



興發鋁業控股有限公司
XINGFA ALUMINIUM HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(HKEX stock code 香港交易所股份代號 : 98)

ANNUAL REPORT 年報

2008

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Directors and Board Committees

Directors

Executive Directors

LUO Su (*Chairman*)
LUO Riming (*Chief Executive Officer*)
LIAO Yuqing
WANG Zhihua

Independent Non-executive Directors

CHEN Mo
HO Kwan Yiu
LAM Ying Hung Andy

Board Committees

Audit Committee

LAM Ying Hung Andy (*Chairman*)
CHEN Mo
HO Kwan Yiu

Remuneration Committee

HO Kwan Yiu (*Chairman*)
CHEN Mo
LAM Ying Hung Andy
LUO Su

Nomination Committee

LUO Su (*Chairman*)
CHEN Mo
HO Kwan Yiu
LAM Ying Hung Andy

董事及董事委員會

董事

執行董事

羅蘇 (*主席*)
羅日明 (*行政總裁*)
廖玉慶
王志華

獨立非執行董事

陳默
何君堯
林英鴻

董事委員會

審核委員會

林英鴻 (*主席*)
陳默
何君堯

薪酬委員會

何君堯 (*主席*)
陳默
林英鴻
羅蘇

提名委員會

羅蘇 (*主席*)
陳默
何君堯
林英鴻

Company Secretary

WONG Siu Ki (AHKICPA, FCCA, ACA)

Registered Office

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Grand Cayman KY1-1111
Cayman Islands

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Principal Place of Business in Hong Kong

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Harbour City
Tsim Sha Tsui
Kowloon
Hong Kong

Principal Bankers

Bank of China, Foshan Branch
Agriculture Bank of China, Foshan Nanzhuang Sub-branch
China Construction Bank Corporation, Foshan Branch

Legal Advisers

As to Hong Kong law:

Leung & Lau

As to PRC law:

Jingtian & Gongcheng

As to Cayman Islands law:

Conyers Dill & Pearman

公司秘書

黃兆麒(AHKICPA, FCCA, ACA)

註冊辦事處

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P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

總辦事處及主要營業地點

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人和路23號

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香港
九龍
尖沙咀
海港城
港威大廈
第6座15樓
1513室

主要往來銀行

中國銀行佛山分行
中國農業銀行佛山南莊支行
中國建設銀行股份有限公司佛山分行

法律顧問

香港法律:

梁寶儀劉正豪律師行

中國法律:

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開曼群島法律:

Conyers Dill & Pearman

Auditors

KPMG
8th Floor, Prince's Building,
10 Chater Road, Central, Hong Kong

Share Registrars

Principal Share Registrar and Transfer Office in the Cayman Islands

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P. O. Box 705
Grand Cayman KY1-1107
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
26th Floor, Tesbury Centre,
28 Queen's Road East
Wanchai, Hong Kong.

Compliance Adviser

ICBC International Capital Limited

Investor Relations

Strategic Financial Relations (China) Limited

Website

www.xingfa.com

Stock Code

00098.HK

核數師

畢馬威會計師事務所
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太子大廈8樓

股份過戶登記總處

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香港股份過戶登記分處

卓佳證券登記有限公司
香港灣仔
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金鐘匯中心26樓

合規顧問

工銀國際融資有限公司

投資者關係

縱橫財經公關顧問(中國)有限公司

網址

www.xingfa.com

股份編號

00098.HK



LUO Su, Chairman
羅蘇, 主席

I am pleased to present the 2008 annual results of Xingfa Aluminium Holdings Limited (“Xingfa” or the “Company” and, together with its subsidiaries, the “Group”).

Xingfa is one of the leading aluminium profiles manufacturers in the PRC and principally engaged in the manufacture and sale of aluminium profiles which are applied as construction and industrial materials. Leveraging on our advanced R&D capability and commitment to quality, our Group has established extensive and stable sales networks in the PRC and overseas for the past 20 years. Our Group was awarded as the No.1 of the Top-Ten National Aluminium Profiles Enterprises by the China Non-Ferrous Metals Fabrication Industrial Association (“CNFA”) in 2003, and such status was re-confirmed by CNFA in February 2008.

Xingfa’s successful listing on the Main Board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) on 31 March 2008 marked a critical milestone for our Group. This move has not only brought us to the international financial platform, but also widened our exposure in the international market, thus, encouraging our step forward to the market worldwide.

For the year ended 31 December 2008, our Group continued to deliver positive performance. Turnover maintained at RMB2,136.37 million in 2008 (2007: RMB2,148.67 million). The slowdown of sales in the second half of the year due to global

本人欣然呈佈興發鋁業控股有限公司（「興發」或「本公司」連同附屬公司「本集團」）之二零零八年年度業績。

本集團是中國之領先鋁型材製造商之一，主要從事製造及銷售用作建築及工業材料之鋁型材業務。於過去二十年，本集團憑藉先進研發能力及對質量之重視，於中國及海外建立廣泛及穩定銷售網絡。於二零零三年，本集團獲中國有色金屬加工工業協會（「有色加工協會」）評為「中國鋁型材企業十強第一名」，並於二零零八年二月獲有色加工協會再次確定有關地位。

興發於二零零八年三月三十一日成功在香港聯合交易所有限公司（「聯交所」）主板上市，標誌了本集團之重要里程碑。此舉不但讓本集團踏足國際金融平台，亦擴大本集團於國際市場之接觸面，鼓勵本集團進一步邁向全球金融市場。

截至二零零八年十二月三十一日止年度，本集團之業績繼續獲得出色表現。營業額於二零零八年維持於人民幣2,136,370,000元（二零零七年：人民幣2,148,670,000元）。由於全球金融危機導致本年度

financial turmoil has caused the slight drop of the equipment utilisation rate and hence the gross profit. Gross profit for the year was RMB175.26 million (2007: RMB199.18 million). Net profit attributable to equity holders of our Company recorded RMB29.31 million compared with RMB291.80 million in 2007. The difference was mainly attributable to the one-off gain on disposal of lease prepayments of RMB172.86 million recorded in 2007. Our Directors of the Company recommended the payment of a special dividend of RMB0.029 per ordinary share and subject to the approval by the Shareholders of the Company at the forthcoming annual general meeting, a final dividend of RMB0.021 per ordinary share, totally RMB0.05 per ordinary share for the year ended 31 December 2008 (2007: nil). The payout ratio is about 70% based on net profit in 2008.

In line with the expansion plan set out during Xingfa's listing, on 19 June 2008, Xingfa entered into an agreement with the shareholders of Foshan Xinggao Aluminium Co., Ltd. ("Xinggao Aluminium"), to acquire 100% equity interest in Xinggao Aluminium. The acquisition has given Xingfa's ownership of the land and premises of the Sanshui factory and certain machinery and equipment that our Group formerly leased from related parties. The Sanshui production base is more than 3.5 times of the size of our Group's existing factory in Chancheng and will be equipped with numerous production lines and facilities. Since the commencement of construction of the Sanshui factory in 2007, Xingfa has been gradually re-locating its production facilities to the new Sanshui production base. Currently, there are a total of 5 extruders and 10 smelters housed in Sanshui plant. The entire relocation project is expected to be completed by late 2009 and it is expected to increase our Group's annual designed production capacity to 150,000 tonnes of aluminium profiles in 2010.

2009 is a year with both challenges and opportunities for our Group. Xingfa, on the one hand, is prudently reviewing the impacts brought forth by the global financial turmoil, with careful consideration on adjusting marketing strategy as well as strengthening internal cost control. On the other hand, our Group

下半年銷售放緩，設備使用率略為下降，從而影響毛利。年內毛利為人民幣175,260,000元（二零零七年：人民幣199,180,000元）。本公司股權持有人應佔純利獲得人民幣29,310,000元，二零零七年則獲得人民幣291,800,000元。有關差額主要由於在二零零七年錄得出售預付租金之一次性收益人民幣172,860,000元所致。本公司董事會建議派發截至二零零八年十二月三十一日止年度之特別股息每股普通股人民幣0.029元，以及末期股息每股普通股人民幣0.021元（惟末期股息的派發須經本公司股東於行將召開之股東週年大會上批准），合共每股普通股人民幣0.05元（二零零七年：無）。按二零零八年純利計算，派息比率約為70%。

為符合興發於上市期間所載之擴充計劃，於二零零八年六月十九日，興發與佛山市興高鋁業有限公司（「興高鋁業」）之股東訂立協議，已收購興高鋁業之100%股權。收購讓興發擁有先前向關連方租用之三水廠區土地及物業以及若干機器設備。三水生產基地之面積比本集團之現有禪城區廠房大3.5倍以上，而且將配備多條生產線及設施。由於三水廠房於二零零七年施工，故興發已逐步將生產設施遷至新三水生產基地。現時，三水廠房共設有5台擠壓機及10台熔煉爐。整個搬遷項目預期將於二零零九年底前完成，並預期本集團之鋁型材總設計年產能將於二零一零年增加至150,000噸。

二零零九年對本集團充滿挑戰及機會。一方面，興發審慎檢討全球金融危機帶來之影響，小心考慮調整市場推廣策略以及加強內部成本控制。另一方



is ready and well-equipped to capture the market opportunities ahead, with the stimulating economic policies launched by the Central Government of the PRC. It is believed that the demand for aluminium profiles is going to maintain its growth given the national policies to boost infrastructure and railway development in 2009.

Looking forward, our Group will continue to relocate and integrate its new production equipments, gradually enhancing the production capacity of aluminium profiles throughout the year. Coupled with our commitment to achieve better economic of scales and lower production cost, our Group is going to install the Asia-largest surface anodising machines in Sanshui factory in mid-2009 to enhance our surface finishing capability, as well as to improve the aluminium ingots smelting and extrusion processes to enhance the production efficiency.

With our ultimate goal to improve the gross profit margin and hence the bottom line growth, Xingfa has investigated its product mixing strategy to enhance the sales of higher margin products. Together with our advanced R&D capability, commitment to quality, established extensive and stable sales networks in the PRC and overseas, we are confident to capture more market shares both in the PRC and the globe, bringing in greater returns to our shareholders.

On behalf of Xingfa, I would like to take this opportunity to thank every member of the Board of Directors, management and staff for contributing the success of our Group. Furthermore, I would like to express my appreciation to the customers and business partners and shareholders for their continuing support.

LUO Su, Chairman
Hong Kong, 17 April 2009

面，由於中國中央政府推行多項刺激經濟政策，故本集團已準備就緒並具備有利條件把握眼前市場商機。鑒於國家訂有政策於二零零九年加強基礎建設及鐵路發展，相信鋁型材之需求仍會維持增長。

放眼未來，本集團將繼續搬遷及整合其新生產設備，於年內逐步加強鋁型材之產能。本集團為提高規模經濟效益及降低生產成本，將於二零零九年中在三水廠區安裝全亞洲最大之表面電鍍機器，以加強本集團之表面處理效能，並將改進鋁錠熔煉及擠壓工序以提高產能。

基於本集團之最終目標為改善毛利率，從而增加利潤，因此興發已研究其產品組合策略，提高具有高毛利率產品之銷售額。憑藉本集團之先進研發能力、對質量之重視、在中國及海外已建立廣泛及穩定銷售網絡，本集團有信心於中國及全球取得更大之市場份額，為股東帶來更高回報。

本人謹藉此機會代表興發衷心感激本集團董事會各位成員、管理層及員工對本集團之成就所作出之貢獻。本人亦謹此對本集團之客戶及營業夥伴一直以來的支持表示謝意。

主席：羅蘇
香港，二零零九年四月十七日

We are one of the leading aluminium profiles manufacturers in the PRC and principally engaged in the manufacture and sale of aluminium profiles which are applied as construction and industrial materials. Leveraging on our advanced R&D capability and commitment to quality, our Group has established extensive and stable sales networks in the PRC and overseas for the past 20 years. Xingfa Aluminium was awarded as the No.1 of the Top-Ten National Aluminium Profiles Enterprises by the China Non-Ferrous Metals Fabrication Industrial Association (“CNFA”) in 2003, and such status was re-confirmed by CNFA in February 2008. Further, Xingfa’s successful listing on the Main Board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) on 31 March 2008 has marked a critical milestone for our Group.

Business Move

On 19 June 2008, we entered into an agreement with the shareholders of Xinggao Aluminium through an indirect wholly-owned subsidiary, Guangdong Xingfa Aluminium Co., Ltd. (“Guangdong Xingfa”), to acquire 100% equity interest in Xinggao Aluminium. The major assets of Xinggao Aluminium included the Sanshui factory and certain machinery and equipment previously leased to our Group prior to such acquisition. The aggregate consideration for the acquisition is RMB142,699,000, of which RMB83,835,000 was funded by our Group with the proceeds from the global offering and the rest by our internal resources.

本集團是中國之領先鋁型材製造商之一，主要從事製造及銷售用作建築及工業材料之鋁型材業務。於過去二十年，本集團憑藉先進研發能力及對質素之重視，於中國及海外建立廣泛及穩定銷售網絡。於二零零三年，興發鋁業獲中國有色金屬加工工業協會（「有色加工協會」）評為「中國鋁型材企業十強第一名」，並於二零零八年二月獲有色加工協會再次確定有關地位。此外，興發於二零零八年三月三十一日成功在香港聯合交易所有限公司（「聯交所」）主板上市，標誌了本集團之重要里程碑。

業務動向

於二零零八年六月十九日，本集團透過間接全資附屬公司廣東興發鋁業有限公司（「廣東興發」）與興高鋁業之股東訂立協議，以收購興高鋁業之100%股權。於有關收購前，興高鋁業之主要資產包括先前出租予本集團之三水廠區以及若干機器及設備。收購之總代價為人民幣142,699,000元，其中人民幣83,835,000元由本集團以全球發售之所得款項撥付，其餘則由本集團之內部資源撥付。



The acquisition was one of the important development plans as set out in our prospectus dated 17 March 2008. We are very pleased that we are able to achieve it soon after the listing. The acquisition gave us the ownership of the land and premises of the Sanshui factory and certain machinery and equipment that we previously leased from our related parties. The construction of the Sanshui factory commenced in 2007 and we have been gradually re-locating our production facilities to the new Sanshui production base. With a site area of about 498,000 sq.m. and an aggregate gross floor area of approximately 200,000 sq.m., the Sanshui production base is more than 3.5 times of the size of our Group's existing factory in Chancheng and will be equipped with numerous production lines and facilities. The entire relocation project is expected to be completed by late 2009 and it is expected to increase our Group's annual designed production capacity to 150,000 tonnes of aluminium profiles in 2010. The aggregate annual designed production capacity of aluminium profiles was approximately 120,000 tonnes as at 31 December 2008.

In 2008, the economy turmoil spread throughout globally which led to the substantial drop of market price of aluminium ingots. The market price of aluminium ingots dropped from the highest of RMB19,799 per tonne in March 2008 to the lowest of RMB11,452 per tonne in December 2008. The average price of aluminium ingots also dropped by 12.5% from RMB19,718 per tonne to RMB17,257 per tonne for the years ended 31 December 2007 and 2008 respectively. This inevitably impacted our Group's results for this financial year since aluminium ingots represented approximately 77% of our cost of sales whilst we charged our customers the processing fee with reference to the market price of aluminium ingots.

