

* 僅供識別

2007 年 報



美亞控股有限公司*

MAYER HOLDINGS LIMITED

(於開曼群島註冊成立之有限公司)

股份代號: 1116

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Corporate Information

公司資料

Directors

Executive directors

Mr. Lai Yueh-hsing
Mr. Lo Haw
Mr. Cheng Dar-terng
Mr. Chiang Jen-chin
Dr. Lin Meng-chang
Mr. Lu Wen-yi

Non-executive directors

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

Independent non-executive directors

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

Company Secretary and Qualified Accountant

Mr. Chan Lai Yin, Tommy, AICPA, CPA

Registered Office

P.O. Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Head Office and Principal Place of Business in Hong Kong

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董事

執行董事

賴粵興先生
羅漢先生
鄭達騰先生
蔣仁欽先生
林孟璋博士
呂文義先生

非執行董事

蕭敏志先生
黃春發先生

獨立非執行董事

林聖斌先生
黃瑞祥先生
趙熾佳先生

公司秘書及合資格會計師

陳禮賢先生, AICPA, CPA

註冊辦事處

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Cayman Islands
British West Indies

香港總辦事處及主要營業地點

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Corporate Information

公司資料

Share Listing and Stock Code

The Stock Exchange of Hong Kong Limited
Stock Code: 1116

Corporate Website

www.mayer.com.hk

Auditors

CCIF CPA Limited

Principal Share Registrar and Transfer Office

Butterfield Bank (Cayman) Limited
P.O. Box 705
Butterfield House
68 Fort Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
17th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

股份上市及股份編號

香港聯合交易所有限公司
股份編號：1116

公司網址

www.mayer.com.hk

核數師

陳葉馮會計師事務所有限公司

股份過戶登記總處

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Butterfield House
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香港股份過戶登記分處

香港中央證券登記有限公司
香港
皇后大道東183號
合和中心17樓

Five Year Financial Summary

五年財務概要

Consolidated Income Statement

綜合收益表

		Year ended 31 December 截至十二月三十一日止年度					
		2003 二零零三年 RMB'000 千元人民幣	2004 二零零四年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣 (As restated) (重列)	2006 二零零六年 RMB'000 千元人民幣 (As restated) (重列)	2007 二零零七年 RMB'000 千元人民幣	
Continuing operations:	持續經營業務：						
Turnover	營業額	654,273	941,577	1,048,532	944,622	1,253,230	
Profit before taxation	除稅前溢利	40,830	60,160	4,921	16,072	8,383	
Taxation	稅項	(2,833)	(5,019)	(878)	(2,426)	(3,106)	
Profit from continuing operations	持續經營業務之溢利	37,997	55,141	4,043	13,646	5,277	
Discontinuing operations:	已終止業務：						
Profit/(Loss) from discontinued operations	已終止業務之溢利／(虧損)	–	–	(1,770)	(2,203)	11,634	
Profit for the year	年內溢利	37,997	55,141	2,275	11,443	16,911	
Attributable to:	應佔：						
Equity holders of the Company	本公司股權持有人	29,444	41,229	308	12,042	13,802	
Minority interests	少數股東權益	8,553	13,912	1,965	(599)	3,109	
		37,997	55,141	2,275	11,443	16,911	

Five Year Financial Summary

五年財務概要

Consolidated Balance Sheet

綜合資產負債表

At 31 December

於十二月三十一日

		2003	2004	2005	2006	2007
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣
Non-current assets	非流動資產	77,446	88,045	217,475	221,900	317,668
Current assets	流動資產	302,632	453,854	655,948	690,068	695,539
Current liabilities	流動負債	(198,157)	(260,998)	(543,844)	(521,344)	(640,248)
Non-current liabilities	非流動負債	-	-	(48,486)	(28,832)	-
		181,921	280,901	281,093	361,792	372,959
Issued capital	已發行股本	-	42,480	42,480	50,480	59,460
Reserves	儲備	141,211	174,666	168,744	203,866	245,143
Proposed final dividend	擬派末期股息	-	12,000	4,000	9,600	11,520
Minority interests	少數股東權益	40,710	51,755	65,869	97,846	56,836
		181,921	280,901	281,093	361,792	372,959

Chairman's Statement

主席報告

Dear fellow shareholders,

I am pleased to announce the audited results of Mayer Holdings Limited ("Mayer" or the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2007 (the "Year").

Highlights for the year ended 31 December 2007:

- Group Revenues were RMB1,253,230,000
- Profit from operation was RMB27,616,000
- Profit attributable to shareholders was RMB13,802,000
- Earnings per share was RMB2.69 cents
- Final dividend per share was RMB2 cents

Review of Results

For the year ended 31 December 2007, the Group reported consolidated turnover of RMB1,253,230,000, representing an increase of 32.7% over last year. Gross profit margin was 4.5% compared to last year's 6.5%. Net profit attributable to shareholders was RMB13,802,000, compared with last year's RMB12,042,000. Earnings per share for the Year from continuing operations and discontinued operations were RMB0.83 cents and RMB1.86 cents versus the last year's RMB2.61 cents and RMB0.38 cents, respectively.

Dividend

The Directors recommend the payment of a final dividend of RMB2 cents per share in respect of 2007 (2006: RMB2 cents per share).

Business Review

The national economy of the PRC is basically achieving a balance after the PRC government implemented those macro control measures. The increase in market demand and overall prices of steel products has been moderately raised in 2007. On the other hand, raw materials, energy costs, labour costs and interest rates have all been increased to different extents.

While the PRC macro regulation and control measures continually toughened and aimed to keep steady market growth, the Mainland is still represent a huge market with plentiful opportunities. We also seek opportunities on a globally prospective. Accordingly, a steel product manufacturing plant has been constructed in late 2007 and is ready to address the keen market needs in Vietnam.

各位股東：

本人欣然宣佈美亞控股有限公司（「美亞」或「本公司」）及其附屬公司（統稱「本集團」）截至二零零七年十二月三十一日止年度（「本年度」）之經審核業績。

截至二零零七年十二月三十一日止年度之業績亮點包括：

- 本集團之收益達1,253,230,000元人民幣
- 經營溢利達27,616,000元人民幣
- 股東應佔溢利達13,802,000元人民幣
- 每股盈利為2.69分人民幣
- 末期股息為每股2分人民幣

業績回顧

本集團於截至二零零七年十二月三十一日止年度之綜合營業額達1,253,230,000元人民幣，較去年增長32.7%。毛利率為4.5%，而去年則為6.5%。股東應佔純利為13,802,000元人民幣，去年為12,042,000元人民幣。本年度持續經營業務及已終止業務之每股盈利分別為0.83分人民幣及1.86分人民幣，去年則分別為2.61分人民幣及0.38分人民幣。

股息

董事建議就二零零七年派發末期股息每股2分人民幣（二零零六年：每股2分人民幣）。

業務回顧

隨著中國政府實施宏調措施，中國國家經濟已基本上踏上均衡發展的勢頭。鋼材產品之市場需求與整體價格在二零零七年微升。另一方面，原材料價格、能源成本、勞工成本及利率皆錄得或多或少的升幅。

中國繼續收緊宏觀調控措施以保持市場穩定發展之際，內地仍然是充滿無限商機的龐大市場。本集團亦放眼全球，發掘商機。因此，集團於二零零七年底興建一座鋼材產品廠房，應付越南市場殷切的需求。

Chairman's Statement

主席報告

The Group's steel business segment has recorded a segment profit of RMB26,527,000 for the Year. During the Year, the Group sold approximately 155,000 tonnes of steel products, representing 13.1% increased from approximately 137,000 tonnes for the last year. The average selling price of the Group's steel products during the Year increased by approximately 5.4% compared with that the last year.

The Group's Aluminum segment has recorded a segment profit of RMB4,244,000 for the first half of Year 2007. On May 2007, the Group decided to dispose the Fullchamp Aluminum segment for a total cash consideration of NT\$149,500,000 (equivalent to RMB34.7 million) to a connected party due to the fact that the segment has still been loss making for the previous years. The disposal of Fullchamp was completed in July 2007 and resulted in a disposal gain of approximately RMB8,715,000.

The Group then applied partial proceeds received from the Disposal of Fullchamp to acquire an additional two aircrafts for rental purpose which aimed for a steady rental income to the Group.

In the second half of 2007, the Group has formed a new property investment business segment by acquiring an industrial and commercial building in Taiwan for a total consideration of NT\$880,000,000 (equivalent to RMB197 million). The property investment business segment has not yet contributed any segment revenue for the Year. However, the Group believed that this major acquisition is in line with the Group's current business diversification strategy to invest in favorable investments and to broaden the income base of the Group.

Outlook

Looking ahead in 2008, the imbalance between demand and supply in the steel and metal sector will continue and the prices of steel and metal products will still remain at a moderately fast level. With the PRC's and Vietnam's economy maintain a rapid growth rate, still there will be a strong domestic demand for our products.

本集團之鋼材業務分部於本年度錄得分部溢利26,527,000元人民幣。於本年度，本集團之鋼材產品銷量達約155,000噸，較去年同期約137,000噸增長約13.1%。於本年度，本集團鋼材產品之平均售價與去年相比上升約5.4%。

本集團之鋁材業務於二零零七年上半年錄得分部溢利4,244,000元人民幣。二零零七年五月，本集團決定以合共149,500,000元新台幣（相當於34,700,000元人民幣）之總現金代價出售富成鋁材分部予一名關連人士，因為此分部以往一直錄得虧損。富成出售事項已於二零零七年七月完成，並產生出售收益約8,715,000元人民幣。

其後，本集團將出售富成之部份所得款項用於添置多兩架飛機以作收租用途，務求為本集團創造穩定之租金收入來源。

二零零七年下半年，本集團以合共880,000,000元新台幣（相當於197,000,000元人民幣）之總代價收購一幢位於台灣的工商業樓宇，藉此成立新的物業投資業務分部。物業投資業務分部於本年度尚未貢獻任何分部收益。然而，本集團相信此項重要的收購符合本集團目前之業務多元化策略，即投資於看俏的項目並拓闊本集團之收入基礎。

展望

展望二零零八年，鋼材及金屬界別之供需失衡情況將會持續，而鋼材及金屬產品之價格仍會繼續走高。隨著中國與越南經濟保持高速增長，集團產品將會繼續面對中國與越南的強勁內需。



Chairman's Statement

主席報告

Along with the global economy is likely to be affected by the fallout from the U.S. subprime predicament and the weaken U.S. dollar against other currencies. We expect that the rise in operating costs, oil prices and interest rate drops will continue, and the increasingly intense market competition will present more challenges to the Group's operation.

As the general expectation, Taiwan's economic growth will surge in the next few years following its governmental and economic reforms, plentiful opportunities will appear. The Group is determined to capitalize these opportunities arising from the growth of the Taiwan, together with the growth in the PRC and other countries. The Group will continue to seek new investment opportunities in stakes in potential growth and balanced return.

The Group's management is confident that the Group will fully capitalize its extensive experience in cost management and achieve greater cost effectiveness, strengthen high value-added products' innovation and achieve customer satisfaction excellence. The Group is welcome to every investment opportunities which are beneficial to our long term development, with an aim to generate the best return from investments and generate the best returns to our investors.

Appreciation

The Company would like to express its sincere gratitude to the shareholders, banks, business partners, and people from various social communities, as well as all staff of the Group for their long-time support.

By Order of the Board

Lai Yueh-hsing
Chairman

Hong Kong, 18 April 2008

全球經濟難免受到美國的次按問題與美元兌其他貨幣疲弱所拖累，集團預期經營成本與油價上漲及利率下調的情況仍會持續，市場競爭日趨激烈亦會對本集團之營運帶來更多挑戰。

一如普遍預期，隨著台灣的政治與經濟變革，當地的經濟增長將於未來數年上揚，並帶來豐盛商機。本集團致力把握台灣增長以及中國及其他國家的增長所衍生的商機。本集團將繼續發掘股權投資機會，把握潛在增長及均衡回報。

本集團之管理層相信本集團將善用其於成本管理之豐富經驗，達致更高之成本效益，增加高增值產品之創意及提高客戶滿意度。本集團將把握任何有利於長遠發展之投資機遇，為投資及投資者創造最佳回報。

致謝

本公司謹對各股東、往來銀行、業務伙伴、社會各界以及本集團全體員工之長期支持致以衷心感謝。

承董事會命

主席
賴粵興

香港，二零零八年四月十八日

Management Discussion and Analysis

管理層討論與分析

Review of Results

For the year ended 31 December 2007, the Group reported consolidated turnover of RMB1,253,230,000, representing an increase of 32.7% over last year. Gross profit margin was 4.5% compared to last year's 6.5%. Net profit attributable to shareholders was RMB13,802,000, compared with last year's RMB12,042,000. Earnings per share from continuing operations and discontinued operations for the Year were RMB0.83 and RMB1.86 cents versus the last year's RMB2.61 cents and RMB0.38 cents, respectively.

Major Business Activities

• Disposal of Fullchamp

On 13 April 2007, Sunbeam, a wholly-owned subsidiary of the Company, entered into the Share Disposal Agreement with Taiwan Mayer, the ultimate holding company, to dispose all its remaining 28.51% equity interest in Fullchamp for a consideration of NT\$149,500,000 (equivalent to approximately RMB34.7 million) in cash. The disposal of Fullchamp is completed in July 2007 and resulted in a disposal gain of approximately RMB8,715,000.

• Acquisition of property

On 11 June 2007, the Company entered into an agreement with an independent third party, to acquire the Property at a total consideration of NT\$880,000,000 (equivalent to approximately RMB197 million). The property, an industrial building, is situated at Land No.14, Kuang Fu Sec., Hsinchu City, Taiwan with a site of approximately 3,664.54 square metres. The acquisition of Property was completed and full payment was made on 5 February 2008.

• Issue of 96,000,000 New Subscription Shares

On 13 August 2007, the Company entered into seven Subscription Agreements with seven Subscribers (the "Subscribers"), independent third parties, whereby the Company agreed to issue 96,000,000 new Subscription Shares at a price of HK\$0.60 per Subscription Share. The Subscription Shares were issued under the existing issue mandate to issue shares granted to the Directors at the Company's AGM held on 31 May 2007.

業績回顧

本集團於截至二零零七年十二月三十一日止年度之綜合營業額達1,253,230,000元人民幣，較去年增長32.7%。毛利率為4.5%，而去年則為6.5%。股東應佔純利為13,802,000元人民幣，去年為12,042,000元人民幣。本年度持續經營業務及已終止業務之每股盈利分別為0.83分人民幣及1.86分人民幣，去年則分別為2.61分人民幣及0.38分人民幣。

主要業務活動

• 出售富成

二零零七年四月十三日，本公司之全資附屬公司新光與最終控股公司台灣美亞訂立股份出售協議，以現金代價149,500,000元新台幣（相當於約34,700,000元人民幣）悉數出售其於富成共28.51%之餘下股本權益。出售富成一事已於二零零七年七月完成，並產生出售收益約8,715,000元人民幣。

• 收購物業

二零零七年六月十一日，本公司與獨立第三方訂立協議，以880,000,000元新台幣（相當於197,000,000元人民幣）之總代價收購一項物業。該項物業為位於台灣省新竹市光復段14地號之工業樓宇，佔地約3,664.54平方米。收購該物業一事已經完成並已於二零零八年二月五日支付全數款項。

• 發行96,000,000股新認購股份

二零零七年八月十三日，本公司與七名認購人（「認購人」，彼等為獨立第三方）訂立七份認購協議，據此，本公司同意以每股認購股份0.60港元之價格發行96,000,000股新認購股份。認購股份乃根據二零零七年五月三十一日舉行之本公司股東週年大會上授予董事有關發行股份之現行發行授權而發行。

Management Discussion and Analysis

管理層討論與分析

The net proceeds from the Subscription amounted to approximately HK\$57.3 million out of which approximately HK\$23 million will be used as partial payment of the consideration for the Acquisition of Property as mentioned above and the remaining balance of HK\$34.3 million will be used as additional working capital of the Group.

All 96,000,000 new Subscription Shares were issued and allotted to the Subscribers on 27 August 2007. These shares rank pari passu with the existing shares of the Company in all respects.

Production and Sales

The revenue from indirect export sales of steel products in the PRC during the Year was approximately RMB878,175,000, representing an increase of approximately 7.6% compared with approximately RMB815,917,000 for the last year. The market for indirect export sales in the PRC continued to be the core market for the Group's steel segment.

The revenue from domestic sales of steel products in the PRC and Vietnam during the Year was approximately RMB304,827,000, representing an increase of approximately 215.8% compared with approximately RMB96,532,000 for the last year.

The revenue from direct export sales of steel products outside the PRC during the Year was approximately RMB17,976,000, representing a decrease of approximately 25.2% while it was approximately RMB24,050,000 for the last year.

The revenue from export sales of aluminum products during the Year was approximately RMB61,478,000, the aluminum business segment was discontinued from July 2007.

Rental income from aircrafts leasing during the Year was approximately RMB7,664,000 compared with approximately RMB5,110,000 for the last year and which represented a stable stream of income for the Group.

認購事項之所得款項淨額約為57,300,000港元，其中約23,000,000港元將用於支付上文所述收購物業之部份代價，其餘34,300,000港元將用作本集團之額外營運資金。

合共96,000,000股新認購股份已於二零零七年八月二十七日發行及配發予認購人。該等股份在各方面與本公司現有股份享有同等地位。

生產及銷售

本年度中國間接出口銷售鋼材產品之收入約為878,175,000元人民幣，比去年約815,917,000元人民幣增長約7.6%。國內之間接出口銷售市場仍然是本集團鋼材分部之核心市場。

本年度國內及越南鋼材產品之內銷收入約為304,827,000元人民幣，比去年約96,532,000元人民幣增加約215.8%。

本年度國外直接出口銷售鋼材產品之收入約為17,976,000元人民幣，比去年約為24,050,000元人民幣減少約25.2%。

本年度出口銷售鋁材產品之收入約為61,478,000元人民幣，此鋁材業務分部已由二零零七年七月起終止經營。

本年度飛機租賃之租金收入約為7,664,000元人民幣，去年約為5,110,000元人民幣，並已成為本集團一項穩定收入來源。

Management Discussion and Analysis

管理層討論與分析

No income was recognized from property investment during the Year as all the pre-conditions required under the Acquisition of Property were fulfilled on February 2008.

Gross Profit

The Group recorded a gross profit of approximately RMB55,807,000 for the Year, with a gross profit margin of approximately 4.5%, compared with the gross profit of approximately RMB61,550,000 and a gross profit margin of approximately 6.5% for the last year.

This was mainly attributable to the growth rate of the purchasing costs of raw materials is higher than of the selling prices of our products.

Operating Expenses

The total operating expenses of the Group for the Year were approximately RMB51,276,000, of which approximately RMB13,681,000 in selling and distribution costs, RMB34,696,000 in administrative expenses and RMB2,899,000 in other operating expenses, accounting for approximately 1.1%, 2.8%, and 0.2% of turnover respectively while the amounts for the last year were approximately RMB12,828,000, RMB27,540,000, and RMB2,030,000 respectively, accounting for approximately 1.4%, 2.9%, and 0.2% respectively.

Finance Costs

During the Year, the Group incurred RMB19,233,000 in finance costs, compared with approximately RMB15,967,000 for the last year. The Group relied on bank borrowings to finance its trading activities, the increase in finance costs paid during the Year was mainly due to the increase in interest rates in the PRC.

Financial Resources and Treasury Policies

The Group continues to adhere to prudent treasury policies. The Group continued to insure against major receivables in order to lower the risks of credit sales and to ensure that funds would be recovered on a timely basis, hence fulfilling the requirements for debt repayments and working capital commitments.

本年度內並無確認物業投資收入，因為收購該物業之所有先決條件是於二零零八年二月達成。

毛利

本集團於本年度錄得毛利約為55,807,000元人民幣，毛利率約4.5%，去年毛利則約為61,550,000元人民幣，毛利率約6.5%。

當中的主要原因是原材料採購成本的升幅高於產品售價的漲幅。

營業費用

本集團本年度之營業費用總額約為51,276,000元人民幣，其中銷售及分銷成本約13,681,000元人民幣，行政開支為34,696,000元人民幣，其他經營開支為2,899,000元人民幣，佔營業額之比重分別約為：1.1%、2.8%及0.2%。去年金額分別約為12,828,000元人民幣、27,540,000元人民幣及2,030,000元人民幣，比重分別約為：1.4%、2.9%及0.2%。

融資成本

本集團於本年度錄得之融資成本為19,233,000元人民幣，去年同期則約為15,967,000元人民幣。本集團利用銀行借貸撥資經營貿易活動，而本年度內支付之融資成本增加乃主要因為國內利率上升。

財務資源及理財政策

本集團一直秉承審慎之理財政策。本集團繼續對主要應收帳款進行投保，以降低賒銷之風險，也確保資金之及時回收，從而保證對償還負債及承擔營運資金之需要。



Management Discussion and Analysis

管理層討論與分析

As at 31 December 2007, the Group had bank deposits and cash balances (including pledged bank deposits) of approximately RMB113,998,000, of which bank deposits of approximately RMB46,537,000 were pledged to secure financing facilities granted to the Group.

The Group had net current assets of approximately RMB55,291,000 as at 31 December 2007 as compared with RMB168,724,000 as at 31 December 2006. The current ratio (current assets divided by current liabilities) changed to approximately 1.09 as of 31 December 2007 from 1.32 as at 31 December 2006. The drop in the current ratio was mainly due to the payable amount regarding the acquisition of a property in Taiwan at the balance sheet date.

The Group had a total of approximately RMB675,481,000 financing facilities from banks were available as at 31 December 2007, of which approximately RMB311,402,000, mainly denominated in Renminbi, US dollars, HK dollars and new Taiwan dollars with floating interest rates, had been drawn down to finance the Group's working capital purposes, capital expenditures and for other acquisition opportunities.

The gearing ratio (net debt divided by total capital) as at 31 December 2007 was approximately 38.4% while it was 53.1% as of 31 December 2006. Current portion of borrowings accounted for approximately 30.7% and 37.9% of the total assets of the Group as at 31 December 2007 and 31 December 2006, respectively. The Group's liquidity has been further improved by a HK\$57.3 million fund raising exercise at the end of 2007 and the disposal of Fullchamp.

於二零零七年十二月三十一日，本集團之銀行存款及現金結餘（包括已抵押銀行存款）約為113,998,000元人民幣，其中約46,537,000元人民幣之存款已用作本集團獲授融資信貸的抵押品。

本集團於二零零七年十二月三十一日之流動資產淨值約為55,291,000元人民幣，而二零零六年十二月三十一日為168,724,000元人民幣。於二零零七年十二月三十一日之流動比率（流動資產除以流動負債）約為1.09，而二零零六年十二月三十一日為1.32。流動比率下跌，主要是因為於結算日有一筆關於收購台灣物業之應付款項。

於二零零七年十二月三十一日，本集團獲銀行提供之可用融資信貸共約675,481,000元人民幣，主要以人民幣、美元、港元及新台幣為單位並按浮動利率計算，當中已提取約311,402,000元人民幣以撥付本集團之營運資金、資本開支及其他收購用途。

於二零零七年十二月三十一日之資本負債率（淨債務除以總資本）約為38.4%，而於二零零六年十二月三十一日之資本負債率則為53.1%。借貸之即期部份分別佔本集團於二零零七年十二月三十一日及二零零六年十二月三十一日之總資產約30.7%及37.9%。本集團之流動資金狀況藉著二零零七年年底完成之57,300,000港元集資活動及出售富成而進一步改善。

Management Discussion and Analysis

管理層討論與分析

Cash Flow

For the Year, the Group generated net cash outflow of RMB4,177,000 from its operating activities, as compared to net cash outflow of approximately RMB19,273,000 for the last year. The increase in net cash outflow from operating activities was primarily due to the increase in the inventories and trade receivables during the Year.

Net cash outflow of approximately RMB52,830,000 was from investing activities for the Year, mainly resulted from the Group's capital expenditures and the acquisition of property in Taiwan. Net cash inflow of approximately RMB74,336,000 was from financing activities, mainly resulted from the Group's issue of new shares and the disposal of Fullchamp during the Year.

Banks deposits and cash balances (including pledged bank deposits of approximately RMB46,537,000) as at 31 December 2007 amounted to approximately RMB113,998,000, mainly denominated in Renminbi, US dollars, HK dollars and new Taiwan dollars.

Foreign Exchange Exposures

As most of the Group's monetary assets and liabilities are denominated in Renminbi, US dollars, HK dollars and new Taiwan dollars and those currencies remained relatively stable during the Year, the Group was not exposed to any significant exchange risk (see note 3 to the financial statements). In general, it is the Group's policy for each operating entity to borrow in local currencies, where necessary, to minimize currency risk.

Charge on Group Assets

As at 31 December 2007, building, plant and equipment and interest in leasehold land held for own use under an operating lease of the Group with net book value of approximately RMB66,980,000 and RMB8,416,000 respectively and bank deposits of approximately RMB46,537,000 were pledged to banks for securing banking and other financing facilities granted to the Group. These financing facilities had been utilised to the extent of approximately RMB140,383,000 at the balance sheet.

流動現金

於本年度，本集團經營業務帶來現金流出淨額4,177,000元人民幣，而去年則錄得淨現金流出約19,273,000元人民幣。經營業務流出之淨現金增加主要是因為本集團於年內之存貨與貿易應收帳款增加所致。

於本年度，投資活動之淨現金流出約為52,830,000元人民幣，主要是由本集團之資本開支及收購台灣物業所產生。融資活動之淨現金流入約為74,336,000元人民幣，主要是來自本集團於年內發行新股份及出售富成。

於二零零七年十二月三十一日之銀行存款及現金結存(包括約46,537,000元人民幣之已抵押銀行存款)約為113,998,000元人民幣，主要以人民幣、美元、港元及新台幣為單位。

匯率波動風險

本集團大部份貨幣資產及負債均以人民幣、美元、港元及新台幣計算，而該等貨幣於本年度相對穩定，故本集團並無重大匯兌風險(見財務報告附註3)。一般而言，本集團之政策是安排各營運實體於需要時借入以當地貨幣計值的款項，以減低匯率風險。

集團資產抵押

於二零零七年十二月三十一日，本集團之樓宇、機器及設備及持有租賃土地作自用之經營租賃權益分別約有賬面淨值66,980,000元人民幣及8,416,000元人民幣及銀行存款約46,537,000元人民幣作為本集團銀行借款及其他融資信貸之抵押。於結算日，此等融資信貸已動用約140,383,000元人民幣。



Management Discussion and Analysis

管理層討論與分析

Contingent Liabilities

At 31 December 2007, the Company has given corporate guarantees in favour of certain banks to secure banking facilities of RMB80,241,000 (2006: RMB47,016,000) granted to Guangzhou Mayer, a subsidiary. Out of these banking facilities, RMB60,736,000 was utilised by Guangzhou Mayer as at 31 December 2007 (2006: RMB44,961,000).

