

The word "UNITED" is written in large, bold, orange-outlined letters. A small globe is positioned behind the letter "I". The background features a blue gradient with abstract, glowing orange and white lines that curve across the page.

UNITED

The word "UNITED" is written in dark blue, bold letters. A small globe is positioned behind the letter "U".

UNITED

United Metals Holdings Limited
科鑄技術集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2302

Annual Report 2007
二零零七年年報

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United Metals Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

BOARD OF DIRECTORS

Executive Directors

Tsang Chiu Wai (*Chairman*)

Kong Cheuk Luen, Trevor

Non-Executive Director

Wong Wing Sing

Independent Non-Executive Directors

Lee Tho Siem

Wang Jianguo

Loke Yu, alias Loke Hoi Lam

AUDIT COMMITTEE

Lee Tho Siem (*Chairman*)

Wang Jianguo

Loke Yu, alias Loke Hoi Lam

Wong Wing Sing

REMUNERATION COMMITTEE

Kong Cheuk Luen, Trevor (*Chairman*)

Lee Tho Siem

Wang Jianguo

COMPANY SECRETARY

Siu Po Sim, Katherine

QUALIFIED ACCOUNTANT

Shea Chun Lok

REGISTERED OFFICE

P.O. Box 309GT

Ugland House

South Church Street

Grand Cayman

Cayman Islands

* For identification purpose only

科鑄技術集團有限公司 *

(於開曼群島註冊成立之有限公司)

董事會

執行董事

曾昭偉 (*主席*)

江爵媛

非執行董事

黃永勝

獨立非執行董事

李多森

王建國

陸海林

審核委員會

李多森 (*主席*)

王建國

陸海林

黃永勝

薪酬委員會

江爵媛 (*主席*)

李多森

王建國

公司秘書

蕭寶嬋

合資格會計師

余俊樂

註冊辦事處

P.O. Box 309GT

Ugland House

South Church Street

Grand Cayman

Cayman Islands

* 僅供識別

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Fax: (852) 2480 4462
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總辦事處及主要營業地點

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九龍長沙灣
荔枝角道838號勵豐中心
21樓2101室
電話：(852) 2422 7636
傳真：(852) 2480 4462
電郵：info@unitedmetals.com.hk

SOLICITOR

Sit, Fung, Kwong & Shum

律師

薛馮龐岑律師行

AUDITOR

Deloitte Touche Tohmatsu

核數師

德勤•關黃陳方會計師行

PRINCIPAL BANKERS

Chong Hing Bank Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited

主要往來銀行

創興銀行有限公司
恒生銀行有限公司
渣打銀行(香港)有限公司

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE (BRANCH REGISTRAR)

Computershare Hong Kong
Investor Service Limited
46th Floor
Hopewell Centre, 183 Queen's Road East
Hong Kong

香港股份過戶登記處(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
46樓

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE (REGISTRAR)

Butterfield Bank (Cayman) Limited
Butterfield House
68 Fort Street
Grand Cayman
Cayman Islands

開曼群島股份過戶登記處(總處)

Butterfield Bank (Cayman) Limited
Butterfield House
68 Fort Street
Grand Cayman
Cayman Islands

CORPORATE WEBSITE

www.unitedmetals.com.hk

公司網站

www.unitedmetals.com.hk

SHARE LISTING AND STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock Code: 2302

股份上市及股份代號

香港聯合交易所有限公司
股份代號：2302

On behalf of the Board of Directors (the "Board") of United Metals Holdings Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (collectively, "United Metals" or the "Group") for the year ending 31st December, 2007.

In 2007, the global die casting market showed slight growth, while the People's Republic of China (the "PRC") market expanded much more significantly as a result of relocation of production bases abroad to the PRC. Market challenges began to arise amid the gradual slowdown of the global economy. Competition was keen and the price of raw materials increased that made the business more difficult. Signs of possible consolidation of the industry also emerged which lead to strong players driving out the weak and impacting more intense market competition. In the face of the challenges, the Group, as a leading vertically-integrated die caster of the global market, continued to leverage on its solid experience and expertise and implemented a series of initiatives to maintain its sound business foundation, capture growth opportunities and stay ahead.

For the year ending 31st December, 2007, the Group recorded HK\$234,919,000 in revenue, a 3.3% drop compared to that of the previous year. The decrease was due mainly to the shortfall of mould development revenue. As a result of a surge in the cost of material consumed and staff wages, as well as the provision for the Group's production plant project in Shanghai, a net loss of HK\$4,356,000 was posted. Nonetheless, the Group still reported double-digit gross profit margin, standing at 10.8% (2006: 16.8%). Loss per share was HK2.0 cents.

During the year, the Group invested on a new equipment that effectively enhanced its production efficiency and capacity. Cost-control measures were also implemented to adapt to external changes. Amid more fierce market competition and rising oil prices, the Group was unable to raise its product prices. However, it actively looked for alternative forms of energy and sought to link product prices with the cost of energy. With more than 50 domestic and internationally-renowned clients in its customer portfolio, the Group managed to maintain strong relationship with each of them, as indicated by a growth in the number of orders from both new and existing clients. The Group also secured several new contracts with a number of clients in the automotive industry and the industrial product sector, as part of the Group's strategy to broaden its client base.

本人謹代表科鑄技術集團有限公司(「本公司」)董事會(「董事會」)欣然提呈本公司及其附屬公司(統稱「科鑄」或「本集團」)截至二零零七年十二月三十一日止年度之年度業績。

於二零零七年，全球壓鑄市場呈現些微增長，由於生產基地由海外搬遷至中華人民共和國(「中國」)，令我們在中國市場之擴張更為顯著。由於全球經濟開始出現逐步放緩令市場挑戰更為嚴峻。市場競爭激勵和原材料價格上調使經營更加困難。種種跡象顯示該行業會引起整合潮，出現汰弱留強的局面從而導致市場競爭更加激烈。面對種種挑戰，本集團，作為全球壓鑄市場內之領先垂直綜合企業，憑藉其豐富的經驗及專業技術定能排除萬難，並因實施一系列措施以保持其良好商業基礎、奪取增長商機從而使公司立於不敗之地。

截至二零零七年十二月三十一日止年度，本集團錄得港幣234,919,000元之收益，較去年下跌了3.3%。主要原因為模具開發收益不足所致。由於原材消耗成本及員工工資的飆升，以及對本集團於上海之生產廠房項目提供之撥備，令虧損淨額錄得達港幣4,356,000元。儘管如此，本集團仍錄得雙位數之毛利潤，保持在10.8%（二零零六年：16.8%）。每股虧損2.0港仙。

於年度內，本集團投放大量資源在新設備方面，有效地增強其生產效率及產能。集團亦採用成本控制措施以適應外間的變動。儘管市場競爭越來越激烈，兼且油價上升，惟集團未能將其產品價格提高。然而，我們已積極地探索另類能源並試圖將產品價格與能源成本掛鉤。憑藉有超過50家本地及國際知名的客戶群，集團能保持與各客戶的良好關係，這可從來自新舊客戶的訂單數目增長可知一二。集團亦取得來自於汽車業及工業產品行業多間客戶的新合同，體現出集團擴充其客戶基礎的部份策略之成果。

The Group has firmly cemented its leading market position in the PRC. Its achievements have been widely acknowledged, not the least by the award of a High and New Technology Enterprise Certificate in 2007 given by the government of Guangdong Province, the PRC, in recognition of the Group's works and product development. The Group was also accredited with TS16949, an integral part of United Metals' automotive quality system, by external auditor SGS. The accreditation not only reinforces customers' confidence in the Group's performance, but also enables United Metals to tap business opportunities in the automotive industry.

With such a solid position and excellent reputation in the industry, as well as its solid business foundation built up over the years, United Metals is confident in its ability to overcome challenges and deal with possible adjustment to the market and consolidation in the industry in the near future. The global economic downturn may intensify market competition, but the Group will further strengthen itself and execute a range of elaborate and prudent business plans in the coming year. We will enlarge our product portfolio, diversify the product range, refine our service quality and production technology, maintain strong rapport with existing clients and explore business opportunities with new customers. All these will be in line with United Metals' role as a leading vertically-integrated die caster of the global market, as well as an indispensable die casting partner of domestic and international manufacturers in the PRC.

The Group owes much of its success to its supportive shareholders, dedicated staff, loyal customers and trusted suppliers. On behalf of United Metals, I would like to express my deepest gratitude to all stakeholders for their invaluable contribution to the continuous growth of the Group. Thank you.

Tsang Chiu Wai
Chairman

Hong Kong, 3rd April, 2008

本集團已牢牢地站穩其在中國市場的前列位置，而其成就已有目共睹，從其在二零零七年獲中國廣東省政府頒予高新科技企業證書，以表揚集團在工作及產品開發方面的認同已可體會到。本集團亦獲得外聘認證機構SGS頒發的TS16949認證，表揚科鑄汽車質量系統實踐的成就。該認證不僅增強客戶對集團表現的信心，同時亦能令科鑄在汽車業方面獲得更多商機。

憑藉其在行內的優越地位及顯赫名聲，與及其在多年來所建立的堅實基礎，科鑄有信心有能力衝破重重難關，以應付不久將來的市場調整及整合潮。全球經濟放緩將加劇市場競爭，惟集團在來年將悉力以付，進一步強化本身實力及推行一系列既周詳又審慎的業務計劃。我們將擴大產品組合，將產品系列多元化，精調提供服務的質量及產品技術，維持與現有客戶的優良關係，並與新客戶攜手發掘新商機。以上各種措施與科鑄有志成為全球壓鑄市場內之領先垂直綜合企業，同時亦為本地及國際壓鑄生產商在中國的不可或缺夥伴的目標一致。

本集團今日擁有之輝煌成就，全賴股東的鼎力支持、員工的不懈努力，和有忠誠的客戶及可靠的供應商。本人謹代表科鑄向全體股東對本集團持續增長所作出之寶貴貢獻，致以最深切之謝意。謝謝大家。

曾昭偉
主席

香港，二零零八年四月三日

INDUSTRY OUTLOOK

In 2007, the global die casting market showed slight growth. In comparison, the People's Republic of China (the "PRC") market expanded much more significantly as a result of relocation of production bases abroad to the PRC.

With the slowdown of the global economy, in the year of 2008 the demand for commodities is likely to go down, thus directly driving down the demand for components. It is expected that consolidation will take place in the industry, while some weak players in the market will be driven out by the strong ones in the near future. In other words, competition is set to become more intense.

BUSINESS REVIEW

For the year ended 31st December, 2007, the Group's revenue dropped 3.3% to HK\$234,919,000 from the previous year. The decrease was due mainly to the shortfall of mould development revenue. A net loss of HK\$4,356,000 was recorded as a result of a surge in the costs of material consumed and staff wages, as well as the impairment loss recognised for the Shanghai project. The gross profit margin was 10.8% (2006: 16.8%).

In terms of the revenue breakdown by product, aluminium alloy die casting components remained the core revenue contributor to the Group, accounting for approximately 91.1%. Zinc and magnesium alloy die casting components contributed 7.8% and 1.1%, respectively.

OPERATIONAL REVIEW

As a globally renowned, fully vertically integrated, PRC-based die caster catering to both domestic and overseas customers, United Metals undertook a series of business initiatives in the fiscal year of 2007. The initiatives will not only enable the Group to fully capture opportunities arising from the consistently increasing global demand for die casting products, but will also broaden United Metals' business scope.

During the year, the Group focused on enhancing production capacity and the service standard of its factories, with a view to further strengthening rapport with customers.

行業展望

於二零零七年，全球壓鑄市場呈現輕微增長。相比之下，由於生產基地由海外遷移至中華人民共和國（「中國」），令中國市場之增長更為顯著。

隨著全球經濟放緩，二零零八年度的商品需求量亦可能下降，從而直接降低對零部件的需求量。預計該行業會出現整合潮，於不久將來市場上將會出現汰弱留強的局面。換言之，競爭將變得更加劇烈。

業務回顧

截至二零零七年十二月三十一日止年度，本集團收益較上一年度下跌了3.3%至港幣234,919,000元。主要因為模具開發收益不足所致。由於原材消耗成本及員工工資飆升，加上集團對上海項目之已確認減值虧損，令虧損淨額錄得達港幣4,356,000元。毛利率為10.8%（二零零六年：16.8%）。

按產品分類之收益而言，鋁合金壓鑄部件依然為本集團之核心收益來源，約佔91.1%。鋅合金及鎂合金壓鑄部件分別約佔7.8%及1.1%。

營運回顧

作為享譽全球、提供縱向整合及以中國為基地的壓鑄公司，致力為本地及海外客戶服務，科鑄於二零零七年財政年度進行一系列之業務措施。該等措施不僅將使本集團能夠全面爭取全球對壓鑄產品持續增長之需求所帶來之商機，兼且亦將拓寬科鑄之業務版圖。

年內，本集團著重於提高其工廠之產能及服務水平，以進一步加強與客戶之關係。

OPERATIONAL REVIEW (continued)

Production capacity

Dongguan factory

In 2007, the Group's annual production capacity amounted to 3,300 tons, a decrease of 370 tons from 3,669 tons in the previous year. The drop was prompted by the integration of the Group's production facilities as well as customers' growing needs for more value added-oriented services.

The Group's annual production capacity in Dongguan plant was approximately 4,500 tons, with the utilization rate standing at 75%. An additional investment of HK\$12,088,000 was made for the purchase and renewal of production equipment, including advanced die casting machines, processing machines as well as testing equipment. As a result, productivity was further enhanced, with the production capacity increased by approximately 5%.

In the second half of the year, the Group was accredited with TS16949, an integral part of United Metals' automotive quality system, by external auditor SGS. The accreditation not only reinforces customers' confidence in the Group's products, but also enables United Metals to tap business opportunities in the automotive industry. Additionally, the Group received from the Government of Guangdong Province, the PRC a High and New Technology Enterprise Certificate in recognition of its works and product quality.

Shanghai production plant

Construction work of the Group's factory in Shanghai has been stalled for no reason by the contractor. The Group has taken the case to court and a verdict is pending. As such, the date of completion of the Shanghai project will be later than scheduled. Because the construction has been put on hold for a prolonged period of time, impairment loss was recognised on part of the production equipment and facilities. So far, a total of HK\$36,191,000 has been invested in the project, excluding an investment provision of HK\$7,337,000.

營運回顧 (續)

產能

東莞廠房

於二零零七年，本集團年產能自去年之3,669噸減少370噸至3,300噸。下調是由本集團生產設施之整合，以及客戶對以增值為本服務之需求日益殷切所致。

本集團於東莞廠房之年產能約為4,500噸，使用率為75%。我們額外投資港幣12,088,000元作為購買及更新生產設備，包括先進壓鑄機器，加工機器以及測試設備。因此，生產力得以進一步提高，而產能提高約5%。

在本年度下半年，本集團獲得獨立審核機構SGS頒發TS16949認證，以認可科鑄汽車零部件生產方面的質量系統水準。該認證不僅增強客戶對本集團產品的信心，同時亦能令科鑄在汽車業方面獲得更多商機。此外，本集團獲得從中國廣東省政府發出的高新技術企業認證，以表揚其工作及產品質量。

上海生產廠房

本集團於上海之廠房施工工程遭到承包商無理拖延。本集團已向法院上訴並有待裁決。因此，於上海項目之竣工日期將會遲於預定日期。因為施工已擱置了一段很長的時間，故就部份生產設備及設施作出減值虧損確認。迄今為止，於該項目之總投資達港幣36,191,000元，不包括港幣7,337,000元之投資撥備。

OPERATIONAL REVIEW (continued)

Production capacity (continued)

Stringent cost control measures

United Metals regularly undertakes improvement projects that enable the diligent implementation of a variety of cost-control measures. The progress is closely monitored by the senior management to ensure the Group's cost effectiveness is maximized across the board.

During the year, market competition was intense and the high oil prices also had material impact on the Group's gross profit. Besides, the Group was unable to raise the price of its products as expected. In a bid to effectively control cost, the Group actively looked at other forms of energy supply, such as natural gas or heavy oil. The Group also discussed with its clients the possibility of linking product prices with the cost of energy. Another way to rein in the cost was to jointly develop new designs or raw materials with suppliers.

Strong relations with clients

With over 50 clients at present, the Group's customer base spans numerous regions around the world. European and American markets accounted for 26.7% and 33.9% respectively of the Group's total turnover.

During the year, the Group signed up 4 new clients, three of whom from the mainland and one from overseas.

We maintained strong rapport with our new and existing customers and secured increasing orders during the year. The Group is relentlessly pursuing the strategy of enlarging the customer base, in terms of both the number of clients and the sectors they represent. To this end, several new contracts were secured with clients in the automotive industry and industrial products.

FUTURE OUTLOOK

In the coming year, we will remain committed to consolidating United Metals' leading market position while taking a series of positive initiatives to further strengthen the Group.

We will continue to enlarge the Group's product portfolio, diversify the product range, and refine our service quality, in order to cater to customers' needs for one-stop shop services.

In the face of the increasingly keen market competition, the Group will strive to stay ahead by engaging more heavily in hi-tech production, upgrading the production process, and adopting a cutting-edge digital management system. These measures will help cement the Group's position as a leading vertically-integrated die caster, and enable it to promptly adapt to market changes.

營運回顧 (續)

產能 (續)

嚴格成本控制措施

科鑄定期進行改善工程，以全力推行各項成本控制措施。高級管理層密切監控工作進度，以確保能全面提升本集團之成本效益。

於年內，市場競爭愈加激烈，兼且油價高企亦對本集團之毛利產生重大影響。此外，如所預期，本集團不能夠提高其產品價格。為了有效地控制成本，本集團積極探索另類方式之能源供應，如天然氣或重油。本集團亦於其客戶進行商討將產品價格與能源成本掛鉤之可能性。另一種控制成本之方法是與供應商共同開發新設計或原材料。

與客戶的關係牢固

本集團現時擁有逾50名客戶，客戶基礎遍佈全球多個地區。歐美市場分別佔本集團總營業額26.7%及33.9%。

於年內，本集團與四名新客戶簽訂合約，其中三名來自內地，另外一名來自海外。

本集團與新客戶及現有客戶均保持良好互信關係，並確保本年度之訂單不斷增加。不論在客戶數目及行業層面方面，本集團將不斷地奉行擴大客戶基礎之策略。就此而言，多份新合約已和汽車業及工業產品客戶落實。

未來展望

於下一個年度，我們仍將致力於鞏固科鑄於市場之領導地位，同時亦會採取一系列積極措施，進一步壯大本集團之實力。

我們將繼續擴大本集團的產品組合，豐富產品種類及提升服務質量，以滿足客戶對一站式服務的需求。

面對日漸激烈的市場競爭，本集團將透過更專注於探索高科技生產、改良生產工序及採用最尖端的數碼管理系統，力求保持領先地位。該等措施將有助於鞏固本集團作為首屈一指的垂直整合壓鑄企業之地位，並令其可及時應對市場變化。

FUTURE OUTLOOK (continued)

To solidify our operation foundation, we will work conscientiously on both the internal and external fronts. Internally, we will actively nurture talent and equip our employees with substantial skills. Externally, we will continue to maintain strong rapport with our clients while being constantly on the lookout for potential clients who can help boost our profitability.

Looking ahead, possible adjustment to the market and consolidation in the industry, brought by the gradual economic downturn, may intensify competition and spell uncertainty for some industry players. Nonetheless, with the Group's solid business foundation built up over the years, and its well-designed and prudent plans for the future, United Metals is confident in its ability to gird up for future challenges and to maintain its role as a leading vertically-integrated die caster of the global market, as well as an indispensable die casting partner of domestic and international manufacturers in the PRC.

