



CASIL TELECOMMUNICATIONS HOLDINGS LIMITED

航天科技通信有限公司*

Stock Code 股份代號 : 1185

ANNUAL REPORT

2006

年報

* the Chinese name of the Company is for reference only
本公司之中文名稱只作參考



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BOARD OF DIRECTORS

Non-executive Directors

Mr. Wu Yansheng (*Chairman*)

Mr. Liang Xiaohong (*Vice-chairman*)

Mr. Tang Guohong

Executive Directors

Mr. Han Shuwang (*Vice-chairman*)

Mr. Wang Xiaodong

Mr. Li Guang

Independent Non-executive Directors

Mr. Yiu Ying Wai

Mr. Wong Fai, Philip

Mr. Zhu Shixiong

Mr. Moh Kwen Yung

AUDIT COMMITTEE

Mr. Yiu Ying Wai (*Chairman*)

Mr. Wong Fai, Philip

Mr. Zhu Shixiong

Mr. Moh Kwen Yung

REMUNERATION COMMITTEE

Mr. Wu Yansheng (*Chairman*)

Mr. Wong Fai, Philip

Mr. Yiu Ying Wai

董事會

非執行董事

吳燕生先生 (*董事長*)

梁小虹先生 (*副董事長*)

唐國宏先生

執行董事

韓樹旺先生 (*副董事長*)

王曉東先生

李光先生

獨立非執行董事

姚瀛偉先生

黃琿先生

朱世雄先生

毛關勇先生

審核委員會

姚瀛偉先生 (*主席*)

黃琿先生

朱世雄先生

毛關勇先生

薪酬委員會

吳燕生先生 (*主席*)

黃琿先生

姚瀛偉先生



DEVELOPMENT AND INVESTMENT COMMITTEE

Mr. Liang Xiaohong (*Chairman*)

Mr. Han Shuwang

Mr. Wang Xiaodong

Mr. Tang Guohong

Mr. Wong Fai, Philip

COMPANY SECRETARY

Mr. Au-Yeung Keung, Steve

REGISTERED OFFICE

Ugland House

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British West Indies

PRINCIPAL PLACE OF BUSINESS

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Corporate Information 公司資料

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梁小虹先生 (主席)

韓樹旺先生

王曉東先生

唐國宏先生

黃琿先生

公司秘書

歐陽強先生

註冊辦事處

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88 Queensway
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SHARE REGISTRAR

Standard Registrars Limited
Share Registration Public Office
26/F Tesbury Centre
28 Queen's Road East
Hong Kong

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited

LEGAL ADVISERS

Richards Butler
Sidley Austin
Sit, Fung, Kwong & Shum
Maples and Calder

核數師

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香港
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太古廣場一座35樓

股份登記處

標準證券登記有限公司
證券登記服務處
香港
皇后大道東28號
金鐘匯中心26樓

主要往來銀行

中國銀行(香港)
星展銀行
恆生銀行
匯豐銀行

法律顧問

齊伯禮律師行
盛德律師事務所
薛馮鄺岑律師行
Maples and Calder

Group Financial Highlights

集團財務摘要

2004 2005 2006

(a) Financial data

(expressed in HK\$'000)

(a) 財務數據

(以千港元列示)

Turnover	營業額	148,126	185,784	156,199
Gross profit	毛利	54,170	65,077	12,079
Profit (loss) for the year attributable to equity holders of the Company	本公司權益持有人應佔 本年度溢利(虧損)	5,368	(29,781)	(64,562)
Total borrowings	借貸總額	99,189	105,652	265,667
Equity attributable to equity holders of the Company	本公司權益持有人 應佔權益	180,546	151,997	90,274
Acquisition of property, plant and equipment	收購物業、 廠房及設備	25,112	13,846	9,787
Development costs incurred or capitalised	已產生或資本化 之開發成本	1,327	2,418	1,620
Staff costs	員工成本	23,829	24,980	28,956
Net asset attributable to equity holders of the Company per share(HK\$) (note 1)	每股本公司權益 持有人淨資產值 (港元)(附註1)	0.178	0.149	0.089

(b) Financial ratios

(b) 財務比率

Current ratio (note 2)	流動比率(附註2)	2.36	1.35	1.78
Quick ratio (note 3)	速動比率(附註3)	1.74	1.09	1.38
Gearing ratio (note 4)	負債比率(附註4)	55%	70%	294%

Notes:

附註：

(1) Net asset attributable to equity holders of the Company per share	=	Equity attributable to equity holders of the Company	÷	Number of issued shares at year end	(1) 每股本公司 權益持有人 應佔淨資產值	=	本公司權益 持有人應佔 權益	÷	年底已發行 股份數目
(2) Current ratio	=	Current assets	÷	Current liabilities	(2) 流動比率	=	流動資產	÷	流動負債
(3) Quick ratio	=	(Current assets – Inventories)	÷	Current liabilities	(3) 速動比率	=	(流動資產 – 存貨)	÷	流動負債
(4) Gearing ratio	=	Total borrowings	÷	Equity attributable to equity holders of the Company	(4) 負債比率	=	借貸總額	÷	本公司權益持 有人應佔權益



Directors' Business Review 董事會業務回顧

On behalf of the Board of Directors, the business performance of CASIL Telecommunications Holdings Ltd. (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2006 is summarized in the following paragraphs.

謹代表董事會，概述航天科技通信有限公司（「本公司」）及其附屬公司（統稱「本集團」）於截至二零零六年十二月三十一日止財政年度之業務表現。

RESULTS SUMMARY

業績摘要

As of 31 December 2006, the Group's turnover for the year 2006 amounted to HK\$156.20 million with a loss of HK\$65.23 million in contrast to those for the year 2005 of HK\$185.78 million and HK\$29.36 million respectively. The loss for the year was mainly attributable to various allowances relating to the telecommunication business made whereas there were expense increases upon the investment and development period of new businesses.

截至二零零六年十二月三十一日，本集團2006年年度之營業額為15,620萬港元，虧損6,523萬港元，2005年度相較營業額為18,578萬港元及虧損為2,936萬港元。本年度虧損主要由於電訊相關業務方面的撥備，新業務正處於投入和培育期導致費用增加。

BUSINESS REVIEW AND PROSPECTS

業績回顧與展望

While the Group continued the sales of communication equipment and the application services of Global Positioning System (GPS) for the year 2006, the Group also continued increasing its investments in new business intensively, aiming at exploring new operations and new earning sources for its future development during the year. In addition to continuation of increasing the investments in wind energy plant project with the total accumulated investments to date of HK\$100 million, the Group on 15 February 2007 and 27 March 2007 entered into agreements whereby the Group will further acquire from its parent company, China Academy of Launch Vehicle Technology ("CALT"), new businesses comprising research and development and production of wind energy facilities, automotive engine management systems and components manufacturing, automotive sealing products manufacturing, rare-earth-permanent magnetic motors manufacturing, at the purchase consideration of HK\$900 million. The details of the proposed acquisitions that will be completed by 30 September 2007 were set out in an announcement made by the Company on 2 April 2007.

本集團2006年年度除繼續經營通信設備銷售及全球衛星定位（GPS）應用服務等項業以外，本集團亦積極拓展新的業務領域，為本集團未來發展培育新的經營業務和新的盈利增長點。一方面持續增加投資風力發電場項目，目前已累計投入1.00億港元，另一方面，更於二零零七年二月十五日及二零零七年三月二十七日，與母公司中國運載火箭技術研究院（「火箭院」）簽訂有關本集團進一步從母公司收購業務之協議，收購業務包括風電設備之研發、製造，汽車發動機管理系統及配件之製造、車身密封系統之製造、稀土電機之研發、製造項目，收購代價為9.00億港元。此項須於二零零七年九月三十日前完成之建議收購事項詳情，本公司已刊於二零零七年四月二日公佈內。



Directors' Business Review 董事會業務回顧

The Group has confidence to bring new profits and returns from the new areas of new energy businesses (wind energy plant and generator), new material business (rare-earth-permanent magnetic motors), automotive component (electrical spraying and sealing strip) apart from the telecommunication business through these successive efforts.

Telecommunication Business

The major customers of the Group's communication business are operators in the PRC such as China Mobile, China Unicom, China Telecom, China Netcom and China Railcom. We provide these operators as well as those in the markets of Europe and America with communication equipment of high capability/price value. However, due to the reduction of investment in infrastructure of 5.8GHz wireless access network by those major operators and the drop in profit margin in consequence of the keen competition, the sales of communication products for the year recorded a decrease as compared with last year.

On 22 November 2006, the Company entered into an agreement with Brightness International Holdings Ltd. whereby it disposed of 60% of the entire equity interests in CASTEL Videotech (Hong Kong) Ltd. in disposing its 60% interest of its video conferencing business in effect in the course of introduction of new capital injection in the business and acquiring the experience of the said purchaser in the PRC distribution network with a view to extending the sales in PRC market.

本集團有信心通過這一系列的努力，為集團除在電信相關業務以外的新能源（風力發電場和發電機），新材料（稀土電機等），汽車零備件（電噴，密封條）等領域帶來新的利潤和回報。

電訊相關業務

本集團通信業務主要客戶為中國移動、中國聯通、中國電信、中國網通及中國鐵通等內地運營商，及歐美市場上，為他們提供性價比優勝的通信產品，但今年這幾個主要運營商對5.8GHz無線接入網基本建設投資壓縮和競爭導致毛利率的下降，使得今年通信產品銷售相對去年出現下滑。

於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簽訂協議出售航通視訊技術（香港）有限公司之60%股權權益，即出售本公司於視訊業務之60%權益以引進新資金投入及獲取買方於中國分銷網絡經驗以擴大大本公司於中國之市場。



Directors' Business Review 董事會業務回顧

Wind Energy Projects

On 30 March 2006, Crownplus International Ltd., a wholly-owned subsidiary of the Company, entered into a joint venture agreement with Longyuan Electric Group Corporation and Beijing Wan Yuan Industry Corporation in respect of building, maintenance and operation of wind energy plants and facilities in the Liaoning Province of the PRC. This is the third wind energy plant project following those in Jiangsu and Jilin, PRC.

The Group will benefit from the joint venture in strengthening the Group's investment in wind energy power plants given the shortage of electricity supplies in the PRC and the global trend towards renewable energy for environmental reasons assuring the tremendous demands in the future.

Others

The Group has made an announcement on 2 April 2007 that the Group entered into acquisition agreements with its parent company, CALT, in exploring new businesses of new energy, new materials, and automotive component and developing larger profit centres.

風力發電項目

於二零零六年三月三十日，本公司之全資附屬公司加冠國際有限公司與龍源電力集團公司及北京萬源工業公司訂立一份關於在中國遼寧省建設、維護及經營風力發電廠及設施之合資經營協議。這是本集團繼中國江蘇省及吉林省風力發電廠之後參與的第三家風力發電廠專案。

由於中國電力供應短缺，本集團將會受惠於合營企業，以加強本集團在風力發電廠之投資，加上因環保理由全球趨向使用再生能源，確保日後之龐大需求。

其他

本集團已於二零零七年四月二日公告，與母公司（火箭院）簽訂收購專案協定，將進一步拓展新業務從新能源、新材料和汽車零部件業務中培育出更大的盈利點。



Directors' Business Review 董事會業務回顧

HUMAN RESOURCES AND REMUNERATION POLICY

人力資源及薪酬政策

As at 31 December 2006, the Group had 37 employees (2005: 41 employees) in the Hong Kong head office and 428 employees (2005: 531 employees) in the China Mainland offices. Remuneration of employee is determined according to individual employee's performance and the prevailing trends in different areas and reviewed on an annual basis. The Group also provides Mandatory Provident Fund and medical insurance to its employees. In addition, discretionary performance bonus and share option schemes are available and are at the discretion of the Directors.