收購為本公司於二零零八年三月十七日刊發之售股章程所載之重要發展計劃之一。本集團樂見該計劃能在上市後短時間內實現。收購讓本集團可擁有先前向關連方租用之三水廠區土地及物業以及若干機器及設備。三水廠區之建築工程於二零零七年施工，而本集團已逐步將生產設施搬遷至新三水生產基地。三水生產基地之地盤面積約498,000平方米，總建築面積約200,000平方米，比本集團之現有禪城廠區大3.5倍以上，而且將配備多條生產線及設施。整個搬遷項目預期將於二零零九年底完成，並預期本集團之鋁型材設計年產能將於二零一零年增加至150,000噸。於二零零八年十二月三十一日，鋁型材之總設計年產能約為120,000噸。

於二零零八年，經濟動盪情況蔓延至世界各地，導致鋁錠市價大幅下跌。鋁錠市價由二零零八年三月最高每噸人民幣19,799元下跌至二零零八年十二月最低每噸人民幣11,452元。截至二零零七年及二零零八年十二月三十一日止年度，鋁錠之平均價格亦由每噸人民幣19,718元下跌12.5%至每噸人民幣17,257元，這難免影響本集團本財政年度之業績，因為鋁錠佔本集團之銷售成本約77%，且本集團亦參考鋁錠市價本而向客戶收取加工費。



Turnover

Turnover maintained at approximately RMB2,136.37 million for the year ended 31 December 2008 (2007: RMB2,148.67 million). The slight decrease in turnover was mainly due to the drop of average selling price of aluminium profiles during the year. As mentioned in the above, the market price of aluminium ingots dropped substantially in 2008. Since aluminium ingots constituted approximately 77% of our cost of sales and we charged our customers the processing fee with reference to our material costs, the drop of market price of aluminium ingots caused the decrease in average selling price of our products inevitably.

The drop of average selling price of our products was partially offset by the increase in sales volume. Our sales volume of aluminium profiles increased by 6.6% from approximately 89,300 tonnes to approximately 95,200 tonnes for the years ended 31 December 2007 and 2008 respectively. Our operations remained very healthy. Our production of aluminium profiles increased by 4.2% from approximately 91,500 tonnes to approximately 95,300 tonnes whilst the percentage of sales to production was further improved from 97.6% to 99.9% for the years ended 31 December 2007 and 2008 respectively. Landmark projects in 2008 included Beijing National Olympic Green Convention Center, Beijing International Trade Center Phase III, Beijing Capital Airport Phase III, Provincial Government Building of Guizhou, Hong Kong Disneyland Phase II and Asia World Expo in Hong Kong etc..

營業額

截至二零零八年十二月三十一日止年度，營業額維持於約人民幣2,136,370,000元(二零零七年：人民幣2,148,670,000元)。營業額輕微減少乃主要由於年內鋁型材之平均售價下跌所致。承如上文所述，二零零八年之鋁錠市價大幅下跌。由於鋁錠佔本集團之銷售成本約77%，且本集團亦參考材料成本而向客戶收取加工費，故鋁錠市價下跌難免引致本集團產品之平均售價下跌。

本集團產品平均售價下跌因銷量增加而部分抵銷。截至二零零七年及二零零八年十二月三十一日止年度，本集團之鋁型材銷量由約89,300噸增加6.6%至約95,200噸。本集團之營運仍然非常穩健。截至二零零七年及二零零八年十二月三十一日止年度，本集團之鋁型材產量由約91,500噸增加4.2%至約95,300噸，而銷售對生產百分比則進一步由97.6%改善至99.9%。二零零八年之地標項目包括北京奧林匹克公園國家會議中心、北京國貿中心第三期、北京首都機場三期、貴州省政府大樓、香港迪士尼樂園第二期及香港亞洲國際博覽館等。



Management Discussion and Analysis

管理層討論及分析

The following table sets forth our turnover and its percentage of turnover by product category for the years ended 31 December 2007 and 2008:

下表載列截至二零零七年及二零零八年十二月三十一日止年度按產品種類劃分之營業額及佔營業額之百分比：

		2008 二零零八年		2007 二零零七年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Manufacture and sale of aluminium profiles	生產及銷售鋁型材				
— aluminium profiles with surface finishing	— 經表面處理鋁型材	1,370,729	64.2	1,300,069	60.5
— plain aluminium profiles	— 光身鋁型材	654,593	30.6	739,262	34.4
		2,025,322	94.8	2,039,331	94.9
Others (Note)	其他(附註)	111,046	5.2	109,343	5.1
Total	總計	2,136,368	100.0	2,148,674	100.0

Note: Our Group's other turnover represented turnover generated from the manufacture and sale of aluminium panels, moulds and spare parts and the provision of processing services.

附註：本集團其他營業額指製造及銷售鋁板、模具及零部件，以及提供加工服務所產生之營業額。

Our Group's turnover by geographical segments during the years ended 31 December 2007 and 2008 are as follows:

本集團於截至二零零七年及二零零八年十二月三十一日止年度按地域劃分之營業額如下：

		2008 二零零八年		2007 二零零七年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
The PRC	中國	1,938,424	90.7	1,962,703	91.3
North America	北美	46,110	2.2	40,387	1.9
Europe	歐洲	12,196	0.6	24,098	1.1
Hong Kong	香港	76,551	3.6	60,381	2.8
Asia Pacific (other than the PRC and Hong Kong)	亞太地區(中國及香港除外)	51,680	2.4	50,334	2.3
Others	其他	11,407	0.5	10,771	0.6
Total	總計	2,136,368	100.0	2,148,674	100

For the years ended 31 December 2007 and 2008, domestic sales in the PRC in aggregate accounted for approximately 91.3% and 90.7% of our Group's turnover respectively.

截至二零零七年及二零零八年十二月三十一日止年度，中國國內銷售總額佔本集團營業額分別約91.3%及90.7%。

Our Group also exports directly to the United States, Europe and other Asian countries. For the years ended 31 December 2007 and 2008, non domestic sales in aggregate accounted for approximately 8.7% and 9.3% of our Group's turnover respectively.

本集團產品亦直接出口至美國、歐洲及其他亞洲國家。截至二零零七年及二零零八年十二月三十一日止年度，非內銷總額佔本集團分別約8.7%及9.3%。

The following table sets forth the sales volume and average selling prices of our principal products during the years ended 31 December 2007 and 2008:

下表載列本集團主要產品於截至二零零七年及二零零八年十二月三十一日止年度之銷量及平均售價：

		2008 二零零八年	2007 二零零七年	Change in % 變動%
Aluminium profiles with surface finishing	經表面處理鋁型材			
— Revenue (RMB'000)	— 收益(人民幣千元)	1,370,729	1,300,069	5.4
— Quantity (tonnes)	— 數量(噸)	62,483	54,605	14.4
— Average selling price per tonne (RMB)	— 每噸平均售價(人民幣元)	21,938	23,809	(7.9)
Plain aluminium profiles	光身鋁型材			
— Revenue (RMB'000)	— 收益(人民幣千元)	654,593	739,262	(11.5)
— Quantity (tonnes)	— 數量(噸)	32,733	34,690	(5.6)
— Average selling price per tonne (RMB)	— 每噸平均售價(人民幣元)	19,998	21,311	(6.2)
Total	總計			
— Revenue (RMB'000)	— 收益(人民幣千元)	2,025,322	2,039,331	(4.8)
— Quantity (tonnes)	— 數量(噸)	95,216	89,295	6.6
— Average selling price per tonne (RMB)	— 每噸平均售價(人民幣元)	21,271	22,838	(6.9)

Cost of Sales

Our cost of sales increased slightly by 0.6% from approximately RMB1,949.50 million to approximately RMB1,961.10 million for the years ended 31 December 2007 and 2008 respectively. The increase in the cost of sales was primarily due to the increase in cost of production during the year under review, such as labour costs, fuel costs and overheads etc..

銷售成本

截至二零零七年及二零零八年十二月三十一日止年度，本集團之銷售成本由約人民幣1,949,500,000元輕微增加0.6%至約人民幣1,961,100,000元。銷售成本增加，乃主要由於回顧年內勞工成本、燃料成本及間接費用等生產成本增加所致。

Gross Profit and Gross Profit Margin

As a result of the factors mentioned above, our gross profit decreased by 12% from approximately RMB199.18 million to RMB175.26 million, while our gross profit margin dropped by 1.1 percentage points from 9.3% to 8.2% for the years ended 31 December 2007 and 2008 respectively.

The following table sets forth the gross profit margin of our aluminium profiles:

		2008 二零零八年	2007 二零零七年
Average gross profit margin	平均毛利率	8.2%	9.3%
— Aluminium profiles with surface finishing	— 經表面處理 鋁型材	5.7%	8.9%
— Plain aluminium profiles	— 光身鋁型材	13.4%	10.9%

The decrease in overall gross profit margin was mainly attributable to the following factors:

1. The equipment utilisation rate dropped slightly from 80.7% to 79.4% for the years ended 31 December 2007 and 2008 respectively due to slow down of sales in the second half of the year caused by the global economy turmoil and completion of major projects before the launch of the Beijing Olympics in August 2008;
2. The substantial drop of gross profit margin of aluminium profiles with surface finishing by 3.2 percentage points due to the increase in cost of production for surface finishing;
3. The above mentioned factors were partially offset by the improvement of gross profit margin of plain aluminium profiles by 2.5 percentage points due to the increase in average processing fee during the year; and
4. The slight change in our Group's product mix as a result of the increase in sales volume of aluminium profiles with surface finishing during the year, whose gross profit margin deterioration caused the drop of overall gross profit margin in 2008.

毛利與毛利率

基於上述因素，截至二零零七年及二零零八年十二月三十一日止年度，本集團之毛利由約人民幣199,180,000元減少12%至人民幣175,260,000元，而本集團之毛利率則由9.3%下跌1.1個百分點至8.2%。

下表載列本集團鋁型材之毛利率：

		2008 二零零八年	2007 二零零七年
Average gross profit margin	平均毛利率	8.2%	9.3%
— Aluminium profiles with surface finishing	— 經表面處理 鋁型材	5.7%	8.9%
— Plain aluminium profiles	— 光身鋁型材	13.4%	10.9%

整體毛利率下跌主要是由於下列因素：

1. 由於全球經濟動盪及在二零零八年八月北京奧運開始前完成主要項目，下半年銷售放緩，故截至二零零七年及二零零八年十二月三十一日止年度，設備使用率由80.7%微跌至79.4%；
2. 經表面處理鋁型材之毛利率因表面處理之生產成本增加而大幅下跌3.2個百分點；
3. 光身鋁型材之毛利率改善2.5個百分點因年內平均加工費增加，但被上述原因而部分抵銷；及
4. 本集團因年內經表面處理鋁型材之銷量增加而輕微改變產品組合，而經表面處理鋁型材之毛利率下降導致二零零八年整體毛利率下跌。

Other Net (Loss)/Income

Other net (loss)/income decreased from a gain of RMB182.17 million for the year ended 31 December 2007 to a loss of RMB4.58 million for the year ended 31 December 2008. It comprises the following items:

		Note 附註	2008 二零零八年	2007 二零零七年
Gain on disposal of lease prepayments	出售預付租金收益	(1)	—	174,941
Gain on disposal of assets classified as held for sale	出售列為持作待售資產收益	(1)	11,637	—
Net realised and unrealised (losses)/gains of derivative financial instruments	衍生金融工具已變現及未變現(虧損)/收益淨額			
— aluminium future contracts	— 鋁期貨合約	(2)	(19,342)	3,247
— foreign exchange forward contracts	— 外匯遠期合約		(580)	—
Others	其他		3,707	3,980
Other net (loss)/income	其他(虧損)/收入淨額		(4,578)	182,168

Notes:

- In 2007, our Group recognised a one-off gain on disposal of lease prepayments of approximately RMB174.94 million, net of business tax and surcharges. In 2008, subsequent to the listing of the Company, our Group disposed of the assets classified as held for sale and recorded a one-off gain of approximately RMB11.64 million.
- In 2008, due to the global economy turmoil, the market price of aluminium ingots dropped substantially. Our Group incurred a net loss of aluminium future contracts of approximately RMB19.34 million as compared to a gain of approximately RMB3.25 million for the year ended 31 December 2007.

其他(虧損)/收入淨額

其他(虧損)/收入淨額由截至二零零七年十二月三十一日止年度之收益人民幣182,170,000元減少至截至二零零八年十二月三十一日止年度之虧損人民幣4,580,000元，包括以下項目：

附註：

- 於二零零七年，本集團確認出售預付租金之一次性收益約人民幣174,940,000元(扣除營業稅及附加費)。於二零零八年，本公司上市後，本集團出售列為持作待售資產，並錄得一次性收益約人民幣11,640,000元。
- 於二零零八年，由於全球經濟動盪，故鋁錠市價大幅下跌。本集團錄得鋁錠期貨合約虧損淨額約人民幣19,340,000元，而截至二零零七年十二月三十一日止年度則為收益約人民幣3,250,000元。



Distribution Expenses

Our distribution expenses increased by approximately 14.7% from RMB32.53 million to RMB37.30 million, while our distribution expenses as a percentage of turnover increased from 1.5% to 1.7% for the years ended 31 December 2007 and 2008 respectively. The increase was mainly attributable to the increase in advertising expenses by approximately RMB3.50 million or 51.7% as a result of the launch of television commercials to promote our Group's image in 2008.

Administrative Expenses

Our administrative expenses increased by approximately 107.4% from RMB29.85 million to RMB61.91 million, while our administrative expenses as a percentage of turnover increased significantly from approximately 1.4% to 2.9% for the years ended 31 December 2007 and 2008 respectively. The substantial increase in our administrative expenses was mainly attributable to the following factors:

1. Payment of a one-off IPO related professional fees of approximately RMB9.61 million in 2008;
2. Increase in staff costs in accordance with the implementation of Labours' Law in PRC;
3. Increase in recurring professional fees such as compliance advisor, legal fees, public relations, and printing charges of RMB6.45 million subsequent to the listing of the Company and in relation to the acquisition of Xinggao Aluminium; and
4. Increase in Directors' remuneration subsequent to the listing of our Company.

Profit from Operations

As a result of the factors discussed above, the profit from operations dropped by 77.6% from RMB318.97 million to RMB71.47 million for the years ended 31 December 2007 and 2008 respectively. The decrease in operating profit was mainly attributable to the deterioration of gross profit margin, decrease in one-off gain on disposal of lease prepayments, net losses of aluminium future contracts, and increase in distribution and administrative expenses resulting from the payment of a one-off IPO related professional fees.

