long term construction contracts plus attributable profits, less foreseeable losses	長期建築合約至今已發生之支出加應佔溢利減可預見之虧損	<b>2,677,170,878</b>	2,753,915,461
Less: Progress payments received and receivable	減：已收及應收進度款	<b>(2,720,188,470)</b>	(2,784,177,169)
		<b>(43,017,592)</b>	(30,261,708)

24. TRADE AND RETENTION  
RECEIVABLES

## 24. 應收貿易賬款及保固金

		Group 本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$	HK\$
		港元	港元
Trade receivables	應收貿易賬款	<b>169,903,692</b>	136,287,180
Retention receivables	應收保固金	<b>81,824,270</b>	76,515,030
		<b>251,727,962</b>	212,802,210

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 24. TRADE AND RETENTION RECEIVABLES (continued)

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date, is as follows:

Current	即期
31 – 60 days	31-60日
61 – 90 days	61-90日
Over 90 days	90日以上

Group	
本集團	
2006	2005
二零零六年	二零零五年
HK\$	HK\$
港元	港元

<b>130,271,356</b>	112,643,036
<b>35,819,695</b>	21,522,318
<b>2,082,328</b>	1,277,929
<b>1,730,313</b>	843,897
<b>169,903,692</b>	136,287,180

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

## 24. 應收貿易賬款及保固金 (續)

於結算日，應收貿易賬款按發票日期之賬齡分析如下：

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

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**24. TRADE AND RETENTION RECEIVABLES** *(continued)*

The Group's trade receivables mainly represent progress payments receivable from facade building contracting works. The Group adopts credit policies which are consistent with the trade practices prevalent in the building industry in Hong Kong. The Group recognises its trade receivables when the value of the subcontract works is certified by the architect. Pursuant to the trade practices, the main contractor from time to time makes applications for payment certificates which include the certified value of the nominated subcontract works. Normally within 14 days of receipt by the main contractor of the payment from the employer against the payment certificate from the architect, the main contractor shall pay to the subcontractors the certified value of their subcontract works, less amounts previously paid and retentions attributable to the subcontract works as explained above.

The normal credit term of trade receivables from the sale of electric and steam power is 60 days.

Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing. The carrying amounts of the trade receivables approximate to their fair values.

**24. 應收貿易賬款及保固金** *(續)*

本集團之應收貿易賬款主要指進行大廈外牆裝飾工程之應收進度款項。本集團所採用之信貸政策乃配合香港建築行業現時之普遍慣例。本集團於建築師確認分判工程之價值時，將應收貿易賬款確認入賬。根據行業慣例，總承建商不時就指定分判商之工程價值提出合約工程付款證明書之申請。總承建商一般會於根據建築師出具之工程付款證明書從業主收款後14天內，向分判商支付證明書內所確認之分判工程合約價值(已扣除上述分判工程已付之金額及應計之保固金)。

銷售電力及蒸汽之應收貿易賬款之信貸期一般為60日。

每位客戶均設有最大信貸限額。本集團務求對未清還之應收款項維持嚴格監管，並擁有一信貸監管部門，把信貸風險降至最低。管理高層定期檢討逾期結餘。鑒於以上所述及本集團之應收貿易賬款乃來自大量分散之客戶的事實，因此並無重大信貸集中風險。應收貿易賬款並無計算利息。應收貿易賬款之賬面值與其公平值相若。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**25. PREPAYMENT AND RELATED RECEIVABLE IN RESPECT OF AN EXCLUSIVE DISTRIBUTORSHIP**

The amount related to a payment of US\$5,000,000 (equivalent to approximately HK\$39,000,000) (the "Prepayment") made by the Company and the Group to a third party pursuant to an agreement for the exclusive distributorship of 20 helicopter engines produced and sold until 31 December 2006.

Pursuant to the agreement, a discount of US\$300,000 was made by the third party to the Group for each of the first 20 helicopter engines sold by the Group such that the Group would have at least recovered a total of US\$6,000,000 from the third party for sale under the exclusive distributorship. Besides, the third party also agreed that the annualised return to the Group on the Prepayment shall not be less than 8% per annum. According to such terms, an accumulated income of US\$800,000 (equivalent to HK\$6,239,995) was accrued up to 31 December 2005. As at 31 December 2006, all 20 helicopter engines were sold and the balance of the income of US\$200,000 (equivalent to approximately HK\$1,560,005) (2005: US\$400,000 (equivalent to approximately HK\$3,119,995)) (note 5), was recorded as other income for the year. The exclusive distributorship expired on 31 December 2006 and all the related receivables were settled by the third party.

The receivable in respect of the exclusive distributorship of certain helicopters engines as at 31 December 2005 of HK\$38,219,995 represented the Prepayment of HK\$39,000,000 and accumulated accrued income of HK\$6,239,995, less cash receipts during the year ended 31 December 2005 of HK\$7,020,000 received from CATIC who was designated by the third party to receive the receivable on behalf of the Company.

**25. 獨家分銷權預付款項及相關之應收款項**

此金額乃關於本公司及本集團根據有關20台於二零零六年十二月三十一日前生產及出售之直升機引擎之獨家分銷權之協議而支付予一第三者之款項5,000,000美元(約相等於39,000,000港元)(「已付款項」)。

根據該協議，該第三者同意就本集團出售之第一批20台直升機引擎提供每台300,000美元之折扣給予本集團，據此，本集團根據獨家分銷權進行之銷售將可從該第三者至少收回合共6,000,000美元。此外，該第三者亦同意，本集團按已付款項之基礎計算每年回報應不少於年利率八厘。根據該協議，直至二零零五年十二月三十一日，已計提之累計收入為800,000美元(相等於6,239,995港元)。於二零零六年十二月三十一日，全部20台直升機引擎已出售，收入之餘額200,000美元(約相等於1,560,005港元)(二零零五年：400,000美元(約相等於3,119,995港元))(附註5)已計入本年其他收入中。該獨家分銷權已於二零零六年十二月三十一日屆滿，所有相關之應收款項已由該第三者清還。

於二零零五年十二月三十一日有關若干直升機引擎之獨家分銷權之應收款項為38,219,995港元，乃已付款項39,000,000港元及累計收入6,239,995港元減截止二零零五年十二月三十一日止年度內由中航技總公司(該第三者指定其代本公司收取該應收款項)收取現金7,020,000港元。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 26. EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

## 26. 透過損益按公平值列值的股本投資

		2006	2005
		二零零六年	二零零五年
		HK\$	HK\$
		港元	港元
Listed equity investment in Hong Kong, at fair value, transferred from an interest in an associate (note 18)	於香港之上市股本投資，按公平值，由聯營公司轉入(附註18)	<b>79,887,500</b>	-

As a result of the Group's loss of significant influence over Sino Gas during the year as detailed in notes 18 and 20 to the financial statements, the directors have designated 9.99% equity interest in Sino Gas out of the 19.99% interest stated at the then carrying value of HK\$42,090,544 as an equity investment at fair value through profit or loss. Such equity investment, upon initial recognition, is designated as a financial asset at fair value through profit or loss as it is managed and its performance is evaluated on a fair value basis, in accordance with a documented investment strategy of the Group to focus on the aero-technology related business. Such designation is in line with the Group's strategy and increased its flexibility on resources allocation. Any fair value gains or losses on these investments are recognised in the income statement. During the year, a fair value gain of HK\$37,796,956 has been credited to the consolidated income statement.