Apart from the above, the Company and the Group have no other material contingent liabilities at both balance sheet dates.

Employment, Training and Development

As at 31 December 2007, the Group had total of 350 employees. Total staff costs for the year ended 31 December 2007 were approximately RMB18,256,000, including retirement benefits cost of approximately RMB1,739,000. Remuneration packages of the Group are maintained at a competitive level to attract, retain and motivate employees and are reviewed on a periodic basis.

The Group always maintains good relation with its employees and is committed to employee training and development on a regular basis to maintain the quality of our products.

In addition, the Company has a share option scheme for the purpose of providing incentives and rewards to eligible participants. No option has been granted under the scheme since its adoption.

或然負債

於二零零七年十二月三十一日，本公司就附屬公司廣州美亞獲授銀行信貸而向若干銀行提供公司擔保約80,241,000元人民幣（二零零六年：47,016,000元人民幣）。在該等銀行信貸中，廣州美亞截至二零零七年十二月三十一日已動用其中約60,736,000元人民幣（二零零六年：44,961,000元人民幣）。

除上述者外，本公司及本集團於兩年結算日並無其他重大或然負債。

僱用、培訓及發展

於二零零七年十二月三十一日，本集團共有350名僱員。於截至二零零七年十二月三十一日止年度之總員工成本約為18,256,000元人民幣，包括退休福利成本約1,739,000元人民幣。本集團之薪酬待遇維持在有競爭力之水平以吸引、挽留及激勵僱員，並會定期作出檢討。

本集團一向與僱員維持良好關係，並定期向僱員提供培訓及發展，維持產品質素。

此外，本公司設有購股權計劃，向合資格參與者提供激勵及獎勵。自採納以來，概無根據該計劃授出購股權。

Biographical Details of Directors

董事履歷

Executive Directors

Mr. Lai Yueh-hsing, aged 50, is an executive director and the chairman of the Company. Mr. Lai is responsible for the overall corporate strategy and planning of the Group. He holds a Bachelor degree in Corporate Management from Tamkang University. He is currently a director of Kuo Hua Life Insurance Company Limited, a director of Durban Development Co., Limited, a director of Tze Shin International Company Limited and the Director of Du Centre Co., Limited.

Mr. Lo Haw, aged 45, is an executive director of the Company responsible for the product development of the Group. He holds a Master of Business Administration degree in 1992 from Bloomsbury University of Pennsylvania. Mr. Lo has over 16 years of experience in the steel pipe and sheet industry. Prior to his appointment as director of Guangzhou Mayer Corp., Limited ("Guangzhou Mayer") on 23 November 1995, Mr. Lo had worked as vice-chairman of Yungfa Steel Corp., Limited. He is currently a director of a number of companies, namely, Taiwan Mayer and Fukang Investments Holdings Company Limited. Mr. Lo was awarded by the Guangzhou Municipal Government as "Honorary Citizen".

Dr. Lin Meng-chang, aged 38, graduated with a Ph.D. degree in corporate management from the Shanghai University of Finance & Economics in 2003 and a MBA degree from the George Washington University in 1996. Prior to his appointment as director of the Company, Dr. Lin has over 10 years of experience in securities and investment banking industry. He is also a director of Waterland Securities Co., Ltd. and had worked as the general manager of Waterland Securities Investment Consulting Co., Ltd.

Mr. Lu Wen-yi, aged 57, graduated and received from the National Chung Hsing University a Bachelor degree in Laws in 1973. Prior to his appointment as director of the Company, Mr. Lu has over 22 years of experience in real estate development and over 7 years of experience in biotechnology industry. He is currently a CEO of High Sierra Biotech LLC. and the general manager of 蘇州安佑科技有限公司.

執行董事

賴粵興先生，50歲，本公司執行董事兼董事會主席，全面負責本集團之企業策略及規劃。賴先生畢業於淡江大學企業管理系。賴先生現時亦擔任國華人壽保險股份有限公司董事、德安開發股份有限公司董事、志信國際股份有限公司董事及德先股份有限公司董事。

羅漢先生，45歲，本公司執行董事，負責本集團產品開發工作。羅先生於一九九二年取得賓州Bloomsbury University工商管理碩士學位，擁有超過16年鋼管及鋼板行業經驗。於一九九五年十一月二十三日獲委任廣州美亞股份有限公司（「廣州美亞」）董事之前，羅先生曾任永發鋼鐵工業股份有限公司副主席。羅先生現任台灣美亞及阜康投資股份有限公司等公司之董事，曾獲廣州市政府頒發「廣州市榮譽市民」獎。

林孟璋博士，38歲，於二零零三年取得上海財經大學企業管理博士學位及於一九九六年取得George Washington University工商管理碩士學位。於獲委任為本公司董事之前，林博士具有超過10年證券及投資銀行經驗。林博士現時為國票綜合證券(股)公司之董事及曾於國票證券投資顧問(股)公司任職總經理。

呂文義先生，57歲，於一九七三年畢業並取得台灣國立中興大學法律學士學位。於獲委任為本公司董事之前，呂先生具有超過22年房地產發展經驗及超過7年生物科技經驗。彼現時為High Sierra Biotech LLC.之首席執行官及於蘇州安佑科技有限公司任職總經理。

Biographical Details of Directors

董事履歷

Mr. Cheng Dar-terng, aged 56, is an executive director of the Company. Mr. Cheng obtained a Master degree in Business Management from University of Dallas in the United States. He was appointed as a director of Guangzhou Mayer on 23 November 1995. He is currently a director of Taiwan Mayer.

Mr. Chiang Jen-chin, aged 42, is an executive director of the Company responsible for financial activities of the Group. He has over 16 years of experience in the steel pipe and sheet industry. Mr. Chiang is currently the manager to the general manager office of Taiwan Mayer.

Non-executive Directors

Mr. Hsiao Ming-chih, aged 48, is a non-executive director of the Company. Mr. Hsiao holds a Bachelor degree in Commerce from the Accounting Faculty of Tung Hai University. Mr. Hsiao is currently the general manager of Taiwan Mayer, the Chairman of Fullchamp Technologies Co., Ltd. ("Fullchamp") and a director of Tze Shin International Company Limited.

Mr. Huang Chun-fa, aged 51, is a non-executive director of the Company. Mr. Huang has held senior positions in various listed companies in Taiwan and is currently the chairman of Durban Development Company Limited, the chairman of Tze Shin International Company Limited and the chairman of Taiwan Mayer.

Independent Non-executive Directors

Mr. Lin Sheng-bin, aged 43, is an independent non-executive director of the Company. Mr. Lin holds a Master degree in Finance from National Chung-Cheng University. He has worked as the section staff member, commissioner, auditor and the supervisor of the Regulatory Commission for Securities and Futures, under the Finance Ministry of Taiwan and the supervisor of First Taiwan Securities Inc. He is currently the executive vice president of Sinopac Securities Corp. and directors of Giga Trend International Venture Investment Corp. and Gigawin International Venture Investment Corp.

鄭達騰先生，56歲，本公司執行董事。鄭先生畢業於美國達拉斯大學，持有工商管理碩士學位，於一九九五年十一月二十三日獲委任為廣州美亞董事。鄭先生現時亦擔任台灣美亞董事。

蔣仁欽先生，42歲，本公司執行董事，負責本集團財務工作，具有超過16年鋼管及鋼板行業經驗，現時兼任台灣美亞總經理室之經理。

非執行董事

蕭敏志先生，48歲，本公司非執行董事。蕭先生畢業於東海大學會計系，獲得商業學士學位。現時兼任台灣美亞總經理、富成金屬科技股份有限公司（「富成」）董事長及志信國際股份有限公司董事。

黃春發先生，51歲，本公司非執行董事。黃先生曾在台灣多間上市公司出任高級職位，現任德安開發股份有限公司董事長、志信國際股份有限公司董事長及台灣美亞董事長。

獨立非執行董事

林聖斌先生，43歲，本公司獨立非執行董事。林先生畢業於國立中正大學，持有金融碩士學位。林先生曾任職台灣財政部證券暨期貨管理委員會第一組（公開發行公司管理）科員、專員、稽核及第七組（期貨組）科長及菁英綜合證券股份有限公司監察人，現任永豐金證券股份有限公司之副總經理，以及聯嘉國際創業投資股份有限公司及贏嘉國際創業股份有限公司之董事。

Biographical Details of Directors

董事履歷

Mr. Huang Jui-hsiang, aged 47, is an independent non-executive director of the Company. Mr. Huang obtained a Master degree in Accountancy from National Chengchi University. He has over 14 years of experience in the accounting field. He had worked as the assistant manager in the audit services department of KPMG in Taiwan.

Mr. Alvin Chiu, aged 47, is an independent non-executive director of the Company. Mr. Chiu graduated from the University of Southern California in 1983 majoring in Economics. He has extensive commercial and retail banking experience in the U.S. He had worked as the vice president and branch manager of First Central Bank in Los Angeles, California for eight years. Mr. Chiu is now the managing director of Pacific Links Group Limited and Pacific Connections Group Limited. He has experience in China trades, importation and wholesale industries. He is also involved in the contract manufacturing, electronics and original equipment manufacturing (“OEM”) assembly business in Greater China.

黃瑞祥先生，47歲，本公司獨立非執行董事。黃先生畢業於國立政治大學，持有會計學碩士學位，具有超過14年會計經驗，曾在台灣畢馬威核數服務部出任助理經理。

趙熾佳先生，47歲，本公司獨立非執行董事。趙先生在一九八三年畢業於南加州大學，主修經濟，擁有豐富美國商業及零售銀行經驗。趙先生曾擔任加州洛杉磯First Central Bank副總裁兼分行經理八年，現為Pacific Links Group Limited及Pacific Connections Group Limited之董事總經理。趙先生擁有豐富中國貿易以及進口與批發行業經驗，亦參與大中華地區之合約生產、電子及原設備製造（「OEM」）集成業務。



Biographical Details of Senior Management and Company Secretary

高級管理人員及公司秘書履歷

Senior Management

Mr. Shen Heng-chiang, aged 53 is the general manager of Guangzhou Mayer responsible for the Group's sales and marketing activities. Mr. Shen graduated from the faculty of industrial management in Tam Shui Institute of Business Administration College in 1976. Mr. Shen has over 24 years of experience in the steel industry. Prior to his appointment as the general manager of Guangzhou Mayer on 23 November 1995, Mr. Shen had worked as general manager of Yungfa Steel Corp., Limited. He is currently a committee member of the Taiwan Investment Enterprise Association in Guangzhou and a senior management staff of Taiwan Mayer.

Mr. Chang Yin-kwang, aged 67, is the chief business consultant of Guangzhou Mayer responsible for its overall business strategy formulation. He has over 33 years of experience in the steel industry through working in a number of steel companies. He had worked for Taiwan Iron Manufacturing Corporation Limited and China Steel Corporation. He was a director and the vice general manager of Guangzhou Mayer for the period from November 1998 to May 2003.

Mr. Shen Chin-an, aged 46, is the deputy general manager of Guangzhou Mayer responsible for sales activities. He holds a Bachelor degree in Japanese language from SooChow University. Mr. Shen joined the Group on 12 January 1999. Having ample experience in steel industry, Mr. Shen had worked for Ta Fu Steel Industrial Co., Limited and Shang Fu Steel Industrial Co., Limited.

Mr. Huang Yu-chi, aged 39, is the deputy general manager of Guangzhou Mayer responsible for financial management in Guangzhou Mayer. He is also the secretary to board of directors of Guangzhou Mayer. He is now a student seating for doctoral degree in Jinan University and holds a bachelor degree in Industrial Engineering from Tung Hai University. Prior to joining the Group on 5 September 1996, he had worked as a senior officer of Taiwan Mayer.

Ms. Su Li-jung, aged 48, is the administration manager of Guangzhou Mayer responsible for procurement activities. Ms. Su graduated from the Faculty of Dance and Music of Chinese Culture University majoring in dancing. Prior to joining the Group on 4 March 2003, she had worked as the assistant manager of Nahuaou Co., Limited and manager of Hong Kong International Insurance Agent.

高級管理人員

沈亨將先生，53歲，本公司廣州美亞總經理，負責本集團之銷售及市場推廣工作。沈先生於一九七六年畢業於淡水工商管理專科學校工業管理學系，具有超過24年鋼鐵業經驗。於一九九五年十一月二十三日獲委任廣州美亞總經理之前，沈先生曾於永發鋼鐵工業股份有限公司任職總經理，現時亦擔任廣州市台資企業協會理事及台灣美亞高級管理人員。

張銀光先生，67歲，廣州美亞首席業務顧問，負責制訂本集團整體業務策略。張先生曾在多家鋼材公司任職，累積超過33年鋼鐵業經驗，曾於台灣煉鐵股份有限公司及中國鋼鐵股份有限公司任職，並於一九九八年十一月至二零零三年五月期間出任廣州美亞董事及副總經理。

沈金安先生，46歲，廣州美亞副總經理，負責營銷工作。沈先生畢業於東吳大學，獲得日語學士學位，於一九九九年一月十二日加入本集團，曾任職於大富鋼鐵工業股份有限公司及上富鋼鐵工業股份有限公司，擁有豐富鋼鐵業經驗。

黃昱琪先生，39歲，廣州美亞副總經理，負責廣州美亞之財務管理，亦為廣州美亞之董事會秘書。黃先生現時為暨南大學博士研究生，畢業於東海大學，持有工業工程學士學位。於一九九六年九月五日加入本集團之前，曾任台灣美亞之高辦。

蘇麗蓉女士，48歲，廣州美亞管理部經理，負責廣州美亞之採購工作。蘇女士畢業於中國文化大學舞蹈及音樂院，主修舞蹈。於二零零三年三月四日加入本集團之前，蘇女士曾任納華歐股份有限公司副經理及香港國際保險公司經理。

Biographical Details of Senior Management and Company Secretary

高級管理人員及公司秘書履歷

Company Secretary

Mr. Chan Lai Yin Tommy, aged 36, is also the financial controller and qualified accountant of the Group and a member of the senior management of the Company. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. Chan has over 13 years of experience in audit and accounting field. Prior to joining the Company, he held the posts of financial controller and company secretary of a listed company in Hong Kong.

公司秘書

陳禮賢先生，36歲，亦為本集團財務總監兼合資格會計師，為本公司之高級管理人員。陳先生為香港會計師公會及美國會計師公會之會員。陳先生擁有超過13年核數及會計經驗。彼於加入本公司前，彼曾於一家香港上市公司出任財務總監兼公司秘書。

Report of the Directors

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 2007.

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 23 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 2007 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 45 to 49.

The directors recommend the payment of final dividend of RMB2 cents per ordinary share, totaling RMB11,520,000.

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 pages 4 to 5.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the year are set out in note 18 to the financial statements.

Share Capital

Details of movements in the Company's share capital during the year are set out in note 35 to the financial statements.

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」)截至二零零七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23。

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

本集團截至二零零七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45頁至第49頁。

董事建議派付末期股息每股普通股2分人民幣，合共11,520,000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至5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18。

股本

本公司股本於年內之變動詳情載於財務報表附註35。

Report of the Directors

董事報告



Reserves

Details of movements of the reserves of the Company and the Group during the year are set out in note 37 to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable reserves of the Company at 31 December 2007 amounted to RMB152,521,000 (2006: RMB138,599,000).

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 30% and 56% of the Group's total turnover for the Year, respectively. The largest and the five largest suppliers accounted for 38% and 80% 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.

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37及綜合權益變動表。

本公司於二零零七年十二月三十一日之可供分派儲備為152,521,000元人民幣(二零零六年：138,599,000元人民幣)。

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分別佔本集團總營業額之30%及56%。最大及五大供應商則分別佔本集團本年度總採購額之38%及80%。

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。



Report of the Directors

董事報告

Share Option Scheme (Continued)

Up to 31 December 2007, 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.

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.

購股權計劃(續)

截至二零零七年十二月三十一日，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。

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。

Report of the Directors

董事報告



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. Cheng Dar-terng
Mr. Chiang Jen-chin
Dr. Lin Meng-chang
Mr. Lu Wen-yi

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. Lo Haw, Mr. Cheng Dar-terng, Mr. Chiang Jen-chin and Mr. Hsiao Ming-chih will retire by rotation at the forthcoming annual general meeting and being eligible, will offer himself for re-election.

Biographical details of the directors of the Company are set out on pages 15 to 17.

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
鄭達騰先生
蔣仁欽先生
林孟璋博士
呂文義先生

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，羅漢先生、鄭達騰先生、蔣仁欽先生及蕭敏志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。

本公司董事之履歷載於第15至17頁。



Report of the Directors

董事報告

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 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.

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 2007 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 45 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彼等各自之委任日期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，就彼等於二零零七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45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。

Report of the Directors

董事報告

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

As at 31 December 2007, 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

於二零零七年十二月三十一日，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	254,108	1,099	11,781,676	–	12,036,883	6.55%	
Mr. Cheng Dar-terng 鄭達騰先生	–	25,014	3,170,000	–	3,195,014	1.74%	
Mr. Chiang Jen-chin 蔣仁欽先生	6,003	–	–	–	6,003	0.00%	

Report of the Directors

董事報告

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 2007, 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 year.

除上文所披露者外，於二零零七年十二月三十一日，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。

Report of the Directors

董事報告

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	52.08%
Mayer Corporation Development International Limited ("BVI Mayer") Mayer Corporation Development International Limited (「BVI Mayer」)	Corporate 公司	300,000,000	52.08%
Mr. Cheng Wen-ching (Note 2) 鄭文慶先生 (附註2)	Personal 個人	40,000,000	6.95%
Brocheng International Limited (Note 3) Brocheng International Limited (附註3)	Corporate 公司	20,000,000	3.47%

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

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

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

Report of the Directors

董事報告

Substantial Shareholders (Continued)

Save as disclosed above, as at 31 December 2007, 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.

Connected Transactions

Certain related party transactions as disclosed in note 45 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 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.

主要股東(續)

除上文所披露者外，於二零零七年十二月三十一日，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。

關連交易

財務報表附註45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。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。

Report of the Directors

董事報告

Connected Transactions (Continued)

(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 US\$26,000 for each aircraft and US\$10,000, 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.

(3) 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 RMB2.9) per share and a total consideration of NT\$149.5 million (equivalent to approximately RMB34.7 million) in cash. Accordingly, the Disposal of Fullchamp constitutes a major and connected transaction for the Company under the Listing Rules.

(4) 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 US\$2 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.

關連交易 (續)

(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。

(3) 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2.9元人民幣），現金總代價為新台幣149,500,000元（相等於約34,700,000元人民幣）。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。

(4) 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。

Report of the Directors

董事報告

Connected Transactions (Continued)

(5) Lease Assignment Agreement

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 US\$552,000 per year.

(6) 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 US\$3.9 million, US\$4.29 million and US\$4.719 million respectively.

During the year, Guangzhou Mayer has purchased raw materials from Taiwan Mayer approximately US\$1.4 million.

Other Matters

(1) Acquisition of property

On 11 June 2007, the Company entered into an agreement with Da Cin Development Co., Ltd., an independent third party, to acquire the Property at a total consideration of NT\$880,000,000 (equivalent to RMB197 million). The property, an industrial building, is situated at Land No. 14, Kuang Fu Sec., Hsinchu City, Taiwan with a site of approximately 3,664.54 square metres.

關連交易 (續)

(5) 租賃轉讓協議

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。

(6) 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。

年內，廣州美亞已向台灣美亞採購約1,400,000美元之原材料。

其他事項

(1) 收購物業

二零零七年六月十一日，本公司與獨立第三方達欣開發股份有限公司訂立協議，以880,000,000元新台幣（相當於197,000,000元人民幣）之總代價收購一項物業。該項物業為位於台灣省新竹市光復段14地號之工業樓宇，佔地約3,664.54平方米。

Report of the Directors

董事報告

Other Matters (Continued)

(1) Acquisition of property (Continued)

An initial refundable deposit of NT\$24,000,000 (equivalent to RMB5.6 million) was paid by the Company on 11 June 2007. The Acquisition of Property was completed in February 2008. Details of the Acquisition of Property are set out in the Company's circular dated 10 July 2007.

(2) Issue of 96,000,000 New Subscription Shares

On 13 August 2007, the Company entered into seven Subscription Agreements with seven Subscribers (the "Subscribers"), an independent third parties, whereby the Company agreed to issue 96,000,000 new Subscription Shares at a price of HK\$0.60 per Subscription Share. The Subscription Shares were issued under the existing issue mandate to issue shares granted to the Directors at the Company's AGM held on 31 May 2007.

The net proceeds from the Subscription amounted to approximately HK\$57.3 million out of which approximately HK\$23 million will be used as partial payment of the consideration for the Acquisition of Property as mentioned in (1) above and the remaining balance of HK\$34.3 million will be used as additional working capital of the Group.

All 96,000,000 new Subscription Shares were issued and allotted to the Subscribers on 27 August 2007. These shares rank pari passu with the existing shares of the Company in all respects.

Senior Management and Company Secretary

Biographical details of the senior management and company secretary of the Group are set out on pages 18 to 19.

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 2008

其他事項 (續)

(1) 收購物業 (續)

本公司已於二零零七年六月十一日支付24,000,000元新台幣(相當於5,600,000元人民幣)之初步可退回按金。收購物業一事已於二零零八年二月完成。收購物業之詳情載於本公司在二零零七年七月十日刊發之通函。

(2) 發行96,000,000股新認購股份

二零零七年八月十三日,本公司與七名認購人(「認購人」,彼等為獨立第三方)訂立七份認購協議,據此,本公司同意以每股認購股份0.60港元之價格發行96,000,000股新認購股份。認購股份乃根據二零零七年五月三十一日舉行之本公司股東週年大會上授予董事有關發行股份之現行發行授權而發行。

認購事項之所得款項淨額約為57,300,000港元,其中約23,000,000港元將用於支付上文第(1)項所述收購物業之部份代價,其餘34,300,000港元將用作本集團之額外營運資金。

合共96,000,000股新認購股份已於二零零七年八月二十七日發行及配發予認購人。該等股份在各方面與本公司現有股份享有同等地位。

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18至19頁。

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,二零零八年四月十八日



Corporate Governance Report

企業管治報告

The Company recognizes the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to identify and formalize the best corporate governance practices appropriate to the needs of its business.

The Company's corporate governance practices are based on the principles ("Principles") and the code provisions ("Code Provisions") as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules"). The Company has complied with most of the Code Provisions save for the Code Provisions on internal controls which are to be implemented for accounting periods commencing on or after 1 July 2005 pursuant to the CG Code and certain deviations from the Code Provisions in respect of Code Provisions A.4.1 and A.4.2, details of which are explained below. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

The Company wishes to highlight the importance of its board of directors ("Board") in ensuring effective leadership and control of the Company and transparency and accountability of all operations.

The key corporate governance principles and practices of the Company are summarised as follows:

Board of Directors

As at 31 December 2007, the Board consisted of six executive directors and five non-executive directors (of whom three are independent).

The independent non-executive directors are all experienced individuals from a range of industries and geographies. Their mix of professional skills and experience is an important element in the proper functioning of the Board and in ensuring a high standard of objective debate and overall input to the decision-making process. The Board has received from each independent non-executive director a written confirmation of their independence and has satisfied itself of such independence up to the approval date of this report in accordance with the Listing Rules.

本公司深知良好企業管治對本公司穩建發展之重要性，並已盡最大努力找出及最終確定適合其業務需要之最佳企業管治常規。

本公司之企業管治常規乃以香港聯合交易所所有公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「企業管治守則」）載列之原則（「原則」）及守則條文（「守則條文」）為基礎。除根據企業管治守則須於二零零五年七月一日或之後開始之會計期間實施之內部監控守則條文及有關守則條文A.4.1及A.4.2存在若干偏離（詳情見下文）外，本公司已遵守大部分守則條文。本公司定期審閱其企業管治常規，以確保該等常規持續符合企業管治常規之規定。

本公司希望突出董事會（「董事會」）在確保本公司獲有效領導及控制以及各項業務營運具透明度及問責性之重要性。

本公司主要企業管治原則及常規概括如下：

董事會

於二零零七年十二月三十一日，董事會由六位執行董事及五位非執行董事（其中三位為獨立人士）組成。

獨立非執行董事均為來自不同行業及地域且擁有豐富經驗之人士。集合彼等之專業技能及經驗是達致董事會妥善運作及確保高水平客觀討論和決策過程中整體投入之重要元素。董事會已接獲各獨立非執行董事發出之獨立身份確認書，並信納根據上市規則，截至本年報批准日期止，彼等均為獨立人士。

Corporate Governance Report

企業管治報告

Board of Directors (Continued)

The biographical details of the directors are provided on pages 15 to 17 of this report.

The Code Provision A.2.1 stipulated that the roles of chairman of the Board (the “Chairman”) and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and chief executive officer should be clearly established and set out in writing.

Mr Lai Yueh-hsing has been both the Chairman and chief executive officer of the Company. Given the Company’s current stage of development, the Board considers that vesting the roles of Chairman and chief executive officer in the same person facilitates the execution of the Company’s business strategies and maximizes effectiveness of its operations. The Board shall nevertheless review the structure from time to time and shall consider the appropriate adjustment should suitable circumstance arise.

The Board at Work

The Board is accountable to shareholders for the activities and performance of the group. It meets in person on a half-yearly basis and on other occasions when a Board-level decision on a particular matter is required. The Board has reserved for its decision or consideration matters covering corporate strategy, annual and interim results, directors’ appointment, succession planning, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters.

The majority of Board meetings are scheduled to last one full day, with directors receiving details of agenda items for decision and minutes of committee meetings in advance of each Board meeting.

Although the capacity of any board to involve itself in the details of a large international business is limited, the Company aims to provide its independent non-executive directors with extensive exposure and access to its operations and management. Over the past two years, the number and duration of Board meetings have increased and the Board agenda is structured to address the broad spectrum of key governance issues on a regular and systematic basis.