EMPLOYEES AND REMUNERATION POLICIES

As at 31st December, 2007, the Group employed approximately 1,906 (2006: 2,349) full-time employees of whom 21 (2006: 19) were based in Hong Kong, 1,885 (2006: 2,330) were based in the Group's factories in Dongguan, the PRC. Total staff cost incurred during the year amounted to approximately HK\$58,233,000 (2006: HK\$57,053,000).

Remuneration policies and packages for the Group's employees are based on their performance, working experiences and condition prevailing in the industry. In addition to basic salaries, retirement schemes and medical schemes, discretionary share options and performance bonuses to eligible staff are according to the financial results of the Group and the performance of individual employees. To raise work quality and management abilities of its employees, the Group provides job rotation, in-house training and external training courses to employees.

未來展望 (續)

為鞏固我們的營運基礎，我們將認真而雙管齊下地從內部及外部兩方面著手。就內部而言，我們將積極培育人才，加強培訓員工之工作技能。就外部而言，我們將繼續保持與客戶之堅實融洽的關係，同時亦不斷尋求能令我們的盈利能力提高之潛在客戶。

展望將來，經濟的緩緩下滑將可能導致市場作出調整並對行業作出整合，這將令競爭更趨激烈，對一些行業同儕會出現不明朗因素。然而，憑藉集團多年來所建立之堅實業務基礎及周詳審慎的未來計劃，科鑄有信心能克服未來的種種挑戰及保持其全球壓鑄市場內垂直綜合企業之領先地位，同時亦為本地及國際壓鑄生產商在中國擔當不可或缺夥伴之角色。

僱員及薪酬政策

於二零零七年十二月三十一日，本集團僱用約1,906名(二零零六年：2,349名)全職員工，當中21名(二零零六年：19名)駐於香港，另1,885名(二零零六年：2,330名)駐於本集團在中國東莞之廠房。全年員工成本總額約為港幣58,233,000元(二零零六年：港幣57,053,000元)。

本集團僱員之薪酬政策及方案乃按照員工之表現、工作經驗及行業當時之狀況釐定。除基本薪金、退休計劃及醫療計劃外，因應本集團財務業績及個別員工之表現，合資格員工亦可獲發酌情購股權及表現花紅。為提高僱員之工作質素及管理能力，本集團向僱員提供職位調配、內部培訓及外界培訓課程。

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2007, total bank borrowings amounted to HK\$19,334,000 (At 31st December, 2006: HK\$31,466,000), of which HK\$19,334,000 (At 31st December, 2006: HK\$14,000,000) would be due within one year and nil (At 31st December, 2006: HK\$17,466,000) would be due after one year. The bank borrowings are denominated in Hong Kong dollars ("HKD") and United States dollars ("USD"), and bear interest at rates calculated with reference to Hong Kong Interbank Offered Rate ("HIBOR") and London Interbank Offered Rate ("LIBOR") plus basis.

The Group had a net current assets amounting to HK\$66,293,000 (At 31st December, 2006: HK\$85,143,000) and a current liabilities of HK\$50,258,000 as at 31st December, 2007 (At 31st December, 2006: HK\$45,070,000). Average stock turnover days increased to 72 days as at 31st December, 2007 from 70 days as at 31st December, 2006. Debtors' turnover days was increase from 78 days as at 31st December, 2006 to 79 days as at 31st December, 2007.

Capital expenditures on plant, equipment, leasehold improvements and construction in progress totalled HK\$25,762,000 in 2007 (2006: HK\$34,621,000), of which HK\$7,323,000 (2006: HK\$18,261,000) was related to the construction cost of the new manufacturing plant situated in Shanghai, the PRC. Furthermore, HK\$29,701,000 (At 31st December, 2006: HK\$31,268,000) was committed as at 31st December, 2007 to purchase additional property, plant and equipment, and the whole amount was contracted for but not provided in the financial statements.

Net cash from operating activities amounted to HK\$20,454,000 (2006: HK\$19,065,000). The Group's cash on hand and bank balances decreased from HK\$31,348,000 as at 31st December, 2006 to HK\$18,807,000 as at 31st December, 2007. The decrease was mainly a result of the repayment of bank loan.

Total shareholders' funds decreased from HK\$193,087,000 as at 31st December, 2006 to HK\$189,674,000 as at 31st December, 2007, as a result of HK\$4,356,000 loss incurred for the year.

As at 31st December, 2007, the gearing ratio, in terms of total debts to total assets, decreased to 0.21 (At 31st December, 2006: 0.25). The decrease was mainly a result of the repayment of bank loan.

流動資金及財務資源

於二零零七年十二月三十一日，銀行借貸總額為港幣19,334,000元（於二零零六年十二月三十一日：港幣31,466,000元），其中港幣19,334,000元（於二零零六年十二月三十一日：港幣14,000,000元）將於一年內到期，而並無借貸（於二零零六年十二月三十一日：港幣17,466,000元）將於一年後到期。銀行借貸以港幣（「港幣」）及美元（「美元」）列值，按參考香港銀行同業拆息及倫敦銀行同業拆息加指定息率計息。

於二零零七年十二月三十一日，本集團流動資產淨值為港幣66,293,000元（於二零零六年十二月三十一日：港幣85,143,000元），流動負債為港幣50,258,000元（於二零零六年十二月三十一日：港幣45,070,000元）。平均存貨週轉期由二零零六年十二月三十一日之70天增加至二零零七年十二月三十一日之72天。應收賬款收款期由二零零六年十二月三十一日之78天增加至二零零七年十二月三十一日之79天。

二零零七年之廠房、設備、租賃物業裝修與在建工程之資本開支合共港幣25,762,000元（二零零六年：港幣34,621,000元），當中港幣7,323,000元（二零零六年：港幣18,261,000元）與位於中國上海之新生產廠房之興建成本有關。此外，於二零零七年十二月三十一日，已訂立合同的增購物業、廠房及設備為港幣29,701,000元（於二零零六年十二月三十一日：港幣31,268,000元），其訂立之金額並未於財務報表撥備。

來自經營業務之現金淨額為港幣20,454,000元（二零零六年：港幣19,065,000元）。本集團之手頭現金及銀行結餘由二零零六年十二月三十一日之港幣31,348,000元減至二零零七年十二月三十一日之港幣18,807,000元。減少主要由於償還銀行貸款所致。

由於年內虧損為港幣4,356,000元，故股東資金總額由二零零六年十二月三十一日之港幣193,087,000元減至二零零七年十二月三十一日之港幣189,674,000元。

於二零零七年十二月三十一日，資產負債比率（按負債總額相對資產總值計算）減至0.21（於二零零六年十二月三十一日：0.25）。有關減幅主要由於償還銀行貸款所致。

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisitions and disposals of subsidiaries and associated companies for the year ended 31st December, 2007.

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group's income and expenditure of raw materials and manufacturing cost are mainly denominated in USD, HKD and Renminbi ("RMB"). Fluctuations of the exchange rates of RMB against foreign currencies could affect the operating costs of the Group. Currencies other than RMB were relatively stable during the year, the Group did not expose to significant foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, management will continue to monitor foreign exchange exposure and will take prudence measures to minimize the currency translation risk. The Group will consider hedging significant foreign currency exposure should the need arise.

CAPITAL STRUCTURE

There has been no material significant change in the capital structure of the Group during the year.

CHARGE ON ASSETS

There was no charge on the Group's assets for the year ended 31st December, 2007 (2006: Nil).

CONTINGENT LIABILITIES

The Company has given guarantees to banks in respect of general facilities granted to its subsidiaries. The extent of such facilities utilized by the subsidiaries at 31st December, 2007 amounted to approximately HK\$19,334,000 (At 31st December, 2006: HK\$31,466,000).

收購及出售附屬公司及聯營公司

截至二零零七年十二月三十一日止年度，本集團並無任何重大收購及出售附屬公司及聯營公司。

外匯風險承擔

本集團收入與原材料開支及製造成本開支主要以美元、港幣及人民幣(「人民幣」)列值。人民幣兌外幣匯率波動可影響本集團經營成本。人民幣以外之貨幣於年內相對穩定，本集團並無面對重大外匯風險。本集團現時並無外幣對沖政策。然而，管理層將繼續監察外匯風險，並將採取審慎措施盡量減低匯兌風險。本集團將於必要時考慮對沖重大外匯風險。

資本結構

本集團之資本結構於年內並無實質重大變動。

資產抵押

截至二零零七年十二月三十一日止年度，本集團並無抵押任何資產(二零零六年：無)。

或然負債

本公司已就其附屬公司獲授一般融資向銀行作出擔保。於二零零七年十二月三十一日，有關附屬公司已動用部分該等融資為數約港幣19,334,000元(於二零零六年十二月三十一日：港幣31,466,000元)。

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions laid down in the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31st December, 2007.

BOARD OF DIRECTORS

Members of the board of directors of the Company (the “Board”) are collectively responsible for overseeing the business and affairs of the Company and its subsidiaries (the “Group”) that aims to enhancing the Company’s value for stakeholders. Roles of the Board include reviewing and guiding corporate strategies and policies; monitoring financial and operating performance; ensuring the integrity of the Group’s accounting and financial reporting systems; and setting appropriate policies in managing risks of the Group.

The Board currently comprises a total of six members including two executive directors, one non-executive director and three independent non-executive directors, whose details are set out on pages 18 and 20. Members of the Board have different professional and industry experiences and background so as to bring in valuable contributions and advices for the development of the Group’s business. More than one-third of the Board is independent non-executive directors with a qualified accountant among them.

Directors have full access to accurate, relevant and timely information of the Group through management and are able to obtain independent professional advices on issues whenever deemed necessary by the directors.

Board members meet regularly to discuss strategies and business issues, including financial performance of the Group. During the year, the Board held 4 meetings; and Board members can attend meetings in person or through electronic communications means in accordance with the Memorandum and Articles of Association of the Company. A record of the Directors’ attendance at Board meetings is set out on page 17.

The roles of the chairman and the chief executive officer are segregated in order to reinforce their independence and accountability. Their respective responsibilities are clearly established and set out in writing. The Chairman leads the Boards workings and proceedings, while the Chief Executive Officer is responsible for implementing the Group’s strategies and policies and for conducting the Group’s businesses.

企業管治常規守則

本公司於截至二零零七年十二月三十一日止年度內一直遵守根據香港聯交所有有限公司證券上市規則(「上市規則」)附錄14所載企業管治常規守則(「企業管治守則」)所訂守則條文。

董事會

本公司董事會(「董事會」)成員共同監督本公司及其附屬公司(「本集團」)業務及事務，旨在提升本公司為股東帶來的價值。董事會職責包括檢討企業策略及政策並作出指引；監管財務及營運表現；確保本集團會計及財務申報制度充足完備；以及制訂合適政策管理本集團風險。

董事會現由合共六名成員組成，包括兩名執行董事、一名非執行董事及三名獨立非執行董事，詳情載於第18及20頁。董事會成員具備不同專業及行業經驗及背景，能為本集團業務發展作出寶貴貢獻及意見。董事會超過三分之一成員為獨立非執行董事，其中一名為合資格會計師。

董事可透過管理層，全面取得本集團之準確、相關及最新資料，且可於彼等認為需要時取得獨立專業意見。

董事會成員定期會面，以商討本集團策略及業務，包括財務表現。年內，董事會舉行了4次會議，根據本公司之公司組織章程大綱及細則，董事會成員可親身或透過電子通訊方式出席。董事出席董事會會議之記錄載於第17頁。

主席及行政總裁之角色獨立區分以加強獨立性及問責性，而各自之職責已書面確立。主席領導董事會運作及程序，而行政總裁負責實行本集團策略及政策，以及進行本集團業務。

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors (“INEDs”), an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all the directors, all the directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

DIRECTORS’ RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the financial statements of the Group. With the assistance of the accounting department, which is under the supervision of the qualified accountant of the Company, the directors ensure that the financial statements of the Group have been properly prepared in accordance with statutory requirements and applicable accounting standards. The directors also ensure that the publication of the accounts of the Group is in a timely manner.

A report of the independent auditors on the Group’s accounts is set out in this annual report.

獨立非執行董事之確認書

本公司已接獲各獨立非執行董事（「獨立非執行董事」）根據上市規則第3.13條就確認彼等之獨立性發出之年度確認書。本公司認為全體獨立非執行董事均為獨立人士。

董事進行證券交易的標準守則

本公司已就董事進行證券交易採納一套不寬鬆於上市規則附錄10所載上市公司董事進行證券交易的標準守則（「標準守則」）所規定標準的操守準則。向全體董事作出明確查詢後，全體董事確認彼等已遵守標準守則及本公司就董事進行證券交易所採納的操守準則所載標準規定。

董事對財務報表之責任

董事明瞭彼等編製本集團財務報表之責任。在由本公司合資格會計師督導的會計部門協助下，董事確保本集團財務報表根據法定規定及適用會計準則妥為編製，並依時刊發本集團賬目。

本年報載有獨立核數師對本集團賬目之報告。

INTERNAL CONTROL AND INTERNAL AUDIT

The Board acknowledges its responsibility in maintaining sound and effective internal control system for the Group to safeguard investments of the shareholders and assets of the Company at all times.

The system of internal controls aims to help achieving the Group's business objectives, safeguarding assets and maintaining proper accounting records for provision of reliable financial information. However, the design of the system is to provide reasonable, but not absolute, assurance against material misstatement in the financial statements or loss of assets and to manage rather than eliminate risks of failure when business objectives are being sought.

Management has conducted regular reviews during the Year on the effectiveness of the internal control system covering all material controls in area of financial, operational and compliance controls, various functions for risks management as well as physical and information system security.

Procedures have been designed for the business objectives, safeguard asset against unauthorized use or disposition, ensure proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and to ensure compliance with relevant legislations and regulations.

Internal Audit Department has conducted an on going independent review on the effectiveness of the system of internal control and risk management of the Group and considers it to be adequate and effective. Reports on the effectiveness of the Group's internal control on difference areas had been submitted to the Audit Committee. It is noted that there is no significant areas of concern which may affect the effectiveness of the internal control system.

Throughout the year ended 31st December, 2007, the Board is satisfied that the Group has fully complied with the code provisions on internal control as set out in C.2.1 of the CG code.

內部監控及內部審計

董事會理解須負責為本集團維持穩健有效之內部監控制度，隨時保障股東投資及本公司資產。

內部監控制度旨在協助本集團達致業務目標、保障資產及恰當存管會計記錄以提供可靠財務資料。然而，有關制度只為防止財務報表出現重大陳述錯誤或資產損失提供合理而非絕對保證，並管理而非消除實現業務目標時面對之失敗風險。

管理層於本年度定期檢討內部監控制度之成效，涵蓋財務、營運及守章方面之所有重大監管、風險管理各項職能以至實質及資訊系統保安。

本集團已就業務目標、保障資產遭非法挪用或處置、確保妥善存置賬簿及記錄以提供內部使用或刊發之可靠財務資料，以及確保遵循相關法例及法規制定多項程序。

內部審核部門持續獨立審閱本集團內部監控制度及風險管理之成效，並認為有關制度充足有效。有關本集團就不同範疇之內部監控成效所作出報告，已提呈審核委員會審理。務請注意，並無重大範疇或會影響內部監控系統之成效。

截至二零零七年十二月三十一日止年度，董事會信納，本集團全面遵守企業管治守則第C.2.1條所載有關內部監控之守則條文。

AUDITOR'S REMUNERATION

For the Year, the remuneration paid to the Company's auditor, Messrs Deloitte Touche Tohmatsu, is set out as follows:

Services rendered 所提供服務	Fees paid/payable 已付／應付袍金	
	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Audit services 審計服務	1,018	628
Non-audit services (i.e. Professional Service) 非審計服務(即專業服務)	—	140
	1,018	768

核數師酬金

於本年度，應付本公司核數師德勤•關黃陳方會計師行之酬金載列如下：

AUDIT COMMITTEE

The Company's Audit Committee was first established in December, 2002 and its terms of reference are available on the Company's website.

The principal duties of the Audit Committee include reviewing the Group's financial reporting system, internal control procedures and risk management and maintaining good and independent communications with the management as well as external auditor of the Company. Its current members include:

Mr. Lee Tho Siem (*Chairman of the Audit Committee*)
Mr. Wang Jianguo
Dr. Loke Yu, alias Loke Hoi Lam
Mr. Wong Wing Sing

Three out of four members of the Audit Committee are the INEDs of the Company. Dr. Loke has appropriate professional qualifications, accounting and related financial management expertise as required under the Listing Rules. None of them is employed by or otherwise affiliated with former or existing auditor of the Company.

The Audit Committee held 2 meetings during the year. The minutes of the Audit Committee meetings were tabled to the Board for noting and for action by the Board where appropriate. The attendance of each member is set out on Page 17.

During the year, the Audit Committee reviewed the Group's interim and annual report for the year ended 31st December, 2007 and the accounting principles and practices adopted by the Group. The Audit Committee also reviewed the adequacy and effectiveness of the Company's internal control system and made recommendations to the Board.

審核委員會

本公司審核委員會於二零零二年十二月成立，其職權範圍載於本公司網頁。

審核委員會主要負責審閱本集團之財務報告制度、內部監控程序及風險管理，並與管理層及本公司外聘核數師保持良好以及獨立的溝通。現任成員包括：

李多森先生(審核委員會主席)
王建國先生
陸海林博士
黃永勝先生

審核委員會四名成員當中，有三名均為本公司獨立非執行董事。陸博士具備上市規則所規定適當的專業資格、會計及相關財務管理知識。彼等概無受僱於本公司前任或現任核數師，或以其他方式與其有聯繫。

審核委員會於年內舉行兩次會議。審核委員會會議記錄已提呈董事會過目及採取適當行動。每名成員出席率載於第17頁。

年內，審核委員會已審閱本集團截至二零零七年十二月三十一日止年度之中期及年度報告與本集團所採納會計準則及慣例。審核委員會另審閱本公司內部監控制度是否充足有效，並向董事會提供推薦意見。

REMUNERATION COMMITTEE

The Company's Remuneration Committee was established in September, 2005 which comprises two independent non-executive directors, namely, Mr. Lee Tho Siem and Mr. Wang Jianguo and one Executive Director namely Mr. Kong Cheuk Luen, Trevor who chairs the Remuneration Committee. The terms of reference of the Remuneration Committee are available on the Company's website.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of directors and reviewing their specific remuneration package for Directors and senior management, including terms of salary, discretionary bonus scheme, benefits in kind, pension rights, compensation payments and other long-term incentive schemes by reference to market conditions, performance of the Group and the individual and corporate goals and objectives as set by the Board from time to time.

The Remuneration Committee held 2 meetings during the year. The minutes of the Remuneration Committee meetings were tabled to the Board for noting and for action by the Board where appropriate. The attendance of each member is set out on Page 17. During the meetings, the committee members discussed the policy for the remuneration of Executive Directors and senior management, assessed the performance of Executive and approved the terms of Executive Directors' service contracts.

SHAREHOLDERS' RIGHTS

The Board and management shall ensure shareholders' rights and all shareholders are treated equitably and fairly. Pursuant to the Company's bye-laws, any shareholder entitled to receive notice of and to attend and vote at a general meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. Shareholders who hold not less than one-tenth of the paid up capital of the Company shall have the right, by written requisition to the Board, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

Chairmen of the various Board committees, or failing the Chairmen, any member from the respective committees, must attend the annual general meetings of the Company to address shareholders' queries. External auditor shall also be invited to attend the Company's annual general meetings and are available to assist the Directors in addressing queries from shareholders relating to the conduct of the audit and the preparation and content of their auditor report.

