

Directors' Report

董事報告

The directors present their annual report and the audited financial statements of Mayer Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2006.

Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in note 21 to the financial statements.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 5 to the financial statements.

Results and Dividends

The Group's profit for the year ended 31 December 2006 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 36 to 39.

The directors recommend the payment of final dividend of RMB 2 cents per ordinary share, totaling RMB9,600,000.

Summary Financial Information

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 4.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the year are set out in note 17 to the financial statements.

Share Capital

Details of movements in the Company's share capital during the year are set out in notes 32 to the financial statements.

Reserves

Details of movements of the reserves of the Company and the Group during the year are set out in note 34 to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable reserves of the Company at 31 December 2006 amounted to RMB128,867,000 (2005: RMB148,412,000).

董事謹此提呈美亞控股有限公司（「本公司」）及其附屬公司（合稱「本集團」）截至二零零六年十二月三十一日止年度之年報及經審核財務報表。

主要業務及地區分析

本公司之主要業務為投資控股，其附屬公司之業務載於財務報表附註21。

本集團年內按業務及地區分部分分析之表現載於財務報表附註5。

業績及股息

本集團截至二零零六年十二月三十一日止年度之溢利以及本公司及本集團於該日之財務狀況載於財務報表第36頁至第39頁。

董事建議派付末期股息每股普通股二分人民幣，合共9,600,000元人民幣。

財務資料摘要

本集團過去五年之業績以及資產及負債摘要載於第4頁。

物業、機器及設備

本集團之物業、機器及設備於年內之變動詳情載於財務報表附註17。

股本

本公司股本於年內之變動詳情載於財務報表附註32。

儲備

本公司及本集團之儲備於年內變動之詳情分別載於財務報表附註34及綜合權益變動表。

本公司於二零零六年十二月三十一日之可供分派儲備為128,867,000元人民幣（二零零五年：148,412,000元人民幣）。

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Pre-emptive Rights

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

Major Customers and Suppliers

The largest and the five largest customers accounted for less than 20% of the Group's total turnover for the year. The largest and the five largest suppliers accounted for 45% and 82% of the Group's purchases for the year, respectively.

None of the directors, their associates or any shareholders of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

Share Option Scheme

The share option scheme was adopted on 24 May 2004 (the "Share Option Scheme") for the primary purpose of providing incentive and to recognize the contribution of the eligible participants to the growth of the Group and will expire on 24 May 2014. Under the Share Option Scheme, the Board may grant options to eligible full time employees, including any executive, non-executive and independent non-executive directors, and consultants or advisers of the Company and/or any of its subsidiaries.

Up to 31 December 2006, no options have been granted since the adoption of the Share Option Scheme. The total number of shares in respect of which options may be granted under the Share Option Scheme and any other option schemes is not permitted to exceed 30% of the issued share capital of the Company from time to time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any year is not permitted to exceed 1% of the issued share capital of the Company, without prior approval from the Company's shareholders.

Options may be exercised at any time from the date of grant to the 10 years of the date of grant. No minimum period for which an option must be held is required. The exercise price, which is determined by the Board, is the highest of: (i) the closing price per share on the date of grant; (ii) the average closing price per share for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.

優先購買權

本公司之組織章程細則或開曼群島法例均無載列優先購買權之條文，以規定本公司須按比例向本公司現有股東提呈發售新股份。

主要客戶及供應商

最大及五大客戶於本年度佔本集團總營業額少於20%。最大及五大供應商則分別佔本集團本年度總採購額之45%及82%。

概無本公司董事、彼等之聯繫人士或任何股東（據董事所知擁有本公司股本逾5%者）於該等主要客戶及供應商中擁有任何權益。

購股權計劃

本公司於二零零四年五月二十四日採納購股權計劃（「購股權計劃」），旨在向合資格參與者給予獎勵，以表揚彼等為本集團之增長作出之貢獻，並將於二零一四年五月二十四日屆滿。根據購股權計劃，董事會可向合資格之全職僱員（包括本公司及／或其任何附屬公司之任何執行董事、非執行董事及獨立非執行董事以及顧問或諮詢人）授出購股權。

