



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

GENERAL

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate substantial shareholder is Astrotech Group Limited (“Astrotech”), a company incorporated in the Cayman Islands which holds 44.17% of equity interest in the Company with controlling interest. Astrotech is wholly owned by China Academy of Launch Vehicle Technology Limited (“CALT”). China Aerospace Science & Technology Corporation (“CASC”) is a substantial shareholder of the Company via the immediate shareholding of CALT. Both CASC and CALT are companies established in the People’s Republic of China (the “PRC”).

The address of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

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

The Company is an investment holding company. The principal activities of its subsidiaries and associates are set out in note 36.

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

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (“HKFRS”s), Hong Kong Accounting Standards (“HKAS”s) and Interpretations (hereinafter collectively referred to as “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment is required.

1. 一般資料

本公司為一家於開曼群島註冊成立之有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之直接主要股東為 Astrotech Group Limited（「Astrotech」）（於開曼群島註冊成立），其持有本公司44.17%之控制性股本權益。Astrotech由中國火箭技術研究院（「火箭院」）全資擁有。中國航天科技集團公司（「中航總」）透過直接控股火箭院成為本公司之主要股東。中航總及火箭院均為於中華人民共和國（「中國」）成立之公司。

本公司註冊辦事處地址及香港主要營業地點披露於本年報之公司資料一節。

財務報告以本公司之功能貨幣港元呈列。

本公司為一家投資控股公司，其附屬公司及聯營公司之主要業務載於附註36。

2. 應用新頒及經修訂香港財務報告準則

於本年度，本集團首次應用由香港會計師公會（「香港會計師公會」）頒佈之多項新香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（以下統稱為「新香港財務報告準則」），該等準則由二零零五年十二月一日或二零零六年一月一日或其後開始之會計期間起生效。應用新香港財務報告準則對本期或往期會計期間之業績及財務狀況之編制及呈列方式並無重大影響。因此，無須作往期調整。

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

2. 應用新頒及經修訂香港財務報告準則 (續)

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

本集團並未提前應用以下由香港會計師公會頒佈之已頒佈但尚未生效之全新準則、修訂本及詮釋，本公司董事預期應用該等準則、修訂本及詮釋不會對本集團之業績及財務狀況造成重大影響。

HKAS 1 (Amendment)	Capital disclosures ¹	香港會計準則第1號 (修訂本)	資本披露 ¹
HKFRS 7	Financial instruments: Disclosures ¹	香港財務報告 準則第7號	財務工具：披露 ¹
HKFRS 8	Operating segment ²	香港財務報告 準則第8號	經營分類 ²
HK(IFRIC) — INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ³	香港(國際財務報告 詮釋委員會) 詮釋第7號	應用香港會計準則 第29號嚴重通脹經 濟中之財務報告 項下重列法 ³
HK(IFRIC) — INT 8	Scope of HKFRS 2 ⁴	香港(國際財務報告 詮釋委員會) 詮釋第8號	香港財務報告準則 第2號之範圍 ⁴
HK(IFRIC) — INT 9	Reassessment of embedded derivatives ⁵	香港(國際財務報告 詮釋委員會) — 詮釋第9號	重估嵌入式 衍生工具 ⁵
HK(IFRIC) — INT 10	Interim financial reporting and impairment ⁶	香港(國際財務報告 詮釋委員會) — 詮釋第10號	中期財務報告 及減值 ⁶
HK(IFRIC) — INT 11	HKFRS 2 — Group and treasury share transactions ⁷	香港(國際財務報告 詮釋委員會) — 詮釋第11號	香港財務報告準則 第2號—集團及 庫存股份交易 ⁷
HK(IFRIC) — INT 12	Service Concession Arrangement ⁸	香港(國際財務報告 詮釋委員會) — 詮釋第12號	服務特許權協議 ⁸



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

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

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"s) issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

2. 應用新頒及經修訂香港財務報告準則 (續)

- ¹ 於二零零七年一月一日或其後開始之年度期間生效。
- ² 於二零零九年一月一日或其後開始之年度期間生效。
- ³ 於二零零六年三月一日或其後開始之年度期間生效。
- ⁴ 於二零零六年五月一日或其後開始之年度期間生效。
- ⁵ 於二零零六年六月一日或其後開始之年度期間生效。
- ⁶ 於二零零六年十一月一日或其後開始之年度期間生效。
- ⁷ 於二零零七年三月一日或其後開始之年度期間生效。
- ⁸ 於二零零八年一月一日或其後開始之年度期間生效。

3. 主要會計政策

綜合財務報告乃根據歷史成本慣例法編製。

綜合財務報告乃按照香港會計師公會所頒佈之香港財務報告準則編制。此外，綜合財務報告包括聯交所證券上市規則及香港公司條例所規定之適用披露。

綜合賬目基準

綜合財務報告包括本公司及其附屬公司之財務報告。倘本公司有權力管限一實體之財政及營運政策藉以從其業務中獲益，則視為取得其控制權。



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截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

Basis of consolidation (Continued)

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

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

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

綜合賬目基準 (續)

於年內收購或出售之附屬公司業績分別由收購生效日期起或截至出售生效日期止 (如適用) 計入綜合損益表內。

本集團內公司間之一切重大交易及結餘已於綜合賬目內沖銷。

少數股東權益應佔之合併附屬公司資產淨值於賬目內與本集團之股本分開呈列。少數股東權益所佔資產淨值包括原業務合併日期之該等權益金額，以及自合併日期起少數股東應佔之股本權益變動。少數股東應佔虧損超出少數股東應佔附屬公司權益之金額於本集團權益對銷，惟於少數股東具有約束力責任及其有能力作出額外投資以彌補該等虧損者除外。



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3. SIGNIFICANT ACCOUNTING POLICIES 3. (Continued)

主要會計政策 (續)

Goodwill

Goodwill arising on acquisitions prior to 1 January 2005

Goodwill arising on an acquisition of subsidiaries for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

商譽

二零零五年一月一日前收購產生之商譽

收購附屬公司而產生之商譽(其協議日期為二零零五年一月一日前),指收購成本高於本集團於收購有關附屬公司之日應佔有關公司之可辨識資產與負債公平值之數。

就減值測試而言,收購所產生之商譽乃被分配到各有關賺取現金單位,或賺取現金單位之組別,預期彼等從收購之協同效應中受益。已獲配商譽之賺取現金單位每年及凡單位有可能出現減值之跡象時進行減值測試。就於某個財政年度之收購所產生之商譽而言,已獲配商譽之賺取現金單位於該財政年度完結前進行減值測試。當賺取現金單位之可收回金額少於該單位之賬面值,則進行分配減值虧損,首先削減該單位之商譽賬面值,其後以單位各資產之賬面值為基準按比例分配至該單位之其他資產之賬面值。商譽之任何減值虧損乃直接於綜合損益表內確認。商譽之減值虧損於其後期間不予撥回。

其後出售附屬公司時,被資本化之商譽應佔金額會在釐定出售損益金額時計入運算。



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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

Interests in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

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

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

於聯營公司之權益

聯營公司指本集團能對其行使重大影響力，而並非附屬公司或於合營企業之權益之實體。重大影響力指可參與受投資公司之財務及營運決策但不能控制或共同控制該等政策之權力。

聯營公司之業績、資產及負債乃以會計權益法於該等綜合財務報告入賬。根據權益法，於聯營公司之權益乃按成本於綜合資產負債表中列賬，並就本集團分佔該聯營公司之損益及權益變動之收購後變動作出調整，以及減去任何已識別之減值虧損。當本集團分佔某聯營公司之虧損相等於或超出其於該聯營公司之權益（其包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨額之一部份），則本集團不再繼續確認其分佔之進一步虧損。額外分佔之虧損乃被撥備，而負債僅以本集團已產生法定或推定責任或代表該聯營公司作出付款者為限被確認。

收購成本超出本集團應佔收購當日確認在聯營公司之可識別資產、負債及或然負債中所佔公平淨值之任何差額均確認為商譽。商譽乃計入投資之賬面值，並就耗蝕進行評估，作為投資之一部分。

當集團實體與本集團之聯營公司進行交易，損益會互相抵銷，數額以本集團於有關聯營公司之權益為限。



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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

Revenue recognition

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

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

Service income is recognised when services are rendered.

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

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives from the date on which they are available for use and after taking into account of their estimated residual values, using the straight line method.

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

收入之確認

收入按已收或應收代價之公平值計量，並相當於在日常業務運營過程中提供貨品及服務而應收之款項，減折扣及銷售相關稅項。

貨品之銷售收入乃於貨品已經付運及擁有權已轉移之情況下確認。

服務收入於提供服務時確認。

財務資產利息收入乃參考本金結餘及適用實際利率按時間基準計算，有關利率為準確透過財務資產之預期使用年期以貼現估計未來現金收入至資產之賬面淨值。

物業、廠房及設備

物業、廠房及設備按其成本減累計折舊及任何可識別減值虧損入賬。

物業、廠房及設備項目以直線法於其估計可使用年期(自其可具使用日期起計)及計入其估計剩餘價值後，撇銷其成本以作折舊。

物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時取消確認。於取消確認該資產時產生之任何收益或虧損(以出售所得款項淨額與該項目之賬面值之差額計算)乃計入於該項目取消確認年度之綜合損益表內。



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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

Intangible assets

On initial recognition, intangible assets acquired separately are recognised at cost. After initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

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

Research and development expenditure

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

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

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

無形資產

於初步確認時，個別無形資產乃按成本確認。於初步確認後，具備有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損確認。具備有限可使用年期之無形資產於其估計可使用年期以直線法攤銷。

取消確認無形資產所產生之損益按出售所得款項淨額與資產賬面值之差額計量，及於資產取消確認時在綜合損益表內確認。

研究及開發費用

研究活動費用於產生期間確認為開支。

源自開發費用之內部產生無形資產，僅會在預期該被明確界定項目產生之開發成本可在未來商業運作中收回時始予以確認。所產生資產則以直線法按其可使用年期攤銷，並以成本減日後累計攤銷及任何累計減值虧損列賬。

倘無內部產生無形資產可予確認，則開發費用於產生期間確認為開支。



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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

Impairment (other than goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

Inventories

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

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

減值 (商譽除外)

於各個結算日，本集團審閱其資產之賬面值以釐定是否有任何跡象顯示該等資產蒙受減值虧損。倘一項資產之可收回金額估計少於其賬面值，該項資產之賬面值將削減至其可收回金額。減值虧損乃即時確認為開支。

倘減值虧損於其後撥回，該項資產之賬面值將增加至其經修訂估計之可收回金額，惟增加之賬面值不會超逾倘於以前年度該項資產無確認減值虧損所釐定之賬面值。減值虧損撥回乃即時確認為一項收益。

存貨

存貨是按成本值及可變現淨值兩者中之較低者列賬。成本是按加權平均成本法計算。

借貸成本

所有借貸成本乃確認並計入產生期間綜合損益表之財務成本。



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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. Current tax liabilities are measured using tax rates that have been enacted substantively enacted by the balance sheet date.

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

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利有別於綜合損益表中所報溢利，因其不包括在其他年度應課稅或可扣稅之收入或開支，亦不包括於從未課稅及扣稅之項目。現時稅項債務乃採用於結算日大致訂定或訂定之稅率計量。

遞延稅項乃於綜合財務報告中按資產及負債賬面值與計算應課稅溢利所用相應稅基出現之差額確認，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產則於可能出現可利用臨時時差扣稅之應課稅溢利時確認。若於一項交易中因商譽或初步確認（未包括業務合併情況）資產及負債而引致之臨時時差既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產及負債。



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截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. (Continued)

主要會計政策 (續)

Taxation (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 asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Leasing

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

The Group as lessee

Rental payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight line basis.

