

Management Discussion and Analysis

管理層討論及分析



FINANCIAL REVIEW

Liquidity, capital structure and financial resources

The Group has consistently maintained sufficient working capital. As at 31 December 2006, the Group had current assets of HK\$652,181,000 (2005: HK\$521,881,000), including cash and bank balances and time deposits in an aggregate of HK\$176,138,000 (2005: HK\$130,078,000). The Group's current liabilities as at 31 December 2006 were HK\$479,405,000 (2005: HK\$435,941,000).

In March 2006, the Company issued 268,500,000 new shares at HK\$0.115 per share. In August 2006, the Company repurchased on The Stock Exchange of Hong Kong Limited a total of 24,678,000 shares of the Company at prices ranged from HK\$0.092 to HK\$0.099 per share. The aggregate consideration paid for these shares amounted to approximately HK\$2,402,000. All the relevant share certificates in respect of the repurchased shares had been duly cancelled and destroyed.

As at 31 December 2006, the Group's equity attributable to equity holders of the parent amounted to HK\$591,724,000 (2005: HK\$471,851,000), comprising issued capital of HK\$398,530,000 (2005: HK\$374,148,000) and reserves of HK\$193,194,000 (2005: HK\$97,702,000). The Group's outstanding bank borrowing as at 31 December 2006 amounted to HK\$167,614,000 (2005: HK\$156,342,000). The

財務回顧

資金流動性、資本架構及財務資源

本集團一貫保持充足營運資金。於二零零六年十二月三十一日，本集團有流動資產652,181,000港元（二零零五年：521,881,000港元），其中包括現金及銀行結存及定期存款合共176,138,000港元（二零零五年：130,078,000港元）。本集團於二零零六年十二月三十一日之流動負債為479,405,000港元（二零零五年：435,941,000港元）。

於二零零六年三月，本公司發行了268,500,000股新股，作價每股0.115港元。於二零零六年八月，本公司以每股0.092港元至0.099港元的價格從香港聯合交易所有限公司購回共24,678,000股本公司股份，就該等股份所支付的總代價約為2,402,000港元。所有購回股份的股份證書已被註銷及銷毀。

於二零零六年十二月三十一日，本集團之公司權益持有人應佔權益為591,724,000港元（二零零五年：471,851,000港元），由398,530,000港元（二零零五年：374,148,000港元）之已發行股本及193,194,000港元（二零零五年：97,702,000港元）之儲備所組成。本集團於

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Group's gearing ratio, calculated on the basis of total borrowings as a percentage of equity attributable to equity holders of the parent, was 28% (2005: 33%).

The Group's banking facilities are mainly utilised for the issue of documentary credits for purchase of materials, for the issue of bid bonds and performance guarantees in accordance with contractual terms, and for capital expenditure and general working capital requirements.

Charges on the Group's assets

Details of the charges on the Group's assets are set out in note 31 to the financial statements.

Exposure to fluctuations in exchange rates

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars, Renminbi or United States dollars. No significant exposure to fluctuations in exchange rates exists. The Group will continue to monitor the movement in exchange rates and take necessary measures if the situations so justify so as to minimise any adverse impact that fluctuations of exchange rates might have on the Group.

MATERIAL ACQUISITIONS AND DISPOSALS

On 4 January 2006, Sino-Aviation Investments Limited ("Sino-Aviation Investments"), a wholly-owned subsidiary of the Company, entered into a joint venture agreement ("JV Agreement") with China National Aero-Technology Import & Export Corporation ("CATIC"), the Company's ultimate holding company, and Chengdu Aircraft Industry (Group) Corporation Ltd. ("Chengdu Aircraft"), for the establishment of a joint venture to engage in the research and development, design and manufacture of, and provision of technical services for, parts and components for commercial aircraft. According to the JV Agreement, the total registered capital of the joint venture will be RMB100 million (equivalent to approximately HK\$100 million), of which 40%, 15% and 45% respectively, will be contributed by Sino-Aviation Investments, CATIC and Chengdu Aircraft. The JV Agreement is conditional upon, (i)