於二零零六年十二月三十一日，本集團香港總部共有員工37人（二零零五年：41人），而中國內地辦事處共428人（二零零五年：531人）。員工薪酬之訂定乃按照個別僱員之表現及不同地區現行之薪金趨勢而釐定，每年會進行檢討。本集團也提供強積金及醫療保險。本集團亦設有由董事酌情釐定之表現花紅及購股權計劃。

FINANCIAL REVIEW

財務回顧

Liquidity and Financial Resources

流動資金及財務資源

Total borrowings of the Group as at 31 December 2006 were HK\$265,667,000 (2005: HK\$105,652,000), which were fixed rate borrowings (2005: HK\$58,765,000). All borrowings of the Group were determined at market interest rate. The Group has not issued any financial instruments for hedging or other purposes.

於二零零六年十二月三十一日，本集團之總貸款為265,667,000港元（二零零五年：105,652,000港元）乃固定息率貸款（二零零五年：58,765,000港元）。本集團之貸款均按市場利率釐定。本集團並無發行任何金融工具作為對沖或其他用途。

Gearing ratio (total borrowings over shareholders' equity) as at 31 December 2006 was 294% (2005: 70%).

於二零零六年十二月三十一日，負債比率（借貸總額除以股東權益）為294%（二零零五年：70%）。

Pledge of Assets

資產抵押

As at 31 December 2006, certain assets of the Group of HK\$1,537,000 (2005: HK\$11,631,000) have been pledged to secure bank facility.

於二零零六年十二月三十一日，本集團共以1,537,000港元（二零零五年：11,631,000港元）之若干資產抵押予銀行作為銀行融資的抵押。



Directors' Business Review 董事會業務回顧

Exchange and Other Exposures

Most of the Group's business transactions were conducted in Hong Kong dollars, Renminbi and United States dollars. The Group expected that the exposure to exchange rates fluctuation was minimal and therefore has not engaged in any hedging activities.

The Group did not have any contingent liabilities as at 31 December 2006.

A loan of US\$6,000,000 (HK\$46,800,000) from a related company, China Great Wall Industry Corporation, ("Great Wall") which was an associate or wholly-owned subsidiary (from December 2004) of China Aerospace Science & Technology Corporation, included in borrowings was described as a loan from an independent third party or not separately disclosed in the previous reported financial statements from those 31 December 2001 inadvertently. The loan was separately disclosed as a loan from Great Wall in the consolidated financial statements herein. This connected loan transaction was and is exempted from any disclosure or shareholders approval requirements under the Rule 14.24(8) of the former Listing Rules and Rule 14A.65(4) of the current Listing Rules by virtue of normal commercial term of interest rate 4.25% per annum and no security over the assets of the Group as the condition for the provision.

APPRECIATION

I would like to take this opportunity to thank my fellow directors and all the staff members for their hard work and dedication during the year under review.

By Order of the Board

Wu Yansheng

Chairman

Hong Kong, 19 April 2007

匯兌及其他風險

本集團之大部份業務交易皆以港元、人民幣及美元計值。預期本集團的匯兌波動風險極低，故並無進行任何對沖活動。

於二零零六年十二月三十一日本集團概無或有負債。

計入借貸中來自關連公司，即中國航天科技集團之聯營公司(自二零零四年十二月為全資附屬公司)中國長城工業總公司(「長城」)之貸款6,000,000美元(46,800,000港元)，於過往自二零零一年十二月三十一日已呈報之財務報表內在不為意下列為來自獨立第三方之貸款或並無分開披露。該筆貸款於本報告內綜合財務報表單獨披露為來自長城之貸款。因貸款條款年利率4.25厘為一般商業條款，及並無抵押本集團資產作為提供貸款之條件，該關連貸款交易過往及現時按前上市規則第14.24(8)條及現行上市規則第14A.65(4)條獲豁免需披露及股東批准之規定。

鳴謝

本人謹藉此機會就各董事及員工於回顧年度之努力及貢獻深表謝意。

承董事會命

吳燕生

董事長

香港，二零零七年四月十九日



Biographical Details of Directors and Senior Management 董事及高級管理人員之個人資料

NON-EXECUTIVE DIRECTORS

非執行董事

Mr. Wu Yansheng, professor, aged 43, obtained his Bachelor's degree in Electrical Engineering from Tsinghua University and Master's degree in Space Vehicle Design from CALT. Mr. Wu obtained great honours, such as Special Allowance from State Council of the People's Republic of China, Specially Contributed Expert of China Aerospace Science and Technology Corporation ("CASC"), Space Prizes of CASC in 2000 and 2001, Excellent Contributor in Manned Space Project from CASC, Labor Medal Winner from China Federation of Labor Unions, Senior Professional Manager from China Enterprise Confederation and China Entrepreneur Association, and Excellent Researcher from China Association of Science and Technology. Since joining in the Astronautical Systems Engineering Institute of CALT in 1989, Mr. Wu has assumed the posts of Designer, Section Chief, Division Chief and Director successively. Since 2002, Mr. Wu has served as the 10th President of CALT (the youngest ever in CALT). He was appointed as a Non-executive Director and Chairman of the Company on 14 February 2006.

吳燕生先生，43歲，研究員，畢業於清華大學電機工程系，取得航天一院一部飛行器設計專業碩士學位。榮獲國務院政府特殊津貼，被授予航天科技集團公司有突出貢獻專家稱號，榮獲航天科技集團公司2000、2001年度航天獎，被授予航天科技集團公司“載人航天先進個人”稱號，被授予中華全國總工會全國五一勞動獎章，被授予中國企業聯合會、中國企業家協會高級職業經理，被中國科協授予“全國優秀科技工作者”稱號。1989年進入中國運載火箭技術研究院一部工作，歷任設計員、組長、室主任、主任。2002年至今任中國運載火箭技術研究院第十任院長，也是研究院歷史上最年輕的院長。彼於2006年2月14日起出任本公司非執行董事及董事長。

Mr. Liang Xiaohong, senior engineer, aged 51, obtained his Master's degree in World Economy from the Party School of the Communist Party of China ("CPC") Central Committee. He has been honoured with Specially Appointed Expert of school of Economics & Management of Beijing University. He started to work with Astronautical Systems Engineering Institute of CALT in 1987. He has been the President Assistant cum Director of Administrative Office of CALT since 2000. At present, he acts as Vice President of CALT. With great efforts for years, he has accumulated rich experiences and theories on human resource management and business administration. He was appointed as a Non-executive Director and Vice-chairman of the Company on 14 February 2006.

梁小虹先生，51歲，高級工程師。畢業於中央黨校研究生院世界經濟專業。北京大學經濟管理學院專案管理研究所特聘研究員。1987起任職中國運載火箭技術研究院總體部，2000年任職中國運載火箭技術研究院，先後擔任院長助理兼院辦主任等職務，現任中國運載火箭技術研究院副院長。長期在中國航天領域工作，有著豐富的人力資源管理、經營管理理論和工作實踐經驗。彼於2006年2月14日起出任本公司非執行董事及副董事長。



Biographical Details of Directors and Senior Management 董事及高級管理人員之個人資料

Mr. Tang Guohong, professor, aged 45, graduated from Beijing University of Aeronautics & Astronautics ("Beihang University") with Master's degree in Engineering. He went to Germany in 1987 and obtained PhD from Max-Planck Institute for Metals Research. He has served as Director of Staff Office, Deputy Dean and Professor in the Material Science and Engineering Department of Beihang University, Deputy General Manager and Administrative Deputy General Manager with China Aerospace Industry Supply & Marketing Corporation. He now acts as the Chief of Business and Investment Department of CALT, with rich experiences in scientific research, business administration and capital operation. He was appointed as a Non-executive Director of the Company on 14 February 2006.

唐國宏先生，45歲，研究員，畢業於北京航空航天大學，取得工程碩士學位，1987年赴西德馬普金屬所，取得工學博士學位。曾任北京航空航天大學材料科學系教研室主任、系副主任、教授；曾任中國航天工業供銷總公司副總經理、常務副總經理。現任中國運載火箭技術研究院經營投資部部長。在科學研究、經營管理和資本運作方面擁有豐富經驗。彼於2006年2月14日起出任本公司非執行董事。

EXECUTIVE DIRECTORS

執行董事

Mr. Han Shuwang, professor, aged 42, obtained Bachelor's degree in Computer Science and Master's degree in Economics and Management from Tongji University and American Southwest University respectively. He is a Visiting Professor of Tongji University and achieved Space Award from CASC. He served as Deputy Division Chief, Deputy Chief Designer, Director Assistant and Deputy Director with the Institute of Space Automation Control of CALT between 1988 and 1997, Deputy Director of Political Division of CALT in 1997, Director of Administrative Office of CALT in 1998, General Manager of Beijing Wan Yuan Industry Corporation in 1999, President Assistant of CALT in 2000. Since 2002, he has served as vice president of CALT, possessing rich experiences in strategic research and business administration. He was appointed as an Executive Director and Vice-chairman of the Company on 14 February 2006.

韓樹旺先生，42歲，研究員。畢業於同濟大學電腦系，美國西南大學經濟管理碩士。同濟大學客座教授，中國航天科技集團公司航天獎獲得者。1988年進入中國運載火箭技術研究院航天自動控制研究所工作，歷任室副主任、副主任設計師、所長助理、副所長，1997年任中國運載火箭技術研究院政治部副主任，1998年任中國運載火箭研究院辦公室主任，1999年起任北京萬源工業公司總經理，2000年任中國運載火箭技術研究院院長助理，2002年任中國運載火箭技術研究院副院長。有豐富的企業戰略研究、經營管理經驗。彼於2006年2月14日起出任本公司執行董事及副董事長。



Biographical Details of Directors and Senior Management 董事及高級管理人員之個人資料

Mr. Wang Xiaodong, aged 41, is the Executive Director and General Manager of the Company. Mr. Wang graduated from Beijing University of Aeronautics and Astronautics with a Bachelor's degree in Electronic Engineering and obtained an MBA from the University of South Australia. During 1989 to 1998, he worked with Beijing Institute of Spacecraft System Engineering under the China Academy of Space Technology, the Comprehensive Planning Bureau of the Ministry of Aerospace Industry of China and then the General Office of China Aerospace Corporation, as Assistant Engineer, Engineer, Senior Engineer, and Secretary to the President cum Deputy Director of the President Office. In 1999, he, possessing extensive experience in research and management, was appointed the Executive Director cum Deputy General Manager of China Aerospace International Holdings Limited. He has been appointed as Executive Director of the Company since May 1999.

Mr. Li Guang, senior engineer, aged 43, graduated from Tianjin University with Master's degree in Industrial Automation. He has been the Designer with the 14th Institute of CALT between 1991 and 1996, Division Chief of Development Division, and General Manager of Beijing Long March Hi-tech Corporation from 1996 to 2005. He has acted as Deputy Manager of Beijing Wan Yuan Industry Corporation since 1998. Mr. Li Guang exhibits excellent experience in scientific research, product development and business administration. He was appointed as an Executive Director of the Company on 14 February 2006 and as a Deputy General Manager on 16 March 2007.