截至二零零六年十二月三十一日，自購股權計劃獲採納以來並無授出任何購股權。在未經本公司股東事先批准下，根據購股權計劃及任何其他購股權計劃可能授出之購股權所涉及之股份總數不得超過本公司不時已發行股本之30%。在未經本公司股東事先批准下，於任何年度向任何個人可能授出之購股權所涉及之股份數目不得超過本公司已發行股本之1%。

購股權可由其授出日期至該日起計10年內隨時行使。概無規定必須持有購股權之最短期間。董事會所釐定之行使價必須為以下各項之最高者：(i)股份於授出日期之每股收市價；(ii)股份於緊接授出日期前五個營業日之平均每股收市價；及(iii)股份面值。

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Purchase, Sale and Redemption of the Company's Listed Securities

During the year, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares.

Directors

The directors of the Company during the year and up to the date of this report were:

Executive directors

Mr. Lai Yueh-hsing
Mr. Lo Haw
Mr. Wu Kuo-lung (Resigned on 1 July 2006)
Mr. Shen Heng-chiang (Resigned on 1 July 2006)
Mr. Cheng Dar-terng
Mr. Chiang Jen-chin
Dr. Lin Meng-chang (Appointed on 1 July 2006)
Mr. Lu Wen-yi (Appointed on 1 July 2006)

Non-executive directors

Mr. Hsiao Ming-chih
Mr. Huang Chun-fa

Independent non-executive directors

Mr. Huang Jui-hsiang
Mr. Lin Sheng-bin
Mr. Alvin Chiu

In accordance with article 112 of the Company's Articles of Association, each of Mr. Lai Yueh-hsing, Mr. Huang Chun-fa, Mr. Huang Jui-hsiang, Mr. Lin Sheng-bin and Mr. Alvin Chiu will retire by rotation at the forthcoming annual general meeting and being eligible, will offer himself for re-election.

In accordance with article 95 of the Company's Articles of Association, each of Dr. Lin Meng-chang, and Mr. Lu Wen-yi will retire by rotation at the forthcoming annual general meeting and being eligible, will offer himself for re-election.

The Board expresses on behalf of the Company great appreciation and gratitude to Mr. Wu Kuo-lung and Mr. Shen Heng-chiang for their past contribution to the Group.

Biographical details of the directors of the Company are set out on pages 10 to 11.

購買、出售或贖回本公司之上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市股份。

董事

於年內及截至本報告日期，本公司之董事如下：

執行董事

賴粵興先生
羅漢先生
吳國龍先生（於二零零六年七月一日辭任）
沈亨將先生（於二零零六年七月一日辭任）
鄭達騰先生
蔣仁欽先生
林孟璋博士（於二零零六年七月一日獲委任）
呂文義先生（於二零零六年七月一日獲委任）

非執行董事

蕭敏志先生
黃春發先生

獨立非執行董事

黃瑞祥先生
林聖斌先生
趙熾佳先生

根據本公司組織章程細則第112條，賴粵興先生、黃春發先生、黃瑞祥先生、林聖斌先生及趙熾佳先生各自將於應屆股東週年大會上輪值告退，惟彼等均符合資格連任。

根據本公司組織章程細則第95條，林孟璋博士及呂文義先生各自將於應屆股東週年大會上輪值告退，惟彼等均符合資格連任。

董事會代表本公司向吳國龍先生及沈亨將先生過往對本集團之貢獻表示欣賞及感謝。

本公司董事之履歷載於第10頁至第11頁。

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Directors' Service Contracts

Each of the executive directors has entered into a service agreement with the Company for an initial term of one year commencing from 21 June 2004 and shall continue thereafter from year to year until and unless terminated by either party by giving to the other party not less than three months' prior written notice.

Each of the non-executive directors and independent non-executive directors has entered into a service agreement with the Company for an initial term of one year commencing from their respective dates of appointment and shall continue thereafter from year to year until and unless terminated by either party by giving to the other party not less than three months' prior written notice.

Save as disclosed above, no directors proposed for re-election at the forthcoming annual general meeting has a service agreement with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The Company has received from each of its independent non-executive directors an annual confirmation of his independence in 2006 pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and as at the date of this report, the Company still considers the independent non-executive directors to be independent.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company and the Group was entered into or existed during the year.