誠如以上財務報表附註18及20所詳述，本集團於年內對中油潔能已喪失了重大影響力，董事根據其把有關投資持作交易／出售的意向，把所持的19.99%的中油潔能權益的其中9.99%股本權益（賬面值為42,090,544港元）指定為透過損益按公平值列值的股本投資。根據本集團有關專注於航空技術相關業務的投資策略之正式書面文件，該股本投資以公平值的基礎進行管理和評核表現，因此於初始確認時已指定為透過損益按公平值列值的財務資產，此分類與本集團之策略一致，並且能增加資源分配的靈活性。任何此等投資的公平值利潤或虧損均於利潤表確認。年內，公平值利潤37,796,956港元已計入綜合利潤表。

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財務報表附註 二零零六年十二月三十一日

27. CASH AND CASH EQUIVALENTS  
AND PLEDGED DEPOSITS

## 27. 現金及現金等值與已抵押存款

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Time deposits	定期存款	<b>108,613,856</b>	97,440,091	<b>35,207,882</b>	-
Less: Pledged long term time deposits (note 31(a)(v))	減：已抵押長期定期存款 (附註31(a)(v))	<b>(9,360,000)</b>	(10,000,000)	-	-
Pledged short term time deposits (note 31(a)(v))	已抵押短期定期存款 (附註31(a)(v))	<b>(64,045,974)</b>	(44,811,621)	-	-
		<b>35,207,882</b>	42,628,470	<b>35,207,882</b>	-
Cash and bank balances	現金及銀行結存	<b>76,884,259</b>	42,638,314	<b>6,256,523</b>	5,202,494
Cash and cash equivalents	現金及現金等值	<b>112,092,141</b>	85,266,784	<b>41,464,405</b>	5,202,494

At the balance sheet date, the cash and bank balances and the time deposits of the Group denominated in Renminbi ("RMB") amounted to HK\$61,986,600 (2005: HK\$69,989,668). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirement of the Group, and earn interest at the respective short term time deposit rates. The carrying amounts of the cash and cash equivalents and the pledged deposits approximate to their fair values.

於結算日，本集團以人民幣結算之現金及銀行結餘為61,986,600港元（二零零五年：69,989,668港元）。人民幣不可自由轉換為其他貨幣，然而根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外幣兌換之銀行將人民幣兌換為其他貨幣。

銀行存款按每日銀行存款利率計算的浮動利率計息。視乎本集團的即時現金需求，存作介乎一日至三個月等不同期間的短期定期存款，並按有關短期定期存款利率計息。現金及現金等值以及已抵押存款的賬面值與其公平值相若。



## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**28. TRADE AND BILLS PAYABLES**

An aged analysis of the trade and bills payables as at the balance sheet date, based on the invoice date, is as follows:

		<b>Group</b>	
		<b>本集團</b>	
		<b>2006</b>	<b>2005</b>
		<b>二零零六年</b>	<b>二零零五年</b>
		<b>HK\$</b>	<b>HK\$</b>
		<b>港元</b>	<b>港元</b>
Current	即期	<b>99,604,768</b>	94,738,570
31 – 60 days	31-60日	<b>5,600,765</b>	1,028,196
61 – 90 days	61-90日	<b>434,094</b>	198,465
Over 90 days	90日以上	<b>3,929,066</b>	2,481,959
		<b>109,568,693</b>	98,447,190

The trade payables are non-interest-bearing and are normally settled on 90-day terms. The carrying amounts of the trade payables approximate to their fair values.

**28. 應付貿易賬款及票據**

於結算日，應付貿易賬款及票據按發票日期之賬齡分析如下：

		<b>Group</b>	
		<b>本集團</b>	
		<b>2006</b>	<b>2005</b>
		<b>二零零六年</b>	<b>二零零五年</b>
		<b>HK\$</b>	<b>HK\$</b>
		<b>港元</b>	<b>港元</b>
Current	即期	<b>99,604,768</b>	94,738,570
31 – 60 days	31-60日	<b>5,600,765</b>	1,028,196
61 – 90 days	61-90日	<b>434,094</b>	198,465
Over 90 days	90日以上	<b>3,929,066</b>	2,481,959
		<b>109,568,693</b>	98,447,190

該些應付貿易賬款乃不計息，並一般按90日期限清還。應付貿易賬款的賬面值與其公平值相若。

**29. WARRANTY PROVISION**

		<b>Group</b>	
		<b>本集團</b>	
		<b>2006</b>	<b>2005</b>
		<b>二零零六年</b>	<b>二零零五年</b>
		<b>HK\$</b>	<b>HK\$</b>
		<b>港元</b>	<b>港元</b>
At 1 January	於一月一日	<b>10,230,124</b>	12,368,283
Additional provision (note 6)	額外撥備 (附註6)	<b>3,920,000</b>	435,200
Amount utilised during the year	年內動用之金額	<b>(3,848,637)</b>	(2,573,359)
At 31 December	於十二月三十一日	<b>10,301,487</b>	10,230,124

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

**29. 保證撥備**

		<b>Group</b>	
		<b>本集團</b>	
		<b>2006</b>	<b>2005</b>
		<b>二零零六年</b>	<b>二零零五年</b>
		<b>HK\$</b>	<b>HK\$</b>
		<b>港元</b>	<b>港元</b>
At 1 January	於一月一日	<b>10,230,124</b>	12,368,283
Additional provision (note 6)	額外撥備 (附註6)	<b>3,920,000</b>	435,200
Amount utilised during the year	年內動用之金額	<b>(3,848,637)</b>	(2,573,359)
At 31 December	於十二月三十一日	<b>10,301,487</b>	10,230,124

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

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 30. OTHER PAYABLES AND ACCRUALS

Other payables are non-interest-bearing and have an average term of three months. The carrying amounts of other payables approximate to their fair values.