薪酬委員會

本公司薪酬委員會於二零零五年九月成立，由兩名獨立非執行董事李多森先生及王建國先生與一名執行董事江爵煖先生組成，江爵煖先生為薪酬委員會主席。薪酬委員會之職權範圍載於本公司網頁。

薪酬委員會之主要職責包括就本公司有關董事薪酬之政策及結構向董事會作出建議，並參照市場狀況、本集團及個人表現以及董事會不時制定之企業目標及定向後，檢討董事及高級管理層之具體薪酬待遇，包括薪酬條款、酌情花紅計劃、實物利益、退休權利、薪酬付款及其他長期獎勵計劃。

薪酬委員會於年內舉行2次會議。薪酬委員會會議記錄已提呈董事會過目及採取適當行動。每名成員出席率載於本報告第17頁。會上，委員會成員討論執行董事及高級管理層之薪酬政策、評估行政人員表現及審批執行董事之服務合約條款。

股東權利

董事會及管理層須保障股東權利，且全體股東均獲得公平公正的對待。根據本公司之公司細則，任何有權接獲出席本公司股東大會通告，出席大會並於會上表決之股東，有權委聘另一名人士作為彼之受委代表，代彼出席及表決。持有不少於本公司繳足股本十分之一之股東，有權書面要求董事會就該項要求所訂明任何事宜召開股東特別大會。

各董事委員會主席，或如主席未能出席，則相關委員會之任何成員，必須出席本公司之股東週年大會解答股東提問。外聘核數師亦獲邀出席本公司之股東週年大會，從旁協助董事解答股東有關審核工作及核數師報告編製與內容之提問。

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company sees high quality reporting as an essential element in building successful relationship with the Company's shareholders. The information provided will not only comply with the different requirements in force but to provided additional information to enhancing communications with shareholders and the investment public. It is part of a continuous communication that encompasses meetings and announcements to the market as well as periodic written reports in the form of preliminary announcement of results and interim and annual reports.

The Company also maintains a corporate website on which comprehensive information of the Group are provided.

投資者關係及與股東溝通

本公司視良好報告制度為與本公司股東建立良好關係之關鍵。所提供資料除符合現行不同法律法規外，更可提供額外資料加強與股東及公眾投資者之溝通。本公司透過各項會議及市場公佈以及業績初步公佈與中期及年度報告等定期書面報告與股東及投資者持續溝通。

本公司亦設有公司網頁，提供本集團全面資料。

DIRECTORS' ATTENDANCE AT BOARD, AUDIT AND REMUNERATION COMMITTEES' MEETINGS

董事會、審核委員會及薪酬委員會會議之出席紀錄

		Board Meetings 董事會會議	Audit Committee Meetings 審核委員會會議	Remuneration Committee Meetings 薪酬委員會會議
Total number of meetings held during the year ended 31st December, 2007	截至二零零七年十二月三十一日止年度舉行之會議總數	4	2	2
Number of meetings attended:	所出席會議次數：			
Executive Directors	執行董事			
Tsang Chiu Wai	曾昭偉	4(100%)	1(50%)	N/A 不適用
Kong Cheuk Luen, Trevor	江爵媛	4(100%)	2(100%)	2(100%)
Non-Executive Director	非執行董事			
Wong Wing Sing	黃永勝	4(100%)	2(100%)	N/A 不適用
Independent Non-Executive Directors	獨立非執行董事			
Lee Tho Siem	李多森	4(100%)	2(100%)	2(100%)
Wang Jianguo	王建國	2(50%)	2(100%)	1(50%)
Loke Yu, alias Loke Hoi Lam	陸海林	3(75%)	1(50%)	N/A 不適用
External Auditor	外聘核數師	N/A 不適用	1(100%)	N/A 不適用

BOARD OF DIRECTORS

Executive Directors

Mr. Tsang Chiu Wai, aged 57, is an executive director and chairman of the Group since 15th December, 2006. Mr. Tsang started to work in the metal working industry in Hong Kong in 1981. Mr. Tsang was a co-founder of the group and joined the Group in 1993. He is responsible for the strategic planning and development of the Group. Mr. Tsang graduated from the University of Hong Kong with a Bachelor of Science Degree in 1974. After completion of his Master of Business Administration Degree in the University of Windsor, Canada, in 1977, Mr. Tsang joined an international oil company in Hong Kong and gained valuable experience in corporate planning and finance. Mr. Tsang is a member of the North American Die Casting Association.

Mr. Kong Cheuk Luen, Trevor, aged 52, is an executive director and chief executive officer of the Group. Mr. Kong invested in the Group through Winchase Limited since 1993 and became the executive director and chief operating officer of the Company in September, 2002 and was redesignated as chief executive officer with effect from December, 2006. He is responsible for the overall management of the financial operation and business development functions of the Group. Mr. Kong graduated from University of Saskatchewan, Canada in 1980 with a Bachelor of Commerce Degree. Before Mr. Kong became the executive director and chief operating officer of the Group, he was the General Manager of InfoChain Express division, an information technology business unit at Avery Dennison Corporation, a Fortune 500 US based company, and has over twenty years of manufacturing management experience. During his past years of experience, he had successfully deployed several key projects such as computerization of production system, certification of ISO 9001 quality system, construction of new 150,000 square feet plant facility and restructuring of a world class manufacturing team. Mr. Kong is a member of the North American Die Casting Association.

董事會成員

執行董事

曾昭偉先生，57歲，自二零零六年十二月十五日起出任本集團執行董事兼主席。曾先生於一九八一年投身於香港金屬工程業，後於一九九三年加盟本集團，為本集團創辦人之一。彼負責本集團策略規劃及發展。彼於一九七四年畢業於香港大學，持有理學士學位。曾先生於一九七七年在加拿大的University of Windsor完成其工商管理碩士學位課程後，便加入香港一家國際石油公司工作，於企業策劃及財務方面取得寶貴的經驗。彼亦為North American Die Casting Association的會員。

江爵煖先生，52歲，為本集團執行董事兼行政總裁。江先生自一九九三年起透過Winchase Limited投資於本集團，於二零零二年九月成為本公司執行董事及營運總監，並自二零零六年十二月調任本集團行政總裁。彼負責本集團財務營運及業務發展的整體管理。江先生於一九八零年在加拿大的University of Saskatchewan畢業，持有商業學士學位。於成為本集團執行董事及營運總監之前，彼為InfoChain Express部門總經理，於製造管理方面累積逾二十年的經驗，該部門乃Avery Dennison Corporation（一家名列於財富雜誌首500位的美國公司）的資訊科技業務單位。彼於以往多年的經驗中，曾成功展開多個主要項目，例如生產系統電腦化、ISO 9001品質系統認證、興建150,000平方呎的新廠房設施及重組世界級的製造隊伍。彼亦為North American Die Casting Association的會員。

BOARD OF DIRECTORS (continued)**Independent Non-executive Directors**

Mr. Lee Tho Siem, aged 68, is an independent non-executive director of the Group. Mr. Lee joined the Group in September, 2002. Mr. Lee studied at University of Hangzhou from 1957 to 1961. He subsequently joined Hua Chiao Commercial Ltd. in September, 1963 and was appointed as a Director and Acting General Manager in 2000. Hua Chiao Commercial Ltd. was merged into The Bank of China (Kong Kong) Limited on 1st October, 2001 and Mr. Lee retired on 1st December, 2001. Mr. Lee has over forty years of experience in banking industry and is currently an independent director of Bank of Ningbo Co. Ltd. Mr. Lee is also a member of Hong Kong Securities Institute.

Mr. Wang Jianguo, aged 61, is an independent non-executive director of the Group. Mr. Wang joined the Group in December, 2002. He graduated from Harbin Engineering Institute and is an economist. He is currently the executive director of Shanghai Multi Luck Real Estates Development Limited and Shanghai Urban Real Estate Development Limited and the chairman of the board of Shanghai Ding Guo Investment Management Limited. He was previously the general manager of Xian Shanghai Economic Coordination Corporation and the deputy general manager of Shanghai Shenda (Group) Company. Mr. Wang has over twenty years of experience in property and corporate development and investment.

Dr. Loke Yu, alias Loke Hoi Lam, aged 58, is an independent non-executive director of the Group. Dr. Loke joined the Group in July, 2004. He has over thirty years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administration Degree from University Teknologi Malaysia and a Doctor of Business Administration Degree from University of South Australia. He is a Fellow of The Institute of Chartered Accountants in England and Wales; The Hong Kong Institute of Certified Public Accountants; and The Hong Kong Institute of Directors. He is also an Associate member of The Hong Kong Institute of Chartered Secretaries and a member of Malaysian Institute of Accountants. He is the Chairman of MHL Consulting Limited. He serves as an INED of Shandong Molong Petroleum Machinery Company Limited, New Chinese Medicine Holdings Limited, Matrix Holdings Limited, VoDone Limited, Wealthmark International (Holdings) Limited, China Fire Safety Enterprise Group Holdings Limited and Winfair Investment Company Limited, companies listed on the Stock Exchange of Hong Kong.

董事會成員 (續)**獨立非執行董事**

李多森先生，68歲，為本集團獨立非執行董事。李先生於二零零二年九月加入本集團。彼於一九五七年至一九六一年期間就讀於杭州大學，後於一九六三年九月加入香港華僑商業銀行有限公司，並於二零零零年獲委任為董事兼代理總經理，二零零一年十月一日華僑商業銀行併入中國銀行(香港)有限公司，二零零一年十二月一日退休。李先生於銀行界累積逾四十年經驗，彼現為寧波銀行股份有限公司獨立董事，並為香港證券專業學會會員。

王建國先生，61歲，為本集團獨立非執行董事。王先生於二零零二年十二月加入本集團。彼在哈爾濱工程學院畢業，並為經濟師。彼現為上海多福房地產發展有限公司及上海都市房地產發展有限公司之執行董事，並為上海鼎國投資管理有限公司之董事長。彼曾任西安上海經濟協作公司的總經理及上海申大(集團)公司的副總經理。王先生在物業及企業發展與投資方面累積逾二十年經驗。

陸海林博士，58歲，為本集團獨立非執行董事。陸博士於二零零四年七月加入本集團。彼於私人及上市公司之會計及審計工作、財務顧問及企業管理等方面擁有逾三十年經驗。彼取得馬來西亞科技大學工商管理碩士學位和南澳大學工商管理博士學位。彼為英國英格蘭與威爾斯特許會計師學會、香港會計師公會及香港董事學會之資深會員，亦是香港特許秘書學會及馬來西亞特許會計師學會之會員。彼現為萬豪企業管理有限公司主席，亦為多家於香港聯交所上市之公司，包括山東墨龍石油機械股份有限公司、新醫藥控股有限公司、美力時集團有限公司、第一視頻集團有限公司、和寶國際控股有限公司、中國消防企業集團控股有限公司及永發置業有限公司之獨立非執行董事。

BOARD OF DIRECTORS (continued)

Non-executive Director

Mr. Wong Wing Sing, aged 36, is a non-executive director of the Group. Mr. Wong is a partner of Sit, Fung, Kwong & Shum, Solicitors. He joined the Group in September, 2002 as an independent non-executive director and was redesignated as a non-executive director with effect from September, 2004. He has been practising law in Hong Kong since 1996 and his main areas of practice are corporate, securities and commercial law. He obtained his Bachelor of Law and Master of Law degrees from the University of Hong Kong in 1993 and 1997 respectively. He was admitted as a solicitor in Hong Kong in 1996, a solicitor of England and Wales in 1997 and a notary public in Hong Kong in 2006.

SENIOR MANAGEMENT

Mr. Shea Chun Lok, aged 41, is the financial controller of the Group. He is responsible for the overall financial management of the Group and the administrative management of the group's factories. He holds a Bachelor degree in Business from the Monash University of Australia. He is also a fellow member of the CPA Australia and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Shea joined the Group in August, 2006. Mr. Shea is also an independent non-executive director of a company listed on the main board of the Stock Exchange of Hong Kong Limited. Mr. Shea has been working as the Company Secretary and Qualified Accountant in various Hong Kong Main Board listed companies for many years. He has substantial experience as financial controller of listed companies.

Mr. Lee Yuk Kwan, aged 54, is the general manager of Dongguan United Metal Products Company Limited. He is responsible for the overall production, materials control and operations of the factory. He joined the Group in 1993 and has over ten years senior management experience in the metal working industry. Prior to joining the Group, Mr. Lee gained extensive training and practical experience in the metal working, mechanical and structural engineering business.

Mr. Lam Pek Vu, aged 41, is the quality manager of the Group. He is responsible for the overall quality assurance function of the Group's factories. He joined the Group in April, 1998 and has over 10 years experience in quality management.

COMPANY SECRETARY

Ms. Siu Po Sim, Katherine, aged 51, is the company secretary of the Group. Ms. Siu is a Chartered Secretary, holds a Master's degree in Business Administration major in Finance and is an Associate member of The Institute of Chartered Secretaries and Administrators. She has over 20 years of professional experience in compliance, corporate & commercial and company secretarial matters in Hong Kong. She has started to handle and be responsible for the Group's company secretarial affairs since May, 2004.

董事會成員 (續)

非執行董事

黃永勝先生，36歲，為本集團非執行董事。黃先生乃薛馮鄭岑律師行的合夥人，於二零零二年九月加入本集團出任獨立非執行董事，自二零零四年九月起調任非執行董事。彼自一九九六年起在香港執業，其執業範疇主要為企業、證券及商業法。彼分別於一九九三年及一九九七年取得香港大學的法律學士學位及法律碩士學位。彼於一九九六年獲認許為香港律師，於一九九七年獲認許為英格蘭及威爾斯律師，後於二零零六年成為香港公證人。

高級管理層

余俊樂先生，41歲，為本集團財務總監，負責本集團整體財務管理及集團廠房之行政管理。彼持有澳洲蒙納殊大學之商學士學位，亦為澳洲會計師公會資深會員及香港會計師公會會員。余先生於二零零六年八月加入本集團，亦為一家在香港聯合交易所有限公司主板上市公司之獨立非執行董事。余先生亦於多間香港主板上市公司任職公司秘書及合資格會計師多年。彼於出任上市公司財務總監方面擁有豐富經驗。

李煜鈞先生，54歲，東莞鏗利五金制品有限公司的總經理。彼負責廠房的整體生產、物料控制及營運。彼於一九九三年加盟本集團，在金屬工程業方面累積逾十年的高級管理經驗。加入本集團前，李先生於金屬製造、機械及結構工程行業獲取廣泛的培訓及實務經驗。

林碧湖先生，41歲，為本集團的品質部門經理。彼負責本集團各廠房的整體品質鑑定工作。彼於一九九八年四月加盟本集團，於品質管理方面累積逾十年經驗。

公司秘書

蕭寶嬋女士，51歲，為本集團的公司秘書。蕭女士為特許公司秘書及持有工商管理碩士學位，主修財務。彼為英國特許秘書及行政人員學會的會員。彼於香港守章、企業與商業以及公司秘書事宜方面累積逾二十年的專業經驗。蕭女士於二零零四年五月加盟本集團，負責本集團的公司秘書事宜。

The directors present their annual report and the audited consolidated financial statements for the year ended 31st December, 2007.

董事會提呈其截至二零零七年十二月三十一日止年度之年報及經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's subsidiaries are set out in note 34 to the consolidated financial statements.

主要業務

本公司為一間投資控股公司，其附屬公司之主要業務載於綜合財務報表附註34。

RESULTS

The results of the Group for the year ended 31st December, 2007 are set out in the consolidated income statement on page 29.

業績

本集團截至二零零七年十二月三十一日止年度之業績載於第29頁之綜合收益表。

The directors do not recommend the payment of a dividend for the year ended 31st December, 2007.

董事會不建議派付截至二零零七年十二月三十一日止年度之股息。

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent approximately HK\$12.1 million and HK\$8.8 million on plant and machinery and construction in progress, respectively to expand and upgrade its manufacturing facilities. Further, the Group also recognised an impairment loss on construction in progress of approximately HK\$7.3 million because of the significant delay in completion date of the new factory premises.

物業、廠房及設備

本集團年內用於廠房及機器與在建工程的金額分別約達港幣12,100,000元及港幣8,800,000元，以擴充及提升其生產設施。此外，由於新廠房竣工時間的重大延誤，本集團已確定一為數約港幣7,300,000元之在建工程減值虧損。

Details of this and other movements in the property, plant and equipment of the Group during the year are set out in note 12 to the consolidated financial statements.

本集團年內在上述方面及有關物業、廠房及設備之其他變動詳情載於綜合財務報表附註12。

SHARE CAPITAL

Details of the share capital of the Company is set out in note 24 to the consolidated financial statements.

股本

本公司股本之詳情載於綜合財務報表附註24。

DISTRIBUTABLE RESERVE OF THE COMPANY

The amount of the Company's reserves available for distribution to shareholders as at 31st December, 2007, calculated in accordance with Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants, was approximately HK\$123.1 million (2006: HK\$123.7 million).

本公司之可供分派儲備

根據香港會計師公會頒佈的香港財務報告準則所計算，本公司於二零零七年十二月三十一日，可供分派予股東之儲備之金額約港幣123,100,000元（二零零六年：港幣123,700,000元）。

DIRECTORS

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

Executive directors

Tsang Chiu Wai
Kong Cheuk Luen, Trevor

Non-executive director

Wong Wing Sing

Independent non-executive directors

Lee Tho Siem
Wang Jianguo
Loke Yu, alias Loke Hoi Lam

In accordance with Article 112 of the Company's Article of Association, Mr. Kong Cheuk Luen, Trevor and Dr. Loke Yu, alias Loke Hoi Lam will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Each of the executive directors has entered into a service contract with the Company for an initial term of three years commencing 1st December, 2002 which shall continue thereafter until terminated by either party giving to the other party not less than six months prior written notice.

The term of office of each of the independent non-executive directors and non-executive director is the period from his appointment to the time of retirement by rotation in accordance with the Company's Articles of Association.

SERVICE CONTRACTS OF DIRECTORS

None of the directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

以下為本公司本年度及截至本報告日期之董事：

執行董事

曾昭偉
江爵媛

非執行董事

黃永勝

獨立非執行董事

李多森
王建國
陸海林

根據本公司之公司組織章程細則第112條，江爵媛先生及陸海林博士將於即將舉行之股東週年大會輪值告退，彼等合資格並願膺選連任。

各執行董事與本公司訂有服務合約，年期由二零零二年十二月一日起計初步為期三年，其後將會繼續有效，直至其中一方向另一方發出不少於六個月的事先書面通知為止。

各獨立非執行董事及非執行董事的任期為由其委任日期起直至本公司之公司組織章程細則訂明的輪值退任時間為止。

董事服務合約

概無董事與本公司或其任何附屬公司訂立任何本集團若不給予補償（法定補償除外）則於一年內不可終止之服務合約。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31st December, 2007, the interests of the directors and the chief executive and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions

Ordinary shares of HK\$0.01 each of the Company

董事及主要行政人員於股份及相關股份之權益

於二零零七年十二月三十一日，董事及主要行政人員以及彼等之聯繫人士於本公司及其相聯法團之股份及相關股份中，擁有本公司根據證券及期貨條例（「證券及期貨條例」）第352條規定存置之登記冊所記錄之權益，或根據上市公司董事進行證券交易的標準守則已知會本公司及香港聯合交易所有限公司（「聯交所」）的權益如下：

好倉

本公司每股面值港幣0.01元之普通股

Name of director 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
Tsang Chiu Wai, the Chairman 曾昭偉（主席）	Held by controlled corporation (Note i) 由受控制公司持有（附註i）	54,788,000	24.90%
Kong Cheuk Luen, Trevor, the CEO 江爵媛（行政總裁）	Held by controlled corporation (Note ii) 由受控制公司持有（附註ii）	33,181,000	15.08%

Notes:

- (i) These securities are registered in the name of and beneficially owned by Standard Beyond Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of Standard Beyond Limited is beneficially owned by Mr. Tsang Chiu Wai. Accordingly, Mr. Tsang Chiu Wai is deemed to be interested in 54,788,000 shares held by Standard Beyond Limited under the SFO. Mr. Tsang Chiu Wai is also a director of Standard Beyond Limited.
- (ii) These securities are registered in the name of and beneficially owned by Absolute Above Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of Absolute Above Limited is beneficially owned by Mr. Kong Cheuk Luen, Trevor. Accordingly, Mr. Kong Cheuk Luen, Trevor is deemed to be interested in 33,181,000 shares held by Absolute Above Limited under the SFO. Mr. Kong Cheuk Luen, Trevor is also a director of Absolute Above Limited.