分銷開支

截至二零零七年及二零零八年十二月三十一日止年度，本集團之分銷開支由人民幣32,530,000元增加約14.7%至人民幣37,300,000元，而本集團分銷開支佔營業額之百分比則由1.5%上升至1.7%。增加乃主要由於廣告開支因於二零零八年推出電視廣告宣傳本集團形象而增加約人民幣3,500,000元或51.7%所致。

行政開支

截至二零零七年及二零零八年十二月三十一日止年度，本集團之行政開支由人民幣29,850,000元增加約107.4%至人民幣61,910,000元，而本集團行政開支佔營業額之百分比則由1.4%上升至2.9%。行政開支大幅增加主要是由於下列因素：

1. 於二零零八年支付一次性首次公開發售相關專業費用約人民幣9,610,000元；
2. 根據實施中國勞動法而員工成本增加；
3. 於本公司上市後及有關收購興高鋁業之合規顧問、法律費用、公關及印刷費用等經常性專業費用增加人民幣6,450,000元；及
4. 於本公司上市後董事酬金增加。

經營溢利

基於上述因素，截至二零零七年及二零零八年十二月三十一日止年度，經營溢利由人民幣318,970,000元下跌77.6%至人民幣71,470,000元。經營溢利減少乃主要由於毛利率下跌、出售預付租金之一次性收益減少、鋁錠期貨合約之虧損淨額，及因支付一次性首次公開發售相關專業費用而令分銷及行政開支增加。

Net Finance Costs

Net finance costs increased by 19.3% from RMB28.04 million to RMB33.45 million for the years ended 31 December 2007 and 2008 respectively. The increase in net finance costs was mainly due to the increase in interest rate and average bank borrowings to finance working capital and capital expenditure for the expansion of our business during the year under review. Net finance costs as a percentage of turnover increased from 1.3% to 1.6% for the years ended 31 December 2007 and 2008 respectively.

Income Tax (Expenses)/Credit

Our Group is not subject to any income tax in the Caymans Islands and the BVI. No provision for Singapore Corporate Profits Tax and Hong Kong Profits Tax was made as our Group has no assessable profits during the year (2007: Nil).

Guangdong Xingfa is a wholly foreign owned enterprise and is entitled to tax concessions whereby the profit for the first two financial years beginning with the first profit-making year is exempted from income tax in the PRC and the profit for each of the subsequent three years is taxed at 50% of the prevailing tax rate set by the local authority. No provision for PRC income tax has been made during 2007 as 2007 is the entity's second profit-making year.

Xinggao Aluminium is a limited liability company established under the laws of the PRC and is liable to the PRC enterprise income tax at a rate of 25%. On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC (the "New Tax Law") which has taken effect on 1 January 2008. In December 2007, the Implementation Rules of the Corporate Income Tax Law of the PRC and "Guo Fa [2007] No. 39" were promulgated to specify certain implementation details and grandfathering arrangements of the new tax law. As a result of the New Tax Law, Guangdong Xingfa is subject to a unified tax rate of 25% and will continue to enjoy the existing preferential tax treatment until the end of above mentioned tax holidays. The applicable tax rate of Guangdong Xingfa during 2008 is 12.5%.

財務成本淨額

截至二零零七年及二零零八年十二月三十一日止年度，財務成本淨額由人民幣28,040,000元增加19.3%至人民幣33,450,000元。財務成本淨額增加乃主要由於回顧年內之利率及本集團撥付營運資金及拓展業務之資本開支之平均銀行借款增加所致。截至二零零七年及二零零八年十二月三十一日止年度，財務成本淨額佔營業額之百分比則由1.3%上升至1.6%。

所得稅(開支)/抵免

本集團毋須繳納開曼群島及英屬處女群島之任何所得稅。於年內，由於本集團並無應課稅盈利，故並無就新加坡企業利得稅及香港利得稅作出撥備(二零零七年：無)。

廣東興發為全外資企業，享有稅項寬免，由首個獲利年度起計兩個財政年度之盈利獲豁免繳納中國所得稅，其後三年各年之盈利按地方機關制定之當時稅率50%繳稅。由於二零零七年為該公司之第二個獲利年度，故並無於二零零七年就中國所得稅作出撥備。

興高鋁業為根據中國法例成立之有限公司，須按稅率25%繳納中國企業所得稅。於二零零七年三月十六日，第十屆全國人民代表大會第五次全體會議通過《中國企業所得稅法》(「新稅法」)，新稅法於二零零八年一月一日生效。《中國企業所得稅法實施條例》及「國發[2007]第39號」於二零零七年十二月頒佈，具體說明新稅法若干實施詳情及過渡安排。實施新稅法後，廣東興發須按統一稅率25%繳稅，並會繼續享有現有稅務優惠，直至上述稅務優惠期完結為止。廣東興發於二零零八年之適用稅率為12.5%。

Further under the New Tax Law, from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by treaty) on various types of passive income such as dividends derived from sources within the PRC. As Guangdong Xingfa and Xinggao Aluminium are held by a Hong Kong incorporated subsidiary, a rate of 5% is applicable to the calculation of this withholding tax.

According to the notice Caishui [2008] No.1 released by the Ministry of Finance and the State Administration of Taxation, distributions of the pre-2008 retained profits of a foreign-invested enterprise to a foreign investor in 2008 or after are exempt from corporate income tax. Accordingly, undistributed profits amounted to RMB205,153,000 retained by our Group's PRC subsidiaries as at 31 December 2007 are not subject to 5% withholding tax on future distributions.

Pursuant to "Fo Fu Ban [2003] No. 46" and "Fo Di Shui Fa [2003] No. 68" issued by the relevant government authorities in Foshan, the land appreciation tax rate applicable to our Group is 1% on the sales proceed on disposal of land use right. Gain on disposal of land use right, net of land appreciation tax and surcharges, is subject to the relevant income tax rules and regulations of the PRC as mentioned above.

此外，根據新稅法，由二零零八年一月一日起，在中國境內未設立機構、場所，或者雖在中國境內設立機構、場所但取得之所得與其在中國境內所設機構、場所沒有實際聯繫之非居民企業，將須就多種被動收入(如源於中國境內之股息)按10%稅率(除非按稅收協定減免)繳納預提稅。由於廣東興發及興高鋁業由一間於香港註冊成立之附屬公司持有，故計算此預提稅適用之稅率為5%。

根據財政部及國家稅務局發佈之財稅[2008]第1號通知，外商投資企業在二零零八年或之後向外國投資者分派二零零八年前之保留盈利，均可獲豁免繳納企業所得稅。因此，於將來作出分派時，本集團之中國附屬公司於二零零七年十二月三十一日保留之未分派盈利人民幣205,153,000元毋須繳納5%之預提稅。

根據佛山市相關政府機關頒佈之「佛府辦[2003]46號」及「佛地稅發[2003]68號」，適用於本集團之土地增值稅稅率為出售土地使用權銷售所得款項之1%。出售土地使用權之收益扣除土地增值稅及附加費後，須遵守上述中國相關所得稅規則及條例。



Profit for the Year and the Net Profit Margin

As a result of the foregoing factors, the net profit for the year decreased by approximately 89.9% from RMB291.60 million to RMB29.31 million for the years ended 31 December 2007 and 2008 respectively. The deterioration in the net profit margin from 13.6% to 1.4% during these two years under review was mainly attributable to the combined effect of the deterioration of gross profit margin by 1.1 percentage points, decrease in one-off gain on disposal of lease prepayments of approximately RMB172.86 million, net losses of aluminium future contracts of RMB19.34 million, increase in one-off payment of IPO related professional fees of RMB9.61 million and the increase in provision for enterprise income tax of RMB8.70 million.

Analysis of Financial Position

Current and quick ratios

The following table sets out the summary of our Group's current and quick ratios as at 31 December 2007 and 2008:

		As at 31 December 2008 於 二零零八年 十二月三十一日	As at 31 December 2007 於 二零零七年 十二月三十一日
Current Ratio (Note)	流動比率(附註)	1.21	1.69
Quick Ratio (Note)	速動比率(附註)	0.95	1.25

Note: Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the year.

Quick ratio is calculated based on the difference between the total current assets and the inventories divided by the total current liabilities at the end of the year.

年度溢利及純利率

基於上述因素，截至二零零七年及二零零八年十二月三十一日止年度，年度純利由人民幣291,600,000元減少約89.9%至人民幣29,310,000元。該兩個回顧年度之純利率由13.6%下跌至1.4%，乃主要由於毛利率下跌1.1個百分點、出售預付租金之一次性收益減少約人民幣172,860,000元、鋁錠期貨合約之虧損淨額人民幣19,340,000元、支付一次性首次公開發售相關專業費用增加人民幣9,610,000元及企業所得稅撥備增加人民幣8,700,000元之合併影響所致。

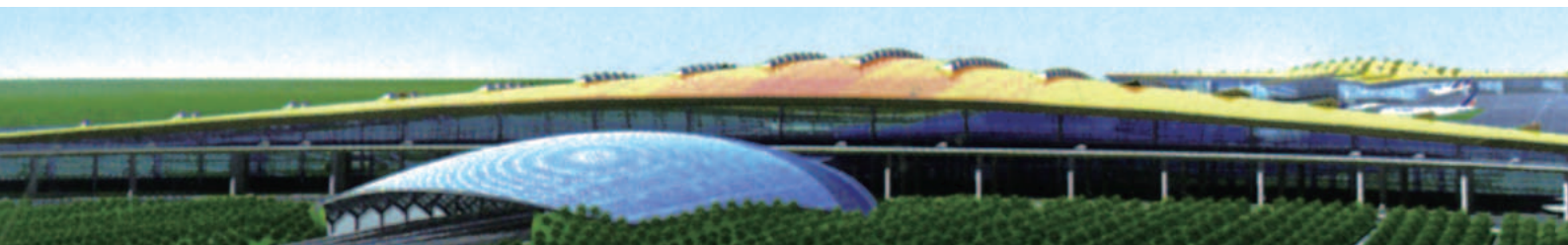
財務狀況分析

流動及速動比率

下表載列本集團於二零零七年及二零零八年十二月三十一日之流動及速動比率概要：

附註：流動比率以年終之流動資產總值除以流動負債總值計算。

速動比率以年終之流動資產總值與存貨之差額除以流動負債總值計算。



In view of the gradual drop of PBOC interest rate announced by People's Bank of China in 2008, our Group repaid long-term borrowings upon maturity and assumed more short-term bank borrowings to finance its business operation. Therefore, the current ratio and quick ratio of our Group had decreased slightly to 1.21 and 0.95 respectively. Our Directors are of the opinion that the current capital structure of our Group is very healthy and our Group would be benefited from the drop of PBOC interest rate when we renew the short-term loan maturing in 2009.

Gearing Ratio

The following table sets out the summary of our Group's gearing ratio as at 31 December 2007 and 2008:

		As at 31 December 2008 於 二零零八年 十二月三十一日	As at 31 December 2007 於 二零零七年 十二月三十一日
Gearing ratio (Note)	負債比率(附註)	39.4%	35.5%

Note: Gearing ratio is calculated based on the loans and borrowings divided by total assets and multiplied by 100%.

As at 31 December 2008, our gearing ratio was increased to 39.4% which was mainly due to the increase in total bank borrowings of RMB182.33 million to finance its business operation.

Inventory Turnover Days

The following table sets out the summary of our Group's inventory turnover days during the two years ended 31 December 2007 and 2008:

		2008 二零零八年	2007 二零零七年
Inventory Turnover Days (Note)	存貨周轉天數(附註)	41	39

Note: Inventory turnover days is calculated based on the average of the beginning and ending inventory balance before provision for the year divided by the total cost of sales during the year multiplied by 365 days.

鑒於中國人民銀行於二零零八年公佈之中國人民銀行利率逐步下跌，本集團於到期時償還長期借貸，並取得更多短期銀行借貸以撥付其業務營運。因此，本集團之流動比率及速動比率分別微跌至1.21及0.95。董事認為，本集團之現有資本架構非常穩健，而本集團將可於續借於二零零九年到期之短期貸款時受惠於中國人民銀行利率下跌。

負債比率

下表載列本集團於二零零七年及二零零八年十二月三十一日之負債比率概要：

附註：負債比率以貸款及借貸除以資產總值再乘以100%計算。

於二零零八年十二月三十一日，本集團之負債比率增加至39.4%，乃主要由於銀行借貸總額增加人民幣182,330,000元以撥付其業務營運所致。

存貨周轉期

下表載列本集團截至二零零七年及二零零八年十二月三十一日止兩個年度之存貨周轉期概要：

附註：存貨周轉期以計提年內之撥備前之年初及年終之存貨結餘平均數除以年內之銷售成本總額再乘以365日計算。

Inventories balance as at the respective years end during the two years ended 31 December 2007 and 2008 represents the amounts of our raw materials, work in progress and the unsold finished goods.

Our inventory turnover days were slightly increased from 39 days to 41 days for the years ended 31 December 2007 and 2008 respectively.

Debtors' Turnover Days

The following table sets out the summary of our Group's debtors' turnover days during the two years ended 31 December 2007 and 2008:

		2008 二零零八年	2007 二零零七年
Debtors Turnover Days (Note)	應收賬款記賬天數(附註)	70	65

Note: Debtors' turnover days is calculated based on the average of the beginning and ending balance of trade and bills receivables for the year divided by turnover during the year multiplied by 365 days.

Our debtors turnover days were slightly increased from 65 days to 70 days for the years ended 31 December 2007 and 2008 respectively. It was mainly due to more customers utilised bills for settlement as evidenced by the increase in bills receivables balances by 15.4% from RMB120.05 million to RMB138.54 million as at 31 December 2007 and 2008 respectively.

Creditors' Turnover Days

The following table sets out the summary of our Group's creditors' turnover days during the two years ended 31 December 2007 and 2008:

		2008 二零零八年	2007 二零零七年
Creditors' Turnover Days (Note)	應付賬款記賬天數(附註)	26	53

Note: Creditors' turnover days is calculated based on the average of the beginning and ending balance of trade and bills payables for the year divided by the total cost of sales during the year multiplied by 365 days.

於截至二零零七年及二零零八年十二月三十一日止兩個年度各年終之存貨結餘為原材料、在製品及未售出製成品之款項。

截至二零零七年及二零零八年十二月三十一日止年度，本集團之存貨周轉期由39日微增至41日。

應收賬款記賬期

下表載列本集團截至二零零七年及二零零八年十二月三十一日止兩個年度之應收賬款記賬期概要：

附註：應收賬款記賬期以年內之年初及年終之交易應收款項及應收票據結餘之平均數除以年內之營業額再乘以365日計算。

截至二零零七年及二零零八年十二月三十一日止年度，本集團之應收賬款記賬期由65日微增至70日，乃主要由於客戶增加使用票據結賬所致，截至二零零七年及二零零八年十二月三十一日止年度，應收票據結餘由人民幣120,050,000元增加15.4%至人民幣138,540,000元。

應付賬款記賬期

下表載列本集團截至二零零七年及二零零八年十二月三十一日止兩個年度之應付賬款記賬期概要：

附註：應付賬款記賬期以年內之年初及年終之交易應付款項及應付票據結餘之平均數除以年內之銷售成本總額再乘以365日計算。

Trade and bills payable balance as at the respective year end represents mainly the outstanding amounts payable to our suppliers of raw materials, mainly aluminium ingots. Due to the drop of the average selling price of our products as a result of the drop of market price of aluminium ingots in 2008 as led by the global economy turmoil, this balance decreased gradually. Cash flows used in the operating activities also decreased consequently. Therefore, the creditors' turnover days reduced from 53 days to 26 days for the years ended 31 December 2007 and 2008 respectively.