王曉東先生，41歲，為本公司執行董事及總經理。王先生畢業於北京航空航天大學，取得電子工程學士學位，並獲南澳洲大學頒授工商管理學碩士學位。自1989年起至1998年間先後任職於中國空間技術研究所轄下之北京飛行器設計總體部、航空航天工業部綜合計劃司、航天工業總公司辦公廳，歷任助理工程師、工程師、高級工程師、總經理秘書兼總經理辦公室副主任等職務。彼於1999年出任航天科技國際集團有限公司執行董事副總經理。彼於研究及管理方面擁有豐富經驗。於1999年5月起出任本公司執行董事。

李光先生，43歲，工程碩士，高級工程師。畢業於天津大學，取得工業自動化專業碩士學位。1991年至1996年任中國運載火箭技術研究院14所設計員；1996年至2005年曾任中國運載火箭技術研究院北京長征高科技公司技術開發處處長，北京長征高科技公司總經理；1998年至今任中國運載火箭技術研究院北京萬源工業公司副總經理。在科學研究、產品研發、經營管理方面擁有豐富經驗。彼於2006年2月14日起出任本公司執行董事並於2007年3月16日出任副總經理。



Biographical Details of Directors and Senior Management 董事及高級管理人員之個人資料

INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事

Mr. Yiu Ying Wai, aged 54, was appointed an Independent Non-executive Director and the Chairman of the Audit Committee of the Company on 30 September 2004. He held a Bachelor's degree in Architectural Studies from The University of Hong Kong. He was a fellow member of the Association of Chartered Certified Accountants, a member of Certified Management Accountants of Canada and also a practising member of the Hong Kong Institute of Certified Public Accountants in Hong Kong. Mr. Yiu is currently a Partner of W. T. Wong and Company. He has over 20 years of experience in auditing, accounting and financial management in Hong Kong and overseas.

姚瀛偉先生，54歲，2004年9月30日獲委任為本公司獨立非執行董事及審核委員會主席。彼持有香港大學建築學文學士，亦為英國公認會計師公會資深會員、加拿大管理會計師公會會員、及香港會計師公會執業會員。姚先生目前為黃偉堂會計師事務所合夥人，擁有逾20年香港和海外核數、會計及財務管理的經驗。

Mr. Wong Fai, Philip, aged 50, was appointed an Independent Non-executive Director of the Company on 30 September 2004. Mr. Wong has over 20 years' experience in the IT industry. He was highly involved in many social activities of IT industry in Hong Kong and the PRC as well as public service to the business community. He was awarded the Hong Kong Ten Outstanding Young Person, and was the founder of Hong Kong IT Charity Fund and the Council Member of Hong Kong Polytechnic University. At present, he is the Director of ValenceTech Ltd., the Advisor of Shanghai Jiao Tong University and the Advisory Member of China National Committee for Pacific Economic Cooperation under Pacific Economic Cooperation Council.

黃琿先生，50歲，2004年9月30日獲委任為本公司獨立非執行董事。黃先生從事資訊科技行業逾20年，致力於香港和中國資訊科技行業發展及參與各項社會公務。彼曾為香港十大傑出青年得獎者、科技界慈善基金創辦人及香港理工大學校董。黃先生目前為威龍科技集團董事、上海交通大學顧問及太平洋經濟合作理事會轄下中國太平洋經濟合作全國委員會之工商委員會顧問委員。

Mr. Zhu Shixiong, aged 65, is the current Vice Chief Executive of the Hong Kong Chinese Enterprises Association Limited. He graduated from the Shanghai Municipal University of Science and Technology with a Bachelor's degree in Chemistry. He previously held the posts of Deputy Director of the Shanghai Municipal Chemical Industrial Bureau, Executive Director and Vice-President of Shanghai Industrial Investment (Holdings) Company Limited and Chairman of the Tien Chu Ve-Tsin Chemical Industries (H.K.) Ltd. He has over 20 years of experience in chemical production and technology as well as enterprise management. He had been a Director of the Company since May 1997 and was an Independent Non-executive Director from May 2001.

朱世雄先生，65歲，現任香港中國企業協會副總幹事。彼畢業於上海科技大學，持有化學專業學位。彼曾於上海市化學工業局出任副局長一職。曾擔任上海實業(集團)有限公司之常務董事副總裁及香港天廚味精化學工業廠有限公司之董事長。彼在化工生產、技術及企業管理方面擁有逾20年之經驗。彼自1997年5月出任本公司董事，在2001年5月為一獨立非執行董事至今。



Biographical Details of Directors and Senior Management 董事及高級管理人員之個人資料

Mr. Moh Kwen Yung, aged 68, graduated with a university Bachelor's degree in Civil Engineering in 1958 and worked as a Design Engineer with Fujian Hydroelectric Design Centre with participating in designing dams, tunnels, harbours and hydroelectric power stations from 1958 to 1962. From 1962 to 1971, he worked as a Site Agent for Paul Y. Construction Co. Ltd. in Hong Kong. In 1971, he established his own construction company, Success Construction Co., as a sole proprietor and ran the company until 1982. In 1982, he entered into a joint venture with Japan Development to form Chevalier Construction Company Ltd. in Hong Kong, where he worked as a Director and General Manager until he emigrated to Canada at the end of 1989. In 1993, he returned to Hong Kong. He had been a Director of the Company since May 1997 and was an Independent Non-executive Director from May 2001.

毛關勇先生，68歲，1958年大學土木工程系畢業生，並於1958至1962年出任福建水電設計院之設計工程師，參與設計堤壩、隧道、海港及水力發電站。1962至1971年間，彼在香港保華建築有限公司任職地盤負責人。1971年，毛先生以獨資方式成立本身之建築公司協成建築公司，經營至1982年。彼於1982年與日本國土在香港成立合營公司其士建築有限公司，出任董事兼總經理，直至1989年底移民加拿大為止。1993年，彼重返香港，彼自1997年5月出任本公司董事，在2001年5月為一獨立非執行董事至今。

SENIOR MANAGEMENT

高級管理人員

Mr. Zhou Xiaoyun, aged 58, is a Deputy General Manager of the Company. Mr. Zhou joined Hung Nien Electronics Limited ("Hung Nien") in 1985 and was the Chairman of Hung Nien. He graduated from Changsha Engineering Institute in 1975. Mr. Zhou has around 30 years of experience in engineering research and industrial management. He was appointed as an Executive Director of the Company in May 1997 and resigned therefrom on 14 February 2006.

周曉雲先生，58歲，為本公司之副總經理。周先生於1985年加入鴻年電子有限公司（「鴻年」），現為鴻年之董事長。彼於1975年畢業於長沙工學院。周先生於工程研究及工業管理方面擁有近30年之經驗。彼於1997年5月獲委任為本公司執行董事及於2006年2月14日辭任本公司執行董事職務。

Mr. Han Jiang, aged 44, is the Financial Controller of the Company. Mr. Han graduated from the Central Institute of Finance and Banking with a Bachelor's degree in Economics and is a Certified Public Accountant of America. After graduation, he worked with the Finance Department of China Aerospace Corporation and was responsible for product costing and working capital management. In 1992, he joined APT Satellite Holdings Limited and had participated in the works of satellite project financing, corporate financing and initial public offering in addition to normal financial duties. He was appointed as an Executive Director of the Company in September 2001 and resigned therefrom on 14 February 2006.

韓江先生，44歲，為本公司財務總監。韓先生畢業於中央財政金融學院，為經濟學學士，及在美國取得會計師資格。畢業後在航空航天工業部財務司工作，負責產品成本核算及營運資金管理。彼於1992年加入亞太通信衛星有限公司，除日常財務工作外，曾參與多項衛星融資、企業貸款及上市工作。彼於2001年9月獲委任為本公司執行董事及於2006年2月14日辭任本公司執行董事職務。



Biographical Details of Directors and Senior Management 董事及高級管理人員之個人資料

Mr. Zang Wei, senior engineer, aged 38, obtained his Bachelor's degree in Engineering at the Wireless Engineering Faculty and his Master's degree in Telecommunication and Electronic Engineering from Harbin Institute of Technology. He also obtained PhD in Economics from Remin's University of China. Since he joined the China Aerospace Industry Department in 1992, he has assumed the Deputy Director with the International Cooperation Division of China Academy of Space Technology, the Deputy Director with Assets Management Department, Trading and Investment Department of CASC, the Director and Managing Director of China Spacesat Co., Ltd. (listed on the Shanghai Stock Exchange as A share company), the Director and Senior Vice President of China Spacesat Technology Co., Ltd (listed on the Shanghai Stock Exchange as A share company) successively. He was appointed as a Deputy General Manager of the Company on 16 March 2007.

臧偉先生，38歲，高級工程師。畢業於哈爾濱工業大學無線電工程系，獲工學學士學位。後複畢業於哈爾濱工業大學，獲通信與電子工程學碩士學位，及於中國人民大學獲經濟學博士學位，1992年起服務於中國航天工業部門，歷任中國空間技術研究院國際合作處副處長，中國航天科技集團公司資產經營處處長，經營投資部副部長，中國天地衛星股份有限公司（上海證券交易所A股上市）董事、總裁，中國東方紅衛星股份有限公司（上海證券交易所A股上市）董事、高級副總裁。彼於2007年3月16日獲委任為本公司副總經理。

Mr. Shi Weiguo, senior engineer, aged 36, graduated from Soochow University with a Bachelor's degree in Science in 1992. He successively joined the Nuclear Department in Suzhou Nuclear Power Research Institute Co., Ltd and China Jiangsu International Economic Technical Cooperation Corporation. Since December 2005, he has assumed the office in Beijing Wan Yuan Industry Corporation as a Deputy General Manager. He was appointed as a Deputy General Manager of the Company on 16 March 2007.

史偉國先生，36歲，高級工程師。1992年畢業於蘇州大學，獲理學學士學位，先後就職於電力部蘇州熱工研究所，中國江蘇國際經濟技術合作公司。2005年12月就任北京萬源工業公司副總經理。彼於2007年3月16日獲委任為本公司副總經理。



Biographical Details of Directors and Senior Management 董事及高級管理人員之個人資料

Mr. Li You, senior engineer, aged 43, senior engineer. Graduated from Huazhong University of Science and Technology with the Bachelor's degree in Electronic Material and Component Specialized Technology, he has studied courses in economics, banking, finance and business management of engineering management research class in Beijing Institute of Technology. Since 1986, he successively served in Beijing Telemetry Technical Research Institute, CALT's Political Division, Administrative Office, Civilian Use Development Department as Deputy Director, Comprehensive Management Director in which he was engaged in the special case development, technical division management, public relation management, and civil assets integrative management work. In 2003, he served as Deputy Chief of Investment Management Department in CALT, responsible on CALT's civil assets planning management, corporate management, capital restructuring, and management appraisal work. Having possessed extensive experience in aerospace civil industry management, he was appointed as a Deputy General Manager of the Company on 16 March 2007.

Mr. Chau Chiu Suen, aged 51, graduated from South China Polytechnic University. He has over 10 years of experience as senior management of conglomerates in the Mainland China and has extensive business experience in the operation of wireless telecommunication access, integrated Intelligent Transportation System ('ITS') and ITS suppliers. He is the Chairman of Beijing Qihua Communications Limited and Tangshan Qihua GPS Limited. He is also the Vice-chairman of CASTEL Intelligent Transportation System Limited.

李鈞先生，43歲，高級工程師。畢業於華中工學院，取得電子材料與器件專業工學學士學位，並在北京理工大學管理工程研究生班系統學習了經濟、銀行、金融和企業管理課程，自1986年起至今先後擔任於北京遙測技術研究所、中國運載火箭技術研究院政治部、院辦公室、民品開發部副處長，歷任綜合管理處處長，從事過專案開發、科技幹部管理、公共關係管理、研究院民用產業綜合經營管理工作。2003年起就任中國運載火箭技術研究院經營投資部副部長，負責研究院民用產業經營計劃管理、公司管理、資產重組、經營考核工作，擁有較豐富的航天民用產業管理經驗。彼於2007年3月16日獲委任為本公司副總經理。

周超宣先生，現年51歲，於華南理工大學本科畢業，擁有超過10年以上中國內地大型企業高層管理經驗，在無線電通訊網絡營運和智能交通系統集成及供應商方面具有豐富的商務經驗，現任北京奇華通訊有限公司及唐山奇華衛星定位有限公司董事長之職。彼亦為航通智能交通有限公司之副董事長。



Biographical Details of Directors and Senior Management 董事及高級管理人員之個人資料

Mr. Ng Yat Keung, Frederick, aged 52, is the Managing Director of China Aerospace Telecommunications (Hong Kong) Limited. Mr. Ng graduated from the Cambridgeshire College of Arts and Technology in Britain with a Higher National Diploma in Business Studies and obtained an MBA degree from the University of Aston in Birmingham in Britain. He is a member of the British Institute of Management. Mr. Ng has over 20 years of experience in marketing and manufacturing operations in telecommunications and electrical products. He joined the Group in September 2000.

