哈爾濱動力設備股份有限公司

Harbin Power Equipment Company Limited

ANNUAL REPORT 2007

二零零七年年報

目錄
Contents

	頁碼 P.	
公司簡介	2	OVERVIEW OF THE COMPANY
財務摘要	5	FINANCIAL HIGHLIGHTS
董事長報告書	8	CHAIRMAN'S STATEMENT
管理層論述與分析	12	MANAGEMENT DISCUSSION AND ANALYSIS
董事、監事及高級管理人員	31	DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT
董事會報告書	41	REPORT OF THE DIRECTORS
監事會報告書	52	REPORT OF THE SUPERVISORY COMMITTEE
公司管治報告	54	CORPORATE GOVERNANCE REPORT
獨立核數師報告書	62	INDEPENDENT AUDITORS' REPORT
綜合損益表	64	CONSOLIDATED INCOME STATEMENT
綜合資產負債表	65	CONSOLIDATED BALANCE SHEET
資產負債表	67	BALANCE SHEET
綜合股東權益變動表	68	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合現金流量表	71	CONSOLIDATED CASH FLOW STATEMENT
財務報表附註	73	NOTES TO THE FINANCIAL STATEMENTS
重要事項揭示	138	DISCLOSURE OF SIGNIFICANT EVENTS
公司資料	142	INFORMATION ON THE COMPANY
備查文件	145	DOCUMENTS AVAILABLE FOR INSPECTION
股東週年大會通知	146	NOTICE OF ANNUAL GENERAL MEETING

公司簡介
Overview of the Company

哈爾濱動力設備股份有限公司(「本公司」)是由中華人民共和國(「中國」)製造大型發電設備歷史最悠久的製造商 — 哈爾濱電站設備集團公司(「哈電集團公司」)及其所屬原哈爾濱電機廠、哈爾濱鍋爐廠、哈爾濱汽輪機廠(「三大動力」)重組而成。「三大動力」始建於二十世紀五十年代。本公司於一九九四年十月六日在中國哈爾濱註冊成立。一九九四年十二月十六日，其股票在香港聯合交易所(「香港聯交所」)上市交易。

於二零零七年十二月三十一日，本公司的總股股本為1,376,806,000股，其中在香港聯交所流通的H股為675,571,000股。

本公司及其附屬公司(「本集團」)是中國國內規模最大的發電設備製造商之一，其主要業務包括：

- 火電主機設備：單機容量最大達1,000MW之鍋爐、汽輪機及汽輪發電機，重型燃氣輪機及聯合循環成套設備，中國之最大清潔煤燃燒設備製造基地、CFB、PFBC等
- 水電主機設備：單機容量最大達到700MW之水力發電機組
- 核電主機設備：核電廠核島及常規島設備
- 其他產品：電站配套輔機、工業鍋爐、工業汽輪機、控制設備、交流電機、直流電機、電站閥門、壓力容器及軸流風機等
- 電站及其他工程總承包
- 火電及水電設備成套服務

Harbin Power Equipment Company Limited (the "Company") was formed through the restructuring of Harbin Power Plant Equipment Group Corporation ("HPEGC"), which is the oldest large-scale power plant equipment manufacturer in the People's Republic of China (the "PRC") and its three affiliates: Harbin Electrical Machinery Works, Harbin Boiler Works and Harbin Turbine Works ("the three major power factories"). These three major power factories were established in the 1950s. The Company was established in Harbin, PRC on 6th October, 1994. The dealings in the shares of the Company commenced on the Stock Exchange of Hong Kong Limited (the "HKSE") on 16th December, 1994.

As at 31st December, 2007, the share capital of the Company comprised of 1,376,807,000 shares, of which 675,571,000 shares were circulated on the HKSE as H shares.

The Company and its subsidiaries (the "Group") are the largest manufacturer of power plant equipment in the PRC. The Group's principal activities include:

- Thermal power equipment: boilers, steam turbines and steam turbine generators with single unit capacity up to 1,000MW heavy-duty gas turbine and combined cycle units, the largest manufacturing base for clean coal combustion equipment in the PRC: CFB, PFBC, etc.
- Hydro power equipment: hydro power sets with single unit capacity up to 700MW
- Nuclear power main equipment: nuclear island and conventional island equipment for nuclear power plants
- Other products: ancillary equipment, industrial boilers, industrial steam turbines, control devices, AC/DC motors, valves for power stations, pressure vessels and axial compressor, etc.
- Turn-key construction of power station projects and other engineering projects
- Contract supply of complete sets of thermal and hydro power equipment

公司簡介(續)
Overview of the Company (continued)

- 經營電站設備進出口業務
- 成套發電設備的工程化技術研究與開發
- 成套發電設備的系統研究與開發
- 發電設備及其配套產品的研究與開發
- 技術轉讓、技術咨詢和技術服務
- 環保工程業務等

本集團擁有先進的生產和科研試驗設備，其研究開發能力、生產製造能力和電站承建能力在中國發電設備製造商中一直雄據領先地位。

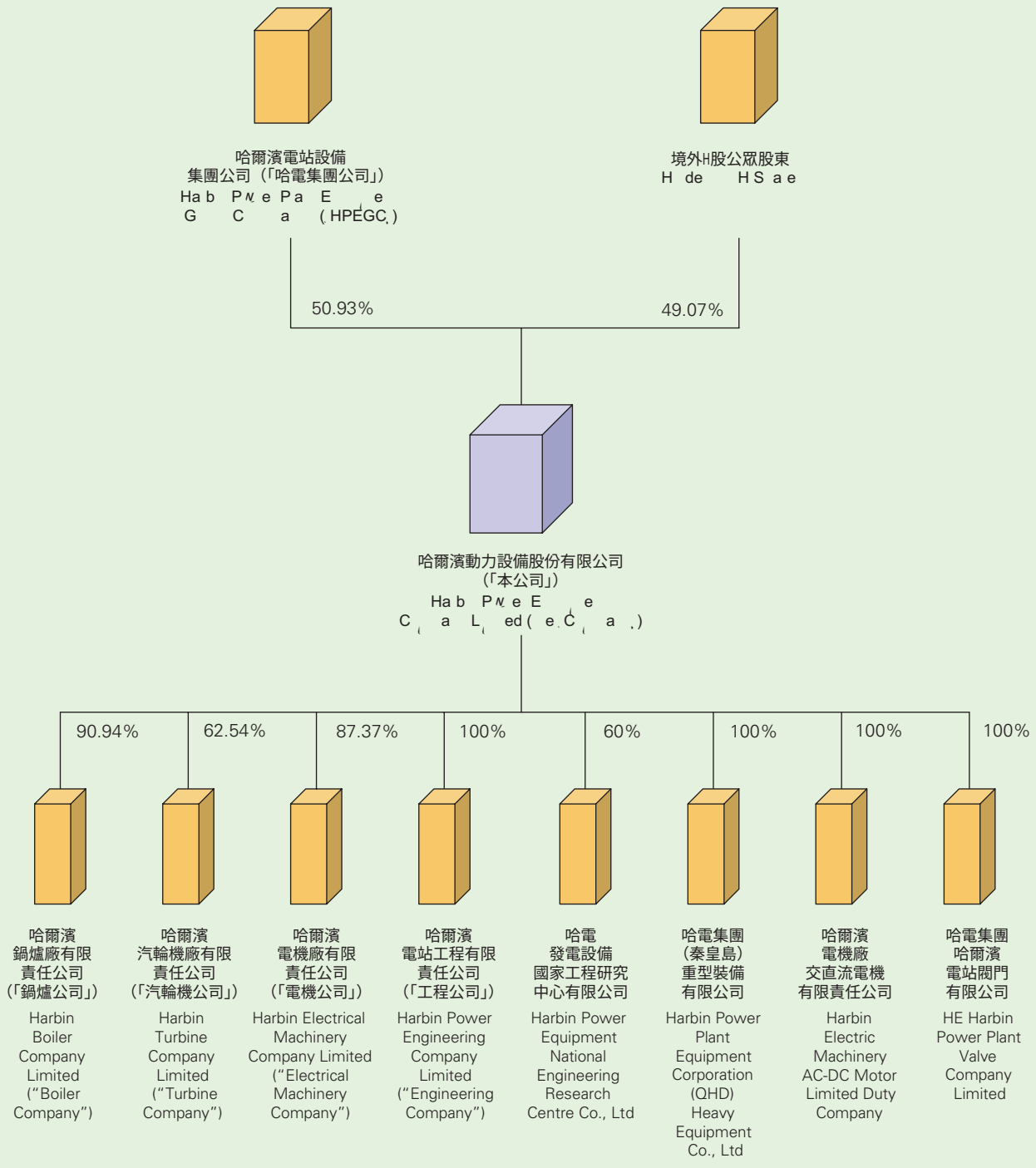
本集團地處聞名中外的中國哈爾濱，被譽為「動力之鄉」。

- Import and export of power equipment
- Engineering technology R&D of complete set of power equipment
- System R&D of complete set of power equipment
- R&D of power equipment and its ancillary equipment
- Technology transfer, technical consultation and services
- Environmental protection engineering services

The Group possesses a comprehensive range of advanced production and research facilities. Its capabilities in research and development, product manufacturing and power station construction have been in the forefront of the power plant equipment manufacturing industry in the PRC.

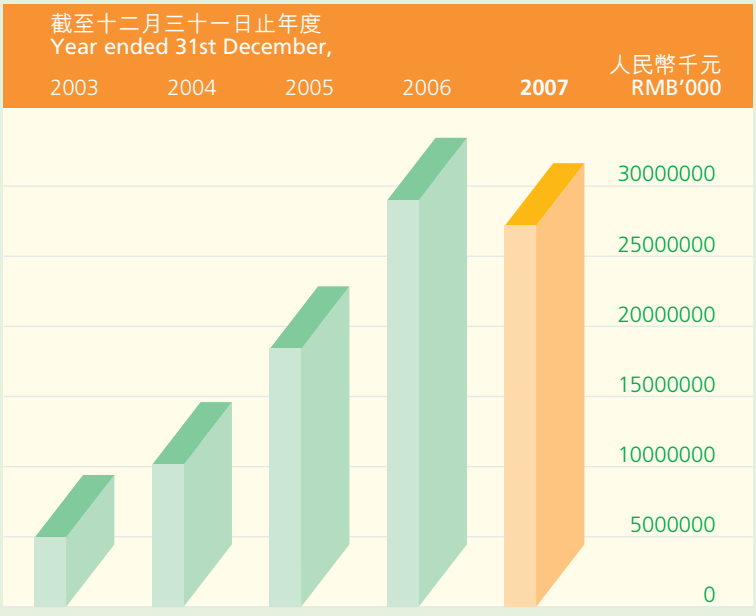
The Group is located in Harbin, PRC, also known as the "City of the Power".

公司簡介(續)
Overview of the Company (continued)

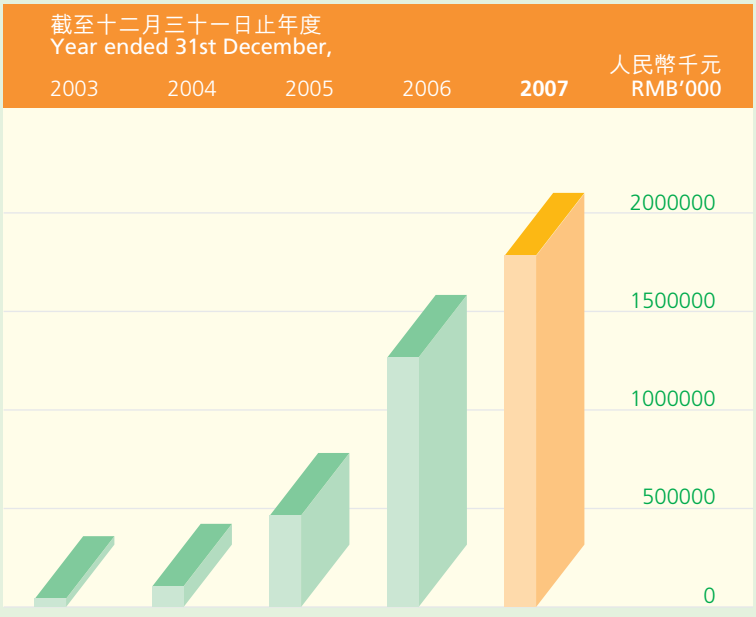


財務摘要
Financial Highlights

營業額 Turnover



年度盈利 Profit for the year



財務摘要(續)
Financial Highlights (continued)

本集團五年之業績、資產及負債概列如下：

The summary of results, assets and liabilities of the Group for the last five years are as follows:

	Unit 單位	截至十二月三十一日止年度 Year ended 31st December, 2007	2006	2005	2004	2003
營業額 Turnover	人民幣千元 Rmb'000	**27,648,584**	29,098,016	18,464,106	10,215,670	5,144,246
除稅前溢利 Profit before tax	人民幣千元 Rmb'000	**2,115,820**	1,543,573	696,125	168,963	70,336
本年淨利潤 Net profit for the year	人民幣千元 Rmb'000	**1,527,979**	1,024,581	464,990	117,572	53,471
資產總值 Total assets	人民幣千元 Rmb'000	**42,090,490**	37,444,548	36,448,887	31,015,199	17,513,741
負債總值 Total liabilities	人民幣千元 Rmb'000	**33,678,080**	31,665,150	31,924,207	27,361,591	13,992,527
少數股東權益 Minority interests	人民幣千元 Rmb'000	**1,199,417**	947,931	640,052	540,546	516,189
股東權益 Shareholders' fund	人民幣千元 Rmb'000	**7,212,993**	4,831,467	3,884,628	3,113,062	3,005,025
每股淨資產 Net assets per share	人民幣元 Rmb	**5.24**	3.79	3.05	2.62	2.53
每股盈利 Earnings per share	人民幣元 Rmb	**1.123**	0.804	0.389	0.099	0.045

財務摘要(續)
Financial Highlights (continued)

主要業務

本公司主要作為投資控股公司並提供企業管理服務予其附屬公司。

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services to its subsidiaries.

按主要產品分類營業額及營業利潤貢獻 **Turnover and contribution to operating profit by major product categories**	**截至2007年12月31日止年度 Year ended 31st December, 2007**		截至2006年12月31日止年度 Year ended 31st December, 2006	
	營業額 Turnover	**營業利潤 Contribution to operating profit**	營業額 Turnover	營業利潤 Contribution to operating profit
	人民幣千元 R b'000	***人民幣千元 R b'000***	*人民幣千元 Rmb'000*	*人民幣千元 Rmb'000*
火電主機設備 Main thermal power equipment	**20,463,511**	**3,417,779**	21,836,612	2,646,262
水電主機設備 Main hydro power equipment	**2,172,504**	**305,648**	1,608,561	112,097
電站工程服務 Engineering services for power stations	**2,090,704**	**44,892**	3,007,672	5,199
電站輔機及配套設備 Power equipment accessories and parts	**1,124,500**	**317,754**	1,053,026	265,585
交直流電機及其他產品與服務 A.C./D.C. motors and other products and services	**1,797,365**	**241,638**	1,592,145	209,838
	27,648,584	**4,327,711**	29,098,016	3,238,981
其他業務收益 Profit from other activities		**355,042**		384,251
未分配到主要產品之費用 Expenses not allocated to major products		**2,604,382**		2,091,624
稅前溢利 Profit before tax		**2,115,820**		1,543,573

董事長報告書
Chairman's Statement

To all shareholders,

It is my honor to present our Company's annual report for the year ended 31st December, 2007, and wish to take this opportunity to express my sincerest appreciation to the concern and support of all shareholders.

During the year 2007, the economy in China continued to grow in a fast and steady pace. The growth rate of GDP was 11.4%. The development of the economy procured the growth in demand for power equipment market. As of the end of 2007, the total

率中間價的平均值計算，即1元人民幣兌換港幣1.112元，每股H股股息為0.1012港元。

used is based on the average of the median exchange rate as published by the People's Bank of China for five days preceding 11th April, 2008, i.e. RMB 1 to HK$1.112. The dividend per H Share amounts to HK$0.1012.

公司定於二零零八年五月六日至二零零八年六月五日期間(包括首尾兩天)暫停辦理股票過戶登記，二零零七年末期股息將派發於二零零八年五月六日已經登記在本公司股東名冊之股東。該股息將於二零零八年八月一日之前派發。為確保有資格收取二零零七年度末期股息，所有填妥之過戶文件連同有關股票須於二零零八年五月五日(星期一)下午四時三十分前送達本公司於香港之過戶登記處香港證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

The register of the members of the Company will be closed in the period from 6th May, 2008 to 5th June, 2008, both days inclusive, during which no transfer of shares can be registered. The final dividend for the year 2007 will be distributed to the shareholders who names appear on the register of members of the Company on 6th May, 2008. Such dividend will be distributed before 1st August, 2008. In order to qualify for the final dividend of 2007, all duly completed transfer forms accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong registrars, Hong Kong Registrars Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 5 May 2008.

二零零七年，本公司進一步加大營銷力度，市場開發工作成績突出。全年共新簽訂單513億元人民幣，比去年同期增長80%。簽訂了三峽地下電站2×700MW水輪發電機組、世界首台山西定襄超超臨界1000MW空冷機組等一系列重要合同，浙江三門核電項目常規島合同的簽訂，使公司得到了世界首台三代百萬千瓦級核電AP1000常規島項目的訂單。國際市場開發取得進一步突破，簽訂了印尼百通1×660MW燃煤電站項目合同，實現了600MW級EPC項目整套機組的第一次出口，簽訂了巴西坎迪奧塔1×350MW 60Hz火電主機設備成套供貨合同，成功進入了美洲等新興市場。

In the year of 2007, the Company devoted further efforts in sales and marketing. The development of the international market also produced outstanding results. The new-receiving contracts for the year amounted to Rmb513 billion, representing an increase of 80% over last year. A number of contacts with significance were signed: 2 x 700MW hydro power turbine generator units for the underground power station of the Three Gorges, and the world's first ultra super critical 1000MW air cooling steam turbine and generator units for Shanxi Dingshang. Through signing the conventional island contract for the Sanmen Nuclear Project in Zhejiang Province, the Company obtained the order for the world's first third generation 1,000MW class AP1000 conventional nuclear island project. There was further breakthrough in the development of international market. Contract was entered with PAITON in Indonesia for 1×660 MW coal-fired power plant, which achieved the initial export of 600MW class EPC generator units in whole set. Supply contract on generator units and equipments in whole set was signed with坎迪奧塔in Brazil about 1×350MW60Hz for three main generator units, which marked our successful entry in emerging market such as Americas.

繼續完善科技創新體系，全力實施科技領先戰略。全年共投入科研經費6.97億元人民幣，完成科研課題233項，一批優秀科研成果榮獲國家、省部級獎勵。其中，國家863計劃項目「超超臨界燃煤發電技術的研發和應用」榮獲國家科技進步一等獎；「大型直接空冷汽輪機關鍵技術研究及設備研製」榮獲國家科技進步二等獎。以

The Company continued to improve its technology innovation system, and implemented its technology leading strategies in full force. During the year, a total of Rmb697 million was invested and completed 233 items of R&D, among which the projects under State 863 Plan, namely the "research and application in ultra super critical coal fired power technologies" was awarded Class 1 Technology Advancement Award of the State; and the

三門、海陽兩個第三代百萬千瓦級核電國產化項目為依託，引進美國西屋公司核島和日本三菱公司常規島製造技術，解決了發展三代核電產品的技術來源，本公司已被確定為三代百萬千瓦級核電AP1000核島蒸發器及主泵電機的承製單位。引進的600MW超臨界、超超臨界和1000MW超超臨界機組已基本實現國產化。世界首台700MW全空冷水輪發電機順利投入運行，設計開發了600MW超臨界「W」火焰鍋爐、1000MW超超臨界空冷機組等新產品。

二零零七年，本公司共完成發電設備31,257MW，創歷史新高。公司的生產系統經受住了產品產量高負荷的考驗，全面履行了合同。進一步理順管理體制，成立了(秦皇島)重型裝備有限公司、哈爾濱電機廠交直流電機有限責任公司、哈爾濱電站閥門有限公司，為核電市場的開發創造了條件。

為加快核電、抽水蓄能等高科技新產品的發展，本公司於二零零七年三月二日在香港證券市場成功配售了10,235.5萬股H股，募集資金10.02億港元。本公司將按照承諾的用途使用這些資金，為公司的長遠發展打好基礎。

二零零七年，哈動力取得了令人滿意的成績，這是各位股東的支持、公司管理層和全體員工共同努力的結果，在此，我代表公司董事會向管理層和全體員工表示謝意。同時，就各位股東對董事會的一貫支持和信任表示感謝！

"research and equipment research and manufacturing for the critical technologies in large-scale direct air cooling turbines" was awarded Class 2 Technology Advancement Award of the State. By leveraging on the two third generation 1,000MW class nuclear power homemade projects at Sanmen and Haiyang, the Company introduced nuclear island from Westinghouse Electric in United States and the manufacturing technologies for conventional island from Mitsubishi of Japan, the sources of technologies for the

二零零八年，中國經濟將繼續平穩較快發展，發電設備市場預計新增裝機8000萬至9000萬千瓦，隨著電力供需矛盾進一步趨向平衡，市場需求增速將趨緩。電力設備需求將加快向以核電為代表的新型能源方向發展。國際市場需求依然旺盛。

In 2008, China will continue to call on a "healthy and fast" development in national economy. it is expected that the newly added installed capacity for the power generation equipment market will be 8000-90 Mkv. With the conflict in the demand and supply of power moving towards its equilibrium, the speed of growth in market demand will slow down. The demand for power generation equipment will develop fast towards new energy sources represented by nuclear power. Demand from international market will remain strong.

對哈動力而言，經過近幾年的發展，生產能力和產品種類顯著增加，產品技術水準上了一個新台階，能夠滿足不同客戶的產品需求。同時，本公司也面臨著國內外市場競爭更加激烈、原材料漲價、供貨週期緊張等諸多不利因素的影響，給公司帶來了新的挑戰。

As to Harbin Power, throughout these years of development, its production capabilities and types of product increased significantly. Technology standards of its products have advanced to a new higher level, which will allow the satisfaction of product demand from different customers. At the same time, the Company is also faced with the adverse impact from factors such as increasingly keen market competition in the PRC and overseas, surge in prices of raw materials and tight lead time for provision of supplies, which will bring new challenges to the Company.

本公司將以提高經濟效益和可持續發展為目標，在抓好大容量、高參數、環保型火電機組的同時，重點發展核電、抽水蓄能、IGCC等新技術產品。外抓市場，內抓管理，全面完成二零零八年的各項任務，努力打造中國最好、世界一流的發電設備企業。

The Company will position itself with the missions of enhancing economic efficiency and sustainable development, to place emphasis in the development of new hi-tech products such as nuclear power, pumped large storage units and IGCC, alongside with leverage on high capacity, high parameter, environmentally friendly thermal power generation units. With a focus externally in marketing and internally in management, we will complete all tasks in 2008, and use our best endeavours to become China's best and the world's first class power generation equipment enterprise.

我們將以更大的決心和熱誠把握發展機遇，提高業績，更好的回報各位股東。

We shall be further determined and enthusiastic to capitalize on the development opportunities to improve our results and bring better return to every shareholder.

董事長
宮晶堃
於中國·哈爾濱，二零零八年四月十一日

Chairman
Gong Jing-kun
Harbin, the People's Republic of China, 11th April, 2008

管理層論述與分析
Management Discussion and Analysis

宏觀經濟與行業發展

2007年，中國經濟保持平穩快速增長，國民生產總值比上年增長11.4%。隨著國民經濟快速增長和居民生活水平的提高，全社會用電量達到32,458億千瓦時，比上年同期增長14.42%。全國發電量達到32,559億千瓦時，比上年同期增長14.44%。全國新增投運的發電裝機10,009萬千瓦，總裝機容量突破7億千瓦，達到71,329萬千瓦，比上年同期增長14.68%。電力需求的持續旺盛，推動了發電設備製造行業的持續發展。

訂貨情況

2007年，本集團新接訂單折合人民幣513億元，比2006年285億元增長80%，其中火電設備358億元，水電設備36億元，電站工程服務70億元，燃機10億元，其他39億元。公司充分發揮統一組織和所屬企業自身優勢兩個平台的作用，國內、國際市場並舉，以符合國家能源發展政策的高新技術產品和效益好、市場容量大的傳統產品為重點，協調一致，順應市場、用戶需求，充分發揮整體優勢，立足經濟效益提高，鞏固傳統產品市場佔有率，加快發展超超臨界、大型水電、重型燃機、核電等高新技術產品和環保產品，共同開創了市場開發工作的嶄新局面。於2007年年末，本集團在手訂單折合人民幣849億元。

MACRO-ECONOMY & INDUSTRY DEVELOPMENT

In the year of 2007, China economy continued to develop steadily and rapidly, with a 11.4 per cent increase in GDP growth over last year. As the rapid development of national economy and the improvement of people's life standard, overall domestic power consumption amounted to 3,245.8 billion KW/h, an increase of 14.42 per cent over last year. National power generation amounted to 3,255.9 billion KW/h, an increase of 14.44 per cent over last year. The new approved start-up projects reached 100.09MW, while the total capacity surpassed 700,000MW to 713,290MW, an increase of 14.36 per cent over last year. The strong demand for power keeps promoting the rapid development of power generation equipment industry.

NEW CONTRACTS

In the year of 2007, the new-receiving contracts of the Group have already amounted to Rmb51.3 billion, an increase of 80% compared to Rmb28.5 billion in 2006, among which the thermal power equipments contracts have reached Rmb35.8 billion, and for hydro power equipments is Rmb3.6 billion, and Rmb7.0 billion for engineering services, Rmb1.0 billion for gas turbines and Rmb3.9 billion for others. By fully leveraging on the effects derived from the two sources, namely the comparative advantages of the Company as a whole and its fellow entities, the Company expanded in domestic and international market at the same time. Efforts were devoted to coordinate on hi-tech products that comply with energy development policies of the State and emphasis was placed to traditional products with good efficiency and great market demand. In responding to the demand from the market and the customers, the Company fully capitalized on its overall comparative advantages, and placed emphasis to enhance economic efficiency. The market share for traditional products was consolidated, and the development of hi-tech products and environmental friendly products such as ultra super critical products, hydropower main equipment, heavy duty gas turbines and nuclear power products was accelerated for the creation of a new era for business development. As of the end of 2007, the contracts on hand of the Group amounted to Rmb849 million.

火電方面：主機設備市場開發取得了可喜的業績，市場佔有率比上一年有所提高，鞏固了公司在常規火電市場的領先地位，為公司經濟效益的穩步提高打下了良好基礎。另外著眼于公司長遠發展，注重開發符合國家能源發展政策的高新技術產品市場。簽訂了華能瑞金國內首台超臨界350MW爐、機、電主機設備成套、華電鎮雄和塘寨等600MW超臨界「W」火焰鍋爐、華能九台670MW首台超臨界塔式褐煤鍋爐和大唐國際山西定襄世界首台超超臨界1000MW空冷汽輪機和發電機等供貨合同，標誌著公司高新技術產業跨上了一個新的臺階。華潤金能2×330MW脫硫島和華電蕪湖、華能金陵2×1000MW脫硝等項目的取得，標誌著公司環保事業正在逐步走向成熟。取得了中山嘉明2台9F燃機及聯合循環機組供貨合同，保持了公司在國內大型燃機市場近50%的佔有率。

In the thermal power front: The Company achieved ingenious results in the development for the main equipment market. Its share in the market increased over that of the previous year. The Company had consolidated its leading position in the conventional thermal power market, and laid good foundation for steady enhancement of the economic benefit to the Company. On the other hand, the Company also placed endeavours in long-term development. Emphasis was given to develop the market of hi-tech products that comply with the energy development policies. Supply contracts were signed with Huaneng Ruijing for the first set of super critical 350MW boiler, generator and main power equipment, with Huadian Zhenghong and Tangzhai for the 600MW super critical "W" fire boiler, with Huaneng for 9 x 670MW the first super critical tower brown coal boiler, and with Daitang International Shanxi Dingshang for the world's first ultra super critical 1000MW air cooling steam turbine and generator units which symbolise a new era of hi-tech development for the Company. The award of 2×330MW de-sulfur island by China Resources Jinneng and the 2×1000MW deNox project of Huadian Wuhu and Huaneng Jinning marked the progresses achieved by the Company in environmental friendly businesses. The Company obtained the supply contract of 2 9F class gas turbines and combined circle units from Zhongshan Jiaming, and maintained nearly 50% share of market for major gas turbines in the PRC.