Directors' Interests in Contracts

Saved as disclosed in note 42 to the financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

董事之服務合約

各執行董事已與本公司訂立一項初步由二零零四年六月二十一日起計為期一年之服務協議，其後將按年續約，直至及除非任何一方向另一方發出不少於三個月之事前書面通知而予以終止為止。

各非執行董事及獨立非執行董事已與本公司訂立一項初步由彼等各自之委任日期起計為期一年之服務協議，直至及除非任何一方向另一方發出不少於三個月之事前書面通知而予以終止為止。

除上文所披露者外，概無於應屆股東週年大會獲提名連任之董事與本公司訂立不可由本公司於一年內無償（法定賠償除外）終止之服務協議。

本公司已接獲各獨立非執行董事根據聯交所證券上市規則（「上市規則」）第3.13條，就彼等於二零零六年之獨立性而發出之年度確認書，而於本報告刊發日期，本公司仍然認為獨立非執行董事具有獨立地位。

管理合約

概無於年內訂立或存續涉及本公司及本集團所有或大部分業務之管理及行政之合約。

董事於合約之權益

除財務報表附註42所披露者外，概無董事於年內直接或間接於本公司或其任何附屬公司訂立對本集團業務而言屬重大之任何合約中擁有重大權益。

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Interests and Short Positions of the Directors and Chief Executives of the Company

As at 31 December 2006, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken, or deemed to have taken under such provisions), or which were required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the share capital of Mayer Steel Pipe Corporation ("Taiwan Mayer")

本公司董事及主要行政人員之權益及淡倉

於二零零六年十二月三十一日，本公司各董事及主要行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所（包括根據有關條文被視為或當作彼等擁有之權益及淡倉），或根據證券及期貨條例第352條須載入所述登記冊，或根據上市規則內上市公司董事進行證券交易的標準守則之規定須知會本公司及聯交所之權益及淡倉如下：

於美亞鋼管廠股份有限公司（「台灣美亞」）股本之好倉

Name of director 董事姓名	Number of ordinary shares in Taiwan Mayer 台灣美亞普通股數目				Total 合計	Approximate % of shareholding 持股概約 百分比
	Personal 個人	Family 家族	Corporate 公司	Other 其他		
Mr. Lo Haw 羅漢先生	188,442	1,015	10,801,958	–	10,991,415	6.77%
Mr. Cheng Dar-terng 鄭達騰先生	–	25,014	2,852,300	–	2,877,314	1.77%
Mr. Chiang Jen-chin 蔣仁欽先生	1,003	–	–	–	1,003	0.00%
Mr. Shen Heng-chiang 沈亨將先生	–	3,300	–	–	3,300	0.01%
Mr. Wu Kuo-lung 吳國龍先生	3,415,280	54,567	–	–	3,469,847	2.01%

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Interests and Short Positions of the Directors and Chief Executives of the Company (Continued)

本公司董事及主要行政人員之權益及淡倉(續)

Long positions in the share capital of Guangzhou Mayer Corp., Ltd. ("Guangzhou Mayer")

於廣州美亞股份有限公司(「廣州美亞」)股本之好倉

Name of director 董事姓名	Number of ordinary shares in Taiwan Mayer 廣州美亞普通股數目				Approximate % of total shareholding 總持股量概約 百分比
	Personal 個人	Family 家族	Corporate 公司	Other 其他	
Mr. Lo Haw 羅漢先生	–	–	12,800,000	–	6.40%

Save as disclosed above, as at 31 December 2006, none of the directors or chief executives of the Company nor their respective associates, had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken, or deemed to have taken under such provisions), or which were required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules to be notified to the Company and the Stock Exchange, and none of the directors or chief executives, or their respective spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights at any time during the period.

