

The Company's profit attributable to its shareholders comprises:

	2005	2004	Change % 變幅%
<i>(in HK\$ Million)</i>			
HAECO Hong Kong operations	256	167	53
Share of:			
TAECO	102	84	21
HAESL	229	157	46
Other jointly controlled companies	31	30	3
	618	438	41

公司的股東應佔溢利包括：

<i>(港幣百萬元)</i>
港機工程在香港的業務
應佔：
廈門太古飛機工程公司
香港航空發動機維修服務公司
其他共控公司

HAECO Hong Kong Operations

The Company's Hong Kong operations comprises heavy maintenance at hangars and line maintenance at the passenger and cargo terminals at Hong Kong International Airport as well as component overhaul at Tseung Kwan O and 'inventory technical management'.

Line maintenance had a busy year with the average number of movements handled by HAECO increasing by 13% to 253 per day.

The heavy maintenance division employs 1,200 people (2004: 1,010), who provide customers with a comprehensive range of scheduled maintenance checks and in addition undertake periodic checks, modifications and overhaul work on a wide variety of aircraft types. It was busy throughout the year with 1.64 million man-hours sold, a 15% increase over 2004. The division competes on price, availability of space, turnaround time and quality of workmanship with other Maintenance and Repair Organisations worldwide. Approximately 53% of its work was for airlines based outside Hong Kong.

The Company is building a second hangar at Hong Kong International Airport. Given strong demand for heavy maintenance the design of this hangar has been enhanced to enable a full range of heavy maintenance to be simultaneously performed on two aircraft of up to Boeing 747 size plus one aircraft of up to Boeing 787 size. With the enhancements, the cost of the hangar is estimated at HK\$440 million. The hangar is expected to open before the end of 2006 and eventually employ about 600 staff generating an additional 800,000 man-hours.

港機工程在香港的業務

公司在香港的業務包括於香港國際機場的機庫進行大型維修工程及在客貨運站進行外勤維修工程、於將軍澳進行部件大修工程，以及提供「庫存技術管理」服務。

年內外勤維修業務繁忙，港機工程平均每日處理的飛機數目增加百分之十三至二百五十三架。

大型維修部僱用員工一千二百人（二零零四年為一千零十人），為客戶提供全面的定期維修檢查，並為不同類型的飛機進行定期檢查、改裝及大修工程。全年間業務繁忙，售出的工時為一百六十四萬小時，較二零零四年增加百分之十五。部門無論在價格、機庫可用空間、周轉時間及技藝質素上足與世界其他同業競爭。部門進行的工程中，約百分之五十三乃來自非以香港為基地的航空公司。

公司正於香港國際機場興建第二個機庫。考慮到大型維修工程的需求強大，此機庫的設計已提升，使能同時為兩架體積達波音747型的飛機及一架體積達波音787型的飛機進行全面大型維修工程。由於設計提升，機庫的成本預計為港幣四億四千萬元。預期機庫於二零零六年底前啟用，最終僱用約六百名員工，帶來額外八十萬個工時。

The overhaul division occupies 7,000 square metres of modern workshop space at Tseung Kwan O and employs around 200 people. Utilisation of these facilities during the year was reasonable.

The Company's inventory technical management service for rotatable spares continues to expand. It now includes Airbus 340-600, 340-500, 330-300 and 300-600F. The net book value of these spares at the year-end was HK\$180 million (2004: HK\$103 million).

Taikoo (Xiamen) Aircraft Engineering Company Limited

TAECO opened its fourth double-bay hangar at Xiamen airport in December 2005 and is building a fifth hangar which is expected to open in the third quarter of 2007. It is also purchasing a mobile tail dock which will allow it to fully enclose a third Boeing 747 in the mid-hangar position in one of its hangars. It manufactures some parts used for Boeing 747-400 passenger to freighter conversions.

The majority of TAECO's work is heavy maintenance for which Japan Airlines, Cathay Pacific Airways and All Nippon Airlines are its most substantial customers. During 2005 TAECO also started working for The Boeing Company on the conversion of Boeing 747-400 passenger aircraft to freighters. The first aircraft was successfully completed and re-delivered to Cathay Pacific Airways in December 2005. TAECO expects to operate three lines of conversions for its contract with Boeing which covers up to thirty-three such conversions for the period up to end 2010. It has signed a memorandum of understanding with Boeing for a further seventeen aircraft to bring the potential total to fifty.

