

TARGET

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CONTINENTAL AEROSPACE TECHNOLOGIES HOLDING LTD: THE 2024 INTERIM REPORT WAS A HORROR OR HORRORS !

Continental Aerospace Technologies Holding Ltd (大陸航空科技控股有限公司) (Code: 232, Main Board, The Stock Exchange of Hongkong Ltd) sought and obtained a listing on the premier equity market of The Stock Exchange of Hongkong Ltd on or about December 12, 1991.

This Company is said to be an investment holding corporate entity, principally engaged in the general aviation aircraft piston-engine business.

It is, simply stated, involved in design, development, and the production of general aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines.

The Company's customers are mainly based in The United States of America and Europe.

The Company's ultimate holding company is Aviation Industry Corporation of China Ltd (中國航空工業集團公司).

The Aviation Industry Corporation of China Ltd is a Chinese, State-Owned aerospace and defense conglomerate, headquartered in Beijing, the Capital City of The People's Republic of China (PRC).

According to the intelligence of TOLFIN (泰達資訊), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, the following nine paragraphs are believed to be comprehensive with regard to the chronology of Continental Aerospace Technologies Holding Ltd, as it is more-popularly known in the equity markets, internationally, today:

'The Aviation Industry Corporation of China (AVIC) is a Chinese State-Owned aerospace and defense conglomerate, headquartered in Beijing.

'AVIC is overseen by The State-Owned Assets Supervision and Administration Commission of the State Council of the PRC (中華人民共和國國務院國有資產監督管理委員會).

'It is ranked 140th in the Fortune Global 500 List.

'It has more than 100 subsidiaries, 27 listed companies, and 500,000 employees in the world.

'AVIC was, also, the sixth largest defense contractor, internationally, in 2022, and the second- largest, Chinese defense contractor with total revenues of \$US79 billion (from both defense and non-defense services).

'Since being established on April 1, 1951, as the Aviation Industry Administration Commission, the aviation industry of The People's Republic of China has been through 12 systemic reforms.

*'AVIC purchased American aircraft engine manufacturer, **'Continental Motors Incorporated**, in 2010, aircraft manufacturer, **Cirrus** (Cirrus Design Corporation), in 2011, and specialised parts supplier, **'Align Aerospace'**, in 2015.*

*'In 2015, AVIC and BHR Partners acquired U.S. automotive supplier, **'Henniges** (Henniges Automotive), ' through a joint venture structure.*

'In 2016, Aero Engine Corporation of China was formed, capitalised to the extent of \$US7.50 billion by Aviation Industry Corporation of China (AVIC) and Commercial Aircraft Corporation of China Ltd (中國商用飛機有限責任公司) (COMAC) in order to consolidate aero-engine and related technologies.'

THE 2023 ANNUAL REPORT OF CONTINENTAL AEROSPACE TECHNOLOGIES HOLDING LTD

On or about Monday, April 29, 2024, the 2023 Annual Report of Continental Aerospace Technologies Holding Ltd was published and disseminated in the **Hongkong Special Administrative Region (HKSAR) of The People's Republic of China.**

The Chairman of the Board of Directors of the Company, as at Thursday, March 28, 2024, was Mr Huang Yong Feng (黃勇峰).

At Pages Two through to 12 of the 2023 Annual Report of the Company, the Chairman's Statement, mingled in with the **'Management Discussion and Analysis,'** Chairman Huang Yong Feng had this to impart to his shareholders and, perchance, prospective investors:

'OVERALL REVIEW

'In 2023, the Group recorded a revenue of HK\$1,830,186,000 (2022: HK\$1,665,515,000) and a gross profit of HK\$567,574,000 (2022: HK\$508,488,000). The Group recorded a profit for the year of HK\$162,209,000 (2022: HK\$50,832,000). As demand in the global general aviation market remained strong in 2023, both sales revenue and corresponding gross profit of the Group's general aviation aircraft piston

engine business maintained an upward trend. The significant increase in profit for the year ended 31 December 2023 was mainly attributable to (a) the recognition of deferred tax credit in relation to the tax losses of previous years by a subsidiary of the Company in the United States, which has started to generate taxable profits in 2023; and (b) the profit for 2022 included an impairment of other intangible assets.

Basic earnings per share amounted to HK1.74 cents (2022: HK0.55 cent). The return on equity, calculated on the basis of profit attributable to owners of the Company as a percentage of equity attributable to owners of the Company, was 5.4% (2022: 1.8%).

'BUSINESS REVIEW

'During the year, the Group has only one reportable operating segment, the general aviation aircraft piston engine business, which engages in the design, development and production of general aviation aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines.

'Against the backdrop of tightening monetary policies by most central banks, the global economy has shown resilience beyond expectations in 2023. The growth of Global Gross Domestic Product ("GDP") existed a surprisingly sharp rise, with real GDP growth at 2.5%. However, in the last quarter of 2023, the growth of the global economy began to slow down.

'Despite [CLICK TO ORDER FULL ARTICLE](#)

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