董事會 (續)

董事之個人資料載於本年報第15至17頁。

守則條文A.2.1規定董事會主席(「主席」)與行政總裁之角色應有區分，並不應由一人同時兼任。主席與行政總裁之間之職責分工應清楚界定並以書面列載。

賴粵興先生兼任本公司董事會主席及行政總裁。鑑於本集團當前所處之發展階段，董事會認為，由同一人士擔任主席及行政總裁兩個角色，有利於執行本公司業務策略及取得最大經營效益。然而，董事會仍須不時檢討此架構，並應考慮於情況容許時作出適當調整。

董事會之運作

董事會須就本集團業務及表現向股東負責。董事會成員親自出席每半年舉行之董事會會議，亦出席須由董事會作出特定事項決策之會議。董事會有權決定或考慮有關企業策略、年度及季度業績、董事委任、接任規劃、風險管理、重大收購、出售及資本性交易以及其他重要營運及財務之事宜。

大部分董事會會議均長達一整天，而董事於每次董事會會議前會收到會議之決策議程及董事委員會之會議記錄。

儘管任何大型國際公司之董事會只可有限地掌握其業務詳情，惟本公司仍致力使其獨立非執行董事廣泛理解及接觸其運作及管理。於過去兩年，董事會會議之次數及議會時間均有所增加，而董事會議程之制訂，旨在定期有系統地向董事會提出主要管治事宜。



Corporate Governance Report

企業管治報告

The Board at Work (Continued)

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed.

Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

Major corporate matters that are specifically delegated by the Board to management include the preparation of annual and interim accounts for Board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

The Group's chief financial officer also attends all board meetings to advise on corporate governance, risk management, statutory compliance, mergers and acquisitions, and accounting and financial matters.

None of the members of the Board is related to one another.

During the year ended 31 December 2007, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

董事會之運作(續)

全部董事均可完整及時地取得全部有關資料，並可獲公司秘書提供意見及服務，以確保董事會程序及全部適用規則及法例獲得遵守。

每位董事通常亦可於適當情況下尋求獨立專業意見，經向董事會提出要求後，費用由本公司承擔。

董事會特別委託管理層執行之主要企業事宜包括編製年度及中期賬目，以供董事會於對外公佈前批核、執行董事會所採納之業務策略及措施、推行妥善內部監控系統及風險管理程序以及遵守有關法定規定、規則與規例。

本集團財務總監亦出席所有董事會會議，就企業管治、風險管理、法定守規、合併與收購以及會計與財務事宜提出意見。

董事會成員之間概無關連。

於截至二零零七年十二月三十一日止年度內任何時間，董事會均符合上市規則有關委任最少三名獨立非執行董事，其中至少一名獨立非執行董事須具備合適專業資格或會計或相關財務管理專長之規定。

本公司已接獲由各獨立非執行董事根據上市規則規定就其獨立性作出之書面年度確認。本公司認為，根據上市規則所載之獨立指引，全部獨立非執行董事均具獨立性。

Corporate Governance Report

企業管治報告

The Board at Work (Continued)

The non-executive directors together have substantial experience in fields of auditing, business, accounting, corporate internal control and regulatory affairs. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all non-executive directors make various contributions to the effective direction of the Company.

The Company has not yet adopted Code Provision A.4.1 which provides that non-executive directors should be appointed for a specific term, subject to re-election. All the non-executive directors of the Company are not appointed for a specific term although in practice they are subject to retirement on rotation and re-election at the Company's annual general meetings pursuant to the Company's Articles of Association.

Each newly appointed director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

董事會之運作(續)

非執行董事於審計、商業、會計、企業內部監控及監管事務方面擁有豐富經驗。透過積極參與董事會會議，率先管理有潛在利益沖突事務及於董事會轄下委員會服務，全體非執行董事對本公司之有效指導作出多種貢獻。

本公司並未採納守則條文A.4.1，該條文規定非執行董事之委任應有指定任期，並須接受重新選舉。本公司全體非執行董事之委任均無指定任期，惟實際上彼等均須根據本公司之章程細則於本公司股東週年大會上輪值退任及膺選連任。

每名新委任董事均於首次獲委任時獲得一份全面兼特為其而設之正式就任須知，以確保其清楚了解本公司之業務及營運，且充分明目瞭其於上市規則及有關規管規定下之責任。

Corporate Governance Report

企業管治報告

Committees

The monitoring and assessment of certain governance matters are allocated to three committees which operate under defined terms of reference. The composition of the committees during 2006/07 and up to the date of this report is set out in the table below.

委員會

若干管治事宜之監控及評估工作已分配予三個委員會，該等委員會乃根據既定職權範圍運作。於二零零六／零七年度及截至本年報日期止，委員會之組成載列於下表。

Directors 董事	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive Director 執行董事			
Lai Yueh-hsing (Chairman) 賴粵興 (主席)		Chairman 主席	Chairman 主席
Lo Haw 羅漢			
Cheng Dar-terng 鄭達騰			
Chiang Jen-chin 蔣仁欽			
Lin Meng-chang 林孟璋			
Lu Wen-yi 呂文義			
Non-Executive Directors 非執行董事			
Hsiao Ming-chih 蕭敏志		Member 成員	Member 成員
Huang Chun-fa 黃春發			
Independent Non-Executive Directors 獨立非執行董事			
Lin Sheng-bin 林聖斌	Member 成員	Member 成員	Member 成員
Huang Jui-hsiang 黃瑞祥	Chairman 主席	Member 成員	Member 成員
Alvin Chiu 趙熾佳	Member 成員	Member 成員	Member 成員

Audit Committee

The Audit Committee is comprised of three independent non-executive directors who together have substantial experience in the fields of accounting, business, corporate governance and regulatory affairs.

The committee is responsible for monitoring the reporting, accounting, financial and control aspects of the executive management's activities. It has full access to the Group's chief financial officer to hear directly any concerns of the internal audit department that may have arisen during the course of the department's work.

The committee also monitors the appointment and function of the Group's external auditor.

審核委員會

審核委員會由三名獨立非執行董事組成，彼等於會計、商業、企業管治及監管事務方面擁有豐富經驗。

委員會負責監控行政管理層之申報、會計、財務及監控事宜。委員會可全面接觸本集團財務總監，直接聽取內部審核部門於進行審核工作時遇到之任何問題。

委員會亦監控本集團外聘核數師之委聘及職能。

Corporate Governance Report

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Remuneration Committee

The Remuneration Committee was established on 22 August 2005 and is comprised of three independent non-executive directors, one non-executive director and one executive director (as the Committee Chairman).

The committee determines the compensation structure and rewards for the chief executive officer and other executive directors and monitors the policies being applied in remunerating other senior executives in the Group. In addition, it has responsibility for reviewing and making appropriate recommendations to the Board on management development and succession plans for executive directors and senior management levels.

The fundamental policy underlying the Company's remuneration and incentive schemes is to link total compensation for senior management with the achievement of annual and long-term performance goals. By providing total compensation at competitive industry levels for delivering on-target performance, the Company seeks to attract, motivate and retain key executives essential to its long-term success. Senior management incentive schemes include any equity component that is designed to align the long-term interest of management with those of shareholders.

Nomination Committee

The Nomination Committee was established on 22 August 2005 and is comprised of three independent non-executive directors, one non-executive director and one executive director (as the Committee Chairman).

The committee is responsible for the identification and evaluation of candidates for appointment or reappointment as a director, as well as the development and maintenance of the Group's overall corporate governance policies and practices.

薪酬委員會

薪酬委員會於二零零五年八月二十二日成立，由三位獨立非執行董事、一位非執行董事及一位執行董事（為委員會主席）組成。

委員會負責釐定行政總裁及其他執行董事之薪酬結構及獎勵計劃，並監控適用於本集團其他高級行政人員之薪酬政策。此外，委員會亦負責檢討管理層發展及執行董事與高級管理人員之接任規劃，並就此向董事會提出合適建議。

本公司薪酬及獎勵計劃之基本政策乃全面獎勵高級管理人員在達到年度及長期表現目標所作出之努力。透過向表現達致目標之僱員提供於業內具競爭力之獎勵，本公司致力招攬、激勵及留聘主要行政人員以達到公司之長遠成就。高級管理人員獎勵計劃包括任何股本組成部分，務求令管理層與股東之長遠利益一致。

提名委員會

提名委員會於二零零五年八月二十二日成立，由三位獨立非執行董事、一位非執行董事及一位執行董事（為委員會主席）組成。

委員會負責物色及評估合適人選，以委任或續聘為董事，並負責發展及維持本集團整體企業管治方針與慣例。

Corporate Governance Report

企業管治報告

Board and Committee Attendance

The Board held ten regular meetings in 2007 and the average attendance rate was 48%. Details of the attendance of individual directors at Board meetings and committee meetings during the 2006/07 financial year are set out in the table below.

董事會及委員會之出席率

董事會於二零零七年曾舉行十次定期會議，平均出席率為48%。於二零零六／零七財政年度，個別董事於董事會會議及委員會會議之出席詳情載於下表：

Directors 董事	Number of meetings attended/held 出席／舉行會議次數			
	Full Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive Directors 執行董事				
Lai Yueh-hsing 賴粵興	10/10		2/2	1/1
Lo Haw 羅漢	2/10			
Cheng Dar-terng 鄭達騰	3/10			
Chiang Jen-chin 蔣仁欽	10/10			
Lin Meng-chang 林孟璋	4/10			
Lu Wen-yi 呂文義	4/10			
Non-Executive Directors 非執行董事				
Hsiao Ming-chih 蕭敏志	7/10		2/2	1/1
Huang Chun-fa 黃春發	2/10			
Independent Non-Executive Directors 獨立非執行董事				
Lin Sheng-bin 林聖斌	2/10	1/2	1/2	1/1
Huang Jui-hsiang 黃瑞祥	3/10	2/2	2/2	1/1
Alvin Chiu 趙熾佳	6/10	2/2	2/2	1/1
Average attendance rate 平均出席率	48%	83%	80%	100%

Corporate Governance Report

企業管治報告

Practices and Conduct of Meetings

Notices of regular Board meetings are served to all directors at least 14 days before the meetings while reasonable notice is generally given for other Board meetings. For committee meetings, notices are served in accordance with the required notice period stated in the relevant terms of reference.

Agenda and Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or to the relevant committee members at least 2 days before each Remuneration Committee Meeting or at least 4 days before each Audit Committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

Minutes of all Board meetings and committee meetings are kept by the company secretary. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Articles of Association also contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

Internal Control and Risk Management

The Board is responsible for ensuring that an adequate system of internal controls is maintained within the Group, and for reviewing its effectiveness through the Audit Committee.

The internal control system, which includes a defined management structure with specified limits of authority, is designed to (a) help the achievement of business objectives, and safeguard the Group's assets; (b) ensure proper maintenance of accounting records; and (c) ensure compliance with relevant legislation and regulations.

會議常規及守則

董事會定期會議之通知須於會議召開前至少十四天發出，而其他董事會會議通常只需發出合理天數之通知。就委員會會議而言，則需按照有關職權範圍規定之通知期限發出通知。

議程及相關董事會文件連同所有適用、完備及可靠之資料，應於董事會會議召開前至少三天，或於每次薪酬委員會會議召開前至少兩天，或於每次審核委員會會議召開前至少四天，向全體董事或向相關委員會成員發出，以便董事獲悉本公司最進發展及財務狀況及使董事作出知情決定。董事會及每位董事亦可於有需要時單獨及獨立接觸高級管理層。

公司秘書保存全部董事會會議及委員會會議之會議記錄。每次會議後之會議記錄初稿通常於一段合理時間內在董事之間傳閱，以便提出意見，而會議記錄之最終定稿應可供董事查閱。

根據現有董事會常規，任何涉及重要股東及董事利益衝突之重大交易，將由董事會正式召集之董事會會議考慮及處理。本公司之組織章程細則亦載有相應條文，要求該等董事放棄投票，或在其中擁有重大利益之該等董事或任何其聯繫人士不得於批准該等交易之會議上計入會議法定人數。

內部監控及風險管理

董事會負責確保本集團維持一套妥善之內部監控系統及透過審核委員會檢討其成效。

內部監控系統包括已明確界定之管理架構，並列明權限，旨在(a)協助達致業務目標及保障本集團之資產；(b)確保適當存置會計記錄；及(c)確保遵守有關法例及規例。



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Internal Control and Risk Management (Continued)

The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage, but not to eliminate, risks of failure in achieving the Group's objectives.

The processes to identify and manage key risks to the achievement of the Group's strategic objectives are an integral part of the internal control environment. Such processes include strategic planning, the appointment of senior management, the regular monitoring of performance, control over capital expenditure and investments and the setting of high standards and targets for safety, health and environmental performance.

The management maintains and monitors the system of controls on an ongoing basis.

The Group's internal audit department, under the supervision of the chief financial officer, independently reviews these controls and evaluates their adequacy, effectiveness and compliance, and reports such findings directly to the Audit Committee on a regular basis. The Board, through the Audit Committee assesses the effectiveness of the Group's internal control system which covers all material controls, including financial, operational and compliance controls and risk management functions on an annual basis.

During 2006/2007, based on the evaluations made by the management, the chief financial officer and external auditors, the Audit Committee was satisfied that nothing has come to its attention to cause the Audit Committee to believe that the system of internal control is inadequate; and there is an ongoing process to identify, evaluation and manage significant risks faced by the Group.

External Auditor

The Company's independent external auditor is CCIF CPA Limited. The Audit Committee is responsible for considering the appointment of the external auditor and also reviews any non-audit functions performed by the external auditor for the Group. In particular, the Committee will consider, in advance of them being contracted for and performed, whether such non-audit functions could lead to any potential material conflict of interest.

內部監控及風險管理(續)

內部監控系統旨在提供合理但非絕對之保證，保證不會出現重大錯誤陳述或損失，以及駕馭但並非排除未能實現本集團目標之風險。

確認及管理涉及實現本集團策略目標之主要風險之過程乃內部監控不可或缺之部分。該等過程包括策略計劃、委任高級管理層、定期監控表現、控制資本開支及投資以及訂定高水平之安全、健康及環保表現標準及目標。

管理層按持續基準維持及監管監控系統。

由財務總監督導之本集團內部審核部門會獨立審核該等監控，評估其是否充足、有效及是否符合規定，並定期直接向審核委員會匯報該等發現。董事會通過審核委員會按年評估本集團內部控制系統之效能，內部控制系統包括所有重大操控措施，如財務、營運及合規控制，以及風險管理功能。

於二零零六/零七年度，本屆管理層、財務總監及外聘核數師作出之評估，審核委員會信納，其並不知悉任何事件導致審核委員會相信內部監控系統有所不足；及本集團已持續確定、評估及管理重大風險。

外聘核數師

本公司獨立外聘核數師為陳葉馮會計師事務所有限公司。審核委員會負責考慮委聘外聘核數師，並檢討任何由外聘核數師為本集團進行之非核數職能。尤其是委員會於與外聘核數師訂約及彼等履行工作前，將考慮該等非核數職能會否引致任何潛在重大利益衝突。

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Communications with Shareholders

The Company uses a number of formal communications channels to account to shareholders for the performance of the Company. These include the annual report and accounts, the interim report, periodic company announcements made through the Stock Exchange, as well as through the annual general meeting. The Company aims to provide its shareholders and potential investors with high standards of disclosure and financial transparency. In order to provide effective disclosure to investors and potential investors and to ensure they all receive equal access to the same information at the same time, information considered to be of a price sensitive nature is released by way of formal public announcements as required by the Listing Rules. The Company also welcomes comments and questions from shareholders at its annual general meeting.

Directors' Securities Transactions

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.

Employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with guidelines on no less exacting terms than the Model Code.

Having made specific enquiry of all directors, the Directors have complied with the required standard set out in the Model Code regarding directors' securities transactions.

Directors' and Auditors' Responsibilities for Accounts

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2007.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 43 to 44.

與股東之溝通

本公司利用多個正式溝通渠道向股東匯報公司表現，包括年報及賬目、中期報告、於聯交所及透過股東週年大會發出之定期公司公佈。本公司旨在向其股東及有意投資者提供高披露水平及財政透明度。為向投資者及有意投資者作出有效披露，並確保彼等均同時取得相同資料，該等被視作可影響股份價格之資料乃根據上市規則規定正式公佈。本公司亦樂意於其股東週年大會上接受股東之意見及提問。

董事證券交易

本集團已遵守上市規則附錄十所載之標準守則，採納監管董事進行證券交易之程序。

可能擁有尚未公佈股價敏感資料之僱員亦須遵守一套不比標準守則寬鬆之指引。

已向全體董事作出具體查詢後，董事均已遵守標準守則內有關董事進行證券交易之標準守則所載規定標準。

董事及核數師對賬目之責任

董事會須負責提呈平衡、清晰及明白地評審公司表現之年度及中期報告、涉及股價敏感事項之通告及根據上市規則及其他規例規定須予披露之其他財務資料。

董事會確認彼等負責編製截至二零零七年十二月三十一日止年度之本公司財務報表。

本公司外聘核數師對財務報表之申報責任所作出之聲明載於第43至44頁之「獨立核數師報告」。



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Shareholder rights and investor relations

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Articles of Association. Details of such rights and procedures are included in all circulars to shareholders and will be explained during the proceedings of meetings. Whenever voting by way of a poll is required, the detailed procedures for conducting a poll will be explained.

Poll results will be published in newspapers on the business day following the shareholders' meeting and posted on the websites of the Stock Exchange.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintain regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

股東權利及投資者關係

股東權利及要求，在股東大會上以投票方式表決決議案之程序載於本公司組織章程細則。該等權利及程序之詳情，在寄予股東之全部通函中均有載列，並會於會議過程中予以說明。當要求以投票方式表決時，進行投票表決之詳細程序將予以說明。

投票表決結果將於股東大會召開後之營業日在報章公佈，並在聯交所網站發佈。

每一重大事項（包括選舉董事）均於股東大會提呈獨立決議案。

本公司不斷加強與投資者溝通及建立關係。指定高級管理層定期與機構投資者及分析員進行對話，使其知悉本公司之最新發展。投資者之提問均獲得有效及時處理。

Independent Auditor's Report

獨立核數師報告



CCIF CPA LIMITED

20/F Sunning Plaza
10 Hysan Avenue
Causeway Bay Hong Kong

TO THE SHAREHOLDERS OF

MAYER HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of Mayer Holdings Limited (the "Company") set out on pages 45 to 136, which comprise the consolidated and Company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



陳葉馮會計師事務所有限公司

香港 銅鑼灣 希慎道10號
新寧大廈20樓

致美亞控股有限公司

(於開曼群島註冊成立之有限公司)

列位股東

本核數師已審核美亞控股有限公司(「貴公司」)刊於第45至136頁之綜合財務報表，此等財務報表包括於二零零七年十二月三十一日之綜合及 貴公司之資產負債表、截至該日止年度之綜合收益表、綜合股本變動報表及綜合現金流量表，以及重要會計政策概要及其他附註。

董事對財務報表之責任

貴公司董事須遵照香港會計師公會頒佈之香港財務報告準則以及香港公司條例之披露規定，負責編製並真實公平地呈列該等綜合財務報表。此責任包括設計、實行及維持與編製並真實公平地呈列財務報表有關之內部監控，以確保其並無重大錯誤陳述(不論其由欺詐或錯誤引起)；選擇及應用適當會計政策；並在不同情況下作出合理之會計估算。

核數師之責任

吾等之責任為根據吾等之審核結果，對該等綜合財務報表作出意見，並僅向 閣下(作為團體)報告，除此之外，報告並無其他用途。吾等概不就本報告之內容向任何其他人士承擔或負上任何責任。



Independent Auditor's Report

獨立核數師報告

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CCIF CPA Limited

Certified Public Accountants

Hong Kong, 18 April 2008

Leung Chun Wa

Practising Certificate Number P04963

吾等按照香港會計師公會頒佈之香港核數準則進行審核工作。該等準則要求吾等在策劃和進行審核工作時須符合道德規範，使吾等能就該等財務報表是否存有重要錯誤陳述作合理之確定。

審核範圍包括進程序以取得與財務報表所載數額及披露事項有關之審核憑證。選用之程序須視乎核數師之判斷，包括評估財務報表之重大錯誤陳述（不論其由欺詐或錯誤引起）之風險。在作出該等風險評估時，核數師將考慮與公司編製並真實公平地呈列財務報表有關之內部監控，以為不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策之恰當性，董事所作會計估算之合理性，並就財務報表之整體呈列方式作出評估。

吾等相信，就得出審核意見而言，吾等所獲審核憑證屬充分而恰當。

意見

吾等認為，綜合財務報表均符合香港財務報告準則且能真實公平地反映 貴公司及 貴集團於二零零七年十二月三十一日之財務狀況以及 貴集團截至該日止年度之溢利和現金流量狀況，並已按照香港公司條例之披露規定適當編製。

陳葉馮會計師事務所有限公司

執業會計師

香港，二零零八年四月十八日

梁振華

執業牌照號碼P04963

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Note 附註	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣 (as restated) (重列)
Continuing operations	持續經營業務			
Turnover	營業額	6	1,253,230	944,622
Cost of sales	銷售成本		(1,197,423)	(883,072)
Gross profit	毛利		55,807	61,550
Other revenue	其他收益	6	11,340	6,162
Other income	其他收入	7	11,745	6,725
Distribution costs	分銷成本		(13,681)	(12,828)
Administrative expenses	行政開支		(34,696)	(27,540)
Other operating expenses	其他經營開支		(2,899)	(2,030)
Operating profit	經營溢利	8	27,616	32,039
Finance costs	融資成本	10	(19,233)	(15,967)
Profit before taxation	除稅前溢利		8,383	16,072
Taxation	稅項	11	(3,106)	(2,426)
Profit from continuing operations	持續經營業務之溢利		5,277	13,646
Discontinued operations	已終止業務			
Profit/(Loss) from discontinued operations	已終止業務之溢利/(虧損)	12	11,634	(2,203)
Profit for the year	年內溢利		16,911	11,443

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Note 附註	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣 (as restated) (重列)
Attributable to:	應佔：			
Equity holders of the Company	本公司股權持有人	13	13,802	12,042
Minority interests	少數股東權益		3,109	(599)
			16,911	11,443
Dividends	股息	14	11,520	9,600
Earnings per share for profit attributable to the equity holders of the Company during the year	年內本公司股權持有人應佔溢利之每股盈利	15		
From continuing operations	來自持續經營業務			
– Basic	– 基本		0.83 cents 分	2.61 cents 分
– Diluted	– 攤薄		N/A 不適用	N/A 不適用
From discontinued operations	來自已終止業務			
– Basic	– 基本		1.86 cents 分	0.38 cents 分
– Diluted	– 攤薄		N/A 不適用	N/A 不適用

The notes on pages 54 to 136 form an integral part of these financial statements.

第54至136頁之附註為組成財務報告之一部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2007 於二零零七年十二月三十一日

		Note 附註	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	117,110	207,796
Leasehold land and land use rights for own use under operating lease	根據經營租賃持有作 自用之租賃土地及 土地使用權	19	8,416	8,638
Deposit for acquisition of property	收購物業之按金	20	192,142	–
Available-for-sale financial assets	可供出售金融資產	21	–	720
Goodwill	商譽	22	–	4,719
Deferred tax assets	遞延稅項資產	24	–	27
			317,668	221,900
Current assets	流動資產			
Inventories	存貨	25	169,214	217,615
Trade receivables	貿易應收帳款	26	373,538	370,155
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	27	16,683	23,421
Financial assets at fair value through profit or loss	按公平值列入損益表 之金融資產	28	15,633	–
Amount due from a related company	應收關聯公司款項	29	6,473	2,736
Pledged bank deposits	已抵押銀行存款	30	46,537	8,652
Bank deposits	銀行存款	30	–	21,800
Cash and cash equivalents	現金及現金等值項目	31	67,461	45,689
			695,539	690,068
LIABILITIES	負債			
Current liabilities	流動負債			
Trade payables	貿易應付帳款	32	144,626	139,488
Other payables and accruals	其他應付款項及應計 費用	33	181,852	35,322
Taxation payable	應付稅項		2,368	763
Borrowings	借貸	34	311,402	345,771
			640,248	521,344
Net current assets	流動資產淨值		55,291	168,724
Total assets less current liabilities	總資產減流動負債		372,959	390,624
Non-current liabilities	非流動負債			
Borrowings	借貸	34	–	28,832
NET ASSETS	資產淨值		372,959	361,792

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2007 於二零零七年十二月三十一日

			2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
		Note 附註		
CAPITAL AND RESERVES	股本及儲備			
Issued capital	已發行股本	35	59,460	50,480
Reserves	儲備	37	245,143	203,866
Proposed final dividend	擬派末期股息	14	11,520	9,600
Equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益		316,123	263,946
Minority interests	少數股東權益		56,836	97,846
TOTAL EQUITY	總權益		372,959	361,792

Approved and authorised for issue by the board of directors on 18 April 2008.

董事會於二零零八年四月十八日批准及授權刊發。

On behalf of the board of directors

代表董事會

Lai Yueh-hsing
Director

Chiang Jen-chin
Director

賴粵興
董事

蔣仁欽
董事

The notes on pages 54 to 136 form an integral part of these financial statements.

第54至136頁之附註為組成財務報告之一部分。

Balance Sheet

資產負債表

As at 31 December 2007 於二零零七年十二月三十一日

		Note 附註	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	18	4	58
Interests in subsidiaries	於附屬公司之權益	23	124,378	132,967
			124,382	133,025
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	23	73,070	78,774
Other receivables	其他應收款項		255	154
Pledged bank deposits	已抵押銀行存款	30	4,378	3,904
Cash and cash equivalents	現金及現金等值項目	31	10,986	15,812
			88,689	98,644
LIABILITIES	負債			
Current liabilities	流動負債			
Other payables	其他應付款項		1,090	1,475
Borrowings	借貸	34	–	41,115
			1,090	42,590
Net current assets	流動資產淨值		87,599	56,054
NET ASSETS	資產淨值		211,981	189,079
CAPITAL AND RESERVES	股本及儲備			
Issued capital	已發行股本	35	59,460	50,480
Reserves	儲備	37	141,001	128,999
Proposed final dividend	擬派末期股息	14, 37	11,520	9,600
TOTAL EQUITY	總權益		211,981	189,079

Approved and authorised for issue by the board of directors on 18 April 2008.

董事會於二零零八年四月十八日批准及授權刊發。

On behalf of the board of directors

代表董事會

Lai Yueh-hsing
Director

Chiang Jen-chin
Director

賴粵興
董事

蔣仁欽
董事

The notes on pages 54 to 136 form an integral part of these financial statements.