除上文所披露者外，於二零零六年十二月三十一日，並無本公司董事或主要行政人員，或彼等各自之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所(包括根據有關條文被視為或當作彼等擁有之權益及淡倉)，或根據證券及期貨條例第352條須載入所述登記冊，或根據上市規則內上市公司董事進行證券交易的標準守則之規定須知會本公司及聯交所之權益及淡倉。各董事或主要行政人員或彼等各自之配偶或未滿十八歲子女概無擁有任何可認購本公司證券之權利，亦無於本年度內任何時間行使任何該等權利。

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Substantial Shareholders

So far as the directors of the Company are aware, the person/entity (not being a director or a chief executive of the Company) who has interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part IV of the SFO, were as follows:

Long positions in the share capital of the Company

Name 股東名稱	Capacity and Nature of interest 身份及權益性質	Number of shares 持有股份數目	Approximate percentage of Company's issued share capital 佔本公司已發行 股本概約百分比
Taiwan Mayer (Note 1) 台灣美亞 (附註1)	Corporate 公司	300,000,000	62.5%
Mayer Corporation Development International Limited ("BVI Mayer") Mayer Corporation Development International Limited ("BVI Mayer")	Corporate 公司	300,000,000	62.5%
Mr. Cheng Wen-ching (Note 2) 鄭文慶先生 (附註2)	Personal 個人	40,000,000	8.33%
Mr Cheng Ya-chung (Note3) 鄭雅中先生 (附註3)	Personal 個人	24,000,000	5.00%
Brocheng International Limited (Note 4) Brocheng International Limited (附註4)	Corporate 公司	20,000,000	4.17%

主要股東

就本公司董事所知，下列人士／實體（並非本公司董事或主要行政人員）擁有根據證券及期貨條例第IV部第2及3分部之規定，須向本公司披露於本公司股份及相關股份之權益或淡倉如下：

於本公司股本之好倉

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Substantial Shareholders (Continued)

Note 1: BVI Mayer is a wholly-owned subsidiary of Taiwan Mayer. Taiwan Mayer is deemed to be interested in the 300,000,000 shares held by BVI Mayer under the SFO.

Note 2: Mr. Cheng Wen-ching personally holds 20,000,000 shares and indirectly holds 20,000,000 shares through Brocheng International Limited which is an investment holding company owned by his families. He is deemed to be interested in the shares held by Brocheng International Limited under Part XV of the SFO.

Note 3: Mr. Cheng Ya-chung personally holds 4,000,000 shares and indirectly holds 20,000,000 shares through Brocheng International Limited which is an investment holding company owned by him and his families. He is deemed to be interested in the shares held by Brocheng International Limited under Part XV of the SFO.

Note 4: Brocheng International Limited is wholly owned by Mr Cheng Wen-ching, Cheng Ya-chung and his families which held 20,000,000 shares. Mr Cheng Ya-chung and Mr Cheng Wen-ching are deemed to be interested in the shares held by Brocheng International Limited under Part XV of the SFO.

Save as disclosed above, as at 31 December 2006, the directors of the Company are not aware of any other person/entity (not being a director or a chief executive of the Company) who has interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part IV of the SFO, or who is directly or indirectly interested in 10% or more of the shares of the Company or equity interest in any member of the Group representing 10% or more of the equity interest in such company.

Directors' Right to Acquire Shares

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors, supervisors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

主要股東(續)

附註1：BVI Mayer 為台灣美亞之全資附屬公司。根據證券及期貨條例，台灣美亞被視為擁有 BVI Mayer 所持有之 300,000,000 股股份之權益。

附註2：鄭文慶先生個人持有 20,000,000 股股份，並透過其家族擁有之投資控股公司 Brocheng International Limited 間接持有 20,000,000 股股份。根據證券及期貨條例第 XV 章，彼被視為擁有 Brocheng International Limited 持有股份之權益。

附註3：鄭雅中先生個人持有 4,000,000 股股份，並透過其家族及其個人擁有之投資控股公司 Brocheng International Limited 間接持有 20,000,000 股股份。根據證券及期貨條例第 XV 章，彼被視為擁有 Brocheng International Limited 持有股份之權益。

附註4：Brocheng International Limited 乃由鄭文慶先生、鄭雅中及其家族全資擁有，持有 20,000,000 股股份。根據證券及期貨條例第 XV 章，鄭雅中先生及鄭文慶先生被視為擁有 Brocheng International Limited 持有股份之權益。

