

# 2006

Annual Report



**美亞控股有限公司\***  
**MAYER HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)  
Stock Code:1116

\* For identification purpose only



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# Corporate Information

## 公司資料

### Directors

#### Executive directors

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

#### Non-executive directors

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

#### Independent non-executive directors

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

### Company Secretary

Mr. Lui Cho Tak, *L.L.B., P.C.L.L., LL.M.*

### 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

Room 501, 5th Floor  
Aon China Building  
29 Queen's Road Central  
Hong Kong  
Tel: (852) 3523 1116  
email: adm@mayer.com.hk

### 董事

#### 執行董事

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

#### 非執行董事

蕭敏志先生  
黃春發先生

#### 獨立非執行董事

林聖斌先生  
黃瑞祥先生  
趙熾佳先生

### 公司秘書

雷祖德先生 · *L.L.B., P.C.L.L., LL.M.*

### 合資格會計師

陳禮賢先生 · *AICPA, CPA*

### 註冊辦事處

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

### 香港總辦事處及主要營業地點

香港中環  
皇后大道中29號  
怡安華人行  
5樓501室  
電話: (852) 3523 1116  
電郵地址: adm@mayer.com.hk

# 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.tw](http://www.mayer.com.tw)

### Auditors

CCIF CPA Limited

### Solicitors

Pinsent Masons

### Principal Share Registrar and Transfer Office

Bank of Butterfield International (Cayman) Ltd.  
P.O. Box 705  
Butterfield House  
68 Fort Street  
George Tower  
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.tw](http://www.mayer.com.tw)

### 核數師

陳葉馮會計師事務所有限公司

### 律師

品誠梅森律師事務所

### 股份過戶登記總處

Bank of Butterfield International (Cayman) Ltd.  
P.O. Box 705  
Butterfield House  
68 Fort Street  
George Tower  
Grand Cayman  
Cayman Islands  
British West Indies

### 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

		2002 二零零二年 RMB'000 千元人民幣	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	2006 二零零六年 RMB'000 千元人民幣
Turnover	營業額	475,528	654,273	941,577	1,056,629	<b>1,046,482</b>
Profit before taxation	除稅前溢利	52,421	40,830	60,160	1,638	<b>13,538</b>
Taxation	稅項	(3,696)	(2,833)	(5,019)	(878)	<b>(2,095)</b>
Profit before minority interests	未計少數股東權益前溢利	48,725	37,997	55,141	760	<b>11,443</b>
Minority interests	少數股東權益	(3,919)	(8,553)	(13,912)	(452)	<b>599</b>
Profit for the year	年內溢利	44,806	29,444	41,229	308	<b>12,042</b>
Dividends	股息	–	31,500	12,000	4,000	<b>9,600</b>
Earnings per share – basic (RMB)	每股盈利 基本(人民幣)	14.94 cents分	9.81 cents分	11.70 cents分	0.08 cent分	<b>2.99 cents分</b>

### Consolidated Balance Sheet

### 綜合資產負債表

At 31 December

於十二月三十一日

		2002 二零零二年 RMB'000 千元人民幣	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	2006 二零零六年 RMB'000 千元人民幣
Non-current assets	非流動資產	84,065	77,446	88,045	217,475	<b>221,900</b>
Current assets	流動資產	244,143	302,632	453,854	655,948	<b>690,068</b>
Current liabilities	流動負債	(152,727)	(198,157)	(260,998)	(543,844)	<b>(521,344)</b>
Non-current liabilities	非流動負債	–	–	–	(48,486)	<b>(28,832)</b>
		175,481	181,921	280,901	281,093	<b>361,792</b>
Issued capital	已發行股本	83,570	–	42,480	42,480	<b>50,480</b>
Reserves	儲備	59,754	141,211	174,666	168,744	<b>203,866</b>
Proposed final dividend	擬派末期股息	–	–	12,000	4,000	<b>9,600</b>
Minority interests	少數股東權益	32,157	40,710	51,755	65,869	<b>97,846</b>
		175,481	181,921	280,901	281,093	<b>361,792</b>

# Chairman's Statement

## 主席報告

Dear fellow shareholders,

### Overview

"Harmony, Innovation, Sustainable Development and Customer Satisfaction through Provision of Goods and Services of High Quality" has been the Group's vision and mission. The year of 2006 was a year with great challenges, despite of which, the Group has made outstanding achievement in progressing our business towards a sustainable growth path.

The Group overcame various difficulties in the year. As the PRC macro regulation and control measures toughened, our main business (iron and steel processing) suffered. Under such circumstances, demand for steel products shrunk, the market was in a glutted situation that supply exceeded demand and steel price fluctuated significantly, which kept the production cost at a high level and affected the Group's operation.

In response to the changes in market conditions mentioned above, the Group promptly made corresponding adjustments in its business strategy and management and successfully fulfilled various tasks, including:

### Business:

- The Group put great effort to improve our iron and steel production plant production, and further strengthen in advanced equipments, which would optimize its production structure and maximize its economic efficiency.
- The Group continued to expand its direct export and domestic business of iron and steel products and keep pace with trends of the international market. We will also establish allied "industrial chains" with major customers so as to minimise the risk of pricing.

### Management:

- The Group reinforced its management over production, sales and finance, thus managed to balance the production and sales of its products, ensuring timely fund collection energy saving and effective control on various costs and expenses.

致各位股東：

### 回顧

「和諧、創新、永續經營，提供客戶滿意的產品與服務」是集團一向的經營方針。二零零六年乃充滿挑戰的一年，本集團仍然取得突出的成就，業務持續穩健增長。

本年度集團克服了許多困難。主要業務（鋼鐵加工業務）隨著國家宏觀監管及調控力度加大而遭受挫折。在這種條件下，鋼材需求萎縮，鋼材市場出現供大於求的飽和局面，鋼材價格大幅波動，致使生產成本居高不下，對集團經營造成一定影響。

鑒於市況發生上述變化，集團在業務策略及管理方面迅速作出相應調整。並順利完成了各項工作任務，其中：

### 業務方面：

- 集團致力改進鋼鐵生產工廠之生產，並進一步強化高端設備，不僅優化了生產組織並大大提高了經濟效益。
- 集團繼續拓展鋼鐵產品直接出口及本地業務，緊跟國際市場潮流。同時繼續與重點客戶建立聯盟式「產業鏈」，以降低價格風險。

### 管理方面

- 集團在經營上加強了生產、銷售及財務管理，實現了產銷平衡和資金的及時回籠，推動節能降耗，各項費用支出得了有效的控制。



# Chairman's Statement

## 主席報告

### Development:

- The Group is in healthy state of affairs with steady growth in economic efficiency. The economic indicators are growing favorably, with the turnover and sales volume growing steadily or maintaining at a stable level.
- The Group also place significant importance to the management of external investment and cooperation opportunities, and has established an project team to centralize all external investment projects.

### Future Development

Looking forward to the coming year, it is envisaged that the Group's steel production growth rate will stable in 2007 as it has experienced rapid growth for several years. With the expectation that the PRC macro regulation and control measures will be moderate and the Chinese economy will still go at a stable pace, it is estimated that the price of steel products will rise steadily with tiny fluctuation.

The Group's management is confident that the Group will fully capitalize its extensive experience in cost management and achieve greater cost effectiveness, increase output of high value-added products and welcome to every external investment opportunity which are beneficial to the Group, with an aim to generate the best return from investments and generate the best returns to our investors.

To sustain the development of the Group, we will give full consideration to every investment opportunity or resource realignment which is beneficial to the Group, with an aim to generate greater return from investments. Among our various investments, we are also considering with the extensive experience of the board members and the management to bring in other businesses.

### Appreciation

Finally, I would like to dedicate my sincere gratitude to our shareholders, directors, employees and business partners for their support to the Group. I believe that we can sustain our delightful operation and will record a greater growth in business and profit in the coming years.

**Lai Yueh-hsing**

*Chairman*

### 發展方面：

- 本集團乃處於穩健狀況，經濟效率穩定增長。經濟數據乃向好發展，營業額及銷售量平穩增長或維持穩定水平。
- 本集團亦甚關注外部投資管理及合作機會之重要性，並已成立項目團隊，以集團處理所有外部投資項目。

### 未來發展

展望來年，集團主業鋼鐵生產在經歷了幾年的快速增長後，二零零七年增速將會保持穩定。並基於國家宏觀監管及調控政策將較溫和及中國經濟仍然平穩發展預期下，估計鋼材價格將會小幅波動，可持續穩步上升。

集團管理層有信心將充分利用多年積累的成本管理經驗，增加高附加值產品產量及對任何有利於集團的外在投資機會持開放態度，以爭取更佳投資回報及給予我們的投資者最佳的報酬。

為令本集團持續發展，我們將就每個對本集團有利的投資機會或資源調配作全面考量，以期獲得更佳投資回報。各項投資當中，我們正考慮借重董事會成員及管理層的豐富經驗，將其他業務帶進來。

### 致謝

最後，本人謹此向股東、董事、員工及業務夥伴對本集團的支持致以衷心感謝。本人相信，我們可維持良好的經營狀況，可望於來年獲得更好的業務增長及利潤回報。

**賴粵興**

*主席*

# Management Discussion and Analysis

## 管理層討論與分析

### Review of Results

The turnover of the Group for the year was approximately RMB1,046,482,000, representing an decrease of approximately 1.0% compared with approximately RMB1,056,629,000 for the last year while the net profit attributable to shareholders was approximately RMB12,042,000, representing an increase of approximately 38 times compared with approximately RMB308,000 for the last year.

### Business Review

Following the prices of steel products have dropped significantly in the second half of 2005, the national economy of the PRC is basically achieving a balance in the first half of 2006. Prices of steel products for first quarter of 2006 continued the trend from the end of last year which remained at a low level, and starting from March 2006, as a result of increase in total demand, the prices of steel products started to rise again and maintain a rapid yet stable growth. However, the overall steel product prices during the year were still substantially lower than those for the last year. Sales volume of steel products slightly decreased 1.4% from approximately 139,000 tonnes for the last year to approximately 137,000 tonnes. As a result of the overall increase in prices of steel products, the selling price and the gross margin of the Group's steel products turnaround and increased by approximately 9.6% and 3.3% compared with that for the last year, .

### Production and Sales

The revenue from domestic sales of steel products in the PRC during the year was approximately RMB96,532,000, representing an decrease of approximately 19.6% compared with approximately RMB120,095,000 last year.

The revenue from indirect export sales of steel products in the PRC during the year was approximately RMB815,917,000, representing an decrease of approximately 12.1% compared with approximately RMB928,512,000 for the last year. The market for indirect export sales in the PRC continued to be the core market for the Group.

The revenue from direct export sales of steel products outside the PRC during the year was approximately RMB24,050,000 while it was approximately RMB8,602,000 for the last year. The Group will continue to develop and maintain a good momentum of the international market, especially the stainless steel pipes product which has been exported to countries such as the U.S. and Vietnam.

### Gross Profit

The Group recorded a gross profit of approximately RMB75,349,000 for the year, with a gross profit margin of approximately 7.2%, compared with the gross profit of approximately RMB41,067,000 and a gross profit margin of approximately 3.9% for the last year. This was mainly attributable to the higher average selling prices of our products as compared to that of last year. .

### 業績回顧

本集團於本年度的營業額約為1,046,482,000元人民幣，較去年的1,056,629,000元人民幣下降約1.0%，股東應佔純利為12,042,000元人民幣，較去年的308,000元人民幣上升約38倍。

### 業務回顧

隨著二零零五年下半年鋼材價格大幅下跌，中國國民經濟於二零零六年上半年已基本恢復平衡。二零零六年首季度之鋼材價格承接去年勢頭，維持在低水平，並自二零零六年三月起，在總需求上升帶動下，鋼材價格再度開始上揚，並維持強勁但穩定增幅。然而，年內鋼材整體價格相較去年仍屬甚低。鋼材銷售額較去年約139,000噸輕微下降1.4%至約137,000噸。由於鋼材之整體價格上升，本集團的鋼材售價毛利率與去年相比好轉，分別上升約9.6%及3.3%。

### 生產及銷售

本年度國內鋼材的內銷收入約為96,532,000元人民幣，比去年約120,095,000元人民幣下降約19.6%。

本年度中國間接出口銷售鋼材的收入約為815,917,000元人民幣，比去年約928,512,000元人民幣有約12.1%的下降。國內的間接出口銷售市場仍然是本集團的核心市場。

本年度國外直接出口銷售鋼材的收入為24,050,000元人民幣，去年則約為8,602,000元人民幣。本集團將持續發展及保持勢頭全面開拓國際市場，尤其是不銹鋼鋼管產品，現已出口到美國、越南等國家。

### 毛利

本集團於本年度錄得毛利約為75,349,000元人民幣，毛利率約7.2%，去年毛利則約為41,067,000元人民幣，毛利率約3.9%。毛利上升的原因，主要由於公司鋼材平均銷售價格較去年為高。



# Management Discussion and Analysis

## 管理層討論與分析

### Operating Expenses

The total operating expenses of the Group for the year were approximately RMB62,407,000, of which approximately RMB18,356,000 in selling and distribution costs, RMB35,058,000 in administrative expenses, RMB8,993,000 in other operating expenses and RMB20,661,000 in finance costs, accounting for approximately 7.8%, 3.4%, 0.9% and 2.0% of turnover respectively while the amounts for the last year were approximately RMB9,853,000, RMB30,558,000, RMB2,986,000 and RMB14,372,000 respectively, accounting for approximately 0.9%, 2.9%, 0.3% and 1.4% respectively.