第54至136頁之附註為組成財務報告之一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Issued capital 已發行股本 RMB'000 千元人民幣	Share premium 股份溢價 RMB'000 千元人民幣	Special reserve 特別儲備 RMB'000 千元人民幣	Statutory surplus reserve 法定公積金 RMB'000 千元人民幣	Statutory public welfare fund 法定公益金 RMB'000 千元人民幣	Translation reserve 匯兌儲備 RMB'000 千元人民幣	Retained profits 保留溢利 RMB'000 千元人民幣	Proposed final dividend 擬派末期股息 RMB'000 千元人民幣	Minority interests 少數股東權益 RMB'000 千元人民幣	Total 總計 RMB'000 千元人民幣
At 1 January 2006	於二零零六年一月一日	42,480	4,076	67,570	16,645	4,950	(718)	76,221	4,000	65,869	281,093
Purchase of additional interest in a subsidiary	增購附屬公司之權益	-	-	-	-	-	-	-	-	(7,160)	(7,160)
Deemed and partial disposals of interest in subsidiaries	視為及部份出售 附屬公司之權益	-	-	-	-	-	-	-	-	3,706	3,706
Exchange differences arising from translation of foreign operations	換算海外業務產生之 匯兌差額	-	-	-	-	-	(830)	-	-	(1,628)	(2,458)
Issuance of new shares	發行新股份	8,000	33,710	-	-	-	-	-	-	37,658	79,368
Share issue expenses	股份發行開支	-	(200)	-	-	-	-	-	-	-	(200)
Appropriations	分配	-	-	-	1,609	-	-	(1,609)	-	-	-
Profit for the year	年內溢利	-	-	-	-	-	-	12,042	-	(599)	11,443
Dividend paid relating to 2005	二零零五年之已付股息	-	-	-	-	-	-	-	(4,000)	-	(4,000)
Proposed final dividend	擬派末期股息	-	-	-	-	-	-	(9,600)	9,600	-	-
At 31 December 2006	於二零零六年十二月三十一日	50,480	37,586	67,570	18,254	4,950	(1,548)	77,054	9,600	97,846	361,792
At 1 January 2007	於二零零七年一月一日	50,480	37,586	67,570	18,254	4,950	(1,548)	77,054	9,600	97,846	361,792
Capital contribution to a subsidiary	增購附屬公司	-	-	-	-	-	-	-	-	10,331	10,331
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	(53,444)	(53,444)
Exchange differences realised upon disposal of subsidiaries (note 9)	因出售附屬公司 而實現匯兌 差額(附註9)	-	-	-	-	-	(139)	-	-	-	(139)
Exchange differences arising from translation of foreign operations	換算海外業務產生之 匯兌差額	-	-	-	-	-	(5,625)	-	-	(1,006)	(6,631)
Issuance of new shares (note 35)	發行新股份 (附註35)	8,980	44,909	-	-	-	-	-	-	-	53,889
Share issue expenses	股份發行開支	-	(150)	-	-	-	-	-	-	-	(150)
Appropriations	分配	-	-	-	1,271	-	-	(1,271)	-	-	-
Profit for the year	年內溢利	-	-	-	-	-	-	13,802	-	3,109	16,911
Dividend paid relating to 2006	二零零六年之已付股息	-	-	-	-	-	-	-	(9,600)	-	(9,600)
Proposed final dividend	擬派末期股息	-	-	-	-	-	-	(11,520)	11,520	-	-
At 31 December 2007	於二零零七年十二月三十一日	59,460	82,345	67,570	19,525	4,950	(7,312)	78,065	11,520	56,836	372,959

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

i) Special reserve

The amount represents the paid-in capital of the Company of 1 share of HK\$0.1 each and the special reserve of RMB83,570,000 arising from exchange of 1 share of the Company of HK\$0.1 for the entire share capital of Bamian Investments Pte Limited pursuant to the reorganisation scheme dated 12 December 2005.

ii) Statutory surplus reserve

The Articles of Association of Guangzhou Mayer Corporation Limited ("Guangzhou Mayer") requires the appropriation of 10% of its profit after taxation, based on its statutory auditors' accounts, each year to the statutory surplus reserve until the balance reaches 50% of the registered capital. According to the provision of the Articles of Association of Guangzhou Mayer, in normal circumstances, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the production and operation of Guangzhou Mayer. For the capitalisation of statutory surplus reserve into share capital, the remaining amount of such reserve shall not be less than 25% of the registered share capital.

iii) Statutory public welfare fund

Pursuant to the PRC Company Law applicable to joint-stock company in previous years, Guangzhou Mayer shall make allocation from its profit after taxation at the rate of 5% to 10% to the statutory public welfare fund, based on its statutory auditors' accounts. The statutory public welfare fund can only be utilised on capital items for employees' collective welfare. Individual employees only have the right to use these facilities, the titles to which will remain with the company. The statutory public welfare fund forms part of the shareholders' equity but is non-distributable other than in liquidation. With effective from 1 January 2006, the appropriation is not a statutory requirement in accordance with the PRC Company Law (2006 Amendment). The appropriation is subject to the shareholders' approval in the annual shareholders meeting of Guangzhou Mayer. Guangzhou Mayer has early adopted the amended Company Law and thus no appropriation has been made during the year.

i) 特別儲備

該金額指本公司1股每股0.1港元之已繳足股本，以及因根據日期為二零零五年十二月十二日之重組計劃以本公司0.1港元之1股股份交換百門投資有限公司全部股本所產生之特別儲備83,570,000元人民幣。

ii) 法定公積金

廣州美亞股份有限公司(「廣州美亞」)之組織章程細則規定，每年須根據其法定核數師帳目，將除稅後溢利之10%撥往法定公積金，直至該儲備結餘達註冊資本50%為止。根據廣州美亞組織章程細則之規定，在一般情況，法定公積金僅可用作抵銷虧損、撥充股本及擴展廣州美亞之生產與營運。將法定公積金撥充股本後，該儲備之餘額不得低於註冊股本25%。

iii) 法定公益金

根據往年適用於股份制公司之中國公司法，廣州美亞須根據其法定核數師帳目，將其除稅後溢利之5%至10%轉撥至法定公益金。法定公益金只可用於為僱員集體福利而設的資本項目。個別僱員只有權享用有關設施，而設施所有權仍歸本公司所有。法定公益金是股東權益一部份，除清盤以外一概不得作出分派。自二零零六年一月一日起，根據中國公司法(二零零六年修訂版)，分配不再是法定要求。分配須經股東於廣州美亞股東週年大會上批准。廣州美亞已提前採納經修訂之公司法規定，故年內並無進行分配。

The notes on pages 54 to 136 form an integral part of these financial statements.

第54至136頁之附註為組成財務報告之一部分。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Note	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
		附註		
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	經營業務之現金 流出淨額	38	(4,177)	(19,273)
INVESTING	投資			
Proceeds from disposal of a foreign operation	出售一外國業務所得款項		–	4,131
Proceeds on disposal of property, plant and equipment	出售物業、機器及設備所得款項		1,810	2,417
Purchase of property, plant and equipment	購買物業、機器及設備		(34,078)	(42,198)
Increase in deposit for acquisition of property	收購物業之已繳按金增加		(29,625)	–
Decrease in bank deposits (with original maturities more than 3 months)	減少銀行存款 (原三個月以上到期)		21,800	65,753
Increase in financial assets at fair value through profit or loss	按公平值列入損益表之金融資產增加		(14,644)	–
Interest received	已收利息		1,907	1,172
Acquisition of a subsidiary	收購附屬公司		–	(6,989)
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES	投資活動之現金 (流出)／流入淨額		(52,830)	24,286
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING	融資前之現金 (流出)／流入淨額		(57,007)	5,013

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
	Note 附註		
FINANCING	融資		
Proceeds from disposals of interests in subsidiaries	出售附屬公司權益所得款項	28,846	13,948
Proceeds from issue of shares	發行股份所得款項	53,739	79,168
New borrowings raised	新增借貸	96,025	-
Increase in pledged bank deposits	有抵押銀行存款增加	(44,027)	(458)
Repayment of borrowings	償還借貸	(28,823)	(52,908)
Dividend paid	已付股息	(9,600)	(4,000)
Interest paid	已付利息	(21,824)	(20,661)
Capital contribution from a minority shareholder	一名少數股東之出資	10,331	-
NET CASH INFLOW FROM FINANCING	融資之現金流入淨額	84,667	15,089
INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加	27,660	20,102
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動影響	(5,888)	(1,549)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值項目	45,689	27,136
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終之現金及現金等值項目	67,461	45,689

The notes on pages 54 to 136 form an integral part of these financial statements.

第54至136頁之附註為組成財務報告之一部分。



Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

1. General Information

The Company was incorporated in the Cayman Islands on 9 October 2003 as an exempt company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its register office is PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies.

The Company is an investment holding company. The principal activities of its subsidiaries consist of manufacturing and trading of steel pipes, steel sheets and other products made of steel, property investment and leasing of aircrafts for rental purposes.

The consolidated financial statements are presented in Renminbi, which is also the functional currency of the Group.

2. Significant Accounting Policies

a) Statement of compliance

These financial statements of the Group have been prepared in accordance with applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

1. 一般資料

本公司乃一間於二零零三年十月九日根據開曼群島法例第22章公司法（一九六一年第三號法案綜合及修訂本）在開曼群島註冊成立之獲豁免有限公司，股份於香港聯合交易所有限公司主板上市。其註冊辦事處之地址為PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies。

本公司為一間投資控股公司。其附屬公司之主要業務由製造及買賣鋼管、鋼片及其他鋼造產品、物業投資及租用飛機作租賃用途。

綜合財務報表以人民幣列示，人民幣亦為本集團之功能貨幣。

2. 主要會計政策

a) 遵例聲明

本財務報表乃按照香港會計師公會（「香港會計師公會」）頒佈之適用香港財務報告準則（「香港財務報告準則」）（此統稱包括所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港普遍採納之會計原則及香港公司條例之披露規定而編製。本財務報表亦符合香港聯合交易所有限公司證券上市規則之適用披露條文。本集團採納之主要會計政策概要載列如下。

Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

a) Statement of compliance (Continued)

In accordance with HKFRS 5 “Non-current assets held for sale and discontinued operations” issued by the HKICPA, the results and cash flows of the operations of the Fullchamp Group have been presented as discontinued operation. The 2006 comparative figures in the income statement and statement of cash flow were restated to reflect the disposal of Fullchamp Group accordingly.

The HKICPA has issued a number of new and revised HKFRSs that are effective for accounting periods on or after 1 January 2007. The adoption of new/revised HKFRSs did not result in substantial change to the Group’s accounting policies. However, as a result of the adoption of HKFRS 7, Financial instruments: Disclosures and the amendment to HKAS 1, presentation of financial statements: Capital disclosures, there have been some additional disclosures provided as follows:

As a result of the adoption of HKFRS 7 the financial statements include expanded disclosure about the significance of the group’s financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, Financial instruments: Disclosure and presentation. These disclosures are provided throughout these financial statements, in particular in note 3.

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group’s and the Company’s objectives, policies and processes for managing capital. These new disclosures are set out in note 47.

2. 主要會計政策(續)

a) 遵例聲明(續)

根據香港會計師公會頒佈之香港財務報告準則第5號「持作出售之非流動資產及已終止業務」，富成集團業務之業績及現金流量已呈列作已終止業務。收益表及現金流量表之二零零六年比較數字已經重列，以反映出出售富成集團一事。

香港會計師公會已頒佈多項新訂及經修訂香港財務報告準則，該等準則於二零零七年一月一日或之後開始之會計期間生效。採用該等新訂／經修訂香港財務報告準則並未導致本集團之會計政策出現重大轉變。然而，由於採納香港財務報告準則第7號「金融工具：披露」及香港會計準則第1號的修訂條文「財務報表的列報：資本披露」，故本財務報表包括下文的若干額外披露。

由於採納香港財務報告準則第7號，財務報表包括有關本集團金融工具重要性及該等工具的性質和風險程度的披露，較過往根據香港會計準則第32號「金融工具：披露及列報」規定披露的資料詳盡。該等披露事項於本財務報表內多處提供，尤其附註3。

香港會計準則第1號的修訂條文提出額外披露規定，須提供有關資本水平及本集團和本公司管理資本的目標、政策及程序的資料。此等新披露事項載於附註47。

Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

a) Statement of compliance (Continued)

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial instruments.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK (IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK (IFRIC) – Int 8	Scope of HKFRS 2
HK (IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK (IFRIC) – Int 10	Interim Financial Reporting and Impairment

2. 主要會計政策(續)

a) 遵例聲明(續)

香港財務報告準則第7號及香港會計準則第1號均並無對財務報表內確認的金額的分類、確認及計量造成任何影響。

香港會計準則第1號 (經修訂)	資本披露
香港財務報告準則 第7號	金融工具: 披露
香港(國際財務報告 詮釋委員會) — 詮釋第7號	根據香港會計準則 第29號「惡性通貨 膨脹經濟中之財務 報告」採用重列法
香港(國際財務報告 詮釋委員會) — 詮釋第8號	香港財務報告準則 第2號之適用範圍
香港(國際財務報告 詮釋委員會) — 詮釋第9號	重估內嵌式衍生工具
香港(國際財務報告 詮釋委員會) — 詮釋第10號	中期財務報告及減值

Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

a) Statement of compliance (Continued)

The following standards and interpretations to existing standards have been issued but not yet effective in these financial statements.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK (IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions ²
HK (IFRIC) – Int 12	Service Concession Arrangements ³
HK (IFRIC) – Int 13	Customer Loyalty Programmes ⁴
HK (IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction ⁵

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 March 2007

³ Effective for annual periods beginning on or after 1 January 2008

⁴ Effective for annual periods beginning on or after 1 July 2008

⁵ Effective for annual periods beginning on or after 1 January 2008

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

2. 主要會計政策(續)

a) 遵例聲明(續)

以下準則及對現有準則之詮釋為已頒佈，惟尚未於財務報表內生效：

香港會計準則第1號 (經修訂)	財務報表之呈列 ¹
香港會計準則第23號 (經修訂)	借貸成本 ¹
香港財務報告準則 第8號	經營分部 ¹
香港(國際財務報告 詮釋委員會) — 詮釋第11號	香港財務報告準則 第2號—集團及庫存 股份交易 ²
香港(國際財務報告 詮釋委員會) — 詮釋第12號	服務營運權安排 ³
香港(國際財務報告 詮釋委員會) — 詮釋第13號	客戶忠誠計劃 ⁴
香港(國際財務報告 詮釋委員會) — 詮釋第14號	香港會計準則第19號 — 定額福利資產之 限制、最低撥款規定 及兩者之相互關係 ⁵

¹ 於二零零九年一月一日或以後開始之年度期間生效

² 於二零零七年三月一日或以後開始之年度期間生效

³ 於二零零八年一月一日或以後開始之年度期間生效

⁴ 於二零零八年七月一日或以後開始之年度期間生效

⁵ 於二零零八年一月一日或以後開始之年度期間生效

本集團正評估此等修訂、新準則及新詮釋在首次應用期間之影響。集團至今認為採納有關規定不大可能對本集團之經營業績及財務狀況造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2007 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historic cost basis except for the available-for-sale assets, financial assets at fair value through profit or loss and financial liabilities, which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.

2. 主要會計政策(續)

b) 財務報表的編製基準

截至二零零七年十二月三十一日止年度的綜合財務報表包括本公司及其附屬公司。

編製財務報表所用的計量基準為歷史成本法，惟按公平值列帳的可供出售資產、按公平值列入損益表的金融資產及金融負債除外。

管理層在編製符合香港財務報告準則的財務報表時需要作出判斷、估計和假設。這些判斷、估計和假設會影響會計政策的應用和資產與負債和收入與支出的匯報數額。管理層的估計和假設乃根據營運經驗和各種被判斷為合理的因素，在沒有其他直接來源下，作為判斷資產和負債的帳面值的基礎。因此，實際結果可能有別於該等估計。

管理層會不斷審閱該等估計和相關假設。如修訂的會計估計只影響當期，修訂會於當期確認；如修訂同時影響本期及未來期間，修訂會於修訂及未來期間確認。

管理層於應用香港財務報告準則時所作出對財務報表有重大影響之判斷，以及有極大風險導致下年度須作出重大調整之估算，將於附註4討論。

Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

c) Subsidiaries

A subsidiary is a company in which the Group or Company, directly or indirectly, controls more than half of its voting power or issued share capital or controls the composition of its board of directors. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that this is no evidence of impairment.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and consolidated statement of changes in equity, separately from equity attributable to the equity holders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity holders of the Company.

Where loss applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of loss previously absorbed by the Group has been recovered.

2. 主要會計政策(續)

c) 附屬公司

附屬公司乃指本集團或本公司直接或間接持有該公司超過半數之投票權或已發行股本，或控制其董事會之組成。倘本公司有權直接或間接監管附屬公司之財務及營運政策以從其業務中得益，則該等附屬公司將被視為已受控制。

於附屬公司的投資乃由控制權開始當日起合併計算入綜合財務報表內，及直至控制權終止日為止。集團內公司間結餘及交易，以及因進行集團內公司間交易而產生之任何未變現收益，均予抵銷，方式與未變現收益相同，惟僅以並無減值憑證者為限。

結算日時之少數股東權益，指並非由本公司直接或透過附屬公司間接擁有之股本權益所佔附屬公司資產淨值之部分，於綜合資產負債表及綜合權益變動報表內呈列，及與本公司股權持有人應佔權益分開列示。少數股東權益所佔本集團業績在綜合收益表內作為年度溢利或虧損總額列作年內少數股東權益與本公司股權持有人之間之分配。

倘少數股東權益應佔虧損超過其所佔附屬公司股東權益，超額部分和任何歸屬於少數股東之進一步虧損便會沖減本集團之權益；惟當少數股東須承擔具有約束力之義務並有能力進行額外投資以彌補虧損則除外。附屬公司之所有期後溢利均會分配至本集團之權益，直至本集團收回以往承擔之少數股東應佔虧損為止。

Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

c) Subsidiaries (Continued)

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

d) Goodwill

Goodwill represents the excess of the cost of a business combination over the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in the income statement. On disposal of a cash generating unit, any attributable amount of goodwill is included in the calculation of the profit or loss on disposal.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Changes arising in the revaluation of properties held for own use are generally dealt with in reserves. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to income statement to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be charged to the income statement to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

2. 主要會計政策(續)

c) 附屬公司(續)

於本公司的資產負債表內，於附屬公司的投資乃按成本減去減值虧損列帳，除非該項投資被列為持作出售(或包括在列為持作出售的出售組別)。

d) 商譽

商譽乃指業務合併成本超過本集團於被收購公司之可識別資產、負債及或然負債公平淨值權益之數額。商譽乃按成本減累計減值虧損列帳。商譽乃分配至現金產生單位及每年測試減值。本集團於被收購公司之可識別資產、負債及或然負債之淨公平值權益超過於業務合併成本之任何數額乃立即於收益表確認。出售現金產生單位時，商譽之任何應佔金額乃於計算出售損益時計算在內。

e) 物業、機器及設備

物業、機器及設備按成本減累計折舊及減值虧損入帳。

因重估持作自用物業產生之變動一般在儲備內處理。僅有例外情況如下：

- 倘產生重估虧絀，變動將在收益表內扣除，直至超出於緊接重估前就有關資產於儲備內持有之金額為止；及
- 倘產生重估盈餘，變動將計入收益表，並以就同一項資產先前已於收益表內支銷之重估虧絀為限計算。

Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

e) Property, plant and equipment (Continued)

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs.

Gains or losses arising on disposal or retirement of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the income statement on the date of disposal or retirement. Any related revaluation surplus is transferred from the revaluation reserve to retained profits.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives, after taking into account an estimated of residual value of 10% of cost, using the straight-line method, at the following rates per annum:

		Depreciation 折舊率
Building and factory premises	樓宇及廠房	4% – 6 $\frac{2}{3}$ %
Leasehold improvements	租賃物業裝修	20%
Furniture, fixtures and office equipment	傢俬、裝置及辦公室設備	6 $\frac{2}{3}$ % – 50%
Plant and machinery	機器及設備	10% – 33 $\frac{1}{3}$ %
Motor vehicles	汽車	20%
Aircrafts	飛機	10%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, of any, are reviewed annually.

2. 主要會計政策(續)

e) 物業、機器及設備(續)

自行興建之物業、廠房及設備之成本，包括材料成本、直接勞工成本，及如適用，初步估計拆卸及搬遷項目以及恢復項目所在地原貌的成本，以及適當比例的其他生產成本和借貸成本。

出售或棄用物業、廠房及設備項目之盈虧乃指出售所得款項與有關項目帳面值之差額，並於出售或棄用日期在收益表內確認。任何相關重估盈餘由重估儲備撥入保留溢利。

物業、機器及設備乃根據其估計剩餘價值(成本之10%)以直線法就其估計可使用年期計算折舊撥備，以撇銷成本，而所用之年率如下：

當物業、廠房及設備項目之不同部分有不同使用年期時，項目之成本或估值在不同部分之間按合理基準分配，每個部分分開計算折舊。資產之可使用年期及其剩餘價值(如有)須每年檢討。

Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

f) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to income statement in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property or is held for development for sale.

g) Available-for-sale financial assets

The Group classified its financial assets as available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. Available-for-sale financial assets are non-derivatives that are either designated as such or not classified as any of the other categories. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not be reversed in subsequent periods.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not be reversed in subsequent periods.

2. 主要會計政策(續)

f) 經營租約費用

如屬本集團透過經營租約使用資產之情況，則根據租賃作出之付款會於租賃期所涵蓋之會計期間內，以等額在收益表扣除，惟如有其他基準能更清楚反映租賃資產所產生之收益模式則例外。租賃優惠於收益表確認為租賃淨付款總額之組成部分。或有租金在其產生之會計期間內在收益表扣除。

根據經營租約所持有土地之收購成本於租賃期內以直線法攤銷，惟該物業分類為投資物業或持作發展供出售則例外。

g) 可供出售金融資產

本集團將其金融資產分類為可供出售金融資產。分類視乎獲取金融資產之目的而定。管理層於初步確認時決定金融資產之類別，並於每個申報日重新評估該項指定。可供出售金融資產為非衍生工具，無論是否劃分為其他類別。於初步確認後之每個結算日，可供出售金融資產按公平值計算。公平值之變動於權益內確認，直至該金融資產被出售或決定被減值，屆時過往於權益內確認之累計收入或虧損會自權益內剔除，並於損益確認。可供出售金融資產之任何減值虧損於損益確認。可供出售金融資產之減值虧損將不會於以後期間撥回。

就可供出售之權益投資而言，倘並無活躍市場之市價報價，而其公平值未能可靠計算，則可供出售之權益投資於首次確認後之每個結算日按成本值減任何已識別減值虧損計算。倘具備客觀證明資產減值，則減值虧損於損益內確認。減值虧損數額按資產帳面值與按類似金融資產之現行市場回報率折現估計未來現金流量之現值間之差額計算。該項減值虧損不會於往後期間撥回。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

h) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities (other than investments in subsidiaries, and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities) are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.

2. 主要會計政策(續)

h) 資產減值

(i) 股本證券投資及其他應收帳款減值

以成本或攤銷成本列帳之股本證券投資(除投資於附屬公司)及其他流動及非流動應收帳款或分類為可供出售證券在每一結算日作檢討以決定是否有減值之客觀證據。當以下一項或多項事件發生時,本集團根據客觀證據顯示,作出減值虧損:

- 債務人出現重大財政困難;
- 違反合約,如拖欠或延遲支付利息或本金;
- 債務人可能出現破產或其他財務重組;
- 債務人面對重大科學技術、市場、經濟或法律上負面影響;及
- 股本投資工具價格出現重大及長期下跌,其公平值在成本以下。

若任何該證據存在,任何應減值虧損決定及確認如下:

- 就沒有掛牌按成本價列報之股本證券,減值虧損乃根據金融資產之帳面值及以相同財務資產按現時市場之回報率折現預期未來現金流量(當折現之影響為重大時)之差異計算。股本證券之減值虧損不可轉回。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

h) Impairment of assets (Continued)

(i) *Impairment of investments in equity securities and other receivables (Continued)*

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For available-for-sale securities, the cumulative loss that has been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

2. 主要會計政策(續)

h) 資產減值(續)

(i) *股本證券投資及其他應收帳款減值(續)*

- 就以攤銷成本列報之貿易及其他流動應收帳款及其他金融資產，減值虧損乃根據資產之帳面值及金融資產原有效之利率(即該等資產於首次確認時計算之有效利率)折現預期未來現金流量之差異計算，當折現之影響為重大時。當金融資產以攤銷成本列報並含有相同之風險特色，如相同之信貸情況及沒有個別評估需作減值時，以上評核需共同評計。金融資產之未來現金流量需一同作出減值評估並基於以往之資產虧損記錄以其相同組別之信貸風險特色而作出。

如在往後期間，減值虧損數額減少及該減少可以客觀地與減值虧損獲確認後連繫某項發生之事件，則該減值虧損於損益表內轉回。減值虧損之轉回不可以使資產之帳面值超出在往年若然沒有減值虧損被確認之資產帳面值。

- 就可供出售證券，於權益直接確認之累積虧損從權益中扣除，及於損益表內確認。於損益表內確認之累積虧損數額乃購買成本(扣除任何本金償還及攤銷)及現時公平值，減去該資產先前於損益表內確認之減值虧損後之差異。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

h) Impairment of assets (Continued)

(i) Impairment of investments in equity securities and other receivables (Continued)

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. 主要會計政策(續)

h) 資產減值(續)

(i) 股本證券投資及其他應收帳款減值(續)

有關可供出售股本證券於損益表內確認之減值虧損並未經損益表作轉回。該等資產之公平值之任何往後之增加於權益中直接確認。

倘公平值其後增加客觀上與確認減值虧損後發生之事件有關，則有關可供出售債務證券之減值虧損可以轉回。其時減值虧損之轉回於損益確認。

除了包括在貿易及其他應收帳款內之貿易應收款項及應收票據之減值虧損(當債務之可回收性存疑)外，減值虧損直接在相關資產金額註銷。在此情況，呆壞帳減值虧損以撥備帳目調整。當本集團認為該款項之可回收性極低時，該不可回收之款項在貿易應收款項及應收票據中直接註銷而在撥備帳目內之金額亦需轉回終止。如該筆在撥備帳目內之金額在以後能收回時，則應在撥備帳目中轉回沖銷。在撥備帳目中之任何變動及以後收回之註銷金額應直接在損益表中確認。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

h) Impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- pre-paid interests in leasehold land classified as being held under an operating lease;
- investments in subsidiaries (except for those classified as held for sale (or included in a disposal group that is classified as held for sale)); and
- goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

i) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost method and comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2. 主要會計政策(續)

h) 資產減值(續)

(ii) 其他資產減值

在每一結算日，內部及外界資料均作檢討以鑑定以下之資產有否顯示需要減值或(就商譽而言)以往確認之減值虧損是否已不復存在或經已減少：

- 物業、機器及設備；
- 租賃土地權益之預付款，分類為持作經營租賃；
- 附屬公司之投資(惟分類為持作出售(或包括在列作持作出售之出售組別)則除外)；及
- 商譽。