Liquidity, Financial Resources and Capital Structure

Cash flow

The table below summarises our Group's cash flow during the two years ended 31 December 2007 and 31 December 2008:

	2008 二零零八年 RMB' million 人民幣百萬元	2007 二零零七年 RMB' million 人民幣百萬元
Net cash used in operating activities	經營業務所用現金淨額	(30.9)
Net cash (used in)/generated from investing activities	投資活動(所用)／所得現金淨額	(247.8)
Net cash generated from financing activities	融資活動所得現金淨額	347.3

We generally finance our operations through a combination of shareholders' equity, internally generated cash flows and bank borrowings. Following the issuance of new shares in March 2008, we have been financing our capital expenditure and operating requirements through internally generated cash flows, net proceeds from the issuance of new shares and bank borrowings. Our Directors believe that on a long-term basis, our liquidity will be funded from operations and, if necessary, additional equity financing or bank borrowings.

於各年終之交易應付款項及應付票據結餘主要指本集團應付原材料(主要為鋁錠)供應商之欠款。由於全球經濟動盪引致二零零八年鋁錠市價下跌，致使本集團產品之平均售價下跌，故此結餘逐漸減少。經營業務所用現金流量亦因而減少。因此，截至二零零七年及二零零八年十二月三十一日止年度，應付賬款記賬期由53日減少至26日。

流動資金、財務資源及資本架構

現金流量

下表概述本集團截至二零零七年十二月三十一日及二零零八年十二月三十一日止兩個年度之現金流量：

	2008 二零零八年 RMB' million 人民幣百萬元	2007 二零零七年 RMB' million 人民幣百萬元
Net cash used in operating activities	(30.9)	(145.6)
Net cash (used in)/generated from investing activities	(247.8)	213.9
Net cash generated from financing activities	347.3	22.0

本集團一般透過股東權益、內部產生之現金流量及銀行借貸作為營運資金。於二零零八年三月完成發行新股後，本集團已透過內部產生之現金流量、發行新股所得款項淨額及銀行借貸撥付資本開支及營運資金。董事相信，長遠而言本集團之流動資金將來自營運及(如有需要)額外股本融資或銀行借貸。

Capital expenditures

Capital expenditure was used for acquisition of property, plant and equipment. For the year ended 31 December 2008, our Group's capital expenditures were approximately RMB133.18 million. The significant capital expenditures during the year were mainly for acquisition of plant and equipment for the Sanshui factory and payment for lease prepayments.

Loans and borrowings

As at 31 December 2008, our Group's loans and borrowings amounted to approximately RMB559.33 million (2007: RMB377.00 million). For details, please refer to notes 24 in notes to the consolidated financial statements.

Guarantee

Certain banking facilities amounted to RMB773,000,000 (2007: RMB385,000,000) were guaranteed by certain related parties, such banking facilities were utilised to the extent of RMB511,093,000 (2007: w

Pledge of assets

Certain assets of our Group have been pledged to secure the bank borrowings of our Group. For details, please refer to note 24 in the notes to the consolidated financial statements.

Capital commitment

As at the close of business on 31 December 2008, we had capital commitments contracted but not provided for in respect of acquisition of property, plant and equipment of approximately RMB76.39 million.

Contingent liabilities

As at 31 December 2008, our Group did not provide any guarantee in respect of liabilities of any company not being a member of our Group. Our Group had no material contingent liabilities as at 31 December 2008.

資本開支

資本開支乃用作收購物業、機器及設備。截至二零零八年十二月三十一日止年度，本集團之資本開支約為人民幣133,180,000元。年內之大額資本開支乃主要作為就三水廠區收購機器及設備以及支付預付租金。

貸款及借貸

於二零零八年十二月三十一日，本集團之貸款及借貸約為人民幣559,330,000元(二零零七年：人民幣377,000,000元)。有關詳情請參閱綜合財務報表附註24。

擔保

人民幣773,000,000元(二零零七年：人民幣385,000,000元)之若干銀行信貸已獲若干關連方擔保，該等銀行信貸中人民幣511,093,000元(二零零七年：人民幣370,000,000元)已獲動用。

資產抵押

本集團若干資產已抵押作為本集團銀行借貸之擔保。有關詳情請參閱綜合財務報表附註24。

資本承擔

於二零零八年十二月三十一日營業時間結束時，本集團就收購物業、機器及設備已訂約但未撥備之資本承擔約人民幣76,390,000元。

或然負債

於二零零八年十二月三十一日，本集團並無就並非本集團成員公司之公司負債作出任何擔保。於二零零八年十二月三十一日，本集團並無重大或然負債。

Market Risk

We are, in the normal course of business, exposed to market risk such as foreign currencies risk, interest rate risk, commodity price risk on aluminium, credit risk and liquidity risk. Our risk management strategy aims to minimise the adverse effects of these risks on our financial performance.

Foreign Currency Risk

As our Group's principal activities are carried out in the PRC, our Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the operations in the PRC, RMB, to which they relate. The transactions in foreign currency are primarily denominated in USD. Our Group currently does not have a policy to exercise fair value hedges on foreign currency risk as the impact of foreign currency on our Group's total cost of sales are minimal. However, management monitors foreign currency exposure to ensure that the net exposure is kept to an acceptable level and will consider hedging significant transactions should the need arise.

Interest Rate Risk

Our Group adopts a policy of ensuring that over 50% of its exposure to changes in interest rates on borrowings is on a fixed rate basis. Our Group's loans and borrowings are mainly short-term and on fixed rate basis. The interest rates and terms of repayment of our Group's loans and borrowings are disclosed in note 24 in notes to the consolidated financial statements in this annual report.

市場風險

於一般業務過程中，本集團面對之市場風險包括外匯風險、利率風險、鋁商品價格風險、信貸風險及流動資金風險等。本集團之風險管理策略旨在將該等風險對本集團財務表現之不利影響減至最低。

外幣風險

由於本集團之主要業務在中國進行，故本集團因銷售及採購以營運所在地功能貨幣人民幣以外貨幣計值而面對外幣風險。外匯交易主要以美元列值。由於外幣對本集團總銷售成本之影響輕微，故本集團現時並無行使公平值對沖外幣風險之政策。然而，管理層監控外幣風險，確保淨風險維持在可接受水平，並將在需要時考慮對沖重大交易。

利率風險

本集團採取政策確保超過50%之借貸利率變動風險來自固定利率。本集團銀行貸款及借貸主要為短期及具固定利率。本集團銀行貸款及借貸之利率及還款期於本年報綜合財務報表附註24披露。

Commodity Price Risk on aluminium

Aluminium ingots are the major raw material of our Group's products which account for approximately 77% of total cost of sales in 2007 and 2008. Fluctuations on commodity price of aluminium will have a significant impact on our Group's earnings, cash flows as well as the value of the inventories. Our Group uses its future aluminium contracts traded on the Shanghai Future Exchange to reduce its risks arising from fluctuations in aluminium price. Our Group enters aluminium futures based on the inventories on hand, expected usage of aluminium and sales requirements. Our Group considers that it is not cost effective to maintain a highly effective hedge on transaction basis. Generally, our Group enters into futures aluminium contracts if the sales order of a particular customer exceed 50 tonnes. As our Group applied its future aluminium contracts in the above-mentioned manner and such application does not meet the definition of hedge accounting under IFRSs. Hence, our Group has not adopted hedge accounting.

The notional contract value and the related terms of the commodity futures contracts of our Group are summarised as below:

鋁商品價格風險

於二零零七年及二零零八年期間，鋁錠為本集團產品之主要原材料，佔總銷售成本約77%。鋁商品價格波動會對本集團之盈利、現金流量及存貨價值有重大影響。本集團在上海期貨交易所買賣鋁錠期貨合約，降低鋁價格波動產生之風險。本集團根據手頭存貨、預期鋁用量及銷售要求進行鋁錠期貨交易。本集團認為，就各項交易進行高效對沖並不符合成本效益。一般而言，倘個別客戶之銷售訂單超過50噸，則本集團訂立鋁錠期貨合約。由於本集團以上述形式應用鋁錠遠期合約，且有關用途不符合國際財務會計準則對沖會計之定義，故本集團並無採納對沖會計。

本集團商品期貨合約之合約面值及相關條款概述如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Purchase contracts	採購合約		
Volume (tonne)	數量(噸)	260	700
Market value	市值	2,995	12,631
Notional contract value	合約名義價值	3,552	13,353
Fair value	公平值	(557)	(722)
Contract maturity date	合約到期日	January and February 2009 二零零九年 一月 及二月	January, February and March 2008 二零零八年 一月、二月 及三月

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Sales contracts	銷售合約		
Volume (tonne)	數量(噸)	—	700
Market value	市值	—	12,631
Notional contract value	合約名義價值	—	13,441
Fair value	公平值	—	810
Contract maturity date	合約到期日		January, February and March 2008 二零零八年 一月、二月 及三月

The market value of aluminium futures contracts is based on quoted market price at the balance sheet date. The unrealised holding gains/(losses) on the futures aluminium contracts re-measured at fair value were approximately RMB88,000 and RMB557,000 as at 31 December 2007 and 2008 respectively and the changes in the fair value were recognised in the consolidated income statement.

Credit Risk

Credit risk is the risk of financial loss to our Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our Group's receivables from customers and other receivables.

Trade and other receivables

Our Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of our Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 5% - 10% of our Group's revenue is attributable to sales transactions with a single customer for the years ended 31 December 2007 and 2008.

鋁錠期貨合約市值以結算日市場報價計算。於二零零七年及二零零八年十二月三十一日，按公平值重新計量之鋁錠期貨合約未變現之持有收益/(虧損)分別約為人民幣88,000元及人民幣557,000元，而公平值變動於綜合收益表中確認。

信貸風險

信貸風險指倘客戶或金融工具交易方不能履行其合約責任而導致本集團財務虧損之風險，有關風險主要來自本集團之應收客戶款項及其他應收款項。

交易及其他應收款項

本集團之信貸風險主要受各客戶之個別情況影響。本集團客戶基礎之統計數據(包括客戶營運行業及國家之違約風險)對信貸風險產生之影響較小。截至二零零七年及二零零八年十二月三十一日止年度，本集團約5% - 10%收益來自與單一客戶之銷售交易。

Management Discussion and Analysis 管理層討論及分析

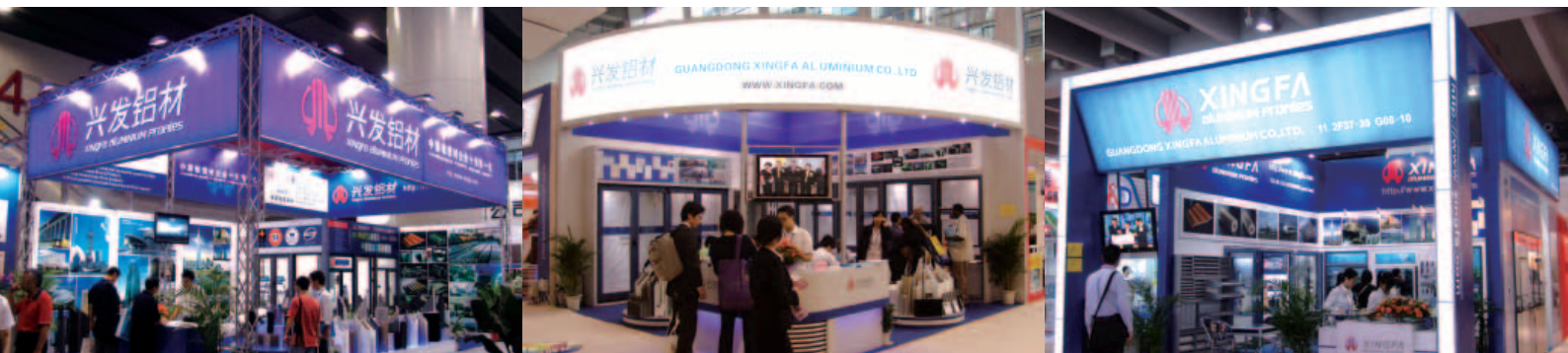
Our Group has established a credit policy under which each new customer is analysed individually for creditworthiness before our Group's standard payment and delivery terms and conditions are offered. Our Group's review includes external ratings, where available. Credit limit is established for each customer which represents the maximum open amount without requiring approval from the Board of Directors; these limits are reviewed annually. Customers that fail to meet our Group's benchmark creditworthiness may transact with our Group on a prepayment basis. Our Group chases the customers to settle the due balances and monitors the settlement progress on an ongoing basis. Our Group has a concentration of credit risk of the total trade and other receivables due from our Group's largest debtor and the five largest debtors as follows:

本集團已訂立信貸政策，於提供本集團之標準付款及交付條款及條件前，個別分析各新客戶之信貸評級。本集團之審閱包括外部評級（如適用）。就各客戶設立之信貸限額為毋須經董事會批准，但須每年檢討之最高公開數額。不符合本集團信貸標準之客戶可以預付形式與本集團交易。本集團會追討客戶結清到期餘額，並持續監察結算進度。本集團的信貸風險集中，以下為應收本集團最大債務人及五大債務人之交易及其他應收款項總額：

		2008 二零零八年	2007 二零零七年
Due from	應收以下人士款項		
— largest debtor	— 最大債務人	14%	18%
— five largest debtors	— 五大債務人	47%	52%

The maximum exposure of credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheets, including derivative financial instruments. Our Group does not provide guarantees which would expose our Group to the credit risk.

最大信貸風險為綜合資產負債表內各項金融資產之賬面值，包括衍生金融工具。本集團不會提供擔保而令本集團面臨信貸風險。



Our Group's business is managed on a worldwide basis, but mainly participates in five principal economic environments. The maximum exposure to credit risk for trade receivables and bills receivable on the basis of geographical location of customers are as follows:

本集團業務遍及世界各地，惟主要在五個主要經濟環境營運。按客戶所在地區分析之交易應收款項及應收票據所涉最大信貸風險如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
The PRC	中國	356,261	373,213
North America	北美洲	2,540	1,710
Europe	歐洲	5,205	13,672
Hong Kong	香港	44,792	7,206
Asia Pacific (other than the PRC and Hong Kong)	亞太地區(不包括中國及香港)	11,168	4,240
Total	總計	419,966	400,041

Normally, our Group does not obtain collateral from customers. Our Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

本集團一般不要求客戶提供抵押品。本集團就交易及其他應收款項之估計所產生虧損作出減值撥備。該撥備之主要部分為就同類資產組別所產生但尚未識別虧損作出之特定虧損部分。綜合虧損撥備乃根據同類金融資產過往之付款統計數據釐定。

Liquidity Risk

Liquidity risk is the risk that our Group will not be able to meet its financial obligations as they fall due. Our Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

流動資金風險

流動資金風險指本集團將無法履行到期之財務責任風險。本集團之政策乃定期監察流動資金需求及遵守借貸契約之情況，確保維持充足現金儲備及獲主要財務機構提供足夠信貸資金，以應付短期及長遠之流動資金需求。

Our Group uses activity-based costing to cost its products, which assists it in monitoring cash flow requirements. Typically our Group ensures that it has sufficient cash on demand to meet expected operation expenses for a period of 11 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be

本集團採用作業成本法支付產品成本，以便監管現金流量需求。具體而言，本集團確保有足夠現金應付11天之預期營運開支，包括應付融資責任，惟不包括如自然災害等無法合理預計之特殊

predicted, such as natural disasters. In addition, our Group maintains the lines of credit to mitigate liquidity risk with the maximum banking facilities and amounts utilised at the respective balance sheet dates are as disclosed in note 24 to the notes to the consolidated financial statements in this annual report.