水電方面：繼三峽右岸機組創優之後，又簽訂了三峽地下電站2台700MW水輪發電機組合同；中標了糯紮渡電站6台650MW水輪機、四川官地電站4台600MW發電機等一批大型水電項目，繼續保持了公司在大型水電市場的國內領先優勢。還簽訂了越南斯雷博克2×110MW、印尼阿沙罕3×90MW等國際水電項目合同。

In the hydro power front: Upon the excellent performance achieved by the generator units in the right shore of the Three Gorges, the Group also signed contract for 2 x 700MW hydro power turbine generator units for the underground power station of the Three Gorges. The Group also won several major hydro power projects, such as the contract for 6 x 650MW hydro power turbine generator units of Yuzhido power station and 4 x 600MW generator units of Guandi power station in Sichuan. The Company continued to maintain its leading edge in the major hydro power equipment market in China, and signed international hydro power project contracts. These contracts included 2×110MW with 斯雷博克 in Vietnam and 3×90MW with 阿沙罕 in Indonesia.

核電方面：浙江三門核電項目常規島合同的簽訂，使公司得到了世界首批第三代百萬千瓦級核電AP1000汽輪發電機組的訂單，又簽訂了山東核電有限公司海陽核電項目百萬千瓦級AP1000汽輪發電機組設備合同，標誌著在以核電為代表的新型發電設備領域的市場開發取得了喜人的成果。

In the Nuclear Power front: Through signing the conventional island contract for the Sanmen Nuclear Project in Zhejiang Province, the Company obtained the order for the world's first third generation 1,000MW class nuclear power AP1000 gas turbine generator units, and also signed the 1,000MW class gas turbine generator units equipment contract for Haiyang Nuclear Power project of Shangdong Nuclear Power Co., Ltd. The obtaining of these contracts marked the profound results achieved in the development of new model of power generation equipment represented by nuclear power.

國際市場和電站工程市場方面：完善了國際市場開發規劃和營銷策略，在積極開發EPC項目的同時推進主機設備的出口。簽訂了印尼百通1×660 MW燃煤電站、越南錦普二期工程總承包以及印度滿漢和喜來雅兩個2×600MW主機島供貨、老撾洪薩3×600MW坑口火電項目、印度賈斯古達 4×600MW超臨界鍋爐供貨等合同；在鞏固東南亞、非洲等傳統市場的同時，還努力開發俄羅斯、美洲等重點國際市場，取得了巴西坎迪奧塔1×350MW60Hz三大主機供貨、巴西巴卡羅納2×300MW60Hz火電項目機、電設備供貨合同。新簽出口訂單90億元。

In the international market and general contract for power plant engineering field: the company refined plans for the development of international market and sales and marketing strategies. Whilst proactively developing for the EPC project, the Company also drove the increase in exports of main generator equipment. Contracts were entered with PAITON in Indonesia for 1×660 MW coal-fired power plant, the contracting of Phase 2 project for Cam pha in Vietnam, the supply of 2×600MW main generator units island to MAHAN and SALAYA in India, 3×600MW pit-mount thermal power project at HONGSA in Laos, 4×600MW super critical boiler for 賈斯古達 in India. Apart from consolidating the traditional markets in South-east Asia and Africa, the Company also devoted efforts to develop international market in Russia and the America. Supply contracts on generator units and equipments were obtained from 坎迪奧塔 in Brazil about 1×350MW60Hz for three main generator units, and from 巴卡羅納 2×300MW 60Hz in Brazil for thermal power project. Export contracts newly signed amounted to Rmb9,000 million.

生產與服務

2007年公司以全面兌現合同，滿足用戶需求為宗旨，提高了公司為用戶服務的整體性，從合同生效到機組通過168小時試運行開展全過程跟蹤服務，使為用戶服務工作從企業內組織協調延伸至到現場解決關鍵問題。優質高效完成了全年生產任務，發電設備產量首次突破3000萬千瓦。一批具有挑戰性的重點項目順利完成，如國內首台具有自主知識產權並達到國際領先水平的三峽右岸700MW大型空冷水輪發電機組順利投入運行；國電泰州1000MW超超臨界機組正式投產發電；國內首創的華能營口600MW超超臨界項目和中電投闞山600MW超超臨界項目均順利實現投產。古城脫硫項目順利投運和宣城脫硫項目開工建設，樹立了公司在環保市場良好形象。恰其瑪核電C2項目兩台蒸汽發生器的製造工作按計劃進行，產品的製造質量受到了業主和專家的一致好評，提升了公司在核電領域的戰略地位。出口項目按節點計劃順利進行。

PRODUCTS AND SERVICES

With the mission to fully fulfill the contracts and satisfy the needs of customers, the Company enhanced the integration of customer services in 2007. Tracking service is effected from the time the contract becomes effective until 168 hours after trial operation commenced. Customer service work is thus extended from the coordination within the enterprise to solving critical issues on-site. The production assignment for the year was completed with excellence efficiently. Output of power generation equipment first exceeded 30 MW. A number of challenging key projects were completed successfully. The 700MW major air cooling hydro power turbine generator unit in the right shore of the Three Gorges, which is the first generator of in the PRC with proprietary intellectual property rights and of high international standard, successfully commenced operation. The 1000MW ultra super critical generator unit for State Power Company in Taizhou duly commenced operation and generated power. The 600MW ultra super critical project for Huaneng Yingkou and the 600MW ultra super critical project of China Power Investment Fushan, both of which are the first in the PRC, successfully commenced operation. With the successful commencement of operation for the deNox project in Gucheng and the commencement of construction for the del-Nox project in Xuancheng established the good image of the Company in the environmental protection market. The manufacturing of two steam generator units for Nuclear Power C2 Project in proceeded according to the plans. The qualities in the products manufactured were widely recognized by the owners as well as the experts, which had enhanced the strategic position of the Company in nuclear power aspect. The export projects ran smoothly as planned.

全年共完成發電設備31,257.45MW(以汽輪發電機和水輪發電機組計),比上年同期增長15.57%,其中電站鍋爐完成60台24,985MW,比上年同期增長17.05%;電站汽輪機完成76台24,260MW,比上年同期增長20.71%;汽輪發電機完成64台25,227MW,比上年同期增長7.49%;水輪發電機組完成40套6,030.45MW,比上年同期增長68.64%;燃氣輪機2台511.20MW,比上年同期減少50%。

The total output for the year was up to 31,257.45MW (in terms of steam turbine generator units and hydro power turbine generator units), representing an increase of 15.57 per cent compared with that of last year. Among which, 60 units of utility boiler with total capacity of 24,985MW, an increase of 17.05 per cent over last year; 76 steam turbines for power plant with total capacity of 24,260MW, an increase of 20.71 per cent over last year and 64 turbine generator units with total capacity of 25,227MW, an increase of 7.49 per cent over last year; 40 units of hydro power turbo-generator units with total capacity of 6,030.45 MW, an increase of 68.64 per cent over last year; 2 units of gas turbines with total capacity of 511.20MW, a decrease of 50% over last year.

面對高負荷的生產任務,公司加大了以過程控制為重點的項目管理工作。通過加強技術準備、材料供應、生產組織和分包外協等環節的管理與控制,對重點項目、重點工序、重點設備採取全方位管理措施,為確保兌現合同起到保障作用。加大了出口項目管理力度,針對國際市場的特殊性,從產品性能設計、製造質量、外觀和包裝等各個環節,按照相應的國際標準給予高度重視,確保符合國際市場的要求,提升公司的國際形象和國際競爭力。積極响應國家節能減排的要求,一方面大力發展大型、高效、環保、節能產品,另一方面強化企業自身節能、環保機制,綜合能耗指標優於2006年。

Faced with the high work load for its production assignments, the Company devoted additional efforts and applied process control as the core of its project management work. Through administration

科研開發與技術引進

2007年，本集團科研投入共6.97億元，完成課題233項，一批優秀科研成果獲得國家、省部級獎勵。結合市場需求，通過科技進步、技術創新和引進技術、消化吸收，有利地促進了公司核心競爭力的提升。

自主技術創新取得新的成績。自主研製出我國首台350MW、660MW超臨界褐煤鍋爐和首台多聯產135MWCFB鍋爐；為華能九台電廠自主開發研製的660MW 超臨界塔式褐煤鍋爐，在國際上處於領先地位；為華電鎮雄電廠自主開發研製的600MW超臨界 "W "火焰鍋爐填補國內空白；自主創新研製出的660MW、1000MW超臨界空冷等系列新機型，佔領了國內外該領域的制高點；具有良好市場前景和競爭力的兩缸凝氣式汽輪機等系列新產品的設計已取得階段性成果；自主創新完成的白山150MW抽水蓄能機組，各項技術指標均達到同類產品的世界先進水平。

技術引進和消化吸收工作進展順利，按照國家核電發展策略，公司被確定為第三代百萬千瓦級核電AP1000核島主設備蒸發器和主泵電機的承制單位，並依託三門、海陽兩個國產化項目，引進美國西屋公司相關技術，目前各項工作正在順利進行。核電AP1000常規島技術引進的各項技術轉讓協議已於2008年初與日本三菱公司簽訂；引進日本東芝公司1000MW超超臨界汽輪發電機核心技術工作正在穩步推進；從法國阿爾斯通公司引進300MW級抽水蓄能

R&D AND TECHNOLOGY INTRODUCTION

In the year 2007, the Group invested a total of Rmb697 million and completed 233 items of R&D, among which the outstanding ones have obtained provincial or ministerial awards. Taking into account needs from the market, the Company favourably achieved improvement in its core competitiveness through technological advancement and innovation, as well as introduction and absorption of technologies.

Proprietary technology innovation achieved new results. First 350MW and 660MW super critical brown coal boiler and first multi-co generation 135MWCFB boiler were proprietarily researched and developed in the PRC. The 660MW super critical tower brown coal boiler proprietarily researched and developed for Jiutai power plant of Huaneng occupied leading position in the international market. The 600MW super critical "W" fire boiler proprietarily researched and developed for Zhenhong power plant of Huadian filled the absence of same product in the PRC. New models for 660MW and 1000MW super critical air cooling generator units proprietarily researched and developed were products leading in the category no matter within and outside the PRC. The design for new products, such as two cylinder cooling has turbine generator units, which will have good prospects and competitiveness in the market, had achieved breakthrough results in corresponding phase. Various technological indicators of the 150MW pumped storage units at Baishan proprietarily innovated and completed had achieved advanced standards for similar products in the international market.

The progresses on technology introduction and absorption had been smooth. According to the strategies for nuclear power development of the State, the Company is designated as the contracting unit for the third generation 1,000MW class AP1000 nuclear island main equipment steam generator and main pump generator. Moreover, by leveraging on local projects at Sanmen and Haiyang, the Company introduced relevant technologies from Westinghouse Electric in United States, every aspects of work have been proceeding smoothly at present. Each of the technology transfer agreement to be introduced as the technologies for Nuclear Power AP1000 Conventional Island has

機組技術的大部分工作已完成，並已成功應用到產品開發中；引進美國GE公司技術的9FA級聯合循環汽輪機國產化率已達到90%以上；引進的600MW超臨界、超超臨界汽輪機已完全實現國產化。

been entered into with Mitsubishi in Japan at the beginning of 2008. The introduction of core technologies about 1000MW ultra super critical turbine generator from Toshiba in Japan has been proceeding steadily. Most of the works for introducing 300MW class pump storage units from Alstorm Corporation in France were completed, and were successfully applied in the product development. The 9FA class gas turbines and combined circle units introduced from General Electric of United States had a homemade proportion of over 90.%. The super critical and ultra super critical generator units of 600MW introduced from overseas were entirely homemade.

努力構建技術創新體系。為全面提高自主創新能力，在充分發揮現有研發體系作用的基礎上，不斷加以完善，進一步拓展了研發體系的功能。公司以完善質量管理體系為重點，強化質量意識，提高質量管理水平，加強對所屬企業的質量監督和審核，對發現的問題及時整改，有效地提高了質量管理體系的運行水平。

Efforts devoted to establish technological innovative system. In order to enhance capabilities in proprietary innovation to the fullest extent, on the basis of fully leveraging on existing research and development systems, the functions of the research and development system will be continuously perfected and further expanded. With a focus in perfecting the quality assurance system, the awareness to quality will be strengthened so as to enhance the quality of assurance standard. Quality supervision and auditing will be tightened over the fellow enterprise. Issues are promptly rectified upon discovery, which effectively enhanced the operation level of the quality assurance system.

溢利

2007年，本集團實現淨溢利152,798萬元，比上年增長49.13%；每股盈利人民幣1.12元，比上年同期增加0.32元；期末資產淨值為721,299萬元，比年初增加238,153萬元；每股資產淨值為5.24元，比年初增加1.45元。

PROFIT

In the year of 2007, the net profit of the Group was Rmb1,527.98 million, an increase of 49.13 per cent compared to the last year; the earnings per share was Rmb1.12, an increase of Rmb0.32 compared to the corresponding period of last year; the net asset as at the end of the period was Rmb7,212.99 million, an increase of Rmb2,381.53 million compared to the beginning of the year; the net asset per share was Rmb5.24, an increase of Rmb1.45 compared to the beginning of the year.

期內，本集團溢利的增長得益於毛利率的提高。

During the period, the growth in the profit of the Group was due to the increase in profit margin.

股息

董事會建議派發2007年度股息為每股0.091元(2006年度為每股0.090元)。

DIVIDEND

A dividend of Rmb0.091 per share for the year of 2007 (2006: Rmb0.090 per share) was proposed by the Board of Directors.

營業額

2007年，本集團實現主營業務收入2,764,858萬元，比上年下降4.98%。其中，火電主機設備的營業額為2,046,351萬元，比上年下降6.29%，佔主營業務收入的74.01%；水電主機設備的營業額為217,250萬元，比上年增長35.06%，佔主營業務收入的7.86%；電站工程服務的營業額為209,070萬元，比上年下降30.49%，佔主營業務收入的7.56%；電站輔機及配套產品的營業額為112,450萬元，比上年增長6.79%，佔主營業務收入的4.07%；交直流電機及其他產品與服務的營業額為179,737萬元，比上年增長12.89%，佔主營業務收入的6.50%。

營業額下降的主要原因是火電主機設備營業額及電站工程服務營業額下降較多所致。

期內，本集團出口收入215,707萬元，比上年同期下降138,698萬元，佔主營業務收入的7.80%，主要出口亞洲及非洲地區。

成本

年內，本集團的主營業務成本為2,332,087萬元，比上年同期下降9.82%，主要原因是主營業務收入下降以及本集團控制成本費用的諸項措施開始顯現效果。

毛利及毛利率

期內，本集團主營業務實現毛利為432,771萬元，比上年同期增長33.61%。毛利率為15.65%，比上年同期上升4.52個百分點。

TURNOVER

In 2007, the Group recorded turnover of main business activities of Rmb27,648.58 million, a decrease of 4.98 per cent compared to the last year. In particular, turnover of the thermal power main equipment was Rmb20,463.51 million, a decrease of 6.29 per cent over last year, representing 74.01 per cent of the turnover of main business activities. Turnover of hydropower main equipment was Rmb2,172.50 million, an increase 35.06 per cent over last year, representing 7.86 per cent of the turnover of main business activities. Turnover of power plant engineering services project was Rmb2,090.70 million, a decrease of 30.49 per cent compared to last year, representing 7.56 per cent of the turnover of main business activities. Turnover of power plant accessories and parts was Rmb1,124.50 million, an increase of 6.79 per cent over last year, representing 4.07 per cent of the turnover of main business activities. Turnover of AC/DC motors and other products and services was Rmb1,797.37 million, an increase of 12.89 per cent over last year, representing 6.50 per cent of the turnover of main business activities.

The main reason for the decrease in turnover was the fall in the turnover of thermal power main equipment and the turnover of power plant engineering services.

During the period under review, the export sales of the Group (which was mainly in Asia and in Africa) amounted to Rmb2,157.07 million, a decrease of Rmb1,386.98 million over last year, representing 7.80 per cent of the turnover of main business activities.

COST

During the period under review, the cost of main business activities of the Group was Rmb23,320.87 million, a decrease of 9.82 per cent as compared to last year. The decrease was attributable to the fall in the turnover of main business activities and effective measures adopted by the Group to control cost expenditures.

GROSS PROFIT AND PROFIT MARGIN

During the period under review, the gross profit from main business activities of the Group was Rmb4,327.71 million, an increase of 33.61 per cent as compared to last year. The profit margin was 15.65 per cent, an increase of 4.52 percentage points over last year.

其中，火電主機設備毛利為341,778萬元，比上年同期增加7

資金來源及借款情況

本集團之營運及發展所需資金主要有三個來源：股東資金、客戶貨款和銀行借款。本集團之借款乃根據具體項目而安排，除特殊情況外，借款一般由旗下各子公司分別籌措，但屬於資本投資性借款須先由總公司批准。由於近兩年本集團訂單及預收貨款大幅度增加，本集團營運資金充裕，償還了絕大部分營運資金貸款。截至2007年12月31日，本集團銀行借款總額為476,328萬元(2006年12月31日為437,304萬元)，均為按國家規定利率從各商業銀行及國家政策性銀行取得的借款。其中，須於一年內償還之借款為75,339萬元，比年初增加25,227萬元。須於一年後償還之借款為400,989萬元，比年初增加13,797萬元

存款及現金流量

截至2007年12月31日，本集團銀行
現金為962,154萬元，~~比年初增加388,307~~萬元。期內，本集團經營業務現金流出淨額為356,0

負債

截至2007年12月31日，本集團負債總額為3,367,808萬元，比年初增加201,293萬元。其中，流動負債總值為2,790,389萬元，佔負債總值的82.85%；非流動負債總值為577,419萬元，佔負債總值的17.15%。於2007年12月31日本集團的資產負債率為80.01%。

股東權益

截至2007年12月31日，本集團股東權益總額為721,299萬元，比年初增加238,153萬元；每股資產淨值為5.24元。期內，本集團淨資產收益率為21.18%。

資本與負債比率

截至2007年12月31日，本集團的資本杠杆比率(非流動負債比股東權益總額)為0.80:1，年初為1.16:1。

或有負債及抵押

截至2007年12月31日，本集團有16,968萬元資產抵押用於流動資金貸款。

資本開支及所持重大投資情況

2007年，永箇艘糙搉凌滜柢罹™屾冥耡稹癲橆暔樗烈暐昦猗｝樗烈暐昦綉然脊婩ª¹ 燠否穋脊矽磕褥霉梆羣雚動

核電主泵電機和核電站閥門生產製造建設項目投資分別為2.85億元和1.00億元，2007年分別完成0.31億元、0.12億元。廠房基礎施工已完成，計劃在2009年5月前具備核電主泵電機的生產條件。

Rmb285 million and Rmb100 million were invested in the manufacturing and construction of nuclear power main pump generator and nuclear power plant valve, and Rmb31 million and Rmb12 million were utilized in the year 2007. It is planned that the Group will be equipped with the capability in the production of nuclear power pump generator before May 2009.

大型抽水蓄能機組國產化項目總投資為1.82億元，2007年完成投資0.72億元。項目將於2008年竣工投產，形成年產800MW抽水蓄能機組的能力。

A total of Rmb182 million was invested in the homemade project for large-scale pumped storage unit, and Rmb72 million were utilized in 2007. The project will complete and commence operation by 2008. A capacity of 800MW per annum will be formed by the pumped storage unit.

大型燃氣輪機技術改造項目總投資2.48億元，2007年完成投資0.77億元。項目將於2008年竣工投產，形成年產6-8台除高溫葉片、燃燒室和噴嘴外所有燃氣輪機部件的生產能力。

A total of Rmb248 million was invested for the technology improvement projects of large-scale gas turbine generator units, and Rmb77 million were utilized in 2007. The project will complete and commence operation by 2008. A production capacity of all parts of 6 -8 gas turbine generator units apart from high temperature plate, burning room and spraying nozzle was formed.

匯率波動風險及相關對沖

本集團擁有部分外幣存款，於2007年12月31日，本集團外幣存款折合人民幣188,973萬元。本集團出口及以外幣結算之業務，存在匯兌風險。

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group has certain amount of deposits that are in foreign currencies. As at 31st December 2007, the amount of the Group's deposits in foreign currencies was approximately Rmb1,889.73 million. Export and foreign currencies settled businesses exposed the Group to exchange risk.

募集資金運用

2007年，本集團共運用募集資金3.5億元，主要用於出海口基地建設項目。

截至2007年12月31日，本集團已累計運用H股募集資金17.95億元，剩餘募集資金8.35億元暫存放於銀行，將用於出海口基地二期建設及其他技術改造項目。

UTILIZATION OF LISTING PROCEEDS

In the year 2007, the Group has utilized a total of Rmb350 million from its listing proceeds for Workshop Base Construction project and other projects.

For the year ended 31st December 2007, the Group has utilized a total of Rmb1.795 billion from its H share listing proceeds, and the remaining balance of listing proceeds of Rmb835 million were deposited with the bank, and will be used in the second stage of Workshop Base Construction project and other technology renovation projects.

股權融資

2007年3月2日，本集團完成了H股增發工作。增發H股10,235.5萬股，發行價格每股10.00港元，募集資金淨額約10億港元。同日，本集團控股股東將1,023.5萬股國有股劃轉給社保基金並轉為H股。募集資金主要用於本集團秦皇島出海口基地二期重型廠房百萬千瓦級核島主設備建設項目。發行後本集團總股本137,680.6萬股，其中哈電集團持有70,123.5萬股，佔50.93%，H股67,557.1萬股，佔49.07%。

員工及薪酬

於2007年12月31日，本集團擁有在崗員工18,411人，薪酬總額為10.92億元。本集團堅持以人為本，做好人力資源需求預測，開展有針對性、分層次、分類別的培訓工作，全面提高員工素質。按照市場規律深化內部分配制度改革，實行了崗位工資制、計件工資制等多種工資制度，加強了崗位考核，調動各方面的積極性，推動公司發展。

EQUITY FINANCING

The Group further issued 102.355 million H shares on 2nd March 2007, with an issue price of HK$10.00 each share, and the listing proceeds amounted to HK$1 billion. On the same day, controlling shareholders of the Group remitted 10.235 million shares of state share to National Social Security Fund and registered as H share. Such fund raised is mainly used for the construction of 1,000MW class nuclear island main equipment project of the Second stage of Qinghuangdao Seaside Heavy Duty Workshop of the Group. After the issuance, total capital of the Group increased to 1,376.806 million shares. Among which 701.235 million shares were held by Harbin Power Engineering Corp, accounting for 50.93 per cent; and H share amounted to 675.571 million Shares, accounting for 49.07 per cent.

STAFF AND REMUNERATION

As at 31st December 2007, the Group had a workforce of 18,411 employees, and the total remuneration was approximately Rmb1.092 billion. The Group regards human resource as the core development value, and will arrange demand estimates on human resources appropriately, implement targeted, layered and segmented trainings so as to promote the overall quality of its staff. As for remuneration, the Group adopted various salary systems including position salary system and piece rate system, which enhanced check-up, bringing all positive factors into play and boosting the development of the Company.

展望

2008年，國家經濟建設將繼續"又好又快"地向前發展，國家將採取穩健的財政政策和從緊的貨幣政策。國家宏觀經濟政策的調整，在為公司發展提供了難得機遇的同時也提出了嚴峻的挑戰。根據國家經濟發展規劃，2008年預計新增裝機8000-9000萬千瓦，2010年全國裝機總量將超過9億千瓦，國內發電設備市場在一段時期內仍有較大的需求。優化電源結構是國家電力行業的重要發展方向，從而導致發電設備市場的需求將繼續向著大容量、高參數、環保和可再生的高新技術產品發展，用高新技術產品逐步取代傳統的發電設備將成為未來市場競爭的重點。公司要處理好生產任務增長和新產品增加與現有生產能力之間、新機組增多和原材料漲價與增加效益之間、宏觀經濟政策調整與科學合理排產之間、市場需求變化與產品開發和市場開發能力之間等突出矛盾。本集團將抓住發展機遇，加大機制和體制改革的力度，努力提高自主創新能力，不斷增強核心競爭能力。為此，本集團2008年將重點做好以下工作：

1. 大力發展核電

公司要抓住國家大力發展核電建設的大好機遇，以AP1000核電技術引進與合作製造為契機，努力開發核電產品和市場，把引進國外先進技術與消化吸收再創新結合起來，把發展核電業務與提高公司技術開發、生產能力和管理水平結合起來，全面提高公司的核心競爭力。認真做好公司在未來三到五年的

PROSPECT

In 2008, China will continue to call on a "healthy and fast" development in national economy. The State will adopt sound financial policies and tighten monetary policies. The adjustment in the macro-economic policies of the State will provide unprecedented opportunities as well as stringent challenges to the development of the Company. Pursuant the State's economic development plans, it is expected that the newly added installed capacity in 2008 will be 8000-90 Mkv. The total installed capacity in China will exceed 900 Mkv by 2010. There will be a certain period of time that the power generation equipment market in China will experience a relatively high level of demand. Optimization in power source structure is an important direction for the development of power industry of the State. The market demand for power generation equipment arising therefrom will continue to result in the development of hi-tech products of high capacity, high parameter, environmentally friendly and renewable aspects. Hi-tech products will gradually be applied to replace conventional power generation equipment and become the attention of market competition in future. The Company will have to handle properly the apparent conflicts arising between the growth in production with addition of new products and existing production capacity, addition of new generation units with surge in price of raw materials and increase in efficiency, adjustment in macro-economic policies and arranging production scientifically and rationally, change in market demand and product development with market development capabilities. The Group will seize this development opportunity, enhance the reform and adjustment of mechanism and cooperation system, and make great effort to improve the company's independent R&D capability and the core competition capability. Especially, the Group will pay attention to the following work in 2008:

1. Push the development of nuclear power

The Company must firmly capture the golden opportunities arising from pushing of development in nuclear construction by the State, and use the introduction of AP1000 nuclear power technology and cooperation manufacturing as the stepping stone, and endeavour in the development of nuclear power products and market. Advanced technologies will be introduced from aboard and absorbed by the Company, after which will

核電發展規劃，健全核電發展組織體系，做好核電產品的系統開發、生產組織的總體佈局，構建對外具有整體競爭優勢，對內分工明確、科學高效的核電發展組織體系，確保核質保體系運行有效。按期、保質完成在手核電項目，把核電產品做成真正的精品。加快核電生產保障條件和基礎設施建設進程，為核電市場開發的新突破打新基礎。

be applied in innovation. The development of nuclear power business will align with the enhancement of the Company's standard in technology development, production capacity and management standard, which will in turn fully enhance the core competitiveness of the Company. The development of nuclear power business by the Company in the coming three to five years will be planned seriously. The Company will improve the organization structure for the development of nuclear power, the sound development of system for nuclear power products, and the overall strategy deployment in the production entities. An organization structure for the development of nuclear power with overall competitive edge, clear distinction on internal division of labour and scientifically efficient will be constituted, so as to ensure the effective operation of the nuclear power quality assurance system. The Company will complete the nuclear power projects on hand timely and ensure the quality of the projects, as well as make the nuclear power projects on hand genuine exhibits. The construction of nuclear power production assurance conditions and the process of infrastructure facilities will be accelerated, so as to lay a new foundation for the nuclear power market to achieve new breakthrough.