如有任何此等跡象，則須估計該資產之可收回金額。此外，商譽、未可供使用之無形資產及無限定使用年期之無形資產，其可收回金額會每年估計以得知是否有減值跡象。

i) 存貨

存貨按成本及可變現淨值兩者之較低者入帳。

成本乃根據加權平均成本法計算，包括所有採購成本、轉換成本和將存貨運至現址及使其達至現時狀況所產生之其他成本。可變現淨值按在日常業務過程中之估計售價，減去估計完成成本及估計進行出售所需之其他成本計算。

Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

i) Inventories (Continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories as an expense in the period in which the reversal occurs.

j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

l) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

2. 主要會計政策(續)

i) 存貨(續)

於出售存貨後，其帳面值計入相關收益確認之期間之費用。存貨撇減至可變現淨值之任何撇減金額和虧損之所有虧損金額，計入撇銷和虧損發生之期間之費用。撥回就存貨撇減之任何金額乃於撥回產生之期間確認為已確認存貨之減值及列作一項開支。

j) 應收貿易及其他款項

應收貿易及其他款項按公平值初步確認，其後則以按經攤銷成本扣除呆壞帳減值虧損撥備計算，惟應收帳項為向關連人士作出無固定還款期之免息貸款或折現之影響並不重大者除外。在該等情況，應收帳項按成本減呆壞帳之減值虧損列值。

k) 計息借貸

計息借貸按公平值減應佔交易費用初步確認。於初步確認後，計息借貸按攤銷成本列帳，成本與贖回價值之任何差異會在貸款期間內以實際利率法連同任何應付利息及費用在損益確認。

l) 關連人士

就本財務報表而言，倘本集團有能力在作出財務及營運決定時直接或間接控制另一方或對另一方行使重大影響力，則雙方被視作有關連，或倘本集團及一方受共同控制或共同重大影響，亦被視作有關連。關連人士可以為個人(即主要管理人員、重要股東及/或彼等之關係密切的家庭成員)或其他實體，包括本集團關連人士(該等關連人士為個人)可行使重大影響力之實體及為本集團或任何身為本集團關連人士之實體之僱員福利設立之離職後福利計劃。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

m) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the liability method, on all temporary differences arising from the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

2. 主要會計政策(續)

m) 所得稅

年內之所得稅包括即期稅項及遞延稅項資產及負債之變動。即期稅項及遞延稅項資產及負債之變動乃於收益表內確認，除非屬直接在股本確認之項目，則於股本中確認。

所得稅為預期須就年內應課稅收入支付之稅項，乃採用於結算日已頒佈或實質頒佈之稅率計算，並就過往年度應付之稅項作出調整。

遞延稅項以負債法按資產及負債就財務申報計算之帳面值與其稅基之全部暫時差額進行全數撥備。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

除若干少數例外情況外，所有遞延稅項負債及所有遞延稅項資產均於日後產生應課稅溢利並將可動用資產予以抵銷時確認。可引證確認源自可扣稅暫時差額之遞延稅項資產之日後應課稅溢利，包括該等源自撥回現有應課稅暫時差額，惟差額須與相同稅務機關及相同稅務實體有關，並預期於撥回可扣稅差額之同一期間或源自遞延稅項資產之稅項虧損可撥回或結轉之期間撥回。所確認之遞延稅項金額乃根據有關資產及負債帳面值之預期變現或償付方式，採用於結算日已頒佈或實質頒佈之稅率計量。遞延稅項資產及負債均不會予以折現。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

m) Income tax (Continued)

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities.

n) Financial guarantees

A financial guarantee (a kind of insurance contract) is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument. The Group does not recognise liabilities for financial guarantees at inception, but perform a liability adequacy test at each reporting date by comparing its carrying amount of the net liability regarding the financial guarantee with its present legal or constructive obligation amount. If the carrying amount of the net liability is less than its present legal or constructive obligation amount, the entire difference is recognised in the income statement immediately.

o) Revenue

Revenue comprises the fair value for the sales of goods and services, net of rebates and discounts and after eliminated transactions within the Group. Revenue is recognised as follows:

2. 主要會計政策(續)

m) 所得稅(續)

遞延稅項資產之帳面值會於各結算日檢討，並於不再可能取得足夠應課稅溢利以動用有關稅務優惠時調低。任何減幅會於可能取得足夠應課稅溢利時撥回。

即期稅項結餘及遞延稅項結餘以及有關變動均獨立呈列，不予抵銷。倘於本公司或本集團具法定強制執行權力可將即期稅項資產與即期稅項負債抵銷，則即期稅項資產與即期稅項負債抵銷，而遞延稅項資產則與遞延稅項負債抵銷。

n) 財務擔保

財務擔保(一種保險合約)是一種要求發行人須對持有者就個別債務人未能履行債務合約的原有或經修改條文在付款期限前作出付款時承諾補償持有者之損失的合約。集團未就財務擔保之負債作初始確認，但於每個報告日就其財務擔保之負債淨額的帳面值與其現行法定或推定責任之數額進行負債撥備恰當測試。假若其負債淨額的帳面值是低於其現行法定或推定責任之數額時，相差之數額將即時全數直接於收益表中確認。

o) 收入

收入指貨品銷售及提供服務收入之公平值，經扣除回扣及折扣以及抵銷本集團內部交易後之價值。收入確認如下：

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

o) Revenue (Continued)

- i) Sales of goods is recognised when the goods are delivered and title has passed to customer and the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- ii) Rental income receivable under operating leases is recognised the income statement in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable.
- iii) Consultancy fee and commission income are recognised when the services are rendered.
- iv) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and at the interest rate applicable.
- v) Dividend income is recognised when the right to receive payment is established.

p) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are stated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit and loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which is recognised directly in equity.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

2. 主要會計政策(續)

o) 收入(續)

- i) 當貨品已交付及所有權轉歸予客戶，及客戶已接收產品，且相關應收款項之可收回性能夠合理地確定，則貨品銷售確認入帳。
- ii) 經營租約之應收租金收入於租約期所涵蓋之會計期間內，以等額分期在收益表內確認，惟如有其他基準能更清楚地反映租賃約資產所產生之收益模式則除外。所涉及之激勵措施在收益表中確認為應收租賃淨付款總額之組成部分。
- iii) 顧問費及佣金收入於提供服務時確認。
- iv) 利息收入根據未償還本金額及適用利率按時間比例基準確認。
- v) 股息收入於收款權利確立時確認。

p) 外幣換算

於年內進行之外幣交易以交易日之適用外匯匯率換算。於結算日以外幣結算之貨幣資產及負債按該日之外匯匯率換算。匯兌盈虧於收益表內確認，惟來自用作對沖外國企業淨投資之外幣借貸則直接於權益內確認。

按過往成本以外幣為單位之非貨幣性資產及負債，按交易日之匯率換算。以公平值列帳的非貨幣性資產及負債按釐定其公平值當日適用之匯率換算。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

p) Translation of foreign currencies (Continued)

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations are translated into RMB at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation. On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

q) Retirement benefits scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basis salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries in the People's Republic of China (the "PRC") and Taiwan are members of the state-sponsored retirement schemes operated by the government of the PRC and Taiwan.

2. 主要會計政策(續)

p) 外幣換算(續)

外國企業之業績乃按與交易日之外匯匯率相若之匯率換算為人民幣。資產負債表項目(包括因合併外國企業產生之商譽)乃按結算日之外匯匯率換算為人民幣。產生之匯率差額直接於權益的獨立項目中確認。綜合收購外國企業產生之商譽，按收購外國企業日期適用之外匯匯率換算。於出售外國企業時，於權益內確認有關該外國企業之匯兌差額之累計數額，乃計入出售之損益中。

q) 退休福利計劃

本集團根據強制性公積金計劃條例為其合資格參加強制性公積金計劃之僱員設有定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款乃根據僱員基本薪金之百分比釐定，並於遵照強積金計劃規定應繳供款時自收益表扣除。強積金計劃之資產由獨立管理基金持有，與本集團資產分開管理。本集團僱主供款於向該計劃作出時全數歸僱員；惟根據強積金計劃之規定，屬本集團之僱主自願性供款則除外，倘僱員在有權全數取得該筆供款前離職，則該筆僱主自願供款便退還本集團。

本集團在中華人民共和國(「中國」)及台灣之附屬公司之僱員為中國及台灣政府運作之國家營辦退休計劃之參與者。



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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Significant Accounting Policies (Continued)

r) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economics benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economics benefits is remote.

s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intend use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the income statement in the year in which they are incurred.

2. 主要會計政策(續)

r) 撥備及或然負債

倘因已發生之事件而導致本集團或本公司須對若干負債(時間或款額無法確定)承擔法律責任或推定責任,並可能引致經濟利益流出以解決有關責任,及能可靠地估計就此涉及之款額,為此等負債作出之撥備將予以確認。若金錢之時間價值乃屬重大因素,有關之撥備須按預期為解決有關責任之開支現值列帳。

在經濟利益可能需要流出之機會不大,或有關款額未能可靠地估量之情況下,有關責任則列作或然負債並予以披露,除非導致經濟利益流出之可能性極低,則作別論。可能承擔之責任(其存在與否只能藉一項或多項未來事件之發生與否而確定)亦列作或然負債並予以披露,除非導致經濟利益流出之可能性極低,則作別論。

s) 借貸成本

因收購、建設或生產符合規定之資產(需於一段長時間方能達致其原定用途或出售者)而直接產生之借貸成本撥充該等資產之部份成本。

其他所有借貸成本於產生時於有關年度之收益表內扣除。

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2. Significant Accounting Policies (Continued)

t) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (see (i) above), if earlier. It also occurs when the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the income statement, which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

u) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

2. 主要會計政策(續)

t) 已終止業務

已終止業務乃本集團業務之一部份，其營運及現金流量可與本集團之其他業務清晰地區別，且為獨立之主要業務系列或經營區域，或為出售獨立主要業務系列或經營區域之單一協調計劃之一部份，或為轉售而專門收購之附屬公司。

分類為已終止業務於業務被出售或符合可分類為待售項目之準則(以較早者為準)時發生。當業務被放棄時，分類為已終止業務之情況亦會發生。

當業務被分類為已終止經營時，收益表上會呈列一單一數額，當中包括：

- 已終止業務之稅後溢利或虧損；及
- 就構成已終止業務之資產或出售組別之公平值減銷售或出售成本之計量所確認之稅後盈虧。

u) 分部報告

分部乃指本集團可區分之部分，包括提供之產品或服務(業務分部)或提供產品或服務之特定經濟環境(地區分部)，均受有別於其他分部之風險及回報所影響。

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2. Significant Accounting Policies (Continued)

u) Segment reporting (Continued)

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, segment expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

v) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

2. 主要會計政策(續)

u) 分部報告(續)

根據本集團之內部財務報告制度，就此等財務報表而言，本集團選擇業務分部資料為主要報告形式，而地區分部資料則為次選報告形式。

分部收益、開支、業績、資產及負債包括直接劃分至該分部之項目及可合理劃分為該分部之項目。例如，分部資產可包括存貨、貿易應收帳款及物業、機器及設備。分部收益、開支、資產及負債未計集團內公司間結餘，集團內公司間交易則予以抵銷作為綜合處理之部分，惟該等集團內公司間之結餘及交易乃屬於一個單一類別內之集團實體之間之交易及結餘則除外。分部間交易之定價乃按給予外間人士之類似條款釐定。

分部資本開支乃指期內因收購預計可使用超過一個期間之分部資產(包括有形及無形資產)所產生之總成本。

未分配項目主要包括金融和企業資產、計息貸款、借貸、稅項結餘、企業及融資開支。

v) 按公平值列入損益表之金融資產

按公平值列入損益表之金融資產為持作買賣。若收購之金融資產是打算於短期內將之出售，該金融資產列入此類別。除非衍生工具被劃作對沖，否則衍生工具分類為持作買賣。此類別之資產分類作流動資產。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and price risk), credit risk, liquidity risk and interest-rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Market risk

i) Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars, New Taiwan dollars, Vietnam Dong and Hong Kong dollars.

As the estimated foreign currency exposure in respect of committed future sales and purchases and estimated foreign currency exposure in respect of highly probable forecast sales and purchases is not significant, no hedging on foreign currency risk has been carried out during the year under review.

In respect of trade receivables and payables held in currencies other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. All the Group's borrowings are denominated in the functional currency of the entity taking out the loan.

3. 財務風險管理

本集團業務面對多類金融風險：市場風險（包括外幣風險及價格風險）、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃專注於金融市場之無法預測性，及尋求盡量減少對本集團財務表現可能造成之不利影響。

a) 市場風險

i) 外幣風險

本集團涉及之外匯風險主要來自以有關業務所涉及功能貨幣以外之外幣計值之買賣交易。引致此項風險之貨幣主要為美元、新台幣、越南盾及港元。

由於有關已承諾未來買賣交易之估計外幣風險及有關高度可預測性之估計外幣風險並不重大，因此於回顧年度內並未進行外幣風險對沖。

對於以業務所涉及功能貨幣以外之外幣持有之貿易應收帳款及貿易應付帳款，本集團確保其淨風險保持在可接受水平，方法是於需要時按即期匯率買賣外幣以應付短期的不平衡情況。本集團之借貸均以借取貸款的實體之功能貨幣計值。

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3. Financial Risk Management (Continued)

a) Market risk (Continued)

i) Foreign currency risk (Continued)

The following table details the Group's and the Company's exposure at the balance sheet date to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they related.

3. 財務風險管理(續)

a) 市場風險(續)

i) 外幣風險(續)

下表詳列出因為預計會進行之交易或已確認資產或負債(並非以有關實體之功能貨幣列值),使到本集團及本公司於結算日面對之貨幣風險。

		2007 二零零七年			
(in million) (百萬元)		United States dollars 美元	New Taiwan dollars 新台幣	Hong Kong dollars 港元	Vietnam Dong 越南盾
Trade and other receivables	貿易應收帳款及其他 應收款項	39	51	34	2,453
Financial assets at fair value through profit or loss	按公平值列入損益表 之金融資產	1	-	12	-
Cash and bank deposits	現金及銀行存款	3	2	17	-
Bank loan and overdraft	銀行貸款及透支	(29)	-	(26)	-
Trade and other payables	貿易應付帳款及其他 應付款項	(15)	(726)	(1)	(342)
Overall net exposure arising from recognised assets and liabilities	已確認資產及負債 產生的整體風險 淨額	(1)	(673)	36	2,111

		2006 二零零六年			
(in million) (百萬元)		United States dollars 美元	New Taiwan dollars 新台幣	Hong Kong dollars 港元	Vietnam Dong 越南盾
Trade and other receivables	貿易應收帳款及其他 應收款項	35	211	31	-
Cash and bank deposits	現金及銀行存款	4	29	19	-
Bank loan and overdraft	銀行貸款及透支	(35)	(361)	-	-
Trade and other payables	貿易應付帳款及其他 應付款項	(16)	(132)	(1)	-
Overall net exposure arising from recognised assets and liabilities	已確認資產及負債 產生的整體風險 淨額	(12)	(253)	49	-

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Financial Risk Management (Continued)

a) Market risk (Continued)

i) Foreign currency risk (Continued)

Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax and retained earnings in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the balance sheet date.

		2007 二零零七年		2006 二零零六年	
		Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/ (下跌)	Effect on profit after tax and retained profits 對除稅後 溢利及保留 溢利之影響	Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/ (下跌)	Effect on profit after tax and retained profit 對除稅後 溢利及保留 溢利之影響
(RMB million) (百萬元人民幣)					
United States dollars	美元	5%/(5%)	(1)/1	5%/(5%)	(5)/5
New Taiwan dollars	新台幣	5%/(5%)	(8)/8	5%/(5%)	(3)/3
Hong Kong dollars	港元	5%/(5%)	2/(2)	5%/(5%)	2/(2)
Vietnam Dong	越南盾	5%/(5%)	-/-	5%/(5%)	-/-

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to each of the group entities exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

3. 財務風險管理(續)

a) 市場風險(續)

i) 外幣風險(續)

敏感度分析

下表列出若本集團於結算日具有重大風險之外幣匯率出現合理的潛在變動，將令到本集團之除稅後溢利及保留溢利出現之概約變動。

釐定敏感度分析時假設外幣匯率之變動於結算日時已經發生，並已應用到各集團實體因為於該日已存在的衍生及非衍生金融工具所面對之貨幣風險，而所有其他變數(特別是利率)維持不變。

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綜合財務報告附註

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3. Financial Risk Management (Continued)

a) Market risk (Continued)

i) Foreign currency risk (Continued)

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities profit after tax measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the balance sheet date for presentation purposes. The analysis is performed on the same basis for 2006.

ii) Price risk

The Group is exposed to equity securities price risk because investments held by the Group are classified on the consolidated balance sheet as financial assets at fair value through profit or loss as disclosed in note 28.

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as financial assets at fair value through profit or loss (note 28) as at 31 December 2007. The Group's listed investments are listed in Hong Kong and USA, and are valued at quoted market prices at the balance sheet date.

3. 財務風險管理(續)

a) 市場風險(續)

i) 外幣風險(續)

上列變動代表管理層對於直至下一個年度結算日為止期間，外幣匯率於合理情況可能出現的變動。上表呈列的分析結果代表對各集團實體之除稅後溢利(以各實體的功能貨幣計量，並且為呈列而按結算日之匯率換算成人民幣)造成之影響的總計。分析的基準與二零零六年相同。

ii) 價格風險

本集團承受股本證券之價格風險，乃由於本集團所持有之投資均於綜合資產負債表上劃分為「按公平值列入損益表之金融資產」(如附註28所披露)。

股本價格風險是指股票指數及個別證券價值的上落，導致股本證券公平值下降的風險。於二零零七年十二月三十一日，本集團因為列作「按公平值列入損益表之金融資產」(附註28)之個別股本投資而面對股本價格風險。本集團之上市投資是在香港及美國上市，並以結算日之市場報價估值。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Financial Risk Management (Continued)

a) Market risk (Continued)

ii) Price risk (Continued)

The following table demonstrates the sensitivity to 5% increase/decrease in the fair values of the equity investments with all other variables held constant and after any impact on tax, based on their carrying amounts at the balance sheet date.

		Increase/ (decrease) in carrying amount of equity investments 股本投資 之帳面值 上升/(下跌) RMB'000 千元人民幣	Increase/ (decrease) in profit after income tax 除所得稅 後溢利 增加/(減少) RMB'000 千元人民幣	Increase/ (decrease) in equity 股本 增加/(減少) RMB'000 千元人民幣
5% increase in fair values of the equity investments	股本投資之 公平值上升5%	782	782	782
5% decrease in fair values of the equity investments	股本投資之 公平值下跌5%	(782)	(782)	(782)

The Group did not have any equity investments or significant derivative financial instruments at 31 December 2006. Accordingly, no sensitivity analysis in respect of price risk at 31 December 2006 is presented.

於二零零六年十二月三十一日，本集團並無任何股本投資或重大衍生金融工具。因此，並無呈列二零零六年十二月三十一日之價格風險敏感度分析。

3. 財務風險管理(續)

a) 市場風險(續)

ii) 價格風險(續)

根據股本投資於結算日之帳面值，下表列出股本投資之公平值上升/下降5%可帶來的影響，當中所有其他變數維持不變，並已扣除對稅項造成之影響。

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3. Financial Risk Management (Continued)

b) Credit risk

The Group's credit risks are primarily attributable to time deposits, trade and other receivables.

The Group's time deposits are deposited with banks of high credit quality in Hong Kong and the Group has limited exposure to any single financial institution.

For trade and other receivables, management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. In respect of trade and other receivables, credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30-180 days from the date of billing.

Debtors with balances that are more than 6 months past due are requested to settle all outstanding balances before any further credit is granted.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Investments are normally only in liquid securities quoted on a recognised stock exchange, except where entered into for long term strategic purposes.

3. 財務風險管理(續)

b) 信貸風險

本集團之信貸風險主要來自定期存款、貿易應收帳款及其他應收款項。

本集團之定期存款乃存放於多間信譽良好之香港銀行，而本集團面對任何單一財務機構的風險有限。

管理層備有貿易應收帳款及其他應收款項之信貸政策，而該等信貸面對之風險持續受到監控。有關貿易應收帳款及其他應收款項，當客戶要求信貸超出若干數額，則會對該客戶作出信貸評估。此等評估著重於客戶以往之到期付款記錄及目前之付款能力，並考慮到客戶之特有資料以及客戶面對之經濟環境的相關資料。貿易應收帳款於發票日期起計之30至180日內到期。

若結餘已逾期六個月未付，有關債務人須於結清所有未償還結餘後，方會再獲得任何進一步信貸期。

本集團並無金融資產以抵押品或其他信貸增強項目作抵押。

投資一般只限於在認可證券交易所上報價之流通證券，惟就長期策略目標而持有者限外。

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3. Financial Risk Management (Continued)

b) Credit risk (Continued)

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 92% (2006: 90%) of the total receivables (being the total classified under "Trade receivables" and "Prepayments, deposits and other receivables") as at 31 December 2007. The Group has concentration of credit risk by customers as for 56% (2006: 52%) and 34% (2006: 36%) of the total receivables were due from the Group five largest customers and the largest customer respectively as at 31 December 2007.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance.

c) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, subject to approval by the holding company's board. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from bankers to meet its liquidity requirements in the short and longer term.

3. 財務風險管理(續)

b) 信貸風險(續)

以地區位置劃分，本集團之信貸風險主要集中於中國地區，於二零零七年十二月三十一日，中國市場之應收款項佔總應收款項(即分類為「貿易應收帳款」及「預付款項、按金及其他應收款項」之總額)之92%(二零零六年：90%)。以客戶劃分，於二零零七年十二月三十一日，應收本集團五大客戶及最大客戶之應收款項分別佔總應收款項之56%(二零零六年：52%)及34%(二零零六年：36%)。

信貸風險最多為各金融資產於結算日之帳面值(經扣除任何減值準備)。

c) 流動資金風險

本集團內個別營運企業須自行負責現金管理，包括籌措貸款以應付預期之現金需求(須獲得控股公司董事會批准)。本集團之政策為定期監察目前及預期之流動資金需要及遵守放款契諾，確保維持足夠現金儲備及往來銀行已承諾之信貸額度，應付其長短線之流動資金需要。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Financial Risk Management (Continued)

c) Liquidity risk (Continued)

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's non-derivative financial liabilities which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay.

Group

		2007 二零零七年					2006 二零零六年				
		Total contractual carrying amount	Within 1 year or less than 2 years	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual carrying amount	Within 1 year or less than 2 years	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
		帳面值	或應要求	但兩年內	但五年內	五年後	帳面值	或應要求	但兩年內	但五年內	五年後
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣
Trade payables	貿易應付帳款	144,626	(144,626)	(144,626)	-	-	139,488	(139,488)	(139,488)	-	-
Other payables	其他應付款項										
accruals	及應計費用	181,852	(181,852)	(181,852)	-	-	35,322	(35,322)	(35,322)	-	-
Taxation payable	應繳稅項	2,368	(2,368)	(2,368)	-	-	763	(763)	(763)	-	-
Borrowings	借貸	311,402	(317,754)	(317,754)	-	-	374,603	(387,858)	(365,814)	(6,685)	(10,757)
		640,248	(646,600)	(646,600)	-	-	550,176	(563,431)	(541,387)	(6,685)	(10,757)

Company

		2007 二零零七年			2006 二零零六年		
		Total contractual carrying amount	Within 1 year or less than 2 years	More than 1 year but less than 2 years	Total contractual carrying amount	Within 1 year or less than 2 years	More than 1 year but less than 2 years
		帳面值	或應要求	但兩年內	帳面值	或應要求	但兩年內
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣
Other payables	其他應付款項	1,090	(1,090)	(1,090)	1,475	(1,475)	(1,475)
Borrowings	借貸	-	-	-	41,115	(41,130)	(41,130)
		1,090	(1,090)	(1,090)	42,590	(42,605)	(42,605)

3. 財務風險管理(續)

c) 流動資金風險(續)

下表詳列出本集團及本公司之非衍生金融負債於結算日之餘下合約到期日，乃根據訂約未貼現現金流(包括以訂約利率推算之利息開支，若屬浮息，則根據結算日之通行利率推算)及本集團及本公司可被要求支付款項之最早日期而得出。

本集團

		2007 二零零七年					2006 二零零六年				
		Total contractual carrying amount	Within 1 year or less than 2 years	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual carrying amount	Within 1 year or less than 2 years	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
		帳面值	或應要求	但兩年內	但五年內	五年後	帳面值	或應要求	但兩年內	但五年內	五年後
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣
Trade payables	貿易應付帳款	144,626	(144,626)	(144,626)	-	-	139,488	(139,488)	(139,488)	-	-
Other payables	其他應付款項										
accruals	及應計費用	181,852	(181,852)	(181,852)	-	-	35,322	(35,322)	(35,322)	-	-
Taxation payable	應繳稅項	2,368	(2,368)	(2,368)	-	-	763	(763)	(763)	-	-
Borrowings	借貸	311,402	(317,754)	(317,754)	-	-	374,603	(387,858)	(365,814)	(6,685)	(10,757)
		640,248	(646,600)	(646,600)	-	-	550,176	(563,431)	(541,387)	(6,685)	(10,757)

本公司

		2007 二零零七年			2006 二零零六年		
		Total contractual carrying amount	Within 1 year or less than 2 years	More than 1 year but less than 2 years	Total contractual carrying amount	Within 1 year or less than 2 years	More than 1 year but less than 2 years
		帳面值	或應要求	但兩年內	帳面值	或應要求	但兩年內
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣
Other payables	其他應付款項	1,090	(1,090)	(1,090)	1,475	(1,475)	(1,475)
Borrowings	借貸	-	-	-	41,115	(41,130)	(41,130)
		1,090	(1,090)	(1,090)	42,590	(42,605)	(42,605)

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Financial Risk Management (Continued)

d) Interest rate risk

The Group manages its interest rate exposure based on interest rate level and outlook as well as potential impact on the Group's financial position arising from volatility. The Group currently does not have any interest rate hedging policy in relation to fair value and cash flow interest rate risks. The directors monitor the Group's exposure on ongoing basis and will consider hedging the interest rate should the need arise.

The Group's fair value interest rate risk relates primarily to fixed-rate borrowings and bank deposits carrying fixed interest rates and cash flow interest rate risk in relation to borrowings and short-term deposits placed in banks and financial institutions that are interest-bearing at market interest rates. The directors consider the Group's exposure of the bank deposits to fair value interest rate risk is not significant as interest bearing bank deposits are within short maturity period.

Sensitivity analysis

The Sensitivity analyses have been determined based on the exposure to interest rates in its variable-rate borrowings and bank deposits at the balance sheet date. The analysis is prepared assuming the amount of borrowings and deposits outstanding at the balance sheet date were outstanding for the whole year. A 50 basis point increase or decrease is used by the management for the assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2007 would increase/decrease by RMB 987,000.