## 30. 其他應付款項及應計費用

其他應付款項乃不計息，平均期限為三個月。其他應付款項之賬面值與其公平值相若。

## 31. INTEREST-BEARING BANK BORROWINGS

## 31. 計息銀行貸款

	Effective interest rate(%) 實質利率(%)	Maturity 到期日	Group 本集團		Company 本公司	
			2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Import loans – secured 進口貸款－有抵押	Prime-0.5 最優惠利率-0.5	Within one year or on demand 一年內或於要求時	47,476,134	37,784,356	-	-
Bank loans – secured 銀行貸款－有抵押	HIBOR+1.75 to 6.73 香港銀行同業 拆息+1.75至6.73	Within one year or on demand 一年內或於要求時	120,137,749	118,557,692	20,000,000	35,000,000
			167,613,883	156,342,048	20,000,000	35,000,000

The Group's banking facilities are secured by:

本集團之銀行信貸乃以下列各項作為擔保：

- |  |  |
|--|--|
| (i) a pledge of the Group's and the Company's investment property with carrying value of HK\$14,900,000 (2005: HK\$14,900,000) (note 13);                    | (i) 抵押本集團及本公司賬面值14,900,000港元(二零零五年：14,900,000港元)之投資物業(附註13)；     |
| (ii) pledges of certain of the Group's land and buildings with an aggregate net book value of approximately HK\$41,938,104 (2005: HK\$32,825,835) (note 14); | (ii) 抵押本集團賬面淨值總額約41,938,104港元(二零零五年：32,825,835港元)之若干土地及樓宇(附註14)； |
| (iii) pledges of certain of the Group's generation plant and related structure with an aggregate net book value of nil (2005: HK\$7,595,569) (note 14);      | (iii) 抵押本集團賬面淨值總額為無(二零零五年：7,595,569港元)之若干發電廠房及有關設施(附註14)；        |
| (iv) pledges of certain of the Group's available-for-sale investments amounting to HK\$10,834,600 (2005: HK\$20,808,700) (note 20);                          | (iv) 抵押本集團為數10,834,600港元(二零零五年：20,808,700港元)之若干可供出售的投資(附註20)；    |

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

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

- (v) pledges of certain of the Group's long term and short term time deposits amounting to HK\$9,360,000 (2005: HK\$10,000,000) and HK\$64,045,974 (2005: HK\$44,811,621) (note 27), respectively;
- (vi) corporate guarantees amounting to an aggregate of HK\$185,000,000 (2005: HK\$185,000,000) executed by the Company (note 39); and
- (vii) the Group's short term bank loans of RMB71,500,000 (equivalent to approximately HK\$71,215,139) were guaranteed by 杭州奧坦斯布藝有限公司, 海寧市寶峰熱電有限公司, 杭州崇鋼集團有限公司, 浙江華隆服裝印染公司, 浙江華通絨毛製品有限公司, 浙江寶泉實業有限公司 and 杭州恒生印染有限公司, independent third parties (2005: short term bank loans of RMB76,500,000 (equivalent to approximately HK\$73,557,692) guaranteed by 浙江寶泉實業有限公司, 杭州奧坦斯布藝有限公司, 杭州崇鋼集團有限公司, 杭州恒生印染有限公司, 海寧市寶峰熱電有限公司, 浙江省華通絨毛製品有限公司 and 浙江華隆服裝印染有限公司, independent third parties).

Except for the secured bank loans of RMB100,538,300 (equivalent to HK\$100,137,749) which is denominated in RMB, all other bank borrowings are in Hong Kong dollars.

**31. 計息銀行貸款 (續)**

- (v) 抵押本集團為數分別 9,360,000港元(二零零五年: 10,000,000港元)及 64,045,974港元(二零零五年: 44,811,621港元)之若干長期及短期定期存款(附註 27);
- (vi) 本公司出具合共185,000,000港元(二零零五年: 185,000,000港元)之公司擔保(附註39);及
- (vii) 本集團之短期銀行貸款 71,500,000元人民幣(約相等於71,215,139港元)由獨立第三者杭州奧坦斯布藝有限公司、海寧市寶峰熱電有限公司、杭州崇鋼集團有限公司、浙江華隆服裝印染公司、浙江華通絨毛製品有限公司、浙江寶泉實業有限公司及杭州恒生印染有限公司提供擔保。(二零零五年: 本集團之短期銀行貸款 76,500,000元人民幣(約相等於73,557,692港元)由獨立第三者浙江寶泉實業有限公司、杭州奧坦斯布藝有限公司、杭州崇鋼集團有限公司、杭州恒生印染有限公司、海寧市寶峰熱電有限公司、浙江省華通絨毛製品有限公司及浙江華隆服裝印染有限公司提供擔保)。

除了有抵押銀行貸款100,538,300元人民幣(相等於100,137,749港元)以人民幣結算外,其餘之貸款均以港元結算。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 31. INTEREST-BEARING BANK BORROWINGS (continued)

Other interest rate information:

## 31. 計息銀行貸款 (續)

其他利率資料：

		Group 本集團			
		2006 二零零六年		2005 二零零五年	
		Fixed rate 固定利率	Floating rate 浮動利率	Fixed rate 固定利率	Floating rate 浮動利率
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Import loans – secured	進口貸款－有抵押	-	47,476,134	-	37,784,356
Bank loans – secured	銀行貸款－有抵押	100,137,749	20,000,000	73,557,692	45,000,000

		Company 本公司			
		2006 二零零六年		2005 二零零五年	
		Fixed rate 固定利率	Floating rate 浮動利率	Fixed rate 固定利率	Floating rate 浮動利率
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Bank loans – secured	銀行貸款－有抵押	-	20,000,000	-	35,000,000

The carrying amounts of the Group's and the Company's current borrowings approximate to their fair values.

本集團及本公司現時之貸款之賬面值與其公平值相若。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 32. FINANCE LEASE PAYABLES

The Group leases one of its motor vehicles under a hire purchase arrangement which is repayable by instalments of over 60 months and is classified as a finance lease.

At 31 December 2006, the total future minimum lease payments under the finance lease and their present values were as follows:

Group		Minimum	Minimum	Present value	Present value
		lease payments	lease payments	of minimum lease payments	of minimum lease payments
本集團		最低租賃付款	最低租賃付款	最低租賃付款之現值	最低租賃付款之現值
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Amounts payable:	應付款項：				
Within one year	一年內	233,808	233,808	222,456	208,857
In the second year	第二年	58,452	233,808	57,841	222,456
In the third to fifth years, inclusive	第三至五年，包括首尾兩年	-	58,452	-	57,841
Total minimum finance lease payments	最低融資租賃付款總額	292,260	526,068	280,297	489,154
Future finance charges	未來財務開支	(11,963)	(36,914)		
Total net finance lease payables	應付融資租賃總淨額	280,297	489,154		
Portion classified as current liabilities	列作流動負債之部份	(222,456)	(208,857)		
Non-current portion	非流動部份	57,841	280,297		

The Group's hire purchase arrangement bears interest at a fixed rate and its carrying amount approximates to its fair value.

