

董事會報告書 REPORT OF THE DIRECTORS



董事會同寅現謹將截至二零零五年十二月三十一日止年度之年報及經審核賬目呈覽。

主要業務

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

集團重組

為進行集團重組，航天科技國際集團有限公司（「航天」）和中國火箭技術研究院（「火箭院」）於二零零五年一月二十二日訂立買賣協議。根據買賣協議，航天同意出售，而火箭院同意購買航天在Astrotech Group Limited（「Astrotech」）的全數100%股本及股東貸款，總作價現金港幣143,758,081元。Astrotech持有本公司449,244,000股普通股股份（約佔本公司44.17%股本）。買賣協議於二零零五年七月十日完成後，航天將不再直接或間接地持有本公司任何股權。

有關交易之詳細資料載於本公司之二零零五年一月二十四日公告。

重大交易

二零零五年四月十五日本集團的全資附屬公司加冠國際有限公司（「加冠國際」）就吉林三源風力發電有限公司和江蘇龍源風力發電有限公司的成立分別訂立關於風力發電廠及其設施的建設、維護和經營之中外合資經營合同。

有關交易之詳細資料載於本公司之二零零五年四月十八日公告。

The Directors present their annual report and the audited financial statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

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

REORGANISATION

On 22 January 2005, China Aerospace International Holdings Limited ("CASIL") and China Academy of Launch Vehicle Technology Limited ("CALT") entered into a Sale and Purchase Agreement for the purpose of effecting the group reorganisation (the "Sale and Purchase Agreement"). Pursuant to the Sale and Purchase Agreement, for an aggregate cash consideration of HK\$143,758,081, CASIL agreed to sell, and CALT agreed to purchase, CASIL's entire 100% equity interest in and the entire shareholder's loan due from Astrotech Group Limited, which, in turn, holds 449,244,000 ordinary shares (representing approximately 44.17% equity interest) in the Company. Upon completion of the Sale and Purchase Agreement which had taken place on 10 July 2005, CASIL will no longer hold any direct or indirect equity interest in the Company.

Details of the transaction were set out in an announcement made by the Company on 24 January 2005.

MAJOR TRANSACTION

The Joint Venture Contracts in respect of 江蘇龍源風力發電有限公司 Jiangsu Longyuan Wind Energy Company Limited and 吉林三源風力發電有限公司 Jilin Sanyuan Wind Energy Company Limited were entered into by Crownplus International Limited ("Crownplus"), a wholly owned subsidiary of the Company, in respect of the building, maintenance and operation of wind energy plants and facilities in the PRC respectively on 15 April 2005.

Details of the transaction were set out in an announcement made by the Company on 18 April 2005.

結算日後事項

本集團之結算日後事項之明細刊載於財務報表附註35。

業績

本集團年內之業績刊載於第29頁之綜合損益表內。

董事並不建議就截至二零零五年十二月三十一日止之年度派發任何股息。

物業、廠房及設備

本年內本集團及本公司物業、廠房及設備之變動情況刊載於財務報告附註14。

股本

本公司之股本於年內之變動刊載於財務報表附註28。

購買、出售或贖回股份

本年度本公司及其任何附屬公司概無購買、出售或購回任何本公司已發行股份。

優先購買權

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

購股權計劃

本公司之購股權計劃於年內之明細刊載於財務報表附註29。

POST BALANCE SHEET EVENT

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

RESULTS

The results of the Group for the year ended 31 December 2005 are set out in the consolidated income statement on page 29.

The Directors do not recommend the payment of a dividend.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group and the Company during the year are set out in note 14 to the financial statements.

SHARE CAPITAL

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

PURCHASE, SALE OR REDEMPTION OF SHARES

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

PRE-EMPTIVE RIGHTS

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

SHARE OPTION SCHEME

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

董事會報告書

REPORT OF THE DIRECTORS



董事會

本年內及截至本報告日期止之董事如下：

非執行董事

吳燕生先生 (董事長)
(於二零零六年二月十四日獲委任)
梁小虹先生 (副董事長)
(於二零零六年二月十四日獲委任)
唐國宏先生
(於二零零六年二月十四日獲委任)
馬玉成先生
(於二零零六年二月十四日辭任)

執行董事

韓樹旺先生 (副董事長)
(於二零零六年二月十四日獲委任)
王曉東先生
李光先生
(於二零零六年二月十四日獲委任)
芮曉武先生
(於二零零六年二月十四日辭任)
周曉雲先生
(於二零零六年二月十四日辭任)
韓江先生
(於二零零六年二月十四日辭任)
郭先鵬先生
(於二零零六年二月十四日辭任)
徐建華先生
(於二零零六年二月十四日辭任)

獨立非執行董事

姚瀛偉先生
黃琿先生
朱世雄先生
毛關勇先生

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

根據本公司組織章程細則第99條款規定，吳燕生先生、梁小虹先生、韓樹旺先生、唐國宏先生及李光先生須於即將舉行之股東週年大會後輪席告退，惟願膺選連任。

DIRECTORS

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

Non-executive

Mr. Wu Yansheng (Chairman)
(appointed on 14 February 2006)
Mr. Liang Xiaohong (Vice-chairman)
(appointed on 14 February 2006)
Mr. Tang Guohong
(appointed on 14 February 2006)
Mr. Ma Yucheng
(resigned on 14 February 2006)

Executive

Mr. Han Shuwang (Vice-chairman)
(appointed on 14 February 2006)
Mr. Wang Xiaodong
Mr. Li Guang
(appointed on 14 February 2006)
Mr. Rui Xiaowu
(resigned on 14 February 2006)
Mr. Zhou Xiaoyun
(resigned on 14 February 2006)
Mr. Han Jiang
(resigned on 14 February 2006)
Mr. Guo Xianpeng
(resigned on 14 February 2006)
Mr. Xu Jian Hua
(resigned on 14 February 2006)

Independent Non-executive

Mr. Yiu Ying Wai
Mr. Wong Fai, Philip
Mr. Zhu Shixiong
Mr. Moh Kwen Yung

The term of office of the non-executive director and each of the independent non-executive director is from the date they were last elected to the date of their retirement by rotation in accordance with the Company's Articles of Association.