稅項 (續)

遞延稅項資產之賬面金額於每個結算日審核，並在不再可能有足夠應課稅溢利以便收回全部或部份資產時作調減。

遞延稅項乃按預期於負債清償或資產變現期內適用之稅率計算，並以於結算日訂定或大致訂定之稅率為基準。遞延稅項於綜合損益表中扣除或計入綜合損益表。惟倘遞延稅項涉及直接在股本權益中扣除或計入股本權益之情況，則遞延稅項亦會於股本權益中處理。

租賃

倘租約條款列明將有關資產之絕大部份風險及收益轉讓予承租人，則該等租約概列作融資租賃。所有其他租約均視作運營租賃。

本集團作為承租人

運營租賃應付租金按相關租期以直線法於損益賬扣除。作為訂立運營租賃獎勵之已收及應收利益乃於租賃期內以直線法確認為租金開支之減少。



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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

Retirement benefit schemes

Payments to the defined contribution retirement schemes are charged as an expense as they fall due.

Financial instruments

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

Financial assets

The Group's financial assets are classified as loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of loans and receivables are set out below.

退休福利計劃

定額退休計劃之供款乃於到期應付時扣除列為開支。

財務工具

當集團實體成為工具之訂約條文之訂約方時，財務資產及財務負債於綜合資產負債表確認。財務資產及財務負債初步按公平值計算。因收購或發行財務資產及財務負債（按公平值在損益賬內處理之財務資產及財務負債除外）而直接應佔之交易成本於初步確認時按適用情況加入或扣自該項財務資產或財務負債之公平值。因收購按公平值在損益賬內處理之財務資產或財務負債而直接應佔之交易成本即時於損益賬確認。

財務資產

本集團之財務資產分類為貸款及應收款項。所有正常購買或出售之財務資產，按交易日之基準確認及不予確認。正常購買或出售財務資產是指按照市場規定或慣例須在一段期限內進行資產交付之財務資產買賣。本集團就貸款及應收款項所採納之會計政策載列如下。



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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

Financial instruments (Continued)

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. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and receivables, amounts due from related companies, amounts due from associates, bank balances and pledged bank deposits) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in consolidated income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

財務工具 (續)

財務資產 (續)

貸款及應收款項

貸款及應收款項乃不在現行市場掛牌之固定或可釐定付款之非衍生財務資產。於初步確認後之各結算日，貸款及應收款項(包括應收貸款及其他應收賬項、應收關連公司款、應收聯營公司款、銀行結存及已抵押銀行存款均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬。減值虧損於可客觀證明資產減值時於損益表中確認，並按該資產之賬面值與按原先實際利率折讓之估計未來現金流量之現值間的差額計量。當資產之可收回數額增加乃客觀與於確認減值後所引致之事件有關時，則減值虧損會於隨後會計期間予以回撥，惟該資產於減值被回撥之日之賬面值不得超過未確認減值時之已攤銷成本。



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截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

Financial instruments (Continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities are set out below.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowings costs.

Other financial liabilities

Other financial liabilities including trade and other payables, amounts due to related companies and amounts due to associates are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

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

財務工具 (續)

財務負債及權益

本集團發行之財務負債及股權工具乃根據合同安排之性質與財務負債及股本工具之定義分類。股權工具乃證明本集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。特定財務負債採納之會計政策載列如下。

銀行貸款

計息銀行貸款及透支初步按公平值確認，其後以實際利率法按攤銷成本計算。所得款項（已扣除交易成本）與償還或贖回貸款之間差額根據本集團借貸成本之會計政策於借貸年期確認。

其他財務負債

其他財務負債包括應付貿易賬款及其他應付賬款、應付關連公司款及應付聯營公司款乃隨後採用實際利息法按已攤銷成本計量。

股權工具

本公司發行之股權工具乃按已收所得款項（扣除直接發行成本）記賬。



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截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition

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

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in accumulated losses.

Foreign currencies

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

財務工具 (續)

財務負債及權益 (續)

不再確認

若從資產收取現金流之權利已到期，或財務資產已轉讓及本集團已將其於財務資產擁有權之絕大部份風險及回報轉移，則財務資產將被取消確認。於不再確認財務資產時，資產賬面值與已收及應收代價之差額及直接於股權確認之累計損益將於損益賬中確認。

當有關合約所訂明責任獲解除、註銷或屆滿時，財務負債將被解除確認。解除確認之財務負債之賬面值與已付或應付代價間之差額於累計虧損中確認。

外幣

編製每間個別集團實體之財務報告時，以該實體功能貨幣以外之貨幣(外幣)所進行交易乃以其功能貨幣(即該實體運營之主要經濟環境之貨幣)按交易日期之主要匯率入帳。於各結算日，以外幣列值之貨幣項目乃按結算日之主要匯率重新換算。以外幣歷史成本計量之非貨幣項目則不予重新換算。



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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

Foreign currencies (Continued)

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on acquisition of foreign operations prior to 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange difference arising are recognised in the translation reserve.

外幣 (續)

貨幣項目結算及貨幣項目換算產生之匯兌差額乃於產生之期間確認為溢利或虧損。

就呈報綜合財務報告而言，本集團之海外業務資產及負債乃按結算日之主要匯率換算為本公司之呈報貨幣(即港元)，而彼等之收入及開支則按本年之平均匯率換算，惟倘期內匯率顯著波動則除外，於該情況下，則採用交易日期之主要匯率。所產生之匯兌差額(如有)乃確認為權益之獨立部份(匯兌儲備)。該項匯兌差額乃於出售海外業務之期內於損溢賬內確認。

於二零零五年一月一日前收購海外業務所產生之商譽及公平值調整被視作海外業務之資產與負債，並按結算日之通行匯率換算。匯兌產生之差額於換算儲備確認。



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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumption 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 period, are discussed below.

Estimated impairment of trade receivables, amounts due from related companies and amounts due from associates

When there is objective evidence of impairment loss, the Group assesses impairment loss by taking into consideration the estimation of future cash flows and the latest available information of the financial position of the debtors. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Estimated impairment of intangibles

The Group's net carrying amount of technology license right as at 31 December 2006 was approximately HK\$9,800,000. The management estimates the recoverable amount of the intangibles by estimation of the future cash flows expected to arise and a suitable discount rate in order to calculate the present value. Change in the estimation may have a material impact on the recoverable amount of the intangibles.

4. 估計不確定性之主要來源

對下一財政期間之資產及負債賬面值具重大調整風險，其關於未來之主要假設以及於結算日之其他不確定性之主要來源載於下文。

估計貿易應收款、應收關連公司款及應收聯營公司款減值

當有減值虧損客觀跡象時，本集團會考慮未來現金流估計及債務人財務狀況之最新可得資料來估定減值虧損。如實際未來現金流低於預期，則或會產生重大減值虧損。

估計無形資產減值

於二零零六年十二月三十一日，本集團之技術授權許可證之賬面淨值約為9,800,000港元。管理層估計無形資產可收回額之方式為估計預期產生之未來現金流量，及用以計算現值之適當貼現率。估計上之變動可對無形資產可收回額帶來重大影響。



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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and other receivables, amounts due from related companies, amounts due from associates, bank balances and cash, trade and other payables, amounts due to related companies, amounts due to associates and borrowings. Details of these financial instruments are disclosed in the respective notes. The risk associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Credit risk

The Group's major financial assets are trade receivables, amounts due from associates, and amounts due from related companies, bank balances, which represent the Group's maximum exposure to credit risk in relation to financial assets.

In order to minimise the credit risk in relation to trade receivables, amounts due from associates, and amounts due from related companies, the management of the Group reviews the recoverable amount of each individual trade debt, amounts due from associates and amounts due from related companies at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the majority of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

5. 財務風險管理目標及政策

本集團之主要財務工具包括貿易及其他應收款、應收關連公司款、應收聯營公司款、銀行結存及現金、貿易及其他應付款、應付關連公司款、應付聯營公司款及借款。該等財務工具之詳情分別披露於附註中。與該等財務工具有關之風險及本集團為減低該等風險而採用之政策載於下文。管理層監控該等風險，確保適當方法以及時及有效之方式實施。

信貸風險

本集團之主要財務資產為貿易應收款、應收聯營公司款及應收關連公司款、銀行現金結餘，本集團就該等財務資產承受之信貸風險為最高。

為將貿易應收款、應收聯營公司款及應收關連公司款之信貸風險降至最低，本集團管理層於各結算日對各個別貿易債務、應收聯營公司款及應收關連公司款之可收回金額進行檢討，以確保對不可收回金額作出充分減值虧損。在此方面，本公司董事認為本集團之信貸風險得以大大降低。

流動資金所受之信貸風險有限，因為大多數交易均為獲國際信貸評級機構評為高信貸級別之銀行。



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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

The Group's interest rate risk relates primarily to fixed-rate borrowings. The Group currently does not have policy to against its interest risk. However, the management monitors interest rate risk exposure and will consider implementing appropriate measures when significant interest rate exposure is anticipated.

6. TURNOVER

Turnover represents the gross invoiced value of goods sold less discounts and sales related taxes and revenue from service contracts. An analysis of the Group's revenue for the year from continuing and discontinued operation is as follows:

5. 財務風險管理目標及政策 (續)

利率風險

本集團之利率風險主要有關固定利率銀行借貸。本集團現時並無現金流量利率對沖政策。然而，管理層會監察利率風險，在有需要時，將考慮對沖重大利率風險。

6. 營業額

營業額包括以下收取經扣除折扣及退貨之銷售貨品發票總值及由服務合約產生之收入。本年度本集團持續經營及已終止經營業務之收入分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Continuing operations	持續經營業務		
Sales of goods	貨品銷售	134,690	165,713
Revenue from service contracts	服務合約收入	6,585	7,765
		141,275	173,478
Discontinued operation	終止經營業務		
Sales of goods	貨品銷售	14,924	12,306
		156,199	185,784

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(A) Business segments

For management purposes, the Group has been organised into the following divisions:

Communication Products, Intelligent Transportation Systems ("ITS"), Video Conference System, Broadband Wireless Access and Wind Energy Facilities. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Communication Products	—	manufacture and distribution of telecommunication products
ITS	—	development, manufacture, distribution and installation of global positioning system application products
Video Conference System (Note)	—	development, manufacture, distribution and installation of video conference system
Broadband Wireless Access	—	development, distribution and installation of broadband system, equipment and accessories
Wind Energy Facilities	—	maintenance and operation of wind energy plants and facilities

Note: During the year, the Group has discontinued its operation in video conference system (see note 10).