### Financial Resources and Treasury Policies

The Group continues to adhere to prudent treasury policies. The gearing ratio (borrowings divided by shareholders' funds) as of 31 December 2006 was approximately 141.9% (2005: 198.6%). The total bank borrowings of the Group amounted to approximately RMB374,603,000 (2005: RMB427,511,000), mainly denominated in US dollars, HK dollars, Renminbi and new Taiwan dollars with floating interest rates. The Group's short term loans from banks accounted for approximately 37.9% of the total assets (2005: 43.4%).

The current ratio (current assets divided by current liabilities) as of 31 December 2006 was approximately 1.32 (2005: 1.21). The Group continued to insure against 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.

### Cash Flow

Net cash outflow of approximately RMB19,273,000 was from operating activities for the year, mainly resulted from the increase of trade receivables level of the Group. Net cash outflow of approximately RMB42,198,000 used for plant expansion and purchase of machinery and equipment and RMB4,000,000 dividend paid. Approximately RMB52,908,000 repayment of bank borrowings and approximately RMB40,000,000 raised from new shares subscription on 20 December 2006, the net increase in cash and cash equivalents amounted to approximately RMB20,102,000. Bank balances and cash as at 31 December 2006 amounted approximately RMB45,689,000, mainly denominated in US dollars, HK dollars, Renminbi and new Taiwan dollars.

### Exchange Rate Exposures

As most of the Group's monetary assets and liabilities are denominated in US dollars, HK dollars, Renminbi and new Taiwan dollars and those currencies remained relatively stable during the year, the Group was not exposed to any significant exchange risk. Meanwhile, the Group is also studying and implementing various measures in relation to reducing any exchange impact from the revalued of Renminbi against the US dollars.

### 營業費用

本集團本年度的營業費用總額為約62,407,000元人民幣，其中分銷成本約18,356,000元人民幣，行政開支為35,058,000元人民幣，其他經營開支為8,993,000元人民幣，財務費用為20,661,000元人民幣，佔銷售收入的比重分別為：7.8%、3.4%、0.9%及2.0%。去年金額分別為9,853,000元人民幣、30,558,000元人民幣、2,986,000元人民幣及14,372,000元人民幣，比重分別為：0.9%、2.9%、0.3%及1.4%。

### 財務資源及理財政策

本集團一直秉承審慎的理財政策。於二零零六年十二月三十一日之資本負債率（借貸除以股東資金）約為141.9%（二零零五年：198.6%）。本集團之借貸總額約為374,603,000元人民幣（二零零五年：427,511,000元人民幣），主要以美元、港元、人民幣及新台幣為單位並按浮動利率計息。本集團從銀行獲得的短期借款佔資產總額的比重約為37.9%（二零零五年：43.4%）。

於二零零六年十二月三十一日之流動比率（流動資產除以流動負債）為1.32（二零零五年：1.21）。本集團繼續對應收賬款進行投保，以降低除銷的風險，也確保資金的及時回收，從而保證對償還負債及承擔營運資金的需要。

### 流動現金

在本集團貿易應收帳款水平增加的情況下，於本年度經營業務所使用之現金流出淨額約為19,273,000元人民幣。約42,198,000元人民幣用作廠房擴充及購買機器設備，及4,000,000元人民幣用作派發股息。本年度償還約52,908,000元人民幣之銀行借款，並於二零零六年十二月二十日透過認購新股籌得約40,000,000元人民幣之款項，現金及等同現金項目流出淨額約為20,102,000元人民幣。於二零零六年十二月三十一日的現金及等同現金項目為45,689,000元人民幣，主要以美元、港元、人民幣及新台幣為單位。

### 匯率波動風險

本集團大部份貨幣資產及負債均以美元、港元、人民幣及新台幣計算，而該等貨幣於年內相對穩定，故本集團並無重大匯兌風險。同時，本集團正在為人民幣兌美元及新台幣之升值，研究落實各項措施以減少任何匯兌影響。

# Management Discussion and Analysis

## 管理層討論與分析

### Pledge of Assets

As at 31 December 2006, property, plant and equipment and interest in leasehold land held for own use under an operating lease of the Group with aggregate net book value of approximately RMB162,329,000 and bank deposits of approximately RMB8,652,000 respectively were pledged to secure bank borrowings.

### Contingent Liabilities

The Group did not have any significant contingent liabilities at the balance sheet date (2005: Nil). At 31 December 2006, the Company had provided corporate guarantees of approximately RMB47,017,000 (2005: RMB145,263,000) in favour of a bank for banking facilities granted to a subsidiary. These banking facilities had been utilised to the extent of approximately RMB44,961,000 at the balance sheet date (2005: RMB 96,985,000).

### Employment, Training and Development

As at 31 December 2006, the Group had a total of 500 employees. Total staff costs for the year ended 31 December 2006 were approximately RMB21,917,000, including retirement benefits cost of approximately RMB2,286,000. 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.

### Outlook

Under the macro-economic control policy, the growth rate will slow down in 2007. According to the "Strategy on the Development of the Steel Industry" promulgated by the State, the development of the steel industry will be directed towards controlled volume, technology upgrade, industrial layout and product mix adjustment, so as to combine the impact of an increase in new capacity with the phasing out of backward capacity. Following the technology upgrade and improvement of our plants and the new installation of steel-cutting and pipe-making machines, the Group's future production capacity and market competitiveness would be enhanced to meet the steady but moderately fast growth of the national economy of the PRC and the Asian market. Moreover, the Group's stainless pipes product has been successfully launched to the domestic market in the PRC as well as the international market, and has duly obtained the Hygiene Permit for Stainless Steel Pipes from the Guangdong Province Health Bureau, which would significantly help to promote the Group's new products in those markets.

Looking forward to 2007, the imbalance between demand and supply in the steel sector will continue and the steel market will still remain at a relatively unstable level. The Group's management is confident that the Group will fully capitalize its extensive experience in cost management and achieve greater cost effectiveness, increased output of high value-added products and welcome to every investment opportunity which are beneficial to the Group, with an aim to generate the best return from investments and generate the best returns to our investors.

### 資產抵押

於二零零六年十二月三十一日，本集團的物業、廠房及設備及持有租賃土地作自用之經營租賃權益分別約有總賬面淨值162,329,000元人民幣及銀行存款約8,652,000元人民幣作為本集團銀行借款之抵押。

### 或然負債

本集團於結算日並無任何重大或然負債（二零零五年：無）。於二零零六年十二月三十一日，本公司就一間附屬公司獲授銀行信貸而向若干銀行提供公司擔保約47,017,000元人民幣（二零零五年：145,263,000元人民幣），於結算日，該等銀行借貸已動用約44,961,000元人民幣（二零零五年：96,985,000元人民幣）。

### 僱用、培訓及發展

於二零零六年十二月三十一日，本集團共有500名僱員。於截至二零零六年十二月三十一日止年度的總員工成本約為21,917,000元人民幣，包括退休福利成本約2,286,000元人民幣。本集團的薪酬待遇維持在有競爭力的水平以吸引、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。

### 展望

在國家宏觀調控政策的影響下，二零零七年增速將會放慢，根據國家頒佈的《鋼鐵產業發展政策》，鋼鐵產業發展將向控制總量增長，推動技術升級和產業佈局、產品結構調整轉變，新增生產能力將與淘汰落後生產能力相結合。隨著技術提升及廠房改良及新增裁剪、製管生產線，進一步提高未來的產能和市場競爭力，來應付穩步快速增長之中國國民經濟及亞洲市場。同時，本集團的不銹鋼管產品已經成功進入國內、國際市場，且已正式取得廣東省衛生廳頒發的「不銹鋼管衛生許可證」，對推動集團新產品的市場開拓有極大的幫助。

展望二零零七年，鋼鐵產業之供求不平衡將持續，而鋼鐵市場亦將維持在相對不穩定水平。本集團管理層有信心本集團將充分利用多年積累的成本管理經驗，增加高附加值產品產量及對任何有利於本集團的投資機會持開放態度，以爭取更佳投資回報及給予我們的投資者最佳的報酬。

# Biographical Details of Directors

## 董事履歷

### Executive Directors

**Mr. Lai Yueh-hsing**, aged 49, 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 Durban Development Co., Limited, a director of Tze Shin International Company Limited, the general manager of Du Centre Co., Limited and supervisor of Mayer Steel Pipe Corporation ("Taiwan Mayer").

**Mr. Lo Haw**, aged 44, 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 15 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 37, 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 9 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 56, 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 21 years of experience in real estate development and over 6 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.

**Mr. Cheng Dar-terng**, aged 55, 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 41, is an executive director of the Company responsible for financial activities of the Group. He has over 15 years of experience in the steel pipe and sheet industry. Mr. Chiang is currently the executive assistant to the general manager of Taiwan Mayer.

### 執行董事

**賴粵興先生**·49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·賴先生現時亦擔任德安開發股份有限公司董事·志信國際股份有限公司董事·德先股份有限公司總經理及美亞鋼管廠股份有限公司(「台灣美亞」)監察人。

**羅漢先生**·44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15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**·37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9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**·56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21年房地產發展經驗及超過6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。

**鄭達騰先生**·55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**·41歲·本公司執行董事·負責本集團財務工作·具有超過15年鋼管及鋼板行業經驗·現時兼任台灣美亞總經理助理。

# Biographical Details of Directors

## 董事履歷

### Non-executive Directors

**Mr. Hsiao Ming-chih**, aged 47, 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 50, 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 42, 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.

**Mr. Huang Jui-hsiang**, aged 46, is an independent non-executive director of the Company. Mr. Huang obtained a Master degree in Accountancy from National Chengchi University. He has over 13 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 46, 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.

### 非執行董事

**蕭敏志先生**，47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**，50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**，42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。

**黃瑞祥先生**，46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13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**，46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. Chan Lai Yin Tommy**, aged 35, is 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 12 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.

**Mr. Chang Yin-kwang**, aged 66, 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 45, 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 38, 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 47, 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.

### Company Secretary

**Mr. Lui Cho Tak**, LL.B., P.C.L.L., LL.M., aged 39, is a practising solicitor in Hong Kong, England and Wales and a partner of a law firm in Hong Kong. Mr. Lui graduated and received from the University of Glamorgan a Bachelor Degree in Laws in 1990 and graduated and received from the University of Hong Kong a Postgraduate Certificate in Laws in 1991 and a Master Degree in Laws in 1994.