2. 科學合理安排生產，全面滿足用戶需求

做好計劃調整和能力平衡，優化企業內、外部生產組織，積極採用先進的工藝方法和加工手段，不斷改善生產組織流程，充分挖掘企業內在潛能，使貫穿於生產過程的各個環節形成一個有機的整體，從而全面提升勞動生產效率。高度重視外部生產資源的整合，建立健全社會化協作能夠有效地為我服務的管理體系。加強對分包方資質的評審力度，強化分包方計劃、質量和進度等方面工作。發電設備特殊原材料供應緊張，極大地制約了公司的生產經營工作。要根據自身產品結構特點和市場需求變化，有預見性地提出今後一段時期內對特殊原材料的需求計劃，積極與供應商保持良好的合作關係，成為長期穩定的戰略合作夥伴。公司要繼續發揮整體優勢，不斷總結項目管理和生產組織成功經驗的基礎上，通過機組成套供貨的準確性和

2. Arrange production scientifically and rationally so as to fully satisfy requirements of customers

Planning for the adjustment and capacity equilibrium will be better made, so as to optimize the production entities within and outside the Company. Advanced craftsmanship and processing means will be adopted proactively, so as to improve the process flow among the production entities on an ongoing basis. Potential resources available within the Company will be adequately explored, so as to form an organic body by different segments linking up the entire production process. This will in turn comprehensively enhance the production efficiency of labour. Considerable emphasis will be placed on the integration of external production resources, so as to establish sound synergy with the public that can effectively serve our management system. More efforts will be devoted to assess the qualification of contractors, strengthen planning, quality and progresses of contracting. The supply for the special materials for the manufacturing of power generation equipment is becoming tense, which has restricted the production and

及時性，不斷提升公司在市場的整體形象和整體競爭實力。加強國際市場工程項目的管理，樹立公司在國際市場上的良好信譽與形象。繼續做好節能減排工作，不斷提升產品檔次和質量，降低能耗，全面提高公司在節減排工作中對社會的貢獻率。

operation of the Company to a great extent. The Company will forecast the plan for the demand of special raw material hereafter within a certain period of time according to the features of its own product composition and market demand. Good cooperation relationship will be maintained proactively with suppliers so as to line up as long-term and stable strategic cooperation partners. The Company will continue to leverage on its overall advantage and continue to conclude from the successful experiences derived from project management and production arrangements. Through accurate and prompt supply of generator units in sets, the overall image and competitiveness of the Company in the market will enhance. Administration for projects in the international market will strengthen, so as to establish good reputation and image of the Company in the international market. The Company will continue to improve the work of emission reduction, enhance product positioning, reduce energy consumption, and enhance the Company's overall contribution to the society in the aspect of emission reduction.

3. 鞏固發展國內市場，積極開拓國際市場

在保證國內市場份額的基礎上，不斷提高國際市場份額，在鞏固傳統產品市場的前提下，努力實現新產品市場的拓展。繼續保持國內傳統產品市場的領先地位，發揚機組成套供貨的優勢，確保300MW、600MW火電機組市場中標率絕對領先；1000MW火電機組市場中標率達到三分之一；鞏固大、中型水電市場份額的領先優勢。

3. Consolidate the development of market in China and proactively expand the international market

On the basis of market share within the PRC, the Company will continue to increase its share in the international market. Under the premises of consolidating the market of conventional products, efforts will be devoted to expand markets for new products. The Company will continue to maintain its leading position in the market of conventional products in China, and capitalize on the advantage of supplying generator units in sets. This will ensure that the successful rate of tender for 300MW and 600MW thermal power generator units in an absolutely leading position, and the successful rate of tender for 1000MW thermal power generator units to reach one third. Leading position in large and medium scale hydro power market will be consolidated.

堅持工程總承包和主機設備出口並舉的國際市場開發原則，鞏固並提高亞洲、非洲以及中東等傳統市場的營銷成果，擴大並加強俄羅斯、印度和巴西等新興市場的開發力度。核電作為國家乃至全球發電行業的重點，公司上下要通力合作，在核電市場開發中有重

The Company will develop international market upon insisting on the principles of project contracting and main equipment export. Sales and marketing results will be consolidated and lifted in traditional markets such as Asia, Africa and Middle East. More efforts will be devoted to expand and consolidate in emerging markets such as Russia, India and Brazil. With

大的突破。加強售後服務與市場開拓的有機結合，把售後服務作為公司長期發展的重要組成部分，並將其與老機組改造和備品備件生產有機地結合起來，不僅拓展公司的產品

nuclear power as the focus of the State as well as the global power generation industry, the Company as a whole must cooperate to pursue breakthrough in the development of nuclear power market. The organic combination of after sales services with market expansion will be strengthened. After sales service will become an integral part of the Company's long-term development, and will also be organically integrated with the upgrade of obsolete generator units and the production of parts and components. Product mix will not only be expanded, but more importantly, long-term and steady strategic cooperation relationship will be established through good after sales services. Valid resources in the Company will be integrated for the study of establishing the organizational structure and mode of operation for after sales services under the Company and the marketing and sales system of rapid response, operation flexibility, overall coordination and remarkable effects that adapts to market needs.

4. Devote additional efforts in proprietary innovation so as to enhance core competitiveness

The Company will continue to leverage on the rich endowment in leading technologies, and devote additional efforts to proprietary innovation on the basis of introduction and absorption of technologies. The technology innovation system and product research platform will continue to improve. More efforts will be devoted to investment in technologies. The pace for the construction of infrastructure will speed up. A number of prospective scientific research topics will be commenced with priority, so that new products with promising prospects in the market can be developed. This will provide solid assurance on technologies for the long-term development of the Company. Extensive and in-depth cooperation with tertiary education institutions as well as research institutes within and outside the PRC will be promoted. This will expand and enhance the scope and sophistication in the development of new products. The competitive edge of the Company's technologies will continue to increase. More efforts will be devoted to technology innovation. The Company plans to invest Rmb709 million of funds in 2008, an increase of 1.72% over the same period last year. Absorption of advanced technologies introduced from abroad will be strengthened, with the total absorption and control of technologies introduced being assured. Emphasis will be

積極探索軸流式、貫流式和抽水蓄能水輪機設計技術、1000MW水輪發電機組關鍵技術等課題的自主研發，努力提升水電產品領域的技術水平。在大力開展自主創新，不斷提高公司發電設備主導產品科技含量和技術水平的同時，還要解決與大容量超臨界、超超臨界火電機組相配套的輔機、水泵電動機和大口徑、高參數閥門等相關技術的研究。開發石化容器、煙氣脫硝和脫硫設備、海水淡化裝置、工業透平和風機、大容量高爐風機配套電動機等新領域。要把高效、低污染的IGCC潔淨煤發電技術產業作為重要的戰略發展目標，密切跟蹤國家產業政策和市場發展動態，積極探索與國際先進企業合作，充分發揮現有技術優勢，整合資源並形成合力做好相關的技術儲備。

given to achieve better results from technology introduction and absorption as represented by the third generation AP1000 nuclear power technology. The Company will exercise control over the critical technologies and core essentials in the steam generator units and main pump generator units of nuclear power island, gas turbine generator units of conventional island, generator units and related auxiliary accessories. Proprietary innovation will be bold so as to develop new products. By tightly focusing on the homemade for super critical, ultra super critical and large-scale air cooling thermal generator units of 600MW and1000MW, a number of critical technology issues will be resolved. The proprietary research and development in design technology for axle-flow, flow-through and pumped storage hydro power turbine generator units will be explored proactively, so that the technological standard of hydro power products will be enhanced. Apart from the emphasis in proprietary development and innovation, continuously enhancing the sophistication and level of the technology dominating the Company's power generation equipment products, the Company will also have to solve the research in the accessories, water pump engine and valve of large diameter and high diameter complementing in sets with high capacity super critical and ultra super critical thermal power generator units. New aspects such as petrochemical capacitor, smoke and gas deNox and del-sulfur equipment and desalting device, industrial flat ventilation machine, large capacity high tower boiler engine will be developed. IGCC clean coal fired power generation technology of high efficiency and low pollution will be ranked as an important strategic mission, so as to closely track the industry policies and market development trend of the State. The Company will proactively seek to cooperate with internationally leading companies, and get prepared for accumulation of technologies through leveraging on existing technology advantages and integration of resources.

5. Accelerate the progress of major technological improvement projects at high standard with stringent requirements

By tightly focusing on the theme to construct nuclear power projects, the Company will ensure that the construction and technology improvement works on the manufacturing base for nuclear power island main equipment, gas turbine generator units stator processing trial base, nuclear power main pump generator units base, nuclear power valve base will be completed as scheduled. Such projects will in turn convert into production capacities as soon as possible, and provide assurance to the development of nuclear power by the Company.

In the year 2008, it is planned that Rmb1,019 million will be invested. The funds will be applied to the following projects:

Rmb246 million will be planned to invest in the project for nuclear power main pump generator unit and nuclear power valve (of which Rmb171 million for nuclear power main pump generator unit and Rmb75 million for nuclear power valve). It is expected that the factory premise and auxiliary support facilities will be completed during the year. It is expected that production for nuclear power main pump generator unit and nuclear power valve can commence before May 2009.

Rmb380 million will be planned to invest in the project for the manufacturing and construction of nuclear power island main equipment. By the end of May 2008 the manufacturing capacity for ordinary capacitor will be formed. By the end of October the manufacturing capacity for nuclear power products will be formed. By the end of the year the manufacturing capacity of 1000MW gas turbine generator unit core will be formed.

Rmb59 million will be planned to invest in the homemade project for large-scale pumped storage units. This will be applied to the completion of the project, and it is expected

董事、監事及高級管理人員
Directors, Supervisors and Senior Management

董事

執行董事

宮晶堃先生，現年50歲，碩士學位，高級工程師職稱，現任本公司及哈電集團公司黨委書記、董事長。宮先生一九八二年畢業於瀋陽機電學院，後就讀於上海復旦大學工業經濟管理專業，獲碩士學位。於一九八二年加入哈電集團。宮先生曾任本集團原電機廠生產處副處長、生產部副部長、水電分廠廠長以及本集團電機公司總經理助理、副總經理等職務。一九九九年任阿城繼電器集團公司和阿城繼電器股份有限公司董事長。二零零零年八月任哈電集團公司副董事長兼總經理，九月任本公司副董事長。二零零六年五月任哈電集團公司董事長，九月任本公司董事長。

趙克非先生，現年52歲，博士學位，高級經濟師職稱，現任本公司副董事長。趙先生一九八二年畢業於東北重型機械學院，後就讀於哈爾濱工業大學管理學院，獲碩士學位，二零零六年六月獲哈爾濱工程大學管理學博士學位。於一九八二年加入哈電集團。曾任本集團原電機廠工程師、黨委組織部副部長、汽輪發電機分廠副廠長等職務。一九九二年任哈電集團黨委組織部部長。一九九四年任本集團電機公司黨委副書記、常務副總經理。一九九七年八月任哈電集團公司董事，同年十月任本公司執行董事、總經理。一九九九年十一月任哈電集團公司副董事長，二零零零年一月任本公司副董事長。

DIRECTORS

Executive directors

Mr. Gong Jing-kun, 50, senior engineer and with a master degree, now chairman of HPEGC and chairman of the Company. Mr. Gong graduated from Shenyang Institute of Machinery and Electronics in 1982 and joined in HPEGC in the same year. Later on, he studied in Shanghai Fudan University, majoring in economic management and was conferred the master degree. Mr. Gong joined in HPEGC in 1982. Mr. Gong has been vice director of production division, vice manager of production department, manager of hydropower workshop in former Harbin Electric Machinery Works of the Group, and general manager assistant and deputy general manager of the Electric Machinery Company of the Group. Mr. Gong was appointed as chairman of Archeng Relay Group Company and Archeng Relay Company Limited in 1999, in August 2000, he was appointed as vice chairman and general manager of HPEGC and in September 2000, Mr. Gong was appointed as vice chairman of the Company. In May 2006, he was appointed as chairman of HPEGC and on 29th September, chairman of the Company.

Mr. Zhao Ke-fei, 52, senior economist and with a doctor degree, now vice chairman of the Company and vice chairman and general manager of HPEGC. Mr. Zhao graduated from Northeast Heavy Machinery Institute in 1982, studied in Management Institute of Harbin Institute of Technology in 1987 and got the master degree. Mr. Zhao obtained the doctor degree in management in Harbin Engineering University in June, 2006. He joined in HPEGC in 1982, was the engineer, vice director of organization department and vice director of turbine generator workshop in former Harbin Electric Machinery Works of the Group. He began to act as director of organization department of HPEGC in 1992 and standing vice secretary of the Communist Party Committee of the Electric Machinery Company of the Group in 1994, managing deputy general manager of the Electric Machinery Company of the Group in December 1995. He was appointed as director of HPEGC in August 1997, executive director and general manager of the Company in October 1997. In November 1999, he was appointed as vice chairman of HPEGC and in January 2000 appointed as vice chairman of the Company.

董事、監事及高級管理人員(續)
Directors, Supervisors and Senior Management (continued)

曲大莊先生，現年51歲，博士學位，研究員級高級工程師職稱，現任本公司執行董事兼總經理及哈電集團公司副總經理。曲先生一九八二年七月畢業於北京航空學院，後就讀於哈爾濱工業大學應用力學專業，獲碩士學位，並於一九九三年九月獲一般力學專業博士學位。曲先生曾任哈爾濱電機廠電機研究所規劃室副主任、主任、副所長、本集團電機公司副總工程師兼電機研究所所長、副總經理。二零零零年八月任哈電集團公司副總經理。二零零二年任哈電集團公司副總經理、本集團汽輪機公司董事長兼總經理。二零零六年九月任本公司總經理、執行董事。

Mr. Qu Da-zhuang, 51, researcher & senior engineer and with a doctor degree, now managing director of the Company and deputy general manager of HPEGC. Mr. Qu graduated from Beijing University of Aeronautics and Astronautic in July 1982. He studied at the department of applied mathematics and mechanics of Harbin Institute of Technology from September 1984 and graduated with a master degree, subsequently obtained a doctor degree in astronautic engineering and mechanics in September 1993. Mr. Qu has been deputy director and vice superintendent of planning office of the research institute of Harbin Electrical Machinery Plant; deputy general manager of the Harbin Electrical Machinery Company Limited and superintendent of the research institute. In August 2000, he had been deputy general manager of HPEGC. In 2002, he was deputy general manager of HPEGC; chairman of the Board and general manager of Harbin Turbine Company Limited. He was appointed as general manager of this Company on 8th September, 2006, and managing director on 29th September, 2006.

段洪義先生，現年45歲，工商管理碩士學位，高級經濟師職稱，現任哈電集團公司副總經理及本公司執行董事。段先生一九八二年畢業於哈爾濱電機製造學校機械專業，同年加入哈電集團。曾任本集團原鍋爐廠計劃處綜合計劃員、副處長等職務。段先生一九九四年參加哈電集團股改和本公司股票發行與上市工作，一九九五年起先後任本公司計財部副部長、部長、公司副總會計師以及本集團汽輪機公司監事、副總經理及本集團動力科貿公司副董事長等職務。二零零零年八月任哈電集團公司副總經理，同年九月任本公司執行董事。

Mr. Duan Hong-yi, 45, senior economist and master of business administration, now deputy general manager of HPEGC. Mr. Duan graduated from Harbin Electrical Machinery College in 1982, majoring in mechanics, and joined in HPEGC in the same year. Mr. Duan has been a comprehensive planner and vice manager of planning department of former Boiler Works of the Group. He participated in the reorganization of HPEGC as shareholding Company and issuing and listing of the Company's shares in 1994. He has been vice director and director of planning and accounting department, vice chief accountant of the Company and supervisor, deputy general manager of the Turbine Company of the Group and vice chairman of Harbin Power Technology & Trade Incorporation of the Group since 1995. He was appointed as deputy general manager of HPEGC in August 2000.

Mr. Shang Zhong-fu, 47, senior engineer and master of business administration, now executive director and deputy general manager of the Company. Mr. Shang graduated from Harbin Institute of Technology in 1982,-56(,-56(,-51(n)y)-56(,-56(,-dh51(nD18S56(,a-56

Independent directors

Mr. Zhou Dao-jiong, 75, independent director of the company and chairman of Tao Xing-zhi Fund of China, chairman of Investment Committee of China, advisor to Society of Finance of China and Society of Market Economic of China, and part-time professor in Beijing University, People's University of China, Central South Economic and Finance University, Northeast Economic and Finance University and Southwest Economic and Finance University. Mr. Zhou joined in work in 1950 and has been the head of Finance Department of Anhui provincial government and secretary-general of provincial government, president of China Construction Bank and chairman of China Investment Bank, deputy executive director of Securities Committee of State Council, deputy president of State Development Bank and chairman of Securities Supervisory & Management Committee of China. He was appointed as independent director of the Company since September 2000.

Ms. Ding Xue-mei, 49, professor and with a doctor degree, now deputy executive director of Graduate School of Harbin Institute of Technology. Ms. Ding graduated from Harbin Institute of Technology in 1986 and was conferred master degree. In 1991, she studied in La(e)–56(n)-56(w256( )-278(X)((e-56(a)-560 T1 1 Tf8 T1 1 Tf8 T1

賈成炳先生，現年66歲，大學本科學歷，高級工程師職稱，現任中國機械工業聯合會執行副會長、中國鑄造協會理事長等職務。賈先生畢業於合肥工業大學鑄造專業，一九六五年七月參加工作。曾任國家機械電子工業部、機械工業部副處長、處長。機械工業部人事勞動司司長、辦公廳主任，機械工業部黨組成員。二零零一年三月起先後任國務院大型企業監事會主席(中國材料工業科工集團、中國船舶工業集團公司、國家開發投資公司)等職務。二零零六年二月任中國機械工業聯合會執行副會長、中國鑄造協會理事長等職務。二零零六年九月起任本公司獨立董事。

李荷君女士，現年64歲，大學本科學歷，高級經濟師職稱，現任西南鋁業(集團)有限公司副董事長、陝西韓城煤礦公司副董事長，中國女企業家協會常務理事、金融理財咨詢委員會委員。李女士畢業於中央財政金融學院(現中央財經大學)財會專業，一九六六年八月參加工作。曾任河南省計委副處長、處長，中國建設銀行河南省分行副行長、黨組副書記。一九九三年任中國建設銀行河南省分行行長、黨組書記，河南省投資學會會長。一九九九年任中國信達資產管理公司執行委員會主任委員、審核委員會主任委員。二零零四年起任中國信達資產管理公司專家咨$""9# ：

Mr. Jia Cheng-bing, 66, senior engineer and with a bachelor degree, now deputy managing director of China Machinery Industry Federation, president of China Foundry Association. Mr. Jia graduated from Hefei University of Technology, majoring in foundry. He joined in work in July 1965. He has been deputy section chief, section chief of Ministry of Machinery Electronics Industry and Ministry of Machine Building Industry; department head of Human Resources and director of the general office of Ministry of Machine Building Industry; Party commissioner of the Ministry of Machine Building Industry. In March 2001, chairman of the Supervisory Committee for various large State Council organizations (China National Materials Industry Group, China State Shipbuilding Corporation, The State Development and Investment Corp.). Since February 2006, he was appointed as deputy managing directors of China Machinery Industry Federation and president of China Foundry Association. He was appointed as independent director of the Company since September 2006.

Ms. Li He-jun, 64, senior economist and with a bachelor degree, now vice chairperson of the Board of Southwest Aluminum (Group) Co. Ltd, vice chairperson of the Board of Shanxi Hancheng Coal Company, executive director of China Association of Women Entrepreneurs and committee member of the Financial Advisory Committee. Ms. Li graduated from Central Institute of Finance and Economics (currently known as Central University of Finance and Economics), majoring in finance and accounting. She joined in work in August 1966. She has been deputy section chief and section chief of Henan Province Planning Commission, vice president and Party's vice secretary of China Construction Bank Henan Branch. In 1993, she was president and Party secretary of China Construction Bank Henan Branch, and director of Henan Provincial Investment Association. In 1999, she was the chief commissioner of the Execute Commission and Audit Commission for China Cinda Asset Management Corporation. Since 2004, she was appointed as commissioner of China Cinda Asset Management Corporation Expert Advisory Commission, vice chairperson of the Board of Southwest Aluminum (Group) Co. Ltd, vice chairperson of the Board of Shanxi Hangcheng Coal Company, executive director of China Association of Women Entrepreneurs, commissioner of Finance Inquiry Commission and senior advisor for Lehman Brothers Asia Holding Inc. She was appointed as independent director of the Company since September 2006.

姜魁先生，現年56歲，大學本科學歷，教授級高級工程師職稱，現任黑龍江省電力有限公司總經理。姜先生畢業於東北農業大學，一九六九年參加工作。姜先生曾任黑龍江省電力設計院技術員，黑龍江省電力工業局教育處副科長、科長、副處長、教育培訓部副主任，黑龍江省電力有限公司總經理工作部主任、副總經濟師、副總經理等職務，二零零五年十一月任黑龍江省電力有限公司總經理。二零零六年九月起任本公司獨立董事。

Mr. Jiang Kui, 56, senior engineer (professor level) and with a bachelor degree, now general manager of Heilongjiang Power Co. Ltd. Mr. Jiang graduated from Northeast Agricultural University. He joined in work in 1969. He has been technician of Heilongjiang Electric Power Design Institute; deputy section manager, section manager, deputy section chief of Heilongjiang Electric Power Industry Bureau, education section; deputy director of the education and training department; director of the general manager's office, deputy chief financial official, and deputy general manager of the Heilongjiang Power Co. Ltd. He was appointed as general manager of Heilongjiang Power Co. Ltd. in November 2005. He was appointed as independent director of the Company since September 2006.

監事

股東代表監事

郎恩齊先生，現年62歲，研究生學歷，高級工程師職稱，曾任本公司監事會主席。郎先生一九六八年畢業於哈爾濱航空工業學校，後於中國社會科學院研究生院銀行貨幣專業研究生畢業，一九六八年加入哈電集團。曾任本集團原汽輪機廠車間主任、廠黨委組織部部長、汽輪機輔機工業公司經理、副廠長、黨委副書記等職務。一九九四年任哈電集團哈汽實業開發總公司總經理，一九九五年十二月任本集團汽輪機公司常務副總經理。一九九九年十一月任哈電集團公司董事、黨委副書記、紀委書記以及本公司黨委副書記和紀委書記。二零零零年一月任本公司監事會主席。二零零八年三月郎先生因退休不再擔任本公司監事。

SUPERVISORS

Supervisors representing shareholders

Mr. Lang En-qi, 62, senior engineer with a master degree. He has been chairman of the Supervisory Committee of the Company. Mr. Lang graduated from Harbin Aviation Industry School in 1968. Later on, he graduated from Chinese Academy Industry of Social Science with a master degree, majoring in currency & bank. Mr. Lang joined in HPEGC in 1968. He has been workshop manager, director of Organization Department of former Turbine Works of the Group, manager of Turbine Auxiliaries Company, vice factory director and assistant secretary of the Communist Party Committee of the Turbine Company. He was appointed as general manager of HTC Industry Development Company of HPEGC in 1994, and managing deputy general manager of the Turbine Company of the Group in December 1995. In November 1999, director, assistant secretary of the Communist Party Committee, secretary of the Disciplinary Committee of HPEGC and assistant secretary of the Communist Party Committee and secretary of the Disciplinary Committee of the Company. In January 2000, he was appointed as chairman of the Supervisory Committee of the Company. In March 2008, Mr. Lang was not as supervisor of the Company any longer for retirement.

王志森先生，現年57歲，大學學歷，高級工程師職稱，清華大學電力工程系電機專業畢業，一九六八年十月參加工作。曾任機械工業部幹部司企業幹部管理處副處長，機械工業部人勞司綜合處副處長。一九八九年任中國機電報社信息部主任。一九[illegible]二年任機電部儀器儀錶綜合技術研究所所長[illegible]黨委書記。一九九五年一月任內貿部辦公廳[illegible]主任兼部長辦主任、部黨組秘書。一九九五[illegible]七月任中國農業機械總公司黨委書記、副總[illegible]理。一九九六年任國家體改委辦公廳主任辛懭权逴灘振　　乩

糲粔　　齧靈韆　黨　　囂
駭睹 縞驥

濟曘瞲藒醥 翮与　　踴

Mr. Wang Zhi-sen, 57, senior engineer and with a bachelor degree. Mr. Wang graduated from Qinghua University, majoring in electrical engineering. Mr. Wang joined in work in October 1968. He was deputy division chief of Enterprise Cadre Administration Office of Department of Cadre under Ministry of Machine Industry, deputy division chief of general office of department of personal and labor under Ministry of Machine Industry. He was director of information sector of China Electrical Engineering News in 1989, head and secretary of Party Committee of Instrument and Meter Technology Institute under Ministry of Machinery and Electronics Industry in 1992; deputy director of general office of Ministry of Internal Trade in January 1995. He was secretary of Party Committee, deputy general manager of China National Agricultural Machinery Corporation; director of State Commission for Economic Restructuring in 1996.He was secretary of Party Committee, and secretary of Discipline Committee of Huaxing Products Corporation in 1998; director, secretary of Party Committee, and secretary of Discipline Committee of China Huaxing Group in 2001. In June 2007, he was appointed as one member of the Company's Standing Communist Party Committee and secretary of Discipline Committee of Harbin Power Equipment Group Corporation, simultaneously as a one member of the Company's Standing Communist Party Committee and secretary of Discipline Committee of the Company. He was appointed as chairman of the Supervisory of Company in March 2008.

Mr. Yang Xu, 44, senior engineer and with a master degree, director of enterprise management and development department of the Boiler Company of the Group. Mr. Yang graduated from Jilin Industry University in 1986 and joined in HPEGC in the same year. He has been enterprise management staff in the enterprise management department, secretary of general manager office, assistant director of enterprise management and development department of the Boiler Company of the Group. In 2004, he was appointed as deputy director of enterprise management and development department. In 2004, he was appointed as director of enterprise management and development department.

Supervisors representing staff and workers

Ms. Lu Chun-lian, 49, senior engineer and with a bachelor degree, now supervisor representing staff and workers of the Company and head of coil factory of the Electric Machinery Company of HPEGC. Ms. Lu graduated from Harbin Institute of Electrical Engineering in 1982 and joined in HPEGC in the same year. She has been an engineer and deputy director of insulation material Research Section under Electrical Machinery Research Institute and director of technology department of coil factory in the Electric Machinery Company. In 2002, Ms. Lu was elected as head of coil workshop in the Electric Machinery Company.