7. 業務及地區分類

(A) 業務類別

就管理而言，本集團目前按以下經營組別組成：

通訊產品、智能交通系統、視訊會議系統、寬帶無線接入及風力發電設施。此等類別為本集團呈報其基本分類資料之基準。

主要業務如下：

通訊產品	—	製造及分銷電訊產品
智能交通系統	—	開發、製造、分銷及安裝全球衛星定位系統應用產品
視訊會議系統 (附註)	—	開發、製造、分銷及安裝電視會議系統
寬帶無線接入	—	開發、分銷及安裝寬帶系統、設備及配件
風力發電設施	—	維護及運營風力發電廠及設施

附註：年內，本集團終止經營其視訊會議系統 (見附註10)

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7 BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

7. 業務及地區分類 (續)

(A) Business segments (Continued)

- (i) Segment information about these businesses for the year ended 31 December 2006 is presented below:

Income statement

		Continuing operations						Discontinued operation		
		持續經營業務						終止經營業務		
		Communication Products	Broadband Wireless		Wind Energy	Others	Eliminations	Total	Video Conference	
			ITS	Access	Facilities				System	Consolidated
通訊產品	智能交通系統	寬帶無線接入	風力發電設施	其他	抵銷	總額	視訊會議系統	綜合		
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		
TURNOVER	營業額									
External sales	對外銷售	55,506	32,073	53,696	—	—	—	141,275	14,924	156,199
RESULT	業績									
Segment result	分類業績	4,503	(1,115)	(62,892)	(520)	(117)	—	(60,141)	582	(59,559)
Unallocated corporate expenses	未經分配公司費用							(13,851)	—	(13,851)
Unallocated corporate income	未經分配公司收入							14,585	—	14,585
Gain (loss) on disposal and deemed disposal of subsidiaries	出售及視作出售附屬公司之收益(虧損)							3,325	(684)	2,641
Finance costs	財務成本							(9,370)	(77)	(9,447)
Share of results of associate	應佔聯營公司業績	540	(671)	(723)	(446)	—	—	(1,300)	—	(1,300)
Loss before taxation	除稅前虧損							(66,752)	(179)	(66,931)
Taxation	稅項							1,751	(45)	1,706
Loss for the year	本年度虧損							(65,001)	(224)	(65,225)

損益表

- (i) 截至二零零六年十二月三十一日止年度，有關此等業務之分類資料呈列如下：

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

7. 業務及地區分類 (續)

(A) Business segments (Continued)

- (i) Segment information about these businesses for the year ended 31 December 2006 is presented below: (Continued)

Balance sheet

		Communication Products 通訊產品 HK\$'000 千港元	ITS 智能交通系統 HK\$'000 千港元	Broadband Wireless Access 寬帶無線接入 HK\$'000 千港元	Wind Energy Facilities 風力發電設施 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產						
Segment assets	分類資產	52,033	35,709	195,588	2,828	167	286,325
Interest in associates	於聯營公司之權益	530	1,320	3,423	73,675	5,916	84,864
Unallocated corporate assets	未經分配之公司資產						46,453
Consolidated total assets	綜合資產總額						417,642
LIABILITIES	負債						
Segment liabilities	分類負債	11,746	18,957	7,379	5	47	38,134
Unallocated corporate liabilities	未經分配之公司負債						287,222
Consolidated total liabilities	綜合負債總額						325,356

(A) 業務類別 (續)

- (i) 截至二零零六年十二月三十一日止年度，有關此等業務之分類資料呈列如下：(續)

資產負債表

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截至二零零六年十二月三十一日止年度

7 BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

7. 業務及地區分類 (續)

(A) Business segments (Continued)

- (i) Segment information about these businesses for the year ended 31 December 2006 is presented below: (Continued)

Other information

(A) 業務類別 (續)

- (i) 截至二零零六年十二月三十一日止年度，有關此等業務之分類資料呈列如下：(續)

其他資料

	Continuing operations 持續經營業務						Discontinued operation 終止經營業務	Total	System Conference 視訊 會議系統	Consolidated 綜合
	Communication Products 通訊產品	Broadband Wireless ITS 智能 交通系統	Wind Energy Access 寬帶 風力 無線接入	Facilities 發電設施	Others 其他	Unallocated 未經分配				
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Capital additions	資本性增加									
— Property, plant and equipment	— 物業、廠房及設備	—	4,758	4,817	—	—	25	9,600	187	9,787
Depreciation and amortisation	折舊及攤銷									
— Property, plant and equipment	— 物業、廠房及設備	163	1,608	5,190	—	3	403	7,367	347	7,714
— Development costs	— 開發成本	—	856	2,619	—	—	—	3,475	—	3,475
— Technology license right	— 技術授權許可證	—	—	9,425	—	—	—	9,425	—	9,425
Allowance for doubtful debts	呆賬撥備	—	—	22,170	—	—	—	22,170	—	22,170
Allowance for obsolete inventories	陳舊存貨撥備	5	—	1,911	—	—	—	1,916	—	1,916
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	—	48	—	—	—	—	48	—	48
Impairment loss recognised in respect of:	確認之減值虧損：									
— Development costs	— 開發成本	—	207	146	—	—	—	353	—	353
— Technology license right	— 技術授權許可證	—	—	9,050	—	—	—	9,050	—	9,050
Impairment loss recognised in respect of goodwill	商譽減值虧損	—	—	542	—	—	—	—	—	542
Gain (loss) on disposal of subsidiaries	出售附屬公司之收益(虧損)	—	980	2,345	—	—	—	3,325	(684)	2,641

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

7. 業務及地區分類 (續)

(A) Business segments (Continued)

- (ii) Segment information about these businesses for the year ended 31 December 2005 is presented below:

Income statement

		Continuing operations					Discontinued operation		Consolidated
		持續經營業務					終止經營業務		
		Communication	Broadband Wireless	Wind Energy	Others	Eliminations	Total	Video Conference System	
		Products	ITS Access	Facilities					
		通訊產品	智能 交通系統	發電設施	其他	抵銷	總額	視訊 會議系統	綜合
		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
TURNOVER	營業額								
External sales	對外銷售	39,284	35,399	98,795	—	—	173,478	12,306	185,784
Inter-segment sales*	業務部門間銷售*	—	469	11,156	—	(11,625)	—	—	—
Total	合共	39,284	35,868	109,951	—	(11,625)	173,478	12,306	185,784
RESULT	業績								
Segment result	分類業績	(904)	(893)	23,209	—	(1,533)	19,879	(4,680)	15,199
Unallocated corporate expenses	未經分配公司費用						(38,925)	—	(38,925)
Finance costs	財務成本						(5,803)	(86)	(5,889)
Share of results of associates	應佔聯營公司業績	—	(259)	—	—	—	(259)	—	(259)
Loss before taxation	除稅前虧損						(25,108)	(4,766)	(29,874)
Taxation	稅項						439	71	510
Loss for the year	本年度虧損						(24,669)	(4,695)	(29,364)

* Inter-segment sales are charged at prevailing market prices.

* 業務部門間銷售是以現行市價作價。

損益表

- (ii) 截至二零零五年十二月三十一日止年度，有關此等業務之分類資料呈列如下：

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7 BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

7. 業務及地區分類 (續)

(A) Business segments (Continued)

(A) 業務類別 (續)

(ii) Segment information about these businesses for the year ended 31 December 2005 is presented below: (Continued)

(ii) 截至二零零五年十二月三十一日止年度，有關此等業務之分類資料呈列如下：(續)

Balance sheet

資產負債表

		Communication		Video	Broadband	Wind		
		Products	ITS	Conference	Wireless	Energy	Others	Consolidated
		通訊產品	智能交通系統	視訊會議系統	寬帶無線接入	風力發電設施	其他	綜合
		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
ASSETS	資產							
Segment assets	分類資產	14,849	39,607	19,134	251,562	—	372	325,524
Interest in associates	於聯營公司之權益	—	1,010	—	—	7,640	—	8,650
Unallocated corporate assets	未經分配之公司資產							18,182
Consolidated total assets	綜合資產總額							352,356
LIABILITIES	負債							
Segment liabilities	分類負債	16,356	17,790	3,175	41,511	—	594	79,426
Unallocated corporate liabilities	未經分配之公司負債							118,300
Consolidated total liabilities	綜合負債總額							197,726

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

7. 業務及地區分類 (續)

(A) Business segments (Continued)

(A) 業務類別 (續)

(ii) Segment information about these businesses for the year ended 31 December 2005 is presented below: (Continued)

(ii) 截至二零零五年十二月三十一日止年度，有關此等業務之分類資料呈列如下：(續)

Other information

其他資料

	Continuing operations						Discontinued operation		Consolidated	
	Communication Products	Broadband		Wind	Others	Unallocated	Total	Video		
		ITS	Access	Facilities				Conference		
		智能	寬帶	風力				視訊		
通訊產品	交通系統	無線接入	發電設施	其他	未經分配	總額	會議系統	綜合		
	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	
Capital additions	資本性增加									
— Property, plant and equipment	— 物業、廠房及設備	493	1,995	10,508	—	787	—	13,783	63	13,846
— Development costs	— 開發成本	—	—	2,418	—	—	—	2,418	—	2,418
Depreciation and amortisation	折舊及攤銷									
— Property, plant and equipment	— 物業、廠房及設備	119	1,334	4,902	—	13	410	6,778	425	7,203
— Development costs	— 開發成本	—	944	1,560	—	—	—	2,504	250	2,754
— Technology license right	— 技術授權許可證	—	—	2,262	—	—	—	2,262	—	2,262
(Reversal of) allowance for doubtful debts	呆賬(撥回)撥備	—	(48)	3,561	—	—	—	3,513	1,665	5,178
Allowance for amount due from an associate	應收聯營公司款撥備	—	—	—	—	—	27,633	27,633	—	27,633
Allowance for obsolete inventories	陳舊存貨撥備	—	274	—	—	—	—	274	—	274
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	—	35	10	—	—	—	45	—	45
Impairment loss recognised in respect of goodwill	商譽減值虧損	—	—	—	—	—	—	—	2,668	2,668
Write-off of development costs	開發成本撇銷	—	228	—	—	—	—	228	—	228

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7 BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

7. 業務及地區分類 (續)

(B) Geographical segments

The Group's operations are located in Hong Kong and other parts of the PRC.

- (i) The following table provides an analysis of the Group's sales by geographical market:

		Turnover 營業額	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
PRC	中國	71,715	141,775
Hong Kong	香港	14,100	15,919
United States of America	美國	69,191	25,783
Others	其他	1,193	2,307
		156,199	185,784

- (ii) The following is an analysis of the carrying amount of the segment assets, and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets are located.

(B) 地區分類

本集團之業務位於香港及中國之其他地區。

- (i) 下表載列本集團銷售額按地區市場之分析：

- (ii) 以下分類資產及添置物業、廠房及設備及無形資產之賬面值分析，乃按資產所處之地區進行分析。

		Carrying amount of segment assets 分類資產賬面值		Additions to property, plant and equipment and intangible assets 添置物業、廠房 與設備及無形資產	
		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
PRC	中國	186,514	269,905	7,860	15,739
Hong Kong	香港	99,811	55,619	1,927	525
		286,325	325,524	9,787	16,264

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8. FINANCE COSTS

8. 財務成本

	Continuing operations		Discontinued operation		Consolidated	
	持續經營業務		終止經營業務		綜合	
	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
	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
Interest on:						
Bank borrowings						
— wholly repayable within five years	2,367	3,161	77	86	2,444	3,247
— not wholly repayable within five years	—	494	—	—	—	494
Other loans						
— wholly repayable within five years	7,003	—	—	—	7,003	—
— not wholly repayable within five years	—	2,148	—	—	—	2,148
	9,370	5,803	77	86	9,447	5,889



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9. 稅項

		Continuing operations		Discontinued operation		Consolidated	
		持續經營業務		終止經營業務		綜合	
		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
		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
Tax credit (charge) for the year comprises:	本年度稅項抵免 (支出) 包括：						
Current tax:	即期稅項：						
Hong Kong	香港	(330)	—	—	—	(330)	—
Other regions in the PRC	中國其他地區	(104)	—	—	—	(104)	—
		(434)	—	—	—	(434)	—
(Under)overprovision in prior years:	往年 (撥備不足) 超額撥備：						
Hong Kong	香港	(13)	(19)	—	—	(13)	(19)
Other regions in the PRC	中國其他地區	(19)	—	(45)	71	(64)	71
		(32)	(19)	(45)	71	(77)	52
Deferred tax credit (note 27)	遞延稅項 (附註27)	2,217	458	—	—	2,217	458
		1,751	439	(45)	71	1,706	510

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9. TAXATION (續)

The reconciliation of tax credit for the year to the loss before taxation is as follows:

9. 稅項 (續)

本年度稅項抵免與除稅前虧損之對賬如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loss before taxation	除稅前虧損		
Continuing operations	持續經營業務	(66,752)	(25,108)
Discontinued operation	終止經營業務	(179)	(4,766)
		(66,931)	(29,874)
Tax credit at Hong Kong Profits Tax of 17.5% (2005: 17.5%)	按香港利得稅稅率17.5% (二零零五年：17.5%) 計算之稅項支出	11,713	5,228
Share of results of associates	應佔聯營公司業績	(228)	(45)
Tax effect of expenses not deductible for tax purpose	不可就稅務目的扣除之 開支之稅務影響	(977)	(1,243)
Tax effect of temporary differences not recognised	未經確認之暫時差額 之稅務影響	(823)	—
Tax effect of income not taxable for tax purpose	不須就稅務目的課稅 之收入之稅務影響	889	497
Tax effect of losses not recognised	未經確認之稅項虧損 之稅務影響	(10,317)	(11,561)
Utilisation of tax losses previously not recognised	動用先前未經確 認之稅項虧損	2,319	366
Effect of different tax rates of subsidiaries operating in other regions in the PRC	在中國其他地區經營 業務之附屬公司之 不同稅率影響	(739)	(320)
(Under)over provision in prior year	往年(撥備不足)超額撥備	(77)	52
Tax effect of tax exemption granted to a PRC subsidiary	中國附屬公司所獲稅項 豁免之稅務影響	—	7,530
Others	其他	(54)	6
Tax credit for the year	本年度稅項抵免	1,706	510

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the year.