除上文所披露者外，於二零零六年十二月三十一日，本公司董事並不知悉有任何其他人士／實體（並非本公司董事或主要行政人員）擁有根據證券及期貨條例第IV部第2及3分部之規定，須向本公司披露於本公司股份及相關股份之權益或淡倉，或直接或間接擁有本公司股份10%或以上之權益或本集團任何成員公司之股本權益（相當於該公司10%或以上之股本權益）。

董事購入股份之權利

於本年度任何時間，任何董事、監事或彼等各自之配偶或未成年之子女概無獲授可藉購入本公司之股份或債權證而獲得利益之權利，而彼等亦概無行使任何該等權利；亦概無與本公司或其任何附屬公司訂立任何安排致使董事可於任何其他法人團體獲得該等權利。

Connected Transactions

Certain related party transactions as disclosed in note 42 to the financial statements also constituted connected transactions under the Listing Rules, required to be disclosed in accordance with Chapter 14A of the Listing Rules. The following transactions between certain connected parties (as defined in the Listing Rules) and the Company have been entered into and/or are ongoing for which relevant announcements, if necessary, had been made by the Company in accordance with the requirements of the Listing Rules.

- (1) On 28 October 2001, the Group entered into a lease agreement with Ms. Shih Hui-ping, the spouse of Mr. Lo Haw (being a director of the Company), pursuant to which the Group agreed to pay a monthly rental of RMB10,000 in respect of the Group's occupation of Shanghai office for a term of five years commencing on 28 October 2001. In the opinion of the directors of the Company, the rental is based on normal commercial terms and is conducted in the ordinary and usual course of business of the Group. This transaction constitutes a de minimis continuing connected transaction exempted from the reporting, announcement and independent shareholders' approval requirements in accordance with Rule 14A.33(3) of the Listing Rules.
- (2) On 1 May 2005, the Group entered into an aircraft lease agreement with Daily Air Corporation, Inc. (the "Daily Air") regarding the leasing of two aircrafts and the provision of consultancy services for a term of three years commencing on 1 May 2005. Mr. Huang Chun-fa, a non-executive director of the Company, is a substantial shareholder of Daily Air. Pursuant to the lease agreement, Daily Air agreed to pay a monthly rental fee and consultancy fee payable of USD26,000 for each aircraft and USD10,000, for the three years ending 30 April 2008, respectively. In the opinion of the directors of the Company, the lease rental is based on normal commercial terms and is conducted in the ordinary and usual course of business of the Group. This transaction constitutes a continuing connected and discloseable transaction exempted from the independent shareholders' approval requirements in accordance with Rule 14A.38 of the Listing Rules.

關連交易

財務報表附註42披露之若干關連人士交易亦構成上市規則下之關連交易，須根據上市規則第14A章予以披露。以下為若干關連人士（定義見上市規則）與本公司訂立及／或持續進行之交易，本公司就此已根據上市規則之規定發表有關公佈（如屬必要）。

- (1) 於二零零一年十月二十八日，本集團與羅漢先生（為本公司董事）之配偶石惠平女士訂立一項租賃協議，據此，本集團同意就本集團佔用上海辦事處而支付月租10,000元人民幣，由二零零一年十月二十八日起為期五年。本公司董事認為，租金乃根據一般商業條款計算，且於本集團之日常及一般業務過程中進行。根據上市規則第14A.33(3)條，此項交易構成低額度持續關連交易，獲豁免遵守申報、公佈及獨立股東批准之規定。
- (2) 於二零零五年五月一日，本集團與德安航空股份有限公司（「德安航空」）就租賃兩架飛機及提供顧問服務訂立飛機租賃協議，由二零零五年五月一日計起為期三年。本公司非執行董事黃春發先生為德安航空之主要股東。根據租賃協議，德安航空同意於截至二零零八年四月三十日止三個年度就每架飛機支付每月租金26,000美元，及支付顧問費10,000美元。本公司董事認為，租賃租金乃按正常商業條款於本集團日常業務過程中訂立。該交易構成持續關連及須予披露交易，根據上市規則第14A.38條可豁免須經獨立股東批准之規定。

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Connected Transactions (Continued)

(3) On 30 June 2006 an ordinary resolution was passed by way of poll that a connected transaction of the issuance of the Fullchamp Technologies Co., Ltd.'s ("Fullchamp") 10,000,000 new shares at offer price of NTD12.5 per share (the "Fullchamp Offer Shares") to Taiwan Mayer and other investors. The Company did not subscribed for any share in the Fullchamp Offer Shares, as a result, the Company's equity interest in Fullchamp was diluted from approximately 51.83% to 39.48% upon the completion of the Fullchamp Share Offer and it was treated as a deemed disposal by the Company, details of which were disclosed in the circular of the Company dated 12 June 2006.