Mr. Gao Xu-guang, 37, senior engineer and with a bachelor degree, now director of corporate development research center of Harbin Turbine Company Limited. Mr. Gao graduated sea sseseatanM (afr)19(.)-56(a

高級管理人員

張海權先生，現年47歲，工商管理碩士學位，高級工程師職稱，現任本公司副總經理。張先生一九八四年畢業於哈爾濱電工學院，同年加入哈電集團。曾任本集團原鍋爐廠機修分廠工程師，廠黨委辦公室秘書及主任助理等職務。張先生一九九四年參加哈電集團股改及本公司股票發行與上市工作。一九九四年十一月起先後任本集團鍋爐公司總經理辦公室副主任、計劃處副處長及企業管理處處長、審計法律處處長等職務。一九九八年任哈電集團公司及本公司黨委常委、組織部部長；一九九九年任阿城繼電器集團公司及阿城繼電器股份有限公司黨委書記、副董事長。二零零零年十月起任本公司副總經理。

馮永強先生，現年45歲，工商管理碩士學位，高級政工師職稱，現任本公司副總經理及本集團鍋爐公司黨委書記、副董事長。馮先生一九八五年畢業於哈爾濱電工學院電機專業，同年加入哈電集團。曾任本集團原鍋爐廠党辦秘書、團委書記、管子分廠書記、廠長、重容分廠廠長等職務。一九九七年任本集團鍋爐公司黨委副書記、紀委書記。二零零一年十一月任內蒙古自治區通遼市市委常委、副市長(掛職鍛煉)。二零零三年十一月任鍋爐公司黨委副書記。二零五年九月任黨委書記、副董事長，二零零四年任本公司副總經理。

SENIOR MANAGERS

Mr. Zhang Hai-quan, 47, senior engineer and master of business administration, now deputy general manager of the Company. Mr. Zhang graduated from Harbin Institute of Electrical Engineering in 1984, and joined in HPEGC in the same year. He has been engineer of the enginery repairing workshop, secretary and assistant director of the Communist Party Committee Office of former Boiler Works of HPEGC. In 1994, Mr. Zhang participated in the reorganization of HPEGC and share issuing and listing of the Company. Since November 1994, he has been appointed as vice director of the general manager office, vice director of planning department and director of enterprise administration department, and director of auditing and law department of the Boiler Company of HPEGC. In 1998, he was transferred acting as one member of the Group's and the Company's Standing Communist Party Committee and director of organization department. In 1999, Mr. Zhang was appointed as secretary of the Communist Party Committee and vice chairman of Archeng Relay Group Company and Archeng Relay Company Limited, one of the Group's subsidiaries. He has been appointed as deputy general manager of the Company since October 2000.

Mr. Feng Yong-qiang, 45, senior political-work master and master of business administration, now deputy general manager of the Company and secretary of the Communist Party Committee and vice chairman of the Boiler Company of the Group. Mr. Feng graduated from Harbin Institute of Electrical Engineering in 1985, majoring in electrical engineering, and joined in HPEGC in the same year. He was the secretary of the Communist Party Committee Office, secretary of Youth League, secretary and factory director of piping workshop, and factory director of heavy vessel workshop of former Boiler Works of HPEGC. He was deputy secretary of the Communist Party Committee and secretary of the Supervisory Committee of the Boiler Company in 1997. He was the standing committee and deputy mayor of the city of Tongliao in the Inner Mongolia Autonomous Region in November 2001. He was appointed as deputy secretary and vice chairman of the Communist Party Committee of the Boiler Company in November 2003.

Mr. Liu Zhi-quan, 40, senior accountant and master of business administration, now deputy general manager. Mr. Liu graduated from Harbin Institute of Technology, majoring in industrial accounting with a bachelor degree. He subsequently obtained his MBA qualification from the same university. He joined in work in September 1991. He has been the assistant for the section chief, deputy section chief, section chief of finance department, chief account official and section chief of finance department of the Boii-60(c-36(o)-56(rC8a)-56(s)-5-56(e)-56(n36(o)-5056(s)-5-56(-56(m)-56(e)-56(n))TJy-56(

董事會報告書
Report of the Directors

董事會欣然提呈本公司二零零七年年度報告和截至二零零七年十二月三十一日止年度經審計的財務報表。

主要業務

本公司及其主要附屬公司主要從事各種發電設備的生產、銷售及電站工程服務業務，詳情載於財務報表附註6。

本集團所有業務均以中國為基地，其中約92.2%之集團營業額來自中國。

截至二零零七年十二月三十一日止年度，本集團產品出口營業額為29,530萬美元，佔總營業額的7.8%。

董事會報告書
Report of the Directors

業績及分配

本集團截至二零零七年十二月三十一日止之年度業績載於本年報第64頁的綜合損益表中。

董事會建議本公司二零零七年度除稅及少數股東收益後溢利分配如下：

1. 提取法定盈餘公積金人民幣3,798萬元。

2. 董事會建議向二零零八年五月六日登記在股東名冊的股東派發二零零七年度股息每股人民幣0.091元，合共派發股息人民幣12,528.93萬元。H股股東的股息將以港幣支付，匯率乃按二零零八年四月十一日前五天中國人民銀行公佈的人民幣兌港幣匯率市場價計算，即1元人民幣折合港幣1.112元，H股股東每股可獲股息0.1012元港幣。

3. 公司定於二零零八年五月六日至六月五日（包括首尾兩天）暫停辦理股票過戶登記，暫停登記前已經在冊的股東均有權出席股東周年大會並表決及有權獲派二零零七年度股息。

董事、監事

有關董事及監事的詳情載於本年報《董事、監事及高級管理人員》一節。

FINANCIAL RESULTS AND DISTRIBUTION

The results of the Group for the year ended 31st December 2007 are set out in the consolidated income statement on page 64 of the annual report.

The Directors propose the distribution of profit after taxation and minority interests for 2007 as follows:

1. To transfer Rmb37.98 million to the statutory surplus reserve.

2. The Directors propose a dividend of Rmb0.091 per share for shareholders who registered on shareholder' list before 6th May 2008; payment of dividends totally amounted to Rmb125.2893 million. Shareholders of H share will be paid in Hong Kong dollar; the exchange rate used is based on average closing rate of the People's Bank of China during the five days preceding the date of 11th April 2008, which is Rmb1 for HK$1.112. The dividend for every H share will be HK$0.1012.

3. The Register of members of the Company will be closed from 6th May 2008 to 5th June 2008, both days inclusive, during which period no transfer of shares can be registered. Shareholders whose names appear on the Register of Members on 6th May 2008 shall be entitled to present in the meeting and the dividend payment for the year 2007.

DIRECTORS AND SUPERVISORS

Details of directors and supervisors are set out in the Section "Director, Supervisors and Senior Managers" of the annual report.

董事、監事及高級管理人員的股本權益

於二零零七年十二月三十一日，本公司各董事、監事及高級管理人員概無在本公司及其／或在任何相關法團(定義見《證券及期貨條例》第XV部)的股份、相關股份及／或債券證(視情況而定)中擁有任何需根據《證券及期貨條例》第XV部的第7及第8分部知會本公司及香港聯交所的權益或相關股份或債券證的淡倉(包括根據《證券及期貨條例》該等章節的規定被視為或當作這些董事、監事及高級管理人員擁有的權益或淡倉)，或根據《證券及期貨條例》第352條規定需記錄於本公司保存的登記冊的權益或淡倉，或根據上市規則附錄十中的《上市公司董事進行證券交易的標準守則》須知會本公司及香港聯交所的權益或淡倉。

董事、監事的服務合約

各董事及監事均與本公司訂有服務合約，該等合約於二零零九年九月二十九日到期。除此以外，各董事及監事與本集團任何成員公司之間概無任何既有或建議的服務合約。

董事、監事在重要合約中的權益

年內各董事或監事概無在本公司及其附屬公司訂立的重要合約中直接或間接擁有權益。

董事及監事酬金

截至二零零七年十二月三十一日止之年度，本公司董事及監事酬金詳情載於本年報財務報表附註11。

獲最高酬金的前五名人士

獲最高酬金的前五名人士均為本公司董事及監事。

DIRECTORS', SUPERVISORS' AND SENIOR MANAGERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31st December, 2007, none of the directors, supervisors and senior management of the Company had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or of any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short position which any such director, supervisor or senior management is taken or deemed to have under such provisions of the SFO) or which was required to be entered in the Register kept by the Company pursuant to section 352 of the SFO or which was required to be notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listing Companies as contained in Appendix 10 to the Listing Rules.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

There are service contracts between every director, supervisor and the Company, which will expire by 29th September 2009. Besides this, there are no existing and suggesting service contracts between every director, supervisor and any member company of the Group.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

None of the director or supervisor of the Company has any material interest, whether directly or indirectly, in the contracts of significance, to which the Company or any of its subsidiaries is a party during the year.

REMUNERATION OF DIRECTORS AND SUPERVISORS

Details of the salaries and bonuses of the directors or supervisors of the Company for the year ended 31st December 2007 are set out in Note 11 to the financial statements.

FIVE HIGHEST PAID PERSONNEL

The five highest paid personnel of the Company during the year are all directors and supervisors.

員工退休及福利計劃

員工退休及福利計劃詳情載於本年報財務報表附註38。

固定資產

本集團固定資產的變動詳情載於本年報財務報表附註14。

儲備

於二零零七年十二月三十一日，本公司可供分派的儲備總額為人民幣583,619萬元，本集團及本公司年內的儲備變動情況載於財務報表綜合股東權益變動表。

財務摘要

本集團過去五年之財務摘要載於本年報《財務摘要》一節。

借款及利息資本化

本集團銀行借款和其他借貸細節載於本年報財務報表附註31。

本集團期間內在建工程的利息資本化金額為人民幣25萬元。

購買、出售及贖回本公司之上市證券

於二零零七年三月二日，本公司董事會根據二零零五年度股東周年大會的一般授權發行了10,235.5萬股H股，發行價格為每股10元港幣，集資淨額為10.02億港元。

除此之外，本公司及其附屬公司概無購買、出售及贖回本公司之任何上市債券。

RETIREMENT AND BENEFIT SCHEME

Details of the retirement and benefit scheme are set out in Note 38 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in Note 14 to the financial statements.

RESERVES

The Company's reserves available for distribution are Rmb5,836.19 million until 31st December 2007. Movements in the reserves of the Group and the Company during the year are set out in the Consolidated Statement of Changes in Equity to the financial statements.

FINANCIAL HIGHLIGHTS

The financial highlights of the Group for the last five years are set out in the Section "Financial Highlights" to the annual report.

BORROWINGS AND INTEREST COSTS CAPITALISED

Details of bank loans and other borrowings of the Group are set out in Note 31 to the financial statements.

Interest capitalized by the Group during the year amounted to Rmb0.25 million in respect of construction in-progress.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

As at 2nd March 2007, the Board of Directors of the Company issued 102.355 million H shares under the general mandate of the 2005 Annual General Meeting, at an issue price of HK$10 per share, to raise HK$1.002 billion.

Besides this, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

優先購買權

根據本公司章程或中國法律，並無優先購買權規定本公司須按持股比例向現有股東提呈發售新股之建議。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or PRC Law, which would require the Company to issue new shares to the existing shareholders according to their respective proportions of shareholding.

重大訴訟事項

本公司子公司哈爾濱鍋爐廠有限責任公司，於二零零七年十一月二十一日起訴泰州市申工重機鋼管有限公司，因其提供的大口徑管不合格而給公司造成經濟損失，要求其賠償直接經濟損失3,295.1萬元人民幣，泰州市申工重機鋼管有限公司反訴公司欠其貨款2,349萬元。目前，此案正在審理中。除此以外，年內本集團沒有其他重大訴訟事項。

MAJOR LITIGATION

Harbin Boiler Co., Ltd, a subsidiary of the Company, lodged a complaint against 泰州市申工重機鋼管有限公司at court for the economic loss caused to the Company due to its provision of unqualified large-diameter tubes and demanded the company to indemnify a direct economic loss of Rmb32,951,000. 泰州市申工重機鋼管有限公司brought a counter-accusation against the Company for an outstanding loan of Rmb23.49 million. Currently, the case is still under processing. Besides this, the Group was not engaged in other major litigation of material importance during the year.

重大合約

本集團年內簽訂的重大合約詳情載於本年報《管理層論述與分析》及《重要事項揭示》一節。

MATERIAL CONTRACTS

The material contracts of the Group for the year are detailed in the Sections "Management Discussion and Analysis" and "Disclosure of Significant Events" of the annual report.

主要供應商和客戶

1. 期內本集團首五大供應商合共佔總採購百分比為10.81%。其中最大的供應商為日本三菱重工，佔總採購百分比為2.79%。

2. 期內本集團首五大客戶合共佔總營業額百分比為20.75%。其中最大的客戶是國電泰州發電公司，佔總營業額百分比為6.29%。

3. 本公司董事、監事及其聯繫人以及任何股東(根據董事會所知擁有5%或以上本公司股份者)在上述供應商或客戶中概無任何權益。

MAJOR SUPPLIERS AND CUSTOMERS

1. The aggregate amount of purchases during the period attributable to the Group's five largest suppliers represented 10.81 per cent of the Group's total purchases. Among which the largest supplier is Mitsubishi Heavy Industries Ltd. of Japan, presenting 2.79 per cent.

2. 20.75 per cent of the total turnover of the Group during the period was attributable to the Group's five largest customers. Amongst which 國電泰州發電公司 was the largest customer, accounting for 6.29 per cent of the total turnover.

3. None of the directors, supervisors, their associates or any shareholders of the Company (which to the knowledge of the directors own more than 5 per cent of the Company's share capital) has any interest in above mentioned suppliers or customers.

H股所得款項之運用

期內本公司募集資金的運用詳情載於《管理層論述與分析》一節。

委託存款及逾期定期存款

於二零零七年十二月三十一日，本公司在商業銀行或非銀行金融機構未有委託存款，亦未有逾期未取回的存款。

稅收政策

根據中國財政部及中國國家稅務局於一九九四年三月二十九日發出之《關於企業所得稅若干優惠政策的通知》中關於[國務院批准的高新技術產業開發區內的高新技術企業，減按15%稅率徵收所得稅]之規定，本集團一直執行15%的所得稅率。董事會認為，由於本集團符合國家有關法律、法規之規定，因此，本集團主要附屬公司仍執行15%企業所得稅率。

根據國家稅務總局之規定由二零零三年十月十五日開始，本集團新接出口產品定單退稅率為13%。

根據財政部、國家稅務總局二零零四年九月十四日頒佈的《東北地區擴大增值稅抵扣範圍若干問題的規定》，東北地區部分企業(含本公司)增值稅由生產型轉為消費型，擴大了增值稅抵扣範圍，自二零零四年七月一日起實際發生購進固定資產、用於自製(含改擴建、安裝，)固定資產的購進貨物或應稅勞務等項目的進項稅額，可以抵扣增值稅。

PROCEEDS FROM THE H SHARES ISSUE

The use of listing proceeds of the Company for the period details in the Section "Management Discussion and Analysis" of the annual report.

ENTRUSTED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 31st December, 2007, the Company had no entrusted deposits in commercial banks or non-bank financial institutions and had no due deposits that had not been withdrawn.

INCOME TAX AND EXPORT VAT REBATE

According to provisions of Notice on Certain Preferential Tax Policies on Enterprise Income Tax (《關於企業所得稅若干優惠政策的通知》) issued by the Ministry of Finance and the State Administration for Taxation on 29th March 1994, enterprises within High and New Technology Industrial Zones approved by the State Council shall be entitled to income tax at a reduced tax rate of 15 per cent, which has been the tax rate applied by the Group. Since the Group meets the requirements of related laws and regulations, the Board considers it is appropriate for the major subsidiaries of the Group to apply the 15 per cent income tax rate.

In accordance with regulations of the State Administration for Taxation, the rate for tax rebate of the Group's new export products contracts is 13 per cent since 15th October 2003.

According to Regulations on the Issues about Increasing VAT Rebate Scope in Northeast Area issued by the PRC Ministry of Finance and the State Tax Bureau in 14th September, 2004, the VAT of part of northeast areas companies (including the Company) turned from production type to consumption type, which enlarged the VAT rebate scope. By 1st, July, 2004, the income tax for actually capital asserts purchased products, purchased products for self construction (include restructure and construction extension) or tax payable labor project can be rebated.

關聯交易

有關關聯交易詳情載於本年報財務報表附註39。

對關聯交易的確認

本公司獨立董事已經審核了載於財務報表附註39中的關聯交易(定義見上市規則)，並且確認：

1. 這些交易是本公司按照其業務一般通常過程達成的；及

2. 這些交易是(I)按照通常商業條款(運用此條款時須參考中國境內由類似的企業達成的類同性質的交易)達成的或(II)(如無可比較的例子)按照對本公司的股東而言，為公平和合理的條款達成的以及；

3. 這些交易是(I))按照與相關的協議條款達成的或(II)(如無這類協議)按照不比第三方可取得的條件差的條款達成的。

獨立非執行董事獨立性的確認

本公司已經收到每名獨立非執行董事就其獨立性作出的年度確認函，其獨立性符合《上市規則》第3.13條所載的任何一項獨立指引，屬於獨立人士。

CONNECTED TRANSACTIONS

For the connected transactions, see the details in Note 39 to the financial statements of the annual report.

CONFIRMATION ON CONNECTED TRANSACTIONS

The Independent Directors of the Company have, in such capacity, reviewed the connected transactions (as defined in the Listing Rule) referred to in Note 39 to the financial statements and confirmed that:

1. Such transactions have been entered into by the Company in the ordinary and usual course of its business; and

2. Such transactions have been entered into either (I) on normal commercial terms (which expression will be applied by reference to transactions of a similar nature and to be made by similar entities with PRC) or (II) (where there is no available comparison) on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and

3. Such transactions have been entered into either (I) in accordance with the terms of the relevant agreements governing such transactions or (II) (where there is no such agreement) on terms no less favorable than terms available to third parties.

THE CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS INDEPENDENCE

股本情況

截至二零零七年十二月三十一日，本公司總股本為1,376,806,000股，其中發起人持有701,235,000股，佔總股本的50.93%，境外H股股東持有675,571,000股,佔總股本的49.07%。

股東人數

於二零零七年十二月三十一日，本公司註冊股東人數及類別如下：

國有法人股股東(由發起人持有)	1
H股股東數	63
股東總數	64

SHARE CAPITAL STRUCTURE

As at 31st December 2007, the share capital structure of the Company comprised of 1,376,806,000 shares, of which 701,235,000 shares were held by the promoter (representing 50.93 per cent of the entire share capital) and 675,571,000 shares were held by overseas H shares investors (representing 49.07 per cent of the entire share capital).

NUMBER OF SHAREHOLDERS

首十名股東

於二零零七年十二月三十一日,本公司股東名冊上持股量最多的首十名股東的持股情況如下：

TOP TEN SHAREHOLDERS

As at 31st December 2007, the top ten registered shareholders who hold the most shares were as follows:

股東名稱 Name of Shareholders	股數 Number of Shares	持股百分比 Percentage of Shares Holdings	備註 Note
哈爾濱電站設備集團 Harbin Power Plant Equipment Group Corporation	701,235,000	50.93%	國有法人股 state shares
HKSCC Nominees Limited	674,388,598	48.98%	H股 H shares
LAM MAN LAI	250,000	0.02%	H股 H shares
CHEUNG YUM TIN	200,000	0.01%	H股 H shares
HO CHI KUN	100,000	0.01%	H股 H shares
NG SIU HANG	100,000	0.01%	H股 H shares
YIH SIU LAI HAR	50,000	0.00%	H股 H shares
YIP KWAI WA	50,000	0.00%	H股 H shares
WONG YIU POOI	34,000	0.00%	H股 H shares
POON BO WING ANDY	26,000	0.00%	H股 H shares

核數師

公司現任中國境內核數師為中瑞岳華會計師事務所有限責任公司，香港核數師為岳華會計師事務所有限公司。

承董事會命
董事長
宮晶堃

二零零八年四月十一日

AUDITORS

The current PRC auditor of the Company is China Rightson YueHua Certified Public Accountants Company Limited, and the Hong Kong auditor is Yuehua (Hong Kong) CPA Limited.

By order of the Board
Gong Jing-kun
Chairman

11th April, 2008

監事會報告書
Report of the Supervisory Committee

致各位股東：

截止二零零七年十二月三十一日止年度(本年度)，哈爾濱動力設備股份有限公司監事會(本公司監事會)全體成員，按照《中華人民共和國公司法》、《香港聯合交易所有限公司

監事會報告書(續)
Report of the Supervisory Committee (continued)

2、本監事 > 鶉礦謳珖蘑堲孪豦誄訃叫渙差磔菅謗荅玻勂簏都 > 鶉競卽猗洫枰彏歉鷗川毷｝荆諚枰彏歉鷗乂淒准暲廟枰彏歉鷗８枞蔣暮膀Ｘ腥

公司管治報告
Corporate Governance Report

公司一貫嚴格按照《中華人民共和國公司法》、《中華人民共和國證券法》及中國證監會的有關規定，積極完善公司法人治理結構，規範公司運作。

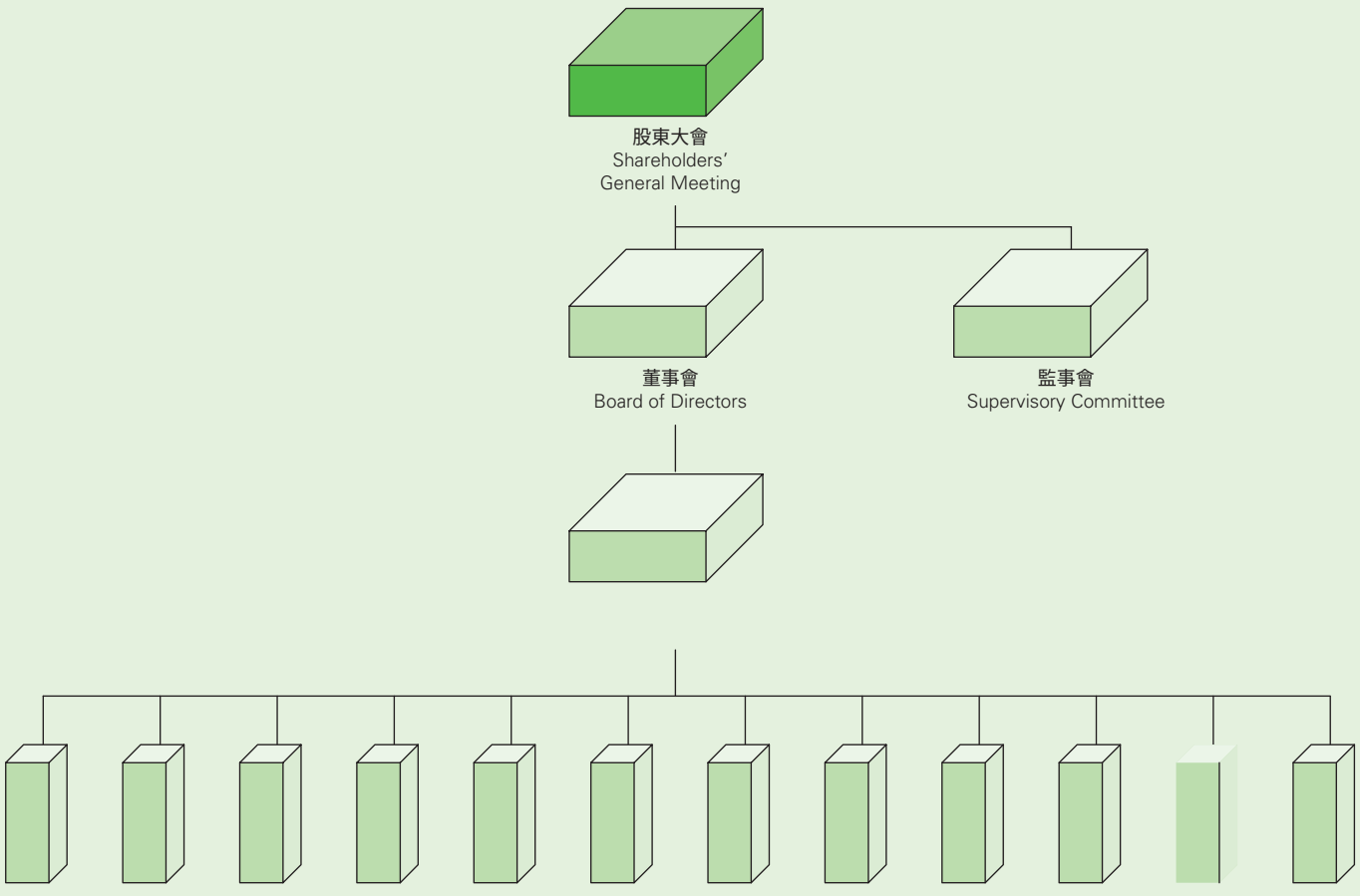
The Company has improved and perfected the company's corporate governing structure and standardized the Company's operation through strictly complying with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and the relevant provisions of China Securities Regulatory Commission.

於2007年期間，本公司全面遵守了《香港聯合交易所上市規則》附錄十四《企業管治常規守則》的規定。

During the year 2007, the Company fully complied with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited Appendix XIV: Code on Corporate Governance Practices.

管理架構

ORGANIZATION CHART



股東和股東大會

本公司保護股東的權益，平等對待所有股東，倡導股東積極參與公司治理。股東作為公司的所有者，享有法律、法規所規定的權利，並承擔相應的義務，股東對公司重大事項享有知情權和決定權。股東大會是公司的權力機構，依法行使職權。在批准關聯交易時，有利害關係的股東放棄在股東大會的投票權。

本公司的控股股東為哈爾濱電站設備集團公司，其為一家在中華人民共和國註冊的國有企業。

本公司2007年召開了一次股東周年大會。

董事會

董事會的主要職責是在公司發展戰略、管理架構、投資及融資、計劃、財務監控等方面按照股東大會的授權行使管理決策權，在公司章程詳細列明。

1、構成

本公司董事會乃本公司成立以來第五屆董事會，由11名董事組成，其中5名為獨立董事。各董事的任期自2006年9月29日起任期3年，到2009年9月29日屆滿荅砐鎳膺豪豪渿趕冫荅荎顳禱冢逡跱爸簫藥

公司董事長與總經理分別由不同人士擔任，並有明確分工。董事長

3、董事會會議

年內本公司共舉行6次董事會會議，討論公司的整體戰略、投資方案、營運及財務表現。本公司獨立董事對本公司決策事項未有異議。會議出席情況如下：

3. Meetings of the Board of Directors

During the year, six Board of Directors' meetings were hold to discuss the overall strategies, investment plans, operation and financial performance of the Company. The independent Directors have no dissenting opinions regarding any of the Company's resolutions. Attendances of the meetings are as follows:

董事姓名 Name of Director		應參加董事會次數 Attendance Required (No.)	親自出席(次) Attendance in Person (No.)	出席率 Attendance Ratio
宮晶堃先生	Mr. Gong Jing-kun	6	6	100%
趙克非先生	Mr. Zhao Ke-fei	6	3	50%
曲大莊先生	Mr. Qu Da-zhuang	6	6	100%
段洪義先生	Mr. Duan Hong-yi	6	5	83%
商中福先生	Mr. Shang Zhong-fu	6	6	100%
吳偉章先生	Mr. Wu Wei-zhang	6	5	83%
周道炯先生	Mr. Zhou Dao-jiong	6	5	83%
賈成炳先生	Mr. Jia Cheng-bing	6	4	67%
李荷君女士	Ms. Li He-jun	6	4	67%
丁雪梅女士	Ms. Ding Xue-mei	6	3	50%
姜　魁先生	Mr. Jiang Kui	6	4	67%

所有董事均能通過公司秘書及時獲得公司董事會必須遵守的法定、監管及其他持續責任的相關資料及最新動向，以確保其能瞭解應盡之職責，保證董事會的程序得以貫徹執行以及適用的法律、法規得以恰當遵守。本公司董事和董事會專業委員會有權根據工作要求聘請獨立專業機構為其服務，由此發生的合理費用由公司承擔。

The relevant information and current development of the statutory, supervisory and other continuous responsibilities of the Company's Board of Directors can be obtained by all Directors through the Secretary of the Company in a timely fashion, so as all Directors understand his/her duties, and the procedures of the Board of Directors are properly implemented and applicable laws and regulations are correctly complied. The Directors and the Board of Directors' special committees have the right to appoint independent professional organizations for their service according to the requirement of their duties; the reasonable costs incurred in those occasions are born by the Company.