香港利得稅乃按本年度估計應課稅溢利按稅率17.5%計算。



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9. TAXATION (Continued)

Pursuant to relevant laws and regulations in the PRC, the Group's subsidiaries operating in the PRC are entitled to exemption and deductions from income tax under certain tax holidays and concessions. Income tax is calculated at rates given under the respective concessions.

9. 稅項 (續)

根據中國有關法律法規，本集團於中國經營業務之附屬公司可享有若干稅項優惠及寬減而獲豁免及寬減繳納所得稅。所得稅按有關寬減稅率計算。

10. DISCONTINUED OPERATION

On 22 November 2006, the Group entered into a sale and purchase agreement in respect of the disposal of a subsidiary, CASTEL Videotech (Hong Kong) Limited ("CASTEL Videotech"), which carried out all of the Group's development, manufacture, distribution and installation of video conference system. The disposal was effected in order to generate cash flows for the expansion of the Group's other businesses. The disposal was effective in November 2006, in which the control of the disposal group passed to the acquirer.

The loss for the year from the discontinued operation is analysed as follows:

10. 終止經營業務

二零零六年十一月二十二日，本集團就出售附屬公司航通視訊技術(香港)有限公司(「航通視訊」)訂立買賣協議，由該公司進行本集團所有視訊會議系統的開發、生產、分銷及安裝。出售事項旨在產生現金流入以供擴充本集團其他業務所需。出售事項於二零零六年十一月生效，從中出售集團之控制權轉移至收購人。

終止經營業務之年度虧損分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit (loss) of video conference system operation for the year	本年度視訊會議系統業務之溢利(虧損)	460	(4,695)
Loss on disposal of video conference system operation (see note 30)	出售視訊會議系統業務之虧損(見附註30)	(684)	—
		(224)	(4,695)

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10. DISCONTINUED OPERATION (Continued) 10. 終止經營業務 (續)

The results of the video conference system operation for the year up to the date of disposal, which have been included in the consolidated income statement, were as follows:

視訊會議系統業務截至出售日期之業務而計入綜合損益表如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Turnover	營業額	14,924	12,306
Cost of sales	銷售成本	(9,625)	(8,922)
Other income	其他收入	460	189
Distribution costs	分銷成本	(1,530)	(888)
Administrative expenses	行政費用	(3,647)	(7,365)
Finance costs	財務成本	(77)	(86)
Profit (loss) before taxation	除稅前溢利 (虧損)	505	(4,766)
Taxation	稅項	(45)	71
Profit (loss) for the year	本年度溢利 (虧損)	460	(4,695)
Loss on disposal of video conference system operation	出售視訊會議系統業務之虧損	(684)	—
		(224)	(4,695)

During the year, the video conference system operation paid HK\$5,771,000 (2005: HK\$1,145,000) to the Group's net operating cash flows, paid HK\$205,000 (2005: HK\$54,000) in respect of investing activities and contributed HK\$5,000,000 (2005: nil) in respect of financing activities.

年內，出售視訊會議系統業務對本集團經營現金流量淨額貢獻5,771,000港元（二零零五年：1,145,000港元），對投資活動貢獻205,000港元（二零零五年：54,000港元），及對融資活動貢獻5,000,000港元（二零零五年：零港元）。

The carrying amounts of the assets and liabilities of the discontinued operation at the date of disposal are disclosed in note 30.

終止經營業務資產與負債於出售日期之賬面值於附註30披露。

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10. LOSS FOR THE YEAR

11. 年度虧損

		Continuing operations		Discontinued operation		Total	
		持續經營業務		終止經營業務		總計	
		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
		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
Loss for the year has been arrived at after charging:	本年度虧損已扣除：						
Directors' emoluments	董事酬金	1,164	3,774	—	—	1,164	3,774
Other staff costs	其他員工成本	23,672	18,282	2,718	2,017	26,390	20,299
Other staff's retirement benefits scheme contributions	其他員工退休福利計劃供款	1,338	860	64	47	1,402	907
		26,174	22,916	2,782	2,064	28,956	24,980
Amortisation of intangible assets (Note)	攤銷無形資產(附註)	12,900	4,766	—	250	12,900	5,016
Auditors' remuneration	核數師酬金	1,629	1,195	—	5	1,629	1,200
Cost of inventories recognised as an expense	確認為開支之存貨成本	118,832	100,964	7,784	8,921	126,616	109,885
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,367	6,778	347	425	7,714	7,203
Loss on disposal of property, plant and equipment	物業、廠房及設備出售虧損	48	45	—	—	48	45
Loss on disposal and deemed disposal of subsidiaries	出售及視作出售附屬公司之虧損	—	—	684	—	684	—
Impairment loss recognised in respect of goodwill (included in administration expenses)	商譽減值虧損(包括於行政開支)	542	—	—	2,668	542	2,668
Minimum lease payments paid under operating leases in respect of land and buildings	就土地及樓宇根據融資租約支付之最低租金	3,725	3,352	89	97	3,814	3,449
Research and development expenses	研發開支	1,620	696	—	—	1,620	696
Allowance for doubtful debts	呆帳撥備	22,170	3,513	—	1,665	22,170	5,178
Allowance for obsolete inventories	陳舊存貨撥備	1,916	274	—	—	1,916	274
Write-off of development costs	開發成本撇銷	—	228	—	—	—	228
Exchange loss recognised	已確認匯兌虧損	1,247	248	—	—	1,247	248
and crediting:	及計入：						
Interest income	利息收入	559	145	8	9	567	154
Write-back of interest payable (see note 26)	撥回應付利息(見附註26)	14,585	—	—	—	14,585	—
Gain on disposal and deemed disposal of subsidiaries	出售及視作出售附屬公司之收益	3,325	—	—	—	3,325	—

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11. LOSS FOR THE YEAR (Continued)

Note: During the year, amortisation of intangible assets of approximately HK\$12,900,000 (2005: HK\$4,264,000) and nil (2005: HK\$752,000) were included in cost of sales and administrative expenses respectively.

11. 年度虧損 (續)

附註：年內，攤銷無形資產約12,900,000港元(二零零五年：4,264,000港元)及無(二零零五年：752,000港元)已分別計入銷售成本及行政開支內。

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors

The emoluments paid or payable to each of the fourteen (2005: nine) directors were as follows:

12. 董事及僱員酬金

(a) 董事

已付或應付十四位(二零零五年：九位)董事各自之酬金如下：

		2006 二零零六年				2005 二零零五年			
		Other emoluments 其他酬金				Other emoluments 其他酬金			
		Retirement			Total	Retirement			Total
		Salaries and other benefits	benefits contribution	benefits scheme		Salaries and other benefits	benefits contribution	benefits scheme	
		Fees	benefits	contribution	Total	Fees	benefits	contribution	Total
		袍金	薪金及 其他福利	退休福利 計劃供款	總額	袍金	薪金及 其他福利	退休福利 計劃供款	總額
		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
Wang Xiaodong	王曉東	—	814	12	826	—	1,053	12	1,065
Han Jiang*	韓江*	—	67	2	69	—	755	12	767
Zhou Xiaoyun*	周曉雲*	—	67	2	69	—	747	12	759
Xu Jian Hua*	徐建華*	—	—	—	—	—	711	12	723
Ma Yucheng*	馬玉成*	—	—	—	—	—	260	—	260
Liang Xiaohong	梁小虹	—	—	—	—	—	—	—	—
Wu Yansheng	吳燕生	—	—	—	—	—	—	—	—
Li Guang	李光	—	—	—	—	—	—	—	—
Han Shuwang	韓樹旺	—	—	—	—	—	—	—	—
Tang Guohong	唐國宏	—	—	—	—	—	—	—	—
Moh Kwen Yung	毛關勇	50	—	—	50	50	—	—	50
Zhu Shixiong	朱世雄	50	—	—	50	50	—	—	50
Wong Fai, Philip	黃瑋	50	—	—	50	50	—	—	50
Yiu Ying Wai	姚瀛偉	50	—	—	50	50	—	—	50
Total	總額	200	948	16	1,164	200	3,526	48	3,774

* These directors were resigned during the year ended 31 December 2006. The amount shown above represents the directors' emoluments paid during their period of services as directors.

* 該等董事於截至二零零六年十二月三十一日止年度內辭任。上列數字代表彼等出任董事期間所收取之董事酬金。



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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

12. 董事及僱員酬金 (續)

(b) Five highest paid individuals

The five highest paid individuals included three (2005: four) directors, two (2005: nil) of whom resigned during the year and became employees of the Group.

The emoluments of the five highest paid individuals were as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,227	3,939
Retirement benefits scheme contribution	退休福利計劃供款	60	60
		3,287	3,999

The aggregate emoluments paid to each of the highest paid individuals during the year did not exceed HK\$1,000,000.

(b) 五位最高薪酬僱員

五位最高薪酬僱員包括三位(二零零五年:四位)董事,其中兩位(二零零五年:無)董事年度內已離職及成為本集團之僱員。

五位最高薪酬人士之酬金如下:

年內支付各最高薪酬僱員之酬金總額不超過1,000,000港元。

13. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2006, nor has any dividend been proposed since the balance sheet date (2005: nil).

13. 股息

截至二零零六年十二月三十一日止年度,本集團概無派發或擬派發任何股息,自結算日以來亦無建議派發任何股息(二零零五年:無)。

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14. LOSS PER SHARE – BASIC

From continuing operations

The calculation of the basic loss per share from continuing operations attributable to the ordinary equity holders of the parent entity is based on the following data.

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loss for the purpose of basic loss per share	就每股基本虧損而言之虧損	(64,562)	(29,781)
Less: Loss for the year from discontinued operations	減：終止經營業務年內虧損	224	4,695
Loss for the purpose of basic loss per share from continuing operations	就持續經營業務之每股基本虧損而言之虧損	(64,338)	(25,086)

		Number of shares 股份數目	
		2006 二零零六年	2005 二零零五年
Weighted average number of shares for the purpose of basic loss per share	就每股基本虧損之加權平均股份數目	1,017,139,763	1,017,139,763

From discontinued operation

Basic loss per share for the discontinued operation is HK0.02 cents per share (2005: HK0.46 cents per share), based on the loss for the year from the discontinued operation of HK\$224,000 (2005: HK\$4,695,000) and the denominators detailed above for basic loss per share.