### 高級管理人員

**陳禮賢先生**，35歲，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12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。

**張銀光先生**，66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**，45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**，38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**，47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。

### 公司秘書

**雷祖德先生**，LL.B., P.C.L.L., LL.M.，39歲，香港、英國及威爾斯執業律師，並為香港一間律師事務所合夥人。雷先生一九九零年畢業於University of Glamorgan，獲得法律學士學位，其後於一九九一年畢業於香港大學，獲得法律研究生證書，再於一九九四年獲得法律碩士學位。



# Directors' Report

## 董事報告

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

### Principal Activities and Geographical Analysis of Operations

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

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

### Results and Dividends

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

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

### Summary Financial Information

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

### Property, Plant and Equipment

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

### Share Capital

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

### Reserves

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

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

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

### 主要業務及地區分析

本公司之主要業務為投資控股，其附屬公司之業務載於財務報表附註21。

本集團年內按業務及地區分部分析之表現載於財務報表附註5。

### 業績及股息

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

董事建議派付末期股息每股普通股二分人民幣，合共9,600,000元人民幣。

### 財務資料摘要

本集團過去五年之業績以及資產及負債摘要載於第4頁。

### 物業、機器及設備

本集團之物業、機器及設備於年內之變動詳情載於財務報表附註17。

### 股本

本公司股本於年內之變動詳情載於財務報表附註32。

### 儲備

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

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



# Directors' Report

## 董事報告

### Pre-emptive Rights

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

### Major Customers and Suppliers

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

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

### Share Option Scheme

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

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

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

### 優先購買權

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

### 主要客戶及供應商

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

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

### 購股權計劃

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

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

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

# Directors' Report

## 董事報告

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

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

### Directors

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

#### Executive directors

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

#### Non-executive directors

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

#### Independent non-executive directors

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

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

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

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

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

### 購買、出售或贖回本公司之上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市股份。

### 董事

於年內及截至本報告日期，本公司之董事如下：

#### 執行董事

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

#### 非執行董事

蕭敏志先生  
黃春發先生

#### 獨立非執行董事

黃瑞祥先生  
林聖斌先生  
趙熾佳先生

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

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

董事會代表本公司向吳國龍先生及沈亨將先生過往對本集團之貢獻表示欣賞及感謝。

本公司董事之履歷載於第10頁至第11頁。

# Directors' Report

## 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 21 June 2004 and shall continue thereafter from year to year until and unless terminated by either party by giving to the other party not less than three months' prior written notice.

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

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

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

### Management Contracts

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

### Directors' Interests in Contracts

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

### 董事之服務合約

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

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

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

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

### 管理合約

概無於年內訂立或存續涉及本公司及本集團所有或大部分業務之管理及行政之合約。

### 董事於合約之權益

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

# Directors' Report

## 董事報告

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

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

### 本公司董事及主要行政人員之權益及淡倉

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

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

### 於美亞鋼管廠股份有限公司（「台灣美亞」）股本之好倉

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

# Directors' Report

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

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

# Directors' Report

## 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:

### 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：

### Long positions in the share capital of the Company

### 於本公司股本之好倉

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



# Directors' Report

## 董事報告

### Substantial Shareholders (Continued)

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

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

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

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

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

### Directors' Right to Acquire Shares

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

### 主要股東(續)

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

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

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

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

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

### 董事購入股份之權利

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

### Connected Transactions

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

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

### 關連交易

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

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

# Directors' Report

## 董事報告

### Connected Transactions (Continued)

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

### Other Matters

#### Disposal of 10.97% interest in Fullchamp

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

#### Senior management and company secretary

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

### Subsequent Events

#### (1) The Disposal of Fullchamp

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

### 關連交易 (續)

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

### 其他事項

#### 出售富成之10.97%權益

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

#### 高級管理層及公司秘書

本集團高級管理層及公司秘書之履歷載於第12頁。

### 結算日後事項

#### (1) 出售富成

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

# Directors' Report

## 董事報告

### Subsequent Events (Continued)

#### (2) Acquisition and Aircraft Sale Agreement

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

#### (3) Continuing Connected Transactions

##### (a) Lease Assignment Agreement

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

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

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

### 結算日後事項 (續)

#### (2) 收購事項及飛機銷售協議

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

#### (3) 持續關連交易

##### (a) 租賃轉讓協議

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

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

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

# Directors' Report

## 董事報告

### Subsequent Events (Continued)

#### (b) Raw Material Purchase Agreement

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

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

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

### Auditors

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

By order of the Board

**Lai Yueh-hsing**

*Chairman*

Hong Kong, 18 April 2007

### 結算日後事項 (續)

#### (b) 原材料採購協議

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

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

進一步詳情乃於本公司在二零零七年四月十三日之公佈中作披露。

### 核數師

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

承董事會命

主席

賴粵興

香港，二零零七年四月十八日

# 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 2006, 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.

The biographical details of the directors are provided on pages 10 to 11 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.

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有限公司（「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

於二零零六年十二月三十一日，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。

董事之個人資料載於本年報第10至11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。



# Corporate Governance Report

## 企業管治報告

### Board of Directors (Continued)

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.

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.

### 董事會 (續)

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會議時間均有所增加，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。

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。

# Corporate Governance Report

## 企業管治報告

### The Board at Work (Continued)

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 2006, 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.

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.

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In order to ensure full compliance of the Company's Articles of Association with Code Provision A.4.2 of the CG Code, at the annual general meeting of the Company held on 30 June 2006, a special resolution was passed to amend the Company's Articles of Association so that all directors are subject to retirement by rotation once every three years and any new director appointed to fill a casual vacancy shall be subject to re-election by shareholders at the first general meeting after appointment. Code Provision A.4.2 has been fully complied with since 30 June 2006.

### 董事會之運作(續)

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。

於截至二零零六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。

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衝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。

守則條文A.4.2規定，所有獲委任填補臨時空缺之董事均須在獲委任後之首次股東大會上接受股東選舉。每名董事（包括有指定任期的董事）應輪值退任，至少每三年一次。

為確保本公司之組織章程細則全面遵守企業管治守則之守則條文第A.4.2條，本公司於二零零六年六月三十日舉行之股東週年大會通過一項特別決議案，以修訂本公司之組織章程細則，使全體董事將須最少每三年輪值退任一次，而任何獲委任填補臨時空缺之新董事須於獲委任後之首次股東大會上接受股東重新選舉。二零零六年六月三十日以來一直完全遵守守則條文A.4.2規定。

# Corporate Governance Report

## 企業管治報告

### The Board at Work (Continued)

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.

### 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 2005/06 and up to the date of this report is set out in the table below.

### 董事會之運作(續)

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。

### 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。於二零零五／零六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
<b>Executive Director</b> 執行董事			
Lai Yueh-hsing (Chairman) 賴粵興 (主席)		Chairman 主席	Chairman 主席
Lo Haw 羅漢			
Shen Heng-chiang 沈亨將			
Wu Kuo-lung 吳國龍			
Cheng Dar-terng 鄭達騰			
Chiang Jen-chin 蔣仁欽			
Lin Meng-chang 林孟璋			
Lu Wen-yi 呂文義			
<b>Non-Executive Directors</b> 非執行董事			
Hsiao Ming-chih 蕭敏志		Member 成員	Member 成員
Huang Chun-fa 黃春發			
<b>Independent Non-Executive Directors</b> 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

# Corporate Governance Report

## 企業管治報告

### 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.

### 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.

### 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。

### 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。

# Corporate Governance Report

## 企業管治報告

### 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.

### Board and Committee Attendance

The Board held ten regular meetings in 2006 and the average attendance rate was 52%. Details of the attendance of individual directors at Board meetings and committee meetings during the 2005/06 financial year are set out in the table below.

### 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。

### 董事會及委員會之出席率

董事會於二零零六年曾舉行十次定期會議，平均出席率為52%。於二零零五／零六財政年度，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	Full Board 董事會	Audit Committee 審核委員會	Number of meetings attended/held 出席／舉行會議次數	
			Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive Director 執行董事				
Lai Yueh-hsing 賴粵興	8/10		1/1	1/1
Lo Haw 羅漢	4/10			
Shen Heng-chiang 沈亨將	1/10			
Wu Kuo-lung 吳國龍	1/10			
Cheng Dar-terng 鄭達騰	6/10			
Chiang Jen-chin 蔣仁欽	10/10			
Lin Meng-chang 林孟璋	4/10			
Lu Wen-yi 呂文義	3/10			
Non-Executive Directors 非執行董事				
Hsiao Ming-chih 蕭敏志	9/10		1/1	1/1
Huang Chun-fa 黃春發	4/10			
Independent Non-Executive Directors 獨立非執行董事				
Lin Sheng-bin 林聖斌	6/10	2/2	1/1	1/1
Huang Jui-hsiang 黃瑞祥	6/10	2/2	1/1	1/1
Alvin Chiu 趙熾佳	6/10	2/2	1/1	1/1
Average attendance rate 平均出席率	52%	100%	100%	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.

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.

### 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他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。

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。



# Corporate Governance Report

## 企業管治報告

### Internal Control and Risk Management (Continued)

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 2005/2006, 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.

### 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.

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### 內部監控及風險管理 (續)

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。

於二零零五/零六年度，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某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。

### 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。

# Corporate Governance Report

## 企業管治報告

### 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 2006.

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 page 34.

### 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.

### 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二零零六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34頁之「獨立核數師報告」。

### 股東權利及投資者關係

股東權利及要求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 36 to 92, which comprise the consolidated and company balance sheets as at 31 December 2006, 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 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 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 the report.

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.



CCIF

### 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刊於第36至92頁之財務報表，此等財務報表包括於二零零六年十二月三十一日之綜合及公司資產負債表、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，對該等財務報表作出意見，並僅向股東（作為法人）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。

吾等按照香港會計師公會頒佈之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。

# Independent Auditor's Report

## 獨立核數師報告

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 2006 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 2007

#### Chan Wai Dune, Charles

Practising Certificate Number P00712

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，上述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二零零六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，二零零七年四月十八日

#### 陳維端

執業牌照號碼P00712

# Consolidated Income Statement

## 綜合收益表

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

		Note 附註	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Turnover	營業額	6	1,046,482	1,056,629
Cost of sales	銷售成本		(971,133)	(1,015,562)
Gross profit	毛利		75,349	41,067
Other revenue	其他收益	6	6,282	4,162
Other income	其他收入	7	10,302	14,178
Distribution costs	分銷成本		(18,356)	(9,853)
Administrative expenses	行政開支		(35,058)	(30,558)
Other operating expenses	其他經營開支		(8,993)	(2,986)
Profit from operations	經營溢利	8	29,526	16,010
Gains 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	9	4,673	—
Finance costs	融資成本	10	(20,661)	(14,372)
Profit before taxation	除稅前溢利		13,538	1,638
Taxation	稅項	11	(2,095)	(878)
Profit for the year	年內溢利		11,443	760
Attributable to:	應佔：			
Equity holders of the Company	本公司股權持有人	12	12,042	308
Minority interests	少數股東權益		(599)	452
			11,443	760
Dividends	股息	13	9,600	4,000
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	14		
— Basic	— 基本		2.99 cents分	0.08 cents分
— Diluted	— 攤薄		N/A不適用	N/A不適用

The notes on pages 43 to 92 form an integral part of these financial statements.

第43頁至第92頁之附註為組成財務報表之一部分。

# Consolidated Balance Sheet

## 綜合資產負債表

As at 31st December 2006 於二零零六年十二月三十一日

	Note	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
	附註		
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	17	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	18	8,638
Available-for-sale financial assets	可供出售金融資產	19	720
Goodwill	商譽	20	4,719
Deferred tax assets	遞延稅項資產	22	27
		221,900	217,475
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	23	217,615
Trade receivables	貿易應收賬款	24	370,155
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	25	23,421
Amount due from a related company	應收關聯公司款項	26	2,736
Tax recoverable	可收回稅項		–
Pledged bank deposits	已抵押銀行存款	27	8,652
Bank deposits	銀行存款	27	21,800
Cash and cash equivalents	現金及現金等值項目	28	45,689
		690,068	655,948
<b>LIABILITIES</b>	<b>負債</b>		
<b>Current liabilities</b>	<b>流動負債</b>		
Trade payables	貿易應付賬款	29	139,488
Other payables and accruals	其他應付款項及應計費用	30	35,322
Taxation payable	應付稅項		763
Borrowings	借貸	31	345,771
		521,344	543,844
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>168,724</b>	<b>112,104</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>390,624</b>	<b>329,579</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	借貸	31	28,832
<b>NET ASSETS</b>	<b>資產淨值</b>	<b>361,792</b>	<b>281,093</b>



# Consolidated Balance Sheet

## 綜合資產負債表

As at 31 December 2006 於二零零六年十二月三十一日

		Note 附註	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
<b>CAPITAL AND RESERVES</b>	<b>股本及儲備</b>			
Issued capital	已發行股本	32	50,480	42,480
Reserves	儲備	34	203,866	168,744
Proposed final dividend	擬派末期股息	14	9,600	4,000
<b>Equity attributable to equity shareholders of the Company</b>	<b>本公司權益持有人應佔權益</b>		<b>263,946</b>	<b>215,224</b>
<b>Minority interests</b>	<b>少數股東權益</b>		<b>97,846</b>	<b>65,869</b>
<b>TOTAL EQUITY</b>	<b>總權益</b>		<b>361,792</b>	<b>281,093</b>

Approved and authorised for issue by the board of directors on 18 April 2007

董事會於二零零七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 Yuen-hsing**  
Director

**Chiang Jen-chin**  
Director

**賴粵興**  
董事

**蔣仁欽**  
董事

The notes on pages 43 to 92 form an integral part of these financial statements.