TAECO line maintenance operations, while still representing only a small percentage of its total turnover, continued to expand. In December 2005, the line maintenance operations handled a 1,026 flights in Beijing, Shanghai and Xiamen.

TAECO is building a new training centre in order to provide additional headcount to match the growth in its facilities and provide staff for other maintenance operations in China. At the end of 2005 TAECO's headcount totalled 2,945.

大修部位於將軍澳的現代化工場面積達七千平方米，僱用員工約二百人。年內此等設施的使用量合理。

公司為可修護備件提供的庫存技術管理服務繼續擴展。現時包括空中巴士340-600型、340-500型、330-300型客機及300-600F型貨機。此等備件於年終的賬面淨值為港幣一億八千萬元（二零零四年為港幣一億零三百萬元）。

廈門太古飛機工程有限公司

廈門太古飛機工程公司位於廈門機場的第四個雙機位機庫於二零零五年十二月啟用，第五個機庫正進行興建工程，預期於二零零七年第三季啟用。該公司亦正購買一部活動尾翼檢修台，這使其中一個機庫的中央位置可完全容納第三架波音747型飛機。該公司生產部份供波音747-400型客機改裝貨機工程使用的零件。

廈門太古飛機工程公司進行的工程大部份為大型維修工程，最主要的客戶為日本航空公司、國泰航空公司及全日本航空公司。在二零零五年間，廈門太古飛機工程公司亦為波音飛機公司展開波音747-400型客機改裝貨機的工程。首架飛機的改裝工程已順利完成，並於二零零五年十二月交回國泰航空公司。廈門太古飛機工程公司預計運作三條改裝生產線，以應付與波音公司訂立的合約，為多至三十三架飛機進行同類改裝工程，工程將進行至二零零一年終。該公司已和波音公司簽署一份諒解備忘錄，為另外十七架飛機進行改裝工程，令改裝飛機的潛在總數增至五十架。

儘管廈門太古飛機工程公司的外勤維修業務仍然只佔營業總額一個很小的百分比，但此業務持續增長。二零零五年十二月，外勤維修業務於北京、上海及廈門處理一千零二十六班航班。

廈門太古飛機工程公司正興建一座新的培訓中心，提供額外人手以配合設施增加，及為中國其他維修業務提供員工。在二零零五年底，廈門太古飛機工程公司的員工總數為二千九百四十五人。



Welding repairs at HAESL on a Trent HP/IP bearing support. HAESL was the first organisation to be certified by Rolls-Royce as achieving its 'Gold Centres of Excellence' standard for the repair of these large fan engine components.

香港航空發動機維修服務公司為特倫特高壓 / 中壓軸承座進行焊修工程。香港航空發動機維修服務公司是首家獲勞斯萊斯認證，為此等大型風扇發動機部件進行的修理工程能達到「優質中心金級證書」標準的機構。

Hong Kong Aero Engine Services Limited

HAESL (45% owned) had another busy year, with throughput of engines and engine equivalents in 2005 of 202 compared to 190 for 2004. The Group's share of after-tax profit improved by 46% to HK\$229 million. HAESL enhanced its component repair capability during the year. Its honeycomb repair and bearing support repair units received the first two 'gold centres of excellence' awards granted by Rolls-Royce Aero Repair & Overhaul. HAESL's customers include Cathay Pacific Airways, Emirates Airlines and Rolls-Royce. Singapore Aero Engine Services Pte. Limited ("SAESL"), in which HAESL has a 20% interest, increased its turnover and profitability.

Other Jointly Controlled Companies

EADS SOGERMA HAECO Services Company Limited (50% owned) provides computerised testing of components. Profit increased as business continued to grow.

Honeywell TAECO Aerospace (Xiamen) Company Limited (25% owned by HAECO and 10% by TAECO) grew its business volume and profits.

Goodrich Asia-Pacific Limited (49% owned) refurbishes carbon brakes and overhauls wheel hubs at Fanling, in Hong Kong. Business was steady and profit was similar to last year.

Goodrich TAECO Aeronautical Systems Limited (35% owned by TAECO) recorded increases in both turnover and profit.