14. 每股虧損 – 基本

持續經營業務

計算普通股股本持有人應佔母公司來自持續經營業務之每股經營虧損乃根據下列數據。

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loss for the purpose of basic loss per share	就每股基本虧損而言之虧損	(64,562)	(29,781)
Less: Loss for the year from discontinued operations	減：終止經營業務年內虧損	224	4,695
Loss for the purpose of basic loss per share from continuing operations	就持續經營業務之每股基本虧損而言之虧損	(64,338)	(25,086)

		Number of shares 股份數目	
		2006 二零零六年	2005 二零零五年
Weighted average number of shares for the purpose of basic loss per share	就每股基本虧損之加權平均股份數目	1,017,139,763	1,017,139,763

終止經營業務

終止經營業務之每股基本虧損為每股0.02港仙(二零零五年：每股0.46港仙)，根據終止經營業務之本年虧損224,000港元(二零零五年：4,695,000港元)，及詳列於上文每股基本虧損之分母運算。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Leasehold land and buildings 契約土地 及樓宇 HK\$'000 千港元	Plant, equipment and machinery 廠房、設備 及機器 HK\$'000 千港元	Moulds and tools 及工具 HK\$'000 千港元	Furniture and office equipment 傢俬及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
COST	成本						
At 1 January 2005	於二零零五年一月一日	15,075	31,732	1,007	18,872	3,696	70,382
Exchange adjustment	匯兌調整	290	616	12	102	40	1,060
Additions	增加	7,133	2,890	144	3,015	664	13,846
Reclassifications	重新分類	—	(2,087)	2,052	5	30	—
Disposals	出售	—	(199)	(146)	(357)	—	(702)
At 31 December 2005	於二零零五年 十二月三十一日	22,498	32,952	3,069	21,637	4,430	84,586
Exchange adjustments	匯兌調整	668	972	79	239	63	2,021
Additions	增加	1,161	3,469	25	4,007	1,125	9,787
Disposed of on disposal and deemed disposal of subsidiaries	出售及視作出售 附屬公司	(8,388)	(2,939)	(129)	(6,958)	(1,023)	(19,437)
Disposals	出售	(3,758)	(323)	—	(308)	(288)	(4,677)
At 31 December 2006	於二零零六年 十二月三十一日	12,181	34,131	3,044	18,617	4,307	72,280
DEPRECIATION	折舊						
At 1 January 2005	於二零零五年一月一日	2,713	5,669	310	12,630	1,858	23,180
Exchange adjustment	匯兌調整	53	121	5	55	10	244
Provided for the year	本年撥備	684	3,501	595	1,937	486	7,203
Reclassifications	重新分類	—	(163)	132	29	2	—
Eliminated on disposals	出售時沖銷	—	(164)	(47)	(262)	—	(473)
At 31 December 2005	於二零零五年 十二月三十一日	3,450	8,964	995	14,389	2,356	30,154
Exchange adjustment	匯兌調整	103	260	23	105	22	513
Provided for the year	本年撥備	616	3,927	592	2,067	512	7,714
Eliminated on disposal and deemed disposal of subsidiaries	出售及視作出售 附屬公司時沖銷	(51)	(1,068)	(45)	(3,089)	(556)	(4,809)
Eliminated on disposals	出售時沖銷	(3,758)	(69)	—	(242)	(102)	(4,171)
At 31 December 2006	於二零零六年 十二月三十一日	360	12,014	1,565	13,230	2,232	29,401
NET BOOK VALUES	賬面淨值						
At 31 December 2006	於二零零六年 十二月三十一日	11,821	22,117	1,479	5,387	2,075	42,879
At 31 December 2005	於二零零五年 十二月三十一日	19,048	23,988	2,074	7,248	2,074	54,432



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15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment are depreciated on a straight line basis at the following rates per annum:

Leasehold land and buildings	4 – 5% or over the unexpired lease terms
Plant, equipment and machinery	9 – 15%
Moulds and tools	25%
Furniture and office equipment	10 – 25%
Motor vehicles	18 – 25%

At 31 December 2005, the Group has pledged land and buildings having a net book value of approximately HK\$10,280,000 (2006:nil) to secure general banking facilities granted to the Group.

The Group's property interests shown above were held under medium term leases in the PRC.

15. 物業、廠房及設備 (續)

上述有關物業、廠房及設備之項目以直線法按以下年率折舊：

契約土地及樓宇	4 — 5%或尚餘契約年期
廠房、設備及機器	9 — 15%
模具及工具	25%
傢私及辦公室設備	10 — 25%
汽車	18 — 25%

於二零零五年十二月三十一日，本集團以賬面淨值為約10,280,000港元(二零零六年：零港元)之土地及樓宇作為本集團獲取一般銀行融資之抵押。

本集團上述之物業權益為於中國持有中期租約。



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16. GOODWILL

16. 商譽

		HK\$'000 千港元
<hr/>		
COST	成本	
At 1 January 2005 and 31 December 2005	於二零零五年一月一日及 二零零五年十二月三十一日	4,275
Elimination on disposal and deemed disposal of subsidiaries	出售及視作出售附屬公司時沖銷	(1,065)
<hr/>		
At 31 December 2006	於二零零六年十二月三十一日	3,210
<hr/>		
IMPAIRMENT	減值	
At 1 January 2005	於二零零五年一月一日	—
Impairment loss recognised for the year	本年度確認之減值虧損	2,668
<hr/>		
At 31 December 2005	於二零零五年十二月三十一日	2,668
Impairment loss recognised for the year	本年度確認之減值虧損	542
<hr/>		
At 31 December 2006	於二零零六年十二月三十一日	3,210
<hr/>		
CARRYING VALUES	賬面值	
At 31 December 2006	於二零零六年十二月三十一日	—
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At 31 December 2005	於二零零五年十二月三十一日	1,607
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17. INTANGIBLE ASSETS

17. 無形資產

		Development costs	Technology license right	Total
		開發成本	技術授權許可證	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
COST				
At 1 January 2005	於二零零五年一月一日	14,444	35,100	49,544
Exchange adjustment	匯兌調整	122	—	122
Additions	增加	2,418	—	2,418
Write-off	撇銷	(457)	—	(457)
At 31 December 2005	於二零零五年十二月三十一日	16,527	35,100	51,627
Exchange adjustment	匯兌調整	139	—	139
Disposed of on disposal and deemed disposal of subsidiaries	出售及視作出售附屬公司	(8,048)	—	(8,048)
At 31 December 2006	於二零零六年十二月三十一日	8,618	35,100	43,718
AMORTISATION AND IMPAIRMENT				
At 1 January 2005	於二零零五年一月一日	8,590	4,563	13,153
Exchange adjustment	匯兌調整	53	—	53
Amortised for the year	本年度攤銷	2,754	2,262	5,016
Eliminated on write-off	撇銷時沖銷	(229)	—	(229)
At 31 December 2005	於二零零五年十二月三十一日	11,168	6,825	17,993
Exchange adjustment	匯兌調整	62	—	62
Amortised for the year	本年度攤銷	3,475	9,425	12,900
Disposed of on disposal and deemed disposal of subsidiaries	出售及視作出售附屬公司	(6,440)	—	(6,440)
Impairment loss recognised	確認之減值虧損	353	9,050	9,403
At 31 December 2006	於二零零六年十二月三十一日	8,618	25,300	33,918
NET BOOK VALUES				
At 31 December 2006	於二零零六年十二月三十一日	—	9,800	9,800
At 31 December 2005	於二零零五年十二月三十一日	5,359	28,275	33,634



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17. INTANGIBLE ASSETS (Continued)

Intangible assets are amortised on a straight line basis over the following periods:

Development costs	3 – 5 years
Technology license right	3 years

Development costs are internally generated. Technology license right, which included the right of distribution of broadband products, was acquired from third party. During the year, the directors reconsidered the useful life of the technology license right and changed the estimate from 15 years to 3 years based on the expected years of benefit to be generated. The change in estimate has resulted in an increase in loss of HK\$7,085,000 per annum in current year and future years.

During the year, the directors conducted a review of the Group's intangible assets and determined that certain intangible assets were impaired due to cessation of certain self-development activities of the broadband products. Accordingly, impairment losses of HK\$353,000 and HK\$9,050,000 respectively have been recognised in respect of the development costs and technology license right. The remaining intangible assets after such cessation represents the Group's right of distribution of broadband products, the recoverable amounts of the relevant assets have been determined on the basis of their value in use. The discount rates in measuring the amounts of value in use is 11%.

17. 無形資產 (續)

無形資產乃就下列期間採用直線法攤銷：

開發成本	3 – 5年
技術授權許可證	3年

開發成本乃由內部產生。技術授權許可證(包括寬頻產品分銷權)乃向第三方購得。年內，董事重新考慮技術授權許可證之可使用年期，基於預期將產生利益之年數而將有關估計由15年改為3年。估計之改變導致本年度及未來年度年虧損增加7,085,000港元。

年內，董事檢討了本集團之無形資產並釐定若干無形資產有減值，原因是若干寬頻產品之自行開發活動中斷。因此，分別就開發成本及技術授權許可證確認減值虧損353,000港元及9,050,000港元。開發活動中斷後剩餘之無形資產乃本集團寬頻產品之分銷權，相關資產之可收回額按其使用值釐定。衡量使用值之貼現率為11%。

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18. INTEREST IN ASSOCIATES

18. 於聯營公司之權益

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost of unlisted investments	非上市投資之成本	86,572	9,058
Share of post-acquisition losses	應佔收購後虧損	(1,708)	(408)
Share of net assets	應佔資產淨值	84,864	8,650

The Group has discontinued recognition of its shares of losses of certain associates. The amounts of unrecognised share of those associates, both for the year and cumulatively, are as follows:

本集團已終止確認其應佔若干聯營公司之虧損。不確認應佔該等聯營公司之款額(本年及累計)如下:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unrecognised share of profit of associates for the year	本年度不確認應佔聯營公司溢利	530	576
Accumulated unrecognised share of losses of associates	累計不確認應佔聯營公司虧損	(78,492)	(79,022)

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18. INTEREST IN ASSOCIATES (Continued)

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Total assets	資產總額	1,513,265	67,144
Total liabilities	負債總額	1,221,662	122,306
Net assets (liabilities)	資產(負債)淨值	291,603	(55,162)
Revenue	收入	15,207	38,578
(Loss) profit for the year	本年度(虧損)溢利	(5,101)	547

Details of the principal associates of the Group at 31 December 2006 are set out in note 36.

18. 於聯營公司之權益 (續)

本集團聯營公司之概述財務資料如下

於二零零六年十二月三十一日，本集團主要聯營公司詳情載於附註36。

19. INVENTORIES

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Raw materials	原材料	2,019	9,814
Work-in-progress	在製品	11,091	15,878
Finished goods	製成品	49,800	23,116
		62,910	48,808

19. 存貨

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20. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of HK\$82,615,000 (2005: HK\$155,577,000). The Group allows credit periods ranging from 45 days to 180 days to its customers for sales of goods. At the discretion of the directors, several major customers were allowed to settle their balances beyond the credit terms up to one year. The average credit period of one year will be given to customers for revenue from service contracts. The following is an aged analysis of trade receivables at the balance sheet date:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 30 days	30日內	44,039	37,642
Between 31 — 90 days	31 — 90日	2,682	21,741
Between 91 — 180 days	91 — 180日	649	77,649
Between 181 — 365 days	181 — 365日	832	7,647
Over 1 year	超過一年	34,413	10,898
		82,615	155,577

The fair values of the Group's trade and other receivables at the balance sheet date approximate to the corresponding carrying amounts.

於結算日，本集團貿易及其他應收款之公平值與相應賬面金額相若。

21. AMOUNTS DUE FROM/TO RELATED COMPANIES

The amounts represent amounts due from/to China Aerospace International Holdings Limited ("CASIL") and its subsidiaries. CASIL is an associate of CASC.

The amounts are unsecured, non-interest bearing and repayable on demand. The directors of the Company are of the opinion that their fair values at the balance sheet date approximate to the carrying amounts.

21. 應收/應付關連公司款

該款項指應收/應付航天科技國際集團有限公司(「航天」)及其附屬公司之款項。航天為中航總之聯營公司。

該款項為無抵押、免息及按要求償還。本公司董事認為，該款項於結算日之賬面金額與公平值相若。



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22. AMOUNTS DUE FROM/TO ASSOCIATES

The amounts are unsecured, non-interest bearing and repayable on demand. The directors of the Company are of the opinion that their fair values at the balance sheet date approximate to the carrying amounts.

23. PLEDGED BANK DEPOSITS

The amount represents deposits pledged to banks for general banking facilities granted to the Group. The deposits carried fixed interest rate at 3.15% (2005: 3.1%) per annum. The fair values of bank deposits at balance sheet date approximate to the carrying amounts.