第43頁至第92頁之附註為組成財務報表之一部分。

# Balance Sheet

## 資產負債表

As at 31 December 2006 於二零零六年十二月三十一日

		Note	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、機器及設備	17	58	159
Investments in subsidiaries	於附屬公司之投資	21	132,967	141,211
			133,025	141,370
<b>Current assets</b>	<b>流動資產</b>			
Amounts due from subsidiaries	應收附屬公司款項	21	78,774	64,015
Other receivables	其他應收款項		154	138
Pledged bank deposits	已抵押銀行存款	27	3,904	4,056
Cash and cash equivalents	現金及現金等值項目	28	15,812	2,529
			98,644	70,738
<b>LIABILITIES</b>	<b>負債</b>			
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables	其他應付款項		1,475	563
Borrowings	借貸	31	41,115	40,198
			42,590	40,761
<b>Net current assets</b>	<b>流動資產淨值</b>		56,054	29,977
<b>NET ASSETS</b>	<b>資產淨值</b>		189,079	171,347
<b>CAPITAL AND RESERVES</b>	<b>股本及儲備</b>			
Issued capital	已發行股本	32	50,480	42,480
Reserves	儲備	34	128,999	124,867
Proposed final dividend	擬派末期股息	14, 34	9,600	4,000
<b>TOTAL EQUITY</b>	<b>總權益</b>		189,079	171,347

Approved and authorised for issue by the board of directors on 18 April 2007  
On behalf of the board

**Lai Yuen-hsing**  
Director

**Chiang Jen-chin**  
Director

董事會於二零零七年四月十八日批准及授權刊發。  
代表董事會

**賴粵興**  
董事

**蔣仁欽**  
董事

The notes on pages 43 to 92 form an integral part of these financial statements.

第43頁至第92頁之附註為組成財務報表之一部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

		Issued capital	Share premium	Special reserve	Statutory surplus reserve	Statutory public welfare fund	Translation reserve	Retained profits	Proposed final dividend	Minority interests	Total
		已發行股本 RMB'000 千元人民幣	股份溢價 RMB'000 千元人民幣	特別儲備 RMB'000 千元人民幣	法定公積金 RMB'000 千元人民幣	法定公益金 RMB'000 千元人民幣	匯兌儲備 RMB'000 千元人民幣	保留溢利 RMB'000 千元人民幣	末期股息 RMB'000 千元人民幣	股東權益 少數 RMB'000 千元人民幣	總計 RMB'000 千元人民幣
At 1 January 2005	於二零零五年一月一日	42,480	4,076	71,570	16,345	4,950	352	76,195	12,000	51,413	279,381
Acquisition of a subsidiary	收購附屬公司	-	-	-	-	-	-	-	-	25,468	25,468
Exchange differences arising from translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	-	(1,070)	-	-	-	(1,070)
Appropriations	分配	-	-	-	300	-	-	(282)	-	-	18
Profit for the year	年內溢利	-	-	-	-	-	-	308	-	452	760
Dividend relating to 2004	二零零四年之股息	-	-	-	-	-	-	-	-	(11,464)	(11,464)
Dividend paid	已付股息	-	-	-	-	-	-	-	(12,000)	-	(12,000)
Proposed final dividend	擬派末期股息	-	-	(4,000)	-	-	-	-	4,000	-	-
At 31 December 2005	於二零零五年十二月三十一日	42,480	4,076	67,570	16,645	4,950	(718)	76,221	4,000	65,869	281,093
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 interests in subsidiaries	視作及部分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

### 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.

### 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。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 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 adopted the amended Company Law and thus no appropriation has been made during the year.

### 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，在一般情況下，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。法定公益金是為僱員集體福利而設，只可以資本項目動用。個別僱員只有權享用福利，而公益金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。廣州美亞已採納經修訂之公司法規定，故年內並無進行分配。

The notes on pages 43 to 92 form an integral part of these financial statements.

第43頁至第92頁之附註為組成財務報表之一部分。

# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

	Note 附註	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>經營業務之現金流出淨額</b>		
<b>INVESTING</b>	<b>投資</b>		
Proceeds from disposal of a foreign operation	出售一外國業務所得款項	4,131	—
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	2,417	70
Purchase of property, plant and equipment	購買物業、機器及設備	(42,198)	(37,150)
Decrease/(increase) in bank deposits (with original maturities more than 3 months)	減少/(增加)銀行存款(原三個月以上到期)	65,753	(87,553)
Interest received	已收利息	1,172	964
Purchase of additional interest in a subsidiary	增購附屬公司權益	(6,989)	(20,055)
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>投資活動之現金流入/(流出)淨額</b>	<b>24,286</b>	<b>(143,724)</b>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>融資前之現金流入/(流出)淨額</b>	<b>5,013</b>	<b>(190,062)</b>
<b>FINANCING</b>	<b>融資</b>		
Proceeds from partial disposals of interests in subsidiaries	部份出售附屬公司權益所得款項	13,948	—
Proceeds from issue of shares	注資	79,168	—
New borrowings raised	新增借貸	—	957,388
Increase in pledged bank deposits	有抵押銀行存款增加	(458)	(8,194)
Repayment of borrowings	償還借貸	(52,908)	(796,983)
Dividend paid	已付股息	(4,000)	(12,000)
Dividend/repayment to minority shareholders of a subsidiary	向附屬公司少數股東支付股息/還款	—	(11,464)
Interest paid	已付利息	(20,661)	(14,372)
<b>NET CASH INFLOW FROM FINANCING</b>	<b>融資之現金流入淨額</b>	<b>15,089</b>	<b>114,375</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值項目增加/(減少)</b>	<b>20,102</b>	<b>(75,687)</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>外幣匯率變動影響</b>	<b>(1,549)</b>	<b>(658)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>年初之現金及現金等值項目</b>	<b>27,136</b>	<b>103,481</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>年終之現金及現金等值項目</b>	<b>45,689</b>	<b>27,136</b>

The notes on pages 43 to 92 form an integral part of these financial statements.

第43頁至第92頁之附註為組成財務報表之一部分。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 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 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 and the aluminum forged and forged-spun wheels and other spare parts for automobiles.

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 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.

The HKICPA has issued a number of new and revised HKFRSs that are effective for accounting periods on or after 1 January 2006. The adoption of new/revised HKFRSs did not result in substantial change to the Group's accounting policies.

### 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上市。其註冊辦事處之地址為P O 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、汽車用鍛造鋁合金車輪及鍛造車輪及其他汽車零件。

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

#### 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」）頒佈之所有適用香港財務報告準則（「香港財務報告準則」）（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。

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，該等準則於二零零六年一月一日或之後開始之會計期間生效。採用該等新訂及經修訂香港財務報告準則並未導致重大會計政策轉變。



# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Statement of compliance (Continued)

HKAS 19 (Amendment)	Actuarial Gain and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39&HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS-Int 4	Determining whether an arrangement contains a lease

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

HKAS 1(Amendment)	Presentation of Financial Statements: Capital Disclosures <sup>1</sup>
HKFRS 7	Financial Instruments: Disclosures <sup>1</sup>
HKFRS 8	Operating segments <sup>2</sup>
HK (IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies <sup>3</sup>
HK (IFRIC) – Int 8	Scope of HKFRS 2 <sup>4</sup>
HK (IFRIC) – Int 9	Reassessment of Embedded Derivatives <sup>5</sup>
HK (IFRIC) – Int 10	Interim Reporting and Impairment <sup>6</sup>
HK (IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions <sup>7</sup>
HK (IFRIC) – Int 12	Service Concession Arrangements <sup>8</sup>

### 2. 主要會計政策(續)

#### 遵例聲明(續)

香港會計準則第19號 (經修訂)	精算損益、集團計劃及披露
香港會計準則第21號 (經修訂)	海外業務之淨投資
香港會計準則第39號 (經修訂)	預測集團內公司間交易之現金流量對沖會計法
香港會計準則第39號 (經修訂)	選擇以公平值列帳
香港會計準則第39號 及香港財務報告 準則第4號(經修訂)	財務擔保合約
香港(國際財務報告 詮釋委員會) — 詮釋第4號	釐定一項安排是否包含租賃

以下新準則、修訂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— 資本披露 <sup>1</sup>
香港財務報告準則 第7號	金融工具：披露 <sup>1</sup>
香港財務報告準則 第8號	經營分部 <sup>2</sup>
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 <sup>3</sup>
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 <sup>4</sup>
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 <sup>5</sup>
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 <sup>6</sup>
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 — 集團及財務股份交易 <sup>7</sup>
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 <sup>8</sup>

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Statement of compliance (Continued)

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2007
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2009
- <sup>3</sup> Effective for annual periods beginning on or after 1 March 2006
- <sup>4</sup> Effective for annual periods beginning on or after 1 May 2006
- <sup>5</sup> Effective for annual periods beginning on or after 1 June 2006
- <sup>6</sup> Effective for annual periods beginning on or after 1 November 2006
- <sup>7</sup> Effective for annual periods beginning on or after 1 March 2007
- <sup>8</sup> Effective for annual periods beginning on or after 1 January 2008

#### Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2006 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, which is 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)

#### 遵例聲明(續)

- <sup>1</sup> 於二零零七年一月一日或以後開始之年度期間生效
- <sup>2</sup> 於二零零九年一月一日或以後開始之年度期間生效
- <sup>3</sup> 於二零零六年三月一日或以後開始之年度期間生效
- <sup>4</sup> 於二零零六年五月一日或以後開始之年度期間生效
- <sup>5</sup> 於二零零六年六月一日或以後開始之年度期間生效
- <sup>6</sup> 於二零零六年十一月一日或以後開始之年度期間生效
- <sup>7</sup> 於二零零七年三月一日或以後開始之年度期間生效
- <sup>8</sup> 於二零零八年一月一日或以後開始之年度期間生效

#### 財務報表的編製基準

截至二零零六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投資除外。

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，在沒有其它直接來源下，作為判斷資產和負債的帳面價值的基礎。因此，實際結果可能有別於該估計。

管理層會不斷審閱該估計和相關假設。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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

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).

### 2. 主要會計政策(續)

#### 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，均於編製綜合財務報表時全數抵銷。集團內公司間交易產生之未變現虧損之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，及與本公司股份持有人應佔權益分開列示。少數股東所佔本集團業績在綜合收益表內作為年度溢利列作年內少數股東與本公司股份持有人之間之分配。

倘少數股東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。

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團體）。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

#### 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.

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.

### 2. 主要會計政策(續)

#### 商譽

商譽乃指業務合併成本超過本集團於被收購人之可識別資產、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。本集團於被收購人之可識別資產、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於收益表立即確認。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。

#### 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。

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。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment

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	10% – 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 residue value, of any, are reviewed annually.

#### 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.

### 2. 主要會計政策(續)

#### 物業、機器及設備

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:

		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	10% – 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%

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。

#### 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,惟該物業分部為投資物業或持作發展供出售則例外。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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-on-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.

#### Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

### 2. 主要會計政策(續)

#### 可供出售金融資產

本集團將其金融資產分部為可供出售金融資產。分部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表內確認，直至該金融資產被出售或決定被減值，屆時過往於權益表內確認之累計收入或虧損會自權益帳內剔除，並於收益表確認。可供出售金融資產之任何減值虧損於收益表確認。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，則減值虧損於收益表內確認。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。

#### 資產減值

本集團會於每年結算日檢討有形及無形資產之帳面值，以確定該等資產有否出現減值虧損。倘估計資產之可收回數額降低至低於其帳面值，則該資產之帳面值將調減至可收回數額之水平，並會即時將減值虧損確認為開支。

倘減值虧損其後撥回，則有關資產之帳面值將回升至重新估計之可收回數額，而所增加之帳面值不得超過假設該資產於過往年度並無確認減值虧損而釐定之帳面值。減值虧損之撥回將即時確認為收入。



# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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 realizable 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.

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.

#### 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.

#### 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.

### 2. 主要會計政策(續)

#### 存貨

存貨按成本及可變現淨值兩者之較低者入帳。

成本乃根據標準成本基準(即概約平均實際成本)計算,包括採購成本、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。

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。

#### 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減值撥備計算,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。在該等情況下,應收帳項按成本減呆壞帳之減值虧損列值。

#### 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收益表確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

#### 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)

#### 關連人士

就該等財務報表而言，倘一方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實體之本集團關連人士之僱員福利設立之過往僱用福利計劃。

#### 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。

即期稅項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讓。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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 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.

#### 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.

#### 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:

- 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.

### 2. 主要會計政策(續)

#### 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修正。

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合法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。

#### 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賬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。假若其負債淨額的賬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。

#### 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：

- 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue (Continued)

- 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.