## 32. 融資租賃應付款項

本集團根據租購合約安排租賃其中一部汽車，須按60個月以上分期償還，並列作融資租賃。

於二零零六年十二月三十一日，根據融資租賃之未來最低租賃款總額及其現值如下：

本集團之租購合約安排乃按固定利率計息，而其賬面值與其公平值相若。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 33. SHARE CAPITAL

## 33. 股本

		Company 本公司	
		2006 二零零六年	2005 二零零五年
		HK\$ 港元	HK\$ 港元
Authorised:	法定：		
6,000,000,000 ordinary shares of HK\$0.10 each	6,000,000,000股每股面值 0.10港元之普通股	<b>600,000,000</b>	600,000,000
Issued and fully paid:	已發行及繳足：		
3,985,303,000 (2005: 3,741,481,000) ordinary shares of HK\$0.10 each	3,985,303,000 (二零零五年：3,741,481,000股) 每股面值0.10港元之普通股	<b>398,530,000</b>	374,148,100

During the year, the movements in share capital were as follows:

年內，股本之變動如下：

- (a) On 27 March 2006, the Company issued 268,500,000 ordinary shares to an existing shareholder of the Company, at the price of HK\$0.115 per share, which resulted in increase of issued capital and share premium, before share issue expenses, of HK\$26,850,000 and HK\$4,027,500, respectively, for an aggregate cash consideration of approximately HK\$30,877,500.
- (b) During the period from 10 August 2006 to 16 August 2006, the Company repurchased 24,678,000 of its own shares through The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at prices ranging from HK\$0.092 and HK\$0.099 per share, for an aggregate cash consideration of HK\$2,402,431.

- (a) 於二零零六年三月二十七日，本公司發行了268,500,000股普通股予一位本公司之現存股東，價格為每股0.115港元，總代價(未計發股費用)約為30,877,500港元，導致已發行股本及股份溢價賬分別增加26,850,000港元及4,027,500港元。
- (b) 於二零零六年八月十日至二零零六年八月十六日期間，本公司以每股0.092港元至0.099港元的價格從香港聯合交易所有限公司(「聯交所」)購回24,678,000股本公司股份，總現金代價為2,402,431港元。

## Notes to Financial Statements 31 December 2006

## 財務報表附註 二零零六年十二月三十一日

## 33. SHARE CAPITAL (continued)

All the shares repurchased by the Company were cancelled by the Company and, accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. The discount received on the repurchase was credited to the share premium account.

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

## 33. 股本 (續)

所有本公司購回的股份已被本公司註銷，因此，本公司已發行股本按此等股份面值減少，購回時之折讓亦已計入股份溢價賬。

年內，上述本公司已發行股本之變動之概要如下：

		Number of shares in issue 已發行股份數目	Issued capital 已發行股本 HK\$ 港元	Share premium account 股份溢價賬 HK\$ 港元	Total 合計 HK\$ 港元
At 1 January 2005, 31 December 2005 and 1 January 2006	於二零零五年一月一日、 二零零五年十二月三十一日及 二零零六年一月一日	3,741,481,000	374,148,100	1,972,500	376,120,600
Issue of shares	發行股份	268,500,000	26,850,000	4,027,500	30,877,500
Share issue expenses	發股費用	-	-	(1,148,490)	(1,148,490)
Repurchase of shares	購回股份	(24,678,000)	(2,467,800)	65,369	(2,402,431)
<b>At 31 December 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>3,985,303,000</b>	<b>398,530,300</b>	<b>4,916,879</b>	<b>403,447,179</b>

**Notes to Financial Statements** 31 December 2006

財務報表附註 二零零六年十二月三十一日

**34. SHARE OPTION SCHEMES**

At the annual general meeting held on 14 May 2001, the Company adopted a share option scheme (the "2001 Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

Subsequent to the adoption of the 2001 Scheme on 14 May 2001, the Stock Exchange introduced a number of changes to Chapter 17 of the Listing Rules on share option schemes. These new rules came into effect on 1 September 2001. In compliance with the amended Chapter 17 of the Listing Rules, a new share option scheme (the "Existing Scheme") was adopted by the Company at the annual general meeting held on 13 May 2003 and at the same time the 2001 Scheme was terminated. Since the adoption of the Existing Scheme, no options have been granted thereunder.

Major terms of the Existing Scheme include:

1. The purpose of the Existing Scheme is to provide incentives to the participants.
2. The participants of the Existing Scheme are individuals being employees, officers or consultants of the Company or any of its subsidiaries including any executive or non-executive directors thereof.

**34. 購股權計劃**

在二零零一年五月十四日舉行之股東週年大會上，本公司採納了一項購股權計劃（「2001計劃」），旨在鼓勵及嘉獎為本集團業務之成功作出貢獻之合資格參與者。

於二零零一年五月十四日2001計劃獲採納後，聯交所就上市規則第17章有關購股權計劃之規定引入多項修訂，自二零零一年九月一日起生效。為遵守上市規則第17章經修訂之規定，本公司在二零零三年五月十三日舉行之股東週年大會上採納另一項新購股權計劃（「現有計劃」）並同時終止2001計劃。自採納現有計劃以來，並無據此計劃授出任何購股權。

現有計劃之主要條款包括：

1. 現有計劃旨在向參與者提供獎勵。
2. 現有計劃之參與者為本公司或其任何附屬公司之僱員、高級職員或顧問之個人，其中包括任何執行或非執行董事。



## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**34. SHARE OPTION SCHEMES (continued)**

3. The total number of shares which may be issued upon exercise of all options to be granted under the Existing Scheme and the 2001 Scheme (collectively the "Schemes") must not in aggregate exceed 10% of the share capital of the Company in issue as at the date of approval of the Existing Scheme. The Company may refresh this 10% limit at any time subject to prior approval by its shareholders in a general meeting. The overall limit on the total number of shares which may be issued upon exercise of all outstanding options and yet to be exercised under the Schemes must not exceed 30% of the issued share capital of the Company at any time. No options may be granted if this will result in such limit being exceeded. The total number of shares available for issue under the Existing Scheme is 367,573,100 shares which represented 9.22% (2005: 9.82%) of the issued share capital of the Company as at the balance sheet date.
4. The total number of shares issued and to be issued upon exercise of all options (whether exercised, cancelled or outstanding) granted under the Schemes in any 12-month period immediately preceding any proposed date of grant of option to each participant must not exceed 1% of the share capital of the Company in issue as at the proposed grant date.
5. Options may be exercised at any time during a period of 10 years commencing on the date falling three to six months after the date of grant.
6. A grant of an option must be accepted within 28 days from the date of grant together with a non-refundable payment of HK\$1.00.

**34. 購股權計劃 (續)**

3. 因行使根據現有計劃及2001計劃(合稱「計劃」)所授全部購股權而發行之股份總數，合共不得超過本公司於通過現有計劃當日之已發行股本10%。本公司可隨時更新該10%上限，惟須獲股東於股東大會上事先批准。因行使根據計劃所授全部尚未行使購股權而發行之股份總數整體上限，不得超過本公司任何時間已發行股本30%。倘授出購股權會導致超過有關上限，則不會授出購股權。根據現有計劃可發行之股份總數為367,573,100股，相等於結算日本公司已發行股本之9.22%(二零零五年：9.82%)。
4. 在任何建議授出購股權日期前十二個月期間因行使根據計劃所授全部購股權(不論已行使、已註銷或尚未行使)而向各參與者發行及將發行之股份總數，不得超過本公司於建議授出日期之已發行股本1%。
5. 購股權可於授出日期後三個月起計十年內隨時行使。
6. 購股權須於授出日期後28日內接納，並須支付不可退還款項1.00港元。