本公司已採納香港聯合交易所上市規則附錄十《上市公司董事進行證券交易的標準守則》作為公司董事的標準守則。本公司已向所有董事做出查詢，所有董事已確認在報告期內其已完全遵守《上市公司董事進行證券交易的標準守則》。

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix X of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as a model code for Directors of the company. Specific enquiries have been made of all Directors, who have confirmed their compliance with the Model Code for Securities Transactions by Directors of Listed Companies during the reporting period.

董事會專門委員會

公司設立了審核委員會、薪酬委員會、提名委員會、戰略發展委員會等四個專門委員會，其成員全部由董事組成。

本公司第五屆董事會審核委員會成員包括：李荷君、丁雪梅、段洪義。審核委員會中獨立董事佔三分之二並由獨立董事李荷君擔任主任委員，符合《上市規則》第3.21條的規定。本年度審核委員會共舉行了2次會議，審閱了本集團的年度、半年度業績報告和財務報告。

監事會

本公司監事會由5名監事組成，其中職工代表監事2名，獨立監事1名。

1、 期內監事會會議情況

期內監事會共召開了3次會議，主要內容如下：

1、 2007年4月20日召開第五屆監事會二次會議，會議通過本公司2006年度監事會報告、經審計的財務報告及年報摘要。

2、 2007年8月10日召開第五屆監事會三次會議，會議通過本公司2007年半年度經審閱的財務報告、半年度報告等議案。

3、 2008年3月7日，公司召開第五屆臨時監事會會議，選舉王志森先生為監事會主席。

SPECIAL COMMITTEES UNDER BOARD

The Company has established four Special Committees, namely the audit committee, the Remuneration committee, the nominations committee and the strategy development committee; their members consist of Directors.

The Audit Committee of the fifth session of the Board of Directors includes: Li He-jun, Ding Xue-mei, and Duan Hong-yi. Two-third of the members of the Audit Committee are independent Directors and independent Director Li He-jun is the chairperson of the Committee, as in accordance with the stipulation of the Listing Rule, Article 3.21. During the year, the Audit Committee held two meetings, and had reviewed the Group's annual and semi-annual performance reports and Financial Reports.

SUPERVISORY COMMITTEE

The Company's Supervisory Committee consists of five supervisors, of which two supervisors are representing staff and workers and one is independent supervisor.

(A) The Supervisory Committee Meeting in the period under review:

The Supervisory Committee held three meetings in the period under review, the main contents of which are as follows:

1. The Second Meeting of the Fifth Term of Supervisory Committee was held on 20th April, 2007, which passed the Company's report of Supervisory Committee, Audited Financial Reports and Annual Report for the year 2006.

2.

2、監事會對公司2007年度有關事項的獨立意見

1、 公司依法運作情況

監事會依據國家有關法律、法規對2007年公司股東大會、董事會的召 董事會對股東大 公司管理制度的 效能等進行了監 督、檢查，認為公司2007年度嚴格 按照《公司法》、《上市規則》、本公司章程及

3、 監事會履行監督職責情況

監事會依照法律和公司章程對公司董事、高管人員進行監督，認為公司董事、高管人員依法執行職務，未發現違反法律法規和公司章程的行為，未發現損害公司利益的行為。

(C) The Implementation of Supervisory Duties by the Supervisory Committee

The Supervisory Committee supervised the Directors and senior managers of the Company in accordance with the related laws and the Articles of Association of the Company, and deemed that the Directors and senior managers of the Company carried out their duties lawfully, without any act against the related laws and regulations and the Articles of Association of the Company or the interests of the Company.

內部監控和內部審核

董事會負責建立及維持本公司內部控制系統，成立審核委員會。公司內部成立審計部門，定期或有需要時對本公司之財務信息披露、經營和內部控活動進行檢察、監督，以確保公司對外信息披露的透明度、營運的效益和企業監控機制的有效性。

INTERNAL CONTROL AND INTERNAL AUDIT

The Board of Directors is responsible to establish and maintain the internal control system of the Company, and to establish the Audit Committee. The Company has established the audit department internally, which monitors and supervise the disclosure of financial information by the Company regularly or where necessary, as well as operation and internal control activities, so as to ensure the transparency of information disclosure externally, operation efficiency and effectiveness in corporate control mechanisms.

核數師

2007年6月22日公司召開第五屆董事會第六次會議，會議根據股東周年大會授權，決定聘任中瑞岳華會計師事務所有限責任公司為公司2007年度境內財務報告的主審計師，聘任岳華會計師事務所有限公司(香港)為公司2007年度境外財務報告的核數師。

本公司2007年年度報告所收錄之財務報表分別根據中國會計準則和香港財務報告準則編製，並分別經國內審計師中瑞岳華會計師事務所有限公司和國際核數師岳華會計師事務所有限公司(香港)審核。

AUDITORS

The sixth meeting for the Fifth Board was held on 22nd June 2007. During the meeting, it was decided that China Rightson YueHua Certified Public Accountants Company Limited would be appointed as the Chief Auditor for the financial reports prepared according to PRC Accounting Rules and Regulations for the year 2007, and Yuehua (Hong Kong) CPA Limited would be appointed as the auditor for the international financial reports pursuant to the authority of the Shareholders' General Meeting.

The financial statements included in the annual report of the Company for the year 2007 were prepared according to PRC Accounting Rules and Regulations and Hong Kong Financial Reporting Standards, and were audited by China Rightson YueHua Certified Public Accountants Company Limited, the domestic auditor, and Yuehua (Hong Kong) CPA Limited, the international auditor.

信息披露與監管

公司不斷加強信息披露和推進投資者關係管理工作，嚴格按照相關法律法規、公司章程及上市規則的信息披露規定，做到信息披露公開、公平、真實、準確、完整、及時，提高公司的透明度。在加強投資者關係管理工作中，及時發佈中期業績報告和年度業績報告，認真接待來訪的投資者、積極參與投資者論壇，並通過舉辦電話會議、舉行業績說明會等活動，向投資者闡述公司的最新動向和發展前景。

公司信息披露和投資者關係負責機構為董事會秘書局。本公司將嚴格按照境內外證券監管機構的有關法律、法規的要求，嚴格履行各項義務，不斷完善公司治理結構，提高公司管理水平。

Information Publication and Supervision

The Company continuously improves information publication management and enhances the investor communication management. The Company discloses information on an open, fair, true, accurate, complete and timely ground and strictly in accordance with the related disclosure requirements of relative laws and regulations, the Article of Association of the Company and Listing Rules, and improves the Company's transparency. In order to improve the communication with investors, the Company issues its Interim Report and Annual Reports timely, provides quality services to investing visitors and participates in investor forums, and illustrates to the investors the Company's latest development and vision through telephone meetings and performance presentations.

The board secretaries department of the Company is responsible for the information publication. The Company will perform its duties, continuously enhance its governance structure and improve its management strictly in accordance with related laws and regulations of securities supervisory organizations at home and abroad.

獨立核數師報告
Independent Auditors' Report

致哈爾濱動力設備股份有限公司
全體股東

(於中華人民共和國註冊成立之股份有限公司)

我們已完成審核哈爾濱動力設備股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於第64頁至138頁之綜合財務報表,此綜合財務報表包括於二零零七年十二月三十一日之綜合資產負債表和公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

貴公司董事須負責按照香港會計師公會頒佈的香港財務報告準則及香港公司條例披露規定,編製及真實與公平地呈報該等財務報表。該責任包括設計、實施及維護與編製及真實與公平地呈報綜合財務報表有關的內部控制,以確保並無重大錯誤陳述(不論是否因欺詐或錯誤引起);選擇並應用適當的會計政策;及按情況作出合理之會計估計。

核數師的責任

我們的責任是根據我們審核工作的結果,對該等綜合財務報表作出獨立意見,並僅向 閣下整體報告,而概作其他用途。我們不會就本報告內容向其他任何人士承擔或負上任何責任。我們是按照香港會計師公會頒佈之核數準則進行審核工作。該等準則規定我們須遵循道德規定,並計劃和執行審核,以合理確定此等綜合財務報表是否存有任何重大錯誤陳述。

TO THE SHAREHOLDERS OF
HARBIN POWER EQUIPMENT COMPANY LIMITED
哈爾濱動力設備股份有限公司
(A joint stock company established in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of Harbin Power Equipment Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 64 to 138 which comprise the consolidated and company balance sheets as at 31st December, 2007, and the consolidated income statements, 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.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statement based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement 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.

獨立核數師報告(續)
Independent Auditors' Report (continued)

審核涉及執行程序以獲取有關綜合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綜合財務報表存在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。

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.

我們相信，我們所獲得的審核憑證是充足和適當地為我們審核意見提供基礎。

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

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實與公平地反映　貴公司及　貴集團於二零零七年十二月三十一日的財務狀況及　貴集團截至該日止年度的溢利和現金流量，並已按照香港公司條例披露要求妥為編製。

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2007 and of the Group's profit 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.

岳華會計師事務所有限公司
香港執業會計師
香港，二零零八年四月十一日

邢詒春會計師
執業證書編號：P01087

YUEHUA CPA LIMITED
Certified Public Accountants
Hong Kong, 11th April, 2008

HENG KWOO SENG
Practising Certificate Number: P01087

綜合損益表
Consolidated Income Statement

截至二零零七年十二月三十一日止年度
For the year ended 31st December, 2007

		附註 Notes	2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
主營業務收入	**Turnover**	5	**27,648,584**	29,098,016
主營業務成本	Cost of sales		**(23,320,873)**	(25,859,035)
主營業務溢利	**Gross profit**		**4,327,711**	3,238,981
其他業務收入	Other income	7	**355,042**	384,251
營業費用	Distribution costs		**(413,613)**	(365,340)
管理費用	Administrative expenses		**(1,886,760)**	(1,544,047)
其他業務支出	Other expenses		**(149,151)**	(25,583)
財務支出	Finance costs	8	**(154,858)**	(156,654)
於聯營公司溢利	Share of results of associates		**37,449**	11,965
除稅前溢利	**Profit before taxation**		**2,115,820**	1,543,573
稅項	Income tax expense	9	**(331,246)**	(272,218)
本年度溢利	**Profit for the year**	10	**1,784,574**	1,271,355
可分配於：	**Attributable to:**			
控股公司股東	Equity holders of the Company		**1,527,979**	1,024,581
少數股東權益	Minority interests		**256,595**	246,774
			1,784,574	1,271,355
股息	Dividends	12	**123,913**	77,742
每股盈利－基本	**Earnings per share-basic**	13	**Rmb112.3 cents**	Rmb80.4 cents

綜合資產負債表
Consolidated Balance Sheet

於二零零七年十二月三十一日
At 31st December, 2007

		附註 Notes	2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
非流動資產	**Non-currents assets**			
物業、廠房及設備	Property, plant and equipment	14	**2,856,048**	2,661,786
投資物業	Investment properties	15	**287,605**	303,075
預付土地租賃	Prepaid lease payments	16	**358,098**	361,412
專利權	Patents	17	**126,202**	73,626
遞延稅項資產	Deferred tax assets	18	**87,105**	–
於聯營公司之權益	Interests in associates	20	**128,101**	168,448
待銷售性投資	Available-for-sale investments	21	**28,074**	30,947
			3,871,233	3,599,294
流動資產	**Current assets**			
存貨	Inventories	22	**10,167,289**	11,503,691
應收賬款	Trade debtors	23	**8,994,565**	6,577,935
應收票據	Bills receivable	23	**208,710**	316,855
其他應收款、按金及預付款項	Other debtors, deposits and prepayments	23	**5,339,159**	6,049,210
預付土地租賃	Prepaid lease payments	16	**11,760**	10,589
建造合同應收款	Amounts due from customers for contract work	24	**3,632,591**	3,541,262
應收同系附屬公司款項	Amounts due from fellow subsidiaries	25	**67,327**	54,741
有限制定期存款	Restricted bank deposits		**6,630**	12,000
已抵押定期存款	Pledged bank deposits	37	**169,684**	40,500
定期存款	Bank deposits	26	**940,000**	581,209
銀行結存及現金	Cash and cash equivalents	26	**8,681,542**	5,157,262
			38,219,257	33,845,254
流動負債	**Current liabilities**			
建造合同應付款	Amounts due to customers for contract work	24	**758,315**	687,187
應付賬款	Trade creditors	27	**5,267,391**	6,539,743
其他應付款及應計費用	Other creditors and accrued charges	27	**2,757,797**	1,470,850
已收按金	Deposits received	28	**17,182,390**	16,077,384
欠股東款項	Amounts due to shareholders	25	**–**	1,071
欠同系附屬公司款項	Amounts due to fellow subsidiaries	25	**23,426**	12,952
欠控股公司款項	Advance from holding company	29	**103,956**	277,551
應交稅金	Tax liabilities	30	**1,057,226**	490,976
須於一年內償還之借款	Borrowings-due within one year	31	**753,387**	501,117
			27,903,888	26,058,831
流動資產淨值	**Net current assets**		**10,315,369**	7,786,423
扣除流動負債後的總資產	**Total assets less current liabilities**		**14,186,602**	11,385,717

資產負債表
Balance Sheet

於二零零七年十二月三十一日
At 31st December, 2007

		附註 Notes	2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
非流動資產	**Non-currents assets**			
物業、廠房及設備	Property, plant and equipment	14	**398,541**	343,380
預付土地租賃	Prepaid lease payments	16	**35,548**	34,210
於附屬公司之權益	Interests in subsidiaries	19	**2,262,001**	2,101,593
於聯營公司之權益	Interests in associates	20	**41,811**	17,746
待銷售性投資	Available-for-sale investments	21	**17,879**	17,879
			2,755,780	2,514,808
流動資產	**Current assets**			
存貨	Inventories	22	**173,532**	252,220
應收賬款	Trade debtors		**381,244**	12,617
其他應收款、按金及預付款項	Other debtors, deposits and prepayments		**864,937**	409,364
預付土地租賃	Prepaid lease payments	16	**754**	1,753
應收附屬公司款項	Amounts due from subsidiaries	19	**996,022**	1,605,748
可退回稅項	Tax recoverables	30	**–**	35,267
定期存款	Bank deposits	26	**300,000**	433,307
銀行結存及現金	Cash and cash equivalents	26	**890,545**	939,437
			3,607,034	3,689,713
流動負債	**Current liabilities**			
應付賬款	Trade creditors	27	**385,629**	308,792
其他應付款及應計費用	Other creditors and accrued charges	27	**261,283**	363,137
已收按金	Deposits received		**379,462**	1,517,055
控股公司收款	Advance from holding company	29	**567**	45,796
欠附屬公司款項	Amounts due to subsidiaries	19	**323,330**	8,753
應交稅金	Tax liabilities	30	**61,490**	–
須於一年內償還之借款	Borrowings-due within one year	31	**200,000**	220,000
			1,611,761	2,463,533
流動資產淨值	**Net current assets**		**1,995,273**	1,226,180
扣除流動負債後的總資產	**Total assets less current liabilities**		**4,751,053**	3,740,988
股本及儲備	**CAPITAL AND RESERVES**			
股本	Share capital	32	**1,376,806**	1,274,451
儲備	Reserves	33	**3,346,827**	2,211,537
權益合計	**TOTAL EQUITY**		**4,723,633**	3,485,988
非流動負債	**Non-current liabilities**			
須於一年後償還之借款	Borrowings-due after one year	31	**27,420**	255,000
			27,420	255,000
			4,751,053	3,740,988

綜合股東權益變動表
Consolidated Statement Of Changes In Equity

截至二零零七年十二月三十一日止年度
For The Year Ended 31st December, 2007

		於本公司股份持有人之權益 Attributable to equity holders of the Company									
		股本 Share capital 人民幣千元 Rmb'000	股本溢價 Share premium 人民幣千元 Rmb'000	資本儲備 Statutory capital reserve 人民幣千元 Rmb'000	法定盈餘公積金 Statutory surplus reserve 人民幣千元 Rmb'000	法定公益金 Statutory public welfare fund 人民幣千元 Rmb'000	投資產值儲備 Investment revaluation reserve 人民幣千元 Rmb'000	保留溢利 Retained profits 人民幣千元 Rmb'000	總計 Total 人民幣千元 Rmb'000	少數股東權益 Minority interests 人民幣千元 Rmb'000	總權益 Total 人民幣千元 Rmb'000
於二零零六年一月一日	At 1st January, 2006	1,274,451	1,089,089	709,850	193,188	198,615	16,101	403,334	3,884,628	640,052	4,524,680
本年度溢利	Profit for the year	–	–	–	–	–	–	1,024,581	1,024,581	246,774	1,271,355
收購附屬公司	Acquisition of subsidiaries	–	–	–	–	–	–	–	–	61,105	61,105
轉撥	Transfers	–	–	–	300,451	(198,615)	–	(101,836)	–	–	–
股息	Dividends	–	–	–	–	–	–	(77,742)	(77,742)	–	(77,742)
於二零零六年十二月三十一日	At 31st December, 2006	1,274,451	1,089,089	709,850	493,639	–	16,101	1, 248,337	4,831,467	947,931	5,779,398
本年度溢利	Profit for the year	–	–	–	–	–	–	1,527,979	1,527,979	256,595	1,784,574
處置待銷售性投資	Transfer to profit or loss on sale of available-for-sale investments	–	–	–	–	–	(16,101)	–	(16,101)	(5,109)	(21,210)
股本增發	Issue of share capital	102,355	914,623	–	–	–	–	–	1,016,978	–	1,016,978
股本增發費用	Share issue expense	–	(23,417)	–	–	–	–	–	(23,417)	–	(23,417)
轉撥	Transfers	–	–	–	37,975	–	–	(37,975)	–	–	–
股息	Dividends	–	–	–	–	–	–	(123,913)	(123,913)	–	(123,913)
於二零零七年十二月三十一日	**At 31st December, 2007**	**1,376,806**	**1,980,295**	**709,850**	**531,614**	**–**	**–**	**2,614,428**	**7,212,993**	**1,199,417**	**8,412,410**

綜合股東權益變動表(續)
Consolidated Statement Of Changes In Equity (continued)

截至二零零七年十二月三十一日止年度
For The Year Ended 31st December, 2007

資本公積金為向哈爾濱電站設備集團公司(「哈電集團公司」)收購其主要經營業務，在本公司成立時其淨資產的公平價值與發行予哈電集團公司的國有法人股股票總面值兩者之間的差額盈餘。

有關上述(3)及(4)項目在任何年度之分配比例細則將由董事會酌量本公司及其附屬公司的經營情況及發展需要釐定，並須提請股東會批准。

在尚未彌補虧損及提取法定盈餘公積金之前，本公司及其附屬公司均不能派發股息。

根據財政部於一九九五年八月頒佈有關溢利分配之文件，可分配予股東之金額為根據中國會計準則所計算之金額或根據香港普遍接受之會計準則所計算之金額，兩者以較低者為准。於二零零七年十二月三十一日本公司之可分配儲備為根據香港普遍接受之會計準則所釐定之留存溢利為人民幣291,141,000元(二零零六年：人民幣85,[illegible]2,000元)

綜合現金流量表
Consolidated Cash Flow Statement

截至二零零七年十二月三十一日止年度
For The Year Ended 31st December, 2007

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
經營業務	**Cash flows from operating activities**		
除稅前溢利	Profit before taxation	**2,115,820**	1,543,573
調整：	Adjustments for:		
呆壞賬準備	Allowance for bad and doubtful debts	**262,962**	291,820
存貨跌價準備	Allowance for inventories	**92,613**	113,526
預付土地租賃攤銷	Release of prepaid lease payments	**11,760**	10,589
專利權攤銷	Amortisation of patents	**71,195**	11,008
物業、廠房及設備折舊	Depreciation of property, plant and equipment	**372,479**	296,455
投資物業折舊	Depreciation of investment properties	**21,906**	15,640
財務支出	Finance costs	**154,858**	156,654
待銷售性投資減值確認	Impairment loss recognized in respect of available-for-sale investments	**–**	5,299
投資物業減值確認	Impairment loss recognized in respect of investment properties	**2,520**	–
專利權減值確認	Impairment loss recognized in respect of patents	**8,403**	3,000
物業、廠房及設備減值確認	Impairment loss recognized in respect of property, plant and equipment	**46,886**	–
股息收入	Dividend income	**(794)**	(40,594)
處置待銷售性投資（收益）虧損	(Gain)/Loss on disposal of available-for-sale investments	**(39,136)**	4,196
處置物業、廠房及設備虧損	Loss on disposal of property, plant and equipment	**614**	508
持作出售附屬公司損失	Loss on deemed disposal of a subsidiary	**–**	5,750
利息收入	Interest income	**(229,852)**	(178,803)
物業、廠房及設備撇銷	Property, plant and equipment written off	**14,715**	2,584
於聯營公司溢利	Share of results of associates	**(37,449)**	(11,965)
待銷售性投資減值準備回撥	Reversal of impairment loss recognised in respect of available-for-sale investments	**–**	(343)
呆壞賬準備回撥	Reversal of allowance for bad and doubtful debts	**(10,943)**	(5,003)
物業、廠房及設備減值準備回撥	Reversal of impairment loss of property, plant and equipment	**(570)**	–
存貨跌價準備回撥	Reversal of allowance for inventories	**(35,709)**	(7,287)
營運資金變動前之經營業務現金流量	**Operating profit before working capital changes**	**2,822,278**	2,216,607
存貨減少	Decrease in inventories	**1,279,498**	1,025,388
應收賬款增加	Increase in trade debtors	**(2,679,592)**	(2,610,090)
應收票據減少／（增加）	Decrease/(Increase) in bills receivable	**108,145**	(146,446)
其他應收款、按金及預付款項減少	Decrease in other debtors, deposits and prepayments	**720,994**	1,633,705
建造合同應收款增加	Increase in amounts due from customers for contract work	**(91,329)**	(1,462,486)

綜合現金流量表(續)
Consolidated Cash Flow Statement (continued)

截至二零零七年十二月三十一日止年度
For The Year Ended 31st December, 2007

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
投資業務	**Cash flows from investing activities**		
出售待銷售性投資所得款	Proceeds from disposal of available-for-sale investments	**20,799**	1,377,143
收購附屬公司轉入之淨現金款	New cash inflow from acquisition of subsidiaries	**–**	101,053
銀行定期存款減少	Decrease in bank deposits	**(358,791)**	(296,407)
利息收入 rx			

1. 一般事項

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

整份財務報告是以人民幣呈列與本公司之功能性貨幣相同。

本公司為投資控股公司，其主要之附屬公司及聯營公司之主要業務分別載於本財務報表之附註43和附註20。

1. GENERAL

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

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

The Company acts as an investment holding company and the activities of its principal subsidiaries and associates are set out in notes 43 and 20, respectively.

2.

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

The Group has not early adopted the following new standards, amendment or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions[2]
HK(IFRIC) – Int 12	Service Concession Arrangements[3]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

[1]

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instr gsB75(p(t) 75(p(t) 75(ps15.2381 -in)-75)-297h)-239(f)-56(n)[T)-5 -inparp(t) 75(a(ps15

3. 主要會計政策概要(續)

業務合併

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations

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

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

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

3. 主要會計政策概要(續)

於聯營公司權益

聯營公司是投資者對其有重大影響的實體，不同於附屬公司及合營公司權益。

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interests in associates

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

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

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

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

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

3. 主要會計政策概要(續)

收入確認

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

銷售在付貨予客戶後及所有權轉移後即予確認。

服務收入在服務提供時即予確認。

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

投資之股息收入乃於股東有權收取款項時入賬。

出售物業的收入於物業的風險及回報轉讓至買方，即有關物業竣工後並將物業交付買家，且能合理確保收取有關應收款時，方予確認。

投資物業

投資性房地產指為賺取租金收入和／或實現資本增值。投資性房地產初始按成本計量，包含交易費用。初始確認後，投資性房地產以成本減累計折舊及減值損失後列賬。任何報廢與處理的投資性房地產所產生的損益，將反映在當年的損益表中。投資性房地產折舊是根據投資物業之租約年期以直線法計算。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

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

Service income is recognised when services are provided.

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

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

Revenue from sales of properties is recognized when the risks and rewards of properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers and collectibility of related receivables is reasonably assured.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciations and accumulated impairment losses. Any gains or losses on the retirement or disposal of investment properties are recognised in the income statement in the year of the retirement or disposal. Such properties are depreciated on the straight-line basis over the lease term.

3. 主要會計政策概要(續)

物業、廠房及設備

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

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

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

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

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

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

3. 主要會計政策概要(續)

預付土地租賃

預付土地租賃款以成本減累計攤銷及減值損失後列賬。預付土地租賃款按直線法於剩餘可使用年限內攤銷。

無形資產

i) 個別收購之無形資產

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

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

ii) 研究及開發成本

研究活動支出於產生期間確認為開支。

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepaid lease payments

Prepaid land lease payments are stated at cost less accumulated amortisation and any impairment losses. The prepaid land lease payments are amortised on the straight-line basis over the unexpired period of the rights.

Intangible assets

i) Intangible assets acquired separately

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

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

ii) Research and development expenditure

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

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

3. 主要會計政策概要(續)

無形資產(續)

ii) 研究及開發成本(續)

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

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

iii) 於業務合併所收購之無形資產

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

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

iv) 減值

不論是否出現可能減值之跡象，無限使用年期之無形資產及尚存彌睞采歎籐刁穋伙契屾凋荇礱凌贖穇燮備

3. 主要會計政策概要(續)

無形資產(續)

iv) 減值(續)

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

倘一項資產出現可能減值之跡象，有限使用年期之無形資產會進行減值測試。

金融工具

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

財務資產

本集團之金融資產可分類為貸款及應收款項、以及可供出售金融資產。所有日常買賣之金融資產於交易日確認及不再確認。日常買賣指須根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

iv) Impairment (continued)

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

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

Financial instruments

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

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. 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.

3. 主要會計政策概要(續)

金融工具(續)

財務資產(續)

可供出售之財務資產(續)
就可供出售之股本投資而言，倘並無活躍市場之市價報價，而其公平價值未能可靠計算及與該等非上市股本工具有關並須以交付該等工具之方式結算之衍生工具，則可供出售之股本投資於首次確認後之各個結算日按成本值減任何已識別減值虧損計算。倘具備客觀證明資產減值，則減值虧損於損益表確認。

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

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

金融資產減值

金融資產(於損益賬按公允值處理的金融資產除外)於各結算日就出現的減值跡象進行評估。倘有客觀證據顯示因金融資產首次確認後發生一項或多項事件影響金融資產的預期未來現金流量，則金融資產出現減值。

就可供出售股權投資而言，該投資的公允值大幅或持久低於成本被視為減值的客觀證據。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets (continued)
For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

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

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

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

3. 主要會計政策概要(續)

金融工具(續)

金融資產減值(續)

就其他所有金融資產而言，減值的客觀證據包括：

- 發行人或對約方出現重大財政困難；或
- 未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

就按已攤銷成本列賬的金融資產而言，當有客觀證據證明資產已減值，減值虧損於損益中確認，並按資產賬面值與按原實際利率貼現之估計日後現金流量現值之差額計算。

與所有金融資產有關之減值虧損會直接於金融資產之賬面值中作出扣減，惟貿易及其他應收賬款除外，其賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益賬中確認。當貿易及其他應收賬款被視為不可收回時，其將於撥備賬內撇銷。倘其後收回之前已撇賬的款項，將撥回損益賬內。

就按已攤銷成本列賬之金融資產而言，減值虧損金額如於以後期間減少，而有關減少在客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值不得超過未確認減值時之已攤銷成本。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables and loans receivable, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent 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.