吳日強先生，52歲，為航天科技通信（香港）有限公司之董事總經理。彼畢業於英國劍橋書院獲高級國立商業管理文憑。並獲英國伯明翰亞士頓大學工商管理碩士。彼為英國管理學會會員，在製造行業累積了有20年市場推廣及工程管理方面的經驗。彼於2000年9月加入本集團。



INTRODUCTION

The Board of Directors of the Company (the "Board") is pleased to present the Corporate Governance Report of the Group for the year ended 31 December 2006.

COMMITMENT TO CORPORATE GOVERNANCE

The Company acknowledges the importance of good corporate governance practices and procedures and regards as preminent board of directors, sound internal controls and accountability to all shareholders as the core elements of its corporate governance principles. The Group endeavours to ensure that its businesses are conducted in accordance with rules and regulations, and applicable codes and standards.

CORPORATE GOVERNANCE PRACTICES

The Group has complied with all principles as set out in the Code on Corporate Governance Practices in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Code"), which became applicable to the Group in respect of the year under review, and complied with the relevant code provisions in the Code throughout the year ended 31 December 2006, with the exception of one deviation from the Code Provision A.4.1 of the Code which stipulates that Non-executive Directors should be appointed for a specific term subject to re-election.

All of the Directors of the Company including the Independent Non-executive Directors are not appointed for a specific term but are subject to retirement and rotation and re-election at the Company's Annual General Meeting ("AGM") in accordance with the retirement provisions under the Articles of Association of the Company. The Company considers that sufficient measures have been taken in this regard to ensure that the Group's corporate governance practices are no less exacting than those in the Code.

Corporate Governance Report 企業管治報告書

序言

本公司董事會（「董事會」）欣然提呈本集團截至二零零六年十二月三十一日止年度之企業管治報告書。

企業管治承擔

本公司深明良好企業管治常規及程序之重要性，確信傑出的董事會、穩健之內部監控、向全體股東負責乃企業管治原則之核心要素。本集團竭力確保遵照規則及規例及適用守則及標準經營業務。

企業管治常規

本集團於截至二零零六年十二月三十一日止年度，遵守於回顧年度內適用本集團之香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「守則」）所列全部原則，除偏離守則第A.4.1條守則條文外，已遵守守則內有關條文，該條文規定，獨立非執行董事須獲委任特定任期並可膺選連任。

本公司全體董事包括獨立非執行董事均未獲委任特定任期，但須遵照本公司組織章程細則之退任條文於本公司之股東週年大會輪值退任及膺選連任。因此，本公司認為，已採取充分措施確保本集團的企業管治常規不較守則中所規定者寬鬆。



Corporate Governance Report 企業管治報告書

董事會

Board Responsibilities and the Relationship between Board and Management

董事會之職責及董事會與管理層之間的關係

The Board has the responsibility for management of the Group, which includes formulating business strategies, and directing and supervising the Group's affairs, approving interim reports and annual reports, announcements and press releases of interim and final results, considering dividend policy, and approving the issue, allotment or disposal or grant of options in respect of unissued new shares or debentures of the Group.

董事會負責管理本集團，其中包括制訂業務策略、指導及監管本集團事務，審批中期報告及年報、中期與全年業績之公佈及新聞稿；商討股息政策，及審批發行、配發或出售或授出本集團未發行新股之購股權或債券。

The overall management of the Group's business is vested in the Board.

董事會負責對本集團業務的整體管理。

The Board takes responsibility to oversee all major matters of the Group, including the approval and formulation of all policy matters, overall strategies, internal control and risk management systems, and monitoring the performance of the senior management.

董事會承擔監控本集團所有重要事項的責任，包括批准及制定所有政策事宜、整體策略、內部監控及風險管理系統，以及監察高級管理層的表現。

The Board's role is not to manage the business whose responsibility remains vested with management. The Board and management fully appreciate their respective roles and are supportive of the development of a healthy corporate governance culture.

董事會的角色並非經營業務，經營業務乃管理層之責任。董事會及管理層充分理解其各自之職責，均支持建立健全之企業管治文化。

The day-to-day management, administration and operation of the Group are delegated to the management. The Board gives clear directions to the management as to their powers of management, and circumstances under which the management should report back. All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that the Board procedures and all applicable rules and regulations are followed. Each Director is entitled to seek independent professional advice in appropriate circumstances in carrying out their functions and duties after making a request to the Board at the Group's expenses.

本集團的日常管理、行政及營運已授權本公司管理層負責。董事會就管理層的管理權力以及何種情況下須匯報董事會給予清晰指引。所有董事均可及時全面查閱所有相關資料以及獲本公司秘書提供意見及服務，以確保遵守董事會程序及所有相關規則及規例。各董事有權在適當的情況下，經向董事會作出請求後，尋求獨立專業意見以履行其功能及職責，費用由本集團支付。



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Each Director is given contact details of the senior management and is accessible to them for obtaining information and making enquiries when required.

各董事均獲提供高級管理層之聯繫資料，及於需要時可接觸彼等以獲取資料及作出查詢。

Board Composition

The Board currently comprises ten directors including three Executive Directors, three Non-executive Directors and four Independent Non-executive Directors. There is a majority of non-executive directors on the Board, with a wide range of experience and calibre bringing valuable judgment on issues of strategy, performance and resources. The biographical details of the Directors are set out on pages 11 to 15 of this Annual Report, which demonstrates a diversity of skills, expertise, experience and qualifications.

During the year 2006, the Board at all times met the requirements of the Rules 3.10(1) and 3.10(2) of the Listing Rules in appointment of a sufficient number of four Independent Non-executive Directors of whom Mr. Yiu Ying Wai ("Mr. Yiu") has appropriate professional qualifications, accounting and financial management expertise as set out on page 14 of this Annual Report.

The appointment of Independent Non-executive Directors adheres to the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules. The Group has received in writing confirmation of their independence from each of the Independent Non-executive Director and considers them to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgment. The Board considers that each of the Non-executive Director and Independent Non-executive Director brings his own relevant expertise to the Board.

The directors are aware that they shall give sufficient time and attention to the affairs of the Group.

董事會組成

董事會目前由十位董事（包括三位執行董事、三位非執行董事及四位獨立非執行董事）組成。非執行董事佔大多數，彼等擁有豐富之經驗及才能，能夠對策略、表現及資源等問題作出有價值之判斷。董事之個人資料載列於本年報第11頁至15頁，當中載列了各董事之多樣化技能、專業知識、經驗及資格。

於二零零六年度，董事會一直符合上市規則第3.10(1)條及3.10(2)條就任命足夠獨立非執行董事之數目（四位）之規定，其中姚瀛偉先生（「姚先生」）擁有合適之專業資格、會計及財務管理專業知識，載列於本年報第14頁。

任命獨立非執行董事乃遵守載列於上市規則第3.13條評估獨立性之指引。本集團已收到各位獨立非執行董事獨立性之書面確認書及認為彼等均為與管理層並無關係的獨立人士，其獨立判斷不會受到太大影響。董事會認為每位非執行董事及獨立非執行董事均向董事會貢獻其自身之相關專業技能。

董事知悉須付出足夠時間及精神以處理本集團事務。



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Chairman and General Manager

主席及總經理

The Chairman and the General Manager of the Group are Mr. Wu Yansheng and Mr. Wang Xiaodong respectively. The roles of the Chairman and the General Manager are segregated and assumed by two separate individuals to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual. The Chairman of the Board is responsible for the leadership, Group strategic and Board issues, while the General Manager has the overall general management responsibilities for Group operations and development in general.

本集團主席及總經理職位分別由吳燕生先生與王曉東先生擔任。主席及總經理之職位互相分開，由不同個人擔任，以達致權力與授權之均衡，以便工作責任不集中於任何一個人。董事會主席負責領導事宜、本集團之策略方向及董事會事務，總經理則對本集團之經營及發展負有整體全面管理之責任。

Appointment, re-election and removal of Directors

委任、重選及罷免董事

The Group does not have a Nomination Committee. There are formal, considered and transparent procedures for the appointment and removal of Directors. The Board as a whole is responsible for the procedure of agreeing to the appointment of its members and for nominating appropriate person for election by shareholders at the AGM, either to fill a causal vacancy or as an addition to the existing Directors. In the nomination process, the Board of Directors make reference to criteria including accomplishment and experience in the industry, professional and educational background and commitment in respect of available time and relevant interest.

本集團並無設立提名委員會。本公司就董事之委任及罷免訂有正式、經審慎考慮及具透明度之程序。董事會全員負責核准委任新董事及在股東大會上提名合適人選應選，以填補董事空缺或增添董事名額。提名過程中，董事會的參考準則包括有關行業的成就及經驗、專業及教育背景以及其投入的程度，包括能夠付出的時間及對相關事務的關注等。

The process for re-election of a director is in accordance with the Group's Articles of Association, which require that, other than those Directors appointed during the year, one-third of the Directors for the time being are required to retire by rotation at each AGM and are eligible to stand for re-election. For those Directors appointed by the Board during the year, they shall hold office until the next following AGM and shall then be eligible for re-election. The annual report and the circular for AGM contain detailed information on election of Directors including detailed biography of all Directors standing for re-election to ensure shareholders to make an informed decision on their election.

重選董事乃按照本集團組織章程細則的規定辦理，除在年度內獲委任的董事外，三分之一之現任董事須於每年股東週年大會上輪值告退，且有資格膺選連任。年內獲董事會委任之董事須留任至隨後之股東週年大會結束，並有資格於屆時膺選連任。年報及股東大會的通函上載有擬膺選連任之董事的詳細資料及個人履歷，以便股東對其選舉作出知情決定。



Corporate Governance Report

企業管治報告書

董事會會議

The Board conducts meetings on a regular basis and on ad-hoc basis, as required by business needs. During the year, the current Board formed on 14 February 2006 held a total of six meetings and at least once quarterly. The composition of the Board and attendance of the Directors are set out below:

董事會按業務需要，舉行定期及臨時會議。年內，於二零零六年二月十四日組成之現董事會共舉行六次會議，至少每季度一次。董事會之組成及董事出席率載列如下：

	Attendance / Number of Meetings		出席／ 會議次數
Non-executive Directors		非執行董事	
Mr. Wu Yansheng (<i>Chairman</i>)	1/6	吳燕生先生 (主席)	1/6
Mr. Liang Xiaohong (<i>Vice-chairman</i>)	1/6	梁小虹先生 (副主席)	1/6
Mr. Tang Guohong	3/6	唐國宏先生	3/6
Executive Directors		執行董事	
Mr. Han Shuwang (<i>Vice-chairman</i>)	3/6	韓樹旺先生 (副主席)	3/6
Mr. Wang Xiaodong	6/6	王曉東先生	6/6
Mr. Li Guang	6/6	李光先生	6/6
Independent Non-executive Directors		獨立非執行董事	
Mr. Yiu	5/6	姚先生	5/6
Mr. Wong Fai, Philip	5/6	黃琿先生	5/6
Mr. Zhu Shixiong	6/6	朱世雄先生	6/6
Mr. Moh Kwen Yung	6/6	毛關勇先生	6/6

Apart from the said meetings of the current Board, there was also a meeting of the former Board held on 14 February 2006 where all of the Directors, Mr. Rui Xiaowu, Mr. Wang Xiaodong, Mr. Zhou Xiaoyun, Mr. Han Jiang, Mr. Guo Xianpeng, Mr. Xu Jian Hua, Mr. Ma Yucheng, Mr. Yiu, Mr. Wong Fai, Philip, Mr. Zhu Shixiong and Mr. Moh Kwen Yung attended the meeting .