3. 財務風險管理(續)

d) 利率風險

本集團根據利率水平、其走勢及息率變動對本集團財務狀況之潛在影響而管理利率風險。本集團目前並無就公平值及現金流利率風險採取任何利率對沖政策。董事持續監察本集團之風險，並將於需要時考慮對沖利率風險。

本集團之公平值利率風險主要是關於定息借貸及定息銀行存款，而現金流利率風險則來自以市場利率計息之借貸及銀行與金融機構短期存款。董事認為本集團之銀行存款面對的公平值利率風險不高，因為計息銀行存款於短時間內到期。

敏感度分析

敏感度分析是按浮息借貸及銀行存款於結算日的利率風險計算。編製分析時乃假設於結算日的借貸及存款結餘為全年結餘。50基點的增減是管理層作有關利率變動可能性的估計時使用。

如利率變動有50基點增／減且所有其他變數不變，本集團截至二零零七年十二月三十一日止年度的溢利將增／減987,000元人民幣。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Financial Risk Management (Continued)

(e) Financial instruments by category

The carrying amounts of each of the categories of financial instruments at the balance sheet date are as follows:

		2007 二零零七年			2006 二零零六年		
		Financial assets at fair value through profit or loss (held for trading)	Loans and receivables	Total	Financial assets at fair value through profit or loss (held for trading)	Loans and receivables	Total
		按公平值列入損益表之金融資產(持作買賣)	貸款及應收款項	總計	按公平值列入損益表之金融資產(持作買賣)	貸款及應收款項	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣
Financial assets as per consolidated balance sheet	綜合資產負債表所列之金融資產						
Trade receivables	貿易應收賬款	-	373,538	373,538	-	370,155	370,155
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	-	16,683	16,683	-	23,421	23,421
Amount due from a related company	應收關連公司款項	-	6,473	6,473	-	2,736	2,736
Financial assets at fair value through profit or loss	按公平值列入損益表之金融資產	15,633	-	15,633	-	-	-
Pledged bank deposits	已抵押銀行存款	-	46,537	46,537	-	8,652	8,652
Bank deposits	銀行存款	-	-	-	-	21,800	21,800
Cash and cash equivalents	現金及現金等值項目	-	67,461	67,461	-	45,689	45,689
		15,633	510,692	526,325	-	472,453	472,453

3. 財務風險管理(續)

e) 金融工具類別

各類金融工具於結算日之賬面值如下：

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Financial Risk Management (Continued)

(e) Financial instruments by category (Continued)

Financial liabilities as per consolidated balance sheet	綜合資產負債表所列之金融負債	2007	2006
		二零零七年	二零零六年
		Financial liabilities at amortised cost	Financial liabilities at amortised cost
		按攤銷成本列帳之金融負債	按攤銷成本列帳之金融負債
		RMB'000	RMB'000
		千元人民幣	千元人民幣
Trade payables	貿易應付賬款	144,626	139,488
Other payables and accruals	其他應付款項及應計費用	181,852	35,322
Borrowings	借貸	311,402	374,603
		637,880	549,413

3. 財務風險管理(續)

e) 金融工具類別(續)

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the process of applying the Group's accounting policies, management has made various estimates and judgements (other than those involving estimates) based on past experience, expectations of the future and other information. The key sources of estimation uncertainty and the critical accounting judgements that can significantly affect the amounts recognised in the financial statements are set out below.

4. 關鍵性之會計判斷及估計不確定性之主要來源

於採用本集團會計政策時，管理層曾根據其過往經驗、未來預測及其他資料作出多項估計及判斷(涉及估計除外)。可對於財務報告中確認之金額構成重大影響之估計不確定性之主要來源及重大會計判斷載列於下文。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

(a) Fair values of financial instruments

Financial instruments such as interest rate, foreign exchange and equity derivative instruments are carried at the balance sheet at fair value. The best evidence of fair value is quoted prices in an active market, where quoted prices are not available for a particular financial instrument, the Group uses the market values determined by independent financial institutions or internal or external valuation models to estimate the fair value. The use of methodologies, models and assumptions in pricing and valuing these financial assets and liabilities is subjective and requires varying degrees of judgement by management, which may result in significantly different fair values and results. All significant financial valuation models are strictly controlled and regularly recalibrated and vetted.

(b) Useful lives and residual values of property, plant and equipment

Useful lives of the Group's property, plant and equipment are defined as the period over which they are expected to be available for use by the Group. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment or similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, and it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciation lives and residue lives and therefore depreciation expense in future periods.

4. 關鍵性之會計判斷及估計不確定性之主要來源(續)

(a) 金融工具之公平值

金融工具(如利率、外匯及股本衍生工具)乃按公平值計入資產負債表。公平值之最佳憑證為於活躍市場中之報價,倘某一項金融工具未能取得報價,本集團將採用由獨立金融機構或內部或外部估值模式釐訂之市值估計其公平值。就該等金融資產及負債定價及估值時所採用之方法、模式及假設乃屬主觀性,並需管理層作出若干程度之判斷,而有關判斷或會導致出現截然不同之公平值及結果。所有重大財務估值模式均受嚴密監控,並會定期調整及檢查。

(b) 物業、機器及設備之可使用年期及餘值

本集團物業、機器及設備之可使用年期被定義為本集團預期可使用之整個期間。該估計乃根據性質及功能相似的物業、廠房及設備實際使用年期的過往經驗而作出。倘可使用年期較之前的估計年期為短,則管理層會提高折舊開支,及其將已報廢或出售的技術過時或非策略資產撇銷或撇減。實際經營年期可能不同於估計可使用年期;及實際餘值可能不同於估計餘值。定期檢討可能導致可折舊年限及剩餘價值出現變動,因而引致集團在未來期間之折舊開支有所分別。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

(c) Impairment of property, plant and equipment and land use rights

Property, plant and equipment and land use rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts are determined based on value-in-use calculations or market valuations. In determining the value in use, expected cash flows generated by the asset are discounted to their present values, which requires significant judgement relating to such items such as level of turnover and amount of operating costs. No impairment was provided during the year.

(d) Impairment of receivables

The Group's management determines impairment of receivables on a regular basis. This estimate is based on the credit history of its customers and current market conditions. Management reassesses the impairment of receivables at the balance sheet date.

(e) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated selling and distribution costs. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. Management will reassess the estimations at the balance sheet date.

4. 關鍵性之會計判斷及估計不確定性之主要來源(續)

(c) 物業、機器及設備以及土地使用權之減值

當有事件出現或情況變動顯示賬面值可能無法收回時，須就物業、廠房及設備以及土地使用權進行減值檢討。可收回金額已根據使用價值計算或市值而釐定。在釐定使用價值時，資產所產生的預期現金流量會貼現至其現值，因而需要對相關項目(如營業額水平及經營成本金額)作出重大判斷。於年內並無進行減值撥備。

(d) 應收款項之減值

本集團管理層會定期釐定應收款項之減值。此項估計乃根據其客戶之信貸歷史及現時市況而作出。管理層會於結算日重新評估應收款項之減值。

(e) 存貨之可變現淨值

存貨之可變現淨值乃於日常業務過程中作出之估計售價減估計銷售及分銷成本。此等估計乃根據現時市況及類似性質之出售產品之過往經驗而作出，並會因應競爭對手就劇烈行業週期所作行動而有重大變化。管理層將會於結算日重新評估有關估計。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

5. Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products and services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Segment information

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

a) Business segments

The Group comprises the following main business segments:

- | | |
|----------------------------|--|
| Steel | – the manufacture and trade of steel pipes, steel sheets and other products made of steel. |
| Aluminum | – the design, develop, manufacture and trade of aluminum forged and forged-spun wheels for automobiles.
(discontinued on 1 July 2007) |
| Property Investment | – the investment and holding of property to earn rentals or for capital appreciation purposes. |
| Others | – the general trading metal and metal products and leasing of aircrafts for rental purposes. |

Unallocated costs represent corporate expenses. Segment assets consist primarily of land use rights, property, plant and equipment, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities and exclude items such as income tax. Capital expenditure comprises additions to inventories and property, plant and equipment.

5. 分部報告

業務分部指從事提供產品或服務之一組資產及業務，而該組資產及業務之風險及回報有別於其他業務分部。地區分部乃在某一特定經濟環境下從事提供產品或服務，而該分部之風險及回報有別於在其他經濟環境經營之分部。

分部資料

根據本集團內部財務報告，本集團決定以業務分部為主要報告形式，並以地區分部為次要報告形式。

a) 業務分部

本集團有以下主要業務分部：

- | | |
|-------------|--|
| 鋼 | – 製造及買賣鋼管、鋼片及其他鋼材產品。 |
| 鋁 | – 設計、開發、製造及買賣汽車用鍛造鋁合金車輪及鍛造車輪。(已於二零零七年七月一日終止經營) |
| 物業投資 | – 投資及持有物業以賺取租金或取得資本增值。 |
| 其他 | – 金屬及金屬產品之一般貿易以及租用飛機作出租用途。 |

未分配成本指公司開支。分部資產主要包括土地使用權、物業、機器及設備、存貨、應收帳款及營運現金。分部負債指營運負債，但不包括所得稅等項目。資本開支包括添置存貨及物業、機器及設備。

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5. Segment Reporting (Continued)

a) Business segments (Continued)

5. 分部報告(續)

a) 業務分部(續)

2007
二零零七年

		Continuing operations 持續經營業務				Discontinued operations 已終止業務	
		Property					
		Steel	investment	Others	Sub-total	Aluminum	Total
		鋼	物業投資	其他	小計	鋁	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣
Revenue	收入						
- External sales	- 對外銷售	1,200,977	-	52,253	1,253,230	61,478	1,314,708
- Inter-segment sales	- 分部間銷售	-	-	-	-	-	-
		1,200,977	-	52,253	1,253,230	61,478	1,314,708
Segment profit	分部溢利	26,527	74	6,372	32,973	4,244	37,217
Gain on disposal in subsidiaries	出售附屬公司所得收益				-	8,715	8,715
Unallocated operating income and expenses	未分配經營收入及開支				(5,357)	-	(5,357)
Operating profit	經營溢利				27,616	12,959	40,575
Finance costs	融資成本				(19,233)	(2,592)	(21,825)
Taxation	稅項				(3,106)	1,267	(1,839)
Profit for the year	本年度溢利				5,277	11,634	16,911
Attributable to:	應佔:						
Minority interests	少數股東權益				1,022	2,087	3,109
Equity holders of the Company	本公司股權持有人				4,255	9,547	13,802

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

5. Segment Reporting (Continued)

a) Business segments (Continued)

5. 分部報告(續)

a) 業務分部(續)

		2007 二零零七年					
		Continuing operations 持續經營業務				Discontinued operations 已終止業務	
		Property			Sub-total 小計	Aluminum 鋁	Total 總計
		Steel 鋼	investment 物業投資	Others 其他			
		RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣
Segment assets	分部資產	733,975	199,590	16,136	949,701	-	949,701
Unallocated assets	未分配資產				63,506	-	63,506
Total assets	總資產				1,013,207	-	1,013,207
Segment liabilities	分部負債	472,238	162,769	4,392	639,399	-	639,399
Unallocated liabilities	未分配負債				849	-	849
Total liabilities	負債總額				640,248	-	640,248
Capital expenditure	資本開支	22,980	-	11,098	34,078	-	34,078
Depreciation and amortisation	折舊及攤銷	10,789	-	2,052	12,841	6,990	19,831

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

5. Segment Reporting (Continued)

a) Business segments (Continued)

5. 分部報告(續)

a) 業務分部(續)

		2006 二零零六年					
		Continuing operations 持續經營業務				Discontinued operations 已終止業務	
		Property			Sub-total 小計	Aluminum 鋁	Total 總計
		Steel 鋼	investment 物業投資	Others 其他			
		RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣
Revenue	收入						
- External sales	- 對外銷售	936,499	-	8,123	944,622	101,860	1,046,482
- Inter-segment sales	- 分部間銷售	-	-	-	-	-	-
		936,499	-	8,123	944,622	101,860	1,046,482
Segment profit/(loss)	分部溢利/(虧損)	31,390	-	(279)	31,111	(2,513)	28,598
Gain on disposal/deemed disposal of interests in subsidiaries	出售/視為出售 附屬公司權益 所得收益				-	4,673	4,673
Unallocated operating income and expenses	未分配經營收入及 開支				928	-	928
Operating profit	經營溢利				32,039	2,160	34,199
Finance costs	融資成本				(15,967)	(4,694)	(20,661)
Taxation	稅項				(2,426)	331	(2,095)
Profit/(loss) for the year	本年度溢利/(虧損)				13,646	(2,203)	11,443
Attributable to: Minority interests	應佔: 少數股東權益				3,153	(3,752)	(599)
Equity holders of the Company	本公司股權持有人				10,493	1,549	12,042

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

5. Segment Reporting (Continued)

a) Business segments (Continued)

5. 分部報告(續)

a) 業務分部(續)

		2006 二零零六年					
		Continuing operations 持續經營業務			Discontinued operations 已終止業務		
		Property					
		Steel 鋼	investment 物業投資	Others 其他	Sub-total 小計	Aluminum 鋁	Total 總計
		RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣
Segment assets	分部資產	629,858	-	4,784	634,642	239,358	874,000
Unallocated assets	未分配資產				37,968	-	37,968
Total assets	總資產				672,610	239,358	911,968
Segment liabilities	分部負債	386,596	-	2,878	389,474	120,978	510,452
Unallocated liabilities	未分配負債				39,724	-	39,724
Total liabilities	負債總額				429,198	120,978	550,176
Capital expenditure	資本開支	9,521	-	-	9,521	32,674	42,195
Unallocated amounts	未分配金額				3	-	3
					9,524	32,674	42,198
Depreciation and amortisation	折舊及攤銷	11,843	-	1,455	13,298	13,095	26,393

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

5. Segment Reporting (Continued)

b) Geographical segments

Segment revenue from external customers by geographical area based on the geographical location of its customers is 90% or more in the PRC and therefore no separate analysis for geographical segment information is presented accordingly.

The geographical location of the total carrying amount of segment assets and capital expenditure incurred during the year under business segment "Steel" are in the PRC and Vietnam.

The geographical location of the total carrying amount of segment assets and capital expenditure incurred during the year under business segment "Aluminum" and "Property investment" are in the Taiwan.

The geographical location of the total carrying amount of segment assets and capital expenditure incurred during the year under business segment "Others" are in the PRC, Hong Kong and other countries.

5. 分部報告(續)

b) 地區分部

就按地區劃分外界客戶之分部收入而言，因為集團客戶中90%或以上位於中國此地區，因此並無就地區分部資料呈列獨立分析。

就「鋼」業務分部於年內錄得之分部資產及資本開支的總賬面值而言，其地理位置屬於中國及越南。

就「鋁」及「物業投資」業務分部於年內錄得之分部資產及資本開支的總賬面值而言，其地理位置屬於台灣。

就「其他」業務分部於年內錄得之分部資產及資本開支的總賬面值而言，其地理位置屬於中國、香港及其他國家。

		Segment assets 分部資產		Capital expenditure 資本開支	
		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Hong Kong	香港	46,662	19,929	–	3
Mainland China	中國大陸	714,679	634,642	11,183	9,521
Taiwan	台灣	231,285	256,084	11,098	32,674
Vietnam	越南	20,581	–	11,797	–
Other countries	其他國家	–	1,313	–	–
		1,013,207	911,968	34,078	42,198

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6. Turnover and Other Revenue – Continuing Operations

Turnover represents the net amounts received and receivable for sale of goods by the Group to outside customers.

An analysis of the Group's turnover and other revenue from continuing operations is as follows:

6. 營業額及其他收益 – 持續經營業務

營業額指本集團向外界客戶銷售貨品已收及應收之款項淨額。

本集團持續經營業務之營業額及其他收益分析如下：

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣 (restated) (重列)
Turnover	營業額		
Sale of goods	銷售產品	1,253,230	944,622
Other revenue	其他收益		
Interest income	利息收入	1,837	1,052
Rental income	租金收入	7,195	4,966
Fair value gain on financial assets at fair value through profit or loss	按公平值列入損益表之 金融資產之公平值收益	989	–
Gain on disposal of financial assets	出售金融資產之收益	783	–
Consultancy fee	顧問費用	469	144
Dividend income	股息收入	67	–
		11,340	6,162
		1,264,570	950,784

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7. Other Income – Continuing Operations

7. 其他收入 – 持續經營業務

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣 (restated) (重列)
Scrap sales	廢料銷售	6,429	5,111
Exchange gains, net	匯兌收益淨額	3,286	1,297
Sundry income	雜項收入	2,030	317
		11,745	6,725

8. Operating Profit – Continuing Operations

Operating profit from continuing operations has been arrived at after charging:

8. 經營溢利 – 持續經營業務

持續經營業務之經營溢利已扣除下列各項：

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣 (restated) (重列)
Auditors' remuneration	核數師酬金	536	600
Cost of inventories recognised as expenses	確認為開支之存貨成本	1,197,423	883,072
Depreciation	折舊	12,619	13,076
Amortisation of operating lease prepayment	經營租約預付款項之攤銷	222	222
Operating leases in respect of	經營租約：		
– rented premises	– 租賃物業	3,728	1,390
– motor vehicles	– 汽車	–	541
Impairment of trade receivables	貿易應收賬款減值	1,558	–
Contribution to defined contribution retirement schemes	定額供款退休計劃之供款	1,739	2,103
Staff costs (including directors' remuneration)	僱員成本(包括董事酬金)	18,256	13,500
Impairment loss recognised on available-for-sale financial assets	可供出售金融資產之已確認減值虧損	720	–

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9. Gain on Disposal of Subsidiaries

Fullchamp Technologies Co Ltd ("Fullchamp"), a non-wholly-owned subsidiary of the Company was previously regarded as a subsidiary because the Company could control the majority of the voting rights of its board of directors and general meetings, taking into account of the written undertaking from Mayer Steel Pipe Corporation ("Taiwan Mayer") which holds 22.88% of the issued capital of Fullchamp.

During the year, the Group disposed all its remaining 28.51% equity interests in Fullchamp to Taiwan Mayer for a consideration of NT\$149,500,000 (equivalent to approximately RMB34.7 million) in cash (the "Disposal"). On the completion date, the Group recognized a total gain arising from the Disposal of RMB8,715,000. The gain has been credited to the consolidated income statement for the current year.

Details of the net assets disposed of and the gain on the Disposal of Fullchamp are as follows:

9. 出售附屬公司所得收益

富成金屬科技股份有限公司(「富成」，其為本公司之非全資附屬公司)以往被視為一附屬公司，因為計及美亞鋼管廠股份有限公司(「台灣美亞」)(其持有富成已發行股本之22.88%)作出之書面承諾，本公司可控制富成董事會及股東大會上之大多數表決權。

年內，本集團將其於富成之其餘28.51%股本權益悉數售予台灣美亞，代價為現金149,500,000元新台幣(相當於約34,700,000元人民幣)(「出售事項」)。於完成日期，本集團確認出售事項產生之總收益8,715,000元人民幣。此收益已於本年度計入綜合收益表。

所出售之資產淨值與富成出售事項之收益的詳情如下：

		2007 二零零七年 RMB'000 千元人民幣
Property, plant and equipment	物業、廠房及設備	109,832
Cash and bank balances	現金及銀行結餘	5,763
Inventories	存貨	75,252
Trade and bill receivable	貿易應收賬款及應收票據	27,474
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	2,990
Pledged deposits	已抵押存款	6,142
Trade payables	貿易應付賬款	(4,925)
Deposit received	已收按金	(7,526)
Accrual and other payables	應計費用及其他應付款項	(9,850)
Bank borrowings	銀行借貸	(130,394)
Net tangible assets value of subsidiary % of ownership	附屬公司之有形資產淨值 擁有權之百分比	74,758 28.51%
Net tangible assets value of subsidiary owned	擁有附屬公司之有形資產淨值	21,314
Goodwill	商譽	4,719
Sales proceeds	出售所得款項	(34,609)
Realisation of exchange reserve	實現匯兌儲備	(139)
Gain on disposal of Fullchamp	出售富成之收益	(8,715)
Cash and cash equivalents disposed of	所出售之現金及現金等值項目	(5,763)
Cash received from Taiwan Mayer	從台灣美亞收取之現金	34,609
Net cash inflow from disposal	出售之現金流入淨額	28,846

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10. Finance Costs – Continuing Operations

10. 融資成本 – 持續經營業務

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣 (restated) (重列)
Interest on bank and other borrowings wholly repayable within five years from continuing operations	須於五年內全數償還持續經營業務之銀行及其他借貸之利息	19,233	15,967

11. Taxation – Continuing Operations

The charge comprises:

11. 稅項 – 持續經營業務

稅項支出包括：

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣 (restated) (重列)
Income tax	所得稅		
Current year	本年度	3,003	2,426
Under provision in prior years	過往年度撥備不足	76	–
Deferred taxation (note 24)	遞延稅項(附註24)	27	–
		3,106	2,426

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

11. Taxation – Continuing Operations (Continued)

Pursuant to the tax authorities in the PRC, Guangzhou Mayer Corporation Limited (“Guangzhou Mayer”) is entitled to a preferential rate on PRC enterprise income tax of 10% for 2006 and 2007. The charge of PRC enterprise income tax for the year has been provided for after taking these tax incentives into account.

Income tax of the other companies comprising the Group is calculated at tax rates applicable to the jurisdictions in which they are incorporated/registered.

The charge for the year can be reconciled to the profit before taxation as follows:

11. 稅項 – 持續經營業務(續)

根據中國稅務部門之規定，廣州美亞股份有限公司(「廣州美亞」)於二零零六年及二零零七年有權享有10%之中國企業所得稅優惠稅率。本年度之中國企業所得稅支出已作撥備，並就上述稅務優惠作出調整。

本集團屬下其他公司之所得稅乃按其註冊成立／註冊所在司法權區之有關稅率計算。

本年度之稅項支出可與除稅前溢利對帳如下：

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Profit before taxation from continuing operations	持續經營業務之除稅前溢利	8,383	16,072
Tax at income tax at statutory tax rate	按法定稅率計算之所得稅	1,369	3,014
Tax effect of tax exemption	稅項豁免之稅務影響	-	-
Tax effect on non-deductible expenses	不可扣稅開支之稅務影響	571	1,057
Tax effect on non-taxable income	毋須課稅收入之稅務影響	(1,650)	(2,555)
Tax loss not recognised	尚未確認之稅項虧損	2,948	1,274
Under-provision in respect of prior years	以往年度撥備不足	76	-
Deferred taxation	遞延稅項	27	-
Other temporary differences	其他暫時差異	(235)	(364)
		3,106	2,426

The National People's Congress of the PRC approved the Corporate Income Tax Law of the PRC (the “New Tax Law”) on 16 March 2007. With effect from 1 January 2008, the tax rate applicable to the enterprises established in the PRC will be unified at 25% with certain grandfather provisions and preferential provisions. The change in tax rate does not have any impact on the financial statements, as the New Tax Law was neither enacted nor substantially enacted by 31 December 2007.

於二零零七年三月十六日，中國全國人民代表大會已批准中國企業所得稅法(「新企業所得稅法」)。自二零零八年一月一日起，適用於在中國成立之企業之稅率將統一為25%，惟設有若干不追溯條款及優惠條款。由於新企業所得稅法於二零零七年十二月三十一日並無實施或大致上實施，故稅率變動對財務報表並無任何影響。

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12. Discontinued Operations

- (a) The Group ceased the operations of the Aluminum business segment of the design, develop, manufacturing and trade of aluminum forged and forged-spun wheels and other spare parts for automobiles on 1 July 2007. An analysis of the results of the discontinued operations is as follows:

12. 已終止業務

- (a) 於二零零七年七月一日，本集團終止經營「鋁」業務分部—即設計、開發、製造及買賣鍛造鋁合金車輪及鍛造車輪與其他汽車零件。已終止業務之業績分析如下：

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Turnover	營業額	61,478	101,860
Cost of sales	銷售成本	(44,420)	(88,061)
Other revenue	其他收益	1,620	3,697
Operating expenses	經營開支	(13,152)	(14,489)
Other operating expenses	其他經營開支	(1,282)	(5,520)
Finance costs	融資成本	(2,592)	(4,694)
Profit/(loss) before taxation	除稅前溢利／(虧損)	1,652	(7,207)
Taxation	稅項	1,267	331
Operating profit/(loss) from discontinued operations	已終止業務之經營溢利／(虧損)	2,919	(6,876)
Gain on disposal of subsidiaries (note 9)	出售附屬公司所得收益(附註9)	8,715	-
Gain on deemed and partial disposals of interests in subsidiaries	視為及部份出售附屬公司權益所得收益	-	4,673
Profit/(loss) for the year from discontinued operations	已終止業務之年內溢利／(虧損)	11,634	(2,203)

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

12. Discontinued Operations (Continued)

- (b) An analysis of the expenses from discontinued operations is as follows:

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Cost of inventories recognised as expenses	確認為開支之存貨成本	44,420	88,061
Depreciation	折舊	6,990	13,095
Impairment of inventories	存貨減值	-	519
Contribution to defined contribution retirement schemes	定額供款退休計劃之供款	361	183
Staff costs (including directors remuneration)	員工成本(包括董事酬金)	5,752	6,131

- (c) The net cash flows attributable to the discontinued operations are as follows:

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Net cash outflows from operating activities	經營業務之現金流出淨額	(39,761)	(17,452)
Net cash outflows from investing activities	投資活動之現金流出淨額	(2,569)	(28,820)
Net cash inflows from financing activities	融資活動之現金流入淨額	45,735	44,548
Net increase/(decrease) in bank balances and cash	銀行結餘及現金之增加/(減少)淨額	3,405	(1,724)
Net balances and cash at the beginning of the period/year	於期初/年初之結餘及現金淨額	2,358	4,082
Bank balances and cash at the end of the period/year	於期結/年結之銀行結餘及現金	5,763	2,358

12. 已終止業務(續)

- (b) 已終止業務之開支分析如下：

	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
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- (c) 已終止業務應佔之現金流量淨額如下：

	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

13. Profit Attributable to Equity Holders of the Company

The net profit attributable to equity holders of the Company includes a loss of approximately RMB9,845,000 (2006: loss of RMB9,032,000) which has been dealt with in the financial statements of the Company for the year ended 31 December 2007.