二零零六年十二月三十一日之未償還銀行貸款為167,614,000港元(二零零五年: 156,342,000港元)。本集團之資本負債率按總借貸佔公司權益持有人應佔權益之百分比計算為28%(二零零五年: 33%)。

本集團之銀行信貸主要用於採購物料時出具信用証、按合約條款出具投標及履約保證函、以及用以應付資本支出及一般營運資金的需要。

集團資產抵押

有關本集團資產抵押之詳情載於財務報表附註31。

匯率波動風險

本集團之貨幣資產、負債及交易主要以港元、人民幣或美元作為結算單位，並不存在重大匯率波動風險。本集團將繼續監察匯率之變動，在有需要時採取必要措施，將匯率波動可能對本集團帶來之任何不利影響減至最低。

重大收購及出售

於二零零六年一月四日，本公司之全資附屬公司Sino-Aviation Investments Limited (「Sino-Aviation Investments」)與本公司之最終控股公司中國航空技術進出口總公司(「中航技總公司」)及成都飛機工業(集團)有限責任公司(「成都飛機」)訂立合營協議(「合營協議」)，以成立一家合營公司，從事商用飛機零部件之研發、設計及製造及提供技術服務。根據合營協議，合營公司之總註冊資本將為100,000,000元人民幣(相等於約100,000,000港元)，其中Sino-Aviation Investments、中航技總公司及成都飛機將分別注資40%、15%及45%。合營協議須待以下條件達成後方告生效，包括(i)三方各自獲得內部批准；及(ii)獲得有

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internal approval obtained by each of the three parties; and (ii) the approvals from the relevant PRC authorities. As at 31 December 2006, the JV Agreement was not effective as the conditions stated above have not been fulfilled.

On 10 July 2006, Billirich Investment Limited, a wholly-owned subsidiary of the Company, entered into a subscription agreement with Sino Gas Group Limited ("Sino Gas") to subscribe for 25,000,000 new ordinary shares of Sino Gas at a subscription price of HK\$0.53 per share for a total cash consideration of HK\$13,250,000. Together with other subscription agreements entered into by Sino Gas, Sino Gas agreed to issue and allot an aggregate of 165,000,000 ordinary shares at the subscription price of HK\$0.53 per share. The aforesaid subscriptions were completed in August 2006 and the Group's interest in Sino Gas was diluted from 20.93% to 20.27% accordingly.

Saved as disclosed above, the Group had no other material acquisitions or disposals during the year.

CONTINGENT LIABILITIES

Details of the significant contingent liabilities of the Group are set out in note 39 to the financial statements.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2006, there were 1,409 (2005: 1,552) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

關中國機構之批准。截至二零零六年十二月三十一日，由於上述條件尚未達成，因此該合營協議尚未生效。

於二零零六年七月十日，本公司之全資附屬公司Billirich Investment Limited與中油潔能集團有限公司（「中油潔能」）訂立認購協議，以每股0.53港元之認購價認購25,000,000股中油潔能新普通股，現金代價總額為13,250,000港元。連同中油潔能所訂立的其他認購協議，中油潔能同意發行及配發合共165,000,000股普通股，每股認購價為0.53港元。上述認購已於二零零六年八月完成，本集團佔中油潔能之權益亦因而由20.93%攤薄至20.27%。

除上文所披露外，本集團於年內並無任何其他重大收購或出售。

或然負債

有關本集團重大或然負債之詳情載於財務報表附註39。

僱員及薪酬政策

於二零零六年十二月三十一日，本集團共有員工1,409名（二零零五年：1,552名）。本集團乃參考市場情況及根據個別員工表現而制定僱員薪酬，並不時作出檢討。本集團並為僱員提供其他福利包括醫療保險，及按個別僱員之表現及其對本集團作出之貢獻，向合資格僱員授予酌情性獎勵花紅及購股權。