除上述現董事會召開之會議外，前董事會於二零零六年二月十四日，亦舉行一次會議，全體董事芮曉武先生、王曉東先生、周曉雲先生、韓江先生、郭先鵬先生、徐建華先生、馬玉成先生、姚瀛偉先生、黃琿先生、朱世雄先生及毛關勇先生皆出席該會議。



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For a regular Board meeting, notice of at least fourteen days is given to all Directors of the Group, who are given an opportunity to include matters in the agenda for discussion, and an agenda and accompanying document for discussion are sent to all Directors of the Group at least three days before the intended date of a regular Board meeting. For all other Board meetings, reasonable notices should be given.

Minutes of Board meetings and meetings of Board Committees are kept by the secretary of the Group and are open for inspection at any reasonable notice by any Director of the Group. Further, minutes of the Board meetings and meetings of Board Committees recorded in sufficient detail the matters considered by the Board and the Board Committees and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes of Board meetings are sent to all Directors of the Group for their comment and records respectively, in both cases within a reasonable time after the Board meeting is held.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall not be dealt with by a Committee (except an appropriate Board Committee set up of that purpose pursuant to a resolution passed in a Board meeting) but a Board meeting shall be held, during which such Director must abstain from voting. Independent Non-executive Directors who, and whose associates, have no material interest in the transaction shall be present at such Board meeting.

Board Committees

The Board has established three committees, namely, the Remuneration Committee, Audit Committee and Development and Investment Committee, for overseeing particular aspects of the Group's affairs. All Board Committees of the Group are established with defined written terms of reference. The terms of reference of the Board Committees are posted on the Group's website and are available to shareholders upon request.

召開定期董事會會議須向本集團全體董事發出至少十四日通知，以便彼等有機會將彼等認為適合之討論事項納入會議議程。會議議程連同董事會文件會於每次董事會定期會議舉行當日前至少三天送交本集團全體董事。召開其他董事會會議亦需給予合理通知。

本集團之秘書負責保存董事會及董事委員會會議記錄，並於本集團董事合理通知情況下供查閱。另外，董事會及董事委員會會議記錄須足夠詳細記載董事會及董事委員會所考慮之事項及所達成之決議，包括董事所提出之任何疑問或所表達之反對意見。每次董事會會議後之會議記錄草稿及終稿會於董事會會議召開後合理時間內分發予本集團全體董事，以供彼等提供意見或存檔。

倘董事會認為一名主要股東或董事於某一事項中存在利益衝突，而董事會決定該事項為重大事項，則該事項不會以委員會方式處理（根據董事會會議通過之決議案就該事項成立之適當董事委員會除外），而會舉行一次董事會會議商討有關事項，該董事屆時於會議上必須放棄投票。本身及其聯繫人於有關交易中均無重大利益的獨立非執行董事將可出席該董事會會議。

董事委員會

董事會已成立三個委員會，即薪酬委員會、審核委員會、發展及投資委員會，以監察本集團事務之特定領域。本集團之各董事委員會均以書面界定職權範圍。董事委員會之職權範圍刊載於本集團網站及可於股東要求時提供查閱。



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The Board Committees are provided with sufficient resources to discharge their duties, and upon reasonable request, are able to seek independent professional advices under appropriate circumstances at the Group's expenses.

董事委員會獲提供足夠資源，以履行其職務，並於提出合理要求後在適當情況下，尋求獨立專業意見，費用由本集團支付。

A) Remuneration Committee

The Remuneration Committee consists of one Non-executive Director and two Independent Non-executive Directors. The Remuneration Committee is responsible for making recommendations to the Board on the Group's policy and structure for all remuneration of Directors and senior management and on the establishment of formal and transparent procedures for developing policies on such remuneration.

The main principles of the Group's remuneration policies are:

1. No Directors or any of his associates is involved in deciding his own remuneration;
2. Recommendations will be made to the Board at least one time per year of the specific remuneration packages of all Executive Directors and senior management, including benefits in kind, pension rights and compensation payments which include any compensation payable for loss or termination of their office or appointment, and the remuneration of Non-executive Directors. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration; and
3. Review and recommend performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

A) 薪酬委員會

薪酬委員會由一名非執行董事及兩名獨立非執行董事組成。薪酬委員會主要負責就本集團董事及高級管理人員之薪酬政策及架構，及就制訂有關薪酬政策及架構建立正式及具透明度之程序，向董事會提供推薦建議。

本集團薪酬政策之主要原則為：

1. 概無董事或其聯繫人士參與釐定其本身之薪酬；
2. 每年應至少就董事及高級管理人員之具體薪酬福利（包括實物福利、退休金權利及補償付款（包括離職或終止委任之應付賠償）及非執行董事之薪酬向董事會提供建議一次。薪酬委員會應考慮多項因素，例如可資比較公司所支付之薪金、董事付出之時間及職責、本集團其他部門之聘用情況，以及應否推行以表現為本而釐定之薪酬。
3. 根據董事會不時通過之公司目標，檢討及推薦以表現為本之薪酬。



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The Remuneration Committee has reviewed and discussed the remuneration of the Directors and senior management. The Committee has also approved the remuneration and the discretionary bonuses of the Executive Directors by reference to their respective levels of responsibilities and performance, industry benchmarks, prevailing marketing conditions and the Group's financial performance. The Director's fees and any other reimbursement or emolument payable to the Directors during the year are disclosed in the Group's financial statements.

One committee meeting was convened for discussing the remuneration policy for the year ended 31 December 2006 and the attendances of each committee member at the meeting are set out as follows:

	Attendance / Number of Meetings
Non-Executive Director	
Mr. Wu Yansheng (<i>Chairman</i>)	1/1
Independent Non-Executive Directors	
Mr. Yiu	1/1
Mr. Wong Fai, Philip	1/1

B) Audit Committee

The Audit Committee consists of four Independent Non-executive Directors. The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for Effective Audit Committee" published by the Hong Kong Institute of Certified Public Accountants and in accordance with the Code.

薪酬委員會已檢討及商討董事及高級管理人員之薪金。委員會亦已根據彼等各自職責水平及表現、行業標準、現行市況及本集團之財務表現，批准董事及高級管理人員之薪金及酌情花紅。董事之袍金及任何其他於本年度應付董事之薪金於本集團之財務報表內披露。

已召開就商討截至二零零六年十二月三十一日止年度之薪酬政策之一次委員會會議及每位委員會成員之出席情況載列如下：

	出席／ 會議次數
非執行董事	
吳燕生先生 (主席)	1/1
獨立非執行董事	
姚先生	1/1
黃琿先生	1/1

B) 審核委員會

審核委員會由四位獨立非執行董事組成。審核委員會之權力與職責之書面職權範圍乃參照香港會計師公會頒布之「審核委員會有效運作指引」及守則而編制及採納。



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The Audit Committee is responsible for the appointment of external auditors, review of the Group's financial information and oversight of the Group's financial and accounting practices, internal control and risk management. It is also responsible for reviewing the interim and final results of the Group.

The audited financial statements for the year ended 31 December 2006 have been reviewed by the Audit Committee.

Two committee meetings were convened during the year ended 31 December 2006 and the attendances of each committee member at these meetings are set out as follows:

審核委員會乃負責任命外聘核數師、檢討本集團之財務資料及監察本集團之財務及會計行為、內部監控及風險管理。其亦負責審閱本集團之中期及末期業績。

審核委員會已審閱截至二零零六年十二月三十一日止年度之經審核財務報表。

於截至二零零六年十二月三十一日止年度內已召開兩次委員會會議及每位委員會成員之出席情況載列如下：

Attendance / Number of Meetings		出席／ 會議次數
Independent Non-Executive Directors		獨立非執行董事
Mr. Yiu	2/2	姚先生 2/2
Mr. Wong Fai, Philip	2/2	黃琿先生 2/2
Mr. Zhu Shixiong	2/2	朱世雄先生 2/2
Mr. Moh Kwen Yung	2/2	毛關勇先生 2/2

The Audit Committee has reviewed the terms of engagement of the external auditors, the revised accounting standards, the 2006 interim financial report and the 2006 annual financial statements. The Audit Committee also reviewed the internal control systems, and met with the external auditors to discuss with them the nature and scope of the audit and reporting obligation prior to the commencement of the audit.

審核委員會已審閱外聘核數師合同之條款、經修訂會計準則、二零零六年中期財政報告及二零零六年年度財務報表。審核委員會亦已審閱內部監控系統、及於審核開始之前會見外聘核數師並與彼等談論審核及申報義務之本質及範圍。

C) Development and Investment Committee

The Development and Investment Committee consists of two Non-executive Directors, two Executive Directors and one Independent Non-executive Director. The Development and Investment Committee is responsible for the review of the effectiveness of the system of internal control covering all material controls, including financial and operational controls and risk management functions.

The Board has considered the better allocation of resources and has instructed the Audit Committee to discuss the effectiveness of the system of internal control of the Company. As such, the Group considers that sufficient review to ensure that the Group's internal control is in order has been taken and no Development and Investment Committee meeting was convened during the year ended 31 December 2006.

The composition of the Development and Investment Committee is set out in the corporate information on page 3 of this annual report.

C) 發展及投資委員會

發展及投資委員會包括兩位非執行董事、兩位執行董事及一位獨立非執行董事。發展及投資委員會負責審閱內部監控系統之效益，涵蓋所有主要監控，包括財政及運營監控與風險管理職能。

董事會已考慮更佳資源分配，並指示審核委員會討論本公司內部監控系統之效益。因此，本集團認為已作充份審閱，確保本集團內部監控有條不紊，故此，二零零六年十二月三十一日止年度內並無召開發展及投資委員會會議。

發展及投資委員會之組成載列於本年報第3頁之公司資料。

Internal Control

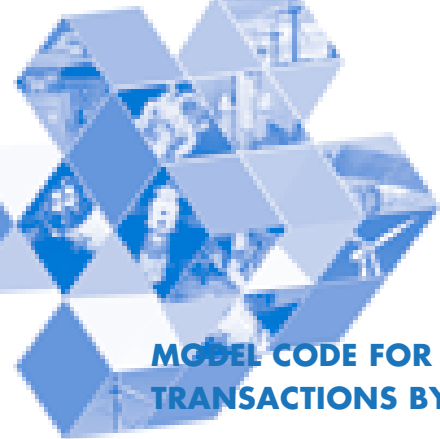
The Directors have the overall responsibility for internal control and setting appropriate policies. The Board, through the Audit Committee, has reviewed the effectiveness of the Group's system of internal control.

The Group's internal control system includes a well defined management structure with limits of authority which is designed for the achievement of business objectives, so as to safeguard assets against unauthorized use or disposition, to ensure proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and to ensure compliance with relevant legislation and regulations.