Prospects

We are now in the process of relocating our production operation from the production plant located at Changcheng District, Foshan City, Guangdong Province, the PRC (“Chancheng Factory”) to the Sanshui factory. Our Directors expect the entire relocation process will be completed in December 2009. Upon integration of production facilities originally located at the Chancheng Factory and new production facilities to be acquired until June 2010, the Sanshui factory is expected to have an annual designed production capacity of aluminium profiles of approximately 150,000 tonnes in 2010.

2009 is a year with both challenges and opportunities for our Group. Xingfa, on the one hand, is prudently reviewing the impacts brought forth by the global economy turmoil, with careful consideration on adjusting marketing strategy as well as strengthening internal cost control. On the other hand, our Group is ready and well equipped to capture the market opportunities ahead, with the stimulating economic policies launched by the Central Government of the PRC. It is believed that the demand for aluminium profiles is going to maintain its growth given the national policies to boost infrastructure and railway development in 2009.

Upon the completion of relocation and integration of new production equipment, our production capacity for aluminium profiles with surface finishing will be further enhanced in 2009. Better economy of scales is expected to be achieved to lower the unit cost of production. Also, a comparatively relaxed credit atmosphere in the PRC will allow our Group to intake more bank borrowings with lower interest rate to repay those bank borrowings with comparatively higher interest rate to reduce our total interest expenses in 2009.

By leveraging on our advanced R&D capability, commitment to quality, established extensive and stable sales networks in the PRC and overseas for the past 20 years, we are very confident that we can continue to deliver positive performance to our shareholders in 2009.

情況之潛在影響。此外，本集團維持信貸額以減低流動資金風險，於各結算日已動用之銀行信貸及數額上限於本年報綜合財務報表附註24披露。

展望

本集團正在將位於中國廣東省佛山市禪城區之生產廠區（「禪城廠區」）之生產物業搬遷至三水廠區。董事預期整個搬遷過程將於二零零九年十二月完成。待本來位於禪城廠區之生產設備整合及將於二零一零年六月前購入全新生產設備後，預期三水廠區於二零一零年之鋁型材設計年產能將約為150,000噸。

二零零九年對本集團充滿挑戰及機會。一方面，興發審慎檢討全球經濟動盪帶來之影響，小心考慮調整市場推廣策略以及加強內部成本控制。另一方面，由於中國中央政府推出多項刺激經濟政策，故本集團已準備就緒並具備有利條件把握眼前市場商機。鑒於國家訂有政策於二零零九年加強基礎設施及鐵路發展，相信鋁型材之需求仍會維持增長。

於新生產設備搬遷及整合完成後，本集團於二零零九年之經表面處理鋁型材產能將進一步提高。規模經濟效益預期將會增加，降低單位生產成本。此外，中國信貸環境相對較寬鬆，將讓本集團能於二零零九年以較低利率取得更多銀行借貸以償還該等利率較高之銀行借貸，減低利息開支總額。

於過去二十年，本集團憑藉先進研發能力及對質量之重視，於中國及海外建立廣泛及穩定銷售網絡。本集團深信本集團能夠於二零零九年繼續為股東取得正面業績。

Use of Proceeds from the Company's Initial Public Offering

The proceeds from the Company's issue of new shares on the Stock Exchange in March 2008, after deduction of related issuance expenses, amounted to approximately HK\$220.97 million (approximately RMB198.75 million).

For the year ended 31 December 2008, our Group has utilised approximately RMB83.84 million for the purposes of and in connection with the acquisition of Xinggao Aluminium, details of which are set out in the announcement dated 19 June 2008. The balance of the net proceeds is temporarily placed in short-term deposits with licensed banks in Hong Kong and the PRC.

本公司首次公開發售之所得款項用途

本公司於二零零八年三月於聯交所發行新股份之所得款項淨額(扣除有關發行開支後)約為220,970,000港元(約人民幣198,750,000元)。

截至二零零八年十二月三十一日止年度，本集團已動用約人民幣83,840,000元作收購興高鋁業，其詳情載於二零零八年六月十九日刊發之公佈。所得款項餘額暫時存放於香港及中國持牌銀行作為短期存款。



Directors

Executive Directors

Mr. LUO Su (羅蘇), aged 70, is the chairman of the Board of Directors, an executive Director and founder of our Group. He has over 18 years of experience in the aluminium profile industry. He is responsible for the overall management, operations, financial aspects, corporate directions and strategies of our Group. Mr. Luo is qualified as an 工業經濟師 (industrial economist) based on his previous experience with Nanhai Xingfa Aluminium Profiles Factory. Mr. Luo was certified as an outstanding entrepreneur of private enterprise by the People's Government of Foshan City in 2003, an outstanding entrepreneur by the China Non Ferrous Metals Industry Association in 2005 and received an outstanding Guangdong patent award for the patent titled 鋁合金扁鑄錠同水平熱頂鑄造裝置 (aluminium alloy flat ingot horizontal heat-top casting device) in 2005. Mr. Luo is a deputy to the 12th Session of the People's Congress of Foshan City for a term of five years from 2003 to 2008. Mr. LUO Su is the father-in-law of Mr. LIAO Yuqing, an executive Director.

Mr. LUO Riming (羅日明), aged 52, is an executive Director and chief executive officer of the Company. He is responsible for the procurement and utilisation of equipment and infrastructure for the business of our Group. Mr. Luo is also responsible for the procurement of raw materials and the assessment and selection of suitable suppliers. He has over 15 years of experience in the aluminium profile industry. Mr. Luo joined our Group since the establishment of our Group in 1980s. Prior to joining our Group, Mr. Luo has worked at Nanhai Hardware Factory (township enterprise), Nanhai Power Supply Bureau, Nanzhuang Electric Appliance and Furniture Factory, Guangdong Xingfa Aluminium Profiles Factory and Xingfa Group. Mr. Luo obtained a bachelor's degree in economic management by the Guangdong Radio & TV University in 1998.

Mr. LIAO Yuqing (廖玉慶), aged 40, is an executive Director. He is also the supervisor of the sales and marketing department in charge of the sales and marketing activities of our Group and is responsible for the planning, development, implementation and evaluation of the marketing strategies of our Group. Mr. Liao joined our Group in January 1993. Prior to that, Mr. Liao was in the military between 1986 to 1991. Mr. Liao worked at the Agricultural Bank of China Jiujiang Branch from 1991 to 1992. Mr. Liao is the son-in-law of Mr. LUO Su, the chairman of our Group and an executive Director.

董事

執行董事

羅蘇先生，70歲，董事會主席、執行董事兼本集團創辦人，擁有逾18年鋁型材行業經驗，負責本集團之整體管理、營運、財務事宜，制定公司宗旨及策略。羅先生曾任職南海興發鋁型材廠，獲頒工業經濟師資格，於二零零三年獲佛山市人民政府評為傑出私營企業家，於二零零五年獲中國有色金屬工業協會評為傑出企業家，其鋁合金扁鑄錠同水平熱頂鑄造裝置專利於二零零五年獲得廣東省傑出專利獎。羅先生於二零零三年至二零零八年五年間擔任佛山市第十二屆人大代表。羅蘇先生為執行董事廖玉慶先生之岳父。

羅日明先生，52歲，本公司執行董事兼行政總裁，負責本集團業務之設備及基礎設施採購及使用，亦負責採購原材料及評審並選定合適供應商，擁有逾15年鋁型材行業經驗。羅先生於二十世紀八十年代本集團成立時加入本集團。加入本集團前，曾於南莊五金廠（鄉鎮企業）、南海供電局、南莊電器家具廠、廣東興發鋁型材廠及興發集團工作。羅先生於一九九八年獲得廣東廣播電視大學經濟管理學士學位。

廖玉慶先生，40歲，本公司執行董事，兼任銷售及市場推廣部監事，負責銷售及市場推廣活動，並且負責規劃、開展、執行及檢討本集團之市場推廣策略。廖先生於一九九三年一月加入本集團。加入本集團前，廖先生於一九八六年至一九九一年服兵役，於一九九一年至一九九二年任職於中國農業銀行九江分行。廖先生為本集團主席兼執行董事羅蘇先生之女婿。

Mr. WANG Zhihua (王志華), aged 38, is an executive Director. Mr. Wang is responsible for managing capital for operations, human resources, promotion and advertising schemes for products of the Group. Prior to joining our Group in January 2003, from 1992 to 1997, Mr. Wang worked at Guanglian Industrial Co., Ltd. and the Guangzhou Branch of Huaxia Securities Co., Ltd. Mr. Wang obtained a bachelor's degree in statistics from the Jiangxi University of Finance and Economics in 1992. Mr. Wang was certified as a securities agent for the period from September 2001 to September 2004 by the Securities Association of China.

Independent non-executive Directors

Mr. CHEN Mo (陳默), aged 44, is an independent non-executive Director appointed on 29 February 2008. He has been a practising lawyer in the PRC since 1993 and has been a partner of Goldsun Law Firm (國信聯合律師事務所) since 1998. Mr. Chen was admitted as a lawyer by the Department of Justice of Guangdong Province in June 1989 and obtained three-level lawyer qualification (Third Grade Lawyer) from the Department of Personnel of Guangdong Province in 1999. Mr. Chen graduated from the Political Education Department of South China Normal University (華南師範大學) in 1986. He has been granted the 《律師從事證券法律業務資格證書》(Certificate of Engaging in Securities Law Business) jointly by the Ministry of Justice and China Securities Regulatory Commission in 1996, the 《律師從事集體科技企業產權界定法律業務資格證書》(Certificate of Engaging in Delimitation of Property Rights of Collective Science and Technology Enterprises) jointly by the Ministry of Justice, the Ministry of Science and Technology of the People's Republic of China and the State-owned Assets Supervision and Administration Commission of the State Council in 1998, and the 《上市公司獨立董事培訓結業證》(Certificate of Completion of Training on Independent Directors of Listed Companies) by the China Securities Regulatory Commission and the School of Management of Fudan University jointly in 2001.

Mr. HO Kwan Yiu (何君堯), aged 46, is an independent non-executive Director appointed on 29 February 2008. Mr. Ho is a senior partner of a Hong Kong law firm where he acts as the head of that firm's litigation department and also the principal representative of that firm's Guangzhou office. Mr. Ho was awarded the Postgraduate Certificate in Laws by the University of Hong Kong in 1986 and obtained his Bachelor of Laws degree from the Essex Institute of Higher Education (now known as

王志華先生, 38歲, 本公司執行董事, 負責管理本集團之營運資金、人力資源、產品宣傳及廣告策劃。二零零三年一月加入本集團前, 王先生自一九九二年至一九九七年於廣聯實業有限公司及華夏證券有限公司廣州分公司工作, 於一九九二年獲頒發江西財經大學統計學學士學位, 於二零零一年九月至二零零四年九月期間獲中國證券業協會認可證券代理之資格。

獨立非執行董事

陳默先生, 44歲, 於二零零八年二月二十九日獲委任為本公司獨立非執行董事。陳先生自一九九三年起為中國執業律師, 自一九九八年起為國信聯合律師事務所合夥人, 一九八九年六月獲委任為廣東省司法廳律師, 其後於一九九九年獲得廣東省人事廳三級律師資格。陳先生於一九八六年畢業於華南師範大學政治教育系, 於一九九六年獲司法部及中國證券監督管理委員會聯合頒發《律師從事證券法律業務資格證書》, 於一九九八年獲司法部、中華人民共和國科學技術部及國務院國有資產監督管理委員會頒發《律師從事集體科技企業產權界定法律業務資格證書》, 於二零零一年獲中國證券監督管理委員會及復旦大學管理學院聯合頒發《上市公司獨立董事培訓結業證》。

何君堯先生, 46歲, 於二零零八年二月二十九日獲委任為獨立非執行董事。何先生是一間香港律師事務所之高級合夥人兼訴訟事務部主管, 亦為該行廣州辦事處首席代表。何先生於一九八六年取得香港大學法律研究生文憑, 於一九八七年在Essex Institute of Higher Education (現稱安格利亞魯斯金大學) 取

Anglia Ruskin University) in 1987. Mr. Ho was first admitted as a solicitor in Hong Kong in 1988. He was also admitted as a solicitor in Singapore in 1995, England and Wales in 1997, and has been appointed as a China-appointed attesting officer since 2006. Mr. Ho has over 20 years of legal practice experience.

On the community services aspect, Mr. Ho currently sits in the Law Society of Hong Kong as its Vice-President and Council Member. Besides, he was nominated as the Chairman of Duty Lawyer Service Council in 2005, Council member of the Duty Lawyer Service Council since 2002 and a member of other various government and advisory boards, such as the Legal Aid Services Council; the Board of Trustees and the Council of Lord Wilson Heritage Trust; the Costs Committee under S74(1)(d) of the Legal Practitioners Ordinance (Cap. 159); the Transport Advisory Committee of the Government of HKSAR. At the same time, Mr. Ho was also appointed as a Council member of Hong Kong Chamber of Commerce in China-Guangdong, an Arbitrator of Wuhan International Arbitration Court. Formerly, he served as a Co-opted Councillor of Heung Yee Kuk, the New Territories; a director, 3rd vice-chairman and chairman of the Board of Directors of Yan Oi Tong for the years 1993/1994, 1994/1995, 1995/1996 respectively.