**Notes to Financial Statements** 31 December 2006

財務報表附註 二零零六年十二月三十一日

**34. SHARE OPTION SCHEMES (continued)**

7. The exercise price of an option to subscribe for shares granted pursuant to the Existing Scheme shall be the highest of:
- the closing price of the shares as stated in the Stock Exchange daily quotation sheet on the date of grant, which must be a business day;
  - the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately proceeding the date of grant; and
  - the nominal value of the shares of the Company.
8. The Existing Scheme shall be valid and effective for a period of 10 years commencing on 13 May 2003 and thereafter for as long as there are outstanding options granted and accepted pursuant thereto prior to the expiration of the said 10-year period and in order to give effect to the exercise of any such options.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

**34. 購股權計劃 (續)**

7. 根據現有計劃所授可認購股份之購股權之行使價須為下列之最高者：
- 股份在授出日期(須為營業日)當日於聯交所每日報價表之收市價；
  - 股份在授出日期前五個營業日於聯交所每日報價表之平均收市價；及
  - 本公司股份面值。
8. 現有計劃由二零零三年五月十三日起計十年內有效，而於上述十年期滿前已授出及接納之尚未行使購股權仍可行使。

購股權並無賦予持有人享有股息或於股東大會上投票之權利。

## Notes to Financial Statements 31 December 2006

## 財務報表附註 二零零六年十二月三十一日

## 34. SHARE OPTION SCHEMES (continued)

Notwithstanding the termination of the 2001 Scheme, the relevant provisions thereof remain in full force and effect to the extent necessary to give effect to the exercise of any outstanding share options granted thereunder prior to its respective termination. Details of share options granted under the 2001 Scheme prior to its termination and outstanding as at 31 December 2006 were as follows:

## 34. 購股權計劃 (續)

雖然2001計劃已被終止，但於有關計劃被終止前已授出而尚未行使之購股權仍可有效按所屬計劃之規定行使。就2001計劃被終止前已授出而於二零零六年十二月三十一日尚未行使之購股權之資料如下：

Eligible person 合資格人士	Number of share options 購股權所涉股份數目				Outstanding at 31 December 2006 於二零零六年 十二月三十一日 尚未行使	Date of grant 授出日期	Exercise period (i) 行使期(i)	Exercise price per share (ii) 每股行使價(ii) HK\$ 港元
	Outstanding at 1 January 2006 於二零零六年一月一日 尚未行使	Granted during the year 年內已授出	Exercised during the year 年內已行使	Cancelled/ lapsed during the year 年內註銷/失效				
Director 董事								
Ji Guirong 季貴榮	20,000,000	-	-	-	20,000,000	25/2/2003 二零零三年 二月二十五日	25/8/2003 to 24/8/2008 二零零三年 八月二十五日 至二零零八年 八月二十四日	0.13
Other employees 其他僱員	22,000,000	-	-	-	22,000,000	25/2/2003 二零零三年 二月二十五日	25/8/2003 to 24/8/2008 二零零三年 八月二十五日 至二零零八年 八月二十四日	0.13
	42,000,000	-	-	-	42,000,000			

(i) Share options must be held for a minimum of six months before exercise. Exercise period shall not exceed a period of five years commencing on the expiry of a period of not less than six months after the date the option is accepted.

(i) 必須持有至少六個月方可行使購股權；行使期由購股權獲接納當日滿六個月起計不超過五年為準。

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

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

**Notes to Financial Statements** 31 December 2006

財務報表附註 二零零六年十二月三十一日

**34. SHARE OPTION SCHEMES (continued)**

At the balance sheet date, the Company had 42,000,000 share options outstanding under the 2001 Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 42,000,000 additional ordinary shares of the Company and additional share capital and share premium, before issue expenses, of HK\$4,200,000 and HK\$1,260,000, respectively.

At the date of approval of these financial statements, the Company had 42,000,000 share options outstanding under the 2001 Scheme, which represented approximately 1.1% of the Company's shares in issue as at that date.

**35. RESERVES****(a) Group**

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 39 of this annual report.

Pursuant to the articles of association of a subsidiary operating as a Foreign Investment Enterprise in Mainland China and the relevant PRC Company Law, the subsidiary shall make an allocation from its profit after tax at the rate of 10% to the statutory surplus reserve fund, until such reserve reaches 50% of the registered capital of the subsidiary. Part of the statutory surplus reserve may be capitalised as the subsidiary's registered capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital of the subsidiary. The statutory reserve is non-distributable other than in the event of liquidation.

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against consolidated retained profits, as explained in note 16 to the financial statements.

**34. 購股權計劃 (續)**

於結算日，在2001計劃下本公司共有42,000,000股購股權尚未行使。在本公司現有股本架構下，悉數行使剩餘之購股權將導致本公司額外發行42,000,000股普通股股份，而股本及股份溢價(未計發行費用)將分別增加4,200,000港元及1,260,000港元。

於批准此等財務報表當日，在2001計劃下本公司共有42,000,000股購股權尚未行使，約佔當日本公司已發行股份之1.1%。

**35. 儲備****(a) 本集團**

本集團本年度及以往年度之儲備額及儲備變動載於本年報第39頁之綜合權益變動表內。

根據一家於中國大陸以外資企業方式經營之附屬公司之組織章程及相關中國公司法例，該附屬公司須將其除稅後溢利之10%撥至法定公積金，直至有關儲備達至該附屬公司註冊資本之50%。部份法定公積金可撥充資本為附屬公司股本，惟規定資本化後之餘下結餘不少於該附屬公司註冊資本之25%。除清盤外，法定公積金不得分派。

誠如財務報表附註16所述，在過往年度收購附屬公司所產生的若干金額之商譽仍然在綜合股份溢價賬內扣除。

## Notes to Financial Statements 31 December 2006

## 財務報表附註 二零零六年十二月三十一日

## 35. RESERVES (continued)

## (b) Company

		Share premium account 股份溢價賬	Contributed surplus 繳入盈餘	Retained profits/ (accumulated losses) 留存溢利/ (累計虧損)	Total 合計
	Notes 附註	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1 January 2005	於二零零五年一月一日	1,972,500	5,243,300	15,734,600	22,950,400
Loss for the year	本年虧損	-	-	(6,828,069)	(6,828,069)
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日 及二零零六年一月一日	1,972,500	5,243,300	8,906,531	16,122,331
Issue of shares, net of share issue expenses	發行股份，已扣除發股 費用	33(a) 2,879,010	-	-	2,879,010
Repurchase of shares	購回股份	33(b) 65,369	-	-	65,369
Loss for the year	本年虧損	-	-	(10,651,671)	(10,651,671)
<b>At 31 December 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>4,916,879</b>	<b>5,243,300</b>	<b>(1,745,140)</b>	<b>8,415,039</b>

The contributed surplus of the Company represents the difference between the consolidated net asset value of Far East Aluminium (B.V.I.) Limited on 20 November 1991 when its entire issued share capital was acquired by the Company pursuant to a group reorganisation, and the nominal amount of the Company's shares issued in consideration for such acquisition, net of accumulated losses of the Company set off in the prior years. Under the Companies Act of 1981 of Bermuda (as amended), the contributed surplus of the Company is distributable to shareholders under certain circumstances.

