公司簡介
Overview of the Company

哈爾濱電氣股份有限公司(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 — 哈爾濱電氣集團公司(原哈爾濱電站設備集團公司)及其所屬原哈爾濱電機廠、哈爾濱鍋爐廠、哈爾濱汽輪機廠(習慣稱為「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。

Harbin Electric Company Limited (the "Company") was formed through the restructuring of Harbin Electric Corporation (formerly known as Harbin Power Plant Equipment Group Corporation), 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 founded in the 1950s. The Company was established in Harbin, PRC on 6 October, 1994. The shares of the Company were listed on the Stock Exchange of Hong Kong Limited (the "HKSE") on 16 December, 1994.

於二零一二年十二月三十一日，本公司總股本為1,376,806,000股，其中在香港聯交所流通的H股為675,571,000股。

As at 31 December, 2012, the total share capital of the Company comprised of 1,376,806,000 shares, of which 675,571,000 shares were H shares traded on the HKSE.

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：

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

- 火電主機設備：單機容量最大達1,000MW級之鍋爐、汽輪機及汽輪發電機，中國之最大清潔煤燃燒設備製造基地、CFB、PFBC等，佔國內市場份額超過30%；
- Thermal power main equipments: boilers, steam turbines and steam turbine generators with single unit capacity up to 1,000MW, the largest manufacturing base in the PRC for clean coal combustion equipment, CFB, PFBC, etc, accounting for 30% market share in the PRC;
- 水電主機設備：單機容量最大達800MW級之水力發電機組，佔國內市場份額超過50%；
- Hydro power main equipments: hydro power generators units with single unit capacity up to 800MW class, accounting for more than 50% market share in the PRC;
- 核電主機設備：單機容量最大達1,000MW等級之核電廠核島及常規島設備；
- Nuclear power main equipments: nuclear island and conventional island equipments for nuclear power plants with single unit capacity up to 1,000MW class;
- 氣電成套設備：9F級、9E級燃氣輪機及燃氣蒸汽聯合循環機組；
- Complete set of steam power equipment: 9F class and 9E class gas turbine and combined gas and steam cycle set;
- 清潔能源：風力發電設備、太陽能光熱發電、潮流能發電、海水淡化等產品的研製開發與生產；
- Clean energy: R&D and production of products such as wind power, solar energy, hydro power and desalination;

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

- 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；
- 電站工程總承包；
- 火電及水電設備成套服務；
- 電站設備進出口業務；
- 電站設備產品售後服務；
- 成套發電設備的工程化技術研究與開發；
- 發電設備及其配套產品的研究與開發；
- 技術轉讓、技術諮詢和技術服務；
- 脫硫脫硝等環保工程業務。

- Other products: ancillary equipment for power stations, 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;
- Contract supply of complete sets of thermal and hydro power equipment;
- Import and export of equipment for power stations;
- After sales service for power station equipment products;
- R&D of engineering technology for turnkey power equipment;
- R&D of power equipment and its ancillary products;
- Technology transfer, technical consultation and services;
- Environmental protection engineering services, such as desulfation and denitrification.

本集團匯集了國內一流的科研、技術、管理精英人才，擁有先進的生產和科研試驗設備，研究發開能力、生產製造能力和電站承建能力在中國發電設備製造商中居前列。

The Group possesses a pool of top talents in scientific research, technology and management, as well as a comprehensive range of advanced production and research facilities. Its capabilities in research and development, production and manufacturing and power station construction are among the best in the power plant equipment manufacturing industry in the PRC.

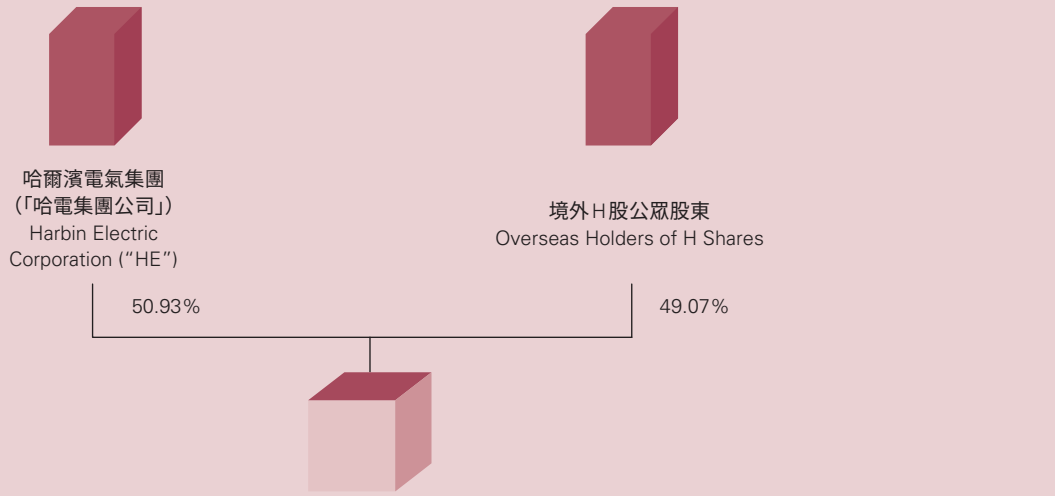
本集團地處聞名中外的中國哈爾濱，被譽為「動力之鄉」

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

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

公司架構及主營業務

CORPORATE STRUCTURE AND MAIN BUSINESS LINE



財務摘要(續)
Financial Highlights (continued)

五年業績、資產及負債概況

Summary of Results, Assets and Liabilities of the Past Five Years

	Unit	**截止十二月三十一日止年度 Year ended 31 December,**				
	單位	**2012**	2011	2010	2009	2008
			（重列）			

財務摘要(續)
Financial Highlights (continued)

按主要產品分類營業額及利潤貢獻 Turnover and contribution to operating profit by major product categories	截至2012年12月31日止年度 Year ended 31 December, 2012 營業額 Turnover 人民幣千元 RMB'000	營業利潤貢獻 Contribution to operating profit 人民幣千元 RMB'000	截至2011年12月31日止年度 Year ended 31 December, 2011 營業額 Turnover 人民幣千元 RMB'000	營業利潤貢獻 Contribution to operating profit 人民幣千元 RMB'000
火電主機設備 Main thermal power equipment	**15,492,620**	**3,452,702**	17,295,041	3,842,950
水電主機設備 Main hydro power equipment	**3,800,862**	**1,263,199**	3,162,786	958,992
電站工程服務 Engineering services for power stations	**3,354,372**	**314,651**	5,104,920	278,315
電站輔機及配套設備 Ancillary equipment for power stations	**992,595**	**232,444**	719,100	286,505
交直流電機及其他產品與服務 AC/DC motors and other products and services	**2,354,737**	**317,743**	2,205,935	343,872
	25,995,186	**5,580,739**	28,487,782	5,710,634
其他業務收益 Profit from other activities		**237,705**		330,779
未分配到主要產品之費用 Expenses not allocated to major products		**(4,072,311)**		(4,401,453)
除				

報告期內，本集團深化結構調整，加快轉型升級，取得顯著成效。一是核電業務厚積薄發，突破了蒸汽發生器國產化關鍵工序，增加了非能動餘熱排出熱交換器這一新的核島產品，完成了二代改進型核電首件產品 — 穩壓器的製造，實現了常規島主輔設備完工發貨，建成並啓用了核主泵小流量、全流量試驗台，成功研製了二代改進型核主泵電機，成功組建北京核電設備設計院並進軍核島設計領域。二是氣電業務再添新品，完成了首台燃壓機組樣機裝配，初步形成了生產能力。三是風電業務簽訂了總承包合同，填補了此類業績空白。四是太陽能光熱發電業務取得突破，首次簽訂了光熱發電站設備供貨合同。五是潮汐發電業務穩步推進，簽訂了潮汐電站設備供貨合同。同時，規模下滑和產品結構進一步優化的壓力依然很大。

During the reporting period, the Group deepened its structural adjustment with a view to speeding up its transformation and upgrading, which did achieve significant improvements. Firstly, the Group accumulated strength to prepare for arising opportunities, and achieved breakthrough on key process in the locally-made steam generators, added to its product mix the passive residual heat removal exchanger, a new nuclear island product, and at the same time completed the manufacturing of the voltage regulator, our first second-generation of modified nuclear products. We have completed and delivered the main and auxiliary equipment of the conventional island, and built the small-flow and maximum-flow nuclear main pump testing station which is now in operation. We have successfully developed the second generation of modified nuclear main pump generator. Also, we have established the Beijing Nuclear Equipment Design House (北京核電設備設計院) to set foot in the nuclear island designing business. Secondly, we have added to our fuel gas businesses, and assembled our first fuel gas compressor unit, thus established our preliminary productivity. Thirdly, the wind power segment has signed a turn-key contract and filled the performance gap of the segment. Fourthly, the photovoltaic power generation segment achieved breakthrough by finalizing the thermal power equipment supply contract. Finally, the tidal power segment sustained a steady growth and signed the tidal power equipment supply contract. Meanwhile, pressure of downscaling and optimizing product structure of the Group remains.

年內，本集團致力於技術創新和產品升級，共獲取190項專利授權和17項國家及省部級科研獎項。

During the year, the Group endeavored to innovate its technologies and upgrade its products, and was granted 190 patent authorizations and 17 science and technology awards at national, provincial and ministerial levels.

報告期內，本集團高度重視投資者關係管理，與投資者保持密切溝通，榮獲「最佳投資者關係管理上市公司」獎項。

During the reporting period, the Group placed high importance on investors' relation management. We kept close communication with our investors, and was awarded the "Best Listed Company for Investors' Relation Management (最佳投資者關係管理上市公司)".

展望2013年，國際經濟形勢依然錯綜複雜、充滿變數，世界經濟低速增長態勢仍將延續，中國經濟增長下行壓力和產能相對過剩的矛盾有所加劇，發電設備市場風險與機遇並存，開發難度增大。面對困難和挑戰，本集團將緊緊圍繞國家「穩中求進」的工作總基調，堅定不移地大力開拓市場，堅定不移地抓好結構調整，堅定不移地突出創新驅動，堅定不移地深化企業改革，堅定不移地推進管理提升，堅定不移地謀求持續發展，以最大的努力和業績回饋各位股東。

Looking forward in 2013, the global economy will remain complex with numerous variables, and slowdown in growth of the world economy will persist. China will be further characterized by the conflicting phenomenon of downward pressure on economic growth and overcapacity, and the power-generating equipment market is facing both risks and opportunities, which makes further development more difficult. Braving all difficulties and challenges, the Group will unswervingly explore new markets, implement structural adjustment, effect innovation, deepen corporate reforms, improve management and strive for sustainable development, strictly under the general principle of "Making Progress while Ensuring Stability" set by our government, to reward our shareholders with utmost efforts and performance.

最後，感謝各位股東的理解和信任，感謝董事會、監事會各位同仁的支持和貢獻，感謝全體員工的付出和努力。

Last but not least, I would like to express my gratitude to our shareholders for their understanding and trust, to my colleagues on the Board of Directors and Board of Supervisors for their support and contribution, and to all of our staff members for their efforts and dedication.

董事長
宮晶堃

於中國 • 哈爾濱，二零一三年三月二十三日

Chairman
Gong Jing-kun

Harbin, the PRC, 23 March 2013

管理層論述與分析
Management Discussion and Analysis

（貨幣名稱除特殊標注外均為人民幣）
(Unless otherwise stated, all amounts are denominated in Renminbi)

在閱讀本部分內容之時，請同時參閱本年報其他部分所載之財務報表及附註。

This section must be read in conjunction with the financial statements and notes to the financial statements as set out elsewhere in this annual report.

宏觀經濟與行業發展

2012年，世界經濟延續2011年下行趨勢。發達國家復蘇乏力，增速低迷；新興經濟體增速普遍放緩，國際貿易增速明顯下滑。中國加強和改善宏觀調控，經濟社會發展呈現穩中有進的良好態勢，GDP增長達到7.8%。

MACRO ECONOMY AND INDUSTRY DEVELOPMENT

In 2012, the global economy remained sluggish as in 2011. Developed countries endured a feeble recovery and a slowdown in growth rate, while emerging economies faced an overall downturn in growth, and the international trade expansion was in a notable downtrend. The PRC intensified and enhanced its macro control measures, resulting in a steady development in its social economy with a GDP growth rate of 7.8%.

國際電力市場受全球經濟形勢的影響較大，不穩定性進一步增加。中國電力消費增長平緩，全社會用電量同比增長5.5%，新增發電裝機容量達到80,200MW。截至2012年底，中國發電裝機容量達到1,144,910MW。

Under the influence of the global economic trend, the international power market saw increasing uncertainty. China's power consumption sustained steady growth, power consumption across China grew at 5.5% over the previous year, and newly installed capacity of the power generating units reached 80,200MW. As at the end of 2012, power generating units nationwide has a capacity of 1,144,910MW.

訂貨情況

2012年，面對複雜嚴峻的國際經濟形勢和異常激烈的市場競爭，哈爾濱電氣股份有限公司及其附屬公司（下稱「本集團」）精心謀劃、沉著應對，以提高用戶滿意度為核心，大力開拓市場，實現新簽訂單524.95億元，其中火電設備211.85億元，佔簽約總額的40.36%；水電設備28.84億元，佔簽約總額的5.49%；核電設備28.95億元，佔簽約總額的5.51%；氣電設備55.49億元，佔簽約總額的10.57%；風電設備8.89億元，佔簽約總額的1.69%；電力工程（扣除重複）129.48億元，佔簽約總額的24.66%；其他產品61.45億元，佔簽約總額的11.72%。

NEW CONTRACTS

In 2012, confronted by the complicated global economic development and highly competitive environment, Harbin Electric Company Limited and its subsidiaries (hereinafter as the "Group") devised its strategies with assertiveness, and focused on promoting satisfactory of its clients and endeavored to develop new markets, realizing RMB52.495 billion worth of new contracts, of which RMB21.185 billion (or 40.36% of total contract value) for thermal power equipment, RMB2.884 billion (or 5.49% of total contract value) for hydropower equipment, RMB2.895 billion (or 5.51% of total contract value) for nuclear power equipment, RMB5.549 billion (or 10.57% of total contract value) for hybrid equipment, RMB0.889 billion (or 1.69% of total contract value) for wind power equipment, RMB12.948 billion (net of duplication) (or 24.66% of total contract value) for power engineering, and RMB6.145 billion (or 11.72% of total contract value) for other products.

火電產品取得百萬項目重大突破，簽訂了雷州項目1,000MW超超臨界三大主機供貨合同和羅源灣項目1,000MW機、電供貨合同，還簽訂了國內首個同時採用二次再熱技術和塔式鍋爐技術的萊蕪項目1,000MW鍋爐供貨合同。

The thermal power equipment segment has achieved the millionth project breakthrough, and the Group signed a new contract for supplying 3 major units of 1,000MW ultra supercritical boilers for the Leizhou project, a new contract to supply the 1,000MW unit and power supply for the Luoyuan Bay project, as well as the new contract to supply the 1,000MW boiler for the Laiwu project, the first project in China to implement both the double-reheating technology and the tower boiler technology.

生產與服務

2012年，本集團發電設備產品產量為23,866.60MW，比上年同期增加6.87%，其中水輪發電機組完成7,188.30MW，比上年同期增加2.18%；汽輪發電機完成14,719MW，比上年同期減少3.78%；核電發電機完成1,926MW，產量實現突破；風電機組完成33.30MW，已初具規模。

在客戶資金緊張、項目暫停暫緩較多的不利形勢下，本集團結合實際情況，通過及時與用戶溝通、加強項目預警、科學排產等積極有效的應對措施，控制關鍵環節，強化協調與考核，較好地完成了全年生產任務，基本滿足了客戶的要求。

PRODUCTION AND SERVICES

The total output of the Group's power equipment for 2012 reached 23,866.60MW, representing an increase of 6.87% over the previous year, among which the capacity of water turbine generators amounted to 7,188.30MW, increased by 2.18% over the previous year; the capacity of steam turbine generators amounted to 14,719MW, decreased by 3.78% from the previous year; the nuclear generator segment realized a breakthrough in its productivity, the capacity of which amounted to 1,926MW; and the capacity of wind power generator amounted to 33.30MW, which has begun to take shape in terms of production scales.

Facing negative factors such as tightened funding of clients and increasing hold-ups and delays of projects, the Group has taken practical situation into account before implementing effective measures in response, such as conferring closely with its users, as well as enhancing the forewarning system and systematic scheduling of projects, with the view to attain better control over key links in productions and to reinforce coordination and assessment measures, so as to complete all production tasks during the year, and essentially satisfy demands of our clients.

科研開發與技術引進

2012年，本集團獲得專利授權190項，完成科研課題359項，獲各類獎項17項，其中，《實現無燃油燃煤電廠的成套技術研究與應用》榮獲國家科學技術進步二等獎。

國家863計劃項目《整體煤氣化聯合循環顯熱回收關鍵設備的研製》和《鎳基合金大型零件高效切削技術及應用》順利通過驗收，國家科技支撐計劃項目《1000MW水力發電機組研究》通過科技部驗收。

在核電壓力容器、廢熱鍋爐、燃壓機組、太陽能光熱發電等相關技術研發方面均取得階段性進展。

R&D AND TECHNOLOGY INTRODUCTION

In 2012, the Group was granted 190 patent authorizations, and completed 359 R&D projects, as well as received 17 accolades from various disciplines awarded, among which the《實現無燃油燃煤電廠的成套技術研究與應用》won the second prize of National Science and Technology Progress Award.

The National High Technology Research and Development Program 863《整體煤氣化聯合循環顯熱回收關鍵設備的研製》and《鎳基合金大型零件高效切削技術及應用》has passed inspection, while the National Key Technology Research and Development Program《1000MW水力發電機組研究》has been approved by the Ministry of Science and Technology.

The Group has achieved stage result in several technology research and development aspects, such as nuclear compressors, waste heat boilers, fuel gas compressor units and photovoltaic power generators.

改革與管理

製定了管理提升整改方案，經過自我診斷，梳理出五個方面短板和瓶頸問題，編製了專項整改計劃，提出了具體的整改措施，整改工作有序、深入開展。

通過加強資金使用控制、降低成本費用，在銷售收入下降的不利局面下，實現了利潤同比增長。

為了提高核電成套供貨能力，成立了北京核電設備設計院，各項工作逐步走入正軌，取證和技術轉化工作穩步推進。

為了增強公司發展後勁，緩解資金壓力，完成了發行40億元公司債券的籌備工作。

REFORM AND MANAGEMENT

The Group has implemented the management enhancing scheme through self-evaluation, and has identified five short planks and bottlenecks problems. The Group formulated rectifying plans accordingly, and introduced concrete rectifying actions to execute such detailed improving measures orderly.

Through tightening control over use of funding and lowering costs and expenses, the Group achieved profit growth over the previously year despite unfavorable factors such as drop in sales income.

In order to increase the capacity of our nuclear assemble supply business, the Group has established the Beijing Nuclear Equipment Design House (北京核電設備設計院). All processes are on track, and data-mining and know-how transfer procedures are underway.

Also, the Group had completed the preparation work for the issuance of corporate bonds in a principal amount of RMB4 billion in order to boost development of the Company as well as to alleviate funding pressure.