#### 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 are 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.

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.

### 2. 主要會計政策(續)

#### 收入(續)

- 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。

#### 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，惟來自用作沖外國外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。

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港元。資產負債表項目（包括因合併所收購之外國企業產生之商譽）乃按結算日之外匯匯率換算為港元。產生之匯率差額直接於權益成分內獨立確認為一分開之項目。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。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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' basic 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 scheme operated by the government of the PRC and Taiwan.

#### 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.

### 2. 主要會計政策(續)

#### 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。

#### 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。

在經濟利益可能流出，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。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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 intended 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.

#### 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.

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, 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.

### 2. 主要會計政策(續)

#### 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。

#### 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。

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、貿易應收賬款及物業、廠房及設備。分部收益、開支、資產及負債未計集團內公司間結算，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。



# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 3. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including 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 and new Taiwan 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.

##### 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 either as available-for-sale financial assets or as financial assets at fair value through profit or loss.

### 3. 財務風險管理

本集團業務面對多類金融風險：市場風險（包括貨幣風險及價格風險）、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及新台幣。

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應收貿易款項及應付貿易款項，本集團確保其淨風險保持在可接受水平。

##### 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「可供出售金融資產」或「按公平值列入損益表之金融資產」。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 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 exposure limit 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.

In addition, the Group reviews the recoverable amount of each individual debt at each balance sheet date to ensure that adequate impairment losses are made for

#### 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.

#### 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 does not expect any changes in interest rate which might materially affect the Group's result of operations.

### 3. 財務風險管理

#### b) 信貸風險

本集團之信貸風險主要來自定期存款、應收貿易及其他款項。

本集團及本公司之定期存款乃存放於多間信譽良好之香港銀行，而本集團亦對單一財務機構設定可承受之風險上限。

管理層備有應收貿易及其他款項之信貸政策，而該等信貸面對之風險持續受到監控。有關貿易及其他應收帳款，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。

此外，本集團於各結算日檢討各項債務之可收回金額，以確保對不可收回金額作出足夠之減值虧損撥備。

#### 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，以確保其維持足夠現金儲備及往來銀行已承諾之信貸額度，以應付其長短期之流動資金需要。

#### 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其利率風險。本集團認為不會有任何對本集團經營業績有重大影響之利率變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 4. CRITICAL ACCOUNTING JUDGMENTS 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 source of estimation uncertainty and the critical accounting judgements that can significantly affect the amounts recognised in the financial statements are set out below.

#### 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) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

### 5. 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. Segment information is presented by way of two segment formats: (a) on a primary segment reporting basis, by business segment; and (b) on a secondary segment reporting basis, by geographical segment.

### 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。

#### 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，並會定期測試及檢查。

#### b) 所得稅

本集團須繳納多個司法管轄區之所得稅。在確定全球所得稅之撥備時，集團須作出重大判斷。在正常業務過程中，有許多交易及計算均難以明確作出最終之稅務釐定。本集團須估計未來會否繳納額外稅項，從而確認對預期稅務審核事宜之責任。倘該等事宜之最終稅務結果與起初入賬之金額不同，該等差額將影響稅務釐定期內之所得稅及遞延稅項撥備。

### 5. 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，及以地區分部為次要報告形式。分部資料乃按兩種分部形式呈列：(a)以業務劃分之主要分部呈報基準；及(b)以地區市場劃分之次要分部呈報基準。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 5. SEGMENT INFORMATION (Continued)

#### 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 and other spare parts for automobiles.

### 5. 分部資料(續)

#### (a) 業務分部

本集團有以下主要業務分部：

(i) 鋼 – 製造及買賣鋼管、鋼片及其他鋼材產品。

(ii) 鋁 – 設計、開發、製造及買賣鋁鑄輪圈及其他汽車零件。

		Steel 鋼		Aluminum 鋁		Consolidated 綜合	
		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Revenue	收入						
– External sales	– 對外銷售	936,499	1,048,532	109,983	8,097	1,046,482	1,056,629
– Inter-segment sales	– 分部間銷售	–	–	–	–	–	–
		936,499	1,048,532	109,983	8,097	1,046,482	1,056,629
Segment results	分部業績	31,389	22,227	1,873	(1,586)	33,262	20,641
Unallocated operating Income and expenses	未分配經營 收入及開支					937	(4,631)
Profit from operations	經營溢利					34,199	16,010
Finance costs	融資成本					(20,661)	(14,372)
Taxation	稅項					(2,095)	(878)
Profit for the year	本年度溢利					11,443	760
Segment assets	分部資產	629,858	676,955	239,358	169,747	869,216	846,702
Unallocated assets	未分配資產					42,752	26,721
Total assets	總資產					911,968	873,423
Segment liabilities	分部負債	386,596	450,969	120,978	140,785	507,574	591,754
Unallocated liabilities	未分配負債					42,602	576
Total liabilities	負債總額					550,176	592,330
Capital expenditure	資本開支	9,521	20,119	32,674	1,420	42,195	21,539
Unallocated amounts	未分配金額					3	15,611
						42,198	37,150
Depreciation and amortisation	折舊及攤銷	11,621	10,457	12,807	3,051	24,428	13,508
Unallocated amounts	未分配金額					1,965	785
						26,393	14,293

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 5. SEGMENT INFORMATION

#### b) Geographical segments

The Group's revenue for the year ended 31 December 2006 is substantially made to customers based in the PRC, no separate analysis of geographical segment is presented accordingly.

The following is an analysis of the carrying amount of segment assets and capital expenditure analysed by the geographical area in which the assets are located.

		Segment assets 分部資產		Capital expenditure 資本開支	
		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Hong Kong	香港	19,929	6,882	3	—
Mainland China	中國大陸	634,642	676,955	9,521	20,119
Taiwan	台灣	256,084	187,122	32,674	17,031
Other countries	其他國家	1,313	2,464	—	—
		911,968	873,423	42,198	37,150

### 5. 分部資料(續)

#### (b) 地區分部

由於本集團截至二零零六年十二月三十一日止年度之收入大部份來自位於中國之客戶，故此並無分別呈列按地區劃分之資料分析。

按本集團資產所處地區劃分之分部資產賬面值及資本開支之分析如下。

### 6. TURNOVER AND OTHER REVENUE

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 is as follows:

### 6. 營業額及其他收益

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。

本集團之營業額及其他收益分析如下：

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Turnover	營業額		
Sale of goods	銷售產品	1,046,482	1,056,629
Other revenue	其他收益		
Interest income	利息收入	1,172	964
Rental income	租金收入	4,966	2,840
Consultancy fee	顧問費用	144	358
		6,282	4,162
		1,052,764	1,060,791

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 7. OTHER INCOME

### 7. 其他收入

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Scrap sales	廢料銷售	5,111	5,916
Exchange gains, net	匯兌收益淨額	1,638	3,019
Fair value gain on foreign currency contracts	外幣合約之公平值增加	–	1,396
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	1,646	–
Reversal of previous impairment losses recognised on trade receivables	貿易應收賬款先前已確認之減值虧損撥回	931	3,229
Sundry income	雜項收入	976	618
		10,302	14,178

### 8. PROFIT FROM OPERATIONS

### 8. 經營溢利

Profit from operations has been arrived at after charging:

經營溢利已扣除下列各項：

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Auditors' remuneration	核數師酬金	600	364
Cost of inventories recognised as expenses	確認為開支之存貨成本	975,311	993,240
Depreciation	折舊	26,171	14,071
Amortisation of operating lease prepayment	經營租約預付款項之攤銷	222	222
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	–	120
Operating leases in respect of	經營租約：		
– rented premises	– 租賃物業	1,390	698
– motor vehicles	– 汽車	541	845
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	2,286	1,474
Staff costs (including directors' remuneration)	僱員成本(包括董事酬金)	19,631	17,166

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 9. GAINS ON DEEMED AND PARTIAL DISPOSALS OF INTERESTS IN SUBSIDIARIES

During the year, Fullchamp Technologies Co., Ltd. ("Fullchamp"), a non wholly-owned subsidiary of the Company, offered to issue new shares to existing shareholders of Fullchamp in proportion to their respective interests. The Company did not subscribe for any such new shares in the Fullchamp share offer and as such, it resulted that the Company's equity interest in Fullchamp had been diluted from 51.83% to 39.48% upon the completion of the Fullchamp share offer ("Deemed Disposal").

On 6 September 2006 and 3 October 2006, the Group disposed of 10.97% equity interest in Fullchamp through a wholly-owned subsidiary, Sunbeam Group Limited ("Sunbeam") at an aggregate consideration of NTD57.7 million (equivalent to approximately RMB13.86 million) in cash (the "Disposals") to two independent third parties.

Upon the completion of the deemed and partial disposal of equity interest in Fullchamp as referred to in the two preceding paragraphs, the Group recognised a total gain arising from decrease in interests in subsidiaries of RMB4,673,000 which has been credited to the consolidated income statement for the current year. Further details of the Deemed Disposal and Disposals are set out in the Company's circulars dated 26 May 2006 and 20 October 2006.

### 10. FINANCE COSTS

Interest on bank and other borrowings wholly repayable	須於下列期間全數償還之銀行及其他
repayable within five years	借貸之利息
– within five years	– 五年內
– after five years	– 五年後

	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
	20,661	14,262
	–	110
	20,661	14,372

### 9. 視作及部份出售附屬公司權益之收益

年內，本公司一間非全資附屬公司富成金屬科技股份有限公司（「富成」）向富成之現有股東根據彼等之相關權益比例提呈發行新股份。本公司並沒有於富成該次招股中認購任何此等新股，故此，本公司於富成之股本權益於完成富成招股後將由51.83%攤薄至39.48%（「視作出售」）。

於二零零六年九月六日及二零零六年十月三日，本集團透過其全資附屬公司新光集團有限公司（「新光」），以57,700,000元新台幣（相等於約13,860,000元人民幣）之現金總代價，出售其於富成中10.97%之股本權益（「出售事項」）給兩位獨立第三者。

於上兩段視作及部份出售富成權益之完成日期，本集團於附屬公司之權益減少，並確認總收益4,673,000元人民幣。該收益已於本年度綜合收入報表中列帳。富成視作出售事項及出售事項之進一步詳情，乃載於本公司分別於二零零六年五月二十六日及二零零六年十月二十日刊發之通函內。

### 10. 融資成本



# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 11. TAXATION

The charge comprises:

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Income tax	所得稅		
Current year	本年度	2,424	612
(Over)/under provision in prior years	過往年度(超額撥備)/撥備不足	(329)	25
Deferred taxation (note 22)	遞延稅項	—	241
		2,095	878

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 2005 to 2006 (2005: 10%). 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

稅項支出包括：

	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Income tax		
Current year	2,424	612
(Over)/under provision in prior years	(329)	25
Deferred taxation (note 22)	—	241
	2,095	878

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」）於二零零五年至二零零六年間有權享有10%之中國企業所得稅優惠稅率（二零零五年：10%）。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：

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Profit before taxation	除稅前溢利	13,538	1,638
Tax at income tax at statutory tax rate	按法定稅率計算之所得稅	2,031	246
Tax effect of tax exemption	稅項豁免之稅務影響	—	(365)
Tax effect on non-deductible expenses	不可扣稅開支之稅務影響	2,040	1,320
Tax effect on non-taxable income	毋須課稅收入之稅務影響	(2,555)	(1,044)
Tax loss not recognised	尚未確認之稅項虧損	1,274	—
(Over)/under-provision in respect of prior years	以往年度(超額撥備)撥備不足	(329)	26
Others	其他	(366)	695
		2,095	878

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 12. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The net profit attributable to equity holders of the Company includes a loss of approximately RMB9,032,000 (2005: loss of RMB6,675,000) which has been dealt with in the financial statements of the Company for the year ended 31 December 2006.

### 12. 本公司權益持有人應佔溢利

本公司權益持有人應佔純利包括已於本公司截至二零零六年十二月三十一日止年度之財務報表內處理之虧損約9,032,000元人民幣（二零零五年：虧損6,675,000元人民幣）。

### 13. DIVIDENDS

### 13. 股息

	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Proposed final dividend of 2 cents per share (2005: 1 cent)	9,600	4,000
擬派末期股息每股2分 (二零零五年：1分)		

### 14. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the net profit from ordinary activities attributable to equity holders for the year of approximately RMB12,042,000 (2005: RMB308,000) and the weighted average of 402,630,137 (2005: 400,000,000) shares in issue during the year.

There were no potential dilutive shares in existence for the year ended 31 December 2006 and 2005, and accordingly, no diluted earnings per share amount has been presented.