24. BANK BALANCES AND CASH

Bank balances and cash comprise demand deposits at an average rate of 3.2%. The directors of the Company are of the opinion that the fair values at the balance sheet date approximate to the carrying amounts.

22. 應收/應付聯營公司款

該款項為無抵押、免息及按要求償還。本公司董事認為，該款項於結算日之賬面金額與公平值相若。

23. 已抵押銀行存款

該款項指本集團為獲取一般銀行融資額度而抵押予銀行之存款。該等存款按固定年利率3.15厘（二零零五年：3.1厘）計息。於結算日，銀行存款之公平值與相應賬面金額相若。

24. 銀行結存及現金

銀行結存及現金包括按平均利率3.2厘計息之活期存款。本公司董事認為該等款項於結算日之賬面金額與公平值相若。

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25. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$19,844,000 (2005: HK\$31,023,000). The following is an aged analysis of trade payables at the balance sheet date:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 30 days	30日	14,576	14,641
Between 31 – 90 days	31日 — 90日	1,167	8,651
Between 91 – 180 days	91 — 180日	901	1,753
Between 181 – 365 days	181 — 365日	84	1,120
Over 1 year	超過一年	3,116	4,858
		19,844	31,023

The fair values of the Group's trade and other payables at the balance sheet date approximate to the corresponding carrying amount.

25. 貿易及其他應付款

貿易及其他應付款包括貿易應付款 19,844,000 港元 (二零零五年：31,023,000 港元)。貿易應付款於結算日之賬齡分析如下：

於結算日，本集團貿易及其他應付款之公平值與相應賬面金額相若。

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26. BORROWINGS

26. 借貸

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank loans – secured	銀行貸款 — 有抵押	—	7,157
Bank loans – unsecured	銀行貸款 — 無抵押	—	24,387
Bank overdrafts – unsecured	銀行透支 — 無抵押	—	14,528
Total bank borrowings	銀行借貸總額	—	46,072
Other loans (note a)	其他貸款 (附註a)	56,756	59,580
Short term shareholder's loan (note b)	短期股東貸款 (附註b)	40,594	—
Long term shareholder's loan (note c)	長期股東貸款 (附註c)	168,317	—
Total other loans	其他貸款總額	265,667	59,580
Total borrowings	借貸總額	265,667	105,652
Less: Amount due within one year included under current liabilities	減：列為流動負債而須於一年內償還之款項	(97,350)	(98,998)
Amount due after one year	一年後到期之款項	168,317	6,654
The maturity of the Group's borrowings is as follows:	集團之借貸之到期期限如下：		
On demand or within one year	即期償付或一年內	97,350	98,998
Between one to two years	一年至兩年	—	536
Between two to five years	兩年至五年	168,317	1,837
Over five years	五年以上	—	4,281
		265,667	105,652

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26. BORROWINGS (Continued)

On 26 October 2006, the Group entered into an agreement with a bank in respect of the Group's outstanding bank borrowings (the "Settlement Agreement"). Pursuant to the Settlement Agreement, the Group has discharged all the liabilities in respect of the outstanding loans (including interest payable) by the repayment of HK\$39,000,000. Accordingly, the interest payable brought forward amounting to approximately HK\$14,585,000 has been written-back in the consolidated income statement during the year.

Notes:

- (a) The amount in 2006 (2005: HK\$54,773,000) represents advance from China Great Wall Industry Corporation, a wholly-owned subsidiary of CASC, and the respective interests accrued. Such advances are unsecured, bears interest at 4.25% (2005: 4.25%) per annum and are repayable on demand. The interests accrued of HK\$9,957,000 (2005: HK\$7,973,000) is unsecured, non-interest bearing and repayable on demand. The remaining balance of other loans in 2005 represented advance from an independent third party with interest rate at 5.8% per annum.
- (b) The amount represents loan advanced from CALT through 航天科技財務有限公司 ("CASIL Finance") as the trustee. The amount is unsecured, bears interest at 5.10% per annum and repayable in full on 29 August 2007. CASIL Finance is a subsidiary of CASC.
- (c) The amount represents loan advanced from CALT through CASIL Finance as the trustee. The amount is unsecured, bears interest at 5.04% per annum and repayable in full on 29 August 2011.

The Group had variable-rate borrowings at 31 December 2005 which carried interest at 2% to 3% above prime rate.

In the opinion of the directors of the Company, the fair value of the Group's borrowings at the balance sheet date approximates to the corresponding carrying amount.

26. 借貸 (續)

二零零六年十月二十六日，本集團與一銀行就本集團未償還銀行借貸訂立協議（「和解協議」）。根據和解協議，本集團藉償還39,000,000港元而解除未償還貸款（連利息）之一切責任。因此結轉應付利息約14,585,000港元已於年內在綜合損益表撥回。

附註：

- (a) 二零零六年款項（二零零五年：54,773,000港元）指中航總全資附屬公司中國長城工業總公司墊付之款項及有關之應計利息。該等墊款為無抵押、按年利率4.25厘（二零零五年：4.25厘）計息及須於要求時償還。應計利息9,957,000港元（二零零五年：7,973,000港元）為無抵押、免息及須於要求時償還。二零零五年剩餘之其他貸款為獨立第三方墊款，以年利率5.8厘計息。
- (b) 該款項指航天通過航天科技財務有限公司（「航天財務」）（作為受託人）墊付之款項。該款項乃無抵押、按年利率5.10厘計息及須於二零零七年八月二十九日清還。航天財務為中航總之附屬公司
- (c) 火箭院以航天財務作為受託人墊支之貸款款項。該款項為無抵押、按年利率5.04%計息及須於二零一一年八月二十九日全數歸還。

本集團於二零零五年十二月三十一日之浮息借貸乃按最優惠利率加2至3厘計息。

本公司董事認為，本集團借貸於結算日之公平值與相應賬面金額相若。

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27. DEFERRED TAXATION

27. 遞延稅項

The followings are the major deferred tax liabilities (assets) recognised by the Group.

本集團已確認之重大遞延稅項負債(資產)如下。

		Accelerated tax depreciation	Development costs	Technology license right 技術授 權許可證	Tax losses	Total
		加速稅項折舊	開發成本	權許可證	稅項虧損	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2005	於二零零五年 一月一日	477	104	5,344	(3,250)	2,675
(Credit) charge for the year	本年度(抵免)支出	(134)	(34)	(396)	106	(458)
At 31 December 2005	於二零零五年 十二月三十一日	343	70	4,948	(3,144)	2,217
(Credit) charge for the year	本年度(抵免)支出	(191)	(70)	(3,233)	1,277	(2,217)
At 31 December 2006	於二零零六年 十二月三十一日	152	—	1,715	(1,867)	—

For the purpose of balance sheet presentation, certain deferred tax assets and liabilities have been offset.

就呈列資產負債表而言，若干遞延稅項資產及負債已予以抵銷。

At 31 December 2006, the Group has unused tax losses of approximately HK\$247,758,000 (2005: HK\$231,436,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$10,669,000 (2005: HK\$17,970,000) of such tax losses. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately HK\$237,089,000 (2005: HK\$213,466,000) due to unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$67,937,000 (2005: HK\$55,000,000) that may be carried forward indefinitely. The remaining unrecognised tax losses will be expired within five years.

於二零零六年十二月三十一日，本集團有未動用稅項虧損約247,758,000港元(二零零五年：231,436,000港元)用作抵銷日後之溢利。現已就該稅項虧損中約10,669,000港元(二零零五年：17,970,000港元)確認遞延稅項資產。由於未能估計日後之溢利來源，故未有就其餘約237,089,000港元(二零零五年：213,466,000港元)之稅項虧損確認遞延稅項資產。未確認稅項虧損包括虧損67,937,000港元(二零零五年：55,000,000港元)可予無限期結轉。其餘未確認稅項虧損將於五年內到期。

At the balance sheet date, the Group has deductible temporary difference of HK\$4,705,000 (2005: nil). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

於結算日，本集團可扣減暫時差額4,705,000港元(二零零五年：無)。由於應課稅溢利不大可能產生以動用可扣減暫時差額，故無就此可扣減暫時差額確認遞延稅項資產。

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28. SHARE CAPITAL

28. 股本

		Number of shares 2006 & 2005 股份數目	Amount 2006 & 2005 股本 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股普通股面值十港仙		
Authorised:	法定：		
At beginning and end of the year	於年初及年終	10,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
At beginning of the year and at end of the year	於年初及年終	1,017,139,763	101,714

29. SHARE OPTION SCHEMES

Under the terms of the share option scheme of the Company (the "CASTEL Scheme") which became effective on 23 July 1997 and shall be valid until 23 July 2007, the board of directors may offer to any full time employees, including executive directors of the Company and/or any of its subsidiaries, options to subscribe for shares in the Company at a price which is not less than the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options, subject to a maximum of 10% of the issued share capital of the Company from time to time. Pursuant to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") with which the Company must comply, the exercise price of options under an option scheme must be at least the higher of: (i) the closing price of the shares on the Stock Exchange on the date of grant, which must be a business day; and (ii) the average closing price of the shares for the five business days immediately preceding the date of grant. The total number of options to be issued to each participant in any twelve-month period must not exceed 1% of the share capital of

29. 購股權計劃

根據於一九九七年七月二十三日生效及有效期直至二零零七年七月二十三日之本公司購股權計劃（「航通計劃」），董事會可向任何全職僱員包括本公司及／或其任何附屬公司之執行董事授出購股權，使其可按不少於股份面值及緊接購股權授出日期前五個交易日股份於聯交所之平均收市價之80%（以較高者為準）認購本公司之股份，惟以不多於本公司不時已發行股本之10%為限。根據聯交所證券上市規則（「上市規則」）第17章，本公司必須遵守購股權計劃項下購股權行使價必須至少為以下較高者之規定：(i) 股份於授出日期（必須為營業日）在聯交所之收市價；及(ii) 緊接授出日期前五個營業日股份之平均收市價。於任何十二個月期間將向每名參與者發行之購股權總數不得超過本公司已發行



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28. SHARE OPTION SCHEMES (Continued)

the company in issue. The options granted must be accepted within 28 days from date of grant. Upon acceptance of an offer of options, an amount of HK\$1 by way of consideration is payable by the employee. Options may be exercised at any time for a period to be determined by the directors of the Company, which shall not exceed ten years from the adoption of the CASTEL Scheme. Unless otherwise terminated or altered, the CASTEL Scheme will remain in force for a period of ten years from the date of adoption.

The purpose of the Scheme is to recognise the contribution of employees of the Group.

No share option under the CASTEL Scheme was granted to the directors or employees of the Company or its subsidiaries at 31 December 2005 and 31 December 2006.

30. DISPOSAL AND DEEMED DISPOSAL OF SUBSIDIARIES

On 30 June 2006, CASTEL Qihua Hi-Tech Investments Limited ("CASTEL Qihua"), a subsidiary of the Company, entered into an agreement with Concord Pacific Satellite Technologies Limited ("Concord Pacific"), an independent third party, under which Concord Pacific agreed to invest HK\$2,000,000 directly in CASTEL Spaceinet (Hong Kong) Communications Limited ("Spaceinet HK") and that Spaceinet HK would allot 1,020,000 shares to Concord Pacific and 979,998 shares to CASTEL Qihua respectively. Upon the completion of the transaction, Concord Pacific owned as to 51% of the total issued shares of Spaceinet HK. Spaceinet HK was engaged in the development, distribution and installation of Global Position System application and related product and a gain on disposal of HK\$980,000 was recognised.