溢利

2012年，實現本公司股東應佔淨溢利140,826萬元，比上年同期增加14.62%；每股盈利人民幣1.02元，比上年同期增加0.13元；期末本公司股東應佔資產淨值為1,185,392萬元，比年初增加125,230萬元；每股資產淨值為8.61元，比年初增加0.91元。

期內，本集團溢利增加的主要原因是由於毛利率提升所致。

PROFIT

In 2012, net profit attributable to the shareholders of the Company was RMB1,408.26 million, an increase of 14.62% over the previous year; earnings per share were RMB1.02, an increase of RMB0.13 over the previous year; net asset as at the end of the period attributable to the shareholders of the Company were RMB11,853.92 million, an increase of RMB1,252.30 million compared to the beginning of the year; net asset per share was RMB8.61, an increase of RMB0.91 compared to the beginning of the year.

During the period, the increase of Group profit was mainly attributable to increased gross profit margin.

股息

董事會建議派發2012年度股息為每股人民幣0.10元(含適應稅率)。

DIVIDEND

A dividend of RMB0.10 per share (appropriate tax included) for 2012 was proposed by the board of directors.

營業額

2012年，本集團實現主營業務收入2,599,519萬元，比上年同期下降8.75%。其中，火電主機設備的營業額為1,549,262萬元，佔主營業務收入的59.60%，比上年同期下降10.42%；水電主機設備的營業額為380,086萬元，佔主營業務收入的14.62%，比上年同期增加20.17%；電站工程服務的營業額為335,437萬元，佔主營業務收入的12.90%，比上年同期下降34.29%；電站輔機及配套產品的營業額為99,260萬元，佔主營業務收入的3.82%，比上年同期增加38.03%；交直流電機及其他產品與服務的營業額為235,474萬元，佔主營業務收入的9.06%，比上年同期增加6.75%。

2012年，本集團出口收入為401,049萬元，佔主營業務收入的15.43%，比上年同期減少196,482萬元，主要出口亞洲、南美洲等地區。

成本

2012年，本集團的主營業務成本為2,041,445萬元，比上年同期下降10.37%，主要原因是本集團加強成本控制取得成效。

毛利及毛利率

2012年，本集團主營業務實現毛利為558,074萬元，比上年同期下降2.27%，毛利率為21.47%，比上年同期上升1.42個百分點。其中，火電主機設備毛利為345,270萬元，比上年同期減少39,025萬元，毛利率為22.29%，比上年同期增長0.07個百分點；水電主機設備毛利為126,320萬元，比上年同期增加30,421萬元，毛利率為

TURNOVER

In 2012, the Group recorded a turnover of principal business activities of RMB25,995.19 million, a decrease of 8.75% over the previous year. In particular, turnover of the thermal power main equipment business was RMB15,492.62 million, a decrease of 10.42% over the previous year, representing 59.60% of the turnover of the principal business activities. Turnover from hydropower main equipment was RMB3,800.86 million, an increase of 20.17% over the previous year, representing 14.62% of the turnover of the principal business activities. Turnover of power plant engineering services was RMB3,354.37 million, a decrease of 34.29% over the previous year, representing 12.90% of the turnover from the principal business activities. Turnover of ancillary equipment for power stations was RMB992.60 million, an increase of 38.03% over the previous year, representing 3.82% of the turnover from the principal business activities. Turnover of AC/DC motors and other products and services was RMB2,354.74 million, an increase of 6.75% over the previous year, representing 9.06% of the turnover of the principal business activities.

In 2012, the Group recorded a turnover of export of RMB4,010.49 million, representing a decrease of RMB1,964.82 million over the previous year and accounted for 15.43% of the turnover of the principal business activities. The export was mainly to such regions as Asia and South America.

COST

In 2012, the cost of the principal business activities of the Group was RMB20,414.45 million, a decrease of 10.37% over the previous year. The decrease was mainly due to the Group's effort in cost control paid off.

GROSS PROFIT AND GROSS PROFIT MARGIN

In 2012, the gross profit from the principal business activities of the Group was RMB5,580.74 million, a decrease of 2.27% over the previous year. The gross profit margin was 21.47%, an increase of 1.42 percentage points over the previous year. Among them the gross profit from thermal power main equipment was RMB3,452.70 million, a decrease of RMB390.25 million over the previous year. The gross profit margin for thermal power main equipment was 22.29%, an increase of 0.07 percentage points over the previous year. The gross profit from

33.23%，比上年同期增長2.91個百分點；電站工程服務毛利為31,465萬元，比上年同期增加3,633萬元，毛利率為9.38%，比上年同期增長3.93個百分點；電站輔機及配套產品毛利為23,244萬元，比上年同期減少5,406萬元，毛利率為23.42%，比上年同期減少16.42個百分點；交直流電機及其他產品與服務的毛利為31,775萬元，比上年同期減少2,612萬元，毛利率為13.49%，比上年同期下降2.1個百分點。

hydropower main equipment was RMB1,263.20 million, an increase of RMB304.21 million over the previous year. The gross profit margin for hydropower main equipment was 33.23%, an increase of 2.91 percentage points over the previous year. The gross profit from power plant engineering services was RMB314.65 million, an increase of RMB36.33 million over the previous year. The gross profit margin for power plant engineering services was 9.38%, an increase of 3.93 percentage points over the previous year. The gross profit from ancillary equipment for power stations was RMB232.44 million, a decrease of RMB54.06 million over the previous year. The gross profit margin for ancillary equipment for power stations was 23.42%, an increase of 16.42 percentage points over the previous year. The gross profit from the AC/DC motors and other products and services was RMB317.75 million, a decrease of RMB26.12 million over the previous year. The gross profit margin for the AC/DC motors and other products and services was 13.49%, a decrease of 2.1 percentage points over the previous year.

期間費用

2012年，本集團發生營業費用63,237萬元，比上年同期增加7,433萬元，增幅為13.32%。

2012年，本集團發生管理費用332,087萬元，比上年同期增加28,069萬元，增幅為9.23%。

期間費用增加的主要原因是：運費、差旅費、折舊費和研發費用增加所致。

EXPENSES DURING THE PERIOD

The Group's expenses for operation activities during 2012 amounted to RMB632.37 million, an increase of RMB74.33 million or 13.32% over the previous year.

Expenses for administration activities during 2012 amounted to RMB3,320.87 million, an increase of RMB280.69 million or 9.23% over the previous year.

The increase in expenses during the period was mainly due to the increase in transportation costs, travel allowances, depreciation charges and R&D expenses.

利息支出

2012年，本集團發生財務費用5,677萬元，比上年同期減少1,578萬元。

INTEREST EXPENSE

In 2012, the Group has incurred financial charges of RMB56.77 million, a decrease of RMB15.78 million over the previous year.

資金來源及借款情況

本集團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母公司批准。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2012年12月31日，本集團借款總額為213,291萬元(2011年12月31日為189,586萬元)，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，須於一年內償還的借款為115,160萬元，比年初增加56,998萬元；須於一年後償還的借款為98,131萬元，比年初減少33,293萬元。

存款及現金流量

截至2012年12月31日，本集團銀行存款及現金為864,783萬元，比年初增加12,855萬元。期內，本集團經營業務現金流入淨額為47,553萬元；投資業務現金流出淨額為128,893萬元；融資業務現金流入淨額為70,163萬元。

資產結構及變動情況

截至2012年12月31日，本集團資產總值為5,463,241萬元，比年初增加423,636萬元，增幅為8.41%。其中，流動資產4,633,106萬元，佔資產總值84.81%；非流動資產830,135萬元，

負債

截至2012年12月31日，本集團負債總額為4,096,821萬元，比年初增加309,539萬元。其中，流動負債總值為3,383,784萬元，佔負債總值的82.60%；非流動負債總值為713,037萬元，佔負債總值的17.40%，截止2012年12月31日本集團的資產負債率為74.99%。

LIABILITIES

As at 31 December 2012, the Group's total liabilities amounted to RMB40,968.21 million, an increase of RMB3,095.39 million compared to the beginning of the year, among which total current liabilities were RMB33,837.84 million, representing 82.60% of the total liabilities, and total non-current liabilities were RMB7,130.37 million, representing 17.40% of the total liabilities. As at 31 December 2012, the gearing ratio of the Group was 74.99%.

股東權益

截至2012年12月31日，本公司股東應佔權益總額為1,185,392萬元，比年初增加125,230萬元；每股資產淨值為8.61元。期內，本集團淨資產收益率為12.54%。

SHAREHOLDERS' EQUITY

As at 31 December 2012, the total equity attributable to the shareholders of the Company amounted to RMB11,853.92 million, an increase of RMB1,252.30 million compared to the beginning of the year; the net asset per share was RMB8.61. During the period, the net asset return rate of the Group was 12.54%.

資本與負債比率

截至2012年12月31日，本集團的資本槓桿比率(非流動負債比股東權益總額)為0.60：1，年初為0.83：1。

GEARING RATIO

As at 31 December 2012, gearing ratio of the Group (non-current liabilities over total shareholders' equity) was 0.60:1 as compared to that of 0.83:1 at the beginning of the year.

或有負債及抵押

截至2012年12月31日，本集團有36,236萬元資產抵押用於流動資金貸款。

CONTINGENT LIABILITIES AND PLEDGE OF ASSET

As at 31 December 2012, the Group pledged its assets in the amount of RMB362.36 million to secure loans for liquidity.

資本開支及所持重大投資情況

2012年，本集團用於基本建設和技術改造的資本開支總額為11.06億元。投資建設項目進展情況如下：

核電反應堆冷卻劑泵組製造技術改造、大功率海上風電機組基地建設以及煤化工、IGCC、大型化工容器產品製造技術改造等三個項目已建設完成。

CAPITAL EXPENDITURES AND MAJOR INVESTMENTS

In 2012, the Group has a total capital expenditure of RMB1,106 million invested in infrastructure constructions and technological upgrades. The particulars of the investments and construction projects are as follows:

Nuclear reactor-cooling agent pump units manufacturing technology upgrade, high-capacity offshore wind turbine base construction, as well as the 3 technological upgrade projects for coal chemicals, IGCC and large-scale chemical engineering equipment have been completed.

科研基地一期工程主樓主體結構建至20層，裙樓主體結構已完成。

In regard to Phase I of the scientific research base, the framework construction up to 20th floor of the main building and the framework construction for the auxiliary building have been completed.

燃燒試驗中心建設項目土建工程全部完成，實現廠房暖封閉。

The civil engineering construction of our combustion trial center has been completed, which completed the enclosed heating system of our factory.

核電核島主設備製造自主化完善、核電輔機產品製造自主完善化建設、重型燃氣輪機關鍵部件研製重點實驗室等項目均按計劃順利實施。

Projects including the nuclear power nuclear island main equipment manufacturing automation, the construction work for nuclear power ancillary equipment manufacturing automation, and heavy gas turbine key compartment main R&D laboratory have been carried out as scheduled.

2013年，本集團計劃投資10.73億元。主要用於科研基地一期工程、重型燃氣輪機關鍵部件研製重點實驗室、西南水電設備製造基地等項目。

In 2013, the Group intends to commit an investment of RMB1,073 million, which will be mainly used for Phase I of the scientific research base, the heavy gas turbine key compartment main R&D laboratory and the Southwest hydropower equipment manufacturing base.

截止2012年12月31日，本公司持有股票情況如下：

As at 31 December 2012, the shareholdings by the Company were as follows:

大唐國際發電股份有限公司2億股(A股)；

200 million A shares of Datang International Power Generation Co., Ltd.;

國電電力發展股份有限公司1.6億股(A股)；

160 million A shares of GD Power Development Co., Ltd.;

內蒙古蒙電華能熱電股份有限公司0.5億股(A股)。

50 million A shares of Inner Mongolia MengDian HuaNeng Thermal Power Corporation Limited.

匯率波動風險及相關對沖

本集團擁有部分外幣存款，於2012年12月31日，本集團外幣存款折合人民幣為114,081萬元。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 denominated in foreign currencies. As at 31 December 2012, the amount of the Group's deposits in foreign currencies was equivalent to RMB1,140.81 million. The export business and foreign currencies settled businesses expose the Group to exchange risk.

募集資金運用

本集團募集資金已用完，2012年無募集資金使用情況。

USE OF FUND-RAISING PROCEEDS

The Group has fully utilized its fund-raising proceeds and no other usage of fund-raising proceeds was recorded in 2012.

員工及薪酬

截止2012年12月31日，本集團擁有在崗員工22,065人，薪酬總額為16.49億元。本集團通過多種渠道加大招聘力度，補充發展需要的專業人才，深入推進全員業績考核，進一步加強培訓工作，員工隊伍素質不斷提高。

展望

2013年，國際金融危機深層次影響持續顯現，世界經濟復蘇充滿不確定性、不穩定性；中國經濟增長下行壓力和產[illegible]

STAFF AND REMUNERATION

As at 31 December 2012, the Group had a workforce of 22,065 employees and the total remuneration amounted to RMB1,649 million. The Group recruit its staff members through multiple channels to attract professionals for our development, while performing in-depth appraisal for the entire staff and provide further training, so as to continuously improving the performances of our staff.

PROSPECT

In 2013, underlying impact of the international financial crisis persist, creating uncertainty and insecurity in the global economic recovery. The PRC is under a conflicting downward pressure on economic growth and relative productivity surplus, bringing the GDP growth rate forecast to 7.5%. The power equipment market is challenged by both risks and opportunities, which makes further development more difficult. It is expected that the production volume and results will be substantially decreased due to the delay and cancellation of orders. In coping with unfavorable conditions such as corporate downsizing, the Group targets to halt the downtrend and maintain its scale while on the lookout for expanding opportunities. The Group endeavors to explore new markets, adjust group structure, encourage innovations, carry out corporate reforms, and enhance business management, and is committed in bringing maximum returns to our investors.

The Group will focus on accomplishing the following tasks in 2013:

1. **Develop markets and explore potentials to encourage sustainable development**

   The Group will strengthen and maintain its shares in the existing markets, while actively develop the international market and expedite market development for our new projects, to cultivate our modernized service and manufacturing business as the new source of economic growth.

   Leveraging on our projects at hand, we will direct our efforts to the development of new products, such as seawater desalination, photovoltaic power generation, fuel gas compressor units, and tidal power generation, and speed up the structural adjustment and business upgrades of the Group.

加大設備成套供貨市場開發力度，健全和完善設備成套供貨的營銷模式、管理模式。

The Group will step up in developing the equipment assemble supply market, and refine its marketing and management models for the equipment assemble supply business.

積極實施集團化發展戰略，按照成套帶主機、主機帶配套的原則，發揮協同效應，實現協同發展。

We will actively implement our group development strategies under the principle of "assemble supply leading the main equipment segment, which in turn drives the ancillary equipments segment", and strive for economies of scales and synergies in development.

充分利用現有產能和資源，深入挖掘內部生產能力，減少外委外擴。

The Group will make use of its current capacity and resources, to capitalize on its internal productivity in order to minimize sub-contracting and outsourcing.

二、 優化體系，強化創新，提高競爭實力

2. Optimize organization and encourage innovations to build up competitive edges

根據國家產業政策和能源發展戰略，針對新興產業和科研重點項目，集中優勢技術資源，組建科研攻關聯盟。

In keeping with the national industrial policies and energy development strategies, the Group will focus on major projects in developing new industries and research and development therein, and put its competitive technology resources to form committees in tackling key science and technology frontiers.

完善、規範核電設計院運行，通過加強管理及核文化建設，做好技術研發和核電資質取證工作，增強核島主設備成套供貨能力。

We will foster and regulate the operation of our Nuclear Design House, and put our effort in managing and cultivating the nuclear culture, with the view to support the technology R&D and nuclear power quality data-mining procedures, so as to strengthen our nuclear island equipment assemble supply business.

圍繞國家節能減排的要求，加快攻關，提升產品性能指標，早出成果，帶動脫硫、脫硝等環保業務發展。

In response to the energy-saving and waste-reduction requirements of the government and to prompt breakthroughs, the Group strives to achieve higher standards of product functions, to spur favorable outcomes which will drive our environmental-friendly businesses such as desulfation and denitration.

加大知識產權管理工作，積極組織專利申報，推進技術成果固化和應用。

The Group will further its intellectual properties management, and will seek out patent registrations, so as to solidify and apply our technologies achievements.

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

董事

非執行董事

宮晶堃先生，一九五八年七月出生，博士學位，高級工程師職稱，現任本公司董事長及哈電集團公司董事長。宮先生一九八二年畢業於瀋陽機電學院，後就讀於哈爾濱工業大學，獲博士學位。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，九月起任本公司副董事長。二零零六年五月起任哈電集團公司董事長，同年九月起任本公司董事長。

鄒磊先生，一九六六年六月出生，博士學位，高級經濟師職稱，現任本公司董事及哈電集團公司董事、總經理。鄒先生一九八八年七月畢業於佳木斯工學院機械設計與製造專業，取得學士學位，後於哈爾濱工業大學取得博士學位。一九八八年八月加入哈電集團。鄒先生曾任原哈爾濱鍋爐廠生產處總調度室調度員、黨辦秘書、團委副書記、書記，鍋爐公司管子一分廠黨支部書記、重容分廠廠長、平山分廠廠長，鍋爐公司生產長、副總經理、董事長、總經理兼黨委副書記。二零零八年十二月起任哈電集團公司黨委常委、董事、總經理。二零零九年二月起任本公司董事。

DIRECTORS

Non-executive Directors

Mr. Gong Jing-kun, born in July 1958, a senior engineer with a doctor's degree, now chairman of the Company and HE. Mr. Gong was graduated from Shenyang Institute of Machinery and Electronics in 1982. Later on, he obtained a doctor degree from Harbin Institute of Technology. Mr. Gong joined HE in 1982. He has been deputy director of production division, deputy manager of production department, manager of hydropower workshop in the 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 deputy chairman and general manager of HE and in September 2000, Mr. Gong was appointed as deputy chairman of the Company. In May 2006, he was appointed as chairman of HE and on September of the same year, chairman of the Company.

Mr. Zou Lei, born in June 1966, a senior economist with a doctor's degree, a director of the Company and director and general manager of HE. Mr. Zou was graduated from Jiamusi Technical College in July 1988, and was conferred a bachelor's degree in mechanical design and manufacture. Then he obtained a doctorate degree from Harbin Institute of Technology. Mr. Zou joined HE in August 1988 and was the dispatcher, Party office secretary, league deputy secretary, secretary in dispatching room of production division in the former Harbin Boiler Works, Party branch secretary of pipe first branch factory, factory director of heavy vessel workshop, factory director of Pingshan branch factory, production director, deputy general manager, chairman, general manager and Party committee deputy secretary of Harbin Boiler Company Limited. Since December 2008, Mr. Zou was elected as standing committee member of the Party Committee, director and general manager. He has been a director of the Company since February 2009.

段洪義先生，一九六三年二月出生，工商管理碩士學位，高級經濟師職稱，現任南光(集團)有限公司總經理。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。二零零零年八月起任哈電集團公司副總經理。二零一二年四月起任南光(集團)有限公司總經理。二零零零年九月起任本公司董事，二零一三年一月辭任。

Mr. Duan Hong-yi, born in February 1963, is a senior economist with an MBA degree. He now serves as a general manager of Nam Kwong (Group) Company Limited. Majoring in mechanical engineering, Mr. Duan was graduated from Harbin Electrical Machinery College in 1982 and joined HE in the same year. Mr. Duan has been a comprehensive planner and deputy manager of the planning department of the former Boiler Works of the Group. In 1994, he participated in the reorganization of HE to be a shareholding enterprise and the issuance and listing of the Company's shares. Since 1995, he has been a vice director and the director of the planning and accounting department and a deputy chief accountant of the Company, a supervisor and a deputy general manager of the Turbine Company of the Group, and a vice chairman of Harbin Power Technology & Trade Inc. of the Group. He was appointed as a deputy general manager of HE since August 2000, and a general manager of Nam Kwong (Group) Company Limited since April 2012. He was also appointed as a director of the Company in September 2000 and resigned in January 2013.