The Company's share premium account of HK\$4,916,879 (2005: HK\$1,972,500) as at 31 December 2006 may be distributed in the form of fully paid bonus shares.

## 35. 儲備 (續)

## (b) 本公司

本公司之繳入盈餘為本公司根據集團重組安排於一九九一年十一月二十日購入Far East Aluminium (B.V.I.) Limited全部已發行股本時，Far East Aluminium (B.V.I.) Limited之綜合資產淨值與本公司作為收購代價而發行之股份面值兩者之差額，並已扣除於過往年度抵銷之本公司累計虧損。根據百慕達一九八一年公司法(修訂本)，本公司之繳入盈餘在若干情況下可供分派予各股東。

本公司於二零零六年十二月三十一日之股份溢價賬4,916,879港元(二零零五年：1,972,500港元)可以繳足紅股方式分派。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 36. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

## (a) Major non-cash transactions

- (i) During the year, the Group capitalised depreciation charges amounting to HK\$3,646,879 (2005: HK\$4,004,234) (*note 6*) and interest expense of HK\$3,776,367 (2005: HK\$909,081) in long term construction contracts (*note 7*).
- (ii) On 22 December 2006, the Group's interest in an associate with carrying amount of HK\$84,181,088 was reclassified as an available-for-sale investment of HK\$42,090,544 and an equity investment at fair value through profit or loss of HK\$42,090,544, respectively (*notes 18, 20 and 26*).

## (b) Restricted cash and cash equivalent balances

Certain of the Group's time deposits are pledged to banks to secure banking facilities granted to the Group, as further explained in *note 31(a)(v)*.

Certain of the Group's cash and cash equivalent balances are not freely convertible into Hong Kong dollars (*note 27*).

## 36. 綜合現金流量表附註

## (a) 重大非現金交易

- (i) 年內，本集團將折舊開支3,646,879港元（二零零五年：4,004,234港元）（附註6）及利息開支3,776,367港元（二零零五年：909,081港元）撥入長期建築合約成本（附註7）。
- (ii) 於二零零六年十二月二十二日，賬面值為84,181,088港元之本集團之聯營公司權益被重新分類為42,090,544港元之可供出售的投資和42,090,544港元之透過損益按公平值列值的股本投資（附註18、20及26）。

## (b) 有限制現金及現金等值結餘

本集團之若干定期存款已抵押予銀行，以擔保本集團獲授之銀行信貸，進一步解釋載於附註31(a)(v)。

本集團之若干現金及現金等值結餘不可自由兌換成港元（附註27）。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 37. OPERATING LEASE ARRANGEMENTS

## (a) As lessor

The Group and the Company leases their investment property (note 13) under an operating lease arrangement with lease negotiated for a term of two years.

At 31 December 2006, the Group and the Company had total future minimum lease receivables under non-cancellable operating lease with its tenant falling due as follows:

## 37. 經營租約安排

## (a) 作為出租人

本集團及本公司根據租期議定為兩年之經營租約安排出租投資物業(附註13)。

於二零零六年十二月三十一日，本集團及本公司根據與租戶訂立介乎以下年期到期之不可撤銷經營租約享有日後租約最低應收租金總額載列如下：

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Within one year	一年內	587,760	587,760	587,760	587,760
In the second to fifth years, inclusive	第二年至第五年內， 包括首尾兩年	-	587,760	-	587,760
		587,760	1,175,520	587,760	1,175,520

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

37. OPERATING LEASE ARRANGEMENTS  
(continued)

## (b) As lessee

The Group and the Company lease its office premises under non-cancellable operating lease arrangements with terms ranging from one to five years.

At 31 December 2006, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

## 37. 經營租約安排 (續)

## (b) 作為承租人

本集團及本公司與業主訂立不可撤銷經營租約安排，租期介乎一至五年之間。

於二零零六年十二月三十一日，根據介乎以下年期到期之不可撤銷經營租約，本集團及本公司持有日後租約最低應付租金總額載列如下：

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Within one year	一年內	1,550,808	766,090	127,500	504,850
In the second to fifth years, inclusive	第二年至第五年內， 包括首尾兩年	331,416	686,798	-	-
		1,882,224	1,452,888	127,500	504,850



## Notes to Financial Statements 31 December 2006

## 財務報表附註 二零零六年十二月三十一日

## 38. COMMITMENTS

In addition to the operating lease commitments in note 37(b) above, the Group had the following commitments at the balance sheet date:

## 38. 承擔

除上文附註37(b)之經營租約承擔外，本集團於結算日有以下承擔：

		<b>Group</b> <b>本集團</b>	
		<b>2006</b> <b>二零零六年</b> <b>HK\$</b> <b>港元</b>	<b>2005</b> <b>二零零五年</b> <b>HK\$</b> <b>港元</b>
Contracted, but not provided for:	已訂約但尚未撥備：		
Acquisition of plant and machinery	收購廠房及機器	<b>2,990,035</b>	14,332,692
Acquisition of land	收購土地	<b>19,598,530</b>	-
Establishment of a joint venture*	成立合營公司*	<b>39,840,637</b>	-
		<b>62,429,202</b>	14,332,692
Authorised, but not contracted for:	已授權但尚未訂約：		
Establishment of a joint venture*	成立合營公司*	-	38,461,538
		<b>62,429,202</b>	52,794,230

\* On 4 January 2006, Sino-Aviation Investments Limited ("Sino-Aviation Investments"), a wholly-owned subsidiary of the Company, entered into a joint venture agreement (the "JV Agreement") with CATIC and Chengdu Aircraft Industry (Group) Corporation Ltd. ("Chengdu Aircraft") for the establishment of a joint venture to engage in the research and development, design and manufacture of, and provision of technical services for parts and components for commercial aircrafts. According to the JV Agreement, the total registered capital of the joint venture will be RMB100 million (equivalent to approximately HK\$100 million), of which 40%, 15% and 45% respectively, will be contributed by Sino-Aviation Investments, CATIC and Chengdu Aircraft. The JV Agreement is conditional upon (i) the internal approval obtained by each of the three parties; and (ii) the approvals from the relevant PRC authorities. As at 31 December 2006, the JV Agreement has not become effective as the conditions stated above have not been fulfilled.