### 14. 每股盈利

每股基本盈利乃根據本年度權益持有人應佔日常業務純利約12,042,000元人民幣（二零零五年：308,000元人民幣）及本年度已發行股份之加權平均數402,630,137股（二零零五年：400,000,000股）計算。

由於截至二零零六年及二零零五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。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 15. DIRECTORS' EMOLUMENTS

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

### 15. 董事酬金

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 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
<b>Executive Directors</b> 執行董事					
Lai Yueh-hsing	賴粵興	—	184	—	184
Lo Haw	羅漢	—	359	—	359
Shen Heng-chiang	沈亨將	—	223	—	223
Wu Kuo-lung	吳國龍	—	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
<b>Non-executive Directors</b> 非執行董事					
Hsiao Ming-chih	蕭敏志	—	141	—	141
Huang Chun-fa	黃春發	—	102	—	102
<b>Independent non-executive Directors</b> 獨立非執行董事					
Lin Sheng-bin	林聖斌	31	—	—	31
Huang Jui-hsiang	黃瑞祥	31	—	—	31
Alvin Chiu	趙熾佳	234	—	—	234
		296	1,851	—	2,147

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 15. DIRECTORS' EMOLUMENTS (Continued)

The emolument of each director for the year ended 31 December 2005 is set out below:

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
<b>Executive Directors</b> <b>執行董事</b>				
Lai Yueh-hsing 賴粵興	—	187	—	187
Lo Haw 羅漢	—	661	—	661
Shen Heng-chiang 沈亨將	—	452	—	452
Wu Kuo-lung 吳國龍	—	187	—	187
Chiang Jen-chin 蔣仁欽	—	219	—	219
Cheng Dar-terng 鄭達騰	—	187	—	187
<b>Non-executive Directors</b> <b>非執行董事</b>				
Hsiao Ming-chih 蕭敏志	—	121	—	121
Huang Chun-fa 黃春發	—	105	—	105
<b>Independent non-executive Directors</b> <b>獨立非執行董事</b>				
Lin Sheng-bin 林聖斌	31	—	—	31
Huang Jui-hsiang 黃瑞祥	31	—	—	31
Alvin Chiu 趙熾佳	237	—	—	237
	299	2,119	—	2,418

During the year, no emoluments were paid by the Group to any directors or any five highest paid individuals (note 16) 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:

### 15. 董事酬金(續)

各董事於截至二零零五年十二月三十一日止年度之酬金載列如下：

年內，本集團並無向任何董事或任何五名最高薪人士（附註16）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：

	2006 Number of Directors 二零零六年 董事人數	2005 Number of Directors 二零零五年 董事人數
Nil to RMB1,040,000 (HK\$1,000,000) 零至1,040,000元人民幣(1,000,000港元)	13	11
RMB1,040,000 (HK\$1,000,000) to RMB2,080,000 (HK\$2,000,000) 1,040,000元人民幣(1,000,000港元)至 2,080,000元人民幣(2,000,000港元)	—	—
	13	11

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 16. FIVE HIGHEST PAID INDIVIDUALS

During the year, the five highest paid individuals in the Group included two (2005: two) directors, details of those emolument are set out in note 15 above. The emoluments of the remaining three (2005: three) individuals for the year ended 31 December 2006 were as follows:

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Salaries and other benefits	薪金及其他福利	959	821
Bonus	花紅	—	—
Contributions to retirement benefit schemes	退休福利計劃供款	—	—
		959	821

The remuneration of the individuals was within the following band:

		2006 二零零六年 Number of employees 僱員人數	2005 二零零五年 Number of employees 僱員人數
Nil to RMB1,040,000 (HK\$1,000,000)	零至1,040,000元人民幣 (1,000,000港元)	3	3

### 16. 五名最高薪人士

年內，本集團五名最高薪人士包括兩名（二零零五年：兩名）董事，其薪酬詳情載於上文附註15。餘下三名（二零零五年：三名）人士於截至二零零六年十二月三十一日止年度之薪酬如下：

該等人士之酬金介乎以下範圍：

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 17. PROPERTY, PLANT AND EQUIPMENT

### 17. 物業、機器及設備

#### Group

#### 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	在建工程裝修	裝置及租賃物業	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
<b>Cost</b>	<b>成本</b>									
At 1 January 2005	於二零零五年一月一日	-	42,251	7,860	180	3,323	68,233	967	-	122,814
Acquisition of a subsidiary	收購一附屬公司	14,932	9,683	-	10,021	340	59,536	196	-	94,708
Additions	添置	-	-	18,228	102	741	2,044	424	15,611	37,150
Transfers	轉讓	-	116	(23,061)	2,740	1,492	18,713	-	-	-
Disposals	出售	-	-	-	-	(462)	(444)	-	-	(906)
Exchange adjustments	匯兌調整	-	-	-	-	-	-	-	(410)	(410)
At 31 December 2005	於二零零五年十二月三十一日	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
<b>Depreciation</b>	<b>折舊</b>									
At 1 January 2005	於二零零五年一月一日	-	10,363	-	25	1,719	32,181	551	-	44,839
Provided for the year	年內撥備	-	2,017	-	832	460	9,750	225	787	14,071
Written-back on disposals	出售時撥回	-	-	-	-	(383)	(333)	-	-	(716)
Exchange adjustments	匯兌調整	-	-	-	1	1	-	-	-	2
At 31 December 2005	於二零零五年十二月三十一日	-	12,380	-	858	1,797	41,598	776	787	58,196
Provided for the year	出售時撇銷年內撥備	-	2,563	-	2,915	1,040	18,006	284	1,363	26,171
Written back on disposals	出售時撥回	-	-	-	(77)	(75)	(44)	(240)	-	(436)
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
<b>Net book value</b>	<b>帳面淨值</b>									
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
At 31 December 2005	於二零零五年十二月三十一日	14,932	39,670	3,027	12,185	3,637	106,484	811	14,414	195,160

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 17. PROPERTY, PLANT AND EQUIPMENT (Continued)

The freehold land is situated in Taiwan.

The building and factory premises are situated in the PRC 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 RMB4,872,000 (2005: RMB2,840,000) and RMB141,000 (2005: RMB358,000) respectively were received and receivable from this related company.

At 31 December 2006, the Group's property, plant and equipment with carrying value of RMB153,691,000 (2005: RMB159,791,000) were pledged to certain banks for banking facilities granted to the Group (note 31).

### 17. 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4,872,000元人民幣(二零零五年:2,840,000元人民幣)及141,000元人民幣(二零零五年:358,000元人民幣)。

於二零零六年十二月三十一日，本集團帳面價值為153,691,000元人民幣(二零零五年:159,791,000元人民幣)之物業、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31)。

#### Company

#### 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
<b>Cost</b>	<b>成本</b>			
At 1 January 2005 and 1 January 2006	於二零零五年一月一日及 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
<b>Depreciation</b>	<b>折舊</b>			
At 1 January 2005	於二零零五年一月一日	25	16	41
Provided for the year	年內撥備	60	40	100
At 31 December 2006 and 1 January 2006	於二零零六年十二月三十一日及 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
<b>Net book value</b>	<b>帳面淨值</b>			
At 31 December 2006	於二零零六年十二月三十一日	33	25	58
At 31 December 2005	於二零零五年十二月三十一日	95	64	159



# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 18. 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:

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 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	8,638	8,860

Bank borrowings are secured on leasehold land for the carrying amount of RMB8,638,000 (2005: RMB8,860,000) (note 31).

### 18. 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：

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 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	8,638	8,860

銀行借貸以帳面值8,638,000元人民幣（二零零五年：8,860,000元人民幣）之租賃土地作抵押（附註31）。

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
At 1 January	於一月一日	8,860	9,082
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	8,638	8,860

### 19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 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	(574)	(574)
		720	720

The carrying amount of the club debentures approximates to the fair value.

### 19. 可供出售金融資產

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 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	(574)	(574)
		720	720

會所債券之帳面值與其公平值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 20. GOODWILL

At 1 January 2006 and 31 December 2005	於二零零六年一月一日及 二零零五年十二月三十一日
Goodwill attributable to acquisition of subsidiaries	收購一附屬公司應佔商譽
Disposal of a foreign operation	出售一外國銷售業務
Deemed and partial disposals of interests in subsidiaries (note 9)	視作及部分出售於附屬 公司權益(附註9)
At 31 December	於十二月三十一日

### 20. 商譽

2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
12,708	12,708
(4,131)	—
(3,858)	—
4,719	12,708

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 2005 and 1 January 2006, was related to the business segment of aluminum wheels and car spare parts which is allocated in Taiwan, and a sales operation in USA which was disposed during the year. The entire remaining balance of the goodwill in the consolidated balance sheet at 31 December 2006 is related to the acquisition of the equity interest of Fullchamp in the last year.

The recoverable amount of CGU as at 31 December 2005 was valued by an independent valuer namely RHL Appraisal Limited on 24 April 2006 based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering on 3 year period. Cash flows beyond the 3 year period were extrapolated using the estimate rate stated below. The growth rate did not exceed the long-term average growth rate for the business in which CGU operates.

Key assumptions used for value-in-use calculations in 2005 were:

– Gross margin	– 毛利率
– Growth rate	– 增長率
– Discount rate	– 貼現率

Management determined the budgeted gross margin based on past performance and its expectation for market development. The weighted average growth rate are consistent with forecasts included in industry report. The discount rate used are per-tax and reflect specific risks relating to the relevant segments.

Subsequent to 31 December 2006, this CGU was disposed to the ultimate holding company as referred to note 43(i) below.

No impairment loss has been recognised on the goodwill in respect of the aluminum wheels and car spare parts as the subsequent disposal of this CGU after 31 December 2006 exceeds its carrying value as at 31 December 2006.

商譽減值測試：

商譽已分配至按經營所在國及業務分部而識別之本集團現金產生單位。

與鋁製輪圈及汽車零件之業務分部有關於二零零五年十二月三十一日及二零零六年一月一日之商譽被分配至台灣及美國一銷售業務(於本年度內已被出售)。綜合資產負債表內之商譽結餘全數與去年收購富成全部權益有關。

現金產生單位於二零零五年十二月三十一日之可收回金額已由獨立專業估值師永利行評值顧問有限公司於二零零六年四月二十四日根據使用價值之計算方法進行估值。該等計算乃以管理層批准之三年期財政預算中之現金流量預測為基礎。三年以上期間之現金流量使用下列估計比率進行預測。增長率並無超過現金產生單位所經營業務之長期平均增長率。

二零零五年用於計算使用價值之主要假設：

2005  
二零零五年

管理層根據過往表現及其對市場發展之預期釐定預算毛利率。加權平均增長率與行業報告中所載之預測一致。所使用之貼現率乃為稅前貼現率及可反映有關分部之特定風險。

二零零六年十二月三十一日後，該現金產生單位已出售予最終控股公司，見下文附註43(i)。

由於二零零六年十二月三十一日後出售該現金產生單位之可收回款額超出其於二零零六年十二月三十一日之帳面值，故並未就鋁製輪圈及汽車零件業務分部之商譽確認減值虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 21. INTERESTS IN SUBSIDIARIES

### 21. 於附屬公司之權益

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Unlisted shares, at cost (as non-current assets)	非上市股份，按成本 (列為非流動資產)	132,967	141,211
Amounts due from subsidiaries (as current assets)	應收附屬公司款項 (列為流動資產)	80,865	64,015
Less: provision for impairment loss	減：減值虧損之撥備	(2,091)	—
		78,774	64,015
		211,741	205,226

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

應收附屬公司款項為無抵押、免息及無固定還款期。

Details of the Company's subsidiaries as at 31 December 2006 are as follows:

於二零零六年十二月三十一日之附屬公司詳情如下：

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% (2005: 100%)	—	Investment holding 投資控股
Guangzhou Mayer Corp., Ltd. (Note (a)) 廣州美亞股份有限公司 (附註(a))	PRC 中國	RMB200,000,000 200,000,000元人民幣	—	81.40% (2005: 77.52%)	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 英屬維爾京群島	USD1 1美元	100% (2005: 100%)	—	Leasing of aircrafts and provision of consultancy service 飛機租賃及提供顧問服務

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 21. INTERESTS IN SUBSIDIARIES (Continued)