張英健先生，一九六四年十一月出生，碩士學位，高級工程師職稱，現任哈電集團公司副總經理，哈爾濱電氣集團佳木斯電機股份有限公司董事。張先生一九八八年七月畢業於清華大學熱能工程系燃氣輪機專業，取得學士學位，後於哈爾濱工業大學取得碩士學位。一九九一年加入哈電集團。張先生曾任本集團原哈爾濱電站設備進出口公司項目處工程師、項目經理、商務代表，副處長，原哈爾濱電站工程有限責任公司副總工程師兼計劃財務部副經理、公司副總經理等職務。二零零七年九月起任哈電集團公司副總經理。二零一三年一月起任本公司董事。

Mr. Zhang Ying-jian, born in November 1964, a master's degree holder and senior engineer, is currently the deputy general manager of HE and a director of Jiamusi Electric Machine Company Limited. Mr. Zhang was graduated from the Department of Thermal Engineering at Tsinghua University with a bachelor's degree in gas turbines in July 1988 and subsequently obtained a master's degree from Harbin Institute of Technology. He joined HE in 1991. Mr. Zhang was formerly a project engineer, project manager, business representative, deputy controller of Harbin Power Station Equipment Import and Export Company, deputy chief engineer, deputy manager of financial planning division and deputy general manager of Harbin Power Engineering Company Limited. He became the deputy general manager of HE since September 2007 and has been a director of the Company since January 2013.

宋世麒先生，一九五八年十二月出生，高級政工師職稱，現任哈電集團公司副總經理。宋先生一九八零年畢業於哈爾濱電機廠技工學校，後取得黑龍江省委黨校經濟管理專業研究生學歷。一九八零年加入哈電集團。宋先生曾任本集團原哈爾濱電機廠團委幹事、副書記、書記、特電分廠黨支部書記，原哈爾濱電站設備集團公司、本公司黨委常委、組織部部長，本公司總經理助理，一九九八年任本集團電機公司黨委副書記兼紀委書記、董事、常務副總經理、黨委書記兼副董事長等職務。二零零九年八月起任哈電集團公司副總經理。二零一三年一月起任本公司董事。

執行董事

吳偉章先生，一九六二年七月出生，博士學位，研究員級高級工程師職稱，現任本公司執行董事、總經理。吳先生一九八八年畢業於清華大學水利學及河流動力專業，獲碩士學位，同年加入哈電集團。曾任本集團電機公司大電機研究所水輪機室副主任、副所長、水電分廠副廠長、電機公司副總工程師兼產品設計部副部長等職務。一九九九年任本集團電機公司副總經理，二零零零年十月任電機公司董事長兼總經理。吳先生二零零二年獲清華大學博士學位。吳先生還兼任中國電器工業協會大電機分會理事長、中國動力工程水輪機專委會主任委員、中國水輪機標準化技術委員會主任委員、秘書長，哈爾濱工業大學、華中科技大學特聘教授等社會職務。二零零零副 、 副

商中福先生，一九六一年三月出生，工商管理碩士學位，研究員級高級工程師，現任本公司執行董事、副總經理。商先生一九八二年畢業於哈爾濱工業大學汽輪機專業，同年加入哈電集團。曾任本集團原汽輪機廠設計研究所副科長、副所長、副總經濟師、副總工程師等職務。一九九八年十月任本集團汽輪機公司副總經理。一九九九年十一月任本集團汽輪機公司董事長兼總經理。二零零零年九月起任本公司執行董事。二零零二年二月起任本公司副總經理。

Mr. Shang Zhong-fu, born in March 1961, is a senior engineer at researcher level with an MBA degree. He now serves as an executive director and deputy general manager of the Company. Majoring in steam turbine, Mr. Shang was graduated from Harbin Institute of Technology in 1982 and joined HE in the same year. He has been an assistant section head and deputy head of the Design Research Institute, deputy chief economist and deputy chief engineer of the former Turbine Works of the Group. He was appointed as a deputy general manager of the Turbine Company of the Group in October 1998 and then the chairman and general manager in November 1999 respectively. In September 2000, he was appointed as an executive director of the Company and in February 2002, as a deputy general manager of the Company.

獨立董事

孫昌基先生，一九四二年八月出生，研究員級高級工程師。現任本公司獨立董事、中國機械工業聯合會特別顧問、國家核電技術公司專家委副主任。孫先生一九六六年九月畢業於清華大學，一九六八年參加工作。先後任東方汽輪機廠科長、車間主任、副廠長、廠長等職務。一九九一年一月調任機械工業部生產司副司長，一九九三年四月任國家機械工業部副部長。一九九八年四月任國家機械工業局常務副局長(副部長級)。一九九九年一月起任中國銀行黨委副書記、副行長(副部長級)。一九九九年九月至二零零一年八月兼任中國東方資產管理公司總裁。二零零零年十一月起任中國銀行副董事長，二零零一年九月起兼任中銀香港副董事長，並於二零零三年六月兼任中國銀行紀委書記。自二零零四年八月起專任中銀香港副董事長，兼任中國機械工業聯合會副會長。二零零三年一月當選為中國人民政治協商會議第十屆全國委員會委員。二零零四年十月起兼任國家核電技術公司籌備組副組長。二零零九年十二月起任本公司獨立董事。

Independent Directors

Mr. Sun Chang-ji, born in August 1942, a senior engineer at researcher level, is an independent director of the Company and special advisor to China Machinery Industry Federation, and deputy head of the advisory committee for State Nuclear Power Technology Corporation. Mr. Sun was graduated from Tsinghua University in September 1966, and started his career in 1968. He worked in Sichuan Oriental Turbine Factory, serving as Section Head, Workshop Director, Deputy Factory Manager and Factory Manager. In January 1991, he was appointed as Deputy Director-general of the production department of the Ministry of Machinery Industry of the PRC, and later he became Vice Minister of the Ministry of Machinery Industry of the PRC in April 1993. In April 1998, he became First Deputy Director-general of the State Administration of Machinery Industry of the PRC (deputy ministerial level). He became Deputy Party Secretary and Vice President (deputy ministerial level) of Bank of China in January 1999, and served concurrently as President of China Orient Asset Management Corporation for the period from September 1999 to August 2001. He became Vice Chairman of Bank of China in November 2000, Vice Chairman of Bank of China (Hong Kong) Limited in September 2001 and Secretary of Commission for Discipline Inspection of Bank of China in June 2003 concurrently. From August 2004, he has been appointed as Vice Chairman of Bank of China (Hong Kong) Limited and Vice Chairman of China Machinery Industry Federation concurrently. He was elected as a member of the 10th CPPCC National Committee in January 2003, and deputy head of the Preparatory Team for State Nuclear Power Technology Corporation in October 2004 concurrently. Since December 2009, he has been an independent director of the Company.

賈成炳先生，一九四二年七月出生，大學本科學歷，高級工程師職稱，現任本公司獨立董事、中國機械工業聯合會特別顧問、中國鑄造協會理事長等職務。賈先生一九六五年畢業於合肥工業大學鑄造專業，同年七月參加工作。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、特別顧問、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。

Mr. Jia Cheng-bing, born in July 1942, a senior engineer with a bachelor's degree, is an independent director of the Company, special advisor to China Machinery Industry Federation, and president of China Foundry Association. He was graduated from Hefei University of Technology in Foundry in 1965, and started his career in July of the same year. He served as chief and deputy chief at Ministry of Machinery Electronics Industry and Ministry of Machine Building Industry, director of Personnel and Labor Division, head of office and Party Commissioner at Ministry of Machine Building Industry. From March 2001, he served as 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.). In February 2006, he was appointed as deputy managing directors and special advisor to China Machinery Industry Federation and president of China Foundry Association. He has been an independent director of the Company since September 2006.

李荷君女士，一九四四年六月出生，大學本科學歷，高級經濟師職稱，現任本公司獨立董事、西南鋁業(集團)有限公司副董事長、中國女企業家協會常務理事、金融理財諮詢委員會委員。李女士一九六六年畢業於中央財政金融學院(現中央財經大學)財政專業，同年八月參加工作。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諮詢委員會委員，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、金融理財諮詢委員會委員。二零零六年九月起任本公司獨立董事，二零一三年一月辭任。

Ms. Li He-jun, born in June 1944, a senior economist with a bachelor's degree, is an independent director of the Company, vice chairperson of the Board of Southwest Aluminum (Group) Co. Ltd, executive director of China Association of Women Entrepreneurs and committee member of the Financial Advisory Committee. Ms. Li was graduated from Central Institute of Finance and Economics (currently known as Central University of Finance and Economics) in Finance and Accounting in 1966, and started her career in August of the same year. She has served as chief and deputy chief of the Planning Commission of Henan Province, Vice President and Deputy Party Secretary of China Construction Bank Henan Branch. In 1993, she became President and Party Secretary of China Construction Bank Henan Branch and director of Henan Provincial Investment Association. In 1999, she became a directorate member of both the Executive Committee and the Audit Committee for China Cinda Asset Management Corporation. Since 2004, she has been appointed as a committee member of the Expert Advisory Committee of China Cinda Asset Management Corporation, vice chairperson of the Board of Southwest Aluminum (Group) Co. Ltd, vice chairperson of the Board of Shaanxi Hancheng Coal Company, executive director of China Association of Women Entrepreneurs and committee member of Finance Advisory Committee. She has been an independent director of the Company since September 2006 and resigned in January 2013.

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

白紹桐先生，一九六三年二月出生，畢業於東北電力學院，工學學士，高級工程師，中共黨員。曾任：電力工業部電力機械局電站處副處長、處長，中國華電電站裝備工程(集團)總公司電站裝備綜合部經理，中國華電電站裝備工程(集團)總公司副總經理，中國華電工程(集團)公司副總經理、總經理，中國華電集團公司江蘇分公司總經理等職務。二零一一年十二起，白先生任中共哈爾濱電氣集團公司黨委常委、紀委書記，同時任本公司黨委常委、紀委書記。二零一二年五月起任本公司監事會主席。

Mr. Bai Shao-tong, born in February 1963, is a graduate of Northeast China Institute of Electric Power holding a bachelor's degree in engineering. He is a senior engineer and a member of the China Communist Party. He was the deputy head and head of the power station department of the Electric Machinery Bureau under the Ministry of Electric Power Industry, manager of the power station equipment department of 中國華電電站裝備工程(集團)總公司 (China Huadian Power Station Equipment Engineering Group Corporation), deputy general manager and general manager of 中國華電電站裝備工程(集團)總公司 (China Huadian Power Station Equipment Engineering Group Corporation), and general manager of Jiangsu branch of China Huadian Corporation. Mr. Bai has been a standing committee member appointed by the China Communist Party and a secretary of the disciplinary committee of Harbin Electric Corporation as well as a a standing committee member and a secretary of the Company since December 2011. He has been the chairman of the Supervisory Committee of the Company since May 2012.

陳光先生，一九六四年八月出生，研究生學歷，高級工程師職稱，現任本公司股東代表監事、本集團鍋爐公司企業管理發展處處長。陳先生一九八六年畢業於西安交通大學，同年加入哈電集團，曾任本集團鍋爐公司設計處設計員、廠辦秘書，備品配件公司副經理、管二分廠副書記兼工會主席、汽包分廠書記、廠長，管一分廠廠長、安技處處長兼書記等職務，二零零九年八月起任鍋爐公司企業管理發展處處長。二零零九年十二月起任本公司股東代表監事。

Mr. Chen Guang, born in August 1964, a senior engineer with a postgraduate degree, is a supervisor representing shareholders of the Company and director of the Corporate Management and Development Department of the Boiler Company of the Group. Mr. Chen was graduated from Xi'an Jiaotong University in 1986 and joined HE in the same year. He was appointed as a designer of the Design Department of the Boiler Company of the Group, secretary of factory office, deputy manager of the spare parts company, deputy secretary and chairman of Labor Union of No. 2 Pipe Workshop, secretary and head of Drum Workshop, head, director of Security Department and secretary of No. 1 Pipe Workshop. He has been appointed as the director of the Corporate Management and Development Department of the Boiler Company since August 2009. He has been a supervisor representing shareholders of the Company since December 2009.

Supervisors representing staff and workers

Ms. Lu Chun-lian, born in March 1959, a senior engineer with bachelor's degree, is a supervisor representing staff and workers of the Company and deputy chief engineer of the Electric Machinery Company and deputy director of the Electric Machinery Institute of the Group. Ms. Lu studied Insulation Material in Harbin Institute of Electrical Engineering and was graduated in 1982. She joined HE in the same year and was appointed as an engineer and deputy director of Insulation Material Research Office under Electrical Machinery Research Institute and head of coil factory in the Electric Machinery Company. She has been the head of coil workshop in the Electric Machinery Company since 2002, deputy chief engineer of the Electric Machinery Company since March 2008, and deputy director of the Electric Machinery Institute under the Electric Machinery Company since April 2009. She has been a supervisor representing staff andn a supe is1(bachelor'(r)d

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獨立監事

徐二明先生，一九四九年十二月出生，博士學位，教授，博士生導師，現任本公司獨立監事、中國人民大學研究生院副院長。徐先生一九七八年畢業於中國人民大學工業經濟系並留校參加工作，曾任助教、講師、副教授、教授。一九九一年任中國人民大學中加大學國

Independent Supervisor

Mr. Xu Er-ming, born in December 1949, a professor and supervisor of Ph.D. candidates with a doctorate degree, is an independent supervisor of the Company and Deputy Dean of the Graduate School of the Renmin University of China. Mr. Xu was graduated from the Department of Industrial Economics of Renmin University of China in 1978 and stayed at the university after his graduation, where he worked as a tutor, lecturer, associate professor and professor. He was appointed as the director of office for Canada-China Management Education Program of the Renmin University of China in 1991, and later the deputy director of the Department of Industrial Economics, the deputy director of the Center for Business Administration Education and the deputy director of Institute of Foreign Economic Management of the Renmin University of China at the same time. He was appointed as the Deputy Dean of Business Administration School of the Renmin University of China in 1996 and the Dean in 1997. He has been appointed as the Deputy Dean of the Graduate School of the Renmin University of China since June 2006. He is now Deputy Secretary-General of the Tenth Session of the Academic Committee, and a member of the Third Session of the University Affairs Committee of the Renmin University of China, a member of the Sixth Session of the Business Administration Academic Appraisal Group of the Academic Degree Committee of the State Council, Vice Chairman of the Chinese Enterprise Management Research Association, and Chairman of Beijing Contemporary Enterprise Research Association, independent non-executive director of China Telecom Corporation Limited. He is entitled to the State Council's special government allowances. He has also been appointed as Associate Convener of the Fifth Session of the Business Administration Academic Appraisal Group of the Academic Degree Committee of the State Council, a member of the Advisory Committee of National MBA Education, and a director of the Advisory Committee for University Business Administration Education led by Ministry of Education. Professor Xu is an adjunct professor at over 10 universities in China including Zhejiang University, and has been teaching at New York State University at Buffalo, the University of Scranton, the University of Technology, Sydney, Australia, the Kyushu University, Japan and Hong Kong Polytechnic University. He has been an independent supervisor of the Company since December 2009.

高級管理人員

張海權先生，一九六一年九月出生，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。一九九八年調任哈電集團公司及本公司黨委常委、組織部部長；一九九九年調任哈電集團所屬企業 — 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。

劉智全先生，一九六八年七月出生，博士學位，高級會計師職稱，中國註冊會計師，現任本公司副總經理。劉先生畢業於哈爾濱工業大學工業會計專業，獲學士學位，後就讀於哈爾濱工業大學，獲博士學位，一九九一年九月參加工作。曾任本集團哈爾濱鍋爐廠財務處處長助理、副處長、處長，副總會計師兼財務處處長。二零零一年四月任哈爾濱鍋爐廠有限責任公司副總經理。二零零六年九月起任本公司副總經理。二零一二年一月起兼任本公司公司秘書，二零一三年一月辭任。

SENIOR MANAGEMENT

Mr. Zhang Hai-quan, born in September 1961, is a senior engineer with an MBA degree. He now serves as the deputy general manager of the Company. Mr. Zhang was graduated from Harbin Institute of Electrical Engineering in 1984 and joined HE in the same year. He has been an engineer of the enginery repairing workshop, the secretary and an assistant to the director of the Communist Party Committee Office of the former Boiler Works of the Group. In 1994, Mr. Zhang participated in the reorganization of HE to be a shareholding enterprise and the issuance and listing of the Company's shares. Since November 1994, he has been appointed as the deputy director of the general manager office, the deputy director of the planning department and director of the enterprise management department, and the director of the auditing and law department of the Boiler Company of the Group. In 1998, he was transferred to be a member of the HE's and the Company's Standing Communist Party Committee and director of the organization department. In 1999, Mr. Zhang was appointed as the secretary of the Communist Party Committee and vice chairman of Archeng Relay Group Company and Archeng Relay Company Limited under HE. He has been serving as the deputy general manager of the Company since October 2000.

Mr. Liu Zhi-quan, born in July 1968, is a senior accountant and certified public accountant in China with a doctor's degree. He now serves as the deputy general manager of the Company. Mr. Liu was graduated from Harbin Institute of Technology, majoring in industrial accounting with a bachelor's degree. He subsequently obtained a doctorate degree from the same university. He started his career in September 1991. He has been an assistant to the director of finance department of the Boiler Company of the Group, the deputy director and the director, and the deputy chief accountant and head of finance department of the Group. He was appointed as the deputy general manager of the Harbin Boiler Company Limited in April 2001. Mr. Liu has been serving as deputy general manager of the Company since September 2006 and assumed the post as the company secretary of the Company since January 2012 and resigned in January 2013.

韓建偉先生，一九五五年六月出生，學士學位，研究員級高級工程師職稱，現任本公司副總經理。韓先生一九七三年十月參加工作，一九八二年畢業於哈爾濱工業大學，獲學士學位。曾任本集團哈爾濱鍋爐廠設計處設計員，哈爾濱鍋爐廠用戶服務處安裝員、副處長，哈爾濱鍋爐廠有限責任公司生產長兼生產處長，哈爾濱鍋爐廠有限責任公司副總經濟師，哈爾濱鍋爐廠有限責任公司副總經理，哈爾濱鍋爐廠有限責任公司董事長、總經理，二零零七年十二月起任本公司副總經理。

曲哲先生，一九六二年七月出生，研究生學歷，高級工程師職稱，現任本公司副總經理。曲先生一九八八年八月畢業於哈爾濱船舶工程學院，獲碩士學位，同年加入哈電集團。曲先生曾任哈爾濱電站設備進出口公司助理工程師、駐巴基斯坦商務代表、工程師等職務，一九九四年二月任該公司副總經理，一九九四年十一月起任哈爾濱電站工程有限責任公司經營開發部副經理，巴基斯坦烏奇聯合循環電站工程項目副總經理兼經營開發部副經理，公司副總工程師，總經理助理等職務。一九九九年十一月任哈爾濱電站工程有限責任公司常務副總經理，二零零三年四月任總經理，二零零七年九月任董事長兼黨委書記，二零一零年六月起任本公司副總經理。

Mr. Han Jian-wei, born in June 1955, is a senior engineer at researcher level with a bachelor's degree. He now serves as the deputy general manager of the Company. Mr. Han started his career in October 1973. He was graduated from Harbin Institute of Technology in 1982 with a bachelor's degree. He has been a designer of the design division, an installation worker and the deputy director of the customer service division and the head and director of the production division of Harbin Boiler Company Limited of the Group. He has also served as the deputy chief economist, the deputy general manager, the chairman and the general manager of Harbin Boiler Company Limited. He has been serving as the deputy general manager of the Company since December 2007.