附註：

- (i) 該等證券乃以在英屬處女群島註冊成立之 Standard Beyond Limited 的名義登記，並由該公司實益擁有。Standard Beyond Limited 全部已發行股本均由曾昭偉先生實益擁有。因此，根據證券及期貨條例，曾昭偉先生被視作於 Standard Beyond Limited 所持有 54,788,000 股股份中擁有權益。曾昭偉先生亦為 Standard Beyond Limited 之董事。
- (ii) 該等證券乃以在英屬處女群島註冊成立之 Absolute Above Limited 的名義登記，並由該公司實益擁有。Absolute Above Limited 全部已發行股本均由江爵媛先生實益擁有。因此，根據證券及期貨條例，江爵媛先生被視作於 Absolute Above Limited 所持有 33,181,000 股股份中擁有權益。江爵媛先生亦為 Absolute Above Limited 之董事。

Save as disclosed above, none of the directors, chief executives nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31st December, 2007.

除上文披露者外，於二零零七年十二月三十一日，董事、主要行政人員或彼等任何聯繫人士概無於本公司或其任何相聯法團任何股份、相關股份或債券中，擁有任何權益或淡倉。

SHARE OPTIONS

Particulars of the Company's share option scheme (the "Scheme") are set out in note 26 to the consolidated financial statements. No option has been granted under the Scheme since its adoption.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed under the section headed "SHARE OPTIONS" above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

At 31st December, 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than as disclosed under the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES", the following shareholder had notified the Company of relevant interests and short positions in the issued share capital of the Company.

Long positions

Ordinary shares of HK\$0.01 each of the Company

購股權

本公司之購股權計劃(「計劃」)詳情載於綜合財務報表附註26。自採納該計劃以來，並無根據計劃授出購股權。

購入股份或債券之安排

除上文「購股權」一節披露者外，本公司或其任何附屬公司於本年度任何時間概無訂立任何安排，令本公司董事可藉購入本公司或任何其他法人團體之股份或債券而取得利益。

董事於重大合約之權益

本公司或其任何附屬公司概無訂立本公司董事直接或間接擁有重大權益而於年結時或年內任何時間仍然有效之重大合約。

主要股東

除「董事及主要行政人員於股份及相關股份之權益」一節披露者外，按照本公司根據證券及期貨條例第336條規定存置之主要股東登記冊所披露，於二零零七年十二月三十一日，以下股東已知會本公司彼等在本公司已發行股本中擁有之相關權益及淡倉。

好倉

本公司每股面值港幣0.01元之普通股

Name of shareholder 股東姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Thomas Lau, Luen-hung 劉鑾鴻	Held by controlled corporation (Note) 由受控制公司持有(附註)	69,468,000	31.58%

Note: These securities are registered in the name of and beneficially owned by Shine Top Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of Shine Top Limited is beneficially owned by Mr. Thomas Lau, Luen-hung. Accordingly, Mr. Thomas Lau, Luen-hung is deemed to be interested in 69,468,000 shares held by Shine Top Limited under the SFO.

附註：該等證券乃以在英屬處女群島註冊成立之 Shine Top Limited 的名義登記，並由該公司實益擁有。Shine Top Limited 全部已發行股本均由劉鑾鴻先生實益擁有。因此，根據證券及期貨條例，劉鑾鴻先生被視作於 Shine Top Limited 所持有 69,468,000 股股份中擁有權益。

SUBSTANTIAL SHAREHOLDERS (continued)

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st December, 2007.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considers all of the independent non-executive directors are independent.

COMPETING BUSINESS INTERESTS OF DIRECTORS

None of the directors of the Company or their respective associates have any interests in a business which competes or may compete with the business of the Company.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of which are set out in note 26 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions 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.

主要股東 (續)

除上文披露者外，於二零零七年十二月三十一日，本公司並不知悉於本公司已發行股本中有任何其他相關權益或淡倉。

購買、出售或贖回本公司上市股份

於本年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市股份。

獨立非執行董事之委任

本公司已接獲各獨立非執行董事根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條發出之年度獨立性確認書。本公司認為，所有獨立非執行董事均具獨立性。

董事之競爭業務權益

本公司董事或彼等之聯繫人士概無於足以或可能與本公司業務競爭之業務中擁有任何權益。

薪酬政策

本集團僱員之薪酬政策乃由薪酬委員會按彼等之長處、資格及能力釐定。

本公司董事之酬金乃由薪酬委員會按本公司經營業績、個人表現及可比較市場數據釐定。

本公司已採納購股權計劃，作為董事及合資格僱員之獎勵，計劃詳情載於綜合財務報表附註26。

優先購買權

本公司之公司組織章程細則或開曼群島法例均無任何關於優先購買權之規定，致使本公司有責任向現有股東按比例發售新股。

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st December, 2007.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Tsang Chiu Wai
Chairman

Hong Kong, 3rd April, 2008

充足公眾持股量

本公司於截至二零零七年十二月三十一日止年度一直維持充足公眾持股量。

核數師

續聘德勤•關黃陳方會計師行為本公司核數師之決議案將於股東週年大會提呈。

代表董事會

曾昭偉
主席

香港，二零零八年四月三日



TO THE MEMBERS OF UNITED METALS HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of United Metals Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 29 to 79 which comprise the consolidated balance sheet as at 31st December, 2007 and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

致 UNITED METALS HOLDINGS LIMITED

科鑄技術集團有限公司*

(於開曼群島註冊成立之有限公司)

各股東

本核數師行已審核載於第29至79頁內United Metals Holdings Limited(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零零七年十二月三十一日之綜合資產負債表，以及截至該日止年度之綜合收益表、綜合資本變動表及綜合現金流量表，連同主要會計政策概要及其他解釋性附註。

董事就綜合財務報表須承擔的責任

貴公司董事須負責按照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製及真實公平地呈列此等綜合財務報表。有關責任包括制訂、實施及維持有關編製及真實公平地呈列綜合財務報表之內部監控制度，確保此等綜合財務報表並不存在由於欺詐或錯誤而導致的重大錯誤陳述；選定及採用適當會計政策；以及作出在相關情況下屬合理之會計估計。

核數師的責任

本核數師行之責任乃根據審核工作之結果，對此等綜合財務報表發表意見，並僅向全體股東報告，不作其他用途。本核數師行概不就本報告書的內容向任何其他人士承擔或負上任何責任。本核數師行乃按照香港會計師公會頒佈之香港核數準則進行審核工作。該等準則規定本核數師行須遵從道德操守，並計劃及進行審核工作，以合理保證此綜合財務報表是否不存有重大錯誤陳述。

* 僅供識別

AUDITOR'S RESPONSIBILITY (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 Group as at 31st December, 2007 and of the Group's loss 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.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
3rd April, 2008

核數師的責任 (續)

審核範圍包括執行程序以取得有關綜合財務報表所載數額及披露事項之審核憑證。所選定程序倚賴核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險。於作出該等風險評估時，核數師考慮與實體編製及真實公平地呈列綜合財務報表有關之內部監控制度，以制訂適合相關情況之審核程序，但並非旨在就實體內部監控制度是否有效發表意見。審核範圍亦包括評估所採用會計政策是否恰當及董事所作出會計估計是否合理，以及評估綜合財務報表整體上之呈列方式。

本核數師行相信，就為審核意見提供基準而言，本核數師行所取得審核憑證已屬充分及恰當。

意見

本行認為有關綜合財務報表按照香港財務報告準則真實公平地反映 貴集團於二零零七年十二月三十一日的狀況及 貴集團截至該日止年度的溢利和現金流量，並已按照香港公司條例之披露規定適當編製。

德勤•關黃陳方會計師行
執業會計師

香港
二零零八年四月三日

Consolidated Income Statement 綜合收益表

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

			2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
	NOTES 附註			
Revenue	收益	5	234,919	242,831
Cost of sales	銷售成本		(209,638)	(202,042)
Gross profit	毛利		25,281	40,789
Other income	其他收入	6	1,544	705
Selling and distribution expenses	銷售及分銷開支		(7,975)	(9,986)
Administrative expenses	行政開支		(14,389)	(13,641)
Impairment loss on property, plant and equipment	物業、廠房及設備 減值虧損	12	(7,337)	—
Impairment loss on goodwill	商譽減值虧損		—	(685)
Finance costs	融資成本	7	(1,373)	(1,367)
Other expenses	其他開支		(145)	(1,645)
(Loss) profit before taxation	除稅前(虧損)溢利		(4,394)	14,170
Income tax credit (expense)	所得稅抵免(開支)	8	38	(754)
(Loss) profit for the year	年內(虧損)溢利	9	(4,356)	13,416
(Loss) earnings per share — basic	每股(虧損)盈利—基本	11	(HK2.0 cents 港仙)	HK6.1 cents 港仙

Consolidated Balance Sheet 綜合資產負債表

At 31st December, 2007 於二零零七年十二月三十一日

			2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
	NOTES 附註			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	113,454	111,932
Prepaid lease payments	預付租賃款項	13	6,153	6,285
Goodwill	商譽	14	—	—
Available-for-sale investment	可供出售投資	15	1,483	1,438
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備 已付之訂金	16	3,249	6,738
			124,339	126,393
Current assets	流動資產			
Inventories	存貨	17	40,983	41,328
Trade and other receivables and prepayments	應收貿易賬款及其他應收 款項以及預付款項	18	55,745	57,404
Prepaid lease payments	預付租賃款項	13	133	133
Investments held for trading	持作買賣投資	19	543	—
Taxation recoverable	可收回稅項		340	—
Bank balances and cash	銀行結餘及現金	20	18,807	31,348
			116,551	130,213
Current liabilities	流動負債			
Trade and other payables and accruals	應付貿易賬款及其他應付 款項以及應計欠款	21	30,840	30,680
Taxation payable	應付稅項		84	390
Unsecured bank loans — due within one year	無抵押銀行貸款 — 一年內到期	22	19,334	14,000
			50,258	45,070
Net current assets	流動資產淨值		66,293	85,143
Total assets less current liabilities	總資產減流動負債		190,632	211,536
Non-current liabilities	非流動負債			
Unsecured bank loans — due after one year	無抵押銀行貸款 — 一年後到期	22	—	17,466
Deferred tax liabilities	遞延稅項負債	23	958	983
			958	18,449
Net assets	資產淨值		189,674	193,087
Capital and reserves	股本及儲備			
Share capital	股本	24	2,200	2,200
Reserves	儲備		187,474	190,887
Equity attributable to equity holders of the Company	本公司權益持有人 應佔權益		189,674	193,087

The consolidated financial statements on pages 29 to 79 were approved and authorised for issue by the Board of Directors on 3rd April, 2008 and are signed on its behalf by:

第29至79頁之綜合財務報表已於二零零八年四月三日經由董事會批准及授權發出，並由下列董事代表董事會簽署：

Tsang Chiu Wai

曾昭偉

DIRECTOR

董事

Kong Cheuk Luen, Trevor

江爵媛

DIRECTOR

董事

Consolidated Statement of Changes in Equity 綜合資本變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔								
		Share capital	Share premium	Investments revaluation reserve	Non-distributable reserve	Merger reserve	General reserve fund	Translation reserve	Accumulated profits	Total
		股本	股份溢價	投資重估儲備	非可供分派儲備	合併儲備	一般儲備基金	匯兌儲備	累計溢利	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		(Note 24)			(Note 25)	(Note 25)	(Note 25)			
		(附註24)			(附註25)	(附註25)	(附註25)			
At 1st January, 2006	於二零零六年一月一日	2,200	39,352	(114)	16,584	127	6,139	—	111,066	175,354
Exchange differences arising from translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	—	—	4,265	—	4,265
Gain on fair value changes of available-for-sale investment	可供出售投資公平值變動之收益	—	—	52	—	—	—	—	—	52
Income recognised directly in equity	直接於股本確認之收入	—	—	52	—	—	—	4,265	—	4,317
Profit for the year	年內溢利	—	—	—	—	—	—	—	13,416	13,416
Total recognised income for the year	年內已確認收入總額	—	—	52	—	—	—	4,265	13,416	17,733
Transfer	轉撥	—	—	—	—	—	455	—	(455)	—
At 31st December, 2006	於二零零六年十二月三十一日	2,200	39,352	(62)	16,584	127	6,594	4,265	124,027	193,087
Exchange differences arising from translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	—	—	898	—	898
Gain on fair value changes of available-for-sale investment	可供出售投資公平值變動之收益	—	—	45	—	—	—	—	—	45
Income recognised directly in equity	直接於股本確認之收入	—	—	45	—	—	—	898	—	943
Loss for the year	年內虧損	—	—	—	—	—	—	—	(4,356)	(4,356)
Total recognised income (loss) for the year	年內已確認收入(虧損)總額	—	—	45	—	—	—	898	(4,356)	(3,413)
Transfer	轉撥	—	—	—	—	—	408	—	(408)	—
At 31st December, 2007	於二零零七年十二月三十一日	2,200	39,352	(17)	16,584	127	7,002	5,163	119,263	189,674

Consolidated Cash Flow Statement 綜合現金流量表

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

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
OPERATING ACTIVITIES	經營業務		
(Loss) profit before taxation	除稅前(虧損)溢利	(4,394)	14,170
Adjustments for:	經調整:		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	17,294	14,547
Dividend income	股息收入	(30)	(30)
Finance costs	融資成本	1,373	1,367
Impairment loss on goodwill	商譽減值虧損	—	685
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	7,337	—
Interest income	利息收入	(236)	(275)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	199
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	21,344	30,663
Decrease (increase) in inventories	存貨減少(增加)	345	(3,755)
Decrease (increase) in trade and other receivables and prepayments	應收貿易賬款及其他應收款項以及預付款項減少(增加)	1,659	(6,341)
(Increase) decrease in investments held for trading	持作買賣投資(增加)減少	(543)	461
Decrease in trade and other payables and accruals	應付貿易賬款及其他應付款項及應計欠款減少	(1,718)	(1,379)
Cash generated from operations	經營業務產生之現金	21,087	19,649
Hong Kong Profits Tax paid	繳付香港利得稅	(563)	(14)
Taxation in other jurisdictions paid	繳付其他司法權區稅項	(70)	(570)
NET CASH FROM OPERATING ACTIVITIES	來自經營業務之現金淨額	20,454	19,065
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	(16,812)	(25,504)
Deposits paid on acquisition of property, plant and equipment	收購物業、廠房及設備已付之訂金	(3,249)	(6,738)
Dividends received	已收股息	30	30
Interest received	已收利息	236	275
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	—	58
NET CASH USED IN INVESTING ACTIVITIES	用作投資活動之現金淨額	(19,795)	(31,879)
FINANCING ACTIVITIES	融資活動		
Repayment of bank loans	償還銀行貸款	(22,132)	(2,640)
Interest paid	已付利息	(1,373)	(1,367)
New bank loans raised	新籌集銀行貸款	10,000	29,406
NET CASH (USED IN) FROM FINANCING ACTIVITIES	來自(用作)融資活動之現金淨額	(13,505)	25,399
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)增加淨額	(12,846)	12,585
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	承前現金及現金等價物	31,348	18,134
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動之影響	305	629
CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented by bank balances and cash	現金及現金等價物結轉 由銀行結餘及現金組成	18,807	31,348

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

1. GENERAL

United Metals Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 25th June, 2002 and its shares have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 6th January, 2003.

The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The functional currency of the Company is United States dollars (“US\$”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) for the convenience of the shareholders, as the Company is listed in Hong Kong.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are die casting and sale of metal products.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new standard, amendment, and interpretations (the “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are either effective for the Group’s financial year beginning 1st January, 2007.

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

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior years have been prepared and presented. Accordingly, no prior year adjustment has been required.

1. 一般資料

科鑄技術集團有限公司(「本公司」)於二零零二年六月二十五日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司，其股份自二零零三年一月六日起在香港聯合交易所有限公司(「聯交所」)上市。

本公司之註冊辦事處及主要營業地點於年報「公司資料」一節披露。

本公司之功能貨幣為美元(「美元」)。由於本公司於香港上市，所以為方便股東，綜合財務報表以港幣(「港幣」)列值。

本公司及其附屬公司(下文統稱「本集團」)之主要業務為壓鑄及銷售金屬產品。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團首次應用下列由香港會計師公會頒佈並於二零零七年一月一日開始之本集團財政年度生效之新準則、修訂及詮釋(「新訂香港財務報告準則」)。

香港會計準則第1號 (修訂本)	資本披露
香港財務報告準則第7號 香港(國際財務報告詮釋 委員會)－詮釋第7號	金融工具：披露 根據香港會計準則 第29號嚴重通脹 經濟中之財務 報告應用重列法
香港(國際財務報告詮釋 委員會)－詮釋第8號	香港財務報告準則 第2號之範圍
香港(國際財務報告詮釋 委員會)－詮釋第9號	重新評估附帶衍生 工具
香港(國際財務報告詮釋 委員會)－詮釋第10號	中期財務報告及 減值

採納該等新訂香港財務報告準則對本年度及過往年度之業績及財務狀況編製及呈列方式並無重大影響。因此，毋需就過往年度作出調整。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued)

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions ³
HK(IFRIC)-Int 12	Service Concession Arrangements ⁴
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁵
HK(IFRIC)-Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ⁴

- ¹ Effective for annual periods beginning on or after 1st January, 2009
- ² Effective for annual periods beginning on or after 1st July, 2009
- ³ Effective for annual periods beginning on or after 1st March, 2007
- ⁴ Effective for annual periods beginning on or after 1st January, 2008
- ⁵ Effective for annual periods beginning on or after 1st July, 2008

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團已追溯地應用香港會計準則第1號（修訂本）及香港財務報告準則第7號項下之披露規定。根據香港會計準則第32號之規定於過往年度呈列之若干資料已被移除，基於香港會計準則第1號（修訂本）及香港財務報告準則第7號規定之有關比較資料已於本年度首次呈列。

本集團尚未提早應用以下已頒布惟尚未生效之新訂及經修訂準則或詮釋。

香港會計準則第1號 （經修訂）	呈列財務報表 ¹
香港會計準則第23號 （經修訂）	借貸成本 ¹
香港會計準則第27號 （經修訂）	綜合及獨立財務報表 ²
香港財務報告準則第2號 （修訂本）	歸屬條件及註銷 ¹
香港財務報告準則第3號 （經修訂）	業務合併 ²
香港財務報告準則第8號	營運分部 ¹
香港（國際財務報告詮釋委員會）— 詮釋第11號	香港財務報告準則第2號— 集團及庫存股份交易 ³
香港（國際財務報告詮釋委員會）— 詮釋第12號	服務經營權安排 ⁴
香港（國際財務報告詮釋委員會）— 詮釋第13號	客戶忠誠度計劃 ⁵
香港（國際財務報告詮釋委員會）— 詮釋第14號	香港會計準則第19號— 界定福利資產的限額、最低資本規定及其相互關係 ⁴

- ¹ 於二零零九年一月一日或以後開始之年度期間生效。
- ² 於二零零九年七月一日或以後開始之年度期間生效。
- ³ 於二零零七年三月一日或以後開始之年度期間生效。
- ⁴ 於二零零八年一月一日或以後開始之年度期間生效。
- ⁵ 於二零零八年七月一日或以後開始之年度期間生效。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

採納香港財務報告準則第3號（經修訂）可能會影響其收購日期為二零零九年七月一日或之後開始之首個年報期開始之日或之後之業務合併之會計處理。香港會計準則第27號（經修訂）將會影響有關於母公司於附屬公司所擁有權益之變動（不會導致失去控制權）之會計處理，該變動將列作股權交易。本公司董事預期應用其他新訂或經修訂準則及詮釋將不會對本集團之業績及財務狀況產生重大影響。

3. 主要會計政策

除若干金融工具乃根據下文所闡釋會計政策按公平值計量外，綜合財務報表乃按歷史成本基準編製。

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則及香港公司條例規定之適用披露資料。

綜合賬目基準

綜合財務報表包括本公司及本公司控制之實體（其附屬公司）之財務報表。倘本公司擁有權力管治一家實體之財務及營運政策而從其業務中獲益，則構成控制。

年內收購或出售之附屬公司之業績，乃由收購生效日期起或計至出售生效日期（視適用情況）計入綜合收益表。

附屬公司財務報表於需要情況下作出調整，致使其會計政策與本集團其他成員公司所採用者貫徹一致。

所有集團內公司間之交易、結餘、收入及開支已於綜合賬目時對銷。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Goodwill****Goodwill arising on acquisitions prior to 1st January, 2005**

Goodwill arising on an acquisition of net assets and operations of another entity for which the agreement date is before 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant acquiree at the date of acquisition.