13. 本公司權益持有人應佔溢利

本公司權益持有人應佔溢利淨額包括已於本公司截至二零零七年十二月三十一日止年度之財務報表內處理之虧損約9,845,000元人民幣(二零零六年:虧損9,032,000元人民幣)。

14. Dividends

14. 股息

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Proposed final dividend of RMB 2 cents per share (2006: RMB 2 cents)	擬派末期股息每股二分人民幣 (二零零六年: 2分人民幣)	11,520	9,600

15. Earnings per Share

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

15. 每股盈利

每股基本及攤薄盈利乃將本公司股權持有人應佔溢利除以本年度已發行普通股之加權平均數計算。

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Weighted average number of ordinary shares in issue	已發行普通股之加權平均數	513,402,740	402,630,137
Profit attributable to the equity holders of the Company	本公司股本持有人應佔溢利:		
– Continuing operations	– 持續經營業務	4,255	10,493
– Discontinued operations	– 已終止業務	9,547	1,549
Total profit from operations	來自經營之溢利總額	13,802	12,042
Basic earning per share (RMB):	每股基本盈利(人民幣):		
– Continuing operations	– 持續經營業務	0.83 cents 分	2.61 cents 分
– Discontinued operations	– 已終止業務	1.86 cents 分	0.38 cents 分
Total basic earnings per share (RMB)	每股基本盈利總額(人民幣)	2.69 cents 分	2.99 cents 分

There were no potential dilutive shares in existence for the year ended 31 December 2007 and 2006, and accordingly, no diluted earnings per share amount has been presented.

由於截至二零零七年及二零零六年十二月三十一日止年度並無潛在攤薄股份，故無呈列每股攤薄盈利。

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16. Directors' Emoluments

The emolument of each director for the year ended 31 December 2007 is set out below:

16. 董事酬金

各董事於截至二零零七年十二月三十一日止年度之酬金載列如下：

Name of directors 董事姓名		Fees 袍金 RMB'000 千元人民幣	Salary 薪金 RMB'000 千元人民幣	Bonus 花紅 RMB'000 千元人民幣	Total 合計 RMB'000 千元人民幣
Executive Directors 執行董事					
Lai Yueh-hsing	賴粵興	–	175	–	175
Lo Haw	羅漢	–	342	–	342
Lin Meng-chang	林孟璋	–	421	–	421
Lu Wen-yi	呂文義	–	175	–	175
Chiang Jen-chin	蔣仁欽	–	324	–	324
Cheng Dar-terng	鄭達騰	–	175	–	175
Non-executive Directors 非執行董事					
Hsiao Ming-chih	蕭敏志	–	134	–	134
Huang Chun-fa	黃春發	–	97	–	97
Independent non-executive Directors 獨立非執行董事					
Lin Sheng-bin	林聖斌	29	–	–	29
Huang Jui-hsiang	黃瑞祥	29	–	–	29
Alvin Chu	趙熾佳	222	–	–	222
		280	1,843	–	2,123

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16. Directors' Emoluments (Continued)

The emolument of each director for the year ended 31 December 2006 is set out below:

16. 董事酬金(續)

各董事於截至二零零六年十二月三十一日止年度之酬金載列如下：

Name of directors 董事姓名	Fees 袍金	Salary 薪金	Bonus 花紅	Total 合計	
	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	
Executive Directors	執行董事				
Lai Yueh-hsing	賴粵興	-	184	-	184
Lo Haw	羅漢	-	359	-	359
Shen Heng-chiang (resigned on 7 Aug 06)	沈亨將 (於二零零六年八月七日辭任)	-	223	-	223
Wu Kuo-lung (resigned on 7 Aug 06)	吳國龍 (於二零零六年八月七日辭任)	-	92	-	92
Lin Meng-chang	林孟璋	-	221	-	221
Lu Wen-yi	呂文義	-	92	-	92
Chiang Jen-chin	蔣仁欽	-	253	-	253
Cheng Dar-terng	鄭達騰	-	184	-	184
Non-executive Directors	非執行董事				
Hsiao Ming-chih	蕭敏志	-	141	-	141
Huang Chun-fa	黃春發	-	102	-	102
Independent non-executive Directors	獨立非執行董事				
Lin Sheng-bin	林聖斌	31	-	-	31
Huang Jui-hsiang	黃瑞祥	31	-	-	31
Alvin Chu	趙熾佳	234	-	-	234
		296	1,851	-	2,147

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

16. Directors' Emoluments (Continued)

During the year, no emoluments were paid by the Group to any directors or any five highest paid individuals (note 17) as an inducement to join or upon joining the Group or as compensation for loss of office. No director has waived any emoluments during the year.

The emoluments of the directors were within the following bands:

16. 董事酬金 (續)

年內，本集團並無向任何董事或任何五名最高薪人士（附註17）支付酬金以作為加盟或於加盟本集團時之獎勵或作為離職賠償。董事於年內概無放棄任何酬金。

董事之酬金介乎以下範圍：

	2007 二零零七年 Number of Directors 董事人數	2006 二零零六年 Number of Directors 董事人數
Nil to RMB925,000 (HK\$1,000,000) 零至925,000元人民幣 (1,000,000港元)	11	13

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

17. Key Management Personnel Remuneration

During the year, the five highest paid individuals in the Group included three (2006: two) directors, details of those emolument are set out in note 16 above. The emoluments of the remaining two (2006: three) individuals for the year ended 31 December 2007 were as follows:

17. 管理要員薪酬

年內，本集團五名最高薪人士包括三名（二零零六年：兩名）董事，其薪酬詳情載於上文附註16。餘下兩名（二零零六年：三名）人士於截至二零零七年十二月三十一日止年度之薪酬如下：

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Salaries and other benefits	薪金及其他福利	735	959

The remuneration of the individuals was within the following band:

該等人士之酬金介乎以下範圍：

		2007 二零零七年 Number of employees 僱員人數	2006 二零零六年 Number of employees 僱員人數
Nil to RMB975,000 (HK\$1,000,000)	零至975,000元人民幣 (1,000,000港元)	2	3

Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

18. Property, Plant and Equipment

Group

18. 物業、機器及設備

本集團

		Freehold land	Building and factory premises	Construction in progress	Leasehold improvements	Furniture, fixtures and office equipment	Plant and machinery	Motor vehicles	Aircrafts	Total
		永久業權土地	樓宇及廠房	在建工程	租賃物業裝修	傢俬、裝置及辦公室設備	廠房及機器	汽車	飛機	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣	千元人民幣
Cost	成本									
At 1 January 2006	於二零零六年一月一日	14,932	52,050	3,027	13,043	5,434	148,082	1,587	15,201	253,356
Additions	添置	-	-	7,312	8,054	192	26,253	387	-	42,198
Transfers	轉讓	-	-	(8,280)	-	103	8,176	1	-	-
Disposals	出售	-	-	-	(693)	(88)	(100)	(326)	-	(1,207)
Exchange adjustments	匯兌調整	(394)	(288)	-	(406)	(34)	(2,241)	(12)	(494)	(3,869)
At 31 December 2006	於二零零六年十二月三十一日	14,538	51,762	2,059	19,998	5,607	180,170	1,637	14,707	290,478
Additions	添置	-	-	17,035	501	1,541	3,731	172	11,098	34,078
Transfers	轉讓	-	-	(7,798)	-	-	7,798	-	-	-
Disposals	出售	-	-	-	-	(8)	(10,426)	-	-	(10,434)
Disposal of subsidiaries	出售附屬公司	(14,538)	(9,555)	(223)	(17,448)	(758)	(85,469)	(201)	-	(128,192)
Exchange adjustments	匯兌調整	-	160	-	709	61	2,531	16	(967)	2,510
At 31 December 2007	於二零零七年十二月三十一日	-	42,367	11,073	3,760	6,443	98,335	1,624	24,838	188,440
Depreciation	折舊									
At 1 January 2006	於二零零六年一月一日	-	12,380	-	858	1,797	41,598	776	787	58,196
Depreciation for continuing operations	持續經營業務之折舊	-	1,910	-	327	694	8,572	210	1,363	13,076
Written-back	撥回	-	-	-	(77)	(75)	(44)	(240)	-	(436)
Depreciation for discontinued operations	已終止業務之折舊	-	653	-	2,588	346	9,434	74	-	13,095
Exchange adjustments	匯兌調整	-	(50)	-	(204)	(26)	(907)	(10)	(52)	(1,249)
At 31 December 2006	於二零零六年十二月三十一日	-	14,893	-	3,492	2,736	58,653	810	2,098	82,682
Depreciation for continuing operations	持續經營業務之折舊	-	1,905	-	784	695	7,086	153	1,996	12,619
Written back	撥回	-	-	-	-	(7)	(8,857)	-	-	(8,864)
Depreciation for discontinued operations	已終止業務之折舊	-	320	-	1,442	136	5,063	29	-	6,990
Disposal of subsidiaries	出售附屬公司	-	(872)	-	(3,559)	(447)	(13,387)	(95)	-	(18,360)
Exchange adjustments	匯兌調整	-	(160)	-	(730)	(78)	(2,535)	(15)	(219)	(3,737)
At 31 December 2007	於二零零七年十二月三十一日	-	16,086	-	1,429	3,035	46,023	882	3,875	71,330
Net book value	帳面淨值									
At 31 December 2007	於二零零七年十二月三十一日	-	26,281	11,073	2,331	3,408	52,312	742	20,963	117,110
At 31 December 2006	於二零零六年十二月三十一日	14,538	36,869	2,059	16,506	2,871	121,517	827	12,609	207,796

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

18. Property, Plant and Equipment (Continued)

The freehold land is situated in Taiwan.

The building and factory premises are situated in the People's Republic of China and Taiwan and are held under medium term lease.

The aircrafts are leased to a related company established under the laws of the Republic of China, in which Mr. Huang Chun-fa has beneficial interest. During the year, rental income and consultancy fee income amounting to RMB7,195,000 (2006: RMB4,966,000) and RMB469,000 (2006: RMB144,000) respectively were received and receivable from this related company.

At 31 December 2007, the Group's building, plant and equipment with carrying value of RMB66,980,000 (2006: RMB139,153,000) were pledged to certain banks for banking facilities granted to the Group (note 34).

18. 物業、機器及設備(續)

永久業權土地位於台灣。

樓宇及廠房均位於中華人民共和國及台灣，並按中期租約持有。

飛機乃租賃予一家根據中華民國法律成立之關連公司(黃春發先生於該公司擁有實益權益)。年內，已收及應收該關連公司之租金收入及顧問費收入分別為7,195,000元人民幣(二零零六年：4,966,000元人民幣)及469,000元人民幣(二零零六年：144,000元人民幣)。

於二零零七年十二月三十一日，本集團帳面值為66,980,000元人民幣(二零零六年：139,153,000元人民幣)之樓宇、機器及設備已就本集團獲授之銀行信貸而抵押予若干銀行(附註34)。

Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

18. Property, Plant and Equipment (Continued)

Company

18. 物業、機器及設備(續)

本公司

		Leasehold improvements 租賃物業裝修 RMB'000 千元人民幣	Furniture and fixtures 傢俬及裝置 RMB'000 千元人民幣	Total 總計 RMB'000 千元人民幣
Cost	成本			
At 1 January 2006	於二零零六年一月一日	180	120	300
Additions	添置	-	3	3
Exchange adjustments	匯兌調整	(11)	(7)	(18)
		169	116	285
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日 及二零零七年一月一日	169	116	285
Additions	添置	-	3	3
Exchange adjustments	匯兌調整	(11)	(7)	(18)
		158	112	270
Depreciation	折舊			
At 1 January 2006	於二零零六年一月一日	85	56	141
Provided for the year	年內撥備	56	38	94
Exchange adjustments	匯兌調整	(5)	(3)	(8)
		136	91	227
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日 及二零零七年一月一日	136	91	227
Provided for the year	年內撥備	32	24	56
Exchange adjustments	匯兌調整	(10)	(7)	(17)
		158	108	266
Net book value	帳面淨值			
At 31 December 2007	於二零零七年十二月三十一日	-	4	4
At 31 December 2006	於二零零六年十二月三十一日	33	25	58

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

19. Leasehold Land and Land Use Rights for Own Use under Operating Lease

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

19. 根據經營租賃持有作自用之租賃土地及土地使用權

本集團於租賃土地及土地使用權之權益指預付經營租約付款，其帳面淨值分析如下：

		The Group 本集團	
		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Outside Hong Kong, held on:	於香港以外地區持有：		
Leases of between 10 to 50 years	租期10至50年	8,416	8,638

Bank borrowings are secured on leasehold land for the carrying amount of RMB8,416,000 (2006: RMB8,638,000) (note 34).

銀行借貸以帳面值8,416,000元人民幣(二零零六年：8,638,000元人民幣)之租賃土地作抵押(附註34)。

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
At 1 January	於一月一日	8,638	8,860
Amortisation of prepaid operating lease payment	預付經營租約付款之攤銷	(222)	(222)
At 31 December	於十二月三十一日	8,416	8,638

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

20. Deposit for Acquisition of Property

At balance sheet date, the Group has paid deposit in the amount of RMB192,142,000 to the vendor in regarding to the acquisition of a property situated in Taiwan for a total consideration of NT\$880,000,000 (equivalent to approximately RMB197,296,000). The transaction was subsequently completed on 5 February 2008 and the property is accounted for as investment property of the Group.

20. 收購物業之按金

於結算日，本集團就收購一項位於台灣之物業向賣方支付按金192,142,000元人民幣，總代價為880,000,000元新台幣（相當於約197,296,000元人民幣）。該交易其後已於二零零八年二月五日完成，該物業則入賬列作本集團之投資物業。

21. Available-For-Sale Financial Assets

21. 可供出售金融資產

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Club debentures	會所債券		
Unquoted, at cost	無報價，按成本	1,294	1,294
Less: Impairment loss recognised	減：已確認減值虧損	(1,294)	(574)
		-	720

The cost of club debentures has been reduced to its recoverable amount which is nil as management considers the recovery of this amount is remote.

會所債券之成本已調減至其可收回金額（即零），原因為管理層認為收回此金額之機會甚微。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

22. Goodwill

22. 商譽

		The Group 本集團	
		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
At 1 January	於一月一日	4,719	12,708
Deemed and partial disposals of interests in subsidiaries	視為及部份出售附屬公司 權益	-	(3,586)
Disposal of interests in subsidiaries (note 9)	出售附屬公司權益(附註9)	(4,719)	(4,403)
At 31 December	於十二月三十一日	-	4,719

Impairment tests for goodwill:

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to country of operation and business segment.

The goodwill at 31 December 2006 and 1 January 2007, was entirely related to the business segment of aluminum wheels and automobile spare parts which is located in Taiwan. Upon the completion of the disposals of interests in subsidiaries (note 9), the respective goodwill was disposed. The discount rate used was 6.1% in 2006 which is pre-tax and reflect specific risks relating to the business of Fullchamp.

In the prior year, no impairment loss had been recognised on the goodwill in respect of the aluminum wheels and car spare parts as the recoverable amount of this CGU from the disposal of interests in subsidiaries (note 9) exceeded its carrying value on the date of disposal.

商譽減值測試：

商譽已分配至按經營所在國家及業務分部而識別之本集團現金產生單位。

於二零零六年十二月三十一日及二零零七年一月一日之商譽全數與位於台灣的鋁製輪圈及汽車零件之業務分部有關。於出售附屬公司權益(附註9)完成後，有關商譽亦已出售。二零零六年所用之貼現率為6.1%，此為未計稅項及反映與富成業務有關之特定風險。

於去年，由於從出售附屬公司權益(附註9)帶來此現金產生單位之可收回金額超出其於出售日期之帳面值，故並無就鋁製輪圈及汽車零件業務分部之商譽確認減值虧損。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

23. Interests in Subsidiaries

23. 於附屬公司之權益

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Unlisted shares, at cost	非上市股份，按成本	124,378	132,967
Amounts due from subsidiaries	應收附屬公司款項	75,454	80,865
Less: provision for impairment losses	減：減值虧損之撥備	(2,384)	(2,091)
		73,070	78,774

The balances with the subsidiaries are unsecured, interest-free and repayable on demand.

與附屬公司之結餘為無抵押、免息及無固定還款期。

Details of the Company's subsidiaries as at 31 December 2007 are as follows:

於二零零七年十二月三十一日之本公司附屬公司詳情如下：

Company 公司	Place of incorporation/ operation 註冊成立／營業地點	Issued and fully paid share capital 已發行及繳足股本	Percentage of interest held 持有權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Bamian Investments Pte Ltd. 百門投資有限公司	Singapore 新加坡	US\$10,100,875 10,100,875美元	100%	–	Investment holding 投資控股
Guangzhou Mayer Corp., Ltd. ("Guangzhou Mayer") 廣州美亞股份有限公司 (「廣州美亞」)	PRC 中國	RMB200,000,000 200,000,000元人民幣	–	81.40%	Manufacture and trading of steel pipes, steel sheets and other products made of steel 製造及買賣鋼管、鋼片及 其他鋼造產品

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

23. Interests in Subsidiaries (Continued)

23. 於附屬公司之權益(續)

Company 公司	Place of incorporation/ operation 註冊成立/營業地點	Issued and fully paid share capital 已發行及繳足股本	Percentage of interest held		Principal activities 主要業務
			Direct	Indirect	
			直接	間接	
Vietnam Mayer Co., Ltd.*#	Vietnam 越南	US\$3,000,000 3,000,000美元	–	50%	Manufacture and trading of steel pipes, steel sheets and other products made of steel 製造及買賣鋼管、鋼片及 其他鋼造產品
ROC Advance Ltd. 鵬進有限公司	BVI 英屬處女群島	US\$1 1美元	100%	–	Leasing of aircrafts and provision of consultancy service 飛機租賃及提供顧問服務
Sunbeam Group Ltd. 新光集團有限公司	BVI 英屬處女群島	US\$1 1美元	100%	–	Investment holding 投資控股
Mei Kong Shih Ye Ltd.** 美控實業有限公司	The Republic of China 中華民國	NT\$163,905,250 163,905,250元新台幣	–	100%	Property Investment holdings 物業投資控股
Top Force International Ltd.### 高力國際有限公司	BVI 英屬處女群島	US\$1 1美元	100%	–	Investment holdings 投資控股
Glory World Development Ltd.#### Glory World Development Ltd.####	BVI 英屬處女群島	US\$1 1美元	100%	–	General trading 一般貿易
Vansen International Ltd. 偉新國際有限公司	BVI 英屬處女群島	US\$1 1美元	100%	–	General trading 一般貿易

* Not audited by CCIF CPA Limited

Incorporated on 15 June 2007

Incorporated on 25 June 2007

Incorporated on 2 January 2007

Incorporated on 18 January 2007

Note: Guangzhou Mayer is a joint stock limited liability company established under the laws of the PRC.

* 並非經陳葉馮會計師事務所有限公司審核

於二零零七年六月十五日註冊成立

於二零零七年六月二十五日註冊成立

於二零零七年一月二日註冊成立

於二零零七年一月十八日註冊成立

附註：廣州美亞為根據中國法例註冊成立之股份有限公司。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

24. Deferred Taxation

The followings are the major deferred tax assets recognised by the Group and movements thereon during the year:

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
At 1 January	於一月一日	27	27
Transfer to income statement for the year (note 11)	年內轉撥入收益表 (附註11)	(27)	-
At 31 December	於十二月三十一日	-	27

24. 遞延稅項

以下為本集團於年內已確認之主要遞延稅項資產及有關變動：

25. Inventories

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
At cost:	成本：		
Raw materials	原料	124,405	142,163
Finished goods	製成品	44,809	75,452
		169,214	217,615

25. 存貨

26. Trade Receivables

The Group has a policy of allowing an average credit period of 30-180 days to its trade customers and may be extended to selected customers depending on their trade volumes and settlement with the Group.

26. 貿易應收帳款

本集團給予貿易客戶之信貸期平均介乎30至180日，或會就特定客戶之交易量及向本集團還款之紀錄而延長。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

26. Trade Receivables (Continued)

(i) Ageing analysis of trade receivables is as follows:

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
1 – 30 days	1至30日	105,406	125,713
31 – 60 days	31至60日	94,652	83,493
61 – 90 days	61至90日	58,525	65,695
91 – 180 days	91至180日	113,758	85,905
Over 180 days	180日以上	2,117	19,844
		374,458	380,650
Provision for impairment of receivables	應收款項減值撥備	(920)	(10,495)
		373,538	370,155

(ii) The carrying amounts of trade receivables are denominated in the following currencies:

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Hong Kong dollars	港元	31,994	30,926
Renminbi	人民幣	59,813	26,657
United States dollars	美元	275,893	271,617
New Taiwan dollars	新台幣	5,838	40,955
		373,538	370,155

(iii) The carrying amounts of trade receivables approximate to their fair values.

26. 貿易應收帳款(續)

(i) 貿易應收帳款之帳齡分析如下：

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
1 – 30 days	1至30日	105,406	125,713
31 – 60 days	31至60日	94,652	83,493
61 – 90 days	61至90日	58,525	65,695
91 – 180 days	91至180日	113,758	85,905
Over 180 days	180日以上	2,117	19,844
		374,458	380,650
Provision for impairment of receivables	應收款項減值撥備	(920)	(10,495)
		373,538	370,155

(ii) 貿易應收帳款之帳面值以下列貨幣計值：

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Hong Kong dollars	港元	31,994	30,926
Renminbi	人民幣	59,813	26,657
United States dollars	美元	275,893	271,617
New Taiwan dollars	新台幣	5,838	40,955
		373,538	370,155

(iii) 貿易應收帳款之帳面值與其公平值相若。

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26. Trade Receivables (Continued)

(iv) Impairment of trade receivables

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly.

The movement in the allowance for doubtful debts during the years, including both specific and collective loss components, is as follows:

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
At 1 January	於一月一日	10,495	11,426
Impairment loss recognised	已確認減值虧損	1,558	-
Uncollectible amounts written off	撇銷無法收回金額	(11,133)	(931)
At 31 December	於十二月三十一日	920	10,495

At 31 December 2007, the Group's trade debtors of RMB920,000 (2006: RMB10,495,000) were individually determined to be impaired. The Group does not hold any collateral over these balances.

26. 貿易應收帳款(續)

(iv) 貿易應收帳款之減值

有關貿易應收款項及應收票據之減值虧損乃採用撥備賬記錄，惟本集團信納可收回款項之機會甚微除外，其時減值虧損則自貿易應收款項中直接撇銷。

年內之呆壞賬撥備變動(包括個別及共同虧損部份兩者)如下：

於二零零七年十二月三十一日，本集團之貿易應收款項920,000元人民幣(二零零六年：10,495,000元人民幣)乃個別釐定為予以減值。本集團並無就該等結餘持有任何抵押品。

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26. Trade Receivables (Continued)

- (v) Trade debtors that are not impaired

The ageing analysis of trade debtors that are neither individually nor collectively considered to be impaired are as follows:

26. 貿易應收帳款(續)

- (v) 並無減值之貿易應收款項

並無被視為個別或共同減值之貿易應收款項之賬齡分析如下：

		The Group	
		本集團	
		2007	2006
		二零零七年	二零零六年
		RMB'000	RMB'000
		千元人民幣	千元人民幣
Neither past due nor impaired	並無逾期或減值	353,781	353,447
Less than 1 month past due	逾期少於一個月	8,273	14,866
1 to 3 months past due	逾期1至3個月	11,484	1,842
		373,538	370,155

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

並無逾期或減值之應收款項乃關於廣泛之客戶，彼等並無近期之拖欠紀錄。

逾期但並無減值之應收款項乃關於若干於本集團過往紀錄良好之獨立客戶。根據過往經驗，管理層相信毋須就此等結餘作出減值撥備，原因為信貸質素並無重大變動，並認為該等結餘可全數收回。本集團並無就此等結餘持有任何抵押品。

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27. Prepayments, Deposits and Other Receivables

27. 預付款項、訂金及其他應收款項

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Prepayments	預付款項	611	5,938
Rental deposits	租賃訂金	617	471
VAT refundable	可退回增值稅	5,168	8,600
Advance to suppliers	墊款予供應商	5,381	1,458
Other loan	其他貸款	-	1,700
Others	其他	4,906	5,254
		16,683	23,421

28. Financial Assets at Fair Value through Profit or Loss

28. 按公平值列入損益表之金融資產

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Listed securities:	上市證券：		
- Equity securities	- 股本證券		
- Hong Kong	- 香港	11,677	-
- United States of America	- 美國	2,142	-
- Investment fund	- 投資基金		
- United States of America	- 美國	1,814	-
Market value of listed securities	上市證券之市值	15,633	-

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29. Amount due from a Related Company

The amount due from a related company amounted to RMB6,473,000, in which Mr. Huang Chun-fa has beneficial interest, is unsecured, interest-free and repayable within the next twelve months from the balance sheet date. The maximum amount outstanding during the year amounted to RMB6,473,000 (2006: RMB2,736,000).

No provision for the amount due has been made in the financial statements. The directors are of the opinion that the carrying value of the amount due approximate to the fair value at the balance sheet date.

30. Pledged Bank Deposits/Bank Deposits

Pledged bank deposits are used to secure the Group's banking facilities. The pledged bank deposits carry fixed interest rates ranging from 1.15% to 3.80% (2006: 1% to 3.8%) for the year ended 31 December 2007. The bank deposits carried interest at market rates which ranged from 2% to 2.25% with maturities of more than three months.

29. 應收關連公司款項

應收一關連公司(黃春發先生於此公司擁有權益)款項為6,473,000元人民幣,乃無抵押、免息,並須於結算日起計之未來十二個月內清償。於年內未清償款項金額最高為6,473,000元人民幣(二零零六年:2,736,000元人民幣)。

財務報表內並未就該應收款項作出撥備。董事認為該應收款項之帳面值與其公平值相若。

30. 有抵押銀行存款／銀行存款

有抵押銀行存款乃用作本集團之銀行融資提供之抵押。於截至二零零七年十二月三十一日止年度,此等有抵押銀行存款按固定年利率1.15%至3.80%(二零零六年:1%至3.8%)計息。三個月以上到期之銀行存款按市場利率2%至2.25%計息。

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31. Cash and Cash Equivalents

Cash and cash equivalents include the following components:

		Group 本集團		Company 本公司	
		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Cash at bank and in hand	銀行及手頭現金	66,243	45,489	9,768	15,612
Short-term bank deposits	短期銀行存款	1,218	200	1,218	200
		67,461	45,689	10,986	15,812

- (i) The effective interest rate on short-term bank deposits is approximately 3.8% (2006: 3.86%) per annum; these bank deposits have an average maturity of less than 1 month.
- (ii) The carrying amounts of cash and cash equivalents are denominated in the following currencies:

31. 現金及現金等值項目

現金及現金等值項目包括以下項目：

- (i) 短期銀行存款之實際年利率約為3.8% (二零零六年：3.86%)，此等銀行存款之到期日不足一個月。
- (ii) 現金及現金等值項目之帳面值以下列貨幣計值：

		Group 本集團		Company 本公司	
		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Renminbi	人民幣	34,990	18,894	–	–
United States dollars	美元	16,178	8,760	–	–
New Taiwan dollars	新台幣	521	2,224	–	–
Hong Kong dollars	港元	15,772	15,811	10,986	15,812
		67,461	45,689	10,986	15,812

- (iii) The carrying amounts of cash and cash equivalents approximate their fair values.