Mr. Qu Zhe, born in July 1962, is a senior engineer with a postgraduate degree. He now serves as the deputy general manager of the Company. Mr. Qu was graduated from Harbin Shipbuilding Engineering Institute with a master's degree in August 1988 and joined HE in the same year. He has been an assistant engineer, business representative in Pakistan and engineer of Harbin Power Station Equipment Import And Export Company, and served as the deputy general manager of the company since February 1994. Since November 1994, he was appointed as the deputy manager of operation and development department of Harbin Power Engineering Company Limited, deputy general manager and deputy manager of operation and development department of cycle power plant project in UCH, Pakistan, deputy chief engineer, assistant to general manager of the company. He served as the executive deputy general manager of Harbin Power Engineering Company Limited in November 1999, general manager of the company in April 2003, and chairman and Party Secretary in September 2007 respectively. Mr. Qu has been serving as deputy general manager of the Company since June 2010.

公司秘書

劉智全先生，一九六八年七月出生，博士學位，高級會計師職稱，中國註冊會計師，現任本公司副總經理。劉先生畢業於哈爾濱工業大學工業會計專業，獲學士學位，後就讀於哈爾濱工業大學，獲博士學位，一九九一年九月參加工作。曾任本集團哈爾濱鍋爐廠財務處處長助理、副處長、處長，副總會計師兼財務處處長。二零零一年四月任哈爾濱鍋爐廠有限責任公司副總經理。二零零六年九月起任本公司副總經理。二零一二年一月起兼任本公司公司秘書，二零一三年一月辭任。

高旭光先生，一九七一年六月出生，學士學位，高級工程師職稱，現任本公司公司秘書、總經理辦公室主任、董事會秘書局主任。高先生畢業於哈爾濱工業大學電化學專業，獲學士學位，一九九四年七月參加工作。高先生曾任哈爾濱汽輪機廠有限責任公司總經理辦公室副主任、董事會秘書、企業發展研究中心主任、哈爾濱汽輪機廠有限責任公司黨委組織部部長。二零零三年起任本公司職工代表監事，二零一三年一月辭任，二零一三年一月起任本公司公司秘書。

Company Secretary

Mr. Liu Zhi-quan, born in July 1968, is a senior accountant and certified public accountant in China with a doctor's degree. He now serves as the deputy general manager of the Company. Mr. Liu was graduated from Harbin Institute of Technology, majoring in industrial accounting with a bachelor's degree. He subsequently obtained a doctorate degree from the same university. He started his career in September 1991. He has been an assistant to the director of finance department of the Boiler Company of the Group, the deputy director and the director, and the deputy chief accountant and head of finance department of the Group. He was appointed as the deputy general manager of the Harbin Boiler Company Limited in April 2001. Mr. Liu has been serving as deputy general manager of the Company since September 2006 and assumed the post as the company secretary of the Company since January 2012 and resigned in January 2013.

Mr. Gao Xu-guang, born in June 1971, a senior engineer with bachelor's degree, is a company secretary of the Company, director of general manager's office and director of the secretariat of the Board. Mr. Gao studied Electrochemistry in Harbin Institute of Technology and was graduated with a bachelor's degree. He started his career in July 1994. He was appointed as deputy director of the general manager's office, secretary of the Board and director of Corporate Development Center of Harbin Turbine Company Limited and head of Organization Department of the Party Committee of Harbin Turbine Company Limited. He has been a supervisor representing staff and workers of the Company since 2003 and resigned in January 2013. He became a company secretary of the Company since January 2013.

董事會報告書
Report of the Directors

哈爾濱電氣股份有限公司(下稱「本公司」)董事會欣然提呈本公司及其附屬公司(下稱「本集團」)2012年年度報告和截至2012年12月31日止年度經審計的財務報表。

The Directors of Harbin Electric Company Limited (hereinafter as the "Company") and its subsidiaries (hereinafter as the "Group") are pleased to submit the 2012 annual report and the audited financial statements of the Group for the year ended 31 December 2012.

主要業務

本集團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10。

本集團所有業務均以中國為基地，其中約84.57%之集團營業額來自中國。

截至2012年12月31日止年度，本集團產品出口營業額為63,805.42萬美元，佔總營業額的15.43%。本集團的出口地區主要包括亞洲、南美洲等地區。

PRINCIPAL ACTIVITIES

The Group is mainly engaged in the manufacture and sales of various kinds of power equipment and power station engineering services, details of which are set out in Note 10 to the financial statements.

All the activities of the Group are based in the PRC, where 84.57% of the Group's turnover is derived from.

The export sales of the Group for the year ended 31 December 2012 amounted to USD638.0542 million, representing 15.43% of the Group's total turnover for the year. The Group's export markets mainly include Asian and South America.

附屬公司

本公司擁有10家主要附屬公司。哈爾濱電機廠有限責任公司主要從事水輪發電機組、汽輪發電機的生產與銷售；哈爾濱鍋爐廠有限責任公司主要從事電站鍋爐的生產與銷售；哈爾濱汽輪機廠有限責任公司主要從事電站汽輪機的生產與銷售；哈爾濱電氣國際工程有限責任公司主要從事電站項目總承包及電站設備成套業務；哈電集團(秦皇島)重型裝備有限公司主要從事大型火電、核電、燃氣輪機等設備的生產和裝配；哈爾濱電氣動力裝備有限公司主要從事大中型交直流電機、核電主泵電機的生產和銷售；哈電集團哈爾濱電站閥門有限公司主要從事電站閥門的生產和銷售；哈電發電設備國家工程研究中心有限公司主要從事發電設備工程化技術研發；哈爾濱動力科技貿易股份有限公司主要從事貿易；哈電集團現代製造服務產業有限責任公司主要從事電站維修、改造、備品供應等服務業務。

SUBSIDIARIES

The Company has ten principal subsidiaries. Harbin Electrical Machinery Company Limited is mainly in the field of manufacture and sales of water turbine generator units and steam turbine generator units. Harbin Boiler Company Limited is mainly in the field of manufacture and sales of boilers for power stations. Harbin Turbine Company Limited is mainly in the field of manufacture and sales of steam turbine for power stations. Harbin Electric International Company Limited is mainly in the field of the turnkey construction of power station projects and complete set of power station equipment. Harbin Electric Corporation (QHD) Heavy Equipment Company Limited is mainly in the field of manufacture and assembly of equipment such as large scale thermal power, nuclear power and gas turbine. Harbin Electric Power Equipment Company Limited is mainly in the field of manufacture and sales of medium-to-heavy-duty AC/DC motors and nuclear power main pump motors. HE Harbin Power Plant Valve Company Limited is mainly in the field of manufacture and sales of valves for power stations. Harbin Power Equipment National Engineering Research Center Co., Ltd is mainly in the field of research and development of power equipment engineerisation technology. Harbin Power Technology & Trade Inc. is mainly in the field of trading. HE Modern Manufacturing Service Industry Company Limited is mainly in the field of service businesses like power station maintenance, reconstruction, and supply of equipment.

附屬公司(續)

於2012年12月31日，本公司主要附屬公司詳情載於本年報財務報表附註44。

SUBSIDIARIES (continued)

As at 31 December 2012, details of the Company's principal subsidiaries are set out in Note 44 to the financial statements in the annual report.

業績

本集團截至2012年12月31日止之年度業績載於本年報第62頁的綜合損益表中。

RESULTS

The results of the Group for the year ended 31 December 2012 are set out in the consolidated income statement on page 62 of the annual report.

股息

董事會建議派發2012年度股息為每股人民幣0.10元(含適應稅率)。

H股股東的股息將以港幣支付，匯率乃按2013年3月23日前五天中國人民銀行公布的人民幣兌港幣匯率市場價計算，即1元人民幣折合港幣1.2373元，H股股東每股可獲股息港幣0.1237元。

DIVIDEND

A dividend of RMB0.10 per share (appropriate tax included) for 2012 was proposed by the board of directors.

Dividends payable to shareholders of H share will be paid in Hong Kong dollar at the average of the exchange rates quoted by the People's Bank of China for the five days preceding 23 March 2013, which is RMB1 for HK$1.2373. The dividend for every H share will be HK$0.1237.

暫停過戶

本公司定於2013年5月16日至2013年5月21日(包括首尾兩天)暫停辦理股票過戶登記，2012年末期股息將派發於2013年5月21日已經登記在本公司股東名冊之股東。該股息將於2013年7月29日之前派發。為確保有資格收取2012年度末期股息，所有填妥之過戶文件連同有關股票須於2013年5月15日下午4時30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。

CLOSURE OF REGISTER

The Register of members of the Company will be closed from 16 May, 2013 to 21 May, 2013 (both dates inclusive). Final dividend for 2012 will be distributed by 29 July, 2013 to shareholders whose names appear in the Register of members of the Company on 21 May, 2013. In order to qualify for the final dividend for 2012, all completed transfers accompanied with the relevant share certificates must be lodged with the Company's Registrar, namely Hong Kong Registrars Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on 15 May, 2013.

股息稅

根據《中華人民共和國個人所得稅法》及《中華人民共和國個人所得稅法實

股息稅(續)

H股個人股東為與中國簽訂高於10%但低於20%股息稅率的稅收協議的國家的居民，本公司將按相關稅收協議實際稅率代扣代繳個人所得稅；

H股個人股東為與中國簽訂20%股息稅率的稅收協議的國家的居民、與中國並沒有簽訂任何稅收協議的國家的居民以及在任何其他情況下，本公司將代扣代繳20%的個人所得稅。

此外，根據《中華人民共和國稅法》，對非居民企業股東本公司將按10%稅率代扣代繳股息所得稅。

DIVIDEND TAX (continued)

For individual H Shareholders whose country of domicile has entered into a tax treaty with the PRC stipulating a dividend tax rate of over 10% but less than 20%, the Company will withhold and pay individual income tax at the actual rate stipulated by the relevant tax treaty on behalf of the individual H Shareholders;

For individual H Shareholders whose country of domicile has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20% or has not entered into any tax treaties with the PRC and under all other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual H Shareholders.

In addition, according to the "Tax Laws of the People's Republic of China", the Company will withhold and pay dividend income tax at the rate of 10% on behalf of the non-resident corporate shareholders.

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。

DIRECTORS AND SUPERVISORS

Details of Directors and Supervisors are set out in the section headed "Directors, Supervisors and Senior Management" in the annual report.

董事、監事及高級管理人員的股本權益

於2012年12月31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。

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S INTERESTS IN THE SHARE CAPITAL

As at 31 December 2012, 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 or 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.

董事、監事的服務合約

由於第六屆董事會董事、監事會監事與本公司服務合約已期滿終止，2013年1月5日，本公司與第七屆董事會董事、監事會監事簽訂了為期三年的服務合約。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。

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

As the service contracts between the Sixth Board of Directors and Committee of Supervisors and the Company has expired, the Company has entered into service contracts for a term of three years with the Seventh Board of Directors and Committee of Supervisors at 5 January 2013. Other than this, there are no existing or proposed service contracts between every Director, Supervisor and any member company of the Group.

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。

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the year, none of the Directors or Supervisors has any interest, whether directly or indirectly, in the contracts of significance, to which the Company or any of its subsidiaries is a party.

董事及監事酬金

截至2012年12月31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8。

REMUNERATION OF DIRECTORS AND SUPERVISORS

Details of the remuneration of the Directors and Supervisors of the Company for the year ended 31 December 2012 are set out in Note 8 to the financial statements in the annual report.

獲最高酬金的前五名人士

獲最高酬金的前五名人士為本公司董事及附屬公司高級管理人員。

FIVE HIGHEST PAID PERSONNEL

The five highest paid personnel include the Directors of the Company and senior management of its subsidiaries.

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32。

STAFF RETIREMENT AND BENEFIT SCHEME

Details of the staff retirement and benefit scheme are set out in Note 32 to the financial statements in the annual report.

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12。

FIXED ASSETS

Details of the movements in fixed assets of the Group are set out in Note 12 to the financial statements in the annual report.

儲備

於2012年12月31日，本公司可供分派的儲備總額為人民幣14,257萬元，本集團年內的儲備變動情況載於本年報財務報表綜合權益變動表。

RESERVES

As at 31 December 2012, the Company's reserves available for distribution are RMB142.57 million. Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity to the financial statements in the annual report.

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。

FINANCIAL HIGHLIGHTS

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

借款

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30。

BORROWINGS

Details of bank loans and other borrowings of the Group are set out in Note 30 to the financial statements in the annual report.

購買、出售及贖回本公司之上市證券

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。

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

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

年內本集團的訴訟事項細節載於本年報財務報表附註39。

MAJOR LITIGATION

Major litigations of the Group during the year are set out in note 39 of the financial statements in the annual report.

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

Details of the material contracts entered into by the Group during the year are set out in the sections respectively headed "Management Discussion and Analysis" and "Disclosure of Significant Events" in the annual report.

主要供應商和客戶

1、 期內本集團首五大供應商合佔總採購百分比為19.44%。其中最大的供應商為美國通用公司，佔總採購百分比為12.65%。

2、 期內本集團首五大客戶合佔總營業額百分比為19.01%。其中最大的客戶是巴基斯坦水利電力總署，佔總營業額百分比為4.44%。

3、 本公司董事、監事及其連絡人以及任何股東(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. During the period, the Group's five largest suppliers attributable 19.44% of the Group's total purchases. Among which the General Electric in the United States of America was the largest supplier, representing 12.65% of the total purchases.

2. During the period, the Group's five largest customers attributable 19.01% of the Group's total turnover. Among which the Pakistan Water and Power Development Authority (巴基斯坦水利電力總署) was the largest customer, representing 4.44% 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% of the Company's share capital) has any interest in the 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。

USE OF PROCEEDS FROM THE H SHARES ISSUE

The use of proceeds raised by the Company during the period is detailed in the section headed "Management Discussion and Analysis" in the annual report.

委託存款及逾期定期存款

於2012年12月31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。

ENTRUSTED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 31 December 2012, the Company did not have any entrusted deposits in commercial banks or non-banking financial institutions and had no due deposits that had not been withdrawn.

TAX POLICIES

According to the provisions of Administrative Measures with regard to the Recognition of High and New Technology Enterprises (《高新技術企業認定管理辦法》) jointly issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration for Taxation of the PRC on 14 April 2008 and the Administrative Guidance with Regard to the Recognition of High and New Technology Enterprises (《高新技術企業認定管理工作指引》) jointly issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation on 8 July 2008, the Company and five of its subsidiaries, namely Harbin Electrical Machinery Company

關聯交易

有關關聯交易詳情載於本年報財務報表附註40。

於截至二零一二年十二月三十一日止年度，本集團進行下列持續關連交易(不包括根據上市規則第14A.33條獲豁免之持續關連交易)：

1、 與哈爾濱電氣集團公司(「哈爾濱電氣」)訂立的框架協議

於2010年12月22日，本集團與哈爾濱電氣訂立持續關聯交易 — 框架協議，約定在截至2013年12月31日止三個財政年度內(1)本集團與哈爾濱電氣互相提供多項福利及支援服務；(2)本集團與哈爾濱電氣互相買賣若干材料及零部件。

於2012年1月1日 至2012年12月31日 年度內，交易額未超最高限額，交易數額如下：

交易	2012年1月1日至2012年12月31日交易最高限額	2012年1月1日至2012年12月31日實際發生
向哈爾濱電氣出售材料及零部件收入	124,176,000	38,448,000
由哈爾濱電氣提供服務及向其購買材料及零部件開支	379,532,840	245,211,000

CONNECTED TRANSACTIONS

For details of the related party transactions, please see Note 40 to the financial statements in the annual report.

The Group carried out the following continuing connected transactions (other than continuing connected transactions that are exempted under Rule 14A.33 of the Listing Rules) during the year ended 31 December 2012:

1. The Framework Agreement with Harbin Electric Corporation (HE)

On 22 December 2010, the Group entered into the continuing connected transaction — the Framework Agreement with HE, pursuant to which, (1)the Group and HE will supply multiple benefits and support services to each other; (2) the Group and HE will purchase certain materials and parts from each other during the three financial years ending 31 December 2013.

During the year from 1 January 2012 to 31 December 2012, the amount of such transaction did not exceed the cap, and is set out as follows:

Transactions	1 January 2012 to 31 December 2012 Transaction Cap	1 January 2012 to 31 December 2012 Actual Amount
Income from sales of material and parts to HE	124,176,000	38,448,000
Expenses of receiving services and purchasing material and parts from HE	379,532,840	245,211,000

關聯交易(續)

2、 與哈爾濱電氣集團財務有限責任公司(「財務公司」)訂立的財務服務框架協議

2010年12月14日，本公司與財務公司訂立持續關聯交易 — 財務服務框架協議，據此，財務公司將向本集團提供財務服務，包括存款服務、貸款服務、結算服務及其他財務服務，為期三年。財務服務框架協議中規定存款服務年度上限為人民幣760,000,000元，截至2012年12月31日，存款最高額未超年度上限。

2012年12月18日，本公司與財務公司訂立了新的持續關聯交易 — 財務服務框架協議，據此，財務公司將向本集團提供財務服務，包括存款服務、貸款服務、結算服務及其他財務服務。新的財務服務協議期限為2013年1月1日至2015年12月31日，規定年度存款服務額度上限為人民幣370,000,000元。

CONNECTED TRANSACTIONS (continued)

2. the Financial Service Framework Agreement with 哈爾濱電氣集團財務有限責任公司 (the Financial Company)

On 14 December 2010, the Company and the Financial Company entered into the continuing connected transaction — the Financial Service Framework Agreement, pursuant to which, the Financial Company will provide financial services to the Group, including deposit services, loan services, clearance services and other financial services for a term of three years,. The Financial Service Framework Agreement stipulated that the annual cap of deposit services is RMB760,000,000. As at 31 December 2012, the deposit amount has not exceeded the annual cap.

On 18 December 2012, the Company and the Financial Company entered into a new continuing connected transaction — the Financial Service Framework Agreement, pursuant to which, the Financial Company will provide financial services to the Group, including deposit services, loan services, clearance services and other financial services for a term of three years,. The term of the new Financial Service Framework Agreement would be from 1 January 2013 to 31 December 2015, and stipulated that the annual cap of deposit services is RMB370,000,000.

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40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；

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；

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。

本公司之核數師獲委聘根據香港核證委聘準則第3000號對過往財務資料進行審核或審閱以外的核證委聘及參考香港會計師公會發出之「實務說明」(Practice Note)第740號關於香港上市規則所述持續關連交易的核數師函件對本集團之持續關連交易進行報告。核數師已根據上市規則第14A.38條發出彼等之無保留意見函件，當中載有彼等就本集團於上文披露之持續關連交易之發現及結論。本公司已向聯交所提供核數師函件之副本。

CONFIRMATION ON CONNECTED TRANSACTIONS

The Independent Directors of the Company have reviewed the related party transactions (as defined in the Listing Rules) referred to in Note 40 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;

2. Such transactions have been entered into either (I) on normal commercial terms (which term shall be applied by reference to transactions of a similar nature and to be made by similar entities within 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;

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 those available to third parties.