內部監控

董事會整體負責內部監控及制定合適之政策。董事會通過審核委員會，已審閱本集團內部監控系統之效益。

本集團內部監控系統包括界定清晰且限定權力之管理結構，設計宗旨為完成商業目標，保障資產免受擅用或擅自處置，確保適當紀錄及存檔，為內部用途或公開發佈提供可靠之財務資料，並確保遵照相關法例法規。



Corporate Governance Report 企業管治報告書

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

董事進行證券交易之標準守則

During the year ended 31 December 2006, the Group has adopted the Model Code for Securities Transactions by Directors of Listed issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code for dealing in securities of the Group by the Directors. Having made specific enquiry, all the Directors confirmed that they have complied with the Model Code throughout the year.

截至二零零六年十二月三十一日止年度內，本集團已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」），作為董事買賣本集團證券之守則。全體董事於本公司作出具體查詢後，確認彼等年內一直遵守標準守則所載標準守則。

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

董事就財務申報之責任

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group and ensure that the financial statements of the Group for the year ended 31 December 2006 have been prepared in accordance with Hong Kong Financial Reporting Standards and Hong Kong Accounting Standard and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and disclosure requirements of the Hong Kong Companies Ordinance.

董事確認彼等負責編制本集團之財務報表，及確保本集團截至二零零六年十二月三十一日止年度之財務報表已遵照香港會計師公會發出之香港財務報告準則及詮釋、香港公認會計原則及香港公司條例之披露規定編制。

The statement of external auditors of the Group, Deloitte Touche Tohmatsu, about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 39 to 41 of this annual report.

本集團之外聘核數師德勤•關黃陳方會計師行有關其對本集團之綜合財務報表之申報責任聲明載於本年報第39頁至第41頁之獨立核數師報告內。

AUDITOR'S REMUNERATION

Deloitte Touche Tohmatsu ("DTT") was appointed as the external auditors of the Group by the shareholders at the last AGM of the Group. The remuneration to DTT recognised for the year ended 31 December 2006 was set out as follows:

Fees relating to services rendered

	HK\$'000
Audit services	1,629
Non-audit services	252
	1,881

核數師酬金

德勤•關黃陳方會計師行(「德勤」)於本集團上屆股東週年大會獲委聘為本集團之外聘核數師。截至二零零六年十二月三十一日止年度確認德勤之酬金載列如下:

有關所提供服務之費用

	千港元
審計服務	1,629
非審計服務	252
	1,881

COMMUNICATION WITH SHAREHOLDERS

The objective of shareholder communication is to provide the Group's shareholders with detailed information on the Group so that they can exercise their rights as shareholders in an informed manner.

The Group uses several formal channels to ensure fair disclosure and comprehensive and transparent reporting of its performance and activities. These include interim and annual reports, announcements and circulars.

The Group encourages its shareholders to attend AGM to ensure a high level of accountability and to keep informed of the Group's strategy and goals. The Chairman of the Board and the chairman of all the Board Committees, or in their absence, other members of the respective committees, are available to answer any questions from the shareholders. A separate resolution is proposed by the Chairman in respect of each issue to be considered at the AGM, including the re-election of Directors.

與股東之溝通

與股東溝通之目的在於為本集團之股東提供有關本集團之詳細資料，以便彼等能夠以知情方式行使作為股東之權利。

本集團透過多個正式途徑，確保對其表現及業務作出公平的披露和全面而具透明度的報告。該等途徑包括中期報告、年報、公佈及通函。

本集團鼓勵其股東出席股東週年大會，以確保有高度的問責性，及讓股東瞭解本集團的策略及目標。董事會主席及所有董事委員會之主席(或如彼等未能出席，則各委員會之其他成員)將於股東大會上回答任何提問。主席會就每項在股東週年大會上審議之議題(包括重選董事)提呈個別之決議案。



Corporate Governance Report 企業管治報告書

An AGM circular is distributed to all shareholders at least 21 days prior to the AGM, setting out details of each proposing resolution, voting procedures (including procedures for demanding and conducting a poll) and other relevant information.

在股東週年大會前不少於二十一天向全體股東發出股東週年大會通函，詳列各項擬提呈決議案、表決程序(包括要求及舉行投票表決的程序)及其他相關資料。

The Chairman explains the procedures for demanding and conducting a poll again at the beginning of the AGM, and (except where a poll is demanded) reveals how many proxies for and against have been received in respect of each resolution. In case poll voting is conducted, the poll results will be posted on the websites of the Group and the Stock Exchange on the business day following the shareholders' meeting.

主席在股東週年大會開始前會再次說明要求及舉行投票表決的程序，並且(除非要求投票表決)交代已受到投票贊成及反對各決議案的代表票數。倘以投票方式進行表決，投票表決之結果則會於股東大會後下一個營業日在本集團網站及聯交所網站內刊登。

As a channel to further promote effective communication, the Group maintains a website at <http://www.castelecom.com> where the Group's announcements, business developments and operations, financial information, corporate governance practices and other information are posted.

本集團已設立網站(網址為<http://www.castelecom.com>)，以作為增進有效溝通之渠道，而本集團之公佈、業務發展及營運、財務資料、企業管治及其他資料均於該網站內刊登。



Report of the Directors 董事會報告書

The Directors present their annual report and the audited financial statements for the year ended 31 December 2006.

董事會同寅現謹將截至二零零六年十二月三十一日止年度之年報及經審核賬目呈覽。

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the activities of its principal subsidiaries and associates are set out in note 36 to the consolidated financial statements.

主要業務

本公司之主要業務為投資控股，而主要附屬及聯營公司之業務刊載於綜合財務報告附註36。

MATERIAL TRANSACTIONS

重大事項

Wind Energy Project

風力發電項目

On 30 March 2006, Crownplus International Ltd. ("Crownplus"), a wholly-owned subsidiary of the Company, entered into a joint venture agreement with Longyuan Electric Group Corporation and Beijing Wan Yuan Industry Corporation in respect of building, maintenance and operation of wind energy plants and facilities in the Liaoning Province of the PRC. The details of the joint venture company, Aerospace Long Yuan (Benxi) Wind Power Co., Ltd., are as follows:

於二零零六年三月三十日，本公司之全資附屬公司加冠國際有限公司（「加冠國際」）與龍源電子集團公司及北京萬源工業公司訂立一份關於在中國遼寧省建設、維護及經營風力發電廠及設施之合資經營協議。有關合營企業航天龍源（本溪）風力發電有限公司之詳請如下：

Business scope	:	wind power generation; wind field survey and design and construction work	經營範圍	:	風力發電；風力場勘探及設計及施工
Operation period	:	20 years	法定經營期	:	20年
Production capacity	:	30 megawatt	建設規模	:	30百萬瓦
Total investment	:	RMB 284,230,000	總投資額	:	人民幣284,230,000元
Total registered capital	:	RMB 93,800,000 (Crownplus' share: 40%, RMB 37,520,000)	註冊資本	:	人民幣93,800,000元(加冠國際佔：40%，人民幣37,520,000元)

POST BALANCE SHEET EVENT

Details of the post balance sheet event of the Group are set out in note 35 to the consolidated financial statements.

結算日後事項

本集團之結算日後事項之明細刊載於綜合財務報表附註35。

RESULTS

The results of the Group for the year ended 31 December 2006 are set out in the consolidated income statement on page 42.

業績

本集團截至二零零六年十二月三十一日止之年度之業績刊載於第42頁之綜合損益表內。

The Directors do not recommend the payment of a dividend.

董事並不建議派發任何股息。

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

物業、廠房及設備

本年內本集團及本公司物業、廠房及設備之變動情況刊載於綜合財務報告附註15。

SHARE CAPITAL

Movements in the share capital of the Company during the year are set out in note 28 to the consolidated financial statements.

股本

本公司之股本於年內之變動刊載於綜合財務報表附註28。

PURCHASE, SALE OR REDEMPTION OF SHARES

購買、出售或贖回股份

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

本年度本公司及其任何附屬公司概無購買、出售或購回任何本公司已發行股份。

PRE-EMPTIVE RIGHTS

優先購買權

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws in the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

按本公司公司組織章程細則或開曼群島法例之規定（此規定本公司須按比例向現股東要約新股），並無任何優先購買權。

Report of the Directors 董事會報告書

SHARE OPTION SCHEME

Details of the share option scheme of the Company during the year are set out in note 29 to the consolidated financial statements.

購股權計劃

本公司之購股權計劃於年內之明細刊載於綜合財務報表附註29。

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2006 were nil (2005: HK\$16,028,000).

本公司之可供分派儲備

於二零零六年十二月三十一日，本公司並無可供分派予股東之儲備（二零零五年：16,028,000港元）。

DIRECTORS

The Directors during the year and up to the date of this report are:

董事會

本年內及截至本報告日期止之董事如下：

Non-executive

Mr. Wu Yansheng (*Chairman*)

(*appointed on 14 February 2006*)

Mr. Liang Xiaohong (*Vice-chairman*)

(*appointed on 14 February 2006*)

Mr. Tang Guohong

(*appointed on 14 February 2006*)

非執行董事

吳燕生先生 (*董事長*)

(*於二零零六年二月十四日獲委任*)

梁小虹先生 (*副董事長*)

(*於二零零六年二月十四日獲委任*)

唐國宏先生

(*於二零零六年二月十四日獲委任*)

Executive

Mr. Han Shuwang (*Vice-chairman*)

(*appointed on 14 February 2006*)

Mr. Wang Xiaodong

Mr. Li Guang

(*appointed on 14 February 2006*)

執行董事

韓樹旺先生 (*副董事長*)

(*於二零零六年二月十四日獲委任*)

王曉東先生

李光先生

(*於二零零六年二月十四日獲委任*)

Independent Non-executive

Mr. Yiu Ying Wai

Mr. Wong Fai, Philip

Mr. Zhu Shixiong

Mr. Moh Kwen Yung

獨立非執行董事

姚瀛偉先生

黃瑋先生

朱世雄先生

毛關勇先生



Report of the Directors 董事會報告書

The terms of office of the Non-executive Director and each of the Independent Non-executive Director is from the date they were last elected to the date of their retirement by rotation in accordance with the Company's Articles of Association.

每位非執行董事及獨立非執行董事之任期為自其獲選任日期至其依照本公司組織章程細則輪席告退止。

Mr. Wang Xiaodong, Mr. Zhu Shixiong and Mr. Moh Kwen Yung shall retire by rotation at the close of the forthcoming annual general meeting in accordance with Article 99 of the Company's Articles of Association and, being eligible, offers themselves for re-election.