Messrs. Wu Yansheng, Liang Xiaohong, Han Shuwang, Tang Guohong and Li Guang shall retire by rotation at the close of the forthcoming annual general meeting in accordance with Article 99 of the Company's Articles of Association and, being eligible, offers themselves for re-election.

董事服務合約

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

董事於合約中之利益

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

董事及行政總裁於股份、相關股份及債權證之權益及淡倉

於二零零五年十二月三十一日，本公司董事及行政總裁或彼等各自之聯繫人概無於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中擁有依據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司(「聯交所」)(包括根據證券及期貨條例有關條文其被當作或視為擁有之權益及淡倉)；或記錄於依據證券及期貨條例第352條須存置之登記冊；或依據聯交所證券上市規則(「上市規則」)上市公司董事進行證券交易的標準守則須知會本公司或聯交所之權益。

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN CONTRACTS

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

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

As at 31 December 2005, none of the directors and chief executives of the Company or their respective associates had any interest or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of SFO), or to be recorded in the register required to be maintained pursuant to Section 352 of the SFO, or otherwise to be notified to the Company or the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").



董事購買股份或債權證之權利

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

主要股東

於二零零五年十二月三十一日，據董事所知，除董事或本公司主要行政人員外，以下人士／實體於本公司股份及相關股份中擁有權益或短倉，而根據證券及期貨條例第XV部第2及3分部之條文規定須向本公司及聯交所披露，或直接或間接擁有附帶權利可在任何情況下於本集團任何其他成員公司股東大會上投票之任何類別股本面值5%或以上之權益，而該等人士各自於該等證券之權益或有關該等股本之任何期權數額如下：

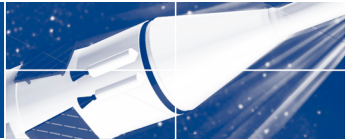
DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2005, so far as is known to the directors, the persons/entities (other than a director or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under provisions of Division 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such person's interest in such securities or in any options in respect of such capital were as follows:

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



董事會報告書 REPORT OF THE DIRECTORS

附註：

1. 「L」指股東於股份之長倉。
2. 中航總被視為擁有449,244,000股股份之權益，因其持有火箭院100%已發行股本。
3. Astrotech乃火箭院之全資附屬公司。因此，火箭院被視為擁有Astrotech所持全部股份之權益。

除本文所披露者外，按本公司根據證券及期貨條例第336條而設存之權益登記冊所示及於二零零五年十二月三十一日，據董事所知，除董事或本公司主要行政人員外，概無人士／實體於本公司股份及相關股份中擁有權益或短倉，而根據證券及期貨條例第XV部第2及3分部之條文規定須向本公司及聯交所披露，或直接或間接擁有附帶權利可在任何情況下於本集團任何其他成員公司股東大會上投票之任何類別股本面值5%或以上之權益，而於有關該等股本之任何期權。

主要客戶及供應商

截至二零零五年十二月三十一日止年度，本集團五大客戶共佔本集團營業額約52%。本集團最大客戶佔本集團營業額約33%。

截至二零零五年十二月三十一日止年度，本集團五大供應商合共佔本集團採購額約15%，本集團最大供應商佔本集團總採購額約9%。

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

Notes:

1. The letter "L" denotes the shareholder's long position in the shares.
2. CASC is deemed to be interested in 449,244,000 shares as it holds 100% of the issued share capital of CALT.
3. Astrotech is a wholly owned subsidiary of CALT. Accordingly, CALT is deemed to be interested in all the shares held by Astrotech.

Save as disclosed herein, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, there is no other person/entity (other than a director or chief executive of the Company) who, as at 31 December 2005, had any interest or short position in the shares of underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group in any options in respect of such capital.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2005, turnover attributable to the five largest customers of the Group accounted for approximately 52% of the Group's turnover and turnover attributable to the Group's largest customer accounted for approximately 33% of the Group's turnover.

For the year ended 31 December 2005, purchases attributable to the five largest suppliers of the Group accounted for approximately 15% of the Group's purchases and purchases attributable to the Group's largest supplier accounted for approximately 9% of the Group's purchases.

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



公眾持股

於本報告日期，本公司已發行股份之公眾持股為上市規則所規定的不少於25%。

企業管治

本集團已全部採納上市規則附錄14所載之守則條文，惟偏離行為是全部獨立非執行董事並無特定任期，但須在公司股東週年大會輪換卸任及須再次參選方可連任。

本集團已採納程序規管董事進行本公司股份交易，以符合上市規則附錄10所載的標準守則。

核數師

一項決議案將提呈股東週年大會，以續聘德勤•關黃陳方會計師行為本公司核數師。

承董事會命

吳燕生
董事長

香港，二零零六年四月二十六日

PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2005.

CORPORATE GOVERNANCE

The Group has adopted all of the Code Provisions in Appendix 14 of the Listing Rules except all of the Independent Non-executive Directors are not appointed for specific term but are subject to retirement and rotation and re-election at the Company's Annual General Meeting.

The Group has adopted procedures governing directors' securities transactions in compliance with the Model Code as set out in Appendix 10 of the Listing rules.

AUDITORS

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

On behalf of the Board

Wu Yansheng
Chairman

Hong Kong, 26 April 2006