3. 主要會計政策概要(續)

金融工具(續)

金融資產減值(續)

可供出售股權投資的減值虧損將不會於以後期間撥回損益賬中。任何減值虧損後之公允值上升於權益確認。

財務負債及股本

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

股本投資工具乃證明集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。本集團實體發行之金融負債一般分類為其他金融負債。

實際利率法

實際利率法乃計算財務負債之攤銷成本及按有關期間分攤利息支出之方法。實際利率乃將估計日後現金付款按財務負債之預期年限，或較短期間(倘合適)實際折現之利率。

利息支出以實際利率基礎確認。

財務負債

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

I pa` ` t ` a `a a t (continued)

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity.

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis other than those financial liabilities designated as at fair value through profit or loss, of which the interest expense is included in net gains or losses.

Financial liabilities

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

3. 主要會計政策概要(續)

金融工具(續)

財務負債及股本(續)

股本工具

本公司發行之股本工具乃按已收所得款項(扣除直接發行成本)記賬。

不予確認

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

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

存貨

存貨按成本與可變現淨值兩者之較低值入賬。成本採用加權平均法計算。

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

F a `a ab` t` a d `t (continued)

Equity instruments

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

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

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

Inventories

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Construction contracts

Where the outcome of a construction contract can be estimated

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet dfur7(d1(c)-M44.5 269.29138.5 0 0 8.D)-81( )-85( )-41( )-85(0(e

3. 主要會計政策概要(續)

所得稅(續)

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

準備

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

借貸成本

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

其他借貸成本均計入當期損益。

租約

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

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

Provisions

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

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

Leasing

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

3. 主要會計政策概要(續)

租約(續)

本集團作為出租人

經營租約之租金收入乃按相關租約年期以直線法於損益表確認。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯　　灌耟

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight– line basis over the term of the relevant lease.

Foreign currencies

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

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

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. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Rmb) 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.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be compiled with. When the grant rel]TJETBT/T1 1 5anre0si0o-56(i)-550ea

4. 估計不明朗因素之主要來源

於採用本集團之會計政策時，管理層根據過往經驗，對未來之預期及其他資料作出各種判斷、估計及假設。有重大風險會對於財務報表中已確認之數額產生大幅調整之估計及假設計論如下：

貸款及應收款項之估計減值(包括應收同系附屬公司款項，應收賬款及其他應收款)

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

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

存貨跌價撥備

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

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

Allowance for inventories

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

5. 主營業務收入

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

5. TURNOVER

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

		2007 **人民幣千元** **Rmb'000**	2006 人民幣千元 Rmb'000
產品銷售	Sales of goods	**22,348,577**	22,912,057
建造合同收入	Revenue from construction contracts	**5,052,361**	5,948,694
出售物業收入	Sales of properties	**220,306**	206,784
租賃收入	Rental income	**24,479**	26,170
服務提供收入	Services rendered	**2,861**	4,311
		27,648,584	29,098,016

6. 業務和地區分部

業務分部

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

主要經營活動如下：

火電主機設備 － 製造火電主機設備

水電主機設備 － 製造水電主機設備

電站工程服務 － 提供電站工程建設服務

電站輔機和配套設備 － 製造電站輔機和配套設備

交直流電機及其他 － 製造交直流電機及其他

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

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

Principal activities are as follows:

Main thermal power equipment – manufacture of main thermal power equipment.

Main hydro power equipment – manufacture of main hydro power equipment.

Engineering services – providing engineering services for power stations.

Ancillary equipment – manufacture of ancillary equipment for power stations.

AC/DC motors and others – manufacture of AC/DC motor and others.

6. 業務和地區分部(續)

關於這些業務的分部信息列示如下：

2007年

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Segment information about these businesses is presented below.

2007

	火電	水電	電站	電站輔機
主營業務收入				
主營業務成本				
主營業務利潤				
其他業務利潤				
營業費用				
管理費用				
財務費用				
營業利潤				
投資收益				
補貼收入				
營業外收支淨額				
利潤總額				
所得稅				
少數股東損益				
淨利潤				
資產總額				
負債總額				
補充信息				
折舊和攤銷費用				
資本性支出				

6. 業務和地區分部(續) 6. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

2006年

		2006						
		火電主機設備 Main thermal power equipment 人民幣千元 Rmb'000	水電主機設備 Main hydro power equipment 人民幣千元 Rmb'000	電站工程服務 Engineering services for power stations 人民幣千元 Rmb'000	電站輔機及配套設備 Ancillary equipment for power stations 人民幣千元 Rmb'000	交直流電機及其他 AC/DC motors and others 人民幣千元 Rmb'000	內部抵銷 Eliminations 人民幣千元 Rmb'000	合併 Consolidated 人民幣千元 Rmb'000
主營業務收入	**REVENUE**							
外部收入	External sales	21,836,612	1,608,561	3,007,672	1,053,026	1,592,145	–	29,098,016
分部收入	Inter-segment sales	594,910	–	–	–	–	(594,910)	–
總收入	Total revenue	22,431,522	1,608,561	3,007,672	1,053,026	1,592,145	(594,910)	29,098,016

分部間的銷售是以現行市場價格計算的。Inter-segment sales are charged at prevailing market rates.

分部經營成果	**SEGMENT RESULTS**	2,646,262	112,097	5,199	265,585	209,838	–	3,238,981
未能分攤總部費用	Unallocated corporate expenses							(1,550,719)
財務支出	Finance costs							(156,654)
於聯營公司溢利	Share of results of associates							11,965
除稅前溢利	Profit before taxation							1,543,573
稅項	Income tax expense							(272,218)
本年度溢利	Profit for the year							1,271,355
資產	**ASSETS**							
分部資產	Segment assets	21,334,476	1,516,546	4,153,891	939,075	2,084,830	–	30,028,818
於聯營公司之權益	Interests in associates							168,448
未能分攤總部資產	Unallocated corporate assets							7,247,282
合併總資產	Consolidated total assets							37,444,548
負債	**LIABILITIES**							
分部負債	Segment liabilities	20,677,518	1,716,088	638,293	812,630	1,560,156	–	25,404,685
未能分攤總部負債	Unallocated corporate liabilities							6,260,465
合併總負債	Consolidated total liabilities							31,665,150
其他資料	**OTHER INFORMATION**							
資本性支出	Capital additions	380,569	36,614	2,470	24,451	110,508	–	554,612
物業、廠房及設備折舊	Depreciation of property, plant and equipment	216,443	34,263	2,905	12,597	30,247	–	296,455
投資物業折舊	Depreciation of investment properties	7,581	5,526	–	78	2,455	–	15,640
專利權攤銷	Amortisation of patents	7,879	–	–	427	2,702	–	11,008
預付土地租賃攤銷	Release of prepaid lease payments	8,179	1,211	–	322	877	–	10,589

6. 業務和地區分部(續)

地區分部

本集團之主營業務收入主要來自於中華人民共和國(「中國」)境內，按地區分類如下：

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Geographical segments

The Group's operations are located mainly in the People's Republic of China ("PRC"). The following table provides an analysis of the Group's sales by geographi irrespective of the origin of the goods/services

		2007 人民幣千元 Rmb'000	元 00
境內	PRC	**25,491,50**	,963
境外	Overseas	**2,157,0**	4,053
總收入	Total revenue	**27,64**	,098,016

本集團之主要資產和負債主要位於中國境內。於二零零七年十二月三十一日及二零零六年十二月三十一日，位於境外的資產和負債少於集

8. 財務支出

8. FINANCE COSTS

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
借款利息支出：	Interest on borrowings:		
－須於五年內全部償還借款	– wholly repayable within five years	**93,109**	46,883
－毋須於五年內全部償還借款	– not wholly repayable within five years	**61,998**	110,092
		155,107	156,975
減：已撥充資本之有關在建工程利息支出	Less: Interest capitalised in construction in progress	**(249)**	(321)
		154,858	156,654

本年已撥充資本之借貸成本是指用於資產的一般性貸款按6.12%（二零零六年：6.2%）的利率予以資本化的金額。

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 6.12% (2006: 6.2%) to expenditure on qualifying assets.

9. 稅項

9. INCOME TAX EXPENSE

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
中國所得稅	PRC enterprise income tax		
－本年度	– current year	**418,545**	273,958
－過往年度撥備過剩	– overprovision in prior years	**(194)**	(1,740)
		418,351	272,218
本年遞延稅款 *（附註18）*	Deferred tax *(note 18)*	**(87,105)**	–
		331,246	272,218

9. 稅項(續)

該支出乃指按本年度估計之應課稅收入以稅率15%計算之中國所得稅。

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

本年度稅務支出與綜合損益表內溢利之對照如下：

9. INCOME TAX EXPENSE (continued)

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

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

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

		2007 **人民幣千元** **Rmb'000**	2006 人民幣千元 Rmb'000
除稅前溢利	Profit before taxation	**2,115,820**	1,543,573
本集團按15%的稅率計算	Tax charge at the enterprise income tax rate of 15%	**317,373**	231,536
應佔聯營公司經營成果對稅務的影響	Tax effect of share of results of associates	**(5,617)**	(1,795)
因集團附屬公司按所得稅33%所增加之企業所得稅	Additional enterprise income tax in respect of the income tax rate of 33% for certain subsidiaries	**7,490**	8,319
在計算本年應課稅金額時不須課稅收入對稅務的影響	Tax effect of income not taxable for tax purpose	**(8,812)**	(17,177)
在計算本年應課稅金額時不可扣除支出對稅務的影響	Tax effect of expenses not deductible for tax purpose	**75,693**	81,505
因一家中國附屬公司獲稅務豁免影響	Effect of tax exemptions granted to a PRC subsidiary	**(28,684)**	(28,430)
以前年度未曾確認的暫時性差異對稅務的影響	Temporary difference previously not recognised	**(27,122)**	–
未確認稅項虧損	Tax effect of tax losses not recognized	**1,119**	–
過往年度之撥備過剩	Overprovision in respect of prior years	**(194)**	(1,740)
本年度稅務支出	Tax charge for the year	**331,246**	272,218

10. 本年度溢利

扣除費用後的溢利：

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
人工成本 （包括董事和監事的薪酬）	Staff costs including directors' and supervisors' emoluments	**875,268**	825,540
退休福利計劃	Retirement benefit scheme contributions	**216,744**	172,470
人工總成本	Total staff costs	**1,092,012**	998,010
呆壞賬準備	Allowance for bad and doubtful debts	**262,962**	291,820
存貨跌價準備	Allowance for inventories	**92,613**	113,526
專利權攤銷	Amortisation of patents	**71,195**	11,008
預付土地租賃攤銷	Release of prepaid lease payments	**11,760**	10,589
審計費	Auditors' remuneration	**2,500**	2,650
投資物業折舊	Depreciation for investment properties	**21,906**	15,640
物業、廠房及設備折舊	Depreciation for property, plant and equipment	**372,479**	296,455
出售待銷售性投資虧損	Loss on disposal of available-for-sale investments	**–**	4,196
出售物業、廠房及設備虧損	Loss on disposal of property, plant and equipment	**614**	508
待銷售性投資減值確認 （包含於其他業務費用）	Impairment loss recognized in respect of available-for sale investments (included in other expenses)	**–**	5,299
專利權減值確認	Impairment loss recognized in respect of patents	**8,403**	3,000
投資性房地產減值確認	Impairment loss recoginized in respect of investment properties	**2,520**	–
物業、廠房及設減值確認	Impairment loss recognized in respect of property, plant and equipment	**46,886**	–
匯兌淨損失	Net foreign exchange loss	**104,286**	32,728
物業、廠房及設備撇銷	Property, plant and equipment written off	**14,715**	2,584
研究開發費用	Research and development expenses	**463,893**	452,740

財務報表附註(續)
Notes to the Financial Statements (continued)

截至二零零七年十二月三十一日止年度
For the year ended 31st December, 2007

11. 董事及監事酬金

2007年

下表分別列示了16位(2006：16)董事和監事個人的薪酬情況：

11. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

2007

The emoluments paid or payable to each of the 16 (2006: 16) directors and supervisors were as follows:

		* 趙克非 Mr. Zhao Ke-fei 人民幣千元 Rmb'000	* 宮晶堃 Mr. Gong Jing-kun 人民幣千元 Rmb'000	* 曲大庄 Mr. Qu Da-zhuang 人民幣千元 Rmb'000	* 段洪義 Mr. Duan Hong-Yi 人民幣千元 Rmb'000	* 商中福 Mr. Shang Zhong-fu 人民幣千元 Rmb'000	* 吳偉章 Mr. Wu Wei-zhang 人民幣千元 Rmb'000	*** 姜魁 Mr. Jiang Kui 人民幣千元 Rmb'000	*** 李荷君 Ms. Li He-jun 人民幣千元 Rmb'000	*** 周道炯 Mr. Zhou Dao-jiong 人民幣千元 Rmb'000	*** 賈成炳 Mr. Jia Cheng-bing 人民幣千元 Rmb'000	*** 丁雪梅 Ms. Ding Xue-mei 人民幣千元 Rmb'000	**** 郎思齊 Mr. Lang En-qi 人民幣千元 Rmb'000	**** 楊旭 Mr. Yang Xu 人民幣千元 Rmb'000	**** 高旭光 Mr. Gao Xu-guang 人民幣千元 Rmb'000	**** 盧春蓮 Ms. Lu Chun-lian 人民幣千元 Rmb'000	**** 陳思 Mr. Chen Si 人民幣千元 Rmb'000	2007合計 Total 2007 人民幣千元 Rmb'000
酬金	Fees																	
其他薪資	Other emoluments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
工資與其他福利費	Salaries and other benefits	-	-	451	-	432	406	-	-	-	-	-	432	113	96	176	-	2,106
退休福利計劃	Contributions to retirement benefits schemes	-	-	11	-	11	11	-	-	-	-	-	11	11	11	11	-	77
薪酬總額	Total emoluments	-	-	462	-	443	417	-	-	-	-	-	443	124	107	187	-	2,183

2006年

2006

	* 趙克非 Mr. Zhao	* 宮晶堃 Mr. Gong	* 曲大庄 Mr. Qu	* 段洪義 Mr. Duan	* 商中福 Mr. Shang	* 吳偉章 Mr. Wu	*** 姜魁 Mr.	*** 李荷君 Ms. Li	*** 周道炯 Mr. Zhou	*** 賈成炳 Mr. Jia	*** 丁雪梅 Ms. Ding	**** 郎思齊 Mr. Lang	**** 楊旭 Mr.	**** 高旭光 Mr. Gao	**** 盧春蓮 Ms. Lu	**** 陳思 Mr.	2006合計 Mr

12.股息

12.DIVIDENDS

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
末期已付2006年股息每股人民幣0.090元（二零零五年：人民幣0.061元）	Payment of 2006 final dividend of Rmb0.090 (2005: Rmb0.061) per share	**123,913**	77,742

董事會建議本年每股派發股息人民幣0.091元(二零零六年：人民幣0.090元)，上述提議有待年度股東大會批准。

The final dividend for 2007 of Rmb0.091 (2006: Rmb0.090) per share has been proposed by the board of directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

13.每股盈利

每股盈利乃按本年度溢利人民幣1,527,979,000元(二零零六年：人民幣1,024,581,000元)及全年加權平均之股份1,359,981,000(二零零六年：1,274,451,000股)計算。

因無導致每股盈利稀釋之事項存在，故截至2007年12月31日及2006年12月31日止兩個年度經稀釋之每股盈利未作披露。

13.EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit for the year of approximately Rmb1,527,979,000 (2006: Rmb1,024,581,000) and on the weighted average number of shares of 1,359,981,000 (2006: 1,274,451,000).

No diluting events existed as the Company did not have any potential shares for the two years or at each of the balance sheet dates. Accordingly, diluted earnings per share amounts for the two years ended 31st December 2007 and 2006 have not been disclosed.

14.物業、廠房及設備

14.PROPERTY, PLANT AND EQUIPMENT

本集團

THE GROUP

		房屋建築 Buildings 人民幣千元 Rmb'000	廠房設備及機器 Plant and machinery 人民幣千元 Rmb'000	傢俬、裝置及設備 Furniture, fixtures and equipment 人民幣千元 Rmb'000	運輸工具 Motor vehicles 人民幣千元 Rmb'000	在建工程 Construction-in-progress 人民幣千元 Rmb'000	總計 Total 人民幣千元 Rmb'000
成本	COST						
於二零零六年一月一日	At 1st January, 2006	1,219,128	2,555,267	266,847	68,190	492,824	4,602,256
添置	Additions	10,486	31,628	7,935	7,246	422,820	480,115
收購附屬公司	Acquisition from subsidiaries	13,013	17,626	1,517	1,766	1,825	35,747
轉撥	Transfers	54,747	259,335	14,627	8,454	(337,163)	–
預付土地租賃轉入	Transferred to prepaid lease payments	–	–	–	–	(37,716)	(37,716)
專利權轉入	Transferred to patents	–	–	–	–	(8,994)	(8,994)
撇銷	Written off	(949)	(23,480)	(3,587)	(3,050)	–	(31,066)
處置	Disposals	(700)	(8,232)	(4,953)	(8,940)	–	(22,825)
於二零零七年一月一日	At 1st January, 2007	1,295,725	2,832,144	282,386	73,666	533,596	5,017,517
重新分類	Reclassification	–	(69,902)	–	69,902	–	–
添置	Additions	6,430	78,548	22,167	84,852	457,652	649,649
轉撥	Transfers	20,408	148,681	27,202	9,664	(205,955)	–
撇銷	Written off	(1,509)	(72,817)	(14,626)	–	–	(88,952)
處置	Disposals	(8,780)	(44,390)	(24,941)	(4,009)	–	(82,120)
於二零零七年十二月三十一日	**At 31st December, 2007**	**1,312,274**	**2,872,264**	**292,188**	**234,075**	**785,293**	**5,496,094**
累計折舊	DEPRECIATION						
於二零零六年一月一日	At 1st January 2006	443,508	1,491,491	126,382	37,525	–	2,098,906
本年度撥備	Charge for the year	44,574	213,456	27,667	10,758	–	296,455
撇銷	Written off	(792)	(21,897)	(1,872)	(3,921)	–	(28,482)
處置的轉銷	Eliminated on disposals	(104)	(5,748)	(37)	(5,259)	–	(11,148)
於二零零七年一月一日	At 1st January, 2007	487,186	1,677,302	152,140	39,103	–	2,355,731
重新分類	Reclassification	–	(53,962)	–	53,962	–	–
本年度撥備	Charge for the year	44,470	274,739	31,628	21,642	–	372,479
減值準備	Impairment	–	–	–	36,586	10,300	46,886
減值準備回撥	Reversal of impairment	–	(537)	(33)	–	–	(570)
撇銷	Written off	(168)	(60,399)	(13,670)	–	–	(74,237)
處置的轉銷	Eliminated on disposals	(2,096)	(42,168)	(12,511)	(3,468)	–	(60,243)
於二零零七年十二月三十一日	**At 31st December, 2007**	**529,392**	**1,794,975**	**157,554**	**147,825**	**10,300**	**2,640,046**
賬面淨值	NET BOOK VALUE						
於二零零七年十二月三十一日	**At 31st December, 2007**	**782,882**	**1,077,289**	**134,634**	**86,250**	**774,993**	**2,856,048**
於二零零六年十二月三十一日	At 31st December, 2006	808,539	1,154,842	130,246	34,563	533,596	2,661,786

14.物業、廠房及設備(續)

14.PROPERTY, PLANT AND EQUIPMENT (continued)

本公司

THE COMPANY

		房屋建築 Buildings 人民幣千元 Rmb'000	廠房設備及機器 Plant and machinery 人民幣千元 Rmb'000	傢俬、裝置及設備 Furniture, fixtures and equipment 人民幣千元 Rmb'000	運輸工具 Motor vehicles 人民幣千元 Rmb'000	在建工程 Construction-in-progress 人民幣千元 Rmb'000	總計 Total 人民幣千元 Rmb'000
成本	COST						
於二零零六年一月一日	At 1st January, 2006	184,641	50,516	40,530	4,899	64,106	344,692
添置	Additions	–	–	560	349	94,182	95,091
轉撥	Transfer	15,286	47,135	(13,551)	–	(48,870)	–
預付土地租賃轉入	Transferred to prepaid lease payments	–	–	–	–	(37,716)	(37,716)
於二零零七年一月一日	At 1st January, 2007	199,927	97,651	27,539	5,248	71,702	402,067
添置	Additions	16,576	-	10,985	1,338	56,843	85,742
處置	Disposals	–	(10,671)	–	–	–	(10,671)
於二零零七年十二月三十一日	**At 31st December, 2007**	**216,503**	**86,980**	**38,524**	**6,586**	**128,545**	**477,138**
累計折舊	DEPRECIATION						
於二零零六年一月一日	At 1st January, 2006	15,409	7,237	8,278	2,951	–	33,875
本年度撥備	Charge for the year	6,688	15,381	2,346	397	–	24,812
於二零零七年一月一日	At 1st January, 2007	22,097	22,618	10,624	3,348	–	58,687
本年度撥備	Charge for the year	5,908	8,450	12,845	454	–	27,657
處置的轉銷	Eliminated on disposals	–	(7,747)	–	–	–	(7,747)
於二零零七年十二月三十一日	**At 31st December, 2007**	**28,005**	**23,321**	**23,469**	**3,802**	**–**	**78,597**
賬面淨值	NET BOOK VALUE						
於二零零七年十二月三十一日	**At 31st December, 2007**	**188,498**	**63,659**	**15,055**	**2,784**	**128,545**	**398,541**
於二零零六年十二月三十一日	At 31st December, 2006	177,830	75,033	16,915	1,900	71,702	343,380

15.投資物業

本集團

15.INVESTMENT PROPERTIES

THE GROUP

		人民幣千元 Rmb'000
成本	COST	
於二零零六年一月一日	At 1st January, 2006	311,670
存貨轉入	Transferred from inventories	21,914
於二零零七年一月一日	At 1st January, 2007	333,584
添置	Additions	8,956
於二零零七年十二月三十一日	**At 31st December, 2007**	**342,540**
累計折舊	ACCUMULATED DEPRECIATION	
於二零零六年一月一日	At 1st January, 2006	14,869
本年度撥備	Charge for the year	15,640
於二零零七年一月一日	At 1st January, 2007	30,509
本年度撥備	Charge for the year	21,906
資產減值	Impairment loss	2,520
於二零零七年十二月三十一日	**At 31st December, 2007**	**54,935**
賬面淨值	CARRYING AMOUNT	
於二零零七年十二月三十一日	**At 31st December, 2007**	**287,605**
於二零零六年十二月三十一日	At 31st December, 2006	303,075

董事會認為本集團投資物業之賬面淨值接近於它們的公允價值。

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

上述投資物業均以5%的比例直線攤銷。

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

15.投資物業(續)

以上投資物業的賬面淨值包括：

15.INVESTMENT PROPERTIES (continued)

The carrying amount of investment properties shown above comprises:

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
在中國持有：	Land in the PRC		
中期租約	Medium-term lease	**267,306**	281,624
短期租約	Short-term lease	**20,299**	21,451
		287,605	303,075

16.預付土地租賃

本集團

16.PREPAID LEASE PAYMENTS

THE GROUP

		人民幣千元 Rmb'000
成本	COST	
於二零零六年一月一日	At 1st January, 2006	431,526
由物業、廠房及設備轉入	Transferred from property, plant and equipment	37,716
收購附屬公司轉入	Acquired on acquisition of subsidiaries	9,410
於二零零七年一月一日	At 1st January, 2007	478,652
添置	Additions	9,617
於二零零七年十二月三十一日	**At 31st December, 2007**	**488,269**
累計攤銷	ACCUMULATED AMORTISATION	
於二零零六年一月一日	At 1st January, 2006	96,062
本年度攤銷	Amortise for the year	10,589
於二零零七年一月一日	At 1st January, 2007	106,651
本年度攤銷	Amortise for the year	11,760
於二零零七年十二月三十一日	**At 31st December, 2007**	**118,411**
賬面淨值	NET BOOK VALUE	
於二零零七年十二月三十一日	**At 31st December, 2007**	**369,858**
於二零零六年十二月三十一日	At 31st December, 2006	372,001

16.預付土地租賃(續)

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

16.PREPAID LEASE PAYMENTS (continued)

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

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
流動部分	Current portion	**11,760**	10,589
非流動部分	Non-current portion	**358,098**	361,412
		369,858	372,001

本公司 **THE COMPANY**

		人民幣千元 Rmb'000
成本	COST	
於二零零六年一月一日	At 1st January 2006	–
由物業、廠房及設備轉入	Transferred from property, plant and equipment	37,716
於二零零七年一月一日	At 1st January, 2007	37,716
添置	Additions	1,093
於二零零七年十二月三十一日	**At 31st December, 2007**	**38,809**
累計攤銷	ACCUMULATED AMORTISATION	
於二零零六年一月一日	At 1st January 2006	–
本年度攤銷	Amortise for the year	1,753
於二零零七年一月一日	At 1st January, 2007	1,753
本年度攤銷	Amortise for the year	754
於二零零七年十二月三十一日	**At 31st December, 2007**	**2,507**
賬面淨值	NET BOOK VALUE	
於二零零七年十二月三十一日	**At 31st December, 2007**	**36,302**
於二零零六年十二月三十一日	At 31st December, 2006	35,963

16.預付土地租賃(續)

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

16.PREPAID LEASE PAYMENTS (continued)

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

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
流動部分	Current portion	**754**	1,753
非流動部分	Non-current portion	**35,548**	34,210
		36,302	35,963

17. 專利權

本集團

17. PATENTS

THE GROUP

		人民幣千元 Rmb'000
成本	COST	
於二零零六年一月一日	At 1st January 2006	54,313
添置		

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17. 專利權(續)

該專利權攤銷已包括在綜合損益表之管理費用。

該專權利的使用期限為3至10年並且按直線法在使用年限內攤銷。

17. PATENTS (continued)

The amortisation expense has been included in "administrative expenses" in the consolidated income statement.

The above patents have definite useful lives and are amortised on a straight-line basis over 3 to 10 years.

18. 遞延稅項資產

年內主要遞延稅務情況如下：

18. DEFERRED TAX ASSETS

The following are the major deferred tax balances recognised and movements thereon during the current year:

		應收帳款，其他應收款及存貨之減值準備 Impairment of trade and other debtors, and inventories 人民幣千元 Rmb'000	預計負債 Provisions 人民幣千元 Rmb'000	其他 Others 人民幣千元 Rmb'000	合計 Total 人民幣千元 Rmb'000
於二零零六年及二零零七年一月一日	At 1st January, 2006 and 1st January, 2007	–	–	–	–
轉到綜合損益表	Credit to consolidated income statement	62,251	18,854	6,000	87,105
於二零零七年十二月三十一日	At 31st December, 2007	62,251	18,854	6,000	87,105

19.於附屬公司之權益

本公司

19.INTERESTS IN SUBSIDIARIES

THE COMPANY

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
投資成本	Investment, at cost		
中國非上市附屬公司	Unlisted in the PRC	**2,262,001**	2,101,593
應收附屬公司款項	Amounts due from subsidiaries	**996,022**	1,605,748
應付附屬公司款項	Amounts due to subsidiaries	**(323,330)**	(8,753)
		2,934,693	3,698,588

此筆款項乃無抵押及免息，並沒有固定還款期。

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

附屬公司之詳細資料詳述於附註43。

Details of subsidiaries are set out in note 43 to the financial statements.