The auditor of the Company were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.38 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

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。

CONFIRMATION OF INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has already received annual confirmation from each independent non-executive director on his/her independence confirming that his/her independence was in compliance with all independence criteria set out in Rule 3.13 of the Listing Rules and he/she is an independent person.

股本情況

截至2012年12月31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%。

SHAREHOLDING STRUCTURE

As at 31 December 2012, the share capital of the Company comprised of 1,376,806,000 shares, of which 701,235,000 shares were held by the promoter (representing 50.93% of the entire share capital) and 675,571,000 shares were held by overseas holders of H shares (representing 49.07% of the entire share capital).

股東人數

於2012年12月31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：

NUMBER OF SHAREHOLDERS

As at 31 December 2012, the top ten registered shareholders who hold the largest quantity of shares were as follows:

序號 Number	股東名稱 Name of Shareholders	股數 Number of Shares	持股百分比 Percentage of Shares Held	備註 Remarks
1、	哈爾濱電氣集團公司 Harbin Electric Corporation	701,235,000	50.93%	國有法人股 State-owned shares
2、	HKSCC NOMINEES LIMITED	651,578,597	47.33%	H股 H shares
3、	TANG KEUNG LAM	11,000,000	0.80%	H股 H shares
4、	TANG'S INVESTMENTS LIMITED	10,000,000	0.73%	H股 H shares
5、	YIP CHOK CHIU	360,000	0.03%	H股 H shares
6、	LU NIM KWOK ALBERT	250,000	0.02%	H股 H shares
7、	CHEUNG YUM TIN	200,000	0.01%	H股 H shares
8、	HO YUN HUNG	200,000	0.01%	H股 H shares
9、	LAM MAN LAI	200,000	0.01%	H股 H shares
10、	NG KAM WAN	110,000	0.01%	H股 H shares

H股股東股權分析(根據2012年12月31日股東名冊)

ANALYSIS FOR SHAREHOLDING OF HOLDERS OF H SHARES (AS RECORDED IN REGISTER OF MEMBERS AS AT 31 DECEMBER, 2012)

範圍	Range	人數 Number of Shareholders	持股數 Number of Shares Held	佔已發行H股百分比 Percentage to Issued H Shares
1–1000	1–1000	5	403	0.00%
1,001–5,000	1,001–5,000	63	170,000	0.03%
5,001–10,000	5,001–10,000	39	322,000	0.05%
10,001–100,000	10,001–100,000	36	1,180,000	0.17%
100,001–以上	100,001 and above	9	673,898,597	99.75%
合計	Total	152	675,571,000	100%

標準守則

經向董事查詢，證實所有董事在期內均已遵守《上市規則》附錄十規定的《標準守則》之規定。

MODEL CODE

The Company, having made specific enquiry, confirms that all members of the Board complied with the Model Code set out in Appendix 10 of the Listing Rules throughout the period.

企業管治守則

本公司在2012年任何時間均已遵守香港聯合交易所《上市規則》附錄十四所載企業管治守則及企業管治報告《企業管治守則》。

CORPORATE GOVERNANCE CODE COMPLIANCE

The Company has complied throughout the year of 2012 with all code provisions set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") contained in Appendix 14 of the Listing Rules of the Stock Exchange.

審核委員會

審核委員會已審閱本集團截至2012年12月31日止年度之經審核財務報表及關聯交易事項，並與董事會商討本集團之財務申報程序及內部監控制度。

AUDIT COMMITTEE

The Audit Committee had reviewed the audited financial statements and connected transactions of the Group for the year ended 31 December 2012, and discussed with the Board the financial reporting procedures as well as the internal control system of the Group.

核數師

公司現任中國境內核數師為國富浩華會計師事務所，香港核數師為國富浩華(香港)會計師事務所有限公司。

AUDITORS

The current PRC auditor of the Company is Crowe Horwath China CPAs, and the Hong Kong auditor is Crowe Horwath (HK) CPA Limited.

承董事會命
董事長
宮晶堃

二零一三年三月二十三日

By order of the Board
Gong Jing-kun
Chairman

23 March 2013

監事會報告書
Report of the Supervisory Committee

To all shareholders:

For the year ended 31 December, 2012 (the Year), all members of the Supervisory Committee ("the Supervisory Committee") of Harbin Electric Company Limited ("the Company") duly performed their Supervisory Committee functions in the best interests of the Company 1.sory /SJ 0<</Ac786 Text<FEFF1209>>> BDC ed 8340TJ /C(.(n)1EMC e1 8340TJ

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

3、 本監事會對公司的財務制度和有關財務狀況進行了審查，認為公司的財務系統組織機構完整、制度健全，財務工作能夠按照內部控制制度和風險管理的要求有序運行。董事會擬提交本次股東週年大會審議的年度財務報告和紅利分配方案等相關資料，均能夠客觀、全面地反映了公司的財務狀況和經營成果，紅利分配方案兼顧了股東權益和公司發展的長遠利益，本年度提取的法定盈餘公積金、公益金符合法律、法規和公司章程的規定。

3. The Supervisory Committee has reviewed the Company's financial system and conditions and concludes that the Company's financial system has an integrated structure and a sound system, and the financial works have been operated orderly according to the internal control system and risk management. Relevant information such as the annual financial report and the dividend payment scheme proposed by the Board of Directors for approval at the Annual General Meeting, has objectively and comprehensively reflected the financial position and operating results of the Company. The dividend payment scheme has taken into account both the interests of the shareholders and the Company's long-term development. Both statutory surplus reserve fund and public welfare provided in the year have observed the provisions of the laws and regulations and the Articles of Association of the Company.

4、 本監事會審核了董事會工作報告，認為報告客觀真實地反映了公司在本年度所做的各項工作。

4. The Supervisory Committee has reviewed the Report of the Directors and concludes that the report gives an objective and true picture of the works performed by the Company during the Year.

本監事會由衷感謝公司各位同仁及股東的信任和支持，並將一如既往，不斷探索新的監督途徑和方法，進一步整合監督資源，促進管理提升，助力和保障公司二零一三年度各項工作目標的順利實現。

The Supervisory Committee sincerely appreciates the trust and support from every colleague and the shareholders of the Company. While continue to explore new supervisory approaches and methods, the Supervisory Committee will further consolidate resources for supervision so as to enhance our management, helping and ensuring the realization of the Company's targets for all works in 2013.

承監事會命
主席
白紹桐

By order of the Supervisory Committee
Bai Shao-tong
Chairman

於中國，哈爾濱，二零一三年三月二十三日

Harbin, the PRC, 23 March 2013

公司管治報告
Corporate Governance Report

本公司一貫嚴格按照《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。

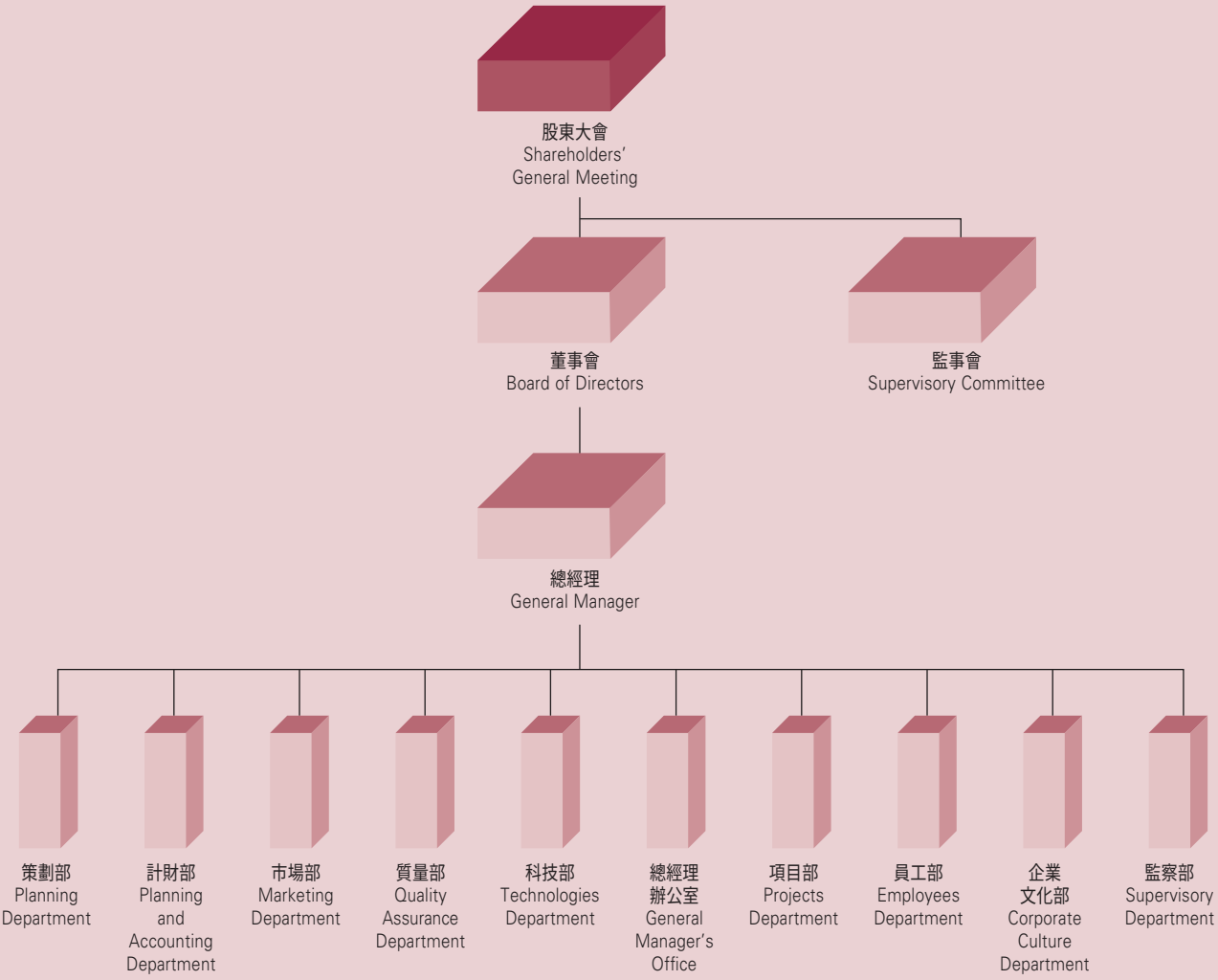
The Company has been actively perfected the Company's corporate governing structure and standardized the Company's operation through strictly complying with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and the relevant provisions of China Securities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

於2012年期間，本公司全面遵守了香港聯合交易所《上市規則》附錄十四所載企業管治守則及企業管治報告《企業管治守則》。

During the year 2012, the Company fully complied with all code provisions set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") contained in the Appendix 14 of the Listing Rules of the Stock Exchange.

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。

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

本公司2012年召開了一次股東週年大會和一次股東特別大會。

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，在公司章程中詳細列明。

1、 構成

本公司董事會為公司成立以來的第六屆董事會，由10名董事組成，其中5名為獨立董事。本公司於2013年1月召開了臨時股東大會，選舉產生了本公司第七屆董事會成員，董事自股東大會召開日期起任期為期三年；

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

The Company safeguards shareholders' interests, treats all shareholders equally, and initiates active participation of shareholders in corporate governance and management. As the stakeholders of the Company, shareholders enjoy the rights provided by laws and regulations and undertake commensurate obligations. The shareholders enjoy rights to information and rights to decision-making for the Company's important matters. The general meeting of Shareholders is the organ of authority of the Company, and it exercises its functions and power according to laws.

Harbin Electric Corporation, a state-owned company registered in the People's Republic of China, is the controlling shareholder of the Company.

In 2012, the Company held one Annual General Meeting and one Extraordinary General Meeting.

BOARD OF DIRECTORS

The major duties of the Board of Directors are to exercise the discretion in management decision according to the authorization by the general meeting with respect to the development strategies, management structure, investment and financing, planning and financial control, which are set out in details in the Articles of Association.

1. Composition

The Board of Directors of the Company is the sixth session Board since its establishment, which is comprised of ten Directors, five of whom are independent Directors. The Company held an Extraordinary General Meeting in January 2013, during which members of the seventh session Board of the Company were elected. The Directors serve a term of three years from the date of the extraordinary general meeting.

本公司董事長與總經理分別由不同人士擔任，並有明確分工。董事長主持董事會工作，檢查董事會決議執行情況，總經理負責管理運作及統籌公司業務，執行董事會決議及做出日常決策。

Positions of the Chairperson of the Board of Directors and the General Manager are held by different individuals with distinct responsibility. The Chairperson of the Board of Directors presides over meetings of the Board of Directors and reviews on the implementation of matters resolved by the Board of Directors. The General Manager is responsible for management and coordination of the operation of the Company, implementation of the resolutions passed by the Board of Directors and making decisions on a daily basis.

各董事會成員的個人簡介載於本年報《董事、監事與高級管理人員》一節。

Biographies of the members of the Board of Directors are included in the section headed "Directors, Supervisors and Senior Management" in the annual report.

2、 獨立董事

本公司第六屆董事會有5名獨立董事。各獨立董事均熟悉上市公司董事、獨立董事的權利與義務。報告期內各獨立董事本著審慎負責、積極認真的態度出席董事會會議，並充分發揮其經驗和特長，在完善公司治理和重大決策的制訂等方面做了大量工作，對公司重大決策和關聯交易等方面發表了中肯、客觀的意見，促進了董事會決策的規範化、科學化，維護了公司和廣大股東的利益。

2. Independent Directors

The sixth session of the Company's Board of Directors has five Independent Directors. All the Independent Directors are familiar with the rights and responsibilities of the directors and independent directors of a listed company. During the reporting period, all the Independent Directors attended the meetings of the Board of Directors with prudent and responsible attitude. They fully utilized their experiences and expertise, made enormous contribution towards the improvement and perfection of the corporate governance mechanism and the important decision making process. They also provided balanced and objective advices with regard to important decisions and connected transactions of the Company, further standardized the decision making process of the Board of Directors and made this process more scientific, thereby protecting the interests of the Company and the shareholders as a whole.

本公司確認已收到每名獨立董事就其獨立性而作出的年度確認函。

The Company has received annual confirmation from each Independent Directors about his/her independence.

3、 董事會會議

年內本公司共舉行5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, five Board of Directors' meetings were held to discuss the overall strategies, investment plans, operation and financial performance of the Company. The Independent Directors of the Company have no dissenting opinions regarding any of the Company's resolutions. Attendances of the meetings are as follows:

2012年度董事出席董事會議情況

Attendances of the meetings of the Board of Directors during the year of 2012

董事姓名 Name of Director		應參加董事會議次數 Number of Attendance Required	親自出席次數 Number of Attendance in Person	出席率 Attendance Rate
宮晶堃先生	Mr. Gong Jing-kun	5	5	100%
鄒　磊先生	Mr. Zou Lei	5	4	80%
段洪義先生	Mr. Duan Hong-yi	5	1	20%
吳偉章先生	Mr. Wu Wei-zhang	5	5	100%
商中福先生	Mr. Shang Zhong-fu	5	5	100%
孫昌基先生	Mr. Sun Chang-ji	5	5	100%
賈成炳先生	Mr. Jia Cheng-bing	5	5	100%
李荷君女士	Ms. Li He-jun	5	5	100%
于　渤先生	Mr. Yu Bo	5	5	100%
劉登清先生	Mr. Liu Deng-qing	5	5	100%

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門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, regulatory and other continuous responsibilities of the Company's Board of Directors can be obtained by all Directors through the Company Secretary in a timely manner, so as to ensure all Directors understand his/her duties, and the procedures of the Board of Directors are consistently followed and applicable laws and regulations are properly complied with. The Directors and the Board of Directors' special committees of the Company have the right to engage 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 10 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 to 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

本公司董事會設立了審核委員會、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。

本公司第六屆董事會審核委員會成員包括：李荷君、劉登清、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3次會議，審閱了本集團的年度、半年度業績報告和財務報告及有關發行中長期公司債券事項。

SPECIAL COMMITTEES UNDER THE BOARD

The Board of the Company has established four special committees, namely the audit committee, the remuneration committee, the nomination committee and the strategy development committee, whose members are all Directors.

The members of the Audit Committee of the sixth session of the Board of Directors include Li He-jun, Liu Deng-qing 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, in compliance with Rule 3.21 of the Listing Rules. During the year, the Audit Committee held three meetings and had reviewed the Group's annual and half-yearly reports and financial statements and matters relating to the issuance of medium and long term corporate bonds.

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。2012年5月，王志森先生因已達法定退休年齡而辭任監事會主席職務，股東週年大會委任白紹桐先生為新任監事會主席。

SUPERVISORY COMMITTEE

The Company's Supervisory Committee consists of five supervisors, of which two supervisors are representing staff and workers. In May 2012, Mr. Wang Zhi-sen stepped down from the position of Chairman of the Supervisory Committee on attaining statutory retirement age. Mr. Bai Shao-tong was appointed as the new Chairman of the Supervisory Committee at the Annual General Meeting.

1、 期內監事會會議情況

期內監事會共召開了4次會議，主要內容如下：

2012年3月17日，召開了監事會會議，會議審議通過了本公司2011年度監事會報告、經審計的財務報告及年報摘要。

1. The Supervisory Committee Meetings in the period

The Supervisory Committee held four meetings in the period, the main contents of which were as follows:

The Supervisory Committee held a meeting on 17 March 2012 to pass the Company's Report of the Supervisory Committee, Audited Financial Statements and the summary of Annual Report for the year 2011.

2012年5月17日，召開了監事會會議，會議審議通過了選舉白紹桐先生為監事會主席事項。

2012年8月16日召開監事會會議，會議審議通過了本公司2012年半年度未經審計的財務報告、半年度報告等議案。

2012年10月25日，召開了監事會會議，會議審議通過了成立監事會辦公室事項。

The Supervisory Committee held a meeting on 17 May 2012 to pass the election of Mr. Bai Shao-tong as the Chairman of the Supervisory Committee.

The Supervisory Committee held a meeting on 16 August 2012 to pass the resolutions on the Company's Interim Unaudited Financial Statements and Interim Reports for the first half of 2012.

The Supervisory Committee held a meeting on 25 October 2012 to pass the establishment of the Supervisory Committee's Office.

2、 監事會對公司2012年度有關事項的獨立意見

本公司依法運作情況

監事會依據國家有關法律、法規對2012年本公司股東大會、董事會的召開程序、決議事項、董事會對股東大會決議的執行情況、公司管理制度的執行、經營管理的效能等進行了監督、檢查，認為本公司2012年度嚴格按照《公司法》、《上市規則》、本公司章程及其他有關法規制度規範運作，經營決策科學合理，進一步完善了內部管理，建立了良好的內控機制。

2. Independent Opinions of the Supervisory Committee to the Related Matters of the Company in the Year 2012

The Company's Operating Validity

According to related laws and regulations, the Supervisory Committee has supervised and examined the convening procedures of the General Meeting and the Board of Directors Meeting 2012, resolution matters, the Board of Directors' execution of the General Meeting resolutions, the enforcement of the Company's management system and the efficiency of the Company's operation and management, and the Supervisory Committee considered that the Company has operated strictly according to the related provisions of the Company Law, the Listing Rules, the Articles of Association of the Company and other relevant regulations; that the Company operates with scientific and reasonable decision making procedure; and that the Company further perfected its internal management and established favorable internal control system in 2012.