For previously capitalised goodwill arising on acquisition of net assets and operations of another entity after 1st January, 2001, the Group has discontinued amortisation from 1st January, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit ("CGU") to which the goodwill relates may be impaired (see the accounting policy below).

Goodwill arising on acquisitions on or after 1st January, 2005

Goodwill arising on an acquisition of a business for which the agreement date is on or after 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a business is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant CGU, or groups of CGU, that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of the relevant CGU, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. 主要會計政策 (續)**商譽****於二零零五年一月一日前收購產生之商譽**

就收購另一實體之淨資產及業務產生而協議日期為二零零五年一月一日前之商譽指收購成本超出本集團於收購日期所佔有關被收購方可識別資產及負債公平值權益間之差額。

就於二零零一年一月一日之後收購另一實體之淨資產及業務產生之早前撥充資本之商譽而言，本集團自二零零五年一月一日起終止攤銷商譽，有關商譽每年及於有跡象顯示與商譽有關之現金產生單位（「現金產生單位」）可能出現減值時進行減值檢測（見下文會計政策）。

於二零零五年一月一日或之後收購產生之商譽

就收購業務產生而協議日期為二零零五年一月一日或之後之商譽指收購成本超出本集團於收購日期所佔有關業務可識別資產、負債及或然負債之公平值權益間之差額。有關商譽按成本減任何累積減值虧損列賬。

收購業務產生撥充資本之商譽於綜合資產負債表內獨立呈列。

就減值檢測而言，收購產生之商譽分配至預期將自收購協同效益獲益之各有關現金產生單位或一組現金產生單位。經分配商譽之現金產生單位每年及於有跡象顯示單位可能出現減值時進行檢測。就某一財政年度內進行收購產生之商譽而言，經分配商譽之現金產生單位於財政年度結束前檢測減值。倘現金產生單位可收回款額少於該單位賬面值，則分配減值虧損，先調低分配至該單位之任何商譽賬面值，其後根據單位內各資產之賬面值按比例分配至單位其他資產。商譽任何減值虧損直接於綜合收益表確認。商譽減值虧損不會於往後期間撥回。

倘其後出售有關現金產生單位，撥充資本之商譽應佔金額於出售時計入釐定損益之金額。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods are recognised when goods are delivered and title has passed.

Interest income from a financial asset excluding financial assets at fair value through profit or loss is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress, over their estimated useful lives and after taking into account their estimated residual value, using the straight line method.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

3. 主要會計政策 (續)

收益確認

收益按已收或應收代價之公平值計量，並指於一般業務過程中售出貨品之應收款項，經扣除折扣及銷售相關稅項。

來自貨品銷售之收益於貨品付運及擁有權轉讓後確認。

不包括按公平值計入損益之金融資產之利息收入按未提取本金及適用實際利率以時間基準累計，有關利率乃於金融資產預期年期將估計日後現金收入貼現至該資產賬面淨值之利率。

來自投資之股息收入於本集團收取款項之權利確立時確認。

物業、廠房及設備

物業、廠房及設備（在建工程除外）乃按成本值減其後累積折舊及累積減值虧損列賬。

折舊按估計可使用年期及經計及其估計剩餘價值，以直線法撇銷物業、廠房及設備（在建工程除外）項目之成本值撥備。

在建工程包括興建過程中用作生產或自用之物業、廠房及設備。在建工程按成本值減已確認減值虧損列賬。在建工程於竣工及可作擬定用途時被分類為物業、廠房及設備之適當類別。此等資產於資產可作擬定用途時按與其他物業資產相同之基準開始折舊。

物業、廠房及設備項目於出售或預期不會自持續使用資產產生日後經濟利益時剔除確認。剔除確認資產所產生任何損益（按出售所得款項淨額與項目賬面值間之差額計算），於剔除確認項目之年度計入綜合收益表。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Property, plant and equipment (continued)****Leasehold land and buildings under development for future owner-occupied purpose**

When the leasehold land and buildings are in the course of development for production or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 主要會計政策 (續)**物業、廠房及設備 (續)****日後業主自用之發展中租賃土地及樓宇**

倘發展中租賃土地及樓宇乃作生產或行政用途，有關租賃土地部分分類為預付租賃款項，並以直線法按租期攤銷。於興建期間，就租賃土地撥備之攤銷開支列作在建樓宇成本部分。在建樓宇按成本值減任何可識別減值虧損列賬。樓宇於可供使用時開始折舊（即於樓宇達致按管理層擬定方式運作所需地點及環境時）。

租賃

倘租賃條款將資產擁有權之絕大部分風險及回報轉讓予承租人，則分類為融資租賃。所有其他租賃均分類為經營租賃。

經營租賃之應付租金按有關租賃年期以直線法在損益內扣除。作為訂立經營租賃優惠，其已收及應收利益亦按租賃年期以直線法確認為租金開支減少。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣（外幣）進行之交易，均按交易日期之現行匯率以功能貨幣（即該實體經營業務主要經濟地區之貨幣）列賬。於各結算日，以外幣計值之貨幣項目均按結算日之現行匯率重新換算。按公平值列賬及以外幣計值之非貨幣項目，按釐定公平值當日之現行匯率重新換算。按歷史成本以外幣計算之非貨幣項目毋須重新換算。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Foreign currencies** (continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to depreciable assets are presented as a deduction from the carrying amount of the relevant asset and are released to income over the useful lives of the assets. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and are deducted in reporting the related expense.

3. 主要會計政策 (續)**外幣** (續)

於結算及換算貨幣項目時產生之匯兌差額，均於產生期間內於損益確認，惟組成本集團海外業務之投資淨額部分之貨幣項目所產生匯兌差額除外，在此情況下，有關匯兌差額乃於綜合財務報表確認為股本。以公平值計賬之非貨幣項目經重新換算後產生之匯兌差額，於該期間計入損益表內，惟重新換算直接於股本確認盈虧之非貨幣項目產生之差額除外，在此情況下，匯兌差額亦直接於股本確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債按結算日之現行匯率換算為本集團之呈列貨幣（即港幣），而其收支按年內平均匯率換算，惟期內匯率大幅波動除外，在此情況下則採用交易日期之現行匯率。如產生匯兌差額確認為股本之獨立部分（換算儲備）。有關匯兌差額於出售外國業務之期間於損益確認。

借貸成本

所有借貸成本於其產生期間在綜合收益表確認為及計入融資成本。

政府補助金

政府補助金按與有關成本相應之所需期間確認為收入。有關可折舊資產之補助金按有關資產賬面值扣減呈列，並按資產之可使用年期撥往收入。與開支項目有關之補助金於該等開支於綜合收益表扣除之相同期間確認，並於呈報有關開支時扣除。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Retirement benefit costs**

Payments to retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3. 主要會計政策 (續)
退休福利成本

向退休福利計劃之付款於僱員提供服務而有權享有供款時列作開支扣除。

稅項

所得稅開支指即期應繳稅項與遞延稅項總和。

即期應繳稅項乃按年內應課稅溢利計算。由於應課稅溢利不包括在其他年度應課稅或可扣稅收支項目，亦不包括收益表中毋須課稅或不可扣稅項目，因此與綜合收益表所呈報之溢利不同。本集團之即期稅項負債乃按於結算日頒佈或實質頒佈之稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之差額確認，並採用資產負債表負債法入賬。遞延稅項負債一般按所有應課稅暫時差額確認，而遞延稅項資產則限於日後可能取得應課稅溢利以抵銷可扣減暫時差額時確認。倘暫時差額產生自商譽或初步確認一項交易（非業務合併）之其他資產及負債，而有關交易既不影響應課稅溢利亦不影響會計溢利，則不予確認有關資產及負債。

遞延稅項負債乃按因於附屬公司之投資而引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額之撥回，以及暫時差額可能不會於可見將來撥回則除外。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial asset's at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於各結算日審閱，並於不再可能有足夠應課稅溢利以收回全部或部分資產時減少。

遞延稅項按預計於償還負債或變現資產期間適用之稅率計算。遞延稅項自損益扣除或計入，惟與於股本直接扣除或計入之項目有關者除外。在此情況下，遞延稅項亦會於股本處理。

存貨

存貨按成本值及可變現淨值之較低者入賬。成本值以加權平均法計算。

金融工具

金融資產及金融負債於集團實體成為工具合約條文之訂約方時在資產負債表確認。金融資產及金融負債初步按公平值計算。收購或發行金融資產及金融負債（按公平值計入損益之金融資產及金融負債除外）產生之直接應佔交易成本於初步確認金融資產或金融負債之公平值計入或扣除（按適用情況而定）。收購按公平值計入損益之金融資產或金融負債產生之直接應佔交易成本則即時於損益確認。

金融資產

本集團之金融資產分為三類，包括按公平值計入損益之金融資產、貸款及應收款項以及可供出售金融資產。所有以正常方式購買或出售之金融資產按交易日基準確認及剔除確認。正常方式購買或出售是按規則規定或市場慣例設定的時限交付資產之金融資產的購買或出售。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments** (continued)**Financial assets** (continued)*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis.

Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss consist of financial assets held for trading. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

At each balance sheet date subsequent to initial recognition, financial assets held for trading are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

3. 主要會計政策 (續)**金融工具** (續)**金融資產** (續)*實際利率法*

實際利率法乃計算金融資產之攤銷成本以及分攤相關期間之利息收入之方法。實際利率乃按金融資產之預計年期或適用的較短期間內準確折讓的估計未來現金收入(包括構成整體實際利率的已付或已收之一切費用、交易成本及其他溢價及折讓)之利率。

收入乃按實際利率基準確認。

按公平值計入損益之金融資產

本集團按公平值計入損益之金融資產包括持作買賣金融資產。金融資產分類為持作買賣當：

- 所收購之財務資產主要用於在不久將來銷售；或
- 屬於本集團整體管理之可辨別金融工具組合之一部分，且近期事實上有出售以賺取短期溢利的模式；或
- 屬於衍生工具(除指定及具有有效對沖作用之工具除外)。

初步確認後於每個結算日，持作買賣之金融資產會按公平值計量，公平值變動於產生期間直接於損益確認。於損益中確認之收益或虧損淨額不包括任何金融資產所賺取之任何股息或利息。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are neither classified as financial assets at fair value through profit or loss nor loans and receivables. 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 (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets, other than those financial assets at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項是沒有於活躍市場掛牌之固定或可釐定付款之非衍生金融資產。初步確認後於每個結算日，貸款及應收款項(包括應收貿易賬款及其他應收款項以及銀行結餘)均按採用實際利率法計算之攤銷成本減任何已識別減值虧損列賬(見下文金融資產減值虧損之會計政策)。

可供出售金融資產

可供出售金融資產為並無分類為按公平值計入損益之金融資產或貸款及應收款項之非衍生工具。初步確認後於各結算日，可供出售金融資產按公平值計量。公平值變動於股本確認，直至金融資產出售或釐定出現減值為止，屆時過往於股本中確認之累計損益會自股本中剔除並於損益確認(見下文金融資產減值虧損之會計政策)。

金融資產減值

除了以公平值變動計量損益之金融資產以外，金融資產會在每個結算日評定有否減值跡象。以一個或多個發生於初始計量金融資產後之結果來證明金融資產減值，金融資產之未來現金流估價受到影響。

就一項可供出售之股本權益投資而言，其投資公平值出現重大或長期下跌並低於其成本，是視為減值之客觀證據。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments** (continued)**Impairment of financial assets** (continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 主要會計政策 (續)**金融工具** (續)**金融資產減值** (續)

就所有其他金融資產而言，減值之客觀證據可能包括：

- 發行者或者對方出現重大財政困難，或
- 未能繳付或拖欠支付利息或本金，或
- 借款人有可能面臨破產或財務重組。

就若干類別的金融資產（如貿易應收賬款）而言，不會單獨作出減值之資產會於其後匯集一併評估減值。應收賬款組合出現減值之客觀證據包括本集團過往收款紀錄、以及國家或地區經濟狀況出現明顯變動導致應收賬款未能償還。

倘為按攤銷成本列賬之金融資產，倘有客觀跡象表明該項資產已減值，則按照資產賬面價值與估算之未來現金流量以原本實際利率折現之現值之間差額計算，並於損益中確認其減值虧損。

與所有金融資產有關之減值虧損會直接於金融資產賬面值中作出扣減，惟貿易應收賬款除外，其賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當貿易應收賬款被視為不可收回時，其將於撥備賬內撇銷。其後收回先前撇減之金額則於損益中計入。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade and other payables and unsecured bank loans are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策 (續)

金融工具 (續)

金融資產減值 (續)

倘為按攤銷成本計量之金融資產，若於其後期間，減值虧損之金額減少，且該減少在客觀上與確認減值虧損時發生之事項相關連，則先前確認之減值虧損可從損益賬中撥回，惟該資產於減值撥回日期之賬面值不應超過其未確認減值時之攤銷成本值。

可出售股本權益投資之減值虧損不會在往後期間於損益賬撥回。任何在減值虧損後所增加的公平值直接於股本確認。

金融負債及股本

集團實體發行之金融負債及股本工具根據所訂立合約安排之內容與金融負債及股本工具之定義分類。

股本工具乃證明集團於扣減其所有負債後於資產擁有剩餘權益之合約。就金融負債及股本工具採納之會計政策載列如下。

實際利率法

實際利率法乃計算金融負債之攤銷成本以及分攤相關期間之利息開支之方法。實際利率乃按金融負債之預計年期或適用的較短期間內準確折讓的估計未來現金付款之利率。

利息開支乃按實際利率基準確認。

金融負債

金融負債包括應付貿易賬款及其他應付款項及無抵押銀行貸款，其後採用實際利率法按攤銷成本計量。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)****Financial liabilities and equity (continued)***Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment losses on tangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At each balance sheet date, the Group reviews the carrying amounts of its tangible 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. An impairment loss is 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.

3. 主要會計政策 (續)**金融工具 (續)****金融負債及股本 (續)***股本工具*

本公司發行之股本工具按已收所得款項扣除直接發行成本列賬。

剔除確認

金融資產於自資產獲取現金流量之權利屆滿或金融資產轉讓及本集團將金融資產擁有權之絕大部分風險及回報轉讓時剔除確認。剔除確認金融資產時，資產賬面值與已收及可收取代價及已於股本直接確認之累計溢利或虧損總和之差額會於損益確認。

金融負債於有關合約訂明之責任已履行、取消或到期時剔除確認，剔除確認金融負債賬面值與已付及應付代價之差額於損益確認。

有形資產之減值虧損(商譽除外)(見上文商譽之會計政策)

於各結算日，本集團審閱其有形資產之賬面值，以釐定該等資產是否存在任何減值虧損跡象。倘資產之可收回金額估計低於其賬面值，則資產之賬面值將調低至其可收回金額。減值虧損即時確認為開支。

倘減值虧損其後撥回，則資產之賬面值會增至經調整之估計可收回金額，惟據此增加之賬面值不得超過倘於以往年度並無確認減值虧損而原應釐定之賬面值。減值虧損於撥回時即時確認為收入。

4. KEY SOURCE OF ESTIMATION UNCERTAINTY

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Estimated impairment on construction-in-progress/prepaid lease payments

The construction-in-progress include in the property, plant and equipment and the relevant prepaid lease payment are regarded as a single CGU of the Group which represents the new factory premises under construction in Shanghai, the People's Republic of China (the "PRC"), engaging in the sole and manufacture of aluminium die casting parts. Management reviews the recoverability of the Group's construction-in-progress and prepaid lease payments with reference to its intended use and profit generating power whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. Appropriate impairment for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

In determining whether impairment on construction-in-progress and prepaid lease payments erected and thereon, the Group takes into consideration the present value of future cash flow expected to receive, as well as rights to the use of land (the "Land use right"). Impairment is recognised based on the higher of estimated future cash flow and estimated market value. While the Group has paid the relevant Land use right fees in full, due to general local practice in the PRC, the Group has not yet obtained formal title to the Land use right until factory premises are completed on the relevant land. If the legal dispute as set out in note 12 change significantly that lead to further delay of the completion of the factory premises, resulting in a decrease in the recoverable amount of the Land use right, impairment loss may be required.

4. 估計不明朗因素之主要來源

本集團對未來作出估計及假設。該等估計及假設對下一個財政年度內之資產及負債之賬面金額造成重大調整之重大風險，討論如下：

在建工程／預付租賃款項之估值減值

在建工程(包括物業、廠房及設備及有關預付租賃款項)視為本集團之單一現金產生單位，意指在中華人民共和國(「中國」)上海只從事製造鋁壓鑄部件之在建新工廠廠房。每當有任何事件或情況轉變而顯示本集團之在建工程及預付租賃款項之賬面值高於可收回款項時，管理層定期根據其擬定用途及其產生盈利能力檢討此等在建工程及預付租賃款項之可收回性。當有客觀證據顯示資產已減值，則對估計不可收回之款項作出適當之減值並於損益表中確認。

在釐定在建工程及預付租賃款項是否需要作出減值時，本集團已考慮到未來預期收取現金流量之現值以及土地使用權(「土地使用權」)。減值以估計未來現金流量及估計市值(以較高者為準)予以確認。雖然本集團已支付有關土地使用權費用之全部金額，然而按中國當地之一般慣例，直至於該有關土地上完成建造工廠廠房，本集團才能取得該土地使用權之正式業權。倘載於附註12之法律爭議發生重大改變，導致工廠廠房之竣工時間進一步延期，致使該土地使用權之可收回金額減少，則可能需作出減值虧損。

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5. REVENUE AND SEGMENTAL INFORMATION

Revenue represents the amounts received and receivable for goods sold, net of returns and sales related taxes to outsiders during the year.