Mr. LAM Ying Hung Andy (林英鴻), aged 44, is an independent non-executive Director appointed on 29 February 2008. He is an associate member of various professional organisations, namely The Institute of Chartered Secretaries and Administrators, The Hong Kong Institute of Company Secretaries and The Hong Kong Institute of Bankers. Mr. Lam is also a fellow member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He obtained his master's degree in professional accounting from The Hong Kong Polytechnic University. Mr. Lam has over 20 years of experience in the accounting, banking and finance sectors and currently is working as the General Manager of Viking Logistics Limited, a private company which is an airfreight operator and transportation company. Mr. Lam was also the president of Dragon Junior Chamber, a local chamber affiliated with Junior Chamber International Hong Kong in 2004 and was elected as the national vice president of the Junior Chamber International Hong Kong in 2005. From October 2004 to November 2005, Mr. Lam was an independent non-executive director and a member of the audit committee of Innovis Holdings Limited (now known as Sino Haijing Holdings

得法律學士學位。何先生於一九八八年首先取得香港事務律師資格，於一九九五年取得新加坡事務律師資格，再於一九九七年取得英格蘭及威爾斯事務律師資格，自二零零六年獲委任為中國委託公證人，擁有逾20年法律執業經驗。

在社會服務方面，何先生現為香港律師會副會長和理事。此外，何先生於二零零五年擔任當值律師服務理事會主席，自二零零二年擔任當值律師服務理事會成員，亦是多個政府部門及顧問機構之成員，包括法律援助服務局、衛奕信勳爵文物信託受託人委員會、法律執業者條例（第159章）第S74(1)(d)條之事務費委員會及香港特別行政區政府交通諮詢委員會。同時，何先生亦為中國香港（地區）商會—廣東理事局常務理事和武漢仲裁委員會國際仲裁院仲裁員。過往，何先生曾任新界鄉議局議會議員，於一九九三年至一九九四年、一九九四年至一九九五年及一九九五年至一九九六年間分別擔任仁愛堂董事局董事、第三屆副主席及主席。

林英鴻先生，44歲，於二零零八年二月二十九日獲委任為本公司獨立非執行董事。林先生為多家專業機構之會員，包括英國特許秘書及行政人員公會、香港公司秘書公會及香港銀行學會，亦是英國特許公認會計師公會及香港會計師公會資深會員。林先生在香港理工大學取得專業會計碩士學位，擁有逾20年會計、銀行和金融行業經驗，目前在私人空運貨物兼運輸公司偉程物流有限公司擔任總經理。林先生於二零零四年擔任騰龍青年商會會長，該商會是國際青年商會香港總會之地方分支機構，並於二零零五年獲選為國際青年商會香港總會副會長。自二零零四年十月至二零零五年十一月，林先生為華智控股有限公司（現稱中國海景控股有限公司）獨立

Limited), the shares of which are listed on the Growth Enterprise Market of the Stock Exchange.

Senior Management

Mr. WONG Siu Ki (黃兆麒), aged 33, is the chief financial officer and company secretary of the Company. Mr. Wong joined our Group in August 2007. He is responsible for overall financial planning, financial reporting, budgeting, investors' relations and implementing our Group's business strategies. Prior to joining our Group, Mr. Wong worked in two international accounting firms from 1997 to 2003. Subsequently, between 2004 to 2007, Mr. Wong was appointed as the Finance Director (designate) cum Company Secretary to a company listed on the main board of the Stock Exchange of Singapore. Mr. Wong holds a bachelor's degree in Accountancy with First class honours from The Hong Kong Polytechnic University. Mr. Wong is a fellow member with The Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales.

Mr. LIU Yuntang (劉允棠), aged 40, is the deputy general manager of the Company and is responsible for production management of our Group. Mr. Liu joined Guangdong Xingfa Aluminium Profiles Factory in 1993. Prior to joining our Group in October 1993, Mr. Liu worked at Nanhai Guangdong Cable Factory Co., Ltd. from 1991 to 1993. Mr. Liu was granted a bachelor's degree in engineering by the Guangdong Mechanics Institute in 1991. He was certified as assistant engineer in 1993 by the Nanhai City Science Technology Committee and certified as engineer in 2001 by the Foshan City Human Resources Bureau.

Mr. WU Xikun (吳錫坤), aged 37, is the deputy general manager for technology and deputy chief engineer of the Company. Mr. Wu heads the research and development department and is responsible for our Group's production technology systems, development of new products branding. When Mr. Wu first joined our Group in July 1994, he worked at Guangdong Xingfa Aluminium Profiles Factory where he was a technician of the quality control section. Mr. Wu was granted a bachelor's degree in material science and engineering from the Guangdong University of Technology in 1994. Mr. Wu was nominated for the Top 10 Outstanding Youth of Foshan City in 2006.

非執行董事及審核委員會成員，該公司股份於聯交所創業板上市。

高級管理人員

黃兆麒先生，33歲，本公司財務總監兼公司秘書。黃先生於二零零七年八月加入本集團，全面負責財務策劃、財務申報、制定預算、投資者關係及執行本集團業務策略。加入本集團前，黃先生自一九九七年至二零零三年間先後在兩間國際會計師行工作，其後於二零零四年至二零零七年獲一家於新加坡交易所主板上市之公司委任為財務總監兼公司秘書。黃先生持有香港理工大學會計學學士（一級榮譽）學位，並為英國特許公認會計師公會資深會員、香港會計師公會會員及英格蘭及威爾斯特許會計師公會會員。

劉允棠先生，40歲，本公司副總經理，負責本集團之生產管理。劉先生於一九九三年加入廣東興發鋁型材廠。於一九九三年十月加入本集團前，劉先生於一九九一年至一九九三年任職於南海廣東電纜廠。劉先生於一九九一年獲授廣東機械學院學士學位。劉先生於一九九三年出任南海市科學技術委員會助理工程師，於二零零一年出任佛山市人力資源局工程師。

吳錫坤先生，37歲，本公司技術部副總經理兼副總工程師。吳先生為研發部總監，負責本集團之生產技術系統及開發新產品品牌。於一九九四年七月首次加入本集團時，吳先生為廣東興發鋁型材廠之質量監控部技術人員。吳先生於一九九四年獲廣東工業大學頒發材料科學與工程學士學位，於二零零六年獲選為佛山市十大傑出青年。

Mr. DU Jinhong (杜錦洪), aged 53, is the deputy general manager of the Company and chief financial officer of Xingfa Aluminium and is responsible for all financial and accounting matters of Xingfa Aluminium. Prior to joining our Group in 1999, Mr. Du was the director (designate) of the finance department and chief financial officer of Xingfa Group from 1999 to 2005. From 1992 to 1999, Mr. Du worked at Nanhai Hengxing Architectural Ceramics Factory (1992 to 1993) and Nanzhuang Town Economy Development Head Office (1993 to 1999). He was certified as assistant accountant by the Nanhai City Science Technology Committee in 1993. Mr. Du holds a diploma in economics management granted by the Guangdong Administrative University in 1997.

杜錦洪先生，53歲，興發鋁業副總經理兼財務總監，負責處理一切財務及會計事務。於一九九九年加入本集團前，杜先生於一九九九年至二零零五年擔任為興發集團之財務部主管兼財務總監。自一九九二年至一九九九年，杜先生先後任職於南海市恒興建築陶瓷廠（一九九二年至一九九三年）及南莊鎮經濟發展總公司（一九九三年至一九九九年）。杜先生於一九九三年獲南海市科學技術委員會評為助理會計師，於一九九七年獲廣東行政學院頒發經濟管理文憑。

The directors (“Directors”) of Xingfa Aluminium Holdings Limited (“Company”) have the pleasure of presenting their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”), for the year ended 31 December 2008.

Group Reorganisation and Initial Public Offering

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 13 September 2007 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to a reorganisation scheme to rationalise the structure of the Group for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”), the Company became the holding company of the companies now comprising the Group on 29 February 2008 (“Group Reorganisation”). Further details of the Group Reorganisation are set out in the prospectus of the Company dated 17 March 2008 (“Prospectus”) and in note 1 in the notes to the consolidated financial statements.

On 31 March 2008 (“Listing Date”), the shares of the Company (“Shares”) successfully commenced dealings on the Main Board of the Stock Exchange by offering 125,400,000 Shares (comprising 106,590,000 new Shares and 18,810,000 sale Shares) to the public at a final offer price of HK\$2.28 per Share.

Principal Activities

The principal activity of the Company is investment holding. Details of the principal activities of other members of the Group are set out in note 1 in the notes to the consolidated financial statements.

There were no significant changes in the nature of the Group’s principal activities during the year under review.

Results and Appropriation

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statement on page 68 of the annual report.

興發鋁業控股有限公司（「本公司」）董事（「董事」）欣然呈報其年報，連同本公司及其附屬公司（統稱「本集團」）截至二零零八年十二月三十一日止年度之經審核綜合財務報表。

集團重組及首次公開發售

本公司乃於二零零七年九月十三日根據開曼群島公司法第22章（一九六一年法例3，經綜合及修訂）於開曼群島註冊成立為獲豁免有限公司。根據重組計劃整頓本集團架構以便本公司股份於香港聯合交易所有限公司（「聯交所」）主板上市，本公司已於二零零八年二月二十九日成為本集團旗下公司之控股公司（「集團重組」）。本集團重組之進一步詳情載於本公司於二零零八年三月十七日刊發之售股章程（「售股章程」）及綜合財務報表附註之附註1。

於二零零八年三月三十一日（「上市日期」），本公司股份（「股份」）成功透過按最終發售價每股股份2.28港元向公眾人士首次發售125,400,000股股份（包括106,590,000股新股份及18,810,000股銷售股份）於聯交所主板開始上市。

主要業務

本公司之主要業務為投資控股。本集團其他成員公司之主要業務詳情載於綜合財務報表附註之附註1。

於回顧年度內，本集團之主要業務性質並無重大變動。

業績及分配

本集團截止二零零八年十二月三十一日止年度之業績載於年報第68頁綜合收益表。

Final Dividend and Special Dividend

Our Directors recommended the payment of a special dividend of RMB0.029 per ordinary share and subject to the approval by our shareholders at the forthcoming annual general meeting, a final dividend of RMB0.021 for the year ended 31 December 2008 (2007: nil). The pay-out ratio (including the final dividend and the special dividend) is about 70% based on net profit in 2008. The conversion of RMB into Hong Kong dollars shall be calculated on the average price of the medium prices of the conversion of RMB into Hong Kong dollars as announced by the People's Bank of China one calendar week preceding the annual general meeting. Subject to the approval by the shareholders, the proposed final dividend is expected to be paid on or about 19 June 2009 to the shareholders whose names appear on the register of members of the Company on 3 June 2009, which is also the record date for the special dividend.

Closure of Register of Members

The register of members of the Company will be closed from Monday, 1 June 2009 to Wednesday, 3 June 2009, both dates inclusive. During such period, no transfer of shares will be registered. In order to qualify for the proposed final and special dividends and the attendance in the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 29 May 2009.

Financial Summary

A summary of the results, assets and liabilities of the Group for the past four years is set out on page 168.

Loans and Borrowings

Details of the Group's loans and borrowings at the balance sheet date are set out in note 24 in the notes to the consolidated financial statements.

末期股息及特別股息

董事建議派發特別股息每股普通股人民幣0.029元及截至二零零八年十二月三十一日止年度之末期股息人民幣0.021元(二零零七年:無),惟須經本公司股東於行將召開之股東週年大會上批准。按二零零八年純利計算,派息比率(包括末期股息及特別股息)約為70%。人民幣兌換為港元須按股東週年大會前一個曆週中國人民銀行所公佈人民幣兌換為港元之中位價格之平均價格計算。待股東批准後,建議末期股息預期將於二零零九年六月十九日或左右派發予於二零零九年六月三日(亦為特別股息之記錄日期)名列本公司股東名冊之股東。

暫停辦理股份過戶登記

本公司將於二零零九年六月一日(星期一)至二零零九年六月三日(星期三)(包括首尾兩日)暫停辦理股份過戶登記。於該期間內,本公司將不會登記股份過戶。為符合資格獲派建議末期及特別股息及出席行將召開之股東週年大會,所有填妥之過戶表格連同有關股票最遲須於二零零九年五月二十九日(星期五)下午四時三十分前送達本公司之香港股份過戶登記分處卓佳證券登記有限公司,地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

財務概要

本集團於過往四年之業績、資產及負債概要載於第168頁。

銀行貸款及借貸

本集團於結算日之銀行貸款及借貸詳情載於綜合財務報表附註之附註24。

Property, Plant and Equipment

Details of movements in the property, plant and equipment, of the Group during the year are set out in note 13 in the notes to the consolidated financial statements, respectively.

Share Capital

Details of the Company's paid-in capital for the year ended 31 December 2008 are set out in note 26 in the notes to the consolidated financial statements.

Share Option Scheme

The Company conditionally adopted a share option scheme ("Scheme") on 29 February 2008. The Scheme became effective on 31 March 2008. The purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

Participants under the Scheme include directors and employees of the Group or any entity ("Invested Entity") in which the Group holds an equity interest; any suppliers, customers, advisers or consultants of the Group or any Invested Entity; any persons or entities that provide research development or other technological support to the Group or any Invested Entity; any holders of securities issued by any member of the Group or any Invested Entity; and any other groups or classes of participants whom the board of Directors ("Board") considers have contributed or will contribute to the Group.

The principal terms of the Scheme are summarised as follows:

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group must not exceed 41,800,000 Shares, being 10% of Shares in issue on the date of listing of the Shares on the Stock Exchange unless approval of the shareholders of the Company ("Shareholders") has been obtained. The Shares issuable under the options granted under the Scheme but yet exercised must not in aggregate exceed 30% of the Shares in issue from time to time.

物業、機器及設備

本集團之物業、機器及設備於年內之變動詳情分別載於綜合財務報表附註之附註13。

股本

本公司截至二零零八年十二月三十一日止年度之實繳股本詳情載於綜合財務報表附註之附註26。

購股權計劃

本公司於二零零八年二月二十九日採納一項購股權計劃（「該計劃」）。該計劃於二零零八年三月三十一日生效。該計劃旨在讓本集團向獲挑選參與者授出購股權作為彼等對本集團貢獻之鼓勵或獎勵。

該計劃項下之參與者包括本集團或本集團持有股權之任何實體（「投資實體」）之董事及僱員；本集團或任何投資實體之任何供應商、客戶、顧問或諮詢人；向本集團或任何投資實體提供研發或其他科技支援之任何人士或實體；本集團任何成員公司或任何投資實體所發行證券之任何持有人；及任何董事會（「董事會」）認為對本集團已或將作出貢獻之其他組別或類別之參與者。

該計劃之主要條款概述如下：

根據該計劃及本集團任何其他計劃將予授出之所有購股權獲行使而可予發行之最高股份數目不得超過41,800,000股股份，即股份於聯交所上市日期已發行股份之10%，除非已取得本公司股東（「股東」）批准。根據該計劃授予但有待行使之購股權項下可予發行之股份不得超過不時已發行股份之30%。

No share option was granted by the Company since its adoption. As at the date of this report, the total number of Shares available for issue under the Scheme is 41,800,000 Shares, which represents 10% of the issued Shares as at the date of listing of the Shares on the Stock Exchange.

The maximum number of Shares issued and to be issued upon exercise of the options granted to each eligible participant (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued Shares from time to time.

The subscription price for the Shares under the Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the option but the subscription price shall not be less than the highest of (i) the closing price of a Share as stated in the Stock Exchange's daily quotation sheets on the date of the Board approving the grant of an option, which must be a business day ("Offer Date"); (ii) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

An option may be exercised in whole or in part in accordance with the terms of the Scheme at any time during the period commencing immediately after the business day on which the option is deemed to be granted and accepted in accordance with the Scheme ("Commencement Date") and expiring on such date of the expiry of the option as the Board may in its absolute discretion determine and which shall not exceed ten years from the Commencement Date but subject to the provisions for early termination thereof as set out in the Scheme.

Upon acceptance of the grant of an option, the grantee shall pay HK\$1.00 to the Company as nominal consideration for the grant.

The Scheme shall be valid and effective for a period of 10 years commencing on 31 March 2008.

Details of the Scheme are set out in the Prospectus.