檢查本公司財務情況

監事會認真審核了董事會準備提交審議的公司2012年度財務決算報告、年度利潤分配方案、經國富浩華會計師事務所審計並出具的2012年度財務審計報告等相關資料。監事會認為：本公司2012年度財務審計報告真實可靠，客觀地反映了本公司的財務狀況和經營成果。監事會同意境內外會計師事務所出具的本公司財務審計報告。

Reviewing the Financial Conditions of the Company

The Supervisory Committee seriously reviewed the Company's Financial Balancing Report 2012, Profit Distribution Scheme prepared by the Board and the Audited Financial Statements 2012 audited and submitted by Crowe Horwath China CPAs. The Supervisory Committee considered that the Company's audited Financial Reports 2012 was true and reliable, which objectively presented the Company's financial situations and operation results. The Supervisory Committee approved the Company's audited Financial Reports submitted by both local and overseas accountants.

股東大會決議執行情況

監事會成員列席了董事會會議和股東大會會議，監事會對股東大會決議執行情況進行了監督，認為董事會能夠認真執行股東大會決議。

The Implementation of the Resolutions Passed at General Meetings

The members of the Supervisory Committee attended the Board Meetings and the General Meetings. The Supervisory Committee supervised the implementation of the resolutions passed at General Meetings and considered that the Board of Directors could seriously carry out the General Meeting decisions.

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本公司董事、高管人員進行監督，認為本公司董事、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，未發現損害本公司利益的行為。

3. The Implementation of Supervisory Duties by the Supervisory Committee

The Supervisory Committee supervised the Directors and senior management of the Company in accordance with the related laws and the Articles of Association, and considered that the Directors and senior management of the Company carried out their duties lawfully, without any violation against the related laws and regulations and the Articles of Association 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。本公司定期或有需要時對本公司之財務信息披露、經營和內部控制活動進行檢查、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。公司全面落實《內部控制手冊》相關要求，將內部控制措施的有效執行放在首位，繼續開展內部控制制度體系完善、自我評價與持續改進工作，通過激勵措施和企業文化引導，確保公司內部控制體系的健全性和執行的有效性。

INTERNAL CONTROL AND INTERNAL AUDIT

The Board of Directors is responsible for establishing and maintaining the internal control system of the Company, and for establishing the Audit Committee. The Company monitors and supervises the disclosure of financial information by the Company, as well as operation and internal control activities regularly or where necessary, so as to ensure the transparency of information disclosure, operation efficiency and effectiveness of its corporate control mechanisms. The Company fully implements the relevant requirements of the Internal Control Guideline and regards the effective execution of the internal control measures as its first priority. The Company continues to optimize the internal control systems and proceeds with self-assessments and continuous improvements. Through incentive measures and the guidance of corporate culture, the complete internal control system of the Company and its effective implementation are ensured.

AUDITORS

The financial statements included in the annual report of the Company for the year 2012 were prepared according to PRC Accounting Standards and Hong Kong Financial Reporting Standards, and were audited by Crowe Horwath China CPAs, the PRC auditor, and Crowe Horwath (HK) CPA Limited, the Hong Kong auditor.

Information Disclosure and Supervision

The Company continuously improves information disclosure management and enhances the investor relations management. The Company discloses information on an open, fair, true, accurate, complete and timely ground and strictly follows the related disclosure requirements of relative laws and regulations, the Articles of Association of the Company and Listing Rules, and the transparency of the Company is enhanced. In our effort to improve the management of investor relations, the Company issues its Interim Reports and Annual Reports and discloses the connected transactions in 2011 and the matters relating to the issuance of the medium and long term corporate

獨立核數師報告書
Independent Auditor's Report

Crowe Horwath™

國富浩華(香港)會

香港銅鑼灣禮頓道77號禮頓中心9樓

致哈爾濱電氣股份有限公司
全體股東
(於中華人民共和國註冊成立之股份有限公司)

我們已審核載於第62頁至212頁的哈爾濱電氣股份有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表,該等財務報表包括二零一二年十二月三十一日的綜合財務狀況表和 貴公司財務狀況表以及截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表、綜合現金流量表以及主要會計政策概要和其他說明性資訊。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則和香港公司條例之披露規定編製真實而公平之綜合財務報表以及實施董事認為必要的內部監控,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見,僅向全體股東作出報告,除此之外本報告不作其他用途。我們概不就本報告的內容對其他任何人士負責或承擔責任。

TO THE SHAREHOLDERS OF
HARBIN ELECTRIC COMPANY LIMITED
(A joint stock company established in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of Harbin Electric Company Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 62 to 212, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

獨立核數師報告書(續)
Independent Auditor's Report (continued)

我們已根據香港會計師公會頒佈的香港審核準則的規定執行審核。這些準則要求我們遵守職業道德規範，並規劃及執行審核以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

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 about whether the consolidated financial statements are free from material misstatement.

審核涉及執行程序以獲取有關綜合財務報表所載金額和披露資料的審核證據。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有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製真實而公平之綜合財務報表相關的內部監控，以設計適當的審核程序，但並非對公司的內部監控的有效性發表意見。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 judgement, 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 of consolidated financial statements that give a true and fair view 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，我們所獲得的審核證據充足且適當地為我們的審核意見提供了基礎。

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而公平地反映　貴公司及　貴集團於二零一二年十二月三十一日的財政狀況及　貴集團截至該日止年度的溢利及現金流量，並已根據香港公司條例的披露要求妥為編製。

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 31 December 2012, 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.

國富浩華(香港)會計師事務所有限公司
香港執業會計師
香港，二零一三年三月二十三日

劉國雄會計師
執業證書編號：P04169

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 23 March 2013

Lau Kwok Hung
Practising Certificate No.: P04169

綜合收益表
Consolidated Income Statement

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

		附註 Note	2012 人民幣千元 RMB'000	2011 人民幣千元 RMB'000
收入	Revenue	4	**25,995,186**	28,487,782
成本	Cost of sales		**(20,414,447)**	(22,777,148)
毛利	Gross profit		**5,580,739**	5,710,634
其他收入及淨虧損	Other revenue and net loss	5	**451,753**	490,785
營業費用	Distribution expenses		**(632,373)**	(558,036)
管理費用	Administrative expenses		**(3,320,872)**	(3,040,175)
其他業務支出	Other operating ex		**(330,694)**	(969,230)
財務支出	Finance cos	6(a)	**(56,767)**	(72,552)
應佔聯營公司溢利減虧損	Share of ess losses of associate	17	**54,347**	78,534
除稅前溢利	Profit b xation	6	**1,746,133**	1,639,960
稅項	Incom	7(a)	**(404,551)**	(256,686)
本年度溢利	Profit ear		**1,341,582**	1,383,274
應佔盈利：	**Attribu o:**			
本公司股份持有人	Equit olders of the Company		**1,408,255**	1,228,661
非控股權益	Non-c g interests		**(66,673)**	154,613
			1,341,582	1,383,274

每讧簽底穆糖穫幭酵聲聶憊度勳驅冢獊

綜合全面收益表
Consolidated Statement of Comprehensive Income
截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

綜合財務狀況表
Consolidated Statement of Financial Position

於二零一二年十二月三十一日
At 31 December 2012

		附註 Note	2012 人民幣千元 RMB'000	2011 人民幣千元 RMB'000
非流動資產	**Non-current assets**			
投資物業	Investment properties	11	**4,629**	4,810
物業、廠房及設備	Property, plant and equipment	12	**6,412,038**	5,799,944
預付土地租賃款	Prepaid lease payments	13	**420,946**	433,000
無形資產	Intangible assets	14	**233,393**	261,732
遞延稅項資產	Deferred tax assets	15	**288,542**	277,366
於聯營公司之權益	Interests in associates	17	**583,840**	546,899
其他非流動資產	Other non-current assets	18	**357,964**	332,722
			8,301,352	7,656,473
流動資產	**Current assets**			
存貨	Inventories	20	**12,356,211**	11,616,296
應收賬款	Trade receivables	21	**15,286,812**	12,918,135
應收票據	Bills receivable	21	**1,278,348**	1,052,526
其他應收款、按金及預付款項	Other receivables, deposits and prepayments	21	**4,595,063**	4,484,066
預付土地租賃款	Prepaid lease payments	13	**12,300**	11,922
建造合同應收款	Amounts due from customers for contract work	22	**2,079,367**	1,849,593
應收同系附屬公司款項	Amounts due from fellow subsidiaries	23	**111,832**	59,929
衍生金融工具	Derivative financial instruments	19	**15,422**	92,641
交易性證券	Trading securities	24	**1,601,800**	2,001,530
受限制銀行存款	Restricted bank deposits	25	**14,631**	2,506
已抵押銀行存款	Pledged bank deposits	25	**331,446**	131,155
銀行存款	Bank deposits	26	**472,913**	247,404
現金及現金等價物	Cash and cash equivalents	26	**8,174,912**	8,271,875
			46,331,057	42,739,578
流動負債	**Current liabilities**			
衍生金融工具	Derivative financial instruments	19		3,730
建造合同應付款	Amounts due to customers for contract work	22	**1,563,378**	1,413,194
應付賬款	Trade payables	27	**17,260,173**	14,646,188
應付票據	Bills payable	27	**3,555,642**	1,900,795
其他應付款、應計費用及撥備	Other payables, accruals and provisions	27	**1,655,720**	2,033,798
已收按金	Deposits received	28	**7,238,055**	7,483,656
應付同系附屬公司款項	Amounts due to fellow subsidiaries	23	**73,953**	36,266
欠控股公司款項	Advance from holding company	29	**400,478**	2,785
須於一年內償還之借款	Borrowings — due within one year	30	**1,151,595**	581,623
應交稅金	Tax payables	33	**901,855**	920,618
須於一年內償還之融資租賃承擔	Obligation under finance lease — due within one year	31	**36,988**	–
			33,837,837	29,022,653
流動資產淨值	**Net current assets**		**12,493,220**	13,716,925

綜合財務狀況表(續)
Consolidated Statement of Financial Position (continued)

於二零一二年十二月三十一日
At 31 December 2012

		附註 Note	2012 人民幣千元 RMB'000	2011 人民幣千元 RMB'000
扣除流動負債後的總資產	**Total assets less current liabilities**		**20,794,572**	21,373,398
非流動負債	**Non-current liabilities**			
衍生金融工具	Derivative financial instruments	19		28,941
已收按金	Deposits received	28	**4,655,159**	6,337,141
欠控股公司款項	Advance from holding company	29	**1,357,108**	1,169,838
須於一年後償還之借款	Borrowings — due after one year	30	**981,317**	1,314,244
須於一年後償還之融資租賃承擔	Obligation under finance lease — due after one year	31	**136,391**	–
遞延稅項負債	Deferred tax liabilities	15	**396**	–
			7,130,371	8,850,164
資產淨值	**NET ASSETS**		**13,664,201**	12,523,234
股本及儲備	**CAPITAL AND RESERVES**	34		
股本	Share capital		**1,376,806**	1,376,806
儲備	Reserves		**10,477,111**	9,224,814
本公司股份持有人應佔總權益	Total equity attributable to equity shareholders of the Company		**11,853,917**	10,601,620
非控股權益	Non-controlling interests		**1,810,284**	1,921,614
權益總額	**TOTAL EQUITY**		**13,664,201**	12,523,234

董事會於二零一三年三月二十三日批准及授權刊發。

Approved and authorised for issue by the board of directors on 23 March 2013.

吳偉章
Wu Wei-zhang
董事
Director

商中福
Shang Zhong-fu
董事
Director

The annexed notes form part of these financial statements.

財務狀況表
Statement of Financial Position

於二零一二年十二月三十一日
At 31 December 2012

		附註 Note	2012 人民幣千元 RMB'000	2011 人民幣千元 RMB'000
非流動資產	**Non-current assets**			
物業、廠房及設備	Property, plant and equipment	12	**1,252,820**	1,141,147
預付土地租賃款	Prepaid lease payments	13	**35,861**	36,715
遞延稅項資產	Deferred tax assets	15	**10,696**	10,696
於附屬公司之投資	Investments in subsidiaries	16	**2,867,987**	2,831,012
於聯營公司之權益	Interests in associates	17	**80,740**	180,161
其他非流動資產	Other non-current assets	18	**60,346**	60,346
			4,308,450	4,260,077
流動資產	**Current assets**			
存貨	Inventories	20	**1,530,735**	780,753
應收賬款	Trade receivables	21	**1,456,805**	457,300
應收票據	Bills receivable	21	**75,407**	163,687
其他應收款、按金及預付款項	Other receivables, deposits and prepayments	21	**272,618**	184,757
預付土地租賃款	Prepaid lease payments	13	**854**	854
應收附屬公司款項	Amounts due from subsidiaries	16	**1,640,468**	1,863,796
交易性證券	Trading securities	24	**1,601,800**	2,001,530
可收回稅項	Tax recoverable	33		2,618
現金及現金等價物	Cash and cash equivalents	26	**511,265**	196,886
			7,089,952	5,652,181
流動負債	**Current liabilities**			
應付賬款	Trade payables	27	**154,474**	176,860
應收票據	Bills payable	27	**35,911**	46,010
其他應付款、應計費用及撥備	Other payables, accruals and provisions	27	**216,732**	187,003
已收按金	Deposits received	28	**1,368,345**	1,053,967
欠附屬公司款項	Amounts due to subsidiaries	16	**3,130,267**	2,596,945
欠控股公司款項	Advance from holding company	29	**400,000**	–
應交稅金	Tax payables	33	**129,045**	–
			5,434,774	4,060,785
流動資產淨值	**Net current assets**		**1,655,178**	1,591,396

財務狀況表(續)
Statement of Financial Position (continued)

於二零一二年十二月三十一日
At 31 December 2012

		附註 Note	2012 人民幣千元 RMB'000	2011 人民幣千元 RMB'000
扣除流動負債後的總資產	**Total assets less current liabilities**		**5,963,628**	5,851,473
非流動負債	**Non-current liabilities**			
已收按金	Deposits received	28	**891,010**	702,644
欠控股公司款項	Advance from holding company	29	**392,960**	392,960
須於一年後償還之借款	Borrowings — due after one year	30	**11,364**	33,784
			1,295,334	1,129,388
資產淨值	**NET ASSETS**		**4,668,294**	4,722,085
股本及儲備	**CAPITAL AND RESERVES**	34		
股本	Share capital		**1,376,806**	1,376,806
儲備	Reserves		**3,291,488**	3,345,279
權益總額	**TOTAL EQUITY**		**4,668,294**	4,722,085

董事會於二零一三年三月二十三日批准及授權刊發。

Approved and authorised for issue by the board of directors on 23 March 2013.

吳偉章
Wu Wei-zhang
董事
Director

商中福
Shang Zhong-fu
董事
Director

附註構成此等財務報表的一部分。

The annexed notes form part of these financial statements.

綜合權益變動表
Consolidated Statement of Changes in Equity

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

		本公司股份持有人應佔之權益 Attributable to equity shareholders 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	法定資本儲備 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	其他儲備 Other reserves 人民幣千元 RMB'000	套期儲備 Hedging 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	非控股權益 Non-controlling interests 人民幣千元 RMB'000	權益總額 Total equity 人民幣千元 RMB'000
於二零一一年一月一日之結餘	**Balance at 1 January 2011**	1,376,806	1,980,295	709,850	596,936	161,476	–	4,876,085	9,701,448	1,462,394	11,163,842
本年度溢利	Profit for the year	–	–	–	–	–	–	1,228,661	1,228,661	154,613	1,383,274
其他綜合全面虧損：	Other comprehensive loss:										
現金流量套期工具有效部分的公允價值變動，總額	Changes in fair value of effective portion of cash flow hedges – gross	–	–	–	–	–	(32,671)	–	(32,671)	–	(32,671)
現金流量套期工具有效部分的公允價值變動，稅金	Changes in fair value of effective portion of cash flow hedges – tax	–	–	–	–	–	4,901	–	4,901	–	4,901
本年度其他綜合全面虧損總額	Other comprehensive loss for the year	–	–	–	–	–	(27,770)	–	(27,770)	–	(27,770)
本年度綜合全面收益總額	Total comprehensive income for the year	–	–	–	–	–	(27,770)	1,228,661	1,200,891	154,613	1,355,504
共同控制下的業務合併影響	Arising from business combination under common control	–	–	–	–	(99,399)	–	–	(99,399)	99,399	–
出售附屬公司(附註37)	–										

綜合權益變動表(續)
Consolidated Statement of Changes in Equity (continued)

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

根據中華人民共和國(「中國」)公司法，除稅後溢利之分配順序如下：

(1) 彌補虧損；

(2) 提取法定盈餘公積金；及

(3) 派發普通股之股息。

有關上述項目(3)在任何年度之分配比例細則將由董事酌量本公司及其附屬公司的經營情況及發展需要釐定，並須於股東大會提請股東批准。

根據中國公司法及相關公司章程，本公司及其附屬公司均須提取10%除稅後溢利(根據中國會計準則釐定)，撥入其法定盈餘公積金賬內。

股本溢價賬的應用乃受中國公司法監管。

法定盈餘公積金為本公司股份持有人應佔權益的一部分，當其餘額達到公司註冊資本之50%時，可不須再提取。根據中國公司法，法定盈餘公積金可用以彌補過往虧損、擴充生產及業務經營、或通過轉換的方式撥充資本。當本公司之法定盈餘公積金轉充為資本時，該賬內未轉充資本之金額不得少於註冊資本25%。

法定資本儲備為哈爾濱電氣集團公司(「哈電集團公司」)向本集團轉讓主要經營業務淨資產的公允價值，與在本公司成立時其發行予哈電集團公司的股份面值兩者之間的差額盈餘。

In accordance with the People's Republic of China (the "PRC") Company Law, the profit after taxation is applied in the following order:

(1) making up of losses;

(2) allocation to statutory surplus reserve; and

(3) payment of dividends in respect of ordinary shares.

The amount of appropriation in respect of item (3) above for any year shall be recommended by the directors in accordance with the operational conditions and development requirements of the Company and its subsidiaries and shall be submitted to the shareholders in general meeting for approval.

In accordance with the PRC Company Law and the relevant Articles of Association, the Company and its subsidiaries are required to appropriate amounts equal to 10% of their profit after taxation as determined in accordance with the PRC accounting standards to statutory surplus reserve.

The application of the share premium account is governed by PRC Company Law.

Statutory surplus reserve is part of equity attributable to equity shareholders of the Company and when its balance reaches an amount equal to 50% of the Company's registered capital, further appropriation needs not be made. According to the PRC Company Law, statutory surplus reserve may be used to make up past losses, to increase production and business operations or to increase capital by means of conversion. However, when funds from statutory surplus reserve are converted to capital, the funds remaining in such reserve shall amount to not less than 25% of the registered capital.

The statutory capital reserve represents the surplus arising from the difference between the fair value of the net assets of the principal business undertakings transferred from Harbin Electric Corporation ("HE") to the Group and the nominal value of the shares issued to HE by the Company when the Company was formed.

綜合權益變動表(續)
Consolidated Statement of Changes in Equity (continued)
截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

套期儲備包括用於現金流套期的套期工具公允價值累積變動淨額的有效部分，待日後根據附註2(ab)就現金流套期採納的會計政策確認為套期現金流。

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flow in accordance with the accounting policy adopted for cash flow hedges in note 2(ab).