Business segments

For management purposes, the Group's business is currently organised into four operating divisions which are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Aluminium parts	—	sale of aluminium die casting parts manufactured and processed by the Group.
Zinc parts	—	sale of zinc die casting parts manufactured and processed by the Group and zinc die casting parts purchased from suppliers but processed by the Group.
Magnesium parts	—	sale of magnesium die casting parts manufactured and processed by the Group.
Others	—	sale of screw machined brass parts and other casting purchased from suppliers but processed by the Group.

5. 收益及分部資料

收益指年內向外界客戶銷售貨品之已收及應收款項扣除退貨淨額與銷售有關之稅項。

業務分部

就管理而言，本集團的業務目前分為四個營運單位，乃本集團呈報其主要分部資料的基準。

主要業務如下：

鋁部件	—	銷售本集團製造及加工的鋁壓鑄部件。
鋅部件	—	銷售本集團製造及加工的鋅壓鑄部件，以及銷售向供應商採購但由本集團加工的鋅壓鑄部件。
鎂部件	—	銷售本集團製造及加工的鎂壓鑄部件。
其他	—	銷售向供應商採購但由本集團加工的螺絲機械黃銅部件及其他鑄件。

5. REVENUE AND SEGMENTAL INFORMATION (continued)**5. 收益及分部資料** (續)

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		Aluminium parts 鋁部件 HK\$'000 港幣千元	Zinc parts 鋅部件 HK\$'000 港幣千元	Magnesium parts 鎂部件 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
REVENUE	收益	214,129	18,230	2,529	31	234,919
RESULTS	業績					
Segment results	分部業績	4,253	484	80	1	4,818
Dividend income from available-for-sale investment	可供出售投資之股息收入					30
Interest income	利息收入					236
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損					(7,337)
Unallocated corporate expenses	未分配公司開支					(768)
Finance costs	融資成本					(1,373)
Loss before taxation	除稅前虧損					(4,394)
Income tax credit	所得稅抵免					38
Loss for the year	年內虧損					(4,356)
BALANCE SHEET	資產負債表					
ASSETS	資產					
Segment assets	分部資產	170,315	13,904	3,582	90	187,891
Available-for-sale investment	可供出售投資					1,483
Investment held for trading	持作買賣投資					543
Unallocated corporate assets	未分配公司資產					50,973
Consolidated total assets	綜合資產總值					240,890
LIABILITIES	負債					
Segment liabilities	分部負債	13,223	98	34	—	13,355
Unsecured bank loans	無抵押銀行貸款					19,334
Unallocated corporate liabilities	未分配公司負債					18,527
Consolidated total liabilities	綜合負債總額					51,216
OTHER INFORMATION	其他資料					
Capital additions	增加資本	20,029	2,027	3,706	—	25,762
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	16,430	499	365	—	17,294

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5. REVENUE AND SEGMENTAL INFORMATION (continued)

5. 收益及分部資料 (續)

For the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

		Aluminium parts 鋁部件 HK\$'000 港幣千元	Zinc parts 鋅部件 HK\$'000 港幣千元	Magnesium parts 鎂部件 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
REVENUE	收益	219,842	17,727	4,870	392	242,831
RESULTS	業績					
Segment results	分部業績	15,548	899	329	8	16,784
Dividend income from available-for-sale investment	可供出售投資之股息收入					30
Interest income	利息收入					275
Unallocated corporate expenses	未分配公司開支					(1,552)
Finance costs	融資成本					(1,367)
Profit before taxation	除稅前溢利					14,170
Income tax expense	所得稅開支					(754)
Profit for the year	年內溢利					13,416
BALANCE SHEET	資產負債表					
ASSETS	資產					
Segment assets	分部資產	168,169	18,953	3,693	89	190,904
Available-for-sale investment	可供出售資產					1,438
Unallocated corporate assets	未分配公司資產					64,264
Consolidated total assets	綜合資產總值					256,606
LIABILITIES	負債					
Segment liabilities	分部負債	19,212	7,231	—	—	26,443
Unsecured bank loans	無抵押銀行貸款					31,466
Unallocated corporate liabilities	未分配公司負債					5,610
Consolidated total liabilities	綜合負債總額					63,519
OTHER INFORMATION	其他資料					
Capital additions	增加資本	31,630	2,991	—	—	34,621
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	13,702	626	219	—	14,547
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	199	—	—	—	199

5. REVENUE AND SEGMENTAL INFORMATION (continued)**Geographical segments**

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods:

		Sales revenue by geographical market 按地區市場劃分的銷售收益	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
The PRC, including Hong Kong	中國，包括香港	81,250	86,591
North America	北美洲	79,574	80,235
Europe	歐洲	62,777	56,717
Others	其他	11,318	19,288
		234,919	242,831

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

5. 收益及分部資料 (續)**地區分部**

本集團按地區市場劃分(不論貨品之來源地)之收益分析如下：

按資產所在地區劃分之分部資產賬面值以及物業、廠房及設備添置分析如下：

		Carrying amount of segment assets 分部資產賬面值		Additions to property, plant and equipment 物業、廠房及設備添置	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Geographical region	地區				
The PRC	中國	143,454	145,380	23,929	34,546
Hong Kong	香港	44,437	45,524	1,833	75
		187,891	190,904	25,762	34,621

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6. OTHER INCOME

6. 其他收入

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Included in other income are the following:	其他收入當中包括以下各項：		
Dividend income from available-for-sale investment	可供出售投資之股息收入	30	30
Net exchange gain	匯兌收益淨額	—	400
Interest income	利息收入	236	275

7. FINANCE COSTS

7. 融資成本

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Interest on unsecured bank loans wholly repayable within five years	須於五年內悉數償還之無抵押銀行貸款利息	1,373	846
Interest on loan from a related company	一間關連公司貸款利息	—	521
		1,373	1,367

8. INCOME TAX (CREDIT) EXPENSE

8. 所得稅(抵免)開支

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Current tax:	本期稅項：		
Hong Kong Profits Tax	香港利得稅		
Current year	本年度	—	425
Overprovision in previous years	過往年度超額撥備	(85)	(12)
		(85)	413
Taxation in other jurisdictions	其他司法權區稅項		
Current year	本年度	257	296
Overprovision in previous years	過往年度超額撥備	(185)	—
		72	296
		(13)	709
Deferred tax (note 23):	遞延稅項(附註23)：		
Current year	本年度	(25)	45
Taxation attributable to the Company and its subsidiaries	本公司及其附屬公司應佔稅項	(38)	754

8. INCOME TAX (CREDIT) EXPENSE (continued)

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Pursuant to the relevant laws and regulations in the PRC, Dongguan United Metal Products Co., Ltd. 東莞鏗利五金制品有限公司 (“Dongguan United”), is regarded as a “High and New Technology enterprise with Foreign Investment”, while United Castings (Dongguan) Co., Ltd. 東莞科鑄金屬制品有限公司 (“United Castings”) and United Metal Products (Shanghai) Co., Ltd. 科鑄金屬制品(上海)有限公司 (“United Shanghai”) are regarded as “Enterprise with Foreign Investment established on coastal economic open zones”, hence, they are levied at a reduced PRC Enterprise Income Tax rate of 24%. Also, all of the subsidiaries are entitled to exemption from the PRC enterprise income tax for two years commencing from their first profit-making year of operation and thereafter, they are entitled to 50% relief from PRC enterprise income tax for the following three years. The reduced tax rate for the relief period is 12%.

Dongguan United’s first profit-making year is the year of 1999. Accordingly, tax relief expired in the year of 2003 and the tax rate in the year of 2004 and thereafter is 24%.

Pursuant to the relevant laws and regulations in the PRC, Dongguan United is entitled to a 50% reduction in tax rate in the year of 2007 as over 70% of Dongguan United’s turnover is for export purpose. Accordingly, the tax rate for the year of 2007 is 12% (2006: 12%).

United Castings’ first profit-making year is the year of 2006. Accordingly, tax relief will expire in the year of 2010 and the tax rate thereafter is 25%. No provision for taxation has been made for United Casting.

No provision for taxation has been made for United Shanghai as the company had no assessable profit for the year.

On 16th March, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the “New Law”) by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 24% to 25% of Dongguan United, United Castings and United Shanghai from 1st January, 2008 onwards. United Castings will continue to entitle to 50% relief from PRC Enterprise Income Tax until 2010 based on the new tax rate of 25%.

8. 所得稅(抵免)開支 (續)

香港利得稅乃按估計應課稅溢利以 17.5% 稅率計算。

其他司法權區之稅項乃根據有關司法權區現行稅率計算。

根據中國有關法律及法規，東莞鏗利五金制品有限公司(「東莞鏗利」)被視為「高新技術型外商投資企業」，而東莞科鑄金屬制品有限公司(「東莞科鑄」)及科鑄金屬制品(上海)有限公司(「科鑄上海」)均被視為「設在沿海經濟開放區的外商投資企業」，故應按減免稅率 24% 向該等公司徵收中國企業所得稅。此外，所有附屬公司均於首個營運獲利年度起兩年期間獲豁免繳納中國企業所得稅，並可於其後三年獲減免 50% 中國企業所得稅。寬免期間之減免稅率為 12%。

東莞鏗利之首個獲利年度為一九九九年。因此，稅項寬免期已於二零零三年屆滿，二零零四年及其後稅率為 24%。

根據中國有關法律及法規，由於東莞鏗利超過 70% 之營業額源自出口，故可於二零零七年度獲減免 50% 稅項。因此，二零零七年之稅率為 12% (二零零六年：12%)。

東莞科鑄之首個獲利年度為二零零六年。因此，稅項寬免期將於二零一零年屆滿，其後稅率為 25%。並無就東莞科鑄作出稅項撥備。

由於科鑄上海於年內並無應課稅溢利，故並無就該公司作出稅項撥備。

於二零零七年三月十六日，中國根據中國主席令第六十三號頒佈中國企業所得稅法(「新稅法」)。於二零零七年十二月六日，中國國務院頒佈了新稅法實施細則。根據新稅法及其實施細則，由二零零八年一月一日起，東莞鏗利、東莞科鑄及科鑄上海之適用稅率將由 24% 調整至 25%。直至二零一零年基於新稅率 25%，東莞科鑄將繼續獲減免 50% 中國企業所得稅。

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8. INCOME TAX (CREDIT) EXPENSE (continued)

The tax (credit) charge for the year can be reconciled to the (loss) profit before taxation per the income statement as follows:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
(Loss) profit before taxation	除稅前(虧損)溢利	(4,394)	14,170
Tax at the PRC enterprise income tax rate of 24% (2006: 24%)	按中國企業所得稅率24% (二零零六年: 24%) 計算之稅項	(1,055)	3,401
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(557)	(2,607)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	2,455	691
Utilisation of tax losses previously not recognised	動用之前未確認之稅務虧損	—	(220)
Effect of tax exemptions granted to the Company's certain subsidiaries	本公司若干附屬公司獲豁免稅項之影響	(1,033)	(561)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	429	168
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司不同稅率之影響	9	(109)
Overprovision in previous years	過往年度超額撥備	(270)	(12)
Others	其他	(16)	3
Taxation for the year	本年度稅項	(38)	754

8. 所得稅(抵免)開支 (續)

本年度稅項(抵免)支出可與收益表所示除稅前(虧損)溢利對賬如下:

9. (LOSS) PROFIT FOR THE YEAR
9. 年內(虧損)溢利

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
(Loss) profit for the year has been arrived at after charging:	年內(虧損)溢利經扣除:		
Directors' remuneration (note 10)	董事酬金(附註10)	5,648	5,675
Other staff costs	其他員工成本	51,397	49,715
Retirement benefit schemes contributions (note 31)	退休福利計劃供款(附註31)	1,188	1,663
Total staff costs	員工成本總額	58,233	57,053
Amortisation of prepaid lease payments	預付租賃款項攤銷	133	133
Less: Amount capitalised in construction in progress	減: 於在建工程撥充資本之款項	(133)	(133)
		—	—
Auditor's remuneration	核數師酬金	1,018	628
Cost of inventories recognised as expense	已確認為開支之存貨成本	209,638	202,042
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	17,294	14,547
Net exchange loss	匯兌虧損淨額	685	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	199
Operating lease charges on land and buildings	土地及樓宇之經營租賃費用	3,611	3,143

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the six (2006: seven) directors are as follows:

2007

		Tsang Chiu Wai 曾昭偉 HK\$'000 港幣千元	Kong Cheuk Luen, Trevor 江爵煖 HK\$'000 港幣千元	Lee Tho Siem 李多森 HK\$'000 港幣千元	Wang Jianguo 王健國 HK\$'000 港幣千元	Loke Yu, alias Loke Hoi Lam 陸海林 HK\$'000 港幣千元	Wong Wing Sing 黃永勝 HK\$'000 港幣千元	Total 合共 HK\$'000 港幣千元
Directors' fee	董事袍金	—	—	55	55	55	55	220
Other emoluments	其他酬金							
Salaries and other benefits	薪酬及其他福利	2,453	2,951	—	—	—	—	5,404
Retirement benefit scheme contributions	退休福利計劃供款	12	12	—	—	—	—	24
Total emoluments	酬金總額	2,465	2,963	55	55	55	55	5,648

2006

		Thomas Lau, Luen-hung* 劉鑾鴻* HK\$'000 港幣千元	Tsang Chiu Wai 曾昭偉 HK\$'000 港幣千元	Kong Cheuk Luen, Trevor 江爵煖 HK\$'000 港幣千元	Lee Tho Siem 李多森 HK\$'000 港幣千元	Wang Jianguo 王健國 HK\$'000 港幣千元	Loke Yu, alias Loke Hoi Lam 陸海林 HK\$'000 港幣千元	Wong Wing Sing 黃永勝 HK\$'000 港幣千元	Total 合共 HK\$'000 港幣千元
Directors' fee	董事酬金	48	—	—	50	50	50	50	248
Other emoluments	其他酬金								
Salaries and other benefits	薪酬及其他福利	—	2,342	2,918	—	—	—	—	5,260
Discretionary bonus (Note)	酌情花紅(附註)	143	—	—	—	—	—	—	143
Retirement benefit scheme contributions	退休福利計劃供款	—	12	12	—	—	—	—	24
Total emoluments	酬金總額	191	2,354	2,930	50	50	50	50	5,675

* Mr. Thomas Lau, Luen-hung was resigned on 15th December, 2006.

* 劉鑾鴻先生(「劉先生」)於二零零六年十二月十五日辭任。

Note: The discretionary bonus is determined by the board of directors.

附註：酌情花紅乃由董事會釐定。

10. 董事及僱員酬金

本公司向六名(二零零六年：七名)董事各自已付或應付之酬金如下：

二零零七年

二零零六年

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10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

Of the five individuals with the highest emoluments in the Group, two individuals (2006: two individuals) were directors of the Company whose emoluments are included in the disclosure set out above. The emoluments of the remaining three individuals (2006: three individuals) were as follows:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Salaries and other benefits	薪酬及其他福利	2,068	1,901
Retirement benefit schemes contributions	退休福利計劃供款	24	12
		2,092	1,913

		2007 二零零七年 No. of individuals 僱員人數	2006 二零零六年 No. of individuals 僱員人數
Emoluments of the employees were within the following band:	僱員酬金介乎下列組別：		
Nil to HK\$1,000,000	零至港幣1,000,000元	3	3

During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

10. 董事及僱員酬金 (續)

於本集團的五名最高薪酬人士中，其中兩名(二零零六年：兩名)為本公司董事，彼等之酬金已於上文披露，其餘三名人士(二零零六年：三名)的酬金如下：

年內，本集團並無向任何董事或五名最高薪酬人士(包括董事及僱員)支付任何酬金，作為加入本集團或加入時的獎金或離職賠償。任何董事概無於年內放棄任何酬金。

11. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
(Loss) profit for the year	年內(虧損)溢利	(4,356)	13,416
		2007 二零零七年	2006 二零零六年
Number of shares in issue for the purpose of basic (loss) earnings per share	計算每股基本(虧損)盈利的已發行股份數目	220,000,000	220,000,000

No diluted earnings per share has been presented as there were no potential dilutive ordinary shares outstanding during the year.

11. 每股(虧損)盈利

本公司普通股持有人每股基本(虧損)盈利乃根據下列數據計算：

由於年內並無發行在外之具潛在攤薄效應的普通股，故並無呈列每股攤薄盈利。

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12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃物業裝修	廠房及機器	傢俬、裝置及設備	汽車	在建工程	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
COST	成本							
At 1st January, 2006	於二零零六年一月一日	3,554	10,131	119,073	10,080	1,330	4,990	149,158
Exchange realignment	匯兌調整	66	229	3,092	248	26	—	3,661
Additions	添置	—	1,290	13,587	1,483	—	18,261	34,621
Disposals	出售	—	—	(810)	—	—	—	(810)
At 31st December, 2006	於二零零六年十二月三十一日	3,620	11,650	134,942	11,811	1,356	23,251	186,630
Exchange realignment	匯兌調整	95	125	1,492	357	38	—	2,107
Transfer	轉讓	—	—	942	—	—	(942)	—
Additions	添置	—	2,263	12,088	2,589	—	8,822	25,762
Written-offs	撇銷	—	(875)	—	—	—	—	(875)
At 31st December, 2007	於二零零七年十二月三十一日	3,715	13,163	149,464	14,757	1,394	31,131	213,624
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1st January, 2006	於二零零六年一月一日	1,855	5,329	45,615	5,371	1,042	—	59,212
Exchange realignment	匯兌調整	34	121	1,185	132	20	—	1,492
Provided for the year	年度折舊	445	1,755	10,713	1,567	67	—	14,547
Eliminated on disposals	出售時撇銷	—	—	(553)	—	—	—	(553)
At 31st December, 2006	於二零零六年十二月三十一日	2,334	7,205	56,960	7,070	1,129	—	74,698
Exchange realignment	匯兌調整	80	116	1,195	291	34	—	1,716
Provided for the year	年度折舊	430	2,885	12,026	1,887	66	—	17,294
Impairment loss recognised in the income statement	於收益表確認的減值虧損	—	—	—	—	—	7,337	7,337
Eliminated on written-offs	撇銷時對銷	—	(875)	—	—	—	—	(875)
At 31st December, 2007	於二零零七年十二月三十一日	2,844	9,331	70,181	9,248	1,229	7,337	100,170
CARRYING VALUE	賬面值							
At 31st December, 2007	於二零零七年十二月三十一日	871	3,832	79,283	5,509	165	23,794	113,454
At 31st December, 2006	於二零零六年十二月三十一日	1,286	4,445	77,982	4,741	227	23,251	111,932

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated over their estimated useful lives and after taking into account of their estimated residual value on a straight-line basis at the following rates per annum:

Buildings	Over the term of the lease, or 20 years, whichever is the shorter
Leasehold improvements	Over the term of the lease, or 20 years, whichever is the shorter
Plant and machinery	9%
Furniture, fixtures and equipment	18%–25%
Motor vehicles	18%–25%

In respect of the alleged breach of contractual undertakings of several construction contracts, a subsidiary has been named as a defendant in a District Court action in the PRC. This resulted in a significant delay in the completion date of the new factory premises, the directors of the Company conducted an impairment review in respect of the Group's construction in progress. A number of these assets were determined to be impaired because of technical obsolescence. Accordingly, an impairment loss of approximately HK\$7,337,000 was recognised during the year.

13. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments represent payments for medium-term land use right in the PRC.

Analysed for reporting purposes as:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Current asset	流動資產	133	133
Non-current asset	非流動資產	6,153	6,285
		6,286	6,418

Note: The amount had been reduced by a government grant of approximately HK\$8,335,000 in the form of deduction of consideration paid in respect of the land use right acquired by the Group in a prior year. Details are set out in note 32.

12. 物業、廠房及設備 (續)

除在建工程外，上述物業、廠房及設備項目乃按估計可使用年期及經計及其估計剩餘價值，以直線法按以下年率計算折舊：

樓宇	按租賃年期或二十年 (以較短者為準)
租賃物業裝修	按租賃年期或二十年 (以較短者為準)
廠房及機器	9%
傢俬、裝置及設備	18%–25%
汽車	18%–25%

由於被指違反若干工程合約之合約承擔，一家附屬公司於中國地方法院提出之訴訟中成為被告人。該事件導致新工廠廠房之竣工日期出現重大延期，本公司董事就本集團之在建工程進行減值檢討。若干該等資產已經因技術過時而減值。因此，年內已確認減值虧損約港幣7,337,000元。

13. 預付租賃款項

本集團之預付租賃款項指就中國中期土地使用權所付款項：

作報告用途之分析：

附註：該筆金額因約港幣8,335,000元之政府補助金而減少，方式為於本集團於去年就收購土地使用權所付代價中扣減。詳情載於附註32。

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13. PREPAID LEASE PAYMENTS (continued)

Prepaid lease payments are amortised over the term of the land use right of 50 years on a straight-line basis.

The amount represents the Land use right in the PRC acquired by the Group. While the Group has paid the full purchase consideration, the relevant government authorities have not granted formal title to the Land Right to the Group. In the opinion of the directors, the absence of formal title to the Land Right does not impair the value of the relevant properties to the Group. The directors also believe that formal title to the Land use right will be granted to the Group in due course.

14. GOODWILL

		港幣千元 HK\$'000
COST	成本	
At 1st January, 2006, 31st December, 2006 and 31st December, 2007	於二零零六年一月一日、二零零六年十二月三十一日及二零零七年十二月三十一日	685
AMORTISATION AND IMPAIRMENT	攤銷及減值	
At 1st January, 2006	於二零零六年一月一日	—
Impairment loss recognised	已確認減值虧損	685
At 31st December, 2006 and 31st December, 2007	於二零零六年十二月三十一日及二零零七年十二月三十一日	685
CARRYING VALUE	賬面值	
At 31st December, 2007	於二零零七年十二月三十一日	—
At 31st December, 2006	於二零零六年十二月三十一日	—

For the purpose of impairment testing, goodwill has been allocated to two individual CGUs, the zinc parts and magnesium parts segment. The recoverable amounts of these units have been determined based on a value in use calculation.

For impairment assessment purpose, cash flow projections covering a five-year period at a discount rate of 5% is used. Since the recoverable amount is lower than the carrying value of the goodwill, the Group recognised a full impairment loss of HK\$685,000 on goodwill for the year ended 31st December, 2006.

13. 預付租賃款項 (續)

預付租賃款項乃以直線法按土地使用權之年期50年攤銷。

該筆金額指本集團所收購中國土地使用權。儘管本集團已悉數支付收購代價，惟有關政府部門尚未向本集團授出土地權之正式業權。董事認為，尚未取得土地權之正式業權不會導致本集團有關物業出現減值。董事亦相信，本集團將於適當時候獲授土地使用權之正式業權。

14. 商譽

就減值測試而言，商譽已分配至兩個獨立之現金產生單位鋅部件及鎂部件分部。該等單位之可收回數額乃按使用價值之計算而釐定。

就減值評估而言，涵蓋五年期之現金流量採用5%之貼現率進行預測。由於可收回金額較商譽之賬面值為低，本集團確認截至二零零六年十二月三十一日止年度商譽之全部減值虧損港幣685,000元。

15. AVAILABLE-FOR-SALE INVESTMENT

Available-for-sale investment comprise:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Unlisted investment fund	非上市投資基金	1,483	1,438

As at the balance sheet dates, all available-for-sale investment is stated at fair value. Fair value of this investment has been determined by reference to the prices quoted by the counterparty financial institution.

15. 可供出售投資

可供出售投資包括：

於結算日，所有可供出售投資乃按公平值列賬。該項投資之公平值乃經參考對手方金融機構所報價格後釐定。

16. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

The deposits were paid by the Group in connection with the acquisition of property, plant and equipment for production facilities in the PRC. Additional amounts committed are shown as capital commitments in note 29.

16. 收購物業、廠房及設備已付之訂金

本集團支付之訂金乃有關收購位於中國之物業、廠房及設備以用作生產設施。額外承擔金額載於附註29資本承擔內。

17. INVENTORIES

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Raw materials	原材料	13,156	12,947
Work-in-progress	在製品	14,258	17,365
Finished goods	製成品	13,569	11,016
		40,983	41,328

17. 存貨

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18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS
18. 應收貿易賬款及其他應收款項以及預付款項

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Trade receivables	應收貿易賬款	50,993	51,714
Less: allowance for doubtful debts	減：壞賬撥備	—	—
		50,993	51,714
Other receivables	其他應收款項		
Deposits paid	已付訂金	2,540	2,345
Others	其他	1,259	2,756
		3,799	5,101
Prepayments	預付款項	953	589
		55,745	57,404

The Group allows a credit period of 60 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts at the balance sheet date:

本集團給予其貿易客戶60日的信貸期。於結算日之應收貿易減壞賬撥備賬款賬齡分析如下：

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
0 to 30 days	0日至30日	30,133	24,901
31 to 60 days	31日至60日	11,979	18,241
61 to 90 days	61日至90日	5,383	5,463
91 to 120 days	91日至120日	2,757	1,159
Over 120 days	超過120日	741	1,950
		50,993	51,714

Before accepting any new customer, the Group will understand the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with an appropriate credit history. Credit limits attributed to customers are reviewed regularly.

在接納新客戶之前，本集團將了解潛在客戶之信貸質素並確定其信用限度。本集團向具有良好信用記錄的客戶作出信用銷售。授予客戶的信用限度定期被覆核。

At both balance sheet dates, the directors considered that trade receivables which are neither past due nor impaired area of good credit quality.

於兩個年度的結算日，董事認為，已到期但未予以減值之應收貿易賬款具有良好之信貸質素。

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$8,881,000 (2006: HK\$8,572,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

在報告日，集團的應收貿易賬款餘額之內共有港幣8,881,000元（二零零六年：港幣8,572,000元）的應收款項已到期但集團仍未計提減值虧損。本集團對該等餘額不持有任何抵押物。

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)**Aging of trade receivables which are past due but not impaired**

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
61 to 90 days	61日至90日	5,383	5,463
91 to 120 days	91日至120日	2,757	1,159
Over 120 days	超過120日	741	1,950
Total	總計	8,881	8,572

The directors considered trade receivables which are past due but not impaired are of good credit quality because of satisfactory settlement received after year end.

Trade and other receivables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Renminbi ("RMB")	人民幣(「人民幣」)	271	237
US\$	美元	35,142	35,829
Japanese Yen ("Yen")	日元(「日元」)	—	4,662
Euro ("EUR")	歐元(「歐元」)	1,471	2,843

19. INVESTMENTS HELD FOR TRADING**18. 應收貿易賬款及其他應收款項以及預付款項** (續)

本已到期但未予以減值之應收貿易賬款之賬齡

董事認為，已到期但未予以減值之應收貿易賬款具有良好之信貸質素，原因為年底後收取之賬款令人滿意。

下文載列以有關集團實體之功能貨幣以外之貨幣列值之應收貿易賬款及其他應收款項：

19. 持作買賣投資

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Investments held for trading comprise:	持作買賣投資包括：		
Equity securities listed in Hong Kong	於香港上市股本證券	543	—

The fair values of the above investments held for trading are determined based on the quoted market bid prices available on the Stock Exchange.

上述持作買賣投資之公平值乃按聯交所報市場出價釐定。

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20. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.01% to 4.86%.

Bank balances that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
RMB	人民幣	564	1,042
US\$	美元	7,453	17,521
Yen	日元	1,551	—
EUR	歐元	1,217	1,687

21. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an aged analysis of trade payables at the balance sheet date:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Trade payables	應付貿易賬款		
0 to 30 days	0日至30日	6,514	2,595
31 to 60 days	31日至60日	2,005	4,230
61 to 90 days	61日至90日	437	242
91 to 120 days	91日至120日	222	132
Over 120 days	超過120日	688	310
		9,866	7,509
Other payables	其他應付款項		
Accruals	應計欠款	17,485	20,023
Deposits received	已收訂金	3,489	3,148
		20,924	23,171
		30,840	30,680

The average credit period on purchase of goods is 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

20. 銀行結餘及現金

銀行結餘按介乎0.01厘至4.86厘不等之市場利率計息。

下文載列以有關集團實體之功能貨幣以外之貨幣列值之銀行結餘：

21. 應付貿易賬款及其他應付款項以及應計欠款

於結算日之應付貿易賬款賬齡分析如下：

購買貨品的平均信用期限為60日。本集團已有一項財務風險管理政策，確保所有應付款項均在信用框架內。

21. TRADE AND OTHER PAYABLES AND ACCRUALS (continued)

Trade and other payables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
RMB	人民幣	2,234	—
US\$	美元	2,521	3,689
EUR	歐元	951	350

21. 應付貿易賬款及其他應付款項以及應計欠款 (續)

下文載列以有關集團實體之功能貨幣以外之貨幣列值之應付貿易賬款及其他應付款項：

22. UNSECURED BANK LOANS**22. 無抵押銀行貸款**

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
The unsecured bank loans are repayable as follows:	須於下列期間償還之無抵押銀行貸款：		
Within one year	一年內	19,334	14,000
More than one year, but not exceeding two years	超過一年但不超過兩年	—	3,556
More than two years, but not exceeding five years	超過兩年但不超過五年	—	13,910
		19,334	31,466
Less: Amounts due within one year and shown under current liabilities	減：流動負債所示一年內到期的金額	(19,334)	(14,000)
Amounts due after one year	一年後到期的金額	—	17,466

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22. UNSECURED BANK LOANS (continued)

Bank loans comprise:

		Carrying amount 賬面值	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Floating-rate borrowings:	浮息借貸：		
HIBOR + 0.45% ⁽¹⁾	香港銀行同業拆息+0.45厘 ⁽¹⁾	10,000	—
LIBOR + 0.8% ⁽¹⁾	倫敦銀行同業拆息+0.8厘 ⁽¹⁾	9,334	19,406
HIBOR + 1% ⁽²⁾	香港銀行同業拆息+1厘 ⁽²⁾	—	10,000
HIBOR + 1.5% ⁽²⁾	香港銀行同業拆息+1.5厘 ⁽²⁾	—	2,060
		19,334	31,466

(1) Repayable at the end of each interest period. Amount repaid may be redrawn immediately. The interval of each interest period vary from one to three months.

(2) Both unsecured bank loans were fully repaid during the year.

The average effective interest rate of the Group's unsecured bank loans is 5.5% (2006: 4.8%) per annum.

Included in the unsecured bank loans is a bank loan of US\$1,200,000, equivalent to HK\$9,334,000 (2006: US\$2,500,000, equivalent to HK\$19,406,000) which is denominated in currency other than functional currency of the relevant group entity.

22. 無抵押銀行貸款 (續)

須於下列期間償還之行貸款：

(1) 須於各利息期末清償。已清償款項可被立即重新提取。各利息期限之間隔期介乎一個月至三個月。

(2) 兩項無抵押銀行貸款均於年內悉數清償。

本集團之無抵押銀行貸款之實際平均利率為年息5.5厘（二零零六年：4.8厘）。

無抵押銀行貸款包括1,200,000美元，相等於港幣9,334,000元（二零零六年：2,500,000美元，相等於港幣19,406,000元）之銀行貸款。該筆款項乃以相關集團實體功能貨幣以外之其他貨幣計值。

23. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 港幣千元	Tax losses 稅務虧損 HK\$'000 港幣千元	Total 合共 HK\$'000 港幣千元
At 1st January, 2006 (Credited) charged to the income statement for the year	於二零零六年一月一日 於年內收益表 (計入) 扣除	2,959 (78)	(2,021) 123	938 45
At 31st December, 2006 (Credited) charged to the income statement for the year	於二零零六年十二月三十一日 於年內收益表 (計入) 扣除	2,881 (219)	(1,898) 194	983 (25)
At 31st December, 2007	於二零零七年十二月三十一日	2,662	(1,704)	958

At the balance sheet date, the Group had unused tax losses of approximately HK\$12,316,000 (2006: HK\$11,638,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$9,734,000 (2006: HK\$10,844,000) of such losses due to future taxable profits are expected to generate based on the profit projection prepared by the management. No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$2,582,000 (2006: HK\$794,000) due to the unpredictability of future profits streams. These unrecognised tax losses will gradually expire from 2009 to 2012.

23. 遞延稅項

已確認之主要遞延稅項負債與資產以及於現行及以往年度之變動如下：

於結算日，本集團有未動用稅務虧損約港幣12,316,000元（二零零六年：港幣11,638,000元）可用於抵銷日後溢利。由於按照管理層編製之溢利預測，預期將錄得日後應課稅溢利，已就該等虧損中約港幣9,734,000元（二零零六年：港幣10,844,000元）確認遞延稅務資產。由於不能預測日後溢利來源，故並無就餘下稅務虧損港幣2,582,000元（二零零六年：港幣794,000元）確認遞延稅務資產。該等未確認稅務虧損將於二零零九年至二零一二年依次到期。

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24. SHARE CAPITAL

24. 股本

		Number of ordinary shares 2007 & 2006 普通股數目 二零零七及 二零零六年	Amount 2007 & 2006 金額 二零零七及 二零零六年 HK\$'000 港幣千元
Ordinary shares of HK\$0.01 each	每股面值港幣0.01元的普通股		
Authorised:	法定：		
At 1st January and 31st December	於一月一日及十二月三十一日	1,000,000,000	10,000
Issued and fully paid:	已發行繳足：		
At 1st January and 31st December	於一月一日及十二月三十一日	220,000,000	2,200

25. RESERVES

The non-distributable reserve represents the aggregate amount of the share premium of the subsidiaries.

The merger reserve represents the difference between the aggregate nominal amount of the share capital of the subsidiaries and the nominal amount of the Company's shares issued in exchange thereof pursuant to the group reorganisation effected on 13th December, 2002 (the "Group Reorganisation").

As stipulated by the relevant laws and regulations in the PRC, subsidiaries established in the PRC (the "PRC subsidiaries") are required to maintain a general reserve fund which is non-distributable. Appropriations to this reserve fund is made out of profit for the year of the PRC subsidiaries' PRC statutory financial statements which are prepared in accordance with the accounting principles generally accepted in the PRC. The amount and allocation basis are decided by the board of directors of the PRC subsidiaries annually and is not less than 10% of the profit for the year of the PRC subsidiaries for that year. The general reserve fund can be used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.

25. 儲備

不可分派儲備指附屬公司的股份溢價總額。

合併儲備為根據於二零零二年十二月十三日進行之集團重組(「集團重組」)收購附屬公司股本面值總額與本公司就交換所發行股份面值間之差額。

根據中國有關法律及規例規定，在中國成立的附屬公司(「中國附屬公司」)須設立一般儲備基金，而該等儲備基金乃不可分派。該儲備基金乃撥付自中國附屬公司遵照中國公認會計原則所編製中國法定財務報表之年內溢利。分配數額及分配基準由中國附屬公司之董事會每年釐定，惟該數額不可少於中國附屬公司於該年度之年內溢利 10%。一般儲備基金可用於透過資本化發行擴大中國附屬公司之資本基礎。

26. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted for a period of ten years commencing from 11th December, 2002 pursuant to a written resolution of all shareholders passed on 11th December, 2002 for the primary purpose of providing incentives or rewards to directors and eligible employees. Under the Scheme, the Company may grant options to eligible employees and directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside eligible advisors and consultants to the Company and its subsidiaries at the discretion of its board of directors.

The number of shares which may be issued under the Scheme is subject to the following limits:

- (i) the maximum number of shares in respect of which options may be granted under the Scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of issued shares of the Company from time to time;
- (ii) without prior approval from the Company's shareholders, the total number of shares in respect of which options may be granted under the Scheme and any other share option scheme is not permitted to exceed 22,000,000 shares, representing 10% of the issued share capital of the Company at 6th January, 2003; and
- (iii) the number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the issued share capital of the Company as at the date of such grant.

A nominal consideration of HK\$1 is payable upon acceptance of the grant of the option. The exercise price is determined by the directors of the Company and will be at least the higher of (i) the average of the closing prices of the ordinary shares of the Company for the five trading days immediately preceding the date of the grant; (ii) the closing price of the ordinary shares of the Company on the date of the grant; and (iii) the nominal value of the ordinary shares of the Company.

Any options granted under the Scheme must be exercised during such option period as may be determined and notified by the directors of the Company, which shall not exceed 10 years from the date of acceptance of the option.

No options have been granted under the Scheme since its adoption.

26. 購股權計劃

根據全體股東於二零零二年十二月十一日通過的書面決議案，本公司採納購股權計劃（「該計劃」），由二零零二年十二月十一日起為期十年，主要目的是作為對董事及合資格僱員的鼓勵或獎勵。根據該計劃，本公司可授出購股權予本公司及其附屬公司合資格僱員及董事，以認購本公司股份。此外，按董事會之酌情決定，本公司可不時授出購股權予本公司及其附屬公司的外界合資格顧問及諮詢顧問。

根據該計劃可予發行之股份數目受下列規限：

- (i) 該計劃及本公司任何其他購股權計劃可能授出購股權所涉及股份數目上限，合共不得超過本公司不時已發行股份總數之30%；
- (ii) 在未獲得本公司股東事先批准前，根據該計劃及任何其他購股權計劃可能授出購股權涉及之股份總數，合共不得超過22,000,000股，相當於二零零三年一月六日本公司已發行股本之10%；及
- (iii) 於任何一年內可能向任何人士授出購股權涉及之股份數目，不得超過本公司於授出日期已發行股本之1%。

於接納授出購股權時須支付港幣1元象徵式代價。行使價由本公司董事釐定，價格不得低於下列最高者：(i)本公司普通股於緊接授出日期前五個交易日之平均收市價；(ii)本公司普通股於授出日期之收市價；及(iii)本公司普通股面值。

根據該計劃授出之任何購股權須於本公司董事釐定及公布之購股權期間內行使，有關期間不得超過購股權獲接納當日起10年。

自該計劃獲採納以來，並無根據該計劃授出任何購股權。

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27. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure its subsidiaries will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes unsecured bank loan, and equity attributable to equity holders of the Company, comprising share capital, share premium, investments revaluation reserve, non-distributable reserve, merger reserve, general reserve fund, translation reserve and accumulated profits as disclosed in the consolidated financial statements.

The directors of the Company review the capital structure annually. As part of this review, the directors of the Company assess the annual budget prepared by management of the Company. Based on the proposed annual budget, the directors of the Company consider the cost of capital and the risks associated with each class of capital. The directors of the Company also balance its overall capital structure through the payment of dividends, new share issues of the proposed floatation of the Company as well as the issue of new debt or the redemption of existing debt.