29. 購股權計劃 (續)

股本之1%。授出之購股權必須在授出日期28天內接納。於接納購股權建議後，僱員須透過支付港幣1元之方式作為代價。購股權可於本公司董事會決定之任何時期內行使，惟不可超過由航通計劃生效日起計十年。除非因其他原因被終止或修訂，航通計劃將由生效日起保持有效，為期十年。

購股權計劃旨在確認僱員對本集團所作出之貢獻。

於二零零五年十二月三十一日及二零零六年十二月三十一日，本公司或其附屬公司之董事或僱員概無獲授任何購股權。

30. 出售及視作出售附屬公司

二零零六年六月三十日，本公司附屬公司航通奇華高科技投資有限公司（「航通奇華」）與獨立第三方宇航衛星科技有限公司（「宇航衛星」）訂立協議，據此，宇航衛星同意直接投資2,000,000港元於航天星網（香港）通訊有限公司（「星網香港」），而星網香港將分別配發1,020,000股予宇航衛星及979,998股予航通奇華。該交易完成後，宇航衛星將擁有星網香港已發行股本總額之51%。星網香港經營全球定位系統及相關產品之開發、分銷及安裝。出售收益980,000港元已予確認。



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30. DISPOSAL AND DEEMED DISPOSAL OF SUBSIDIARIES (Continued) 30. 出售及視作出售附屬公司 (續)

On 30 September 2006, CASTEL Broadband Holdings Limited and 航天科技通信(深圳)有限公司, wholly-owned subsidiaries of the Company, entered into an agreement with Hao Hsin Trading and Investment Company Limited (“Hao Hsin”), an independent third party, under which Hao Hsin agreed to invest HK\$15,000,000 in 航天無線通信技術開發(深圳)有限公司 (“CASTEL Wireless”). Upon completion of the transaction, the share capital of CASTEL Wireless was increased from HK\$5,006,781 to HK\$20,006,781, and Hao Hsin owned as to 75% of the total enlarged issued shares of CASTEL Wireless. Accordingly, CASTEL Wireless and its subsidiaries (collectively referred to as “CASTEL Wireless Group”), became an associate of the Group. CASTEL Wireless Group was principally engaged in the development, distribution and installation of broadband system, equipment and accessories. A gain on disposal of HK\$2,345,000 was recognised from this transaction.

On 22 November 2006, the Company, entered into an agreement with Brightness International Holding Limited (“Brightness”), an independent third party, under which Brightness agreed to acquire 40% equity interests of CASTEL Videotech at a consideration of HK\$4,100,000 from the Company. Brightness further agreed to subscribe 2,505,000 new shares for a consideration of HK\$4,000,000, representing 20% of the total issued shares of CASTEL Videotech after completion of the transaction. CASTEL Videotech became an associate of the Group upon completion of the above transactions. CASTEL Videotech was principally engaged in the development, manufacture, distribution and installation of video conference system and a loss on disposal of HK\$684,000 was recognised. The above disposal of CASTEL Videotech constituted a discontinued operation of the Group as CASTEL Videotech and its subsidiary contributed to the Group’s development, manufacture, distribution and installation of video conference system before the disposal (see note 10).

二零零六年九月三十日，本公司全資附屬公司航通寬帶有限公司及航天科技通信(深圳)有限公司與獨立第三方Hao Hsin Trading and Investment Company Limited (「Hao Hsin」) 訂立協議，據此，Hao Hsin同意投資15,000,000港元於航天無線通信技術開發(深圳)有限公司 (「航天無線」)。於該交易完成時，航天無線之股本由5,006,781港元增至20,006,781港元，而Hao Hsin則擁有航天無線經擴大已發行股份總數之75%。因此，航天無線及其附屬公司(統稱「航天無線集團」)成為本集團聯營公司。「航天無線集團主要從事寬帶系統、設備及配件之開發、分銷及安裝。此項交易之出售收益2,345,000港元已予確認。

二零零六年十一月二十二日，本公司與嘉耀國際控股有限公司 (「嘉耀」) (獨立第三方) 訂立協議，據此，嘉耀同意以4,100,000港元之代價收購航視之40%股本權益。嘉耀亦同意以4,000,000港元之代價認購2,505,000股新股，認購數目佔航視於完成交易後的全部已發行股本之20%。航視於上述交易完成後成為本集團聯營公司。航視主要從事視訊會議系統的開發、生產、分銷及安裝，出售確認虧損684,000港元。上述出售航視構成本集團終止經營業務，因航視及其附屬公司於出售前對本集團視訊會議系統的開發、生產、分銷及安裝業務有貢獻(見附註10)。

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30. DISPOSAL AND DEEMED DISPOSAL OF SUBSIDIARIES (Continued)

30. 出售及視作出售附屬公司 (續)

		Spaceinet HK 星網香港 HK\$'000 千港元	CASTEL Wireless 航天無線 HK\$'000 千港元	CASTEL Videotech 航視 HK\$'000 千港元	Total 總額 HK\$'000 千港元
NET ASSETS DISPOSED OF	出售之淨資產				
Property, plant and equipment	物業、廠房及設備	1,906	11,775	947	14,628
Intangible assets	無形資產	—	1,608	—	1,608
Inventories	存貨	172	1,328	9,724	11,224
Trade and other receivables	貿易及其他應收款	279	7,765	6,101	14,145
Bank balances and cash	銀行結存及現金	153	1,254	494	1,901
Trade and other payables	貿易及其他應付款	(2,510)	(15,692)	(7,421)	(25,623)
Bank borrowings	銀行借貸	—	(6,453)	—	(6,453)
Taxation	稅項	—	—	(130)	(130)
		—	1,585	9,715	11,300
Attributable goodwill	應佔商譽	—	—	1,065	1,065
Exchange reserve realised	變現之匯兌儲備	—	216	(84)	132
		—	1,801	10,696	12,497
Gain (loss) on disposal	出售之收益(虧損)	980	2,345	(684)	2,641
Total consideration	總代價	980	4,146	10,012	15,138
Satisfied by:	支付方式：				
Interest in associates	於聯營公司權益	980	4,146	5,912	11,038
Cash	現金	—	—	2,100	2,100
Other receivables	其他應收款	—	—	2,000	2,000
		980	4,146	10,012	15,138
Net cash (outflow) inflow arising on disposals:	出售時產生之淨現金(流出)流入				
Cash consideration received	已收現金代價	—	—	2,100	2,100
Bank balances and cash disposed of	出售之銀行結存及現金	(153)	(1,254)	(494)	(1,901)
		(153)	(1,254)	1,606	199



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30. DISPOSAL AND DEEMED DISPOSAL OF SUBSIDIARIES (Continued) 30. 出售及視作出售附屬公司 (續)

There was no significant impact on the Group's results and cash flows in the current year in respect of the disposal of Spaceinet HK.

During the year, CASTEL Wireless paid HK\$6,355,000 to the Group's net operating cash flows, contributed HK\$10,906,000 in respect of investing activities and paid HK\$5,511,000 in respect of financing activities. CASTEL Wireless contributed turnover of HK\$6,273,000 and profit for the year of HK\$1,630,000 to the Group.

就出售星網香港對本年度本集團之業績及現金流量並無重大影響。

年內，航天無線對本集團淨經營現金流量支付6,355,000港元，投資活動則貢獻10,906,000港元，融資活動支付5,511,000港元。航天無線本年度對本集團貢獻營業額6,273,000港元及溢利1,630,000港元。

31. CAPITAL COMMITMENTS

At 31 December 2006, the Group was committed to capital expenditure of approximately HK\$54 million (2005: HK\$108 million) for the investment of two sino-foreign joint ventures of the Group. The sino-foreign joint ventures are engaged in the operation of wind energy plants and facilities power in the Jiangsu and Jilin Province of the PRC respectively and are owned as to 25% by the Group.

In addition, the Group was also committed to capital expenditure of approximately HK\$25 million (2005: nil) for the investment of a joint venture of the Group. The joint venture is engaged in the operation of wind energy plants and facilities in the Liaoning Province of the PRC. The joint venture is owned as to 40% by the Group.

31. 資本承擔

於二零零六年十二月三十一日，本集團須承擔於兩間中外合營企業之投資之資本開支約54,000,000港元（二零零五年：108,000,000港元）。該兩間中外合營企業分別在中國江蘇省及吉林省經營風力發電廠及設施，由本集團擁有25%權益。

此外，本集團亦須承擔於本集團一合營企業之投資之資本開支約25,000,000港元（二零零五年：無）。該合營企業從事在中國遼寧省經營風力發電廠及設施，由本集團擁有40%權益。



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32. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had future minimum lease payments payable under operating leases in respect of land and buildings as set out below:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	1,498	3,118
In the second to fifth years inclusive	第二年至第五年 (首尾兩年包括在內)	440	1,477
		1,938	4,595

Leases are generally negotiated for an average term of two years and rentals are fixed for the lease period.

33. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme (the "Scheme") for all qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group in funds under the control of trustee. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

The employees of the Company's PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The Company's PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

32. 經營租賃承擔

於結算日，本集團根據經營租約而應付未來土地及樓宇最低租約款項如下：

33. 退休福利計劃

本集團就香港所有合資格僱員履行強制性公積金計劃（「該計劃」）。該計劃之資產乃與本集團資產分開處理並由信託人控制。本集團就有關薪酬成本之5%作出供款，而僱員亦作出同等供款。

本公司之中國附屬公司僱員為中國政府管理之國家管理退休福利計劃下之成員。本公司之中國附屬公司須就彼等之薪酬為退休福利計劃按若干百分比作出供款以支付福利。本集團就退休福利計劃之唯一責任為根據該計劃作出所需之供款。

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34. RELATED PARTY TRANSACTIONS/ BALANCES

34. 與關連人士之交易／結餘

(a) During the year, the Group had the following significant transactions with related parties:

(a) 於本年內，本集團與關連人士之重大交易如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Sales of goods to associates 銷貨至聯營公司	444	1,794
Purchase of goods from associates 從聯營公司購貨	9,853	15,158

Other than the above, the Group also has balances with related parties disclosed in note 21 and note 22.

除上述外，本集團與關連人士之往來結餘已於附註21及附註22披露。

(b) Compensation of key management personnel

(b) 主要管理人員之薪酬

The remuneration of key management during the year was as follows:

年內主要管理人員之薪酬如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short-term benefits 短期福利	3,427	4,399
Post-employment benefits 離職後福利	60	60
	3,487	4,459

The remuneration of key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

主要管理人員之薪酬由薪酬委員會視個人表現及市場趨勢釐定。



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34. RELATED PARTY TRANSACTIONS/ BALANCES (Continued)

34. 與關連人士之交易／結餘 (續)

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

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government ("state-controlled entities"). In addition, the Group itself is part of a larger group of companies under CASC which is controlled by the PRC government.

Apart from the disclosure in (a) above, the Group also conducts business with other state-controlled entities. The directors consider those state-controlled entities independent third parties so far as the Group's business with them are concerned:

- (i) The Group has certain deposits placements, borrowings and other general banking facilities with certain banks, which are state-controlled entities in its ordinary course of business. In view of the nature of those banking transactions, the directors are of the opinion that separate disclosure would not be meaningful.
- (ii) The Group also has certain sales and purchases transactions with certain customers and suppliers in which the directors are of the opinion that it is impracticable to ascertain the identity of the counterparties and accordingly whether the transactions are with other state-controlled entities.

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

- (c) 與中國其他國家控制實體之交易／結餘

本集團現時於由中國政府直接或間接擁有或控制之實體（「國家控制實體」）主導之經濟環境下經營。此外，本集團本身隸屬由中國政府控制之中航總旗下之較大公司集團。

除上文 (a) 所披露者外，本集團亦與其他國家控制實體有業務往來。董事認為，就本集團與彼等之業務往來而言，該等國家控制實體均屬獨立第三方：

- (i) 本集團於日常業務過程中在若干銀行（均為國家控制實體）有若干存款、借款及其他一般銀行融資。鑑於該等銀行交易之性質，董事認為，就此作單獨披露並無實質意義。
- (ii) 本集團亦與若干客戶及供應商有若干買賣交易，董事認為，要確定對方身份及該等交易是否是與其他國家控制實體進行實屬不切實際。

除上文所披露者外，董事認為與其他國家控制實體進行之交易對本集團之經營並無重大影響。



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34. RELATED PARTY TRANSACTIONS/ BALANCES (Continued)

(d) On 30 August 2006, 航天科技通信(深圳)有限公司 ("CATSZ"), a wholly-owned subsidiary of the Company, entered into two loan agreements for a sum of RMB41,000,000 (approximately HK\$40,594,000) and RMB170,000,000 (equivalent to approximately HK\$168,317,000) with CALT through CASIL Finance as the trustee. These loans are unsecured, bear interest at 5.10% and 5.04% per annum and are repayable on 29 August 2007 and 29 August 2011 respectively.