其他儲備為就向非控股權益收購附屬公司額外權益所付代價與所購淨資產相關賬面值兩者間之差額。此外，因收購共同控制實體而產生資本儲備及對合併會計之影響也包括在此。

Other reserves represent the difference between the consideration paid to acquire additional interests in subsidiaries from non-controlling interest and the relevant carrying value of the net assets acquired. In addition, the capital reserve and effect on merger accounting arising from acquisition of a common control entity was also included therein.

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。

No dividends shall be paid by the Company and its subsidiaries before they have made up their losses and made allocations to the statutory surplus reserve.

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公認會計準則所計算之金額，兩者以較低者為准。於二零一二年十二月三十一日，可分配予本公司股份持有人之儲備總金額為根據香港公認會計準則所釐定之保留溢利人民幣142,574,000元(二零一一年：人民幣221,427,000元)。如上文所述，結存的法定盈餘公積金於若干情況下亦可派發予股東。

Pursuant to a document issued by the Ministry of Finance in August 1995 in respect of profit appropriations, the amount available for distribution to shareholders is the lesser of the amount determined in accordance with the PRC accounting standards and the amount determined in accordance with accounting principles generally accepted in Hong Kong. At 31 December 2012, the aggregate amount of reserves available for distribution to equity shareholders of the Company was RMB142,574,000 (2011: RMB221,427,000) representing the retained profits of the Company prepared under accounting principles generally accepted in Hong Kong. As also mentioned above, the balance of statutory surplus reserve can also be distributed to shareholders in certain situations.

本公司股份持有人應佔綜合溢利包括已列入本公司財務報表的溢利人民幣138,962,000元(二零一一年：虧損人民幣168,288,000元)(附註34(a))。

The consolidated profit attributable to equity shareholders of the Company includes a profit of RMB138,962,000 (2011: loss of RMB168,288,000) which has been dealt with in the financial statements of the Company (note 34(a)).

綜合現金流量表
Consolidated Statement of Cash Flows

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

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

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

		附註 Note	2012 人民幣千元 RMB'000	2011 人民幣千元 RMB'000
現金及現金等價物(減少)淨額	**Net (decrease) in cash and cash equivalents**		**(111,773)**	(3,187,444)
年初現金及現金等價物	**Cash and cash equivalents at the beginning of the year**		**8,271,875**	11,459,319
匯率變動影響淨額	**Effect of foreign exchange rate changes, net**		**14,810**	–
年末現金及現金等價物	**Cash and cash equivalents at the end of the year**	26	**8,174,912**	8,271,875
年末現金及現金等價物之分析	**Analysis of cash and cash equivalents at the end of the year**			
銀行存款及手頭現金	Cash at bank and in hand	26	**6,333,400**	5,646,474
銀行存款	Bank deposits	26	**1,841,512**	2,625,401
			8,174,912	8,271,875

附註構成此等財務報表的一部分。

The annexed notes form part of these financial statements.

2. 主要會計政策(續)

(a) 遵例聲明(續)

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，並於本集團及本公司的當前會計期間首次生效或可供提早採納。就與本集團有關的範圍初次應用該等修訂引致財務報表所反映當前及以往會計期間之會計政策出現之變動資料，已載列於附註3。

(b) 財務報表編製基準

截至二零一二年十二月三十一日止年度的綜合財務報表包括本公司及其附屬公司(統稱「本集團」)的財務報表以及本集團於聯營公司的權益。

除以下資產及負債(於下列的會計政策解釋)按公允價值列賬外，編製財務報表是以歷史成本基準佑走艸嚕蠹隊慦嶚釉匙霧澍

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Statement of compliance (continued)

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

— financial instruments classified as trading securities (see note 2(g)), and

— derivative financial instruments (see note 2(h)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2. 主要會計政策(續)

(b) 財務報表編製基準(續)

估計及相關假設會持續作出檢討。對會計估計進行修訂時，若修訂只影響該期間，則修訂會在修訂估計的期間內確認；若修訂影響到當期及未來期間，則在修訂期間及未來期間確認。

管理層就採用香港財務報告準則時作出對財務報表構成重大影響的判斷，以及有關判斷不確定因素的討論內容載列於附註42。

(c) 業務合併

業務收購乃採用收購法入賬。於業務合併中轉讓之代價以公允價值計量，即按本集團轉讓之資產、本集團對收購對象前擁有人承擔之負債及本集團為交換收購對象控制權而發行之股本權益於收購日期之公允價值總和計算。與收購事項有關之成本於產生時在損益中確認。

於收購日期，收購之可識別資產及承擔的負債按其公允價值確認，惟以下情況除外：

- 於業務合併時收購之資產及承擔之負債產生的遞延稅項資產或負債，以及於收購日期存在或因收購產生的暫時性差異的潛在稅項影響及被收購方的賬款按香港會計準則第12號*「所得稅」*確認及計量；

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 42.

(c) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- a deferred tax asset or liability arising from the assets acquired and liabilities assumed in a business combination and the potential tax effects of temporary differences and carryforwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are recognised and measured in accordance with HKAS 12, "*Income Tax*";

2. 主要會計政策(續)

(c) 業務合併(續)

- 員工福利安排相關之資產或負債按香港會計準則第19號*「員工福利」*確認及計量；

- 與收購對象以股份為基礎支付之交易有關或以本集團以股份為基礎支付之交易取代收購對象以股份為基礎支付之交易有關之負債或股權工具，乃於收購日期按香港財務報告準則第2號*「以股份為基礎之支付」*計量；及

- 根據香港財務報告準則第5號*「持作出售之非流動資產及已終止經營業務」*分類為持作出

量第收第　　*終止經營業務」*分類為持作出
於收；收收收股收
；礎箇戈晚礎箇戈晾趵懋曾旨礎財額；易礎箇戈晚
售量訃

2. 主要會計政策(續)

(c) 業務合併(續)

屬現時擁有之權益且於清盤時令持有人有權按比例分佔企業資產淨值之非控股權益，可初步按公允價值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類種的非控股權益乃按其公允價值或，如適用，按另一項香港財務報告準則規定之另一項計量基準計量。

倘本集團於進行業務合併時轉移的代價包括源自或然代價安排的資產或負債，則或然代價是以收購日的公允價值衡量，並於業務合併時作為轉移代價的一部分。在計量期間中確認的或然代價中的公允價值轉變，將會被追溯調整調將　會

計

2. 主要會計政策(續)

(c) 業務合併(續)

關於不獲確認為計量期間調整的或然代價公允價值轉變的後續會計，需視乎或然代價如何分類。分類為權益的或然代價是不會在後續報告的日子中重新計算，而且其後續結算將會計入權益之內。分類為資產或負債的或然代價根據香港會計準則第39號*金融工具：確認及計量*或香港會計準則第37號*撥備、或然負債及或然資產* þ ¢ Œ ƒ • Ñ _5 aS A l ƒ _

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2. 主要會計政策(續)

(c) 業務合併(續)

共同控制實體合併之合併會計法

綜合財務報表包括發生共同控制合併之合併實體或業務之財務報表項目，猶如該等項目自合併實體或業務首次受控制方控制當日起已合併計算。

合併實體或業務之資產淨值自控制方角度按現有賬面值合併入賬。在控制方之權益持續情況下，不會就商譽或共同控制合併時收購方於被收購方之可識別資產、負債及或然負債公允價值淨額所佔權益超逾成本之差額確認任何金額。

綜合收益表包括各合併實體或業務自所呈列最早日期或合併實體或業務首次受共同控制當日以來的較短期間之業績，而不論共同控制合併日期。

(d) 附屬公司及非控股權益

附屬公司為本集團控制之企業。當本集團有權支配該企業的財務及經營政策，並藉此從其活動取得利益時，則存在控制權。在評估本公司是否擁有控制權時，也會考慮潛在的可行使投票權。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Business combinations (continued)

Merger Accounting for common control entities combinations

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

2. 主要會計政策(續)

(d) 附屬公司及非控股權益(續)

於附屬公司的投資於控制權開始之日起直至控制權失去時止綜合計入綜合財務報表(使用合併會計原則入賬的共同控制附屬公司除外)。集團內公司間結餘及交易以及集團內公司間交易所產生之任何未變現溢利，均於編製綜合財務報表時作出全數抵銷。集團內公司間交易所產生之未變現虧損在一定程度上按未變現收益做出抵銷，但抵銷額只限於沒有證據顯示資產已出現減值的部分。

非控股權益是指並非由本公司直接或間接擁有附屬公司的權益，而本集團並沒有同意與這些權益的持有人訂立任何可導致本集團整體就這些權益而承擔符合金融負債定義的合同義務的額外條款。

本集團業績中的非控股權益於綜合收益表及綜合全面收益表中列示，以劃分非控股權益與本公司股份持有人應佔之本年度溢利或虧損及全面收益總額。

本集團於附屬公司權益變化但未引致失去控制權的交易，按照權益交易入賬，以此種方法調整於綜合權益項下之控股及非控股權益的數額，以反映相關權益變動，但不調整商譽，也不確認損益。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests (continued)

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases (except for subsidiaries under common control which are accounted for using the principles of merger accounting). Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

2. 主要會計政策(續)

(d) 附屬公司及非控股權益(續)

如果本集團失去附屬公司之控制權，該項交易將按出售該附屬公司全部權益入賬，相關交易的盈虧確認為損益。任何本集團所保留之前附屬公司剩餘權益按失去控制權日的公允價值確認，該數值被視為金融資產初始確認之公允價值(見附註2(g))，或為於聯營公司初始確認的投資成本(見附註2(e))(如適用)。

在本公司之財務狀況表內，於附屬公司之投資以成本減減值虧損(見附註2(m))列賬，除非其被歸類為持作出售的投資或為持作出售的出售組別的一部分。

(e) 聯營公司

聯營公司是指本集團或本公司可以對其發揮重大影響力，但並非控制或聯合控制其管理的企業，所謂發揮重大影響力包括參與其財務及經營決策。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests (continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)) or, when appropriate, the cost on initial recognition of investments in associates (see note 2(e)).

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see note 2(m)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

2. 主要會計政策(續)

(e) 聯營公司(續)

於聯營公司之投資乃按權益法於綜合財務報表列賬，惟有關投資分類為持作出售類別(或計入分類為持作出售之出售組別)則除外。根據權益法，於聯營公司之投資初步按成本入賬，並按本集團應佔投資對象之可識別資產淨值於收購當日之公允價值超過投資成本之差額(如有)作出調整。此後，就本集團於收購後應佔投資對象資產淨值之變動及與該項投資有關之任何減值虧損作出調整(見附註2(m))。收購當日超過成本之任何差額、本集團應佔投資對象收購後的除稅後業績及任何本年度減值虧損均在綜合收益表中確認，而本集團應佔投資對象之，其他綜合收益之收購後的除稅後項目，則於綜合全面收益表予以確認。

倘本集團應佔聯營公司之虧損超過其權益，則本集團之權益將減至零，並終止進一步確認虧損，惟本集團已產生法律或推定義務或替投資對象付款則除外。就此而言，本集團之權益為按權益法計算該投資之賬面數額，連同實質上構成本集團於該聯營公司之投資淨值一部分之本集團長期權益。

本集團與其聯營公司之間交易所產生的未變現損益，會按本集團於投資對象所佔的權益比率抵銷，除非未變現虧損證實是由已轉讓資產減值而產生，則該等未變現虧損會即時在損益中確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Associates (continued)

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 2(m)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investee's other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

2. 主要會計政策(續)

(e) 聯營公司(續)

如果本集團對聯營公司不再有重大影響，應視作出售於該投資對象所佔的所大彐轆，

2. 主要會計政策(續)

(g) 債務及權益證券投資(續)

持作買賣之證券投資乃分類為流動資產。任何應佔交易成本產生後乃於損益內予以確認。於各報告期末，公允價值會重新計量，因此產生之任何盈虧乃於損益內確認。於損益內確認之盈虧淨額並不包括該等投資所賺取之任何股息或利息，因其乃根據附註2(w)(v)及附註2(w)(vi)所載之政策予以確認。

本集團及／或本公司有能力及意圖持有至到期日的有期債務證券分類為持有至到期的證券。持有至到期的證券按攤銷成本扣除減值虧損列賬(見附註2(m))。

於活躍市場並無市價報價資料及其公允價值未能可靠地計量之權益證券投資於財務狀況表內按成本扣除減值虧損予以確認(見附註2(m))。該等投資之股息收入乃根據附註2(w)(v)所載之政策於損益內予以確認。

該等投資乃於本集團承諾購買／出售該等投資或於其屆滿之日期確認／終止確認。

(h) 衍生金融工具

衍生金融工具初步按公允價值確認。於各報告期末，公允價值會重新計量。重新計量公允價值而產生之盈虧直接於損益內予以確認，惟倘衍生金融工具符合資格作現金流量套期會計處理則除外，於此情況下，確認任何因此產生之盈虧乃取決於被套期項目之性質(見附註2(ab))。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Investments in debt and equity securities (continued)

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in note 2(w)(v) and 2(w)(vi).

Dated debt securities that the group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less impairment losses (see note 2(m)).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less impairment loss (see note 2(m)). Dividend income from these investments is recognised in profit or loss in accordance with the policy set out in note 2(w)(v).

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(h) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 2(ab)).

2. 主要會計政策(續)

(i) 投資物業

投資物業乃指為賺取租金收入及／或為資本增值而以租賃權益擁有或持有之土地及／或樓宇(見附註2(l)),當中包括就現時尚未確定未來用途持有之土地及為未來用作投資物業正在興建或發展之物業。

投資物業最初按成本計量,包含任何直接交易費用。最初確認之後,投資物業按成本減其後累計折舊及任何累計減值虧損計量(見附註2(m))。折舊按投資物業的估計可使用年期在計入估計餘值後採用直線法撇銷投資物業之成本。投資物業之租賃收入之適用會計政策載於附註2(w)(iii)。

一項投資物業於出售後或當該項投資物業永久不再使用或預計不會從其出售中獲得任何日後經濟利益時終止確認。因終止確認該項物業而產生之任何盈虧(以出售所得款淨額與該項資產之賬面值兩者之差額計算)計入該物業終止確認之期間之損益內。

折舊乃以直線法計算,按其預計可使用年期撇銷各項投資物業成本至其剩餘價值。就此而言,原則性可使用年期為30年。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(l)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses (see note 2(m)). Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method. The accounting policy for rental income from leasing of investment properties is set out in note 2(w)(iii).

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Depreciation is calculated on the straight-line basis to write off the cost of each item of investment properties to its residual value over its estimated useful life. The principle useful lives used for this purpose are 30 years.

2. 主要會計政策(續)

(j) 物業、廠房及設備

物業、廠房及設備項目乃按成本減累計折舊及減值虧損入賬(見附註2(m))。

自建物業、廠房及設備項目之成本包括物料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地原貌之成本之初步估計(倘有關)和適當比例之生產經常費用及借款成本(見附註2(y))。

報廢或出售物業、廠房及設備項目所產生之損益以該項目之出售所得款淨額與其賬面值之間之差額釐定，並於報廢或出售當日於損益內予以確認。

物業、廠房及設備項目折舊按下列年率，在扣除其估計剩餘價值(如有)後，以直線法撇銷其成本計算：

樓宇	3.23%–6.47%
廠房及機械	6.47%–13.86%
傢具、裝置及設備	10.78%–19.40%
汽車	16.17%–19.40%

倘物業、廠房及設備項目之部件有之可用年期不同，該項目之成本將以合理基準在部件之間進行分配，並且各部件單獨折舊。資產之可使用年期及剩餘價值(如有)均每年進行檢討。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property, plant and equipment

Items of property, plant and equipment, other than construction in progress, are stated at cost less any accumulated depreciation and any accumulated impairment losses (see note 2(m)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(y)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

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%

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2. 主要會計政策(續)

(j) 物業、廠房及設備(續)

在建工程包括在建造和裝置期內之直接建築成本，乃按成本扣除任何已確認減值虧損入賬。當資產投入擬定用途所需之準備工作大致完成時，該等成本即不再資本化，而在建工程則轉撥至物業、廠房及設備之相關類別。在建工程未計提折舊準備，直至其完成及實質上可作擬定用途為止。

(k) 無形資產(商譽除外)

(i) 分開收購之無形資產

分開收購及可使用年期有限之無形資產，包括專利權及特許權，按成本減累計攤銷及累計減值虧損列賬(見附註2(m))。攤銷按其估計可使用年期以直線法予以確認。估計可使用年期及攤銷方法於各報告期末檢討，任何估計變動之影響按預提基準入賬。分開收購及可使用年期無限之無形資產，按成本減累計減值虧損列賬。

專利權及特許權的使用期限為5至15年並且按直線法在使用年限內攤銷。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property, plant and equipment (continued)

Construction in progress comprises direct costs of construction during the period of construction and installation, which are carried at cost, less any identified impairment losses. Capitalisation of these costs ceases and the construction in progress is transferred to the relevant class of property, plant and equipment when substantially all of the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided in respect of construction in progress until it is completed and substantially ready for its intended use.

(k) Intangible assets (other than goodwill)

(i) Intangible assets acquired separately

Intangible assets, comprising patents and rights, with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses (see note 2(m)). Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Patents and rights with finite useful lives are amortised on a straight-line basis over 5 to 15 years.

2. 主要會計政策(續)

(k) 無形資產(商譽除外)(續)

(ii) 研究和開發支出

研究活動開支於其產生期間確認為支出。

當且僅當以下所有各項得到證明時，開發(或內部項目之開發階段)產生之內部無形資產應予確認：

- 完成該無形資產以使其可供使用或出售之技術可行性；
- 完成及使用或出售該無形資產之意圖；
- 使用或出售該無形資產之能力；
- 該無形資產將如何產生未來經濟利益；
- 有足夠技術、財務資源及其他資源完成該無形資產之開發，並使用或出售該無形資產；及
- 有能力可靠計量該無形資產於開發期間應佔開支。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Intangible assets (other than goodwill) (continued)

(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 (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

2. 主要會計政策(續)

(k) 無形資產(商譽除外)(續)

(ii) 研究和開發支出(續)

內部產生之無形資產之最初確認金額乃自無形資產首次滿足上述確認標準後所產生之支出總額。倘並無內部產生之無形資產可予確認，則開發支出在其發生期間於損益內予以確認。

在最初確認之後，內部產生之無形資產應按與分開收購之無形資產相同之基準，以成本減累計攤銷及累計減值虧損列賬(見附註2(m))。

(iii) 於業務合併中收購之無形資產

於業務合併時收購之無形資產與商譽分開確認，並按其於收購日期之公允價值初步確認，而有關公允價值被視為其成本。

於初步確認後，於業務合併中收購之無形資產按與分開收購之無形資產相同之基準以成本減累計攤銷及累計減值虧損列賬(見附註2(m))。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Intangible assets (other than goodwill) (continued)

(ii) Research and development expenditure (continued)

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (see note 2(m)), on the same basis as intangible assets that are acquired separately.

(iii) Intangible assets acquired in a business combination

Intangible assets that are acquired in a business combination and are recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses (see note 2(m)), on the same basis as intangible assets that are acquired separately.