20.於聯營公司之權益

20.INTERESTS IN ASSOCIATES

		本集團 THE GROUP		本公司 THE COMPANY	
		2007 **人民幣千元** **Rmb'000**	2006 人民幣千元 Rmb'000	**2007** **人民幣千元** **Rmb'000**	2006 人民幣千元 Rmb'000
中國非上市聯營公司投資成本	Cost of investment in associates unlisted in the PRC	**87,873**	87,273	**17,740**	17,740
應佔購入後收益（減已收股利後）	Share of post-acquisition profits, net of dividend received	**41,418**	4,569	**24,071**	–
應收聯營公司款項	Amounts due from associates	**377**	84,864	**–**	6
應付聯營公司款項	Amounts due to associates	**(1,567)**	(8,258)	**–**	–
		128,101	168,448	**41,811**	17,746

此筆款項乃無抵押及免息，並沒有固定還款期。

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

20.於聯營公司之權益(續)

於2007年12月31日，本集團聯營公司之詳情如下：

20.INTERESTS IN ASSOCIATES (continued)

As at 31st December, 2007, the Group had interests in the following associates:

公司名稱 Name of entity	公司類型 Form of business structure	公司註冊國家／註冊地 Place/ Country of incorporation/ registration	主要經營地 Principal place of operation	本公司持有已發行股本股票類型 Class of Share held	面值之比率 Proportion of nominal value of issued capital/ registered capital held by the Group	持有表決權 Proportion of voting power held	主要經營活動 Principal activity
通用電氣-哈動能源服務(秦皇島)有限責任公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	41%	41%	為鍋爐廠、汽輪機廠及電機廠提供維修、安裝及現場服務 Provision of maintenance, installation and on-site services to owners of turbines, boilers and electricity generators
葫蘆島濱海水電大件製造有限責任公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	50%	50%	生產電站設備 Manufacture of electrical equipments
哈爾濱鍋爐容器工程有限公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	27.28%	27.28%	為鍋爐生產提供質量保證服務 Provision of quality control services for boilers manufacturing
哈爾濱利源礦泉飲品有限公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	44.56%	44.56%	生產及銷售礦泉飲料 Manufacture & sale of minteral beverages
哈電日立電力設備新技術開發有限公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	43.69%	43.69%	開發電力設備技術 Development of power equipment technology
哈爾濱市哈電加油站有限公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	43.69%	43.69%	加油站服務 Provision of petrol station services
哈爾濱斯柯達哈電機床新技術開發公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	43.69%	43.69%	開發電機床新技術 Development of new technology on power machine tools
哈爾濱哈電多能水電開發有限責任公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	41.72%	41.72%	水力發電 Hydropower generation
哈爾濱匯通電力工程有限公司	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	33.50%	33.50%	電力工程 Provision of power engineering
哈爾濱國際旅行社	設立 Established	中華人民共和國 PRC	中華人民共和國 PRC	普通股 Ordinary	30%	30%	旅遊服務 Provision of traveling services

20.於聯營公司之權益(續)

本集團之聯營公司之財務資料撮要如下：

20.INTERESTS IN ASSOCIATES (continued)

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

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
總資產	Total assets	**600,731**	554,632
總負債	Total liabilities	**(306,037)**	(327,173)
淨資產	Net assets	**294,694**	227,459
集團公司對其聯營公司資產所佔份額	Group's share of net assets of associates	**129,290**	91,842
收入	Revenue	**513,922**	482,502
本年溢利	Profit for the year	**80,225**	35,715
本年集團公司從聯營公司獲取的溢利	Group's share of results of associates for the year	**37,449**	11,965

21.待銷售性投資

待銷售性投資的組成：

21.AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

		本集團 THE GROUP		本公司 THE COMPANY	
		2007	2006	**2007**	2006
		人民幣千元	人民幣千元	**人民幣千元**	人民幣千元
		Rmb'000	Rmb'000	**Rmb'000**	Rmb'000
中國非上市證券投資	Unlisted equity securities				
－投資成本減去減值準備	in the PRC, at cost				
	less impairment	**28,074**	30,947	**17,879**	17,879

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

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

22.存貨

22.INVENTORIES

		本集團 THE GROUP		本公司 THE COMPANY	
		2007	2006	**2007**	2006
		人民幣千元	人民幣千元	**人民幣千元**	人民幣千元
		Rmb'000	Rmb'000	**Rmb'000**	Rmb'000
原材料	Raw materials	**3,410,013**	3,469,434	**2,167**	1,730
在製品	Work in progress	**5,744,762**	6,866,210	**163,068**	246,229
製成品	Finished goods	**663,877**	752,116	**8,297**	4,261
房地產開發成本	Properties under development	**218,485**	242,361	**–**	–
用於銷售之房地產開發產品	Completed properties held for sale	**130,152**	173,570	**–**	–
		10,167,289	11,503,691	**173,532**	252,220

23.應收賬款／應收票據／其他應收款／按金及預付款項

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

23.TRADE DEBTORS/BILLS RECEIVABLE/OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

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

		2007 **人民幣千元** **Rmb'000**	2006 人民幣千元 Rmb'000
應收賬款	Trade debtors	**9,819,274**	7,142,217
減：減值撥備	Less: Allowance for doubtful debts	**(824,709)**	(564,282)
		8,994,565	6,577,935
應收票據	Bills receivable	**208,710**	316,855
其他應收款、按金及預付款項	Other debtors, deposits and prepayments	**5,339,159**	6,049,210
		14,542,434	12,944,000

於結算日無計提減值準備的應收賬款之賬齡分析如下：

The following is an aged analysis of trade debtors net of allowance for doubtful debts at the balance sheet date:

		2007 **人民幣千元** **Rmb'000**	2006 人民幣千元 Rmb'000
1年內	Within 1 year	**6,000,510**	4,822,335
1年至2年	1 to 2 years	**2,083,009**	1,537,061
2年至3年	2 to 3 years	**860,094**	200,477
3年以上	Over 3 years	**50,952**	18,062
		8,994,565	6,577,935

23. 應收賬款／應收票據／其他應收款／按金及預付款項(續)

應收賬款減值撥備的變動如下：

23. TRADE DEBTORS/BILLS RECEIVABLE/OTHER DEBTORS, DEPOSITS AND PREPAYMENTS (continued)

Movement in allowance for doubtful debts of trade debtors:

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
年初結餘	Balance at beginning of the year	**564,282**	346,137
應收賬款減值虧損確認	Impairment losses recognized on receivables	**262,962**	222,528
因無法收回而撇銷的金額	Amounts written off as uncollectible	**(2,535)**	–
年內已收回的金額	Amounts recovered during the year	**–**	(4,383)
年末結餘	Balance at end of the year	**824,709**	564,282

二零零六年十二月三十一日和二零零七年十二月三十一日集團應收賬款和其他應收款的公允價值接近於相應的賬面價值。

The fair value of the Group's trade debtors and other debtors at 31st December, 2007 and 2006 approximates to the corresponding carrying amount.

24. 建造合同應收(應付)款

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

		本集團 THE GROUP	
		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
於結算日的建造合同：	Contracts in progress at the balance sheet date:		
迄今成本	Contract costs incurred	**10,087,702**	8,184,845
應佔溢利扣除可預見虧損	Recognised profits less recognized losses	**25,425**	42,480
		10,113,127	8,227,325
減：已收及應收工程進度款項	Less: Progress billings	**(7,238,851)**	(5,373,250)
		2,874,276	2,854,075
其中：	Represented by:		
建造合同應收款	Amounts due from customers included in current assets	**3,632,591**	3,541,262
建造合同應付款	Amounts due to customers included in current liabilities	**(758,315)**	(687,187)
		2,874,276	2,854,075

截至二零零六年十二月三十一日和二零零七年十二月三十一日止，並無未付足的建造合同工程款。

As at 31st December, 2007 and 2006, there were no retentions held by customers for contract works.

25.應收／(付)同系附屬公司／關聯公司／股東款項

本集團

此款項為無抵押，不計息，且無固定還款期限。二零零六年十二月三十一日和二零零七年十二月三十一日的公允價值接近於相應的賬價值。

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

THE GROUP

The amounts are unsecured, non-interest bearing and are repayable on demand. The fair value of the amounts at 31st December, 2007 and 2006 approximates to the corresponding carrying amount.

26.銀行存款、現金和現金等價物

26.BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

		本集團 THE GROUP		本公司 THE COMPANY	
		2007	2006	**2007**	2006
		人民幣千元	人民幣千元	**人民幣千元**	人民幣千元
		Rmb'000	Rmb'000	**Rmb'000**	Rmb'000
銀行結存及現金	Cash and bank balances	**8,331,542**	4,845,708	**890,545**	939,437
3個月內到期的定期存款	Time deposits, matured within 3 months	**350,000**	311,554	**300,000**	–
		8,681,542	5,157,262	**1,190,545**	939,437
3個月以後到期的定期存款	Bank deposits, matured over 3 months	**940,000**	581,209	**–**	433,307

截止於二零零七年十二月三十一日止共人民幣6,665,175,000元(2006年：人民幣5,013,653,000元)均存於中華人民共和國的銀行，這些人民幣兌換成外幣均遵循中國政府公佈的外匯控制法律法規。

As at 31st December, 2007, a total of Rmb6,665,175,000 (2006: Rmb5,013,653,000) were denominated in Renminbi and deposited with banks in the PRC. The conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

於二零零七年十二月三十一日有效的銀行存款利率加權平均值為3.28% (2006年：2.43%)。

The weighted average effective interest rates on bank deposits as at 31st December, 2007 were 3.28% (2006: 2.43%).

董事會認為賬面價值接近它們的公允價值。

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

27. 應付賬款／其他應付款及應計費用

27. TRADE CREDITORS/OTHER CREDITORS AND ACCRUED CHARGES

		本集團 THE GROUP		本公司 THE COMPANY	
		2007	2006	**2007**	2006
		人民幣千元	人民幣千元	**人民幣千元**	人民幣千元
		Rmb'000	Rmb'000	**Rmb'000**	Rmb'000
應付賬款	Trade creditors	**5,267,391**	6,539,743	**385,629**	308,792
其他應付款及應計費用	Other creditors and accrued charges	**2,757,797**	1,470,850	**261,283**	363,137
		8,025,188	8,010,593	**646,912**	671,929

於結算日應付賬款之賬齡分析如下：

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

		本集團 THE GROUP	
		2007	2006
		人民幣千元	人民幣千元
		Rmb'000	Rmb'000
1年內	Within 1 year	**3,522,251**	4,861,066
1年至2年	1 to 2 years	**1,298,712**	1,534,830
2年至3年	2 to 3 years	**305,767**	63,917
3年以上	Over 3 years	**140,661**	79,930
		5,267,391	6,539,743

28.已收按金

本集團

已收按金為在建中合約工程向顧客已收取之進度款項。已收按金中，約有人民幣1,621,598,000元(2006：人民幣1,510,798,000元)為於結算日後十二個月才開始動工之合約按金，故歸入非流動負債。而其餘部份則為於結算日後十二個月內開始動工的在建工程按金，故歸入流動負債。已收按金將會用作抵銷基於完工的合同價。

二零零六年十二月三十一日和二零零七年十二月三十一日的公允價值接近於相應的賬面價值。

28.DEPOSITS RECEIVED

THE GROUP

The amount represents the progress payments received from customers in respect of work in progress. Included in deposits received of approximately Rmb1,621,598,000 (2006: Rmb1,510,798,000) were the progress payments received in respect of contract works to be commenced twelve months from the balance sheet date and were classified in the balance sheet as non-current. The remaining balance represents deposit received for contract works to be commenced within one year and were classified as current liabilities. The deposits received will be used to set-off the contract price upon the completion of contract works.

The fair value of the amount at 31st December, 2007 and 2006 approximates to the corresponding carrying amount.

29.欠控股公司款項

本集團

短期

欠控股公司款項結餘包括不計息及計息之貸款，分別為人民幣103,478,000元(二零零六年：人民幣274,551,000元)及人民幣478,000元(二零零六年：人民幣3,000,000元)。實際年率為5.51厘(二零零六年：5.51厘)。此

29.ADVANCE FROM HOLDING COMPANY

THE GROUP

Current

The balances of the advance from holding company comprises of non interest-bearing and interest-bearing loans amounting to Rmb103,478,000 (2006: Rmb274,551,000) and Rmb478,000 (2006: Rmb3,000,000) respectively with effective interest rate of 5.51% (2006: 5.51%) per annum. The amount is unsecured and repayable within one year. The fair value of the amount at 31st December, 2007 and 2006 is approximate to the corresponding carrying amount.

Non-current

The balance of the advance from holding company is the interest-bearing loans amounting to Rmb142,702,000 (2006: Rmb223,600,000) with effective interest rate of 5.76% (2006: 5.76%) per annum and have no fixed repayment term. The amount will not be demanded for repayment in the next twelve months of the balance sheet date and, accordingly, the amounts have been classified as non-current liabilities. Their fair value at 31st December, 2007 and 2006 approximates to their carrying value.

30.應交稅金 | 30.TAX LIABILITIES

		本集團 THE GROUP		本公司 THE COMPANY	
		2007	2006	**2007**	2006
		人民幣千元	人民幣千元	**人民幣千元**	人民幣千元
		Rmb'000	Rmb'000	**Rmb'000**	Rmb'000
增值稅	Value added tax	**535,772**	257,295	**(15,110)**	(70,478)
企業所得稅	Enterprise income tax	**406,816**	202,201	**58,493**	28,073
營業稅	Business tax	**20,311**	3,686	**14,517**	6,648
其他	Others	**94,327**	27,794	**3,590**	490
應交稅金／(可退回稅項)	Tax liabilities/(Tax recoverables)	**1,057,226**	490,976	**61,490**	(35,267)

31.借款 | 31.BORROWINGS

	本集團 THE GROUP	本公司 THE COMPANY
	2007	

31. 借款(續)

銀行貸款的賬面金額以下列貨幣為單位：

31. BORROWINGS (continued)

The carrying amount of the bank loans are denominated in the following currencies:

		本集團 THE GROUP		本公司 THE COMPANY	
		2007	2006	**2007**	2006
		人民幣千元	人民幣千元	**人民幣千元**	人民幣千元
		Rmb'000	Rmb'000	**Rmb'000**	Rmb'000
人民幣	Rmb	**4,251,956**	4,373,038	**227,420**	475,000
美元	USD	**511,323**	–	**–**	–
		4,763,279	4,373,038	**227,420**	475,000

兩年內所有的集團借款利率在3.51%至6.16%中浮動。合同利率與實際利率相同。

All of the Group's borrowings carrying at rates ranging from 3.51% to 6.16% at both years. The contracted interest rates are equal to the effective interest rates.

截止於二零零七年十二月三十一日，本集團銀行借款人民幣200,000,000元(2006年：人民幣340,000,000元)均由哈爾濱電站設備集團公司(「哈電集團公司」)擔保。

At 31st December, 2007, Rmb200,000,000 (2006: Rmb340,000,000) of the Group's bank borrowings are guaranteed by Harbin Power Plant Equipment Group Corporation ("HPEGC").

年內，本集團新增借款人民幣1,321,956,000元。借款有固定利率及浮動利率，還款期限為二零零八至二零一一年，這些借款均用於運營資金。

During the year, the Group obtained new loans in the amount of Rmb1,321,956,000. The loans bear interest at fixed rate and floating rate and will be repayable starting from 2008 to 2011.

董事會認為賬面價值接近於它們的公允價值。

32.股本 / 32.SHARE CAPITAL

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
已註冊、已發行及繳足：	Registered, issued and fully paid:		
國有法人股每股面值人民幣1元	State owned equity interest shares of Rmb1 each	**701,235**	711,470
H股每股面值人民幣1元	H Shares of Rmb1 each	**675,571**	562,981
		1,376,806	1,274,451

股本變動如下： / The movements in share capital are as follows:

		發行股權 Number of shares in issue	發行的股本 Issued share capital 人民幣千元 Rmb'000	股本溢價 Share premium 人民幣千元 Rmb'000	總計 Total 人民幣千元 Rmb'000
於二零零六年一月一日及二零零七年一月一日	At 1st January, 2006 & 2007	1,274,451,000	1,274,451	1,089,089	2,363,540
發行H股	Issue of H shares	112,590,000	112,590	914,623	1,027,213
發行費用	Share issue expenses	–	–	(23,417)	(23,417)
國有法人股轉換	Conversion of state owned equity interest shares	(10,235,000)	(10,235)	–	(10,235)
於二零零七年十二月三十一日	**At 31st December, 2007**	**1,376,806,000**	**1,376,806**	**1,980,295**	**3,357,101**

二零零七年三月二日，公司以每股港幣10元(相當於約人民幣9.915元)發行了112,590,000 H股每股面值人民幣1元。在所有新發行的H股中，10,235,000 H股由國有法人股轉換而來。集資淨額約港幣1,002,268,000元(相當於約人民幣993,748,000元)，已扣除相關費用約港幣23,618,000元(相當於約人民幣23,417,000元)。

On 2nd March, 2007, the Company has issued 112,590,000 H shares of Rmb1 each at a price of HK$10 (equivalent to approximately Rmb9.915) per share. Of all the newly issued H shares, 10,235,000 H shares were converted from the stated owned equity interest shares. The aggregate net proceeds were approximately HK$1,002,268,000 (equivalent to approximately Rmb993,748,000) after deducting related expenses for the placing of approximately HK$23,618,000 (equivalent to approximately Rmb23,417,000).

32.股本(續)

依照二零零六年十二月七日相關政府權威的批准，在公司H股上市期間，部分公司國有法人股持有者轉換了10,235,500國有法人股至H股，並定義為公司H股。新發行的公司H股中大約有集資淨額人民幣99,375,000元與此轉換有關。這次集資根據相關中國政府的要求會被移交給國家社會保障基金。

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

32.SHARE CAPITAL (continued)

Pursuant to a resolution at the annual general meeting on 7th December, 2006 and approvals from relevant government authorities during the listing of the Company's H shares, certain of the Company's State-owned equity interest shareholders converted an aggregate of 10,235,500 State-owned equity interest shares into H shares and offered them in the placement of the Company's H shares. Net proceeds of approximately Rmb99,375,000 obtained from the newly issued H shares were related to such conversion and such proceeds would be remitted to the National Council for the Social Security Fund in accordance with the relevant PRC government requirement.

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

33.儲備

本集團

本集團本年度及上年度儲備的結餘及變動情況見財務報表第69頁之綜合權益變動表。

33.RESERVES

THE GROUP

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 69 of the financial statements.

本公司 THE COMPANY

		股本溢價 Share premium 人民幣千元 Rmb'000	資本儲備 Statutory capital reserve 人民幣千元 Rmb'000	法定盈餘公積金 Statutory surplus reserve 人民幣千元 Rmb'000	法定公益金 Statutory public welfare fund 人民幣千元 Rmb'000	保留溢利 Retained profits 人民幣千元 Rmb'000	總計權益 Total 人民幣千元 Rmb'000
於二零零六年一月一日	At 1st January, 2006	1,089,089	709,849	112,380	112,380	77,942	2,101,640
本年度溢利	Profit for the year	–	–	–	–	187,639	187,639
轉撥	Transfer to reserves	–	–	215,187	(112,380)	(102,807)	–
股息	Dividends	–	–	–	–	(77,742)	(77,742)
於二零零七年一月一日	At 1st January, 2007	1,089,089	709,849	327,567	–	85,032	2,211,537
本年度溢利	Profit for the year	–	–	–	–	367,997	367,997
股本增發	Issue of share capital	914,623	–	–	–	–	914,623
股本增發費用	Share issue expense	(23,417)	–	–	–	–	(23,417)
轉撥	Transfer to reserves	–	–	37,975		(37,975)	–
股息	Dividends	–	–	–	–	(123,913)	(123,913)
於二零零七年十二月三十一日	**At 31st December, 2007**	**1,980,295**	**709,849**	**365,542**	**–**	**291,141**	**3,346,827**

34.或有負債

34.CONTINGENT LIABILITIES

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
附屬公司為外部第三方貸款提供擔保	Guarantee given to banks and financial institutions in respect of general banking facilities granted to external parties	**168,890**	186,340

本公司附屬公司哈爾濱鍋爐廠有限責任公司，於2007年11月21日起訴泰州市申工重機鋼管有限公司，因其提供的大口徑管不合格而給公司造成經濟損失，要求其賠償直接經濟損失人民幣32,951,000元。泰州市申工重機鋼管有限公司反訴公司欠其貨款共人民幣23,489,648元。目前此案正在審理中。

Harbin Boiler Factory LLP (哈爾濱鍋爐廠有限責任公司), a subsidiary of the Company, initiated a proceeding against Taizhou Sangong Heavy Machinery Steel Pipes Co. Ltd. (泰州市申工重機鋼管有限公司) on 21st November, 2007 for economic losses of the Company arising from the provision by the latter of large diameter pipes not according to the specification. A direct economic loss of Rmb32,951,000 was claimed as compensation. It was counterclaimed by Taizhou Sangong Heavy Machinery Steel Pipes Co. Ltd. that a debtor of Rmb23,489,648 was due by the Company. This litigation is now in process.

35.經營租賃

35.OPERATING LEASES

集團作為出租人

The Group as lessor

年內物業租賃收入約為人民幣24,479,000元(2006年：人民幣26,170,000元)。本集團以出租為目的所持有的財產有望產生每年持續增長8%的租金收入。一切所持有的財產均有承租人允諾租賃1至20年。

Property rental income earned during the year was approximately Rmb24,479,000 (2006: Rmb26,170,000). The Group's properties held for rental purposes are expected to generate rental yields of 8% on an ongoing basis. All of the properties held have committed tenants ranging from 1 to 20 years.

在資產負債表日，本集團和承租人定合約規定將來最低的可收租金：

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

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
一年內	Within one year	**40,276**	43,900
一至五年	In the second to fifth year inclusive	**147,836**	151,921
五年後	After five years	**254,568**	290,642
		442,680	486,463

於二零零七年十二月三十一日和二零零六年十二月三十一日，本集團均無經營租賃承擔。

At 31st December, 2007 and 2006, the Group had no commitments under operating leases.

36.資本承擔

36.CAPITAL COMMITMENTS

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
購買物業、廠房及設備的資本支出－已簽約但未於財務報表中撥備	Capital expenditure for the acquisition of property, plant and equipment – contracted for but not provided in the financial statements	**909,275**	336,953

37. 資產抵押

於二零零七年十二月三十一日，本集團將賬面淨值約為人民幣267,394,166元(2006：人民幣259,890,364元)之投資物業以及約人民幣169,684,000元(2006：人民幣40,500,000元)銀行存款作為有關銀行發予本集團若干借貸的抵押品。

37. PLEDGE OF ASSETS

At 31st December, 2007, the Group had pledged investment properties having a net book value of approximately Rmb267,394,166 (2006: Rmb259,890,364) and bank deposits amounting to approximately Rmb169,684,000 (2006: Rmb40,500,000) to secure certain of Group's trading facilities.

38.退休福利計劃

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

38.RETIREMENT BENEFIT SCHEME

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

39.關聯人士交易

(i) 與控股公司和同系附屬公司的交易／結存

本公司於二零零四年十一月[illegible]日和[illegible]簽[illegible]及年有關提供福利及後勤服務的[illegible]議。[illegible]協[illegible]為原本[illegible]二零零四年[illegible]

40.資本管理

本集團資本管理的首要目標，為確保本集團具備持續發展的能力，且維持穩健的資本比率，以支持其業務運作，爭取最大的股東價值。

本集團根據經濟情況的變動，管理其資本結構並作出調整。為維持或調整資本結構，本集團可能會向股東派發股息、向股東派回資本或發行新股。截至二零零七年十二月三十一日及截至二零零六年十二月三十一日止年度內，並無更改其目標、政策或程序。

本集團以資本負債比率(淨債務除以總資本及淨債務之和)，藉此監控資本的情況。本集團的政策為維持穩健的資本負債比率。淨債務包括計息銀行及其他借款、應付票據及其他應付款項、應計款項，減去現金及現金等值項目。於結算日，資本負債比率如下：

40.CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31st December, 2007 and 2006.

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. The Group's policy is to maintain a stable gearing ratio. Net debt includes interest-bearing bank and other borrowings, bills and other payables, accruals, less cash and cash equivalents. The gearing ratios as at the balance sheet dates were as follows:

		2007 **人民幣千元** **Rmb'000**	2006 人民幣千元 Rmb'000
建造合同應付款	Amounts due to customers for contract work	**758,315**	687,187
應付賬款	Trade creditors	**5,267,391**	6,539,743
其他應付款及應計費用	Other creditors and accrued charges	**2,757,797**	1,470,850
已收按金	Deposits received	**18,803,988**	17,588,182
欠股東款項	Amounts due to shareholders	**–**	1,071
欠同系付屬公司款項	Amounts due to fellow subsidiaries	**23,426**	12,952
控股公司收款	Advance from holding company	**246,658**	501,151
應交稅金	Tax liabilities	**1,057,226**	490,976
借款	Borrowings	**4,763,279**	4,373,038
減：有限制定期存款	Less: Restricted bank deposits	**(6,630)**	(12,000)
已抵押定期存款	Pledged bank deposits	**(169,684)**	(40,500)
定期存款	Bank deposits	**(940,000)**	(581,209)
銀行結存及現金	Cash and bank balances	**(8,681,542)**	(5,157,262)
淨債務	Net debt	**23,880,224**	25,874,179
總資本	Equity	**7,212,993**	4,831,467
資本與淨債務	Capital and net debt	**31,093,217**	30,705,646
資本負債比率	Gearing ratio	**77%**	84%

41. 金融工具的分類

於結算日，各金融工具類別的賬面值如下：

41. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows:

金融資產 **Financial assets**

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
應收賬款	Trade debtors	**8,994,565**	6,577,935
應收票據	Bills receivable	**208,710**	316,855
其他應收款	Other debtors	**675,214**	688,464
建造合同應收款	Amounts due from customers for contract work	**3,632,591**	3,541,262
應收同系附屬公司款項	Amounts due from fellow subsidiaries	**67,327**	54,741
待銷售性投資	Available-for-sale investments	**28,074**	30,947
有限制定期存款	Restricted bank deposits	**6,630**	12,000
已抵押定期存款	Pledged bank deposits	**169,684**	40,500
定期存款	Bank deposits	**940,000**	581,209
銀行結存及現金	Cash and cash equivalents	**8,681,542**	5,157,262
		23,404,337	17,001,175

金融負債 **Financial liabilities**

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
建造合同應付款	Amounts due to customers for contract work	**758,315**	687,187
應付賬款	Trade creditors	**5,267,391**	6,539,743
其他應付款及應計費用	Other creditors and accrued charges	**2,757,797**	1,470,850
欠股東款項	Amounts due to shareholders	**–**	1,071
欠同系附屬公司款項	Amounts due to fellow subsidiaries	**23,426**	12,952
欠控股公司款項	Advance from holding company	**246,658**	501,151
應交稅金	Tax liabilities	**1,057,226**	490,976
借款	Borrowings	**4,763,279**	4,373,038
		14,874,092	14,076,968

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

42.財務風險管理目標及政策(續)

流動資金風險(續)

於結算日，本集團金融負債到期情況如下(基於已訂立的未折現付款)：

本集團

2007年

42.FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the balance sheet date are as follows:

THE GROUP

2007

		少於1年 Less than 1 year 人民幣千元 Rmb'000	1年至2年 1 to 2 years 人民幣千元 Rmb'000	2年至5年 2 to 5 years 人民幣千元 Rmb'000	5年以上 More than 5 years 人民幣千元 Rmb'000	總計 Total 人民幣千元 Rmb'000
借款	Borrowings	753,387	716,092	1,754,244	1,539,556	4,763,279
其他應付款及應計費用	Other creditors and accrued charges	2,757,797	–	–	–	2,757,797
欠同系附屬公司款項						

42.財務風險管理目標及政策(續)

利率風險

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

本集團因利率變動面臨之利率風險主要與本集團之計息銀行及其他借貸有關。於二零零六年及二零零七年十二月三十一日，倘借貸利率高／低5%而所有其他變數維持不變，則本年度／去年度溢利將分別減少／增加人民幣25,978,000元及零元，主要是由於浮動利率借貸利息開支增加／減少所致。

其他價格風險

本集團無需面對任何權益證券風險或商品價格風險。

貨幣風險

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

42.FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk

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

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's interest-bearing borrowings. As at 31st December, 2007 and 2006, if interest rates on borrowings had been 5% higher/lower with all other variables held constant, profit for the current/prior year would have been Rmb25,978,000 and nil, lower/higher respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

Other price risk

The Group is not exposed to any equity securities risk or commodity price risk.