自採納以來，本公司並無授予購股權。於本報告日期，根據該計劃可供發行之股份總數為41,800,000股股份，相當於股份於聯交所上市日期已發行股份之10%。

因於任何12個月期間發行予每名合資格參與者之購股權獲行使而已發行及將予發行股份之最高數目（包括已行使及未行使購股權），不得超過不時已發行股份1%。

購股權項下股份之認購價將為董事會可能於授出購股權時全權酌情釐定之有關價格，惟認購價不得低於下列之最高者：(i)於董事會批准授出購股權日期（必須為營業日（「發售日期」））股份於聯交所每日報價表所示之收市價；(ii)緊接發售日期前五個營業日股份於聯交所每日報價表所示之平均收市價；及(iii)股份面值。

購股權可於緊隨被視為已根據該計劃獲授予及接納之營業日後開始（「開始日期」）至董事會可能全權酌情決定該購股權屆滿日期之期間內隨時根據該計劃之條款獲全數或部分行使，有關期間不得超過開始日期起十年，惟須受該計劃所載之提早終止條文所限。

於接納授予購股權後，承授人須向本公司支付1.00港元作為授予之名義代價。

該計劃由二零零八年三月三十一日起10年內有效及生效。

該計劃之詳情載於售股章程。

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association ("Articles") or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year under review.

Reserves

Details of movements in the reserves of the Group during the year are set out in note 27 in the notes to the consolidated financial statements and in the consolidated statement of changes in equity.

Distributable Reserves

As at 31 December 2008, the Company's reserves available for distribution calculated in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands amounted to RMB669,155,000 (2007: Nil), of which RMB20,900,000 has been proposed as final and special dividends for the year.

Major Customers and Suppliers

For the year ended 31 December 2008, sales to the Group's five largest customers accounted for approximately 26.5% (2007: 27.5%) of the Group's turnover whereas sales to the largest customer accounted for approximately 7.7% (2007: 7.5%) of the Group's turnover.

For the year ended 31 December 2008, purchases from the five largest suppliers accounted for approximately 69.6% (2007: 72.7%) of the Group's total cost of purchase whereas purchases from the largest supplier accounted for approximately 39.3% (2007: 43.5%) of the Group's total cost of purchase.

優先購買權

本公司之組織章程細則（「細則」）或開曼群島（即本公司註冊成立之司法權區）法例並無優先購買權之規定，致使本公司必須按比例向現有股東提呈發售新股份。

購買、出售或贖回本公司上市證券

於回顧年度內，本公司或其附屬公司概無購買、出售或贖回任何本公司上市證券。

儲備

本公司儲備於年內之變動詳情載於綜合財務報表附註之附註27及綜合權益變動表。

可供分派儲備

於二零零八年十二月三十一日，本公司根據開曼群島公司法第22章（一九六一年法例第3號法例，經綜合及修訂）計算並可用作分派之儲備達人民幣669,155,000元（二零零七年：無），其中人民幣20,900,000元建議用作派發本年度之末期及特別股息。

主要客戶及供應商

截至二零零八年十二月三十一日止年度，本集團五大客戶所佔銷售額佔本集團營業額約26.5%（二零零七年：27.5%），而向最大客戶之銷售額佔本集團營業額約7.7%（二零零七年：7.5%）。

截至二零零八年十二月三十一日止年度，五大供應商之採購額佔本集團總採購成本約69.6%（二零零七年：72.7%），而向最大供應商之採購額佔本集團總採購成本約39.3%（二零零七年：43.5%）。

None of the Directors or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers during the year ended 31 December 2008.

Directors

The Directors during the year under review and up to the date of this report were:

Executive Directors

Mr. LUO Su (*Chairman*)
Mr. LUO Riming (*Chief executive officer*)
Mr. LIAO Yuqing
Mr. WANG Zhihua

Independent non-executive Directors:

Mr. CHEN Mo
(appointed on 29 February 2008)
Mr. HO Kwan Yiu
(appointed on 29 February 2008)
Mr. LAM Ying Hung Andy
(appointed on 29 February 2008)

In accordance with Article 108(A) of the Articles, each Mr. WANG Zhihua, Mr. CHEN Mo, Mr. HO Kwan Yiu will retire from the office of Director by rotation and each of them, being eligible, will offer themselves for re-election at the forthcoming Annual General Meeting.

Each of the executive Directors has entered into a service agreement with the Company for a fixed term of three years commencing from 1 March 2008.

Each of the independent non-executive Directors have been appointed for a fixed term of two years commencing from 1 March 2008.

於截至二零零八年十二月三十一日止年度內，董事或彼等任何聯繫人士或任何股東（就董事所深知，擁有本公司已發行股本5%以上）概無擁有本集團五大客戶或五大供應商之任何實質權益。

董事

於回顧年度內及截至本報告日期之董事如下：

執行董事

羅蘇先生 (*主席*)
羅日明先生 (*行政總裁*)
廖玉慶先生
王志華先生

獨立非執行董事：

陳默先生
(於二零零八年二月二十九日獲委任)
何君堯先生
(於二零零八年二月二十九日獲委任)
林英鴻先生
(於二零零八年二月二十九日獲委任)

根據細則第108(A)條，王志華先生、陳默先生及何君堯先生各自將輪值退任董事職務，而彼等各自將合資格並願意於行將召開之股東週年大會上膺選連任。

每名執行董事已與本公司訂立服務協議，由二零零八年三月一日起固定為期三年。

每名獨立非執行董事已獲委任固定任期，由二零零八年三月一日起為期兩年。

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming Annual General Meeting 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.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and the Company considered all the independent non-executive Directors to be independent.

Directors’ and Senior Management’s Biographies

Biographical details of the Directors and the senior management of the Group are set out on pages 30 to 34 of the annual report.

Human resources

As at 31 December 2008, the Group had approximately 2,285 employees. The Group’s total staff costs, including wages and basic salaries, directors’ remuneration, commission, bonus, benefits in kind and retirement benefits scheme contribution was amounted to approximately RMB56.52 million (2007: RMB43.48 million).

The Group’s emolument policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group’s profitability, the Group may also provide discretionary bonuses to its employees as an incentive for their contribution to the Group. The primary goal of the remuneration policy with regard to the remuneration packages of the executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved.

The principal elements of the Group’s remuneration packages include basic salaries and discretionary bonuses.

除上文所披露者外，概無建議於應屆股東週年大會上重選之董事與本公司或其任何附屬公司訂立本集團不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

本公司已根據聯交所證券上市規則（「上市規則」）第3.13條自每名獨立非執行董事取得有關其獨立性之年度確認書，而本公司認為全體獨立非執行董事均為獨立人士。

董事及高級管理層履歷

本集團董事及高級管理層之履歷詳情載於年報第30至34頁。

人力資源

於二零零八年十二月三十一日，本集團聘用約2,285名僱員。本集團之員工成本總額約為人民幣56,520,000元（二零零七年：人民幣43,480,000元），包括工資及基本薪金、董事酬金、佣金、花紅、實物福利及退休計劃供款。

本集團之酬金政策乃根據個別僱員之表現制定，並會定期進行檢討。視乎本集團之盈利能力而定，本集團亦可向其僱員提供酌情花紅，作為彼等對本集團作出貢獻之獎勵。有關本集團執行董事酬金組合之酬金政策主要旨在透過將執行董事之薪酬與其按所達到公司目標計量之表現掛鉤，讓本集團可挽留及激勵執行董事。

本集團酬金組合之主要部份包括基本薪金及酌情花紅。

The Group operates a Mandatory Provident Fund Scheme (“MPF Scheme”) under rules and regulations of Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong. All the employees of the Group in Hong Kong are required to join the MPF Scheme. Contributions are made based on a percentage of the employees’ salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years as at 31 December 2008. The Group’s subsidiaries in the PRC, in compliance with the applicable regulations of the PRC, participated in a statemanaged retirement benefits scheme operated by the local government. The subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement benefits schemes. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

During the year, the total amounts contributed by the Group to the schemes and cost charged to the consolidated income statement represents contribution payable to the schemes by the Group at rates specified in the rules of the schemes.

The directors’ fees are subject to shareholders’ approval at general meetings. Other emoluments are determined by the Board with reference to directors’ duties, responsibilities and performance and the results of the Group.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in the paragraph headed “Share Option Scheme” in this report.

Directors’ Interests in Contracts

Save as disclosed in note 8 in the notes to the consolidated financial statements and in the paragraph headed “Connected transactions” in this report, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of the companies which have become its subsidiaries upon the Group Reorganisation was a party during the year under review.

本集團根據強制性公積金計劃條例為其所有香港僱員設立一項強積金計劃（「強積金計劃」）。本集團所有於香港之僱員均須參與強積金計劃。供款按僱員基本薪金之某一百分比作出，並根據強積金計劃之規則於應予支付時在收益賬扣除。強積金計劃之資產與本集團之其他資產分開處理，由一獨立管理之基金持有。

在向強積金計劃供款時，本集團僱主供款將全數歸屬於僱員所有。於二零零八年十二月三十一日，並無失效之供款以供來年扣減應付供款。本集團於中國之附屬公司遵照中國之適用規則，參與一項國家管理由當地政府經營之退休福利計劃。附屬公司須按工資成本之指定百分比向退休福利計劃供款。本集團就退休福利計劃之唯一責任為作出指定供款。

本年度內，本集團向計劃供款總額及於綜合收益表扣除之成本，代表本集團根據計劃規則按指定比率向計劃應付之供款數額。

董事袍金須於股東大會上獲得股東批准，其他酬金則由董事會參照董事之職務、職責及表現以及本集團業績釐定。

為鼓勵董事及合資格僱員，本公司已採納一項購股權計劃，計劃詳情載於本報告「購股權計劃」一段內。

董事於合約之權益

除綜合財務報表附註8及本報告「關連交易」一段所披露者外，於回顧年度內，概無董事於本公司、其控股公司或任何於集團重組後成為其附屬公司之公司所訂立任何對本集團業務重要之合約中直接或間接擁有重大權益。

Directors' Interests in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations

董事於本公司及其相聯法團之股份、相關股份及債權證中之權益

As at 31 December 2008, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

於二零零八年十二月三十一日，按本公司根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第352條須予保存之登記冊所記錄，或根據上市規則附錄10所載上市公司董事進行證券交易的標準守則必須知會本公司及聯交所之資料，各董事及本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證之權益及淡倉如下：

Company/Name of associated corporations 公司／相聯法團名稱	Name of directors 董事姓名	Capacity 身份	Number and class of securities 證券數目及類別 (Note) (附註1)	Percentage shareholding in the same class of securities as at 31 December 2008 佔於二零零八年十二月三十一日同類證券持股量百分比
Company 本公司	LUO Su 羅蘇	Beneficial owner 實益擁有人	136,978,600 ordinary Shares (L) 136,978,600股 普通股(L)	32.77%
Company 本公司	LUO Riming 羅日明	Beneficial owner 實益擁有人	96,495,300 ordinary Shares (L) 96,495,300股 普通股(L)	23.09%
Company 本公司	LIAO Yuqing 廖玉慶	Beneficial owner 實益擁有人	59,126,100 ordinary Shares (L) 59,126,100股 普通股(L)	14.15%

Note: The letter "L" represents the Director's interests in the Shares.

附註：字母「L」指董事於股份之權益。

Directors' Rights to Acquire Shares

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

Director's Interests in Competing Business

Save as disclosed in the Prospectus, none of the Directors hold any interests in any competing business against the Company or any of its subsidiaries for the year ended 31 December 2008.

Substantial Shareholders and Other Persons who are Required to Disclose their Interests Pursuant to Part XV of the SFO

Save as disclosed in the paragraph headed "Directors' Interests in shares, underlying shares and debentures of the Company and its associated corporations" above, as at 31 December 2008, no other person had interests or short positions in the shares and underlying shares of the Company which are required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

董事購買股份之權利

於回顧年度內任何時間概無授予任何董事或彼等各自之配偶或未成年子女可透過購入本公司股份或債權證而獲益之權利，或由彼等行使任何該等權利；或由本公司或其任何附屬公司安排致使董事可於任何其他法人團體獲得該等權利。

董事於競爭業務之權益

除售股章程所披露者外，截至二零零八年十二月三十一日止年度，董事概無於任何與本公司或附屬公司進行競爭之業務中擁有任何權益。

根據證券及期貨條例第XV部須披露彼等之權益之主要股東及其他人士

除上文「董事於本公司及其相聯法團之股份、相關股份及債權證中之權益」一段所披露者外，於二零零八年十二月三十一日，概無其他人士於本公司之股份及相關股份中擁有權益或淡倉而須記錄於本公司根據證券及期貨條例第336條而存置之登記冊內。

Connected Transactions

關連交易

A. The following entities are connected persons of the Company and had transactions with the Group during the year ended 31 December 2008:

A. 以下公司為本公司之關連人士，並於截至二零零八年十二月三十一日止年度內與本集團進行交易：

Name of the entity 公司名稱	Connection with the Company 與本公司之關係
廣東興發集團有限公司 (Guangdong Xingfa Group Co., Ltd.) (“Xingfa Group”) 廣東興發集團有限公司 (「興發集團」)	Owned as to 46%, 33% and 21% by Mr. LUO Su, Mr. LUO Riming and Mr. LIAO Yuqing respectively. Mr. LUO Su, Mr. LUO Riming and Mr. LIAO Yuqing are the controlling Shareholders (as defined in the Listing Rules) and each of them is an executive Director. 分別由羅蘇先生、羅日明先生及廖玉慶先生擁有46%、33%及21%。羅蘇先生、羅日明先生及廖玉慶先生為控股股東（定義見上市規則），而彼等各自為執行董事。
廣東興發創新股份有限公司 (Guangdong Xingfa Innovation Co., Ltd.) (“Xingfa Innovation”) 廣東興發創新股份有限公司 (「興發創新」)	Owned as to 91.3% by Xingfa Group. 由興發集團擁有91.3%。
佛山立興塗料有限公司 (Foshan Leahin Coating Co., Ltd.) (“Leahin Coating”) 佛山立興塗料有限公司 (「立興塗料」)	Owned as to 51% by Xingfa Group. 由興發集團擁有51%。
佛山市興發幕牆門窗有限公司 (Foshan Xingfa Curtain Wall, Door & Window Co., Ltd.) (“Xingfa Curtain Wall”) 佛山市興發幕牆門窗有限公司 (「興發幕牆」)	Owned as to 46% by Mr. LUO Su, as to 33% by Mr. LUO Riming and as to 21% by Mr. LIAO Yuqing. Mr. LUO Su, Mr. LUO Riming and Mr. LIAO Yuqing are the controlling Shareholders and each of them is an executive Director. 分別由羅蘇先生、羅日明先生及廖玉慶先生擁有46%、33%及21%。羅蘇先生、羅日明先生及廖玉慶先生為控股股東，而彼等各自為執行董事。
佛山興高鋁業有限公司 (Foshan Xinggao Aluminium Co., Ltd.) (“Xinggao Aluminium”) 佛山興高鋁業有限公司 (「興高鋁業」)	Previously owned as to 46% by Mr. LUO Zhiyong (the son of Mr. LUO Su), as to 33% by Mr. LUO Riming and as to 21% by Mr. LIAO Yuqing. Mr. LUO Riming and Mr. LIAO Yuqing are the controlling Shareholders and each of them is an executive Director. Since July 2008, Xinggao Aluminium has become a wholly-owned subsidiary of the Company. 過往分別由羅志勇先生（羅蘇先生之兒子）、羅日明先生及廖玉慶先生擁有46%、33%及21%。羅日明先生及廖玉慶先生為控股股東，而彼等各自為執行董事。自二零零八年七月起，興高鋁業已成為本公司之全資附屬公司。

B. During the year ended 31 December 2008, the following continuing connected transactions are exempt from the reporting, announcement or independent Shareholders' approval requirement under Rule 14A.33 of the Listing Rules and are included herein for information only.