2. 主要會計政策(續)

(k) 無形資產(商譽除外)(續)

(iv) 終止確認無形資產

無形資產於出售或當預期使用或出售該資產後不會帶來未來經濟利益時終止確認。終止確認無形資產產生之收益及虧損按出售所得款淨額與資產賬面值間之差額計算，並於終止確認資產時於損益內予以確認。

(l) 租賃資產

倘本集團決定於協定時期內將特定資產使用權出讓以換取一筆或一連串款項之安排，包括一項交易或一連串交易之該項安排，屬於或包括一項租賃。該項決定乃基於安排之實質評估而作出，而不論該項安排是否採取租賃之法律形式。

(i) 本集團租賃資產之分類

對於本集團以租賃持有之資產，倘將所有權之絕大部分風險及回報轉移至本集團，則有關資產劃歸為以融資租賃持有；倘並無將所有權之絕大部分風險及回報轉移至本集團，則劃歸為經營租賃。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Intangible assets (other than goodwill) (continued)

(iv) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(l) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

2. 主要會計政策(續)

(l) 租賃資產(續)

(ii) 根據融資租賃收購資產

倘本集團根據融資租賃收購資產使用權，代表租賃資產公允價值的收額或最低租賃款項現值之較低者，計入物業、廠房及設備，而相應負債於扣除融資費用後，按融資租賃承擔入賬。折舊按於相關租賃期間撇銷資產成本或估值之比率撥備，或倘本集團可能取得資產所有權，則按附註2(j)所載資產年期。減值虧損根據附註2(m)所會計政策計賬。租賃付款之融資費用於租賃期間計入損益，以於各會計期間就承擔餘額得出大致穩定支銷率。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Leased assets (continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(j). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(m). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

財務報表附註

2. 主要會計政策(續)

(m) 資產減值

(i) 債務及權益證券投資及其他應收款減值

按成本或攤銷成本列值或分類為可供出售證券之債務及權益證券投資以及其他流動與非流動應收款，於各報告期末進行檢討，以釐定是否有客觀的減值憑證。客觀的減值憑證包括本集團注意到以下一項或多項虧損事件的顯著數據：

— 債務人有重大財務困難；

— 違反合約，如拖欠或逾期償還利息或本金；

— 債務人可能破產或進行其他財務重組；

— 科技、市場、經濟或法律環境有重大變動而對債務人有不利影響；及

— 股本工具投資之公允價值大幅或長期下跌至低於其成本。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

— significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. 主要會計政策(續)

(m) 資產減值(續)

(i) 債務及權益證券投資及其他應收款減值(續)

倘存在任何有關證據，則釐定減值虧損並按以下方式予以確認：

— 根據附註2(m)(ii)，就附屬公司之投資及採用權益法確認之聯營公司之投資(見附註2(e))而言，減值虧損之計量方法為比較該項投資之可收回金額與其賬面值。根據附註2(m)(ii)，倘用於釐定可收回金額之估計出現有利變動，則撥回減值虧損。

— 就以成本列賬之非掛牌權益證券而言，減值虧損乃以金融資產之賬面金額與以類似金融資產之當時市場回報率折現(倘折現造成重大影響)之預計未來現金流量之間之差額計量。按成本入賬之權益證券之減值虧損不予撥回。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(i) Impairment of investments in debt and equity securities and other receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

— For investments in subsidiaries and interests in associates recognised using the equity method (see note 2(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(m)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(m)(ii).

— For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

2. 主要會計政策(續)

(m) 資產減值(續)

(i) 債務及權益證券投資及其他應收款減值(續)

— 就按攤銷成本列賬的應收賬款及其他當期應收款以及其他金融資產而言，減值虧損按資產賬面值與估計未來現金流量現值的差額釐定，如貼現影響屬重大，則按金融資產原來實際利率(即最初確認該等資產時計算的實際利率)貼現。如按攤銷成本列賬的金融資產具備類似的風險特徵，例如類似的逾期情況及並未單獨被評估為減值，則有關的評估會同時進行。金融資產的未來現金流量會根據與該類資產具有銷成

2. 主要會計政策(續)

(m) 資產減值(續)

(i) 債務及權益證券投資及其他應收款減值(續)

減值虧損應從相應的資產中直接撇銷，但可收回性被視為可疑而並非微乎其微的應收賬款及應收票據之已確認減值虧損則例外，在此情況下，呆賬的減值虧損應計入撥備賬。倘本集團認為能收回應收賬款的機會微乎其微，則視為不可收回金額會從應收賬款及應收票據中直接撇銷，而在撥備賬中持有有關該債務的任何金額會被撥回。若之前計入撥備賬之款項在其後收回，則相關的撥備會被撥回。撥備賬的其他變動及之前直接撇銷而其後收回的款項，均在損益中確認。

(ii) 其他資產減值

本集團會於各報告期末審閱內部及外部資料，以確定以下資產是否存在減值跡象(商譽除外)，或先前確認的減值虧損是否不再存在或可能已經減少：

— 物業、廠房及設備；

— 預付土地租賃款 ;@ül (K üa [illegible]

2. 主要會計政策(續)

(m) 資產減值(續)

(ii) 其他資產減值(續)

倘存在任何上述跡象，則資產的可收回金額將予以估計。此外，就商譽、未可供使用之無形資產及具有無期限可使用年期之無形資產而言，每年均會評估其可收回金額，無論是否存在任何減值跡 [驥

2. 主要會計政策(續)

(m) 資產減值(續)

(ii) 其他資產減值(續)

— *撥回減值虧損*

就除商譽之外的資產而言，倘用作釐定可收回金額的估計出現有利變動，則會撥回減值虧損。商譽的減值虧損不予撥回。

所撥回的減值虧損限於在過往年度並未確認減值虧損時原應釐定的資產賬面值。所撥回的減值虧損在確認撥回的年度計入損益。

(n) 存貨

存貨以成本值及可變現淨值兩者中的較低者入賬。

成本以加權平均成本法計算，並包括所有採購成本、轉換成本及將存貨運至現址和變成現狀的其他成本。

可變現淨值乃日常業務過程中的估計售價減去估計完成生產及銷售所需的成本。

存貨出售時，該等存貨的賬面值於確認有關收入的期間確認為開支。存貨撇減至可變現淨值的減幅及所有存貨虧損一概在撇減或虧損產生期間確認為開支。任何存貨撇減撥回的金額，在作出撥回期間確認為減少已確認為開支的存貨金額。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(n) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. 主要會計政策(續)

(o) 建造合同

建造合同乃就一項資產或一組資產與客戶洽談的具體合同，而客戶可指定設計的主要結構構件。有關合同收入的會計政策載於附註2(w)(ii)。倘能夠可靠地估計建造合同的結果，合同成本會參照報告期末的合同完成程度確認為開支。倘若合同總成本可能超過合同總收入，則預期虧損會即時確認為開支。倘不能可靠地估計建造合同的結果，則合同成本於產生期間確認為開支。

於報告期末正在進行的建造合同按所產生的成本加上已確認溢利減去已確認虧損及進度結算賬單的淨額，記入財務狀況表的「應收合約工程客戶總額」(作為資產)或「應付合約工程客戶總額」(作為負債)(如適用)。客戶尚未支付的進度結算賬單及保固金則記入「應收賬款」內。進行相關工程前收取的款項，則記入「已收按金」內。可預見虧損於管理層預計將會出現時立即作出撥備。

(p) 應收賬款及其他應收款

應收賬款及其他應收款初步按公允價值確認，其後則按實際利息法以攤銷成本扣除呆賬減值撥備列賬(見附註2(m))，惟倘若應收款項為給予關連方的無固定還款期的免息貸款，或貼現影響並不重大者則除外。於該等情況下，應收款乃按成本扣除呆賬減值撥備列賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. The accounting policy for contract revenue is set out in note 2(w)(ii). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the state of completion of the contract at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the end of the reporting period are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the statement of financial position as the "Amounts due from customers for contract work" (as an asset) or the "Amounts due to customers for contract work" (as a liability), as applicable. Progress billings not yet paid by the customers and retention are included under "Trade receivables". Amounts received before the related work is performed are presented as "Deposits received". Provision is made for foreseeable losses as soon as they are anticipated by management.

(p) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of

2. 主要會計政策(續)

(q) 計息借款

計息借款初步按公允價值減應佔交易成本確認。初步確認後，計息借款按攤銷成本列賬，而初步確認金額與贖回價值之間之差額(連同任何應付利息及費用)會於借款期內利用實際利率法於損益中確認。

(r) 應付賬款及其他應付款

應付賬款及其他應付款初步按公允價值確認。除根據附註2(v)(i)計量之財務擔保負債外，應付賬款及其他應付款其後則按經攤銷成本列賬，惟倘若貼現的影響並不重大，則按成本列賬。

(s) 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、存放於銀行和其他財務機構的活期存款，以及可以隨時換算為已知現金額且價值變動風險不大，並在購入後三個月內到期的短期和高流動性投資。就綜合現金流量表而言，現金及現金等價物亦包括構成本集團現金管理部分的須按通知償還之銀行透支。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(r) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(v)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

2. 主要會計政策(續)

(t) 員工福利

短期員工福利及界定供款退休計劃的供款

薪金、年終花紅、有薪年假、向界定供款退休計劃作出的供款及非貨幣福利的成本於員工提供相關服務的年度內計算。如延遲付款或結算並構成重大影響，則此等金額會以現值列賬。

(u) 所得稅

年度所得稅包括即期稅項及遞延稅項資產和負債的變動。即期稅項及遞延稅項資產和負債的變動，均於損益內確認，但與於其他綜合全面收益或直接於權益內確認的項目有關者，則於其他綜合全面收益或直接於權益內確認。

即期稅項為按年內應課稅收入，根據於報告期末已執行或實質上已執行的稅率計算的預期應付稅項，以及對過往年度應付稅項作出的任何調整。

遞延稅項資產及負債分別由可扣減及應課稅的暫時差額產生，即資產及負債就財務報告上的賬面值與其稅基之間的差額。遞延稅項資產亦由未使用稅項虧損及未使用稅項抵免產生。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Employee benefits

Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(u) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2. 主要會計政策(續)

(u) 所得稅(續)

除某些有限的例外情況外，所有遞延稅項負債及所有遞延稅項資產(只限於可能有未來應課稅溢利用作抵扣有關資產)均會確認。能支持確認由可扣減暫時差額所產生遞延稅項資產的未來應課稅溢利包括因撥回現存應課稅暫時差額而產生的金額；但此等差額必須與同一稅務機關及同一應課稅企業有關，且預期在可扣減暫時差額預計撥回的同一期間或遞延稅項資產所產生稅項虧損可向後期或向前結轉的期間內撥回。在釐定現存應課稅暫時差額是否支持確認由未使用稅項虧損和稅項抵免產生的遞延稅項資產時，亦會採用同一準則，即該等差額若與同一稅務機關及同一應課稅企業有關，並預期在能使用稅項虧損或抵免的同一期間內撥回，則會被考慮。

不確認為遞延稅項資產及負債的例外情況包括以下：不可在稅務方面獲得扣減的由商譽產生的暫時差額；不影響會計或應課稅溢利的資產或負債的最初確認(如屬業務合併的一部分則除外)；以及與於附屬公司的投資有關的暫時差額，如屬應課稅差額，只限於本集團可以控制撥回的時間，而且在可預見的將來不大可能轉回的暫時差額；或如屬可抵扣差額，則只限於很可能於未來撥回的差額。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2. 主要會計政策(續)

(u) 所得稅(續)

— 倘為遞延稅項資產及負債，而此等資產及負債與同一稅務機關就以下其中一項徵收的所得稅有關：

  — 同一應課稅企業；或

  — 不同應課稅企業，而該等企業計劃於日後預計將清償大額遞延稅項負債或結算式收回大額遞延稅項資產的每個期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

(v) 已發出財務擔保、撥備及或然負債

(i) 已發出財務擔保

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債務工具的條款於到期時付款而蒙受的損失，而向持有人支付特定款項的合同。

當本集團發出財務擔保，該擔保的公允價值(即交易價格，除非公允價值能以其他方式可靠估計)最初確認為其他應付款內的遞延收入。倘於發出該擔保時已收取或可收取代價，該代價則根據本集團適用於該類資產的政策而予以確認。倘並無已收取或可收取之任何有關代價，則於初始確認任何遞延收入時即時於損益內確認開支。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Income tax (continued)

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

  — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(v) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

2. 主要會計政策(續)

(v) 已發出財務擔保、撥備及或然負債(續)

(i) 已發出財務擔保(續)

最初確認為遞延收入的擔保款額按擔保年期攤銷，並於損益內確認為財務擔保收入。此外，倘(i)擔保持有人有可能就該項擔保要求本集團履行擔保；及(ii)向本集團提出的申索款額預期超過現時列於該擔保的其他應付款(即最初確認的金額減累計攤銷)，則根據附註2(v)(iii)確認有關撥備。

(ii) 業務合併承擔之或然負債

因業務合併而承擔或然負債於收購日屬即期責任，則最初按公允價值確認，惟公允價值須能可靠計量。於初始以公允價值確認後，該等或然負債會以最初確認的金額減去累計攤銷(如適用)後所得金額及可能根據附註2(v)(iii)確定之金額兩者中的較高者予以確認。倘不能於收購日可靠地計量公允價值或並非為即期責任，因業務合併而承擔之或然負債則根據附註2(v)(iii)披露。

2. 主要會計政策(續)

(v) 已發出財務擔保、撥備及或然負債(續)

(iii) 其他撥備及或然負債

當本集團或本公司因過往事件而有法律或推定責任，而且可能需要導致經濟利益流出以履行有關責任，並能對數額作出可靠估計時，則對此等不確定時間或金額之負債確認撥備。倘貨幣之時間價值重大，撥備會以預計履行責任所需開支之現值入賬。

倘經濟利益外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該責任披露為或然負債，惟經濟利益外流的可能性極低則除外。倘潛在責任須視乎某件或多件未來事件是否發生才能確定是否存在，亦會披露為或然負債，惟經濟利益外流的可能性極低則除外。

(w) 收入

收入按已收或應收代價之公允價值計量。於經濟利益可能流入本集團，而收入及成本(如適用)亦能可靠地計量時，收入會根據下列基準於損益中確認：

(i) 銷售貨品

收入在貨品送達客戶場地，而且客戶接納貨品及其所有權相關的風險及回報時確認。收入不包括增值稅或其他銷售稅，並已扣除任何銷售折扣。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Financial guarantees issued, provisions and contingent liabilities (continued)

(iii) Other provisions and contingent 8 0 Td (Otl07 Td <07B4>Tj -1

2. 主要會計政策(續)

(w) 收入(續)

(ii) 合同收入

當建造合同的結果能夠可靠地估計時：

— 固定價格合同的收入以完工百分比法確認，並根據至今已產生的合同成本與合同預計總成本的比例計量；及

當建造合同的結果不能可靠地估計，收入只於所產生的合同成本將可收回時確認。

(iii) 經營租賃租金收入

經營租賃的應收租金收入於租賃年期所涵蓋的期間內均等地在損益中確認，惟另有一種方法更能代表使用租賃資產所得的利益模式則除外。經營租賃協議所涉及的激勵措施均在損益中確認為應收租賃淨付款總額的組成部分。或然租金在其賺取的會計期間內確認為收入。

(iv) 服務收入

服務收入於服務提供時確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Revenue (continued)

(ii) Contract revenue

When the outcome of a construction contract can be estimated reliably:

— revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract; and

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iv) Service income

Service income is recognised when services are provided.

2. 主要會計政策(續)

(w) 收入(續)

(v) 股息

— 非上市投資之股息收入於股東收取款項之權利確立時確認。

— 上市投資之股息收入於該投資之股價除息後確認。

(vi) 利息收入

利息收入乃於產生時按實際利率法確認。

(vii) 政府補助

當可以合理地確定本集團將會收到政府補助並履行該補助附帶之條件時，政府補助於財務狀況表內初始確認。用於彌補本集團已產生開支之補助於該等開支產生期間有系統地於損益中確認為收入。用於彌補本集團資產成本之補助則從該資產的賬面金額中扣除，其後以減少折舊開支之方式按該資產的可用期限於損益中實際確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Revenue (continued)

(v) Dividends

— Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

— Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method.

(vii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

2. 主要會計政策(續)

(x) 外幣換算

年內的外幣交易按交易日的匯率換算。以外幣計值之貨幣資產及負債則按報告期末之匯率換算。匯兌盈虧於損益中確認。

以外幣按歷史成本計算之非貨幣資產及負債使用交易日之匯率換算。以外幣計值且以公允價值列示之非貨幣資產及負債，則按該公允價值釐定日期之匯率進行換算。

(y) 借款成本

凡直接與購置、興建或產生某項資產(該資產必須經過頗長時間籌備以作擬定用途或出售)有關之借款成本，均資本化為該資產之部分成本。其他借款成本均於其產生期間列為開支。

屬於合資格資產成本一部分的借款成本於該資產開支產生、借款成本產生及使資產投入擬定用途或銷售所必須的準備工作進行期間開始資本化。於使合資格資產投入擬定用途或銷售所必須的絕大部分準備工作中止或完成時，借款成本便會暫停或停止資本化。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchangerates etary end

2. 主要會計政策(續)

(z) 關聯方

(a) 某人或其近親家族成員倘符合以下條件，則被視為本集團的關聯方：

(i) 控制或共同控制本集團；

(ii) 可對本集團發揮重大影響力；或

(iii) 為本集團或本集團母公司之主要管理人員。

(b) 某實體倘符合以下條件，則被視為本集團的關聯方：

(i) 該實體與本集團為同一集團之成員(即各母公司、附屬公司及同系附屬公司彼此互有關連)。

(ii) 某實體為另一實體之聯繫人士或合營夥伴(或某集團成員之聯繫人士或合營夥伴，而該另一實體亦為該集團之成員)。

(iii) 兩個實體屬同一第三方之合營夥伴。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

2. 主要會計政策(續)

(z) 關聯方(續)

(b) (續)

(iv) 某實體為第三方實體之合營夥伴，而另一實體則為該第三方實體之聯繫人士。

(v) 該實體屬於為本集團或與其有關連之實體之僱員利益而設之退休福利計劃。

(vi) 該實體受(a)項所述人士控制或共同控制。

(vii) (a)(i)項所述人士可對該實體發揮重大影響力，或為該實體之主要管理人員。

個別人士之近親家族成員指該人士於處理企業事務上預期可影響彼等或受其影響之家族成員。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Related parties (continued)

(b) (continued)

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. 主要會計政策(續)

(m) 資產減值(續)

(ii) 其他資產減值(續)

— *撥回減值虧損*

就除商譽之外的資產而言，倘用作釐定可收回金額的估計出現有利變動，則會撥回減值虧損。商譽的減值虧損不予撥回。

所撥回的減值虧損限於在過往年度並未確認減值虧損時原應釐定的資產賬面值。所撥回的減值虧損在確認撥回的年度計入損益。

(n) 存貨

存貨以成本值及可變現淨值兩者中的較低者入賬。

成本以加權平均成本法計算，並包括所有採購成本、轉換成本及將存貨運至現址和變成現狀的其他成本。

可變現淨值乃日常業務過程中的估計售價減去估計完成生產及銷售所需的成本。

存貨出售時，該等存貨的賬面值於確認有關收入的期間確認為開支。存貨撇減至可變現淨值的減幅及所有存貨虧損一概在撇減或虧損產生期間確認為開支。任何存貨撇減撥回的金額，在作出撥回期間確認為減少已確認為開支的存貨金額。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(n) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.