Company	Place of incorporation/ operation	Issued and fully paid share capital	Percentage of interest held		Principal activities
			Direct	Indirect	
公司	註冊成立/ 營業地點	已發行及繳足股本	持有權益百分比	直接 間接	主要業務
Sunbeam Group Ltd. 新光集團有限公司	BVI 英屬維爾京群島	USD1 1美元	100% (2005: 100%)	–	Investment holding 投資控股
Fullchamp Technologies Co., Ltd. * (note (b)) 富成金屬科技股份有限公司* (附註(b))	Taiwan 台灣	NTD419,485,000 新台幣419,485,000	–	28.51% (2005: 51.83%)	Design, development, manufacture and trading of aluminum forged and forged-spun wheels and other spare parts for automobiles 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
Teson Corporation (note (b))* Teson Corporation (附註(b))*	USA 美國	USD200,000 200,000美元	–	28.51% (2005: 51.83%)	Dormant 暫無業務
Fullchamp Technologies Co. Ltd. (Samoa)* (note (b)) Fullchamp Technologies Co. Ltd. (Samoa)* (附註(b))	Samoa 薩摩亞群島	USD200,000 200,000美元	–	28.51% (2005: 51.83%)	Dormant 暫無業務
Vansen International Ltd. # 偉新國際有限公司#	BVI 英屬維爾京群島	USD1 1美元	100% (2005: Nil無)	–	Dormant 暫無業務

\* Not audited by CCIF CPA Limited  
# Incorporated on 8 March 2006

Note:

- (a) Guangzhou Mayer is a joint stock limited liability company established under the laws of the PRC.
- (b) Following the completion of deemed and partial disposals of the equity interest in Fullchamp as referred to in note 9 to the financial statements above, the Group's equity interest in Fullchamp has been reduced from 51.83% to 28.51% as at 31 December 2006. The Group has control over the operational and financial decision making process of Fullchamp to which the Group has appointed the majority of representatives to its board of directors during the year ended 31 December 2006. In addition, Mayer Taiwan, the ultimate holding company with a shareholding of 22.88% of the issued capital of Fullchamp, has provided a written undertaking to the Company pursuant to which the Company can also control the majority of the votes of the general meetings of Fullchamp. Therefore, Fullchamp has been treated as a subsidiary of the Group during the year ended 31 December 2006. Fullchamp has held all the issued capital of Teson Corporation and Fullchamp Technologies Co. Ltd (Samoa) for the year ended 31 December 2006.

Fullchamp and its subsidiaries contributed approximately RMB103 million and a loss of RMB7 million to the Group's turnover and profit for the year ended 31 December 2006, respectively, and approximately RMB88 million to the Group's net assets as at 31 December 2006.

### 21. 於附屬公司之權益(續)

\* 並非經陳某馮會計師事務所有限公司審核  
# 於二零零六年三月八日註冊成立

附註：

- (a) 廣州美亞為根據中國法例註冊成立之股份有限公司。
- (b) 如上文財務報表附註9所述視作及部分出售富成之股本權益完成後，本集團於富成之股本權益於二零零六年十二月三十一日已由51.83%減至28.51%。本集團對富成有營運及財務控制權，於截至二零零六年十二月三十一日止年度亦已委任大多數代表進駐董事會。此外，持有富成22.88%股權之最終控股公司台灣美亞已向本公司提供書面承諾，根據此書面承諾，本公司亦可控制富成股東大會之大多數投票權。因此於截至二零零六年十二月三十一日止年度富成乃視作本公司之附屬公司。截至二零零六年十二月三十一日止年度富成亦持有 Teson Corporation 及 Fullchamp Technologies Co. Ltd (Samoa) 之所有已發行股本。

截至二零零六年十二月三十一日止年度富成及其附屬公司對本集團營業額及溢利分別帶來約103,000,000元人民幣及虧損7,000,000元人民幣，及於二零零六年十二月三十一日對本集團淨資產帶來約88,000,000元人民幣。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 22. DEFERRED TAX ASSETS

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

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
At 1 January	於一月一日	27	268
Charge for the year (note 11)	年內支出 (附註11)	—	(241)
At 31 December	於十二月三十一日	27	27

### 22. 遞延稅項資產

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：

		Deferred assets 遞延資產 RMB'000 千元人民幣	Impairment loss on club debentures and property, plant and equipment 會所債券和物業、機器及設備 減值虧損 RMB'000 千元人民幣	Allowance for doubtful debts 呆帳撥備 RMB'000 千元人民幣	Total 總計 RMB'000 千元人民幣
At 1 January 2005	於二零零五年一月一日	—	32	236	268
Charge for the year	年內支出	—	(5)	(236)	(241)
At 31 December 2005	於二零零五年十二月三十一日	—	27	—	27
Charge for the year	年內支出	—	—	—	—
At 31 December 2006	於二零零六年十二月三十一日	—	27	—	27

### 23. INVENTORIES

### 23. 存貨

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
At cost:	成本：		
Raw materials	原料	142,163	163,937
Finished goods	製成品	75,452	48,930
		217,615	212,867

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 24. TRADE RECEIVABLES

The Group has a policy of allowing an average credit period of 40-100 days to its trade customers and may be extended to selected customers depending on their trade volume and settlement with the Group.

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

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
1 – 30 days	1至30日	125,713	70,501
31 – 60 days	31至60日	83,493	70,294
61 – 90 days	61至90日	65,695	58,240
91 – 180 days	91至180日	85,905	92,283
Over 180 days	180日以上	19,844	19,637
		380,650	310,955
Provision for impairment of trade receivables	貿易應收賬款減值撥備	(10,495)	(11,426)
		370,155	299,529

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

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
RMB	人民幣	337,702	284,858
United States dollars	美元	309	–
New Taiwan dollars	新台幣	32,144	14,671
		370,155	299,529

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

### 24. 貿易應收賬款

本集團給予貿易客戶之信貸期平均介乎40至100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。

i) 貿易應收賬款之賬齡分析如下：

(ii) 貿易應收賬款之帳面值以下列貨幣計值：

(iii) 貿易應收賬款之帳面值與其公平值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Prepayments	預付款項	5,938	4,088
Rental deposits	租賃訂金	471	593
VAT refundable	可退回增值稅	8,600	3,489
Advance to suppliers	墊款予供應商	1,458	720
Other loan	其他貸款	1,700	4,011
Others	其他	5,254	3,439
		23,421	16,340

Other loan in the amount of RMB 1.7 million (2005: RMB4 million) represents the loan receivable from a third party, bearing an interest rate at 9.108% per annum. The directors consider that the balances of prepayments, deposits and other receivables approximate their fair value.

### 26. AMOUNT DUE FROM A RELATED COMPANY

The amount due from a related company, 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 RMB2,736,000 (2005: RMB2,733,000).

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.

### 27. 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% (2005: 1% to 3.8%) for the year ended 31 December 2006. The bank deposits carry interest at market rates which range from 2% to 2.25% (2005: 2.07% to 2.25%) with maturities of more than three months.

### 25. 預付款項、訂金及其他應收款項

另有貸款1,700,000元人民幣(二零零五年: 4,000,000元人民幣)乃按年息率9.108%計息之應收第三方債項。董事認為預付款項、訂金及其他應收款項之結餘與其公平值相若。

### 26. 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)款項乃無抵押、免息,並將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2,736,000元人民幣(二零零五年: 2,733,000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。

### 27. 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。於截至二零零六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%至3.80%(二零零五年: 1%至3.8%)計息。銀行存款按市場利率2%至2.25%(二零零五年: 2.07%至2.25%)計息,三個月以上到期。



# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 28. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Cash at bank and in hand	銀行及手頭現金	45,489	26,276	15,612	1,669
Short-term bank deposits	短期銀行存款	200	860	200	860
		45,689	27,136	15,812	2,529

(i) The effective interest rate on short-term bank deposits is approximately 3.8 % (2005: 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:

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
RMB	人民幣	18,894	19,281	—	—
United States dollars	美元	8,760	1,473	—	—
New Taiwan dollars	新台幣	2,224	3,853	—	—
Hong Kong dollars	港元	15,811	2,529	15,812	2,529
		45,689	27,136	15,812	2,529

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

### 28. 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% (二零零五年：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：

(iii) 現金及現金等值項目之帳面值與其公平值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 29. TRADE PAYABLES

- (i) An ageing analysis of the trade payables is as follows:

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
1 – 30 days	1至30日	53,387	35,555
31 – 60 days	31至60日	42,611	26,135
61 – 90 days	61至90日	17,071	23,267
91 – 180 days	91至180日	26,366	33,361
Over 180 days	180日以上	53	16,853
		139,488	135,171

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

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
RMB	人民幣	6,133	16,821
New Taiwan dollars	新台幣	133,355	118,350
		139,488	135,171

- (iii) The carrying amounts of trade payables approximate their fair values.

### 29. 貿易應付賬款

- (i) 貿易應付賬款之賬齡分析如下：

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
1 – 30 days	1至30日	53,387	35,555
31 – 60 days	31至60日	42,611	26,135
61 – 90 days	61至90日	17,071	23,267
91 – 180 days	91至180日	26,366	33,361
Over 180 days	180日以上	53	16,853
		139,488	135,171

- (ii) 貿易應付賬款之帳面值以下列貨幣計值：

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
RMB	人民幣	6,133	16,821
New Taiwan dollars	新台幣	133,355	118,350
		139,488	135,171

- (iii) 貿易應付賬款之帳面值與其公平值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 30. OTHER PAYABLES AND ACCRUALS

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Advance from customers	客戶墊款	14,590	2,217
Salaries	薪金	6,105	8,777
Accrued expenses	應計開支	6,281	3,629
Other creditors	其他應付帳款	8,346	15,025
		35,322	29,648

The carrying amounts of other payables and accruals approximate their fair values.

其他應付款項及應計費用之帳面值與其公平值相若。

### 31. BORROWINGS

At 31 December 2006, the maturity of borrowings is as follows:

### 31. 借貸

於二零零六年十二月三十一日，借貸須於下列限期償還：

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Within 1 year or on demand	一年內或按要求	345,771	365,511	41,115	40,198
After 1 year but within 2 years	一年後至兩年內	14,916	32,302	—	—
After 2 years but within 5 years	兩年後至五年內	9,566	11,100	—	—
After 5 years	五年後	4,350	18,598	—	—
		374,603	427,511	41,115	40,198
Current portion	流動部分	(345,771)	(379,025)	(41,115)	(40,198)
Non-current portion	非流動部分	28,832	48,486	—	—

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 31. BORROWINGS (Continued)

At 31 December 2006, the borrowings were secured by the followings:

### 31. 借貸(續)

於二零零六年十二月三十一日，借貸由下列資產作出抵押：

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 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	73,006	153,320	41,115	40,198
– Secured by plant and machinery with carrying value of RMB102,513,000 (2005: RMB82,667,000)	– 以帳面值102,513,000元 人民幣(二零零五年： 82,667,000元人民幣) 之機器及設備作抵押	42,394	23,233	–	–
– Secured by freehold land and land use rights with carrying value of RMB23,176,000 (2005: RMB23,792,000), buildings with carrying value of RMB36,640,000 (2005: RMB39,415,000) and bank deposits of RMB8,652,000 (2005: RMB 8,194,000)	– 以帳面值23,176,000元 人民幣(二零零五年： 23,792,000元人民幣) 之永久業權土地及土地 使用權、帳面值 36,640,000元人民幣 (二零零五年： 39,415,000元人民幣) 之樓宇及8,652,000元 人民幣(二零零五年： 8,194,000元人民幣) 之銀行存款作抵押	168,585	72,635	–	–
– Unsecured	– 無抵押	283,985 87,299	249,188 151,316	41,115 –	40,198 –
Other loans	其他貸款：				
– Secured by plant and machinery with carrying value of RMB: Nil (2005: RMB22,777,000)	– 由帳面值零 (二零零五年： 22,777,000元 人民幣)之機器 及設備作抵押	3,319	27,007	–	–
		374,603	427,511	41,115	40,198

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 31. BORROWINGS (Continued)

The borrowings are denominated in the following currencies:

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Hong Kong dollars	港元	41,115	40,198	41,115	40,198
RMB	人民幣	247,000	313,450	—	—
New Taiwan dollars	新台幣	86,488	73,863	—	—
		374,603	427,511	41,115	40,198

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：

		2006 二零零六年			2005 二零零五年		
		HK\$ 港元	RMB 人民幣	NTD 新台幣	HK\$ 港元	RMB 人民幣	NTD 新台幣
Bank borrowings	銀行借貸	2.5-5.5%	2.8-5.5%	2.4-6%	4.6%	4.4-4.9%	2-5.4%

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。

### 32. ISSUED CAPITAL

### 32. 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 2005 and At 31 December 2005	於二零零五年一月一日 及二零零五年 十二月三十一日	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

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 32. ISSUED CAPITAL (Continued)

On 20 December 2006, pursuant to the subscription agreement entered into the Company and 10 individual investors 80,000,000 shares of HK\$0.10 each in the Company were issued at a price of HK\$0.50 per share. All the new shares issued rank pari passu in all respects the then existing shares.