\* 於二零零六年一月四日，本公司之全資附屬公司Sino-Aviation Investments Limited (「Sino-Aviation Investments」)與中航技總公司及成都飛機工業(集團)有限責任公司(「成都飛機」)訂立合營協議(「合營協議」)，以成立一家合營公司，從事商用飛機零部件之研發、設計及製造及提供技術服務。根據合營協議，合營公司之總註冊資本將為100,000,000元人民幣(相等於約100,000,000港元)，其中Sino-Aviation Investments、中航技總公司及成都飛機將分別注資40%、15%及45%。合營協議須待以下條件達成後，方告生效，其中包括(i)三方各自獲得內部批准；及(ii)獲得有關中國機構之批准。截至二零零六年十二月三十一日，由於上述條件尚未達成，因此該合營協議尚未生效。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

## 39. CONTINGENT LIABILITIES

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

## 39. 或然負債

於結算日，本集團及本公司之或然負債如下：

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Corporate guarantees for banking facilities granted to a subsidiary (note 31(a)(vi))*	就銀行給予一間附屬公司之銀行信貸作出之公司擔保 (附註31(a)(vi))*	-	-	185,000,000	185,000,000
Guarantees under performance bonds for construction contracts	建築合約之履約保證書之擔保	89,502,970	58,815,035	-	-
Guarantees for banking facilities granted to major suppliers	就銀行給予主要供應商之銀行信貸作出之擔保	96,221,614	44,230,769	-	-
		<b>185,724,584</b>	103,045,804	<b>185,000,000</b>	185,000,000

\* As at 31 December 2006, the banking facilities granted to the subsidiary subject to guarantees given to the banks by the Company were utilised as follows:

\* 於二零零六年十二月三十一日，附屬公司因本公司所作出之擔保而獲授之銀行信貸已用於以下用途：

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Import loans	進口貸款	47,476,134	37,784,356
Guarantees under performance bonds for construction contracts	建築合約之履約保證書之擔保	89,502,970	58,815,035
		<b>136,979,104</b>	96,599,391

The securities for the banking facilities are set out in note 31(a) to the financial statements.

該等銀行信貸之擔保載列於財務報表附註31(a)。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**39. CONTINGENT LIABILITIES (continued)**

The Group also had a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of HK\$269,258 (2005: HK\$493,000) as at 31 December 2006, as further explained in note 2.4 to the financial statements. The contingent liability has arisen because, at the balance sheet date, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

**40. RELATED PARTY TRANSACTIONS**

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

			2006 二零零六年	2005 二零零五年
		Notes 附註	HK\$ 港元	HK\$ 港元
Rental income received from a shareholder	收取股東租金收入	(i)	<b>587,760</b>	550,000
Net income from Project EC120	來自項目EC120之淨收入	(ii)	<b>1,258,854</b>	3,408,211
Interest received from an associate	收取聯營公司利息收入	(iii)	-	62,999

**39. 或然負債 (續)**

本集團亦因按照香港僱傭條例未來可能須向僱員支付長期服務金而有或然負債，該等或然負債於二零零六年十二月三十一日之最高可能數額為269,258港元（二零零五年：493,000港元），詳情載於財務報表附註2.4。或然負債是由於截至結算日已有不少現有僱員達到所需於本集團之服務年期，倘彼等之僱傭關係在若干情況下被終止將有資格根據僱傭條例獲發長期服務金。由於認為此種情況不大可能導致本集團未來出現重大資源流出，所以並未就該等可能須支付之款項確認撥備。

**40. 關連人士交易**

(a) 除財務報告另有所述之交易外，本集團於年內曾進行以下重大關連人士交易：

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

40. RELATED PARTY TRANSACTIONS  
(continued)

Notes:

- (i) The Company entered into a tenancy agreement with CATIC (H.K.) Limited ("CATIC (H.K.)"), a deemed shareholder of the Company, to lease the Company's investment property to CATIC (H.K.) for a term of two years commencing on 1 January 2006 at a monthly rental of HK\$48,980 (2005: monthly rental of approximately HK\$45,833) (exclusive of rates, management fees and air-conditioning charges). The rental was determined with reference to open market rentals.
- (ii) Balance represented net cash proceeds received or receivable from CATIC generated from Project EC120. Further details are set out in note 19 to the financial statements.
- (iii) During the year ended 31 December 2005, the Company granted loans in aggregate of HK\$5,350,000 to Sino Gas. The loans bore interest at 2.5% over the 3-month Hong Kong Interbank Offered Rate ("HIBOR") per annum, which was either equal to or above the cost of fund of the Company. The loans and the related interest expenses had been fully settled during the year ended 31 December 2005.
- (iv) During the year ended 31 December 2005, the Group granted a loan of RMB3,000,000 to 北京中油潔能環保科技有限責任公司, a subsidiary of Sino Gas registered in the PRC. The loan was interest-free and had been fully repaid during the year ended 31 December 2005.

## 40. 關連人士交易 (續)

附註：

- (i) 本公司與視為本公司股東之中國航空技術進出口(香港)有限公司(「中航技(香港)」)訂立租賃協議，把本公司之投資物業出租予中航技(香港)，租期由二零零六年一月一日起計，為期兩年，每月租金為48,980港元(二零零五年：每月租金約為45,833港元)(不包括差餉、管理費及空調費)。所收租金乃參考公開市值租金釐定。
- (ii) 結餘乃就項目EC120從中航技總公司收到或應收之現金款項淨額。進一步詳情載於財務報表附註19。
- (iii) 於截至二零零五年十二月三十一日止年度內，本公司共借5,350,000港元給中油潔能，借款利息是根據三個月香港同業拆息(「HIBOR」)加2.5%計算，乃等於或高於本公司的資金成本。該借款及有關之利息費用已在截至二零零五年十二月三十一日止年度內收回。
- (iv) 於截至二零零五年十二月三十一日止年度內，本集團借予中油潔能於中國註冊的附屬公司北京中油潔能環保科技有限責任公司3,000,000元人民幣。該借款並不收取任何利息及已在截至二零零五年十二月三十一日止年度內收回。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**40. RELATED PARTY TRANSACTIONS**  
(continued)

(b) Compensation of key management personnel of the Group:

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Short term employee benefits	短期僱員福利	<b>9,804,550</b>	7,820,567
Post-employment benefits	僱傭後福利	<b>569,490</b>	464,280
Total compensation paid to key management personnel	支付關鍵管理人員的報酬總額	<b>10,374,040</b>	8,284,847

Further details of directors' emoluments are included in note 8 to the financial statements.

The related party transactions in respect of items (a)(i) to (a)(ii) above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial instruments, comprise bank loans, a finance lease, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and retention receivables and trade and bills payables, which arise directly from its operations.

It is, and has been, throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

**40. 關連人士交易 (續)**

(b) 本集團關鍵管理人員的報酬：

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Short term employee benefits	短期僱員福利	<b>9,804,550</b>	7,820,567
Post-employment benefits	僱傭後福利	<b>569,490</b>	464,280
Total compensation paid to key management personnel	支付關鍵管理人員的報酬總額	<b>10,374,040</b>	8,284,847

有關董事酬金的進一步詳情載於財務報表附註8。

以上項目(a)(i)至(a)(ii)之關連人士交易亦構成持續關連交易(定義見上市規則第14A章)。

**41. 財務風險管理目標及政策**

本集團之主要金融工具包括銀行貨款、融資租賃、及現金及短期存款。此等金融工具之主要用途是為本集團之營運提供財源。本集團亦有各樣的其他財務資產及負債，例如應收貿易賬款及保固金、以及應付貿易賬款及票據，乃直接由營運而產生。

在回顧年度內，本集團一貫採取不進行金融工具買賣的政策。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES***(continued)*

The main risks arising from the Group's financial instruments are cash flow interest rate risk, foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

*Cash flow interest rate risk*

The Group's borrowings from banks during the year will either mature within one year or are repayable on demand and all the bank borrowings bear interest at interest rates with reference to the HIBOR or the prime rate. In view of the Group's short term bank borrowings and the fact that the prime rate in Hong Kong basically changes in line with the HIBOR, the Group's exposure to the risk of changes in market interest rates is minimal.