IN-Services Asia Limited (35% owned) sells Intertechnique components, and provides a warranty and repair service to customers. There was a profit increase as a result of more business and product lines.

Taikoo (Shandong) Aircraft Engineering Company Limited, (20% owned by HAECO and 10% by TAECO) provides a heavy maintenance service at Jinan for narrow-bodied aircraft, in particular Boeing 737 aircraft. Its profitability was slightly below prior year due to a combination of fewer heavy B737 checks and higher training costs as it expands its headcount.

香港航空發動機維修服務有限公司

香港航空發動機維修服務公司(公司持有百分之四十五權益)年內的業務再度繁忙,二零零五年處理的發動機及同類部件數目為二百零二台,二零零四年則為一百九十台。集團的應佔除稅後溢利上升百分之四十六至港幣二億二千九百萬元。香港航空發動機維修服務公司於年內增強其部件修理能力。其蜂窩結構修理裝置及軸承座修理裝置榮獲首兩個由Rolls-Royce Aero Repair & Overhaul頒發的「優質中心金級證書」。香港航空發動機維修服務公司的客戶包括國泰航空公司、亞聯酋航空公司及勞斯萊斯公司。香港航空發動機維修服務公司擁有二成權益的新加坡航空發動機維修服務有限公司(「新加坡航空發動機維修服務公司」),其營業總額及溢利率均有所提高。

其他共控公司

EADS SOGERMA HAECO Services Company Limited (公司持有五成權益)提供電腦化部件測試服務。隨著業務持續增長,溢利亦有所增加。

廈門霍尼韋爾太古宇航有限公司(港機工程持有二成五權益,廈門太古飛機工程公司則持有一成權益)的業務量及溢利均有所增長。

Goodrich Asia-Pacific Limited (公司持有四成九權益)於香港粉嶺從事碳質掣動片整修及輪載大修業務。該公司的業務穩定,溢利與去年相若。

廈門豪富太古宇航有限公司(廈門太古飛機工程公司持有三成五權益)的營業總額及溢利錄得增長。

IN-Services Asia Limited (公司持有三成五權益)出售 Intertechnique 部件,並為客戶提供保用及修理服務。由於業務增長及生產線增加,令溢利上升。

山東太古飛機工程有限公司(港機工程持有二成權益,廈門太古飛機工程公司則持有一成權益)於濟南為狹體飛機提供大型維修服務,特別是波音 737 型飛機。該公司的波音 737 型飛機大型檢查工程量減少,加上因增加人手而令培訓成本上升,溢利率因而較上年稍遜。

Financial Review

財務回顧

	2005	2004	Change % 變幅 %	
<i>(in HK\$ Million)</i>		<i>(港幣百萬元)</i>		
Consolidated profit and loss account		綜合損益賬		
Turnover	3,121	2,134	46	營業總額
<p>Turnover comprises sales by HAECO and TAECO. The growth is partly due to starting to consolidate TAECO's turnover from 15th October 2004 when it became a subsidiary company.</p> <p>Comparing full year numbers, the increase in turnover comprises a 12% increase for the Company's Hong Kong operations and a 19% increase for TAECO.</p>		<p>營業總額包括港機工程及廈門太古飛機工程公司的營業額。營業總額增長部份原因是自廈門太古飛機工程公司於二零零四年十月十五日起成為附屬公司後，其賬目開始全面合併於集團賬內。</p> <p>比較全年數字，營業總額增加包括公司在香港的業務增長百分之十二及廈門太古飛機工程公司的業務增長百分之十九。</p>		
Operating profit	501	222	126	營業溢利
<p>The increase in operating profit is driven primarily by the growth in turnover and the consolidation of a full year's results for TAECO. It comprises a 49% increase for the Company's Hong Kong operations and a 18% increase for TAECO.</p>		<p>營業溢利增加主要是由於營業總額增長，以及廈門太古飛機工程公司的全年業績全面合併於集團賬內。這包括公司在香港的業務增長百分之四十九及廈門太古飛機工程公司的業務增長百分之十八。</p>		
Share of after-tax results of jointly controlled companies	267	256	4	應佔共控公司除稅後業績
<p>Excluding TAECO's HK\$70 million contribution in 2004 the increase is HK\$81 million or 44% and is mainly contributed by HAESL.</p>		<p>不包括廈門太古飛機工程公司在二零零四年港幣七千萬元的貢獻，業績增加港幣八千一百萬元或百分之四十四，主要來自香港航空發動機維修服務公司。</p>		
Profit attributable to the Company's shareholders	618	438	41	公司股東應佔溢利
<p>The main elements of the profit are HAECO's Hong Kong operations HK\$256 million, TAECO HK\$102 million and HAESL's Hong Kong operation HK\$229 million.</p>		<p>溢利主要來自港機工程在香港的業務港幣二億五千六百萬元、廈門太古飛機工程公司港幣一億零二百萬元，及香港航空發動機維修服務公司在香港的業務港幣二億二千九百萬元。</p>		
Consolidated balance sheet		綜合資產負債表		
Non-current assets	3,495	3,229	8	非流動資產
<p>The majority of the net increase of HK\$266 million during the year arose from HK\$546 million capital expenditure offset by HK\$202 million depreciation and amortisation.</p>		<p>年內增加淨額港幣二億六千六百萬元大部份因港幣五億四千六百萬元折舊及攤銷抵銷港幣二億零二百萬元資本性開支所致。</p>		
Net current assets				流動資產淨值
Net liquid funds	877	572	53	流動資金淨額
Working capital assets	643	562	14	營運資金資產
Working capital liabilities	(598)	(494)	21	營運資金負債
Net current assets	922	640	44	流動資產淨值
<p>The increase in working capital assets and liabilities is driven by the growth in the Group's business volume.</p>		<p>營運資金資產及負債增加，乃因集團營業額增長所致。</p>		