根據本公司組織章程細則第99條款規定，王曉東先生、朱世雄先生及毛關勇先生須於即將舉行之股東週年大會後輪席告退，惟符合資格並願膺選連任。

DIRECTORS' SERVICE CONTRACTS

董事服務合約

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

擬於即將舉行之股東週年大會上膺選連任之董事概無與本公司或任何附屬公司簽訂任何不可由聘任公司於一年內終止而免付補償（法定補償除外）之服務合約。

DIRECTORS' INTERESTS IN CONTRACTS

董事於合約中之利益

No contracts of significance to which the Company, or any of its subsidiaries, its holding companies or its fellow subsidiaries was party and in which a Director of the Company had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

於年終時或本年度內任何時間，本公司、其任何附屬公司、控股公司或同系附屬公司均無參與任何與本公司董事直接或間接有重大利益關係之重要合約。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

董事及主要行政人員於股份、相關股份及債權證之權益及淡倉

As at 31 December 2006, none of the Directors and chief executives of the Company or their respective associates had any interest or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of SFO), or to be recorded in the register required to be maintained pursuant to Section 352 of the SFO, or otherwise to be notified to the Company or the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

於二零零六年十二月三十一日，本公司董事及主要行政人員或彼等各自之聯繫人概無於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有依據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）（包括根據證券及期貨條例有關條文其被當作或視為擁有之權益及淡倉）；或記錄於依據證券及期貨條例第352條須存置之登記冊之權益或淡倉；或依據聯交所證券上市規則（「上市規則」）上市公司董事進行證券交易的標準守則須知會本公司或聯交所之權益或淡倉。

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

董事購買股份或債權證之權利

Apart from as disclosed under the headings "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" and "Share option scheme", at no time during the period was the Company, its subsidiaries or any of its associated corporations (within the meaning of Part XV of the SFO) a party to any arrangements to enable the Directors of the Company or their associates (as defined in the "Listing Rules") to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

除「董事及行政總裁於股份、有關股份及債權證之權益及淡倉」以及「購股權計劃」所披露外，期間本公司、其附屬公司或其任何相聯法團（定義見證券及期貨條例第XV部）概無訂立任何安排，以使本公司董事或其聯繫人（定義見「上市規則」）可透過收購本公司或任何其他法人團體之股份或債權證而獲取利益。

Report of the Directors

董事會報告書

SUBSTANTIAL SHAREHOLDERS

主要股東

As at 31 December 2006, so far as is known to the Directors, the persons/entities (other than a Director or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under provisions of Division 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such person's interest in such securities or in any options in respect of such capital were as follows:

於二零零六年十二月三十一日，據董事所知，除董事或本公司主要行政人員外，以下人士／實體於本公司股份及相關股份中擁有權益或淡倉，而根據證券及期貨條例第XV部第2及3分部之條文規定須向本公司及聯交所披露，或直接或間接擁有附帶權利可在任何情況下於本集團任何其他成員公司股東大會上投票之任何類別股本面值10%或以上之權益，而該等人士各自於該等證券之權益或有關該等股本之任何期權數額如下：

Name 名稱	Capacity 身份	Number of shares (Note 1) 股份數目 (附註1)	Percentage of shareholding 股權百分比
CASC 中航總	Interest of a controlled corporation (Note 2) 擁有受控制公司權益 (附註2)	449,244,000 (L)	44.17%
CALT 火箭院	Interest of a controlled corporation (Note 3) 擁有受控制公司權益 (附註3)	449,244,000 (L)	44.17%
Astrotech	Beneficial owner 實益擁有人	449,244,000 (L)	44.17%

Notes:

附註：

- | | |
|---|---|
| <p>1. The letter "L" denotes the shareholder's long position in the shares.</p> <p>2. CASC is deemed to be interested in 449,244,000 shares as it holds 100% of the issued share capital of CALT.</p> <p>3. Astrotech is a wholly owned subsidiary of CALT. Accordingly, CALT is deemed to be interested in all the shares held by Astrotech.</p> | <p>1. 「L」指股東於股份之長倉。</p> <p>2. 中航總被視為擁有449,244,000股股份之權益，因其持有火箭院100%已發行股本。</p> <p>3. Astrotech乃火箭院之全資附屬公司。因此，火箭院被視為擁有Astrotech所持全部股份之權益。</p> |
|---|---|

Save as disclosed herein, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, there is no other person/entity (other than a Director or chief executive of the Company) who, as at 31 December 2006, had any interest or short position in the shares of underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group in any options in respect of such capital.

除本文所披露者外，按本公司根據證券及期貨條例第336條而設存之權益登記冊所示及於二零零六年十二月三十一日，據董事所知，除董事或本公司主要行政人員外，概無人士／實體於本公司股份及相關股份中擁有權益或淡倉，而根據證券及期貨條例第XV部第2及3分部之條文規定須向本公司及聯交所披露，或直接或間接擁有附帶權利可在任何情況下於本集團任何其他成員公司股東大會上投票之任何類別股本面值10%或以上之權益，而於有關該等股本之任何期權。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2006, turnover attributable to the five largest customers of the Group accounted for approximately 38.23% of the Group's turnover and turnover attributable to the Group's largest customer accounted for approximately 21.94% of the Group's turnover.

For the year ended 31 December 2006, purchases attributable to the five largest suppliers of the Group accounted for approximately 7.87% of the Group's purchases and purchases attributable to the Group's largest supplier accounted for approximately 3.87% of the Group's purchases.

None of the Directors, their associates or, to the best knowledge of the Directors, any shareholder who owns more than 5% of the Company's issued share capital had any interests in the above five largest customers or suppliers.

主要客戶及供應商

截至二零零六年十二月三十一日止年度，本集團五大客戶共佔本集團營業額約38.23%。本集團最大客戶佔本集團營業額約21.94%。

截至二零零六年十二月三十一日止年度，本集團五大供應商合共佔本集團採購額約7.87%，本集團最大供應商佔本集團總採購額約3.87%。

就董事會所知，各董事、彼等之聯繫人士或擁有本公司已發行股本5%以上之股東並無於任何五大客戶或供應商中擁有任何實益權益。

PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2006.

公眾持股

本公司截至二零零六年十二月三十一日止年內一直維持充足之公眾持股量。

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

核數師

一項決議案將提呈股東週年大會，以續聘德勤•關黃陳方會計師行為本公司核數師。

On behalf of the Board

Wu Yansheng

Chairman

承董事會命

吳燕生

董事長

Hong Kong, 19 April 2007

香港，二零零七年四月十九日



Independent Auditor's Report 獨立核數師報告書

TO THE SHAREHOLDERS OF
CASIL TELECOMMUNICATIONS HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

致：
航天科技通信有限公司各位股東
(於開曼群島註冊成立之有限公司)

We have audited the consolidated financial statements of CASIL Telecommunications Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 42 to 111, which comprise the consolidated balance sheet as at 31 December 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

本核數師行已完成審核載於第42至111頁之航天科技通信有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報告，包括於二零零六年十二月三十一日之綜合資產負債表及截至該日止年度之綜合損益表、綜合股東權益變動表及綜合現金流量表，以及主要會計政策及其他解釋性附註。

Directors' responsibility for the consolidated financial statements

董事就綜合財務報表須承擔的責任

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關之內部監控，以使財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理會計估計。



Independent Auditor's Report 獨立核數師報告書

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

核數師之責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執执行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。



Independent Auditor's Report 獨立核數師報告書

意見

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2006 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

本行認為上述綜合財務報告已根據香港財務報告準則真實及公平地反映 貴集團於二零零六年十二月三十一日之財務狀況及 貴集團截至該日止之虧損及現金流量，且已按照香港公司條例之披露要求而妥善編製。

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

德勤 • 關黃陳方會計師行

執業會計師

香港

19 April 2007

二零零七年四月十九日



Consolidated Income Statement

綜合損益表

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

		Notes 附註	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			
Turnover	營業額	6	141,275	173,478
Cost of sales	銷售成本		(134,495)	(111,785)
Gross profit	毛利		6,780	61,693
Other income	其他收入		20,775	2,914
Distribution costs	分銷成本		(9,458)	(9,355)
Administrative expenses	行政費用		(74,795)	(46,665)
Impairment loss recognised in respect of intangible assets	確認無形資產之減值虧損		(9,403)	—
Reversal of (allowance for) amount due from an associate	應收一聯營公司款項撥回(撥備)		10,019	(27,633)
Finance costs	財務成本	8	(9,370)	(5,803)
Share of results of associates	應佔聯營公司業績		(1,300)	(259)
Loss before taxation	除稅前虧損		(66,752)	(25,108)
Taxation	稅項	9	1,751	439
Loss for the year from continuing operations	持續經營業務本年度虧損		(65,001)	(24,669)
Discontinued operation	終止經營業務			
Loss for the year from discontinued operation	終止經營業務本年度虧損	10	(224)	(4,695)
Loss for the year	本年度虧損		(65,225)	(29,364)
Attributable to:	以下人士應佔：			
Equity holders of the Company	本公司權益持有人		(64,562)	(29,781)
Minority interests	少數股東權益		(663)	417
			(65,225)	(29,364)
Loss per share — Basic	每股虧損 — 基本	14		
From continuing and discontinued operations	來自持續經營業務及終止經營業務		HK(6.35) cents 港仙	HK(2.93) cents港仙
From continuing operations	來自持續經營業務		HK(6.33) cents 港仙	HK(2.47) cents港仙

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2006
於二零零六年十二月三十一日

		Notes 附註	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	15	42,879	54,432
Goodwill	商譽	16	—	1,607
Intangible assets	無形資產	17	9,800	33,634
Interest in associates	於聯營公司之權益	18	84,864	8,650
			137,543	98,323
Current assets	流動資產			
Inventories	存貨	19	62,910	48,808
Trade and other receivables	貿易及其他應收款	20	92,615	165,873
Amounts due from related companies	應收關連公司款	21	15,291	15,291
Amounts due from associates	應收聯營公司款	22	25,969	323
Pledged bank deposits	已抵押銀行存款	23	1,537	1,351
Bank balances and cash	銀行結存及現金	24	81,777	22,387
			280,099	254,033
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款	25	41,587	85,385
Amounts due to related companies	應付關連公司款	21	4,407	4,407
Amounts due to associates	應付聯營公司款	22	13,365	—
Taxation	稅項		330	65
Borrowings — amount due within one year	於一年內到期之貸款	26	97,350	98,998
			157,039	188,855
Net current assets	流動資產淨額		123,060	65,178
Total assets less current liabilities	資產總額減流動負債		260,603	163,501
Non-current liabilities	非流動負債			
Borrowings — amount due after one year	於一年後到期之貸款	26	168,317	6,654
Deferred taxation	遞延稅項	27	—	2,217
			168,317	8,871
			92,286	154,630



Consolidated Balance Sheet

綜合資產負債表

At 31 December 2006
於二零零六年十二月三十一日

		Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	28	101,714	101,714
Reserves	儲備		(11,440)	50,283
Equity attributable to equity holders of the Company	本公司權益持有人 應佔權益		90,274	151,997
Minority interests	少數股東權益		2,012	2,633
Total equity	權益總額		92,286	154,630

The consolidated financial statements on pages 42 to 111 were approved and authorised for issue by the Board of Directors on 19 April 2007 and are signed on its behalf by:

刊於第42至111頁之財務報告，乃經董事會於二零零七年四月十九日批核及授權，並由以下董事代表簽署：

Han Shuwang
韓樹旺
DIRECTOR
董事

Wang Xiaodong
王曉東
DIRECTOR
董事



Consolidated Statement of Changes in Equity

綜合股東權益變動表

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

Attributable to equity holders of the Company
本公司股東應佔

		Share capital	Special reserve	Share premium account	Exchange reserve	General reserve	Accumulated losses	Total	Minority interests	Total
		股本	特別儲備	溢價賬	匯兌儲備	普通儲備	累積虧損	總額	少數股東權益	總額
		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
			(Note)							
			(附註)							
At 1 January 2005	於二零零五年一月一日	101,714	117,554	473,093	829	3,430	(516,074)	180,546	796	181,342
Exchange difference arising on translation of operations outside Hong Kong not recognised in the consolidated income statement	未於綜合損益表內確認之折算香港以外附屬公司財務報告產生之匯兌差額	—	—	—	1,232	—	—	1,232	7	1,239
Loss for the year	本年度虧損	—	—	—	—	—	(29,781)	(29,781)	417	(29,364)
Total recognised income (expense) for the year	本年度已確認收入(開支)總額	—	—	—	1,232	—	(29,781)	(28,549)	424	(28,125)
Capital contribution from minority shareholders	少數股東出資	—	—	—	—	—	—	—	1,413	1,413
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及二零零六年一月一日	101,714	117,554	473,093	2,061	3,430	(545,855)	151,997	2,633	154,630
Exchange difference arising on translation of operations outside Hong Kong not recognised in the consolidated income statement	未於綜合損益表內確認之折算香港以外附屬公司財務報告產生之匯兌差額	—	—	—	2,707	—	—	2,707	42	2,749
Released on disposal and deemed disposal of subsidiaries	出售及視作出售附屬公司時撥回	—	—	—	132	—	—	132	—	132
Loss for the year	本年度虧損	—	—	—	—	—	(64,562)	(64,562)	(663)	(65,225)
Total recognised income (expense) for the year	本年度已確認收入(開支)總額	—	—	—	2,839	—	(64,562)	(61,723)	(621)	(62,344)
At 31 December 2006	於二零零六年十二月三十一日	101,714	117,554	473,093	4,900	3,430	(610,417)	90,274	2,012	92,286

Note: The special reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the issued share capital of the subsidiaries acquired by the Company and the aggregate amount of HK\$116,025,000 transferred from other reserves pursuant to the Group's reorganisation on 11 August 1997.