- (iii) 現金及現金等值項目之帳面值與其公平值相若。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

32. Trade Payables

An ageing analysis of the trade payables is as follows:

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
1 – 30 days	1至30日	61,771	53,387
31 – 60 days	31至60日	19,444	42,611
61 – 90 days	61至90日	18,145	17,071
91 – 180 days	91至180日	45,106	26,366
Over 180 days	180日以上	160	53
		144,626	139,488

The carrying amounts of trade payables are denominated in the following currencies:

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
United States dollars	美元	110,944	–
Hong Kong dollars	港元	8	–
Renminbi	人民幣	33,674	6,133
New Taiwan dollars	新台幣	–	133,355
		144,626	139,488

The carrying amounts of trade payables approximate their fair values.

32. 貿易應付帳款

貿易應付帳款之帳齡分析如下：

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
1 – 30 days	1至30日	61,771	53,387
31 – 60 days	31至60日	19,444	42,611
61 – 90 days	61至90日	18,145	17,071
91 – 180 days	91至180日	45,106	26,366
Over 180 days	180日以上	160	53
		144,626	139,488

貿易應付帳款之帳面值以下列貨幣計值：

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
United States dollars	美元	110,944	–
Hong Kong dollars	港元	8	–
Renminbi	人民幣	33,674	6,133
New Taiwan dollars	新台幣	–	133,355
		144,626	139,488

貿易應付帳款之帳面值與其公平值相若。

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33. Other Payables and Accruals

33. 其他應付款項及應計費用

		2007	2006
		二零零七年	二零零六年
		RMB'000	RMB'000
		千元人民幣	千元人民幣
Advance from customers	客戶墊款	6,406	14,590
Salaries	薪金	2,501	6,105
Accrued expenses	應計開支	2,901	6,281
Rental deposits	租賃按金	252	-
Other payable	其他應付款項	162,517	-
Other creditors	其他應付帳款	7,275	8,346
		181,852	35,322

The carrying amounts of other payables and accruals approximate their fair values. Included in other payables and accruals amounting to RMB162,517,000, it is the partial payment made to the vendor by issuing post-dated bills with due date on 5 February 2008 in regarding to the acquisition of a property situated in Taiwan.

其他應付款項及應計費用之帳面值與其公平值相若。其他應付款項及應計費用中包括為數162,517,000元人民幣之款項，此為收購一項台灣物業而透過發出二零零八年二月五日期到期之遠期票據向賣方支付之部份款項。

34. Borrowings

At 31 December 2007, the maturity of borrowings is as follows:

34. 借貸

於二零零七年十二月三十一日，借貸須於下列限期償還：

		Group 本集團		Company 本公司	
		2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年
		RMB'000	RMB'000	RMB'000	RMB'000
		千元人民幣	千元人民幣	千元人民幣	千元人民幣
Within 1 year or on demand	一年內或按要求	311,402	345,771	-	41,115
After 1 year but within 2 years	一年後至兩年內	-	14,916	-	-
After 2 years but within 5 years	兩年後至五年內	-	9,566	-	-
After 5 years	五年後	-	4,350	-	-
		311,402	374,603	-	41,115
Current portion	流動部分	(311,402)	(345,771)	-	(41,115)
		-	28,832	-	-
Non-current portion	非流動部分	-	28,832	-	-

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34. Borrowings (Continued)

At 31 December 2007, the borrowings were secured by the followings:

34. 借貸(續)

於二零零七年十二月三十一日，借貸由下列資產作出抵押：

		Group 本集團		Company 本公司	
		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Bank loans	銀行貸款				
- Corporate guarantees by Group companies	- 由集團公司出具公司擔保	60,736	73,006	-	41,115
- Secured by fixed deposits	- 由定期存款作抵押	42,412	-	-	-
- Secured by plant and machinery with carrying value of RMB40,701,000 (2006: RMB102,513,000)	- 以帳面值 40,701,000 元人民幣(二零零六年：102,513,000 元人民幣)之機器及設備作抵押	11,783	42,394	-	-
- Secured by land use right with carrying value of RMB8,416,000 (2006: RMB23,176,000), buildings with carrying value of RMB26,279,000 (2006: RMB36,640,000) and bank deposits of RMB46,537,000 (2006: RMB 8,652,000)	- 以帳面值 8,416,000 元人民幣(二零零六年：23,176,000 元人民幣)之土地使用權、帳面值 26,279,000 元人民幣(二零零六年：36,640,000 元人民幣)之樓宇及 46,537,000 元人民幣(二零零六年：8,652,000 元人民幣)之銀行存款作抵押	26,737	168,585	-	-
		141,668	283,985	-	41,115
- Unsecured	- 無抵押	169,734	87,299	-	-
Other loans	其他貸款				
- Unsecured	- 無抵押	-	3,319	-	-
		311,402	374,603	-	41,115

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34. Borrowings (Continued)

The borrowings are denominated in the following currencies:

34. 借貸(續)

借貸以下列貨幣計值：

		Group 本集團		Company 本公司	
		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Hong Kong dollars	港元	24,117	41,115	—	41,115
United States dollars	美元	213,730	—	—	—
Renminbi	人民幣	73,555	247,000	—	—
New Taiwan dollars	新台幣	—	86,488	—	—
		311,402	374,603	—	41,115

The effective annual interest rates of the borrowings at the balance sheet date were as follows:

於結算日借貸之實際年利率如下：

		2007 二零零七年			2006 二零零六年		
		HK\$ 港元	RMB 人民幣	NT\$ 新台幣	HK\$ 港元	RMB 人民幣	NT\$ 新台幣
Bank borrowings	銀行借貸	2.5-5.5%	2.8-5.5%	2.4-6%	2.5-5.5%	2.8-5.5%	2.4-6%

The carrying amounts of all borrowings approximate their fair values.

所有借貸之帳面值與其公平值相若。

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with finance institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 3(c). As at 31 December 2007 none of the covenants relating to drawn down facilities had been breached.

本集團所有銀行信貸均須符合與本集團若干資產負債表數據比率有關的契約，此為金融機構借貸安排的慣例。若本集團違反該等契約，已動用的貸款將須於接獲通知時繳還。本集團定期監察本集團的財務狀況以遵守該等契約。本集團流動資金風險管理的詳情載於附註3(c)。於二零零七年十二月三十一日，本集團均無違反該等已動用貸款的相關契約。

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35. Issued Capital

35. 已發行股本

		Number of authorised shares 法定股份數目	Number of shares issued 已發行股份數目	Nominal value of shares issued 已發行股份面值 RMB'000 千元人民幣
At 1 January 2006	於二零零六年一月一日	1,000,000,000	400,000,000	42,480
Issue of shares	發行股份	–	80,000,000	8,000
At 31 December 2006	於二零零六年 十二月三十一日	1,000,000,000	480,000,000	50,480
Issue of shares	發行股份	–	96,000,000	8,980
At 31 December 2007	於二零零七年 十二月三十一日	1,000,000,000	576,000,000	59,460

On 13 August 2007, pursuant to the subscription agreements entered into between the Company and 7 investors 96,000,000 shares of HK\$0.10 each in the Company were issued at a price of HK\$0.60 per share. All the new shares issued rank pari passu in all respects the then existing shares.

於二零零七年八月十三日，根據本公司與七名投資者訂立之認購協議，96,000,000股每股面值0.10港元之本公司股份按每股0.60港元之價格發行。所有新股份在各方面與當時之現有股份地位相等。



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36. Share Option Scheme

The Share Option Scheme was adopted on 24 May 2004 for the primary purpose of providing incentives and to recognise 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 2007, 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.

36. 購股權計劃

購股權計劃於二零零四年五月二十四日採納，主要目的在於向合資格參與者給予獎勵及表揚彼等為本集團之成長作出之貢獻，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及顧問或諮詢人）授出購股權。

截至二零零七年十二月三十一日，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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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

37. Reserves

Company

37. 儲備

本公司

		Special reserve	Share premium	Translation reserve	Retained profits	Proposed final dividend 擬派	Total 總計
		RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣	RMB'000 千元人民幣
At 31 December 2005 and 1 January 2006	於二零零五年 十二月三十一日 及二零零六年 一月一日	125,211	4,076	(870)	(3,550)	4,000	128,867
Exchange differences	匯兌差額	-	-	(10,746)	-	-	(10,746)
Issue of shares	發行股份	-	33,710	-	-	-	33,710
Share issue expenses	股份發行開支	-	(200)	-	-	-	(200)
Loss for the year	年內虧損	-	-	-	(9,032)	-	(9,032)
Dividend paid	已派股息	-	-	-	-	(4,000)	(4,000)
Proposed final dividend	擬派末期股息	-	-	-	(9,600)	9,600	-
At 31 December 2006 and 1 January 2007	於二零零六年 十二月三十一日 及二零零七年 一月一日	125,211	37,586	(11,616)	(22,182)	9,600	138,599
Exchange differences	匯兌差額	-	-	(11,392)	-	-	(11,392)
New issue on public listing	公開上市之新發行	-	44,909	-	-	-	44,909
Share issue expenses	股份發行開支	-	(150)	-	-	-	(150)
Loss for the year	年內虧損	-	-	-	(9,845)	-	(9,845)
Dividend paid relating to 2006	已派二零零六年 股息	-	-	-	-	(9,600)	(9,600)
Proposed final dividend	擬派末期股息	-	-	-	(11,520)	11,520	-
At 31 December 2007	於二零零七年 十二月三十一日	125,211	82,345	(23,008)	(43,547)	11,520	152,521

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

37. Reserves (Continued)

Company (Continued)

The special reserve represented the difference between the nominal value of the shares of the Company issued in exchange for the issued share capital of the subsidiaries and the value of the underlying assets of the subsidiaries pursuant to the Group Reorganisation on 12 December 2004.

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. At 31 December 2007, the aggregate amount of reserves available for distribution to equity shareholders of the Company was RMB152,521,000. After the balance sheet date the directors proposed a final dividend of 2 cents per ordinary share (2006: 2 cents per share) amounting to RMB11,520,000 (2006: RMB9,600,000). This dividend has not been recognised as a liability at the balance sheet date.

Subject to the Companies Law of the Cayman Islands and the Article of Association of the Company, the share premium and special reserve are distributable to the shareholders of the Company.

Movements of the Group's reserves are set out in the consolidated statement of changes in equity on page 50.

37. 儲備(續)

本公司(續)

特別儲備指本公司根據二零零四年十二月十二日之集團重組，就交換附屬公司已發行股本而發行之股份面值與附屬公司相關資產值之差額。

換算儲備包括因換算海外業務財務報表產生的所有匯兌差額。於二零零七年十二月三十一日，可供分派予本公司股權持有人之儲備總額為152,521,000元人民幣。於結算日後，董事建議派發末期股息每股普通股2分(二零零六年：每股2分)，總額達11,520,000元人民幣(二零零六年：9,600,000元人民幣)。於結算日，此項股息並未確認為負債。

根據開曼群島公司法及本公司組織章程細則，股份溢價及特別儲備可分派予本公司股東。

本集團儲備變動載於第50頁之綜合權益變動表。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

38. Notes to the Consolidated Cash Flow Statement

Reconciliation of profit before taxation to net cash inflow from operating activities:

38. 綜合現金流量表附註

除稅前溢利與經營活動淨現金流入之對帳：

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Profit before taxation	除稅前溢利		
Continuing operations	持續經營業務	8,383	16,072
Discontinued operations	已終止業務	1,652	(7,207)
Gain on disposal of subsidiaries	出售附屬公司所得收益	8,715	-
Gain on deemed and partial disposal of interests in subsidiaries	視為及部份出售附屬公司權益所得收益	-	4,673
Profit before taxation	除稅前溢利	18,750	13,538
Adjustments for:	調整：		
Interest income	利息收入	(1,907)	(1,172)
Interest expenses	利息支出	21,824	20,661
Depreciation	折舊	19,609	26,171
Amortisation of operating lease prepayment	經營租賃預付款項之攤銷	222	222
Gain on disposal of subsidiaries	出售附屬公司所得收益	(8,715)	-
Gain on deemed and partial disposal of interests in subsidiaries	視為及部份出售附屬公司權益所得收益	-	(4,673)
Negative goodwill arising from acquisition of additional interest in a subsidiary	增購附屬公司權益產生之負商譽	-	(171)
Provision for impairment of trade receivables	貿易應收帳款之減值撥備	1,558	-
Provision for impairment of club debentures	會所債券之減值撥備	720	-
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益	(240)	(1,646)
Fair value gain on financial assets at fair value through profit or loss	按公平值列入損益表之金融資產之公平值收益	(989)	-
Operating profit before working capital changes	營運資金變動前經營溢利	50,832	52,930
Increase in inventories	存貨增加	(26,851)	(4,748)
Increase in amount due from a related company	應收關連公司款項增加	(3,737)	(3)
Increase in trade receivables, prepayments, deposits and other receivables	貿易應收帳款、預付款項、訂金及其他應收款項增加	(32,550)	(77,707)
Increase in trade payables, other payables and accruals	貿易應付帳款、其他應付款項及應計費用增加	8,363	9,991
Cash outflow from operating activities	經營活動之現金流出	(3,943)	(19,537)
Income tax (paid)/refund	(已付)／退回所得稅	(234)	264
Net cash outflow from operating activities	經營活動之現金流出淨額	(4,177)	(19,273)

Notes to the Consolidated Financial Statements

綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

39. Operating Lease Commitments

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of motor vehicles and rented premises which fall due as follows:

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Motor vehicles	汽車		
Within one year	一年內	-	541
Rented premises	租賃物業		
Within one year	一年內	1,451	830
In the second to fifth years inclusive	第二至五年(包括首尾兩年)	2,102	990
		3,553	1,820

Leases are negotiated for term of one to three years with fixed monthly rentals over the term of the leases.

None of the leases includes contingent rentals.

租約之年期協定為一至三年，而租期內之月租乃屬固定。

概無租約包含或然租金。

40. Future Operating Lease Arrangement

At the balance sheet date, the Group had future aggregate minimum lease receipts under non-cancellable operating lease in respect of aircrafts as follows:

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Within one year	一年內	4,452	4,966
In the second to fifth years inclusive	第二至五年(包括首尾兩年)	3,442	1,655
		7,894	6,621

Lease is negotiated for term of three years with a fixed monthly rental over the term of the lease.

40. 未來經營租約安排

於結算日，本集團就飛機根據於下列期限屆滿之不可撤銷經營租約之未來最低租賃總收入如下：

租約之年期協定為三年，而租期內之月租乃屬固定。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

41. Commitments

41. 承擔

		2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Capital expenditure contracted for but not provided in respect of acquisition of property, plant and equipment	有關收購物業、機器及設備之已訂約但未撥備之資本開支	919	1,498

The Company did not have any significant capital commitments at both balance sheet dates.

於兩年結算日，本公司並無任何重大資本承擔。

42. Pledge of Assets

At 31 December 2007, the Group pledged the land use rights with a carrying value of approximately RMB8,416,000 and building, plant and equipment with aggregate carrying value of approximately RMB66,980,000 and bank deposits of approximately RMB46,537,000 to banks to secure banking facilities to the extent of RMB140,383,000.

42. 資產抵押

於二零零七年十二月三十一日，本集團已向銀行抵押帳面值約為8,416,000元人民幣之土地使用權，以及總帳面值約66,980,000元人民幣之樓宇、機器及設備及約46,537,000元人民幣之銀行存款，以作為本集團獲授140,383,000元人民幣之銀行信貸之抵押。

At 31 December 2006, the Group pledged the freehold land and land use rights with carrying value of approximately RMB23,176,000 and building, plant and equipment with aggregate carrying value of approximately RMB139,153,000 and bank deposits of approximately RMB8,652,000 to banks to secure banking facilities to the extent of approximately RMB117,120,000 granted to the Group.

於二零零六年十二月三十一日，本集團已向銀行抵押帳面值約23,176,000元人民幣之永久業權土地及土地使用權，以及帳面總值約139,153,000元人民幣之樓宇、機器及設備，及約8,652,000元人民幣銀行存款，以作為本集團獲授約117,120,000元人民幣之銀行信貸之抵押。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

43. Contingent Liabilities

At 31 December 2007, the Company has given corporate guarantees in favour certain banks to secure banking facilities of RMB80,241,000 (2006: RMB47,016,000) granted to Guangzhou Mayer, a subsidiary. Out of these banking facilities, RMB60,736,000 was utilised by Guangzhou Mayer as at 31 December 2007 (2006: RMB44,961,000).

Apart from the above, the Company and the Group have no other material contingent liabilities at both balance sheet dates.

44. Employee Retirement Benefits

The Company and its subsidiaries participate in defined contribution retirement schemes governed by the relevant local government authorities in which they operate.

The Company operates a Mandatory Provident Fund Scheme (the "Scheme") for all qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustees. The Company contributes 5% of the relevant payroll to the Scheme, which contribution is matched by employees. The Company's employer contributions vest fully with the employees when contributed into the scheme.

The Company's subsidiary in the PRC is required to make monthly contributions to the retirement schemes up to the time of retirement of the eligible employees, at a rate of 12% of the local standard basic salaries. The local government authorities are responsible for the pension liabilities to these retired employees.

As of 31 December 2007, the Group had no obligation apart from the contributions as stated above. There were no forfeited contributions, which arose upon employees leaving the retirement benefits schemes.

43. 或然負債

於二零零七年十二月三十一日，本公司就附屬公司廣州美亞獲授銀行信貸而向若干銀行提供公司擔保約80,241,000元人民幣（二零零六年：47,016,000元人民幣）。在該等銀行信貸中，廣州美亞截至二零零七年十二月三十一日已動用其中約60,736,000元人民幣（二零零六年：44,961,000元人民幣）。

除上述者外，本公司及本集團於兩年結算日並無其他重大或然負債。

44. 僱員退休福利

本公司及其附屬公司均參與有關地方政府機關所監管之定額供款退休計劃。

本公司為其全體香港合資格僱員設立強制性公積金計劃（「該計劃」）。該計劃之資產於受託人控制之基金內與本集團資產分開持有。本公司按相關薪酬之5%向該計劃作出供款，而有關供款與僱員對應。本公司之僱主供款於對計劃作出供款時全數歸屬予僱員。

本公司於中國之附屬公司於合資格僱員退休前每月須向退休計劃供款，供款額為當地標準基本薪金12%。地方政府機關須負責支付該等退休僱員之退休金。

於二零零七年十二月三十一日，除上述供款外，本集團並無任何其他責任，亦無由於僱員退出退休福利計劃而沒收之供款。

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綜合財務報告附註

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45. Connected and Related Party Transactions

During the year, the Group had the following connected and related party transactions which were conducted in the ordinary course of the Group's business:

- (i) ROC Advance Limited ("ROC"), a wholly-owned subsidiary of the Group entered into an aircraft lease agreement with Daily Air Corporation ("Daily Air"), a related company in which Mr. Huang Chun-fa has beneficial interest, regarding the leasing of four aircrafts and the provision of consultancy services by ROC to Daily Air for a term of three years commencing from 1 May 2006 to 30 April 2008 in consideration of rental income and consultancy fee income. At the balance sheet date, RMB6,473,000 is due from this related company (note 29). Total amounts received during the year are disclosed in (v) below.
- (ii) On 13 April 2007, ROC entered into the Aircraft Sale Agreement with Sino Regal Assets Limited ("Sino Regal"), a wholly-owned subsidiary of Mayer Steel Pipe Corporation, the ultimate holding company, to acquire two aircrafts from Sino Regal for a total consideration of approximately US\$2 million. At the same date, Sino Regal and Daily Air executed the Lease Assignment Agreement. Under the Lease Assignment Agreement, ROC 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 for an annual rental of US\$552,000. The Aircrafts Sale Agreement and the Lease Assignment Agreement were completed on 31 May 2007.

45. 關連交易及關連人士交易

於年內，本集團在日常業務中進行之關連交易及關連人士交易如下：

- (i) 本集團全資附屬公司鵬進有限公司(「鵬進」)與關連公司德安航空股份有限公司(「德安航空」)(黃春發先生於其中擁有實益權益)訂立飛機租賃協議，內容有關四架飛機之租賃及由鵬進向德安航空提供顧問服務，自二零零六年五月一日至二零零八年四月三十日止為期三年，代價為租金收入及顧問費收入。於結算日，應收該關連公司款項為6,473,000元人民幣(附註29)。年內收到之總款額於下文(v)披露。
- (ii) 於二零零七年四月十三日，鵬進與最終控股股東美亞鋼管廠股份有限公司之全資附屬公司Sino Regal Assets Limited(「Sino Regal」)訂立飛機銷售協議，以向Sino Regal購買兩架飛機，總代價約為2,000,000美元。同日Sino Regal及德安航空簽立租賃轉讓協議。根據租賃轉讓協議，鵬進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，年租金為552,000美元。飛機銷售協議與租賃轉讓協議已於二零零七年五月三十一日完成。

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綜合財務報告附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

45. Connected and Related Party Transactions (Continued)

- (iii) On 13 April 2007, Guangzhou Mayer Corp., Ltd (“Guangzhou Mayer”), a 81.4% indirectly owned subsidiary of the Company, entered into the Raw Material Purchase Agreement with Mayer Steel Pipe Corporation, the ultimate holding company, for the acquisition of raw materials from Mayer Steel Pipe Corporation for the period commencing from 1 April 2007 to 31 March 2010. The directors of the Company expect that the maximum amount of raw material purchase for the three years ending 31 March 2010 will be in the amounts of US\$3.9 million, US\$4.3 million and US\$4.7 million, respectively.

During the year, Guangzhou Mayer has purchased raw materials from Mayer Steel Pipe Corporation approximately US\$1.4 million at terms similar to those charged by independent third party suppliers.

- (iv) On 13 April 2007, Sunbeam Group Limited (“Sunbeam”), a wholly-owned subsidiary of the Company, entered into the Share Disposal Agreement with Mayer Steel Pipe Corporation, to dispose all of its 28.51% equity interest in Fullchamp for a consideration of NT\$149,500,000 (equivalent to approximately RMB34.6 million) in cash. The disposal of Fullchamp is completed on 3 July 2007.

45. 關連交易及關連人士交易 (續)

- (iii) 於二零零七年四月十三日，本公司間接持有81.4%權益之附屬公司廣州美亞股份有限公司（「廣州美亞」）與最終控股公司美亞鋼管廠股份有限公司訂立原材料採購協議，以向美亞鋼管廠股份有限公司採購原材料，由二零零七年四月一日起至二零一零年三月三十一日止。本公司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將為3,900,000美元、4,300,000美元及4,700,000美元。

年內，廣州美亞已向美亞鋼管廠股份有限公司採購約1,400,000美元之原材料，有關條款與獨立第三方供應商提供的相若。

- (iv) 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」）與美亞鋼管廠股份有限公司訂立股份出售協議，以出售其於富成之全部28.51%股權，代價為現金新台幣149,500,000元（相當於約34,600,000元人民幣）。富成出售事項已於二零零七年七月三日完成。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

45. Connected and Related Party Transactions (Continued)

(v) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

Name 姓名	Nature of Relationship 關係	Transaction 交易性質	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Lo Haw and his spouse 羅漢及其配偶	Director of the company 本公司董事	Rental paid 已付租金	120	120
Daily Air Corporation 德安航空股份有限公司	Under common director 受共同董事控制	Rental income 租金收入	7,195	4,966
		Consultancy fee income 顧問費收入	469	144

Note: The rental, which was paid for premises owned by Mr. Lo Haw and his spouse was determined with reference to the prevailing market rental.

附註：就羅漢先生及其配偶所擁有之一項物業支付之租金乃參考現行市場租金釐定。

46. Post Balance Sheet Events

Subsequent to 31 December 2007 and up to the date of approval of these financial statements, the Group has no material post balance sheets events.

46. 結算日後事項

於二零零七年十二月三十一日後及直至本財務報表獲批准之日期，本集團並無重大結算日後事項。

47. Capital Management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

47. 資本管理

本集團管理資本之首要目標是保障本集團持續經營能力，以為股東提供回報，惠及其他利益相關者以及保持優化的資本架構以減輕資金成本。

為保持或調整資本架構，本集團可調整向股東派發股息之金額，向股東返還資本，發行新股份或出售資產減債。

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47. Capital Management (Continued)

Consistent with industry practices, the Group monitors its capital structure on the basis of gearing ratio. The gearing ratio is defined as net debt divided by total capital. Net debt is calculated as total bank borrowings less cash and bank deposits. Total capital is calculated as shareholders' funds (i.e. total equity attributable to equity shareholders of the Company) plus net debt.

During 2007, the Group's strategy, which was unchanged from 2006, was to maintain the gearing ratio below 80%.

The Group's gearing ratio at 31 December 2007 and 2006 was as follows:

		Note 附註	2007 二零零七年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣
Total borrowings	總借貸	34	311,402	374,603
Less: Cash and bank deposits	減：現金及銀行存款	30, 31	(113,998)	(76,141)
Net debt	淨債務		197,404	298,462
Shareholders' funds	股東資金		316,123	263,946
Total capital	總資本		513,527	562,408
Gearing ratio	資本負債比率		38%	53%

As at 31 December 2007 and 2006, the Group had complied with all of the required financial covenants as stated in the Group's banking facilities granted by certain banks.

48. Comparative Figures

Certain comparative figures have been adjusted to conform with changes in disclosures in the current year and to show separately comparative amounts in respect of items disclosed for the first time in 2007.

49. Ultimate Holding Company

The directors regard Mayer Steel Pipe Corporation, a company incorporated in the Republic of China, as being the ultimate holding company.

47. 資本管理(續)

本公司利用資本負債比率監察資本架構，做法符合業內慣例。資本負債比率為淨債務除以總資本。淨債務是總銀行借貸減去現金及銀行存款之數。總資本是股東資金(即本公司權益持有人應佔權益總額)加上淨債務之數。

本集團於二零零七年將資產負債比率保持在80%以下，此策略與二零零六年無異。

本集團於二零零七年及二零零六年十二月三十一日之資產負債比率如下：

48. 比較數字

若干比較數字已予調整，以符合本年度之披露的變動，並且就二零零七年內首次披露之項目獨立呈列比較數字。

49. 最終控股公司

董事認為於中華民國註冊成立之公司美亞鋼管廠股份有限公司為最終控股公司。