Other Matters

Disposal of 10.97% interest in Fullchamp

On 3 October 2006 and 6 November 2006, the Company as vendor has entered into a share disposal agreements with independent third Parties pursuant to which the Company agreed to procure Sunbeam to sell to such independent third parties a total 4,600,000 shares of Fullchamp, representing approximately 10.97% of the total issued share capital of Fullchamp. Details of which were disclosed in the circular of the Company dated 10 November 2006.

Senior management and company secretary

Biographical details of the senior management and company secretary of the Group are set out on page 12.

Subsequent Events

(1) The Disposal of Fullchamp

On 13 April 2007, Sunbeam Group Limited ("Sunbeam"), a wholly-owned subsidiary of the Company, entered into the Share Disposal Agreement with Taiwan Mayer, the ultimate controlling Shareholder, pursuant to which Sunbeam agreed to sell and Taiwan Mayer agreed to purchase 11,960,000 shares of Fullchamp, representing approximately 28.51% of the total issued share capital of Fullchamp and representing the entire equity interest of the Company in Fullchamp, for a consideration of NT\$12.50 (equivalent to approximately HK\$2.95) per share and a total consideration of NT\$149.5 million (equivalent to approximately HK\$35.2 million) in cash. Accordingly, the Disposal of Fullchamp constitutes a major and connected transaction for the Company under the Listing Rules.

關連交易 (續)

(3) 於二零零六年六月三十日，一項有關以發售價每股12.5新台幣向台灣美亞及其他投資者發行富成金屬科技股份有限公司（「富成」）10,000,000股新股份（「富成發售股份」）之關連交易的普通決議案以投票表決方式通過。本公司並無認購任何富成發售股份，因此於完成富成股份發售時，本公司於富成之股本權益由約51.83%攤薄至39.48%，並作為本公司之視為出售事項處理，有關詳情載於本公司日期為二零零六年六月十二日之通函。

其他事項

出售富成之10.97%權益

於二零零六年十月三日及二零零六年十一月六日，本公司作為賣方，與獨立第三方訂立一份股份出售協議，據此，本公司同意促使新光向該獨立第三方出售富成合共4,600,000股股份，佔富成已發行股本約10.97%。有關詳情於本公司日期為二零零六年十一月十日之通函內披露。

高級管理層及公司秘書

本集團高級管理層及公司秘書之履歷載於第12頁。

結算日後事項

(1) 出售富成

於二零零七年四月十三日，本公司之全資附屬公司新光集團有限公司（「新光」）與最終控股股東台灣美亞訂立股份出售協議，據此，新光同意出售及台灣美亞同意購買11,960,000股富成股份，相當於富成已發行股本總額約28.51%，亦即本公司於富成之全部股權，代價為每股新台幣12.50元（相等於約2.95港元），現金總代價為新台幣149,500,000元（相等於約35,200,000港元）。據此，出售富成根據上市規則之規定，乃構成本公司之主要及持續關連交易。

Subsequent Events (Continued)

(2) Acquisition and Aircraft Sale Agreement

ROC Advance Limited ("ROC Advance"), a wholly-owned subsidiary of the Company, has entered into the Aircraft Sale Agreement with Sino Regal Assets Limited ("Sino Regal") a wholly-owned subsidiary of Taiwan Mayer, the ultimate controlling Shareholder on 13 April 2007 regarding the purchase of two Dornier 228-212 aircrafts from Sino Regal for a total consideration of approximately USD2 million (equivalent to approximately HK\$15.6 million). And the Acquisition and Aircraft Sale Agreement constitutes a discloseable and connected transaction for the Company under the Listing Rules.