### 33. 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 2006, no options have been granted since the adoption of the Share Option Scheme. The total number of shares in respect of which options may be granted under the Share Option Scheme and any other option schemes is not permitted to exceed 30% of the issued share capital of the Company from time to time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any year is not permitted to exceed 1% of the issued share capital of the Company, without prior approval from the Company's shareholders.

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

### 32. 已發行股本(續)

二零零六十二月二十日，根據本公司與十名個人投資者訂立之認購協議，80,000,000股每股面值0.10港元之本公司按每股0.50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。

### 33. 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。

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

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

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 34. RESERVES

#### Company

### 34. 儲備

#### 本公司

		Special reserve	Share premium	Translation reserve	Retained profits	Proposed final dividend	Total
		特別儲備	股份溢價	換算儲備	保留溢利	末期股息 擬派	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
At 1 January 2005	於二零零五年一月一日	129,211	4,076	–	3,125	12,000	148,412
Exchange difference	匯兌差額	–	–	(870)	–	–	(870)
Loss for the year	年內虧損	–	–	–	(6,675)	–	(6,675)
Dividend paid	已派股息	–	–	–	–	(12,000)	(12,000)
proposed final dividend	擬派末期股息	(4,000)	–	–	–	4,000	–
At 31 December 2005 and 1 January 2006	於二零零六年一月一日 及二零零五年 十二月三十一日	125,211	4,076	(870)	(3,550)	4,000	128,867
Exchange differences	匯兌差額	–	–	(9,036)	–	–	(9,036)
Issue of shares	發行股份	–	32,000	–	–	–	32,000
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	於二零零六年 十二月三十一日	125,211	35,876	(9,906)	(22,182)	9,600	138,599

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.

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 40.

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。

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40頁之綜合權益變動表。



# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 35. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before taxation to net cash outflow from operating activities:

### 35. 綜合現金流量表附註

(a) 除稅前溢利與經營活動淨現金流出之對帳：

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
<b>Profit before taxation</b>	<b>除稅前溢利</b>	<b>13,538</b>	1,638
<b>Adjustments for:</b>	<b>調整：</b>		
Interest income	利息收入	(1,172)	(964)
Interest expenses	利息支出	20,661	14,372
Depreciation	折舊	26,171	14,071
Amortisation of operating lease prepayment	經營租賃預付款之攤銷	222	222
Gain on deemed and partial disposal of interests in subsidiaries	視為及部份出售附屬公司權益之收益	(4,673)	—
Negative goodwill arising from acquisition of additional interest in a subsidiary	因收購附屬公司額外權益產生之負商譽	(171)	—
Reversal of impairment loss on trade receivables	貿易應收帳款減值虧損轉回	—	(3,229)
Fair value gain on foreign currency contracts	外幣合約公平值增益	—	(1,396)
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	—	124
Gain on disposal of property, plant and equipment	出售物業、機器及設備之增益	(1,646)	(4)
<b>Operating profit before working capital changes</b>	<b>營運資金變動前經營溢利</b>	<b>52,930</b>	24,834
Increase in inventories	存貨增加	(4,748)	(74,999)
Increase in amount due from a related company	應收關連公司款項增加	(3)	(2,733)
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	(77,707)	(45,181)
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	9,991	54,442
Cash outflow from operating activities	經營活動之現金流出	(19,537)	(43,637)
Income tax refunded/(paid)	退回／(已付) 所得稅	264	(2,701)
<b>Net cash outflow from operating activities</b>	<b>經營活動之現金流出淨額</b>	<b>(19,273)</b>	(46,338)

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 35. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

#### (b) Acquisition of a subsidiary

On 20 October 2005, the Group acquired 51.83% of the share capital of Fullchamp, a private company established in Taiwan. Fullchamp is principally engaged in the design, development and manufacture of aluminum forged and forged-spun wheels for automobiles and trading of the products mainly in China, United States of America, Japan, Taiwan, Europe and Australia.

Details of net assets of Fullchamp acquired and goodwill at 31 December 2005 were as follows:

		2005 二零零五年 RMB'000 千元人民幣
Purchase consideration	購買代價	
– Cash paid	– 已付現金	40,112
Fair value of net assets acquired – shown as below	所收購之淨資產公平值 – 列示如下	27,404
Goodwill	商譽	12,708

Details of the decrease in the interest in Fullchamp during the year ended 31 December 2006 and after the balance sheet date are set out in notes 9, 21 and 43(i) to the financial statements.

### 35. 綜合現金流量表附註(續)

#### (b) 收購附屬公司

於二零零五年十月二十日，本集團收購富成（一間於台灣成立之私人公司）之 51.83% 股本。富成主要從事設計、開發、製造鍛造鋁合金車輪及鍛造車輪及於中國、美國、日本、台灣、歐洲及澳洲買賣其產品。

於二零零五年十二月三十一日所收購富成之淨資產及商譽詳情如下：

截至二零零六年十二月三十一日止年度於富成減少權益之詳情載於財務報表附註9、附註21及附註43(i)。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 35. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

The tangible assets and liabilities arising from the acquisition of Fullchamp for the year ended in December 2005 were as follows:

### 35. 綜合現金流量表附註(續)

截至二零零五年十二月三十一日止年度收購富成所產生之有形資產及負債詳列如下：

		Fair value 公平值 RMB'000 千元人民幣
Cash and cash equivalents	現金及現金等值項目	20,057
Property, plant and equipment	物業、機器及設備	94,708
Inventories	存貨	24,490
Receivables	應收帳款	30,464
Payables	應付帳款	(80,548)
Borrowings	借貸	(36,299)
Net assets	淨資產	52,872
Minority interests (48.17%)	少數股東權益 (48.17%)	(25,468)
Net tangible assets attributable to 51.83% acquired	所收購51.83%權益應佔有形淨資產	27,404
Purchase consideration settled in cash	以現金付清之購買代價	40,112
Cash and cash equivalents in subsidiary acquired	所收購附屬公司之現金及現金等值項目	(20,057)
Cash outflow on acquisition	收購附屬公司之現金流出	20,055

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 36. 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:

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Motor vehicles	汽車		
Within one year	一年內	541	436
Rented premises	租賃物業		
Within one year	一年內	830	1,193
In the second to fifth years inclusive	第二至五年(包括首尾兩年)	990	727
		2,361	2,356

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

於結算日，本集團就汽車及租賃物業根據於下列期限屆滿之不可撤銷經營租約之未償還日後最低租金承擔如下：

租約之年期協定為一至兩年，而租期內之月租乃屬固定。

### 37. 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:

		2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Within one year	一年內	4,966	6,004
In the second to fifth years inclusive	第二至五年(包括首尾兩年)	1,655	8,005
		6,621	14,009

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

### 37. 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 38. COMMITMENTS

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

2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
1,498	4,054

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。

### 39. PLEDGE OF ASSETS

At 31 December 2006, the Group pledged the freehold land and land use rights with carrying value of approximately RMB23,176,000 (2005: RMB23,792,000) and building, plant and equipment with aggregate carrying value of approximately RMB139,153,000 (2005: RMB144,859,000) and bank deposits of approximately RMB8,652,000 (2005: RMB8,194,000) to banks to secure banking facilities to the extent of approximately RMB117,120,000 (2005: RMB122,875,000) granted to the Group.

### 39. 資產抵押

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（二零零五年：23,792,000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（二零零五年：144,859,000元人民幣）之樓宇、機器及設備，及約8,652,000元人民幣（二零零五年：8,194,000元人民幣）銀行存款，以作為本集團獲授約117,120,000元人民幣（二零零五年：122,875,000元人民幣）之銀行信貸之抵押。

### 40. CONTINGENT LIABILITIES

At 31 December 2006, the Company has given corporate guarantees in favour certain banks to secure banking facilities of approximately RMB47,017,000 (2005: RMB145,263,000) granted to Guangzhou Mayer, a subsidiary. Out of these banking facilities, approximately RMB44,961,000 was utilised by Guangzhou Mayer as at 31 December 2006 (2005: RMB96,983,000).

### 40. 或然負債

於二零零六年十二月三十一日，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47,017,000元人民幣（二零零五年：145,263,000元人民幣）。在該等銀行信貸中，廣州美亞截至二零零六年十二月三十一日已動用其中約44,961,000元人民幣（二零零五年：96,983,000元人民幣）。

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

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。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 41. 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 2006, 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.

### 41. 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。

於二零零六年十二月三十一日，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。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 42. 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 Inc., ("Daily Air"), a related company in which Mr. Huang Chun-fa has beneficial interest, regarding the leasing of two 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, RMB2,736,000 is due from this related company (note 26). Total amounts received during the year are disclosed in (ii) below.
- (ii) 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	Relationship 關係	Nature of transaction 交易性質	2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 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 (note) 已付租金(附註)	120	120
Daily Air 德安航空	Under common director 受共同董事控制	Rental income Consultancy fee income 租金收入 顧問費收入	4,966 144	2,840 358

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.

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

### 42. 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，內容有關兩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2,736,000元人民幣（附註26）。年內收到之總款額於下文(ii)披露。
- (ii) 除本財務報表其他部份另外詳述之交易及結餘外，本集團於年內與關連人士進行以下重大交易：

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。

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



# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 43. POST BALANCE SHEET EVENTS

#### (i) The 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 of its 28.51% equity interest in Fullchamp for a consideration of NTD149,500,000 (equivalent to approximately HK\$35.2 million) in cash, subject to the resolution by the independent shareholders of the Company at its extraordinary general meeting to be held on 31 May 2007.

The consideration for the disposal was determined by reference to the net asset value of Fullchamp as at 31 December 2006 and was arrived at after arm's length negotiation between the Company and Taiwan Mayer.

The estimated proforma gain on the disposal, based on latest audited net assets of Fullchamp as at 31 December 2006 and as if the disposal was completed on 31 December 2006, would amount to approximately RMB4.9 million.

#### (ii) Acquisition and aircraft sale agreement

On 13 April 2007, ROC, a wholly-owned subsidiary of the Company, entered into the Aircraft Sale Agreement with Sino Regal Assets Limited ("Sino Regal"), a wholly-owned subsidiary of Taiwan Mayer, the ultimate holding company, to acquire two aircrafts from Sino Regal for a total consideration of approximately USD2 million. At the same date, Sino Regal, ROC and Daily Air a related company in which Mr Huang Chun-fa, a non-executive director of the Company, has beneficial interest, executed the Lease Assignment Agreement. Under the 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 annul rental of USD552,000.

### 43. 結算日後事項

#### (i) 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與最終控股股東台灣美亞訂立股份出售協議，以出售其於富成之全部28.51%全部股權，代價為為現金新台幣149,500,000元（相等於約35,200,000港元），惟須待本公司獨立股東於二零零七年五月三十一日將予舉行之股東特別大會上以決議案批准，方可作實。

出售事項之代價乃參考富成於二零零六年十二月三十一日之資產淨值而釐定，並經本公司及台灣美亞按公平基準磋商後達成。

以富成二零零六年十二月三十一日之最近期經審核資產淨值為基準，假設出售事項於二零零六年十二月三十一日完成，出售事項之估計備考收益將約為4,900,000元人民幣。

#### (ii) 收購事項及飛機銷售協議

於二零零七年四月十三日，本公司之全資附屬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」）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、鵬進及關連公司德安航空（本公司非執行董事黃春發先生於其中擁有實益權益簽立租賃轉讓協議。根據該協議，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。

# Notes to the Consolidated Financial Statements

## 綜合財務報告附註

### 43. POST BALANCE SHEET EVENTS (Continued)

#### (iii) Raw materials 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, the ultimate holding company, for the acquisition of raw materials from Taiwan Mayer 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 USD3.9 million, USD4.29 million and USD4.719 million, respectively.

Details of the above transactions are set out in the Company's circular dated 13 April 2007.

### 44. ULTIMATE HOLDING COMPANY

The directors regard Mayer Steel Pipe Corporation, a company incorporated in Taiwan, as being the ultimate holding company.

### 43. 結算日後事項（續）

#### (iii) 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最終控股公司台灣美亞訂立原材料採購協議，以向台灣美亞採購原材料，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、4,290,000美元及4,719,000美元。

以上交易之詳情已載於本公司日期為二零零七年四月十三日之通函。

### 44. 最終控股公司

董事認為於台灣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。