附註：本集團之特別儲備指本公司已發行股本面值與本公司所購入附屬公司已發行股本面值之差額及根據本集團於一九九七年八月十一日進行重組而由其他儲備轉撥之總金額116,025,000港元。



Consolidated Cash Flow Statement

綜合現金流量表

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

	Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cash flows from operating activities	經營活動產生之現金流量		
Loss before taxation	除稅前虧損	(66,931)	(29,874)
Adjustments for:	就下列各項作出調整：		
Interest income	利息收入	(567)	(154)
Interest expenses	利息開支	9,447	5,889
Share of results of associates	應佔聯營公司業績	1,300	259
Amortisation of intangible assets	無形資產攤銷	12,900	5,016
Depreciation of property, plant and equipment	物業、廠房及 設備之折舊	7,714	7,203
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	48	45
Impairment loss recognised in respect of intangible assets	就無形資產確認 之減值虧損	9,403	—
Gain on disposal and deemed disposal of subsidiaries	出售及視作出售 附屬公司之收益	(2,641)	—
Impairment loss recognised in respect of goodwill	就商譽確認之 減值虧損	542	2,668
Allowance for doubtful debts	呆賬撥備	22,170	5,178
(Reversal of) allowance for amount due from an associate	應收聯營公司款項 (撥回) 撥備	(10,019)	27,633
Allowance for obsolete inventories	陳舊存貨撥備	1,916	274
Write-off of development costs	開發成本撤銷	—	228
Write-back of interest payable	應付利息撥回	(14,585)	—
Effect of foreign exchange rate changes on intercompany balances	公司間結餘外幣匯率 變動之影響	(3,531)	(1,017)
Operating cash flows before movements in working capital	營運資金變動前 經營活動現金流量	(32,834)	23,348
(Increase) decrease in inventories	存貨之(增加)減少	(25,903)	22,754
Decrease (increase) in trade and other receivables	貿易及其他應 收款減少(增加)	43,941	(45,342)
Increase in amounts due from associates	應收聯營公司款之增加	(15,601)	(8,466)
(Decrease) increase in trade and other payables	貿易及其他應付款 之(減少)增加	(5,382)	16,071
Increase in amounts due to related companies	應付關連公司款之增加	—	592
Increase (decrease) in amounts due to associates	應付聯營公司款 之增加(減少)	13,316	(887)
Decrease in amount due to immediate holding company of a shareholder	應付股東之直屬控股公司 款之減少	—	(923)



Consolidated Cash Flow Statement

綜合現金流量表

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

	Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cash (used in) generated from operations	(用於) 源自經營之現金	(22,463)	7,147
Income taxes (paid) refunded	(已付) 已獲退還所得稅	(118)	31
Net cash (used in) generated from operating activities	(用於) 源自經營活動之現金淨額	(22,581)	7,178
Investing activities	投資活動		
Capital contribution to associates	向聯營公司出資	(66,476)	(7,640)
Purchase of property, plant and equipment	購置物業、廠房及設備	(9,787)	(13,846)
Increase in pledged bank deposits	抵押銀行存款之增加	(175)	(87)
Interest received	已收利息	567	154
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款	458	184
Net cash inflow in respect of disposal and deemed disposal of subsidiaries	出售及視作出售附屬公司現金流入淨額	199	—
Development costs paid	已付開發成本	—	(2,418)
Net cash used in investing activities	用於投資活動之現金淨額	(75,214)	(23,653)
Financing activities	融資活動		
New loans raised	新借入貸款	208,911	4,717
Repayments of bank loans	償還銀行貸款	(44,800)	(471)
Interest paid	已付利息	(7,463)	(3,905)
Capital contribution from minority shareholders	少數股東出資	—	1,413
Net cash from financing activities	融資活動所產生之現金淨額	156,648	1,754
Net increase (decrease) in cash and cash equivalents	現金及現金等價物增加(減少)淨額	58,853	(14,721)
Effect of foreign exchange rate changes	外幣匯率變動之影響	537	(508)
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物	22,387	37,616
Cash and cash equivalents at end of the year, representing bank balances and cash	年末之現金及現金等價物(銀行結餘及現金)	81,777	22,387



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。



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

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

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



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

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.

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. 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.

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。



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

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。



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

3. SIGNIFICANT ACCOUNTING POLICIES 3. (Continued)

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.

主要會計政策 (續)

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。



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

3. SIGNIFICANT ACCOUNTING POLICIES 3. (Continued)

主要會計政策 (續)

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。



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

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。



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

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。



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

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過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。



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

3. SIGNIFICANT ACCOUNTING POLICIES 3. (Continued)

主要會計政策 (續)

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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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES 3. (Continued)

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.

3. 主要會計政策 (續)

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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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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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. (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.

主要會計政策 (續)

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.

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. 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:

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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綜合財務報表附註

For the year ended 31 December 2006
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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

(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：

損益表

		Continuing operations						Discontinued operation		
		持續經營業務						終止經營業務		
		Communication	Broadband		Wind			Video		
		Products	ITS	Access	Facilities	Others	Eliminations	Conference		
		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	視頻會議系統		
		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)

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綜合財務報表附註

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

(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

7. 業務及地區分類 (續)

(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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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

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						Discontinued operation		
		持續經營業務						終止經營業務		
		Communication	Broadband		Wind			Video		
		Products	ITS	Access	Facilities	Others	Unallocated	Total	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	未經分配	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
Capital additions	資本性增加									
— Property, plant and equipment	— 物業、廠房及設備	—	4,738	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		
		持續經營業務						終止經營業務		
		Communication	Broadband Wireless	Wind Energy	Others	Eliminations	Total	Video Conference	System	Consolidated
		Products	ITS	Access	Facilities					
		智能	寬帶	風力	其他	抵銷	總額	視訊	會議系統	綜合
		通訊產品	交通系統	無線接入	發電設施	其他	抵銷	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
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。

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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: (Continued)

(A) 業務類別 (續)

- (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 Conference	Broadband Wireless	Wind Energy		
		Products	ITS	System	Access	Facilities	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	
		持續經營業務						終止經營業務	
		Communication	Broadband	Wireless	Wind	Others	Unallocated	Video	
		Products	ITS	Access	Facilities			Conference	Consolidated
		通訊產品	智能交通系統	無線接入	發電設施	其他	未經分配	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
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
— Development costs	— 開發成本	—	—	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
— Development costs	— 開發成本	—	944	1,560	—	—	—	2,504	250
— Technology license right	— 技術授權許可證	—	—	2,262	—	—	—	2,262	—
(Reversal of) allowance for doubtful debts	呆賬(撥回)撥備	—	(48)	3,561	—	—	—	3,513	1,665
Allowance for amount due from an associate	應收聯營公司款撥備	—	—	—	—	—	27,633	27,633	—
Allowance for obsolete inventories	陳舊存貨撥備	—	274	—	—	—	—	274	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	—	35	10	—	—	—	45	—
Impairment loss recognised in respect of goodwill	商譽減值虧損	—	—	—	—	—	—	—	2,668
Write-off of development costs	開發成本撇銷	—	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.

- (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 持續經營業務		Discontinued operation 終止經營業務		Consolidated 綜合	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on:	利息支出：						
Bank borrowings	銀行借款						
— wholly repayable within five years	— 須於五年內悉數償還	2,367	3,161	77	86	2,444	3,247
— not wholly repayable within five years	— 毋須於五年內悉數償還	—	494	—	—	—	494
Other loans	其他貸款						
— wholly repayable within five years	— 須於五年內悉數償還	7,003	—	—	—	7,003	—
— not wholly repayable within five years	— 毋須於五年內悉數償還	—	2,148	—	—	—	2,148
		9,370	5,803	77	86	9,447	5,889



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9. TAXATION

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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11. 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 Salaries and other benefits and other contribution scheme				Retirement Salaries and other benefits and other contribution 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 模具 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. 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
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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 開發成本 HK\$'000 千港元	Technology license right 技術授權 許可證 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	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	攤銷及減值			
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	賬面淨值			
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期而將有關估計由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:

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

		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.

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

19. 存貨

		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

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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 22. 應收/應付聯營公司款

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.

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. 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.

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. 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.

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前全數歸還。

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	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	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

29. 購股權計劃

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

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)

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).

30. 出售及視作出售附屬公司 (續)

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)

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.

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.

30. 出售及視作出售附屬公司 (續)

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. 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.

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：

租約一般以平均兩年期進行商討，而租金於租期內不變。

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.

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

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

	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

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

	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.

- (b) 主要管理人員之薪酬

年內主要管理人員之薪酬如下：

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.

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. 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.

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				
Incorporated and operating in Hong Kong; 於香港註冊成立及經營：				
China Aerospace Telecommunications Limited	HK\$10,000	100	—	Distribution of broadband business 分銷寬帶業務
中國航天科技通信有限公司	10,000港元			
CASTEL Intelligent Transportation System Limited	HK\$11,600,000	—	70	Distribution of ITS business 分銷智能交通系統業務
航通智能交通有限公司	11,600,000港元			
China Aerospace Telecommunications (Hong Kong) Limited	HK\$10,000	—	100	Distribution of broadband business 分銷寬帶業務
航天科技通信(香港)有限公司	10,000港元			
CASTEL Qihua Hi-Tech Investments Limited	HK\$8,000,000	—	70	Investment holding 投資控股
航通奇華高科技投資有限公司	8,000,000港元			
Hung Nien Electronics Limited	HK\$30,001,000	—	100	Distribution of telecommunication products 分銷電訊產品
鴻年電子有限公司	30,001,000港元			



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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

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	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
		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)				
Registered and operating in the PRC: 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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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

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
		held by the Company 本公司持有 %	attributable to the Group 本集團應佔 %	
Associates				
聯營公司				
Registered and operating in the PRC: 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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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

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 <i>(Continued)</i> 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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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

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)。

Five Years' Financial Summary

五年財務資料概要

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

Year ended 31 December

截至十二月三十一日止年度

		2002 二零零二 HK\$'000 千港元	2003 二零零三 HK\$'000 千港元	2004 二零零四 HK\$'000 千港元	2005 二零零五 HK\$'000 千港元	2006 二零零六 HK\$'000 千港元
Turnover	營業額	113,534	143,872	148,126	185,784	156,199
(Loss) profit before taxation	除稅前(虧損)溢利	(406)	26	6,722	(29,874)	(66,931)
Taxation	稅項	(1,529)	(1,079)	(2,544)	510	1,706
(Loss) profit for the year	本年度(虧損)溢利	(1,935)	(1,053)	4,178	(29,364)	(65,225)

At 31 December

於十二月三十一日

		2002 二零零二 HK\$'000 千港元	2003 二零零三 HK\$'000 千港元	2004 二零零四 HK\$'000 千港元	2005 二零零五 HK\$'000 千港元	2006 二零零六 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	269,685	317,032	357,333	352,356	417,642
Total liabilities	總負債	(141,200)	(173,938)	(175,991)	(197,726)	(325,356)



CASIL TELECOMMUNICATIONS HOLDINGS LIMITED

航天科技通信有限公司*

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* the Chinese name of the Company is for reference only
本公司之中文名稱只作參考