27. 資本風險管理

本集團管理其資本以確保其附屬公司能夠持續經營，同時透過優化債務及權益結餘將股東回報提至最高。

本集團之資本架構包括債務，包括無抵押銀行貸款及本公司股權持有人應佔權益（包括綜合財務報表所披露之股本、股份溢價、投資重估儲備、不可分派儲備、合併儲備、一般儲備基金、換算儲備及累計溢利）。

本公司董事每年審閱資本架構。作為此審閱之一部分，本公司董事對本公司管理層編製之年度預算進行評估。根據建議年度預算，本公司董事將考慮資本成本及與各類資本有關的風險。本公司董事亦透過派付股息、建議本公司上市發行新股及發行新債券或贖回現有債券以平衡其整體資本架構。

28. FINANCIAL INSTRUMENTS
(a) Categories of financial instruments
28. 金融工具
(a) 金融工具之類別

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Financial assets	金融資產		
Fair value through profit or loss	按公平值計入損益	543	—
Loans and receivables (including cash and cash equivalents)	貸款及應收款項（包括現金及現金等價物）	73,599	88,163
Available-for-sale financial assets	可供出售金融資產	1,483	1,438
Financial liabilities	金融負債		
Amortised cost	攤銷成本	29,200	38,975

28. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, trade and other receivables, investments held for trading, bank balances, trade and other payables, and unsecured bank loans. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Group's principal financial assets include trade and other receivables and cash and cash equivalents. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31st December, 2007 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group only extends credit to customers based upon careful evaluation of the customers' financial conditions and credit history.

In addition, the Group reviews the recoverable amount of each individual receivable at each balance sheet date to ensure that adequate impairment losses are recognised for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's exposure to bad debts and concentration risk is minimal.

The Group has concentration of credit risk as 49% of the total trade receivables as at 31st December, 2007 (2006: 60%) was due from the Group's five largest customers, respectively. Those five largest customers are either reputable automotive traders or agents with long business history with the Group. Management perform periodic evaluations and customer visits to ensure the Group's exposure to bad debts is not significant. The historical experience in the collection of trade receivables from the five largest customers falls within the expectation of the directors.

28. 金融工具 (續)

(b) 財務風險管理目標及政策

本集團之主要金融工具包括可供出售投資、應收貿易賬款及其他應收款項、持作買賣投資、銀行結餘、應付貿易賬款及其他應付款項及無抵押銀行貸款。該等金融工具之詳情於有關附註披露。下文載列該等金融工具相關之風險及減低風險之政策。管理層管理及監控有關風險，以確保能及時及有效採取適當措施。

信貸風險

本集團之主要金融資產包括應收貿易賬款及其他應收款項以及現金及現金等價物。倘交易對方未能履行其於二零零七年十二月三十一日之責任，則本集團就各類別已確認金融資產而須承受之最高信貸風險為資產於綜合資產負債表列賬之賬面值。為減低信貸風險，本集團管理層已成立隊伍負責釐定信貸限額、信貸批核及其他監控程序，以確保採取跟進行動收回逾期債務。本集團僅於審慎評估客戶財務狀況及過往信貸狀況後，方客戶提供信貸。

此外，本集團已審閱各結算日之各項個別應收款項可收回金額，確保已就不可收回金額確認足夠減值虧損。就此而言，本集團董事認為，本集團承受之壞賬及集中風險乃屬輕微。

本集團面對信貸集中風險，原因為二零零七年十二月三十一日之應收貿易賬款總額中有49% (二零零六年：60%) 來自本集團五大客戶。在本集團的長期發展過程中，該五大客戶均具有良好聲譽之汽車交易商或代理人。管理層定期進行評估及拜訪客戶，以確保本集團承受壞賬之風險並無重大。在向五大客戶收回應收貿易賬款方面所取得之以往經驗乃符合董事之預期。

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28. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Credit risk on bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk
(i) Foreign currency risk management

While most of the Group's operations are transacted in the functional currencies on the respective group entities, the Group undertakes certain transactions denominated in foreign currencies. The Group currently has not formulated any hedging policies against its exposure to currency risk. Yet, the Group still manages its foreign currency risk by closely monitoring the movement of the foreign currency rate.

The carrying amount of the Group's monetary assets and monetary liabilities denominated in foreign currencies at the balance sheet dates are as follow:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Assets	資產		
RMB	人民幣	835	1,279
US\$	美元	42,595	53,350
Yen	日元	1,551	4,662
EUR	歐元	2,688	4,530
Liabilities	負債		
RMB	人民幣	2,234	—
US\$	美元	11,855	23,095
EUR	歐元	951	350

Management monitors foreign exchange exposure as stated above and will consider hedging significant foreign currency exposure should the need arises.

28. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

由於交易對手為獲國際信貸評級機構評級為高信貸評級之銀行，故銀行結餘之信貸風險有限。

市場風險
(i) 外幣風險管理

儘管就各集團實體而言，本集團大部分業務乃以功能貨幣進行，惟本集團接受若干交易以外幣計值。本集團現時並無就其貨幣風險制定任何對沖政策。然而，本集團仍透過密切監控外匯匯率變動管理其外幣風險。

本集團以外幣計值之貨幣資產及貨幣負債於結算日之賬面值如下：

管理層會監察上述外匯風險，並於需要時考慮對沖重大外幣風險。

28. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Foreign currency risk management (continued)

Foreign currency risk

Foreign currency risk refers to the risk that movement in foreign currency exchange rate which will affect the Group's financial results and its cash flows. Management considers the Group does not expose to significant foreign currency risk as majority of its transactions are either denominated in functional currency of the Group's subsidiaries or in US\$. US\$ financial assets and financial liabilities are mainly held by two subsidiaries of the Company using HK\$ as their functional currencies. Since HK\$ is pegged to US\$, relevant foreign currency risk is minimal. Except US\$, there were only insignificant balances of financial assets and liabilities denominated in foreign currency at the balance sheet dates as disclosed above. A 5 per cent increase or decrease in functional currencies against relevant foreign currencies would not have a significant effect on the consolidated income statement of the Group.

(ii) Cash flow interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its bank balances and unsecured bank loans. Bank balances and unsecured bank loans at variable rates expose the Group to cash flow interest-rate risk. Details of the Group's unsecured bank balances and unsecured bank loans are disclosed in notes 20 and 22 respectively.

The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises. The management consider the interest rate risk arising on financial instruments is insignificant.

28. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 外幣風險管理 (續)

外幣風險

外幣風險指將會影響本集團之財務業績及其現金流量的外幣匯率變動風險。由於大部分交易以本集團之附屬公司之功能貨幣或美元列值，管理層認為本集團並無重大外幣風險。以美元計值之金融資產及金融負債主要由本公司採用港幣為其功能貨幣之兩家附屬公司持有。由於港幣與美元掛鈎，有關之外幣風險甚微。除美元外，如上文所披露，於結算日，僅有以外幣列值之金融資產與負債出現重大不平衡。功能貨幣對有關外幣升值或貶值5%將不會對本集團之綜合收益表產生重大影響。

(ii) 現金流量利率風險

本集團之利率變動風險主要與其銀行結餘及無抵押銀行貸款有關。按浮動息率計息之銀行結餘及無抵押銀行貸款導致本集團須面對現金流量利率風險。本集團銀行結餘及無抵押銀行貸款詳情分別於附註20及22披露。

本集團現時並無任何利率對沖政策。然而，管理層會監察利率風險及於需要時考慮對沖重大利率風險。管理層認為金融工具所產生之利率風險並不重大。

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28. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

 (iii) *Other price risks*

The Group does not expose to significant price risks on financial instruments. However, the Group is exposed to commodity price risk. The Group sources large quantities of metal materials which include aluminium, zinc and magnesium alloys for its manufacturing process. The Group currently does not have a commodity future hedging policy. However, management monitors its commodity price exposure and will consider hedging significant commodity price exposure should the need arises.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of borrowings.

The following tables detail Group's contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

28. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

 (iii) *其他價格風險*

本集團並無承受重大金融工具之價格風險。然而，本集團面對商品價格風險。本集團就其生產過程採購大量金屬材料，包括鋁、鋅及鎂合金。本集團現時並無任何商品期貨對沖政策。然而，管理層會監察商品價格風險，並於需要時考慮對沖重大商品價格風險。

流動資金風險

於管理流動資金風險時，本集團會監督及維持現金及現金等價物處於管理層認為充足之水平，以撥付本集團之營運所需資金及減低現金流量波動之影響。管理層會監督動用借貸之情況。

下表詳列本集團非衍生金融負債之合約期限情況。該等表格乃根據本集團於可被要求償還金融負債之最早日期之金融負債未貼現現金流量編製。該等表格包括利息及本金現金流量。

		Weighted average effective interest rate	61 to			Total undiscounted cash flows		Total carrying amount
			0 to 30 days	31 to 60 days	365 days	1-2 years	2-5 years	
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		百分比	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
As at December 31, 2007	於二零零七年十二月三十一日							
Trade and other payables	應付貿易賬款及其他應付款項	—	6,840	3,026	—	—	9,866	9,866
Unsecured bank loans	無抵押銀行貸款	5.0	—	19,492	—	—	19,492	19,334
			6,840	22,518	—	—	29,358	29,200
As at December 31, 2006	於二零零六年十二月三十一日							
Trade and other payables	應付貿易賬款及其他應付款項	—	7,509	—	—	—	7,509	7,509
Unsecured bank loans	無抵押銀行貸款	5.2	356	678	14,105	4,397	34,505	31,466
			7,865	678	14,105	4,397	42,014	38,975

Variable interest rate instruments is based on the rate outstanding at the balance sheet date.

浮動利率工具乃以結算日之利率為基準。

28. FINANCIAL INSTRUMENTS (continued)**(c) Fair value**

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices; and
- the fair value of other financial assets and other financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values.

28. 金融工具 (續)**(c) 公平值**

金融資產及金融負債之公平值釐定如下：

- 具有標準條款及條件及於活躍流動市場買賣之金融資產，乃參考所報市場買盤價釐定公平值；及
- 其他金融資產及其他金融負債之公平值乃按現時可觀察市場交易價格或利率以貼現現金流量分析為本之一般公認之價格模式釐定。

董事認為，於財務報表內按攤銷成本列賬之金融資產及金融負債賬面值與其公平值相若。

29. CAPITAL COMMITMENTS**29. 資本承擔**

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Capital expenditure in respect of acquisition of property, plant and equipment: Contracted for but not provided in the financial statements	就收購物業、廠房及設備的資本開支： 已訂約但未於財務報表撥備	29,701	31,268

30. OPERATING LEASE COMMITMENTS

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

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Within one year	一年內	3,632	3,398
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	9,028	8,086
Over five years	五年以上	—	1,557
		12,660	13,041

Operating lease payments represent rentals payable by the Group for certain of its office premises and factory land and buildings. The average lease term is 13 years. Rentals are fixed and no arrangements have been entered into for contingent rental payments.

30. 經營租賃承擔

於結算日，本集團根據就已租物業訂立的不可撤銷經營租賃，於下列年期到期支付之未償還日後最低租賃款項承擔如下：

經營租賃款項指本集團就其若干辦公室物業以及廠房土地及樓宇應付租金。平均租賃年期為13年。租金乃固定，且無就或然租金付款訂立任何安排。

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31. RETIREMENT BENEFIT SCHEMES

Effective from 1st December, 2000, the Group has participated in a Mandatory Provident Fund Scheme (the "MPF Scheme") for all its eligible employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contributions are available to reduce the contribution payable in the future years.

The Group is also required to make contributions to state-management retirement benefit schemes operated by the PRC government based on a certain percentage of the monthly payroll costs of the employees of Dongguan United, Everhope Industrial Limited ("Everhope") and United Castings. The Group has no other obligations under the state-management retirement benefit schemes in the PRC other than the contribution payable.

During the year, the total amount contributed by the Group to the relevant retirement benefit schemes are as follows:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
MPF Scheme	強積金計劃	183	208
State-management retirement benefit schemes	國有退休金計劃	1,005	1,455
		1,188	1,663

32. GOVERNMENT GRANT

During the year ended 31st December, 2005, the Group received a government grant of approximately HK\$8,335,000 in relation to a piece of land use right situated in the PRC acquired by the Group during that year. The amount has been deducted from the carrying amount of the prepaid lease payments as set out in note 13. The amount is transferred to income in the form of reduced amortisation charge over the term of the prepaid lease payments. This policy has resulted in a credit to income in the current period of HK\$167,000 (2006: HK\$167,000). As at 31st December, 2007, an amount of HK\$7,904,000 (2006: HK\$8,071,000) remains to be amortised.

31. 退休福利計劃

本集團由二零零零年十二月一日起為其香港所有合資格僱員參與一項強制性公積金計劃(「強積金計劃」)。強積金計劃根據強制性公積金計劃條例在強制性公積金計劃管理局註冊。強積金計劃的資產由獨立信託人控制，與本集團的資金分開持有。根據強積金計劃的規則，僱主及其僱員各自須按規則指定的比率就計劃作出供款。本集團就強積金計劃應負的唯一責任為根據計劃作出所需供款，並無沒收供款以減低於未來年度應付的供款。

本集團亦須就中國政府運作的國有退休金計劃，按東莞鏗利、厚鴻實業有限公司(「厚鴻」)及東莞科鑄僱員月薪成本的若干百分比，作出供款。本集團除需要根據中國的國有退休金計劃作出供款外，並無任何其他供款責任。

年內，本集團就有關退休福利計劃的供款總額如下：

32. 政府補助金

截至二零零五年十二月三十一日止年度，本集團就其於年內購入位於中國之一幅土地使用權獲取政府補助金約港幣8,335,000元。如附註13所載，該筆款項已自預付租賃款項賬面值扣除。該筆款項於預付租賃款項之租賃期內以扣減攤銷支出之方式轉撥至收入。此政策導致港幣167,000元(二零零六年：港幣167,000元)計入本期間收入。於二零零七年十二月三十一日，港幣7,904,000元(二零零六年：港幣8,071,000元)將被攤銷。

33. RELATED PARTY DISCLOSURES**(a) Related party transactions**

During the year ended 31st December, 2006, the Group entered into a loan facility agreement with PC-steel Futures Co., Ltd., a company controlled by Mr. Lau, who was a director and a substantial shareholder of the Company, his directorship was ceased on 15th December, 2006.

The maximum loan facility amount was HK\$50,000,000. During the year ended 31st December, 2006, the Group drew a loan of HK\$16,000,000 and paid interest of HK\$521,000. The loan was unsecured, interest bearing at HIBOR plus 1.5% per annum and fully repaid in 2006.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Short-term benefits	短期福利	7,661	8,066
Post-employment benefits	退休後福利	36	35
		7,697	8,101

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

33. 有關連人士披露**(a) 有關連人士交易**

截至二零零六年十二月三十一日止年度，本集團與PC-Steel Futures Co., Ltd.訂立貸款融資協議，PC-Steel Futures Co., Ltd.由本公司董事兼主要股東劉先生控制，其已於二零零六年十二月十五日停止擔任董事職務。

貸款融資之最高金額為港幣50,000,000元。年內，本集團提取港幣16,000,000元貸款，並支付港幣521,000元利息。有關貸款為無抵押、按香港銀行同業拆息加1.5厘之年利率計息，並已於二零零六年年內清償。

(b) 主要管理層成員之補償

年內董事及其他主要管理層成員之酬金如下：

薪酬委員會考慮僱員個別表現及市場趨勢後釐定。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued)

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

34. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY
34. 本公司附屬公司詳情

Particulars of the Company's subsidiaries are as follows:

本公司附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operations 註冊成立/ 成立及營運地點	Issued and fully paid share/ registered capital 已發行及 繳足股份/註冊股本	Proportion of nominal value of issued/registered capital held by the Company 本公司持有已發行/ 註冊股本面值的比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2007	2006	2007	2006	
			二零零七年 %	二零零六年 %	二零零七年 %	二零零六年 %	
Dongguan United (note i) 東莞鏗利 (附註i)	PRC 中國	Registered capital HK\$40,000,000 註冊股本 港幣40,000,000元	—	—	100	100	Die casting and trading of metal products 壓鑄及銷售金屬產品
Everhope 厚鴻	Hong Kong 香港	Ordinary HK\$2 普通股港幣2元	—	—	100	100	Die casting and trading of metal products 壓鑄及銷售金屬產品
United Metals Company Limited 鏗利實業有限公司	Hong Kong 香港	Ordinary HK\$1,602 普通股港幣1,602元	—	—	100	100	Trading of metal products 銷售金屬產品
United Metals Asset Management Co., Ltd.	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Ordinary US\$1 普通股1美元	—	—	100	100	Investment holding 投資控股
United Non-Ferrous (H.K.) Limited	Hong Kong 香港	Ordinary HK\$1,602 普通股港幣1,602元	—	—	100	100	Provision of administrative services 提供行政服務
United Metals Asset Management (H.K.) Co., Ltd.	Hong Kong 香港	Ordinary HK\$2 普通股港幣2元	—	—	100	—	Investment holding 投資控股
United Non-Ferrous (Overseas) Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Ordinary US\$17,622 普通股17,622美元	100	100	—	—	Investment holding 投資控股
United Non-Ferrous Sdn. Bhd.	Malaysia 馬來西亞	Ordinary RM2 普通股2馬元	—	—	100	100	Investment holding and trading of metal products 投資控股及銷售 金屬產品
United Shanghai (note i) 科鑄上海 (附註i)	PRC 中國	Registered capital US\$12,000,000 (note ii) 註冊股本 12,000,000美元 (附註ii)	—	—	100	100	Inactive 暫無業務
United Castings (note i) 東莞科鑄 (附註i)	PRC 中國	Registered capital HK\$18,000,000 (note ii) 註冊股本 港幣18,000,000元 (附註ii)	—	—	100	100	Die casting and trading of metal products 壓鑄及銷售金屬產品

34. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (continued)

Notes:

- (i) Dongguan United, United Shanghai and United Castings are established in the PRC as wholly foreign owned enterprises.
- (ii) As at 31st December, 2007, the capital of United Shanghai and United Castings were paid up as to US\$3,870,000 and HK\$17,750,000, respectively.
- (iii) None of the subsidiaries had issued any debt securities at the end of the year.

34. 本公司附屬公司詳情 (續)

附註：

- (i) 東莞銳利、科鑄上海及東莞科鑄為在中國成立的全外資企業。
- (ii) 於二零零七年十二月三十一日，科鑄上海及東莞科鑄之繳入股本分別為3,870,000美元及港幣17,750,000元。
- (iii) 在本年度年底，並無任何附屬公司發行任何債務證券。

Financial Summary 財務概要

Set out below is a financial summary of the Group for five years ended 31st December, 2007:

以下為本集團截至二零零七年十二月三十一日止五個年度之財務概要：

RESULTS

業績

		For the year ended 31st December, 截至十二月三十一日止年度					
		2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	
Revenue	收益	150,545	154,584	186,621	242,831	234,919	
Profit (loss) before taxation	除稅前溢利 (虧損)	27,713	9,371	10,550	14,170	(4,394)	
Income tax (expense) credit	所得稅 (開支) 減免	(1,959)	(957)	(221)	(754)	38	
Profit (loss) for the year	年內溢利 (虧損)	25,754	8,414	10,329	13,416	(4,356)	
Earnings (loss) per share — basic (HK cents)	每股盈利 (虧損) — 基本 (港仙)	11.7	3.8	4.7	6.1	(2.0)	

ASSETS AND LIABILITIES

資產及負債

		As at 31st December, 於十二月三十一日					
		2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	
Total assets	資產總值	186,034	200,377	211,664	256,606	240,890	
Total liabilities	負債總額	(24,843)	(35,289)	(36,310)	(63,519)	(51,216)	
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	161,191	165,088	175,354	193,087	189,674	



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