Currency risk

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

		2007 **人民幣千元** **Rmb'000**	2006 人民幣千元 Rmb'000
含有其他貨幣之金融資產：	Financial assets denominated in foreign currencies:		
應收賬款	Trade debtors	**3,884,831**	4,041,642
銀行結存及現金	Bank balance and cash	**1,746,815**	512,864
		5,631,646	4,554,506

42.財務風險管理目標及政策(續)

42.FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

貨幣風險(續)

Currency risk (continued)

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
含有其他貨幣之金融負債：	Financial liabilities denominated in foreign currencies:		
借款	Borrowings	**511,323**	–

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
金融資產以以下貨幣列示：	The financial assets were denominated in the following foreign currencies:		
歐元	EUR	**227,386**	24,886
美元	USD	**4,694,090**	4,141,953
港元	HKD	**710,170**	387,667
		5,631,646	4,554,506

		2007 人民幣千元 Rmb'000	2006 人民幣千元 Rmb'000
金融負債以以下貨幣列示：	The financial liabilities were denominated in the following foreign currencies:		
美元	USD	**511,323**	–

42.財務風險管理目標及政策(續)

下表顯示本集團純利於結算日對人民幣匯率可能的合理變動的敏感度，前提是其他因素不變，而變動的原因是貨幣資產及負債公平值的改變。

2007年

		匯率上升／減少 Increase/decrease in foreign currency rate	除稅前溢利的影響 Effect on profit before taxation 人民幣千元 Rmb'000
歐元	EUR	5%	11,369
		–5%	(11,369)
美元	USD	5%	209,138
		–5%	(209,138)
港元	HKD	5%	35,509
		–5%	(35,509)

2006年

		匯率上升／減少 Increase/decrease in foreign currency rate	除稅前溢利的影響 Effect on profit before taxation 人民幣千元 Rmb'000
歐元	EUR	5%	1,244
		–5%	(1,244)
美元	USD	5%	207,098
		–5%	(207,098)
港元	HKD	5%	19,383
		–5%	(19,383)

42.FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the Rmb exchange rate, with all other variables held constant, of the Group's net profit (due to changes in the fair value of monetary assets and liabilities).

2007

		Increase/decrease in foreign currency rate 匯率上升／減少	Effect on profit before taxation 除稅前溢利的影響 人民幣千元 Rmb'000
歐元	EUR	5%	11,369
		–5%	(11,369)
美元	USD	5%	209,138
		–5%	(209,138)
港元	HKD	5%	35,509
		–5%	(35,509)

2006

		Increase/decrease in foreign currency rate 匯率上升／減少	Effect on profit before taxation 除稅前溢利的影響 人民幣千元 Rmb'000
歐元	EUR	5%	1,244
		–5%	(1,244)
美元	USD	5%	207,098
		–5%	(207,098)
港元	HKD	5%	19,383
		–5%	(19,383)

43.主要附屬公司詳述

截至於二零零七年十二月三十一日，公司在中國建立並營運的主要附屬公司詳細如下：

43.PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries as at 31st December, 2007, all of which are incorporated and operating in the PRC, are:

附屬公司名稱 Name of subsidiary	註冊資本 Registered share capital 人民幣千元 Rmb'000	公司持有註冊資本名義價值比例 Proportion of nominal value of registered capital held by the Company 直接 Directly %	間接 Indirectly %	主要活動 Principal activities
哈爾濱鍋爐廠有限責任公司 *	746,853	90.94	–	生產鍋爐 Manufacture of boilers
哈爾濱電機廠有限責任公司 *	709,237	87.37	–	生產蒸汽渦輪發動裝置和水渦輪發動裝置 Manufacture of steam turbine generator sets and hydro turbine generator sets
哈爾濱電站工程有限責任公司 *	136,000	100	–	為電站提供工程服務 Provision of engineering services for power stations
哈爾濱三利亞股份有限公司 **	76,116	72.13	–	非金屬合金表面處理、功能性膜層的開發和應用、電液漆、電解液及相關化工產品生產與銷售 Development, production and sale of plasma-enhanced and electrochemical surface ceramicised light alloy materials, building aluminum templates and boards, industrial special nature materials, electrophoresis paints and electrolyte, relevant chemical products.
哈爾濱動力科技貿易股份有限公司 **	27,000	55.55	44.45	貿易 Trading
哈爾濱汽輪機廠有限責任公司 *	859,723	62.54	–	生產電站汽輪機 Manufacture of steam turbines
哈爾濱東力房地產開發有限責任公司 *	10,000	–	75	房地產開發 Property development
哈爾濱哈鍋閥門股份有限公司 **	80,000	34	63.85	生產閥門 Manufacture of valves
哈電發電設備國家工程研究中心有限公司 *	50,000	60	–	發電設備研發工程化技術 Research and development of power equipment engineerisation technology
成都三利亞中瓷有限責任公司 *	53,127	–	50	輕合金材料、鋁特種工件、輕合金表面陶瓷化處理及相關技術的研究；電子產品、科研所需的原輔材料、零配件及相關產品的生產、加工及銷售 Development, production and sale of electrochemical surface ceramicised light alloy materials and relevant technology; Manufacture, processing and trading of electricity products, relevant raw materials and accessories.

43.主要附屬公司詳述(續)

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

附屬公司名稱 Name of subsidiary	註冊資本 Registered share capital 人民幣千元 Rmb'000	公司持有註冊資本名義價值比例 Proportion of nominal value of registered capital held by the Company 直接 Directly %	間接 Indirectly %	主要活動 Principal activities
哈爾濱汽輪機廠高科技有限責任公司 *	10,010	–	100	為蒸汽渦輪提供修理保養服務 Provision of repairs and maintenance service for steam turbines
哈爾濱國家水力發電設備技術研究中心有限公司 *	10,000	–	100	研究及開發水力發電設備技術 Research and development of hydropower generation equipment engineerisation technology
秦皇島哈電置業房地產開發有限公司 *	20,000	–	90	房地產開發和租賃 Property development and property rentals
哈爾濱電站設備製造廠 *	8,000	–	78	生產工程設備 Manufacture of engineering equipment
哈爾濱哈電地產置業股份有限公司 **	20,000	–	35 (註)(note)	房地產開發和租賃 Property development and property rentals
哈爾濱汽輪機廠輔機工程有限公司 *	60,000	–	100	為渦輪提供工程服務 Provision of engineering service to turbines
哈爾濱樂松購物廣場有限公司 *	3,000	–	75	房地產租賃 Property rental

* 有限責任公司
** 股份有限公司

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

董事會認為以上表格列示了主要能影響本集團業績或資產之附屬公司。董事會認為載列其他附屬公司之詳情會使此報告篇幅過於冗長。

本年度沒有一家附屬公司發生任何債務擔保事項。

* Limited liabilities company
** Joint stock limited enterprise

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

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

None of the subsidiaries had issued any debt securities during the year.

重要事項揭示
Disclosure of Significant Events

一、 2007年6月22日(星期五)上午9時，公司在哈爾濱市香坊區三大動力路39號B座17樓會議大廳，召開了2006年度股東周年大會，會議審議通過了載於2007年4月23日股東周年大會通知所列之全部議案。

1. The 2006 Annual General Meeting of the Company was held in the meeting-room on the 17th Floor, at Block B, No. 39 Sandadongli Road, Xiangfang District, Harbin, Heilongjiang Province, PRC, at 9 AM on 22nd June, 2007 (Friday). All of the proposed resolutions stated in the Notice of Annual General Meeting on 23rd April, 2007 were passed at the meeting.

二、 重要新接定單情況：

2. Material New Contracts

2007年1月8日，公司與中信集團國華國際工程承包公司簽訂了巴西坎迪奧塔1X350MW 60Hz火電機組三大主機供貨合同,首次打入南美市場；

On 8th January 2007, the Company signed a general contract with中信集團國華國際工程承包公司to supply 1×350MW 60Hz thermal power generator units of three main equipments in坎迪奧塔, Brazil, which marked our first entry in the Southern American market;

2007年1月，公司與華能公司簽訂的瑞金國內首台超臨界350MW爐、機、電主機設備成套供貨合同正式生效；

In January 2007, the contact for the supply of the first set of super critical 350MW boiler, generator and main power equipment to Ruijing in the Mainland signed between the Company and Huaneng took effect;

2007年1月，公司與山東電建三公司合作簽訂的印度賈斯古達4×600MW亞臨界鍋爐3#4#供貨合同生效；

In January 2007, the contract signed between the Company and山東電建三公司to supply 4×600MW sub-critical boilers to賈斯古達in India took effect;

2007年3月12日，公司與印尼國家電力公司簽訂了印尼百通1X660MW機組總承包合同，首次承攬600MW等級EPC出口項目；

On 12th March 2007, the Company signed a general contract with印尼國家電力公司for the 1×660MW generator units in PAITON, Indonesia, which marked the first 600MV class EPC export project being contracted;

2007年4月，公司與華能公司簽訂的吉林九台2X670MW超臨界機組合同生效，首台超臨界塔式褐煤鍋爐。

In April 2007, the contract signed between the Company and with Huaneng for the Jilin nine 2×670MW super critical generator units took effect, which was the first super critical tower brown coal boiler;

2007年5月18日，公司與中山嘉明電力有限責任公司簽訂了橫門項目兩台9F燃機及聯合循環機組機島供貨合同；

On 18th May 2007, the Company signed a contract with中山嘉明電力有限責任公司to supply two 9F class gas turbines and combined circle units island for橫門projects;

2007年7月18日，公司與華電公司簽訂了鎮雄項目600MW超臨界 "W "火焰鍋爐合同；

On 18th July 2007, the Company signed a contract with華電公司for the world's first 600MW super critical "W" fire boiler for Zhenhong project;

重要事項揭示(續)
Disclosure of Significant Events (continued)

2007年8月16日，公司與大唐國際簽訂了山西定襄項目世界首台超超臨界1000MW空冷汽輪機和發電機；

On 16th August 2007, the Company signed a contract with Daitang International for the world's first ultra super critical 1000MW air cooling steam turbine and generator units for Shanxi Dingshang project;

2007年8月27日，公司與大唐國際簽訂了內蒙克什克騰2×1000MW超超臨界主機設備成套項目；

On 27th August 2007, the Company signed a contract with Daitang International for the project of 2×1000MW ultra super critical main equipment in whole set in克什克騰, Inner Mongolia;

2007年8月29日，公司與山東魯能工程有限公司簽訂了巴西巴卡羅納2×300MW 60HZ火電項目機、電設備供貨合同。

On 29th August 2007, the Company signed a contract with魯能工程有限公司in Shandong to supply 2×300MW thermal power equipments in巴卡羅納, Brazil.

2007年8月31日，公司與CMEC合作簽訂了老撾洪薩(HONGSA) 3×600MW坑口火電EPC總承包項目合同；

On 31st August 2007, the Company signed a general contract with CMEC for the Laos HONGSA 3×600MW pit-mount thermal power EPC project, which amounted to US$1.35 billion;

2007年9月12日，公司與中國長江三峽工程開發總公司簽訂了三峽地下電站2台700MW水輪發電機組合同；

On 12th September 2007, the Company signed a contract with中國長江三峽工程開發總公司for the 2×700MW hydro power turbine generator units of the underground power station of the Three Gorges;

2007年10月28日，公司與三門核電有限公司簽訂了浙江三門核電常規島設備合同，取得了國內首個三代百萬核電項目訂單；

On 28th October 2007, the Company signed a conventional island contract with三門核電有限公司for the Sanmen Nuclear Power equipment in Zhejiang Province, and obtained the order for the first three generation 1,000MW nuclear power project in the Mainland;

2007年10月21日，公司與印度ESSAR公司簽訂了印度滿漢和喜來雅兩個2×600MW主機島供貨合同，首次實現60萬千瓦等級整機出口印度；

On 21st October 2007, the Company signed a contract with ESSAR Company in India to supply two 2×600MW main equipment island to MAHAN and SALAYA, which achieved the export of 600MW class in whole set to India for the first time;

2007年11月19日，公司與CMEC簽訂了斯里蘭卡普特拉姆(PUTTALAM) 1X300MW項目主機設備合同；

On 19th November 2007, the Company signed a contract with CMEC for the 1×300MW project main equipment in PUTTALAM, Sir Lanka;

2007年11月29日，公司與越南錦普電力股份公司簽訂了越南錦普二期300MW燃煤機組工程總承包合同；

On 29th November 2007, the Company signed a general contract with錦普電力股份公司in Vietnam for the Second Stage 300MW coal-fired equipment units in Campha, Vietnam;

重要事項揭示(續)
Disclosure of Significant Events (continued)

2007年12月，公司中標華潤金能2×330MW脫硫島項目；

2008年1月31日，公司與山東核電有限公司簽訂了海陽核電項目汽輪發電機組設備合同。

三、 2007年1月1日，公司開始執行新的《企業會計準則》。

四、 2007年1月15日公司召開董事會議，決定投資成立哈爾濱電機廠交直流電機有限責任公司，註冊資本1億元人民幣，持有100%股權，目前完成投資8720萬元人民幣。

五、 2007年3月2日，公司完成了H股增發工作。增發H股10235.5萬股，發行價格每股10.00港元，募集資金淨額約10.02億港元。同日，本公司控股股東將1023.5萬股國有股劃轉給社保基金並轉為H股。募集資金主要用於公司秦皇島出海口基地二期重型廠房百萬千瓦級核島主設備建設項目。發行後公司總股本137,680.6萬股，其中哈電集團持有70,123.5萬股，佔50.93%，H股67,557.1萬股，佔49.07%。

六、 2007年6月15日公司召開第五屆董事會第五次會議，決定投資成立公司核電閥門公司，註冊資本1億元人民幣，公司持有100%股權；在秦皇島分公司的基礎上投資成立秦皇島重型裝備公司，註冊資本1億元人民幣，公司持有100%股權，目前完成投資9000萬元人民幣，逐步發展為公司大型火電、核電、氣電設備的綜合性生產基地。

In December 2007, the Company obtained the tender of China Resources Jinneng 2×330MW de-sulfur island project;

On 31st January 2008, the Company signed a contract with Shangdong Nuclear Power Co., Ltd for the gas turbine generator units equipment of Haiyang Nuclear Power project;

3. On 1st January 2007, the Company commenced to adopt the new Accounting Standards for Business Enterprises.

4. On the 15th of January 2007, the Company held a Board of Directors' Meeting. The Meeting decided to invest and found the Harbin Electric Machinery AC/DC Co. Ltd. with a registered capital of RMB100 million. The Company is its sole shareholder and has invested RMB87.20 million.

5. On 2nd March, 2007, the Company completed the issuance of H share, of which 102.355 million H shares were further issued. The price per share is HK$10.00. The net listing proceeds amounted to HK$1,000 million. On the same day, shareholders of the Company remitted 10.235 million shares of state share to National Social Security Fund and registered as H share. Such financing would be mainly invested in the 1,000MW class nuclear island main equipment project of the Second stage of Qinghuangdao Seaside Heavy Duty Workshop Construction. The total capital stock of the Company increased to 1,376.806 million shares, among which 1,376.806 millionsharng sed of

重要事項揭示(續)
Disclosure of Significant Events (continued)

七、 2007年6月22日公司召開第五屆董事會第六次會議，會議根據股東周年大會授權，決定聘任岳華會計師事務所為公司2007年度境內財務報告的主審計師，聘任岳華(香港)會計師事務所為公司2007年度境外財務報告的核數師。

八、 2007年8月10日公司召開第五屆董事會第七次會議，審議通過了公司關聯交易事項，並按上市規則要求履行法定披露程序。

九、 2007年12月26日公司召開了第五屆董事會第八次會議，審議通過了公司《2008年至2010年三年關聯交易》，並聘任韓建偉先生為公司副總

公司資料
Information of the Company

公司法定名稱

哈爾濱動力設備股份有限公司

公司英文名稱

Harbin Power Equipment Company Limited

公司註冊地址

中華人民共和國
黑龍江省
哈爾濱市
南崗高科技生產基地3號樓
註冊號：2301001003796

公司辦公地址

中華人民共和國
黑龍江省
哈爾濱市
香坊區三大動力路39號B座
郵政編碼：150040
電話：86-451-82135717或82135727
傳真：86-451-82135700

在香港的營業地址

香港
中環
遮打道16-20號
曆山大廈二十樓

法定代表人

宮晶堃

授權代表

曲大莊
馬遂

公司秘書

馬遂

REGISTERED NAME OF THE COMPANY

哈爾濱動力設備股份有限公司

ENGLISH NAME OF THE COMPANY

Harbin Power Equipment Company Limited

REGISTERED ADDRESS OF THE COMPANY

Block 3
Nangang District High Technology Production Base
Harbin
Heilongjiang
PRC
Registration No. 2301001003796

OFFICE ADDRESS OF THE COMPANY

Block B, No. 39 Sanda Dongli Road
Xiangfang District
Harbin
Heilongjiang Province
PRC

PLACE OF BUSINESS IN HONG KONG

20th Floor, Alexandra House
16-20 Chater Road
Central
Hong Kong

LEGAL REPRESENTATIVE

Gong Jing-kun

AUTHORISED REPRESENTATIVES

Qu Da-zhuang
Ma Sui

COMPANY SECRETARY

Ma Sui

公司資料(續)
Information of the Company (continued)

核數師

岳華會計師事務所有限公司

執業會計師
香港
銅鑼灣希慎道一號十七樓

中瑞岳華會計師事務所有限責任公司

中華人民共和國
北京市朝陽區
霄雲路26號
鵬潤大廈B座1201-1205室
100016

AUDITORS

Yuehua CPA Limited

Certified Public Accountants
17/F, One Hysan Avenue
Causeway Bay
Hong Kong

China Rightson Yuehua Certified Public Accountants Company Limited

1201 – 1205 B,
Eagle Run Plaza
No. 26 Xiao Yun Road
Chaoyang District
Beijing 100016
PRC

法律顧問

中國法律
海問律師事務所
中華人民共和國
北京
朝陽區
東三環北路2號
南銀大廈1016室

香港法律
齊伯禮律師行
香港
中環
遮打道16-20號
歷山大廈
二十樓

LEGAL ADVISORS

as to PRC Law
Haiwen & Partners
Room 1016, Beijing Silver Tower
No.2, Dongsanhuan North Road
Chaoyang District
Beijing
PRC

as to Hong Kong Law
Richards Butler
20th Floor
Alexandra House
16-20 Chater Road
Central
Hong Kong

上市資料

H股
香港聯合交易所
編號：1133

LISTING INFORMATION

H Shares
The Stock Exchange of Hong Kong Limited
Code: 1133

公司資料(續)
Information of the Company (continued)

預托股份機構

紐約銀行
美國托存證券
22nd Floor West
110 Barclay Street
New York, NY 10286 USA

投資者關係

P.O. Box 11258
Church Street Station
New York, NY 10286-1258

股份過戶登記處

香港證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心17樓1712-1716室

公司資料索閱地點

哈爾濱動力設備股份有限公司
董事會秘書局
中國
哈爾濱市
香坊區
三大動力路39號B座

股東接待日

每月8日、18日、28日(節假日順延)
上午：9:00 – 11:00
下午：2:00 – 4:00
電話：86-451-82135717或82135727
傳真：86-451-82135700

DEPOSITARY

The Bank of New York
American Depositary Receipts
22nd Floor West
110 Barclay Street
New York, NY 10286 USA

INVESTOR RELATIONS

P.O. Box 11258
Church Street Station
New York, NY10286-1258

SHARE REGISTER AND TRANSFER OFFICE

Hong Kong Registrars Limited
Shops 1712-1716, 17th Floor
Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

INFORMATION ON T-

備查文件
Documents Available for Inspection

1. 本公司二零零七年度報告正本。

2. 本公司經審核之財務報表正本。

1. The original copy of the 2007 Annual Report of the Company.

2. The original copy of the Company's audited financial statements.

特別事項

5. 授權本公司董事會有權委任任何人士填補董事會臨時空缺或增任為董事，其任期至本公司下一次股東大會完結時為止。

6. 授權公司董事會決定公司聘任核數師事項並釐定其酬金。

承董事會命
公司秘書
馬遂

中國哈爾濱，二零零八年四月十一日

公司註冊地址：
中華人民共和國
黑龍江省，哈爾[illegible]市
南崗區高科技生產基地[illegible]

公司辦公通訊位址：
中華人民共和國
黑龍江省，

股東週年大會通知(續)
Notice of Annual General Meeting (continued)

附註：

1. 為確定有權出席股東周年大會並表決和獲派予股東大會擬派的二零零七年度股息的股東名單，本公司將於二零零八年五月六日至二零零八年六月五日期間(包括首尾兩天)，暫停辦理股東名冊變更登記，暫停登記前已經在冊的股東有權出席股東周年大會並進行表決及有權獲派二零零七年度股息(如經該股東大會宣派)暫停登記期間買入本公司股份的人士無權出席股東周年大會，亦無權獲派二零零七年度股息。

2. 擬出席股東周年大會的股東應在二零零八年五月十六日下午五時前，將擬出席會議的書面回覆送達公司的辦公通訊地址。

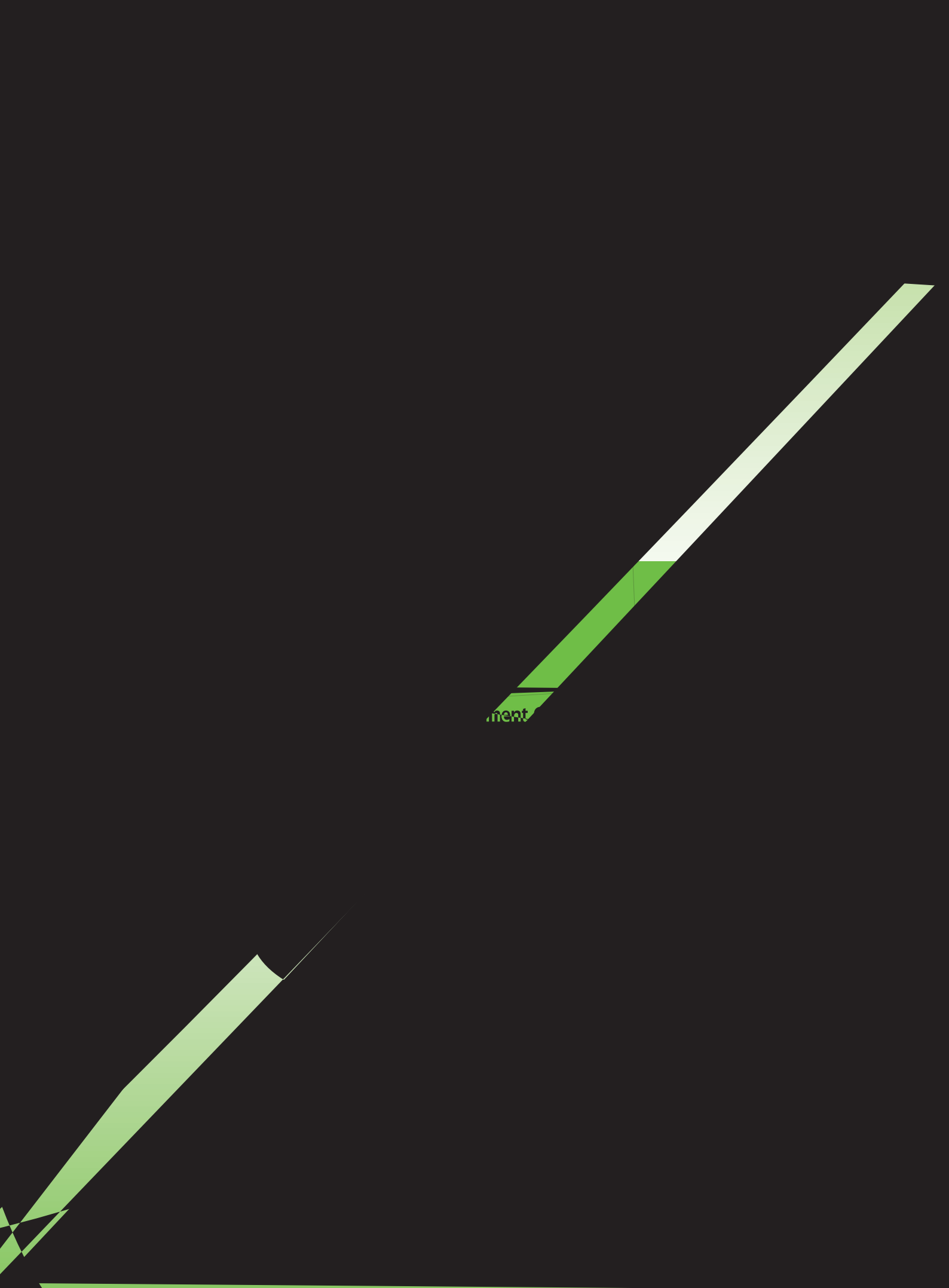
3. 任何有權出席股東周年大會並有權表決的股東，均有權委派一個或多個人(不論該人是否為股東)作為其股東代理人，代他出席及表決。

4. 股東代理人委任表格連同簽署人的經公證的授權書或其他授權文件(如有)必須於股東周年大會指定舉行時間二十四小時前送交本公司的辦公通訊地址方為有效。

Notes:

1. For the purpose of determining the list of shareholders entitled to attend and vote at the Annual General Meeting and the receive of the proposed dividend of the year of 2007 to be declared at that meeting, the Company shall temporarily suspend changes to the register of shareholders from 6th May, 2008 to 5th June, 2008 (both day inclusive). Shareholders whose names appear on the register at the time of the suspension of registration shall be entitled to attend and vote at the Annual General Meeting and shall be entitled to receive of the proposed dividend of the year of 2007 (if declared at that General Meeting). Persons who purchased shares of the Company during the period of suspension of registration shall not be entitled to attend the Annual General Meeting, nor to the dividend of the year of 2007.

2. Shareholders intending to attend the Annual General Meeting shall give written notice of the same to the Company, which shall be lodge at the office address of the Company on or before 5:00 p.m. on 16th May, 2008.

3. A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more persons (whether or not a shareholder of the Company) as his proxy to attend and vote instead of him.

4. To be valid, the form of proxy, together with a duly notarized power of attorney or other document of authority, if any, under which the form is signed must be deposited at the office and communication address of the Company not less than 24 hours before the time for holding the Annual General Meeting.