<i>(in HK\$ Million)</i>	2005	2004	Change % 變幅 %	<i>(港幣百萬元)</i>
Consolidated cashflow statement				綜合現金流量表
Net cash generated from operating activities The HK\$530 million was generated by HAECO's own operations and HK\$313 million by TAECO.	843	314	168	營運業務產生的現金淨額 港幣五億三千萬元由港機工程擁有的業務產生，港幣三億一千三百萬元則由廈門太古飛機工程公司產生。
Purchases of property, plant and equipment Capital expenditure during 2005 included HK\$312 million on new hangars and related equipment and HK\$93 million on rotobles managed for airlines.	546	109	401	購買物業、廠房及設備 二零零五年的資本性開支包括用於新機庫及有關設備港幣三億一千二百萬元，及用於為航空公司管理可修護備件港幣九千三百萬元。
Dividends and loan repayments received from jointly controlled companies Dividends received in 2005 comprised HK\$299 million from HAESL and HK\$19 million from Goodrich Asia-Pacific.	318	132	141	於共控公司收取的股息及償還借款 二零零五年收取的股息包括來自香港航空發動機維修服務公司港幣二億九千九百萬元及來自Goodrich Asia-Pacific港幣一千九百萬元。

Net Liquid Funds and Financing

The Group's deposits and net cash equivalents of HK\$877 million at 31st December 2005 and its continued strong operating cash flow is sufficient to meet its planned operating, working capital and capital expenditure requirements for 2006. In addition, the Company has un-committed loan facilities equivalent to HK\$474 million, of which HK\$240 million is subject to renewal during 2006.

Currency Fluctuations

The Group's income is substantially in HK dollars and US dollars and is matched by expenditure in the same currencies. The exception to this is TAECO which has substantial Renminbi expenditure. TAECO reduces its exposure to changes in the exchange rate of the Renminbi against the US dollar by retaining surplus funds in Renminbi and by a limited amount of selling US dollars forward for Renminbi.

流動資金淨額及融資

集團於二零零五年十二月三十一日結算的存款及現金等價物淨額港幣八億七千七百萬元，以及其持續強勁的營業現金流入，足以應付其二零零六年計劃的營業、營運資金及資本性開支需要。此外，公司有未撥用的信貸安排相當於港幣四億七千四百萬元，其中港幣二億四千萬需於二零零六年內續期。

貨幣浮動

集團的收入以港幣及美元為主，開支亦以同類貨幣為主。唯一例外是廈門太古飛機工程公司，該公司大量開支以人民幣計算。廈門太古飛機工程公司透過以人民幣保留盈餘資金，以及有限額地賣出遠期美元換成人民幣，以減少面臨人民幣兌美元匯率變動所產生的風險。