*Foreign currency risk*

The Group's foreign currency exposures primarily arising from certain sales or purchases by operating units in currencies other than the units' functional currency, which are mainly denominated in United States dollars. In view of the fact that the Hong Kong dollar is pegged to the United States dollar and that the Group tries to match its assets and liabilities with the same currency, the Group's exposure to foreign currency risk is minimal.

*Credit risk*

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

**41. 財務風險管理目標及政策 (續)**

本集團之金融工具所產生之主要風險是現金流轉利率風險、外幣風險、信貸風險及流動性風險。董事會已審議並批准管理此等風險的政策，概述如下。

*現金流量利率風險*

年內本集團由銀行取得之借貸乃於一年內到期或於要求時清還。所有銀行借貸均計息，息率乃參考HIBOR或最優惠利率而定。鑒於本集團之銀行借貸為短期，以及香港最優惠利率之變動基本上與HIBOR一致之事實，因此本集團所承受的市場利率變動之風險很低。

*外匯風險*

本集團之外匯風險主要產生自營運單位之若干以該單位功能貨幣以外之其他貨幣進行之銷售及採購，主要以美元結算。鑒於港元與美元掛鈎之事實以及本集團致力把相同貨幣之資產及負債配合，因此本集團所承受的外匯風險很低。

*信貸風險*

本集團僅與經認可的及信譽良好的第三者進行交易。本集團之政策是所有有意進行信貸交易之客戶均需通過信貸驗證措施。再者，本集團持續監察應收款項之結餘，因此壞賬之風險並不重大。

## Notes to Financial Statements 31 December 2006

財務報表附註 二零零六年十二月三十一日

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES***(continued)**Credit risk (continued)*

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, equity instruments at fair value through profit or loss and available-for-sale financial assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

*Liquidity risk*

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and finance leases. The Group's policy is to minimise borrowings.

**42. POST BALANCE SHEET EVENTS**

- (a) Subsequent to the balance sheet date, on 25 January 2007, Billirich, a wholly-owned subsidiary of the Company, entered into a convertible bond agreement with Sino Gas, pursuant to which convertible bonds with an aggregate principal amount of HK\$15,600,000 were issued by Sino Gas to Billirich. The convertible bonds are interest-bearing at 2% per annum and Billirich has the right to convert the convertible bonds into ordinary shares of Sino Gas at HK\$0.65 per share (subject to adjustment upon the change in the capital structure of Sino Gas) and the convertible bonds will mature at two years after the issue of the convertible bonds. Besides, upon the occurrence of certain mandatory conversion events, Sino Gas shall have the right to require the conversion of the principal amount then outstanding and all interest accrued thereon into ordinary shares of Sino Gas at the then conversion price. Assuming full conversion of the convertible bonds at the conversion price of HK\$0.65 per share, the convertible bonds can be converted into 24,000,000 ordinary shares of Sino Gas.

**41. 財務風險管理目標及政策 (續)***信貸風險 (續)*

本集團其他財務資產(包括現金及現金等值、透過損益按公平值列值的股本工具及可供出售的財務資產)之信貸風險，乃由交易對方違約而產生，有關風險以該些工具之賬面值為限。

由於本集團僅與經認可的及信譽良好的第三者進行交易，因此並無收取抵押品之需要。

*流動性風險*

本集團的目標乃是透過利用銀行貸款及融資租賃以保持融資的持續性和靈活性的平衡。本集團的政策是把借貸減至最低。

**42. 結算日後事項**

- (a) 結算日後，於二零零七年一月二十五日，本集團之全資附屬公司Billirich與中油潔能訂立可換股債券協議，據此，中油潔能發行總本金額為15,600,000港元之可換股債券予Billirich。可換股債券以年利率2%計息，Billirich有權以每股0.65港元(將因應中油潔能股本架構的轉變而予以調整)把可換股債券轉換為中油潔能之普通股股份。可換股債券於發行後兩年到期。此外，倘發生強制性轉換事項，中油潔能有權要求按轉換價轉換當時可換股債券之尚未行使本金額及據此之全部應計利息為中油潔能之普通股股份。假設按轉換價0.65港元全面轉換可換股債券，可換股債券可轉換為24,000,000股中油潔能之普通股股份。

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**42. POST BALANCE SHEET EVENTS**  
*(continued)*

- (b) Subsequent to the balance sheet date, on 15 March 2007, the Group disposed of 30,000,000 ordinary shares of Sino Gas (which were designated as equity investment at fair value through profit or loss) to an independent third party and issued a call option to that party to acquire at an exercise price of HK\$0.5 per share from the Group a maximum of an additional 45,000,000 ordinary shares of Sino Gas, which represented 2.1% and 3.1% of the issued shares of Sino Gas at the balance sheet date, respectively. Such call option grants the option holder the right to acquire those shares within 24 months from the date of the issue of the option. At the date of approval of these financial statements, the Group's interest in the issued share capital of Sino Gas was reduced to 17.4%.
- (c) During the 5th Session of the 10th National People's Congress, which was concluded on 16 March 2007, the PRC Corporate Income Tax Law (the "New Corporate Income Tax Law") was approved and will become effective on 1 January 2008. The New Corporate Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rate for domestic-invested and foreign-invested enterprises at 25%. Since the detailed implementation and administrative rules and regulations have not yet been announced, the future financial impact of the New Corporate Income Tax Law to the Group cannot be reasonably estimated at this stage.

**43. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the board of directors on 24 April 2007.

**42. 結算日後事項 (續)**

- (b) 結算日後，於二零零七年三月十五日，本集團出讓30,000,000股中油潔能之普通股股份(已被指定為透過損益按公平值列值的股本投資)予一名獨立第三者，並發出認購期權予該第三者，使之可以每股0.5港元的行使價向本集團認購最多45,000,000股中油潔能之普通股股份，分別佔中油潔能於結算日已發行股本2.1%及3.1%。該認購期權授予期權持有人由發出期權日起計24個月內認購該等股份之權利。於批准本財務報表當日，本集團於中油潔能已發行股本之權益已減至17.4%。
- (c) 在二零零七年三月十六日閉幕的第十屆全國人民代表大會第五次會議中，中華人民共和國企業所得稅法(「新企業所得稅法」)得以通過並將於二零零八年一月一日生效。新企業所得稅法引入一系列變化，包括(但不限於)統一適用於內資企業和外商投資企業的所得稅率為25%。由於詳細執行及管理規則尚未公佈，現階段並未能合理估計新企業所得稅法對本集團未來財務上之影響。

**43. 財務報表之批准**

財務報表已於二零零七年四月二十四日獲董事會批准及授權發放。