(3) Continuing Connected Transactions

(a) Lease Assignment Agreement

Pursuant to an Aircraft Lease Agreement entered into between Sino Regal and Daily Air dated 1 May 2005, Sino Regal agreed to lease the Aircrafts to Daily Air for a term of three years commencing from 1 May 2005 to 30 April 2008.

On 31 April 2007, Sino Regal, ROC Advance and Daily Air executed the Lease Assignment Agreement. Pursuant to the Lease Assignment Agreement, Sino Regal, as the assignor, has transferred all its rights and responsibilities at the capacity of the lessor, including but not limited to receive rental fee from Daily Air, under the Aircraft Lease Agreement to ROC Advance, as the assignee. ROC Advance has agreed to continuously lease the Aircrafts to Daily Air for the period commencing from the date of the Lease Assignment Agreement to 30 April 2008.

Pursuant to the Lease Assignment Agreement, the Directors expect that the annual cap for the rental fee payable by Daily Air to ROC Advance for the period from the date of the Lease Assignment Agreement to 30 April 2008 will be USD552,000 per year.

結算日後事項 (續)

(2) 收購事項及飛機銷售協議

本公司之全資附屬公司鵬進有限公司(「鵬進」)與最終控股股東台灣美亞之全資附屬公司Sino Regal Assets Limited(「Sino Regal」)於二零零七年四月十三日訂立飛機銷售協議，內容有關向Sino Regal購買兩架多尼爾228-212飛機，總代價約為2,000,000美元(相等於約15,600,000港元)。據此，收購事項及飛機銷售協議根據上市規則之規定，乃構成本公司之主要及持續關連交易。

(3) 持續關連交易

(a) 租賃轉讓協議

根據Sino Regal與德安航空於二零零五年五月一日訂立之飛機租賃協議，Sino Regal同意出租飛機予德安航空，由二零零五年五月一日起至二零零八年四月三十日止，為期三年。

於二零零七年四月三十一日，Sino Regal、鵬進及德安航空簽訂租賃轉讓協議。根據租賃轉讓協議，Sino Regal(作為轉讓人)轉讓其根據飛機租賃協議作為出租人之所有權利及責任(包括但不限於向德安航空收取租金)予鵬進(作為承讓人)。鵬進已同意繼續出租飛機予德安航空，由租賃轉讓協議日期起至二零零八年四月三十日止。

根據租賃轉讓協議，董事預期由租賃轉讓協議日期起至二零零八年四月三十日止期間，德安航空應付鵬進之租金之年度上限將為每年552,000美元。

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Subsequent Events (Continued)

(b) Raw Material Purchase Agreement

On 13 April 2007, Guangzhou Mayer, a 81.4% indirectly owned subsidiary of the Company, entered into the Raw Material Purchase Agreement with Taiwan Mayer pursuant to which Guangzhou Mayer agreed to purchase and Taiwan Mayer agreed to sell raw materials for the period commencing from 1 April 2007 to 31 March 2010.

Pursuant to the Raw Material Purchase Agreement, the Directors expect that the annual caps for the Raw Material Purchase for the three years ending 31 March 2010 will be USD3.9 million, USD4.29 million and USD4.719 million respectively.

Further details of which were disclosed in the Company's announcement dated 13 April 2007.

Auditors

The financial statements have been audited by CCIF CPA Limited who retire and, being eligible, offer themselves for re-appointment.

By order of the Board

Lai Yueh-hsing

Chairman

Hong Kong, 18 April 2007

結算日後事項 (續)

(b) 原材料採購協議

於二零零七年四月十三日，本公司持有81.4%間接權益之附屬公司廣州美亞與台灣美亞訂立原材料採購協議，據此，廣州美亞同意購買及台灣美亞同意出售原材料，由二零零七年四月一日起至二零一零年三月三十一日止。

根據原材料採購協議，董事預期截至二零一零年三月三十一日止三年，原材料採購之年度上限分別為3,900,000美元、4,290,000美元及4,719,000美元。

進一步詳情乃於本公司在二零零七年四月十三日之公佈中作披露。

核數師

本財務報表已由陳葉馮會計師事務所有限公司審核，該核數師將告退任並符合資格應選續任。

承董事會命

主席

賴粵興

香港，二零零七年四月十八日