35. POST BALANCE SHEET EVENT

On 15 February 2007 and 27 March 2007, the Company, Astrotech and Advanced Grade Holdings Limited ("Advanced Grade") entered into a sale and purchase agreement and a supplemental agreement pursuant to which the Company conditionally agreed to acquire, and Astrotech agreed to sell the entire issued share capital of Advanced Grade for a consideration of HK\$900,000,000. The consideration is to be satisfied by (i) HK\$130,000,000 in cash and (ii) the allotment and issue of 2,200,000,000 consideration shares to Astrotech. The cash consideration will be financed by the proceeds from an open offer of shares. The transaction was not yet completed as at the date of this report.

34. 與關連人士之交易／結餘 (續)

(d) 二零零六年八月三十日，本公司全資附屬公司航天科技通信(深圳)有限公司(「航通深圳」)通過航天財務(作為受託人)與火箭院訂立兩項貸款協議，貸款額人民幣41,000,000元(約40,594,000港元)及人民幣170,000,000元(約168,317,000港元)。該等貸款乃無抵押、分別按年利率5.10%及5.04%計息，並分別須於二零零七年八月二十九日及二零一一年八月二十九日償還。

35. 結算日後事項

於二零零七年二月十五日及二零零七年三月二十七日，本公司、Astrotech及Advanced Grade Holdings Limited(「Advanced Grade」)訂立買賣協議及補充協議，據此，本公司有條件同意收購而Astrotech則同意出售Advanced Grade全部已發行股本，代價為900,000,000港元。代價將以(i)現金130,000,000港元及(ii)向Astrotech配發及發行2,200,000,000股代價股份之方式支付。該交易於本報告日期尚未完成。



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35. POST BALANCE SHEET EVENT (Continued) 35. 結算日後事項 (續)

Advanced Grade is a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Astrotech. It is an investment holding company and will hold the entire equity interest in Beijing Wan Yuan Industry Corporation (“Beijing Wan Yuan”) after completion of the transaction. Beijing Wan Yuan is an investment holding company which, upon completion of restructuring, will hold a 49% equity interest in Beijing Delphi Wan Yuan Engine Management Systems Co., Ltd., a 40% equity interest in Beijing Wanyuan GDX Automotive Sealing Products Co., Ltd., a 29% equity interest in Hangzhou Aerospace Wan Yuan REPM Motor Application Technology Co., Ltd., a 45% equity interest in Nantong CASC Wanyuan Accoina Wind Turbine Manufacture Corporation Ltd., and a 45% interest in Beijing Delphi Wan Yuan Engine Management Systems Co., Ltd. (collectively referred to as the “Target Associates”).

The Target Associates are mainly engaged in automotive engine management systems and components manufacturing, automotive sealing products manufacturing, elevator motor manufacturing, wind turbine manufacturing and renewable energy projects.

Advanced Grade為於英屬維爾京群島註冊成立之有限公司，並為Astrotech之全資附屬公司。其為投資控股公司，並將於交易完成後持有北京萬源工業公司（「北京萬源」）之全部股權。北京萬源為投資控股公司，將於重組完成後持有北京德爾福萬源發動機管理系統有限公司之49%股權、北京萬源金德汽車密封製品有限公司之40%股權、杭州航天萬源稀土電機應用技術有限公司之29%股權、南通航天萬源安迅能風電設備製造有限公司之45%股權及北京德爾福萬源發動機管理系統有限公司之45%股權（統稱「目標聯營公司」）。

目標聯營公司主要從事汽車發動機管理系統及配件之製造、車身密封系統之製造、電梯用發電機之製造、風電設備之製造及可再生能源項目。

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36 PARTICULARS OF PRINCIPAL SUBSIDIARIES AND ASSOCIATES

36. 主要附屬公司及聯營公司資料

Details of the principal subsidiaries and associates of the Group at 31 December 2006 are as follows:

於二零零六年十二月三十一日之本集團主要附屬公司及聯營公司資料如下：

Name of company 公司名稱	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本之 面值／註冊股本	Percentage of equity 股本權益之百分比		Principal activities 主要業務
		held by the Company 本公司持有 %	attributable to the Group 本集團應佔 %	
Subsidiaries 附屬公司				
<i>Incorporated and operating in Hong Kong:</i> 於香港註冊成立及經營：				
China Aerospace Telecommunications Limited 中國航天科技通信有限公司	HK\$10,000 10,000港元	100	—	Distribution of broadband business 分銷寬帶業務
CASTEL Intelligent Transportation System Limited 航通智能交通有限公司	HK\$11,600,000 11,600,000港元	—	70	Distribution of ITS business 分銷智能交通系統業務
China Aerospace Telecommunications (Hong Kong) Limited 航天科技通信(香港)有限公司	HK\$10,000 10,000港元	—	100	Distribution of broadband business 分銷寬帶業務
CASTEL Qihua Hi-Tech Investments Limited 航通奇華高科技投資有限公司	HK\$8,000,000 8,000,000港元	—	70	Investment holding 投資控股
Hung Nien Electronics Limited 鴻年電子有限公司	HK\$30,001,000 30,001,000港元	—	100	Distribution of telecommunication products 分銷電訊產品

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36. PARTICULARS OF PRINCIPAL SUBSIDIARIES AND ASSOCIATES

(Continued)

36. 主要附屬公司及聯營公司資料 (續)

Name of company 公司名稱	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本之 面值/註冊股本	Percentage of equity 股本權益之百分比		Principal activities 主要業務
		held by the Company 本公司持有 %	attributable to the Group 本集團應佔 %	
Subsidiaries (Continued) 附屬公司 (續)				
<i>Registered and operating in the PRC:</i> 在中國註冊及經營：				
Beijing Qihua Communications Co., Ltd.# 北京奇華通訊有限公司#	US\$1,239,000 1,239,000美元	—	55	Distribution of ITS business 分銷智能交通系統業務
CASTEL Intelligent Transportation System (Beijing) Ltd.## 航通智能交通(北京)有限公司##	HK\$8,000,000 8,000,000港元	—	70	Distribution of ITS business 分銷智能交通系統業務
航天航通科技(北京)有限公司##	RMB15,000,000 人民幣15,000,000元	—	100	Distribution of broadband business 分銷寬帶業務
航天科技通信(深圳)有限公司##	HK\$20,000,000 20,000,000港元	—	100	Distribution of broadband business 分銷寬帶業務
成都航天星網通訊有限公司##	RMB3,000,000 人民幣3,000,000元	—	36	Distribution of ITS business 分銷智能交通系統業務
#	Sino-foreign joint equity enterprise registered in the PRC		#	於中國註冊之中外合資合營企業
##	Wholly foreign-owned enterprise registered in the PRC		##	於中國註冊之全外資企業

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36. PARTICULARS OF PRINCIPAL SUBSIDIARIES AND ASSOCIATES

(Continued)

36. 主要附屬公司及聯營公司資料 (續)

Name of company 公司名稱	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本之 面值／註冊股本	Percentage of equity 股本權益之百分比		Principal activities 主要業務
		held by the Company 本公司持有 %	attributable to the Group 本集團應佔 %	
Associates 聯營公司				
<i>Registered and operating in the PRC:</i> 於中國註冊成立及經營：				
航天無線通信技術開發(深圳) 有限公司#	HK\$20,000,000 20,000,000港元	—	25	Distribution of broadband business 分銷寬帶業務
CASTEL Intelligent Transportation System (Shenzhen) Ltd. # 航通智能交通(深圳)有限公司#	RMB5,000,000 人民幣5,000,000元	—	25	Distribution of ITS business 分銷智能交通系統業務
CASTEL Spaceinet (Shenzhen) Co. Ltd. # 深圳市航天星網通訊有限公司#	RMB1,071,000 人民幣1,071,000元	—	25	Distribution of broadband business 分銷寬帶業務
CASIL Telecommunications (Shenzhen) Co., Ltd.## 凱斯泰爾通信設備(深圳) 有限公司##	HK\$10,000,000 10,000,000港元	—	40	Manufacture and distribution of telecommunication products 製造及分銷電訊產品
Southern Telecommunication Development Company Limited# 南方通信(惠州)實業有限公司#	US\$8,400,000 8,400,000美元	—	41	Manufacture and distribution of telecommunication products 製造及分銷電訊產品

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36. PARTICULARS OF PRINCIPAL SUBSIDIARIES AND ASSOCIATES

(Continued)

36. 主要附屬公司及聯營公司資料 (續)

Name of company 公司名稱	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本之 面值/註冊股本	Percentage of equity 股本權益之百分比		Principal activities 主要業務
		held by the Company 本公司持有 %	attributable to the Group 本集團應佔 %	
Associates (Continued) 聯營公司 (續)				
上海航天信網通訊有限公司 #	RMB5,000,000 人民幣5,000,000元	—	21	Distribution of ITS business 分銷智能交通系統業務
江蘇龍源風力發電有限公司 #	RMB211,610,000 人民幣211,610,000元	—	25	Maintenance and operation of wind energy plants and facilities 維護及運營風力發電廠 及設施
吉林龍源風力發電有限公司 #	RMB269,020,000 人民幣269,020,000元	—	25	Construction of wind energy plants and facilities in progress 風力發電廠房及 設施之建設進行中
航天龍源(本溪)風力發電有限公司 #	RMB93,800,000 人民幣93,800,000元	—	40	Construction of wind energy plants and facilities in progress 風力發電廠房及 設施之建設進行中

Sino-foreign joint equity enterprise registered in the PRC

於中國註冊之中外合資合營企業

Wholly foreign-owned enterprises registered in the PRC

於中國註冊之全外資企業

Except for the companies established in the PRC, the classes of shares held by the Group in the above companies are ordinary shares issued by those companies.

除於中國成立之公司外，本集團持有上述公司股份之類別為該等公司發行之普通股。

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

董事之意見認為，上列各表所載之本集團附屬公司及聯營公司，乃影響本集團業績或資產之主要公司或為組成本集團之資產淨值之主要部份。董事認為，詳列其他附屬公司及聯營公司之資料，將令本節過於冗長。

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

截至本年年底，附屬公司概無發行任何債項證券。

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37. BALANCE SHEET INFORMATION OF THE COMPANY 37. 本公司之資產負債資料

Balance sheet information of the Company at the balance sheet date includes:

於結算日，本公司之資產負債資料包括：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,011	1,389
Interest in subsidiaries	於附屬公司之權益	20	30
Interest in associates	於聯營公司之權益	3,604	—
		4,635	1,419
Current assets	流動資產		
Trade and other receivables	貿易及其他應收款	3,023	801
Amounts due from subsidiaries	應收附屬公司款	77,885	159,567
Amounts due from associates	應收聯營公司款	30,710	—
Amounts due from related companies	應收關連公司款	41	41
Bank balances and cash	銀行結存及現金	2,163	701
		113,822	161,110
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款	3,546	8,148
Amounts due to subsidiaries	應付附屬公司款	13,029	8,047
Amounts due to related companies	應付關連公司款	7,647	7,647
Borrowings	借貸	—	20,945
		24,222	44,787
Net current assets	流動資產淨額	89,600	116,323
Total assets	資產總值	94,235	117,742
Capital and reserves	資本及儲備		
Share capital	股本	101,714	101,714
(Deficit) reserves	(虧絀) 儲備	(7,479)	16,028
Total equity	權益總額	94,235	117,472

Loss of the Company for the year ended 31 December 2006 amounted to HK\$23,507,000 (2005: HK\$48,007,000).

本公司截至二零零六年十二月三十一日止年度之虧損為23,507,000港元(二零零五年：48,007,000港元)。