1. Pursuant to a lease agreement entered into between 廣東興發鋁業有限公司 (Guangdong Xingfa Aluminium Co., Ltd.) ("Guangdong Xingfa") and Leahin Coating dated 28 December 2006 (as varied and supplemented by a supplemental agreement dated 4 March 2008), Leahin Coating leased from Guangdong Xingfa a portion of an industrial building with a total gross floor area of approximately 2,228 sq.m. situated at No. 82 West Longjin Road, Nanzhuang Town, Chancheng District, Foshan City, Guangdong Province, the People's Republic of China which is used as warehouse for a term commenced from 1 January 2007 and ending on 31 December 2008 at an annual rental of RMB160,416.
2. Pursuant to a lease agreement entered into between Guangdong Xingfa and Xingfa Curtain Wall dated 26 December 2006 (as varied and supplemented by a supplemental agreement dated 4 March 2008), Xingfa Curtain Wall leased from Guangdong Xingfa a portion of an industrial building with a total gross floor area of approximately 2,350 sq.m. situated at No. 82 West Longjin Road, Nanzhuang Town, Chancheng District, Foshan City, Guangdong Province, the People's Republic of China which is used as warehouse for a term commenced from 1 January 2007 and ending on 31 December 2008 at an annual rental of RMB169,200.

Pursuant to two sale and purchase agreements entered into between our Group and Xingfa Curtain Wall on 12 October 2007 and 6 December 2007, our Group disposed of the above assets to Xingfa Curtain Wall at an aggregate consideration of RMB23.0 million. The transaction was completed on 29 July 2008. Therefore, the above lease agreements were terminated.

B. 於截至二零零八年十二月三十一日止年度內，下列持續關連交易獲豁免遵守上市規則第14A.33條項下申報、公佈及獨立股東批准之規定，並載列於本報告內以供參考。

1. 根據廣東興發鋁業有限公司（「廣東興發」）與立興塗料於二零零六年十二月二十八日訂立之租賃協議（經二零零八年三月四日訂立之補充協議修訂及補充），立興塗料向廣東興發租用中華人民共和國廣東省佛山市禪城區南莊鎮龍津西路82號總建築面積約2,228平方米之工業大樓其中部分用作倉庫，自二零零七年一月一日起至二零零八年十二月三十一日屆滿，年租人民幣160,416元。
2. 根據廣東興發與興發幕牆於二零零六年十二月二十六日訂立之租賃協議（經二零零八年三月四日訂立之補充協議修訂及補充），興發幕牆向廣東興發租用中華人民共和國廣東省佛山市禪城區南莊鎮龍津西路82號總建築面積約2,350平方米之工業大樓其中部分用作倉庫，自二零零七年一月一日起至二零零八年十二月三十一日屆滿，年租人民幣169,200元。

根據本公司與興發幕牆於二零零七年十月十二日及二零零七年十二月六日訂立之兩份買賣協議，本集團向興發幕牆出售上述資產，總代價為人民幣23,000,000元。該交易於二零零八年七月二十九日完成。因此，上述租賃協議已經終止。

C. The following continuing connected transactions were non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules and waivers from strict compliance with the announcement and independent Shareholders' approval requirement have been sought from the Stock Exchange but have ceased to be connected transactions for our Company in July 2008.

C. 於截至二零零八年十二月三十一日止年度，下列持續關連交易為上市規則第14A.35條項下之非豁免持續關連交易，並已向聯交所尋求豁免嚴格遵守公佈及獨立股東批准之規定，惟於二零零八年七月已不再為本公司之關連交易。

1. The following is a brief description of the continuing connected transactions:

1. 以下為持續關連交易之簡介：

Category 類別	Description 詳情
<p>1. Leasing of machinery by Guangdong Xingfa from Xingfa Group</p> <p>廣東興發向興發集團租用機器</p>	<p>On 28 July 2007, Guangdong Xingfa entered into a machinery lease agreement with Xingfa Group ("First Machinery Lease Agreement"). Pursuant to the First Machinery Lease Agreement, Xingfa Group leases 102 units of machinery and equipment in relation to the production of aluminium profiles owned by it to Guangdong Xingfa. The First Machinery Lease Agreement is for a term from 28 July 2007 to 31 December 2009, subject to early termination by Guangdong Xingfa serving three-month written notice to Xingfa Group. Pursuant to the First Machinery Lease Agreement, the annual rental is RMB2,543,000. The rental paid for the year ended 31 December 2008 amounted to RMB1,483,000. The First Machinery Lease Agreement was terminated in July 2008.</p> <p>於二零零七年七月二十八日，廣東興發與興發集團訂立一份機器租賃協議（「第一機器租賃協議」）。根據第一機器租賃協議，興發集團向廣東興發出租所擁有生產鋁型材之102組機器及設備。第一機器租賃協議之年期由二零零七年七月二十八日起至二零零九年十二月三十一日止，惟期間興發鋁業可向興發集團發出三個月書面通知提早終止。根據第一機器租賃協議，年租為人民幣2,543,000元。截至二零零八年十二月三十一日止年度之已付租金為人民幣1,483,000元。第一機器租賃協議於二零零八年七月終止。</p>

Category 類別	Description 詳情
<p>2. Leasing of machinery by Guangdong Xingfa from Xingfa Innovation</p> <p>廣東興發向興發創新租用機器</p>	<p>On 28 July 2007, Guangdong Xingfa entered into the a machinery lease agreement (“Second Machinery Lease Agreement”) with Xingfa Innovation. Pursuant to the Second Machinery Lease Agreement, Xingfa Innovation leases 16 units of machinery and equipment in relation to the production of aluminium profiles owned by it to Guangdong Xingfa. The Second Machinery Lease Agreement is for a term from 28 July 2007 to 31 December 2009, subject to early termination by Guangdong Xingfa serving three-month written notice to Xingfa Innovation. Pursuant to the Second Machinery Lease Agreement, the annual rental is RMB860,000. The rental paid for the year ended 31 December 2008 amounted to RMB502,000. The Second Machinery Lease Agreement was terminated in July 2008.</p> <p>於二零零七年七月二十八日，廣東興發與興發創新訂立一份機器租賃協議（「第二機器租賃協議」）。根據第二機器租賃協議，興發創新向廣東興發出租其所擁有生產鋁型材之16台機器及設備。第二機器租賃協議之年期由二零零七年七月二十八日起至二零零九年十二月三十一日止，惟期間廣東興發可向興發創新發出三個月書面通知提早終止。根據第二機器租賃協議，年租為人民幣860,000元。截至二零零八年十二月三十一日止年度之已付租金為人民幣502,000元。第二機器租賃協議於二零零八年七月終止。</p>
<p>3. Leasing of machinery by Guangdong Xingfa from Xinggao Aluminium</p> <p>廣東興發向興高鋁業租用機器</p>	<p>On 31 August 2007, Guangdong Xingfa (Sanshui Branch) entered into a machinery lease agreement (“Third Machinery Lease Agreement”) with Xinggao Aluminium. Pursuant to the Third Machinery Lease Agreement, Xinggao Aluminium leases one unit of aluminium extruder of an annual designed extrusion capacity of approximately 24,000 tonnes to Guangdong Xingfa (Sanshui Branch). The Third Machinery Lease Agreement is for a term from 31 August 2007 to 31 December 2009, subject to early termination by Guangdong Xingfa (Sanshui Branch) serving three-month written notice to Xinggao Aluminium. The rental paid for the year ended 31 December 2008 amounted to RMB1,622,000.</p> <p>於二零零七年八月三十一日，廣東興發三水分公司與興高鋁業訂立一份機器租賃協議（「第三機器租賃協議」）。根據第三機器租賃協議，興高鋁業向廣東興發三水分公司出租一組設計擠壓年產能約24,000噸之鋁材擠壓機。第三機器租賃協議之年期由二零零七年八月三十一日起至二零零九年十二月三十一日止，惟期間廣東興發三水分公司向興高鋁業發出三個月書面通知提早終止。截至二零零八年十二月三十一日止年度之已付租金為人民幣1,622,000元。</p>

Category 類別	Description 詳情
4. Leasing of properties at Sanshui by Guangdong Xingfa (Sanshui Branch) from Xinggao Aluminium	<p>On 31 August 2007, Guangdong Xingfa (Sanshui Branch) entered into a lease agreement (“Sanshui Lease Agreement”) with Xinggao Aluminium, pursuant to which Guangdong Xingfa (Sanshui Branch) has agreed to lease from Xinggao Aluminium two industrial buildings and a dormitory situated in Sanshui (“Sanshui Leased Property”), and such additional buildings and structures constructed and delivered to our Group for our use. The Sanshui Lease Agreement is for a term from 31 August 2007 to 31 December 2009, subject to early termination by Guangdong Xingfa (Sanshui Branch) serving three-month written notice to Xinggao Aluminium. As at 31 August 2007, the Sanshui Leased Property comprised two industrial buildings and a dormitory having an aggregate gross floor area of approximately 34,322 sq.m.. The annual rental for that portion of Sanshui Leased Property is RMB2,504,000. The parties agreed that the annual rental per sq.m. for the additional building and structures to be constructed and delivered to our Group for use during the term of the Sanshui Lease Agreement would be RMB72.</p>
廣東興發三水分公司向興高鋁業租用位於三水市之物業	<p>The rental paid for the year ended 31 December 2008 amounted to RMB1,461,000.</p> <p>於二零零七年八月三十一日，廣東興發三水分公司與興高鋁業訂立一份租賃協議（「三水租賃協議」），據此，廣東興發三水分公司同意向興高鋁業租用位於三水市之兩幢工廠大廈及一幢宿舍（「三水租賃物業」），以及已落成並已向本集團交付供本集團使用之其他相關樓宇及構築物。三水租賃協議之年期由二零零七年八月三十一日起至二零零九年十二月三十一日止，惟期間廣東興發三水分公司可向興高鋁業發出三個月書面通知提早終止。於二零零七年八月三十一日，三水租賃物業包括總建築面積約34,322平方米之兩幢工廠大廈及一幢宿舍。該部分三水租賃物業之年租為人民幣2,504,000元。訂約方同意，於三水租賃協議有效期內落成並向本集團交付供本集團使用之其他相關樓宇及構築物之年租將為每平方米人民幣72元。</p> <p>截至二零零八年十二月三十一日止年度之已付租金為人民幣1,461,000元。</p>

2. Set out below is the annual caps for the year ended 31 December 2008 of each of the continuing connected transactions set out above:

2. 下文載列上述各項持續關連交易截至二零零八年十二月三十一日止年度之年度上限：

Description 詳情	Annual caps for the year ended 31 December 2008 截至二零零八年 十二月三十一日 止年度之年度 上限
1. Leasing of machinery by Guangdong Xingfa from Xingfa Group 廣東興發向興發集團租用機器	RMB2,543,000 人民幣2,543,000元
2. Leasing of machinery by Guangdong Xingfa from Xingfa Innovation 廣東興發向興發創新租用機器	RMB860,000 人民幣860,000元
3. Leasing of machinery by Guangdong Xingfa from Xinggao Aluminium 廣東興發向興高鋁業租用機器	RMB2,781,000 人民幣2,781,000元
4. Leasing of properties at Sanshui by Guangdong Xingfa (Sanshui Branch) from Xinggao Aluminium 廣東興發三水分公司向興高鋁業租用位於三水市之物業	RMB8,000,000 人民幣8,000,000元

During the year ended 31 December 2008, the following continuing connected transactions were non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules and waivers from strict compliance with the announcement and independent Shareholders' approval requirement have been sought from the Stock Exchange.

於截至二零零八年十二月三十一日止年度，下列持續關連交易為上市規則第14A.35條項下之非豁免持續關連交易，並已向聯交所尋求豁免嚴格遵守公佈及獨立股東批准之規定。

1. The following is a brief description of the continuing connected transactions:

1. 以下為持續關連交易之簡介：

i. Leasing of properties at Chancheng by Guangdong Xingfa from Xingfa Group and Xingfa Innovation
廣東興發向興發集團及興發創新租用位於禪城之物業

Guangdong Xingfa entered into following lease agreements with Xingfa Group and Xingfa Innovation respectively, each dated as of 28 July 2007, in respect of certain properties at our Chancheng Factory ("Chancheng Lease Agreements"), pursuant to which:
二零零七年七月二十八日，廣東興發分別與興發集團及興發創新就本集團禪城廠房之若干物業訂立下列租賃協議（「禪城租賃協議」），據此：

- (i) Guangdong Xingfa leased from Xingfa Group 12 industrial buildings, a dormitory, a research building and various structures with a total gross floor area of approximately 45,518.86 sq.m. situated at No. 23 Renhe Road, Nanzhuang Town, Chancheng District, Foshan City, Guangdong Province, the PRC; and
廣東興發向興發集團租用中國廣東省佛山市禪城區南莊鎮人和路23號之十二幢工廠大廈、一幢宿舍、一幢研發大樓及多幢構築物，總建築面積約45,518.86平方米；及
- (ii) Guangdong Xingfa leased from Xingfa Innovation 3 industrial buildings, 3 warehouses, an exhibition hall, Levels 1 to 5 of an 8-storey office building and various structures with a total gross floor area of approximately 29,840.65 sq.m. and various structures situated at No. 54 Renhe Road, Nanzhuang Town, Chancheng District, Foshan City, Guangdong Province, the PRC.
廣東興發向興發創新租用中國廣東省佛山市禪城區南莊鎮人和路54號之三幢工廠大廈、三個倉庫、一個展覽廳、一幢8層高寫字樓之1至5樓和多個構築物，總建築面積約29,840.65平方米。

The term of the Chancheng Lease Agreements commenced from 28 July 2007 and will end on 31 December 2009, subject to early termination by Guangdong Xingfa serving three-month written notice to Xingfa Group and Xingfa Innovation respectively. The aggregate rental payable by our Group to Xingfa Group and Xingfa Innovation under the Chancheng Lease Agreements for the year ended 31 December 2008 was RMB8,731,000, which was determined with reference to the actual area occupied by our Group during the year.

禪城租賃協議由二零零七年七月二十八日開始，並將於二零零九年十二月三十一日屆滿，惟期間廣東興發可分別向興發集團及興發創新發出三個月書面通知提早終止。根據禪城租賃協議，截至二零零八年十二月三十一日止年度，本集團應付興發集團及興發創新之租金總額將為人民幣8,731,000元，乃須參考本集團年內實際佔用面積而釐定。

- ii. Purchase of coating materials by Guangdong Xingfa from Leahin Coating
廣東興發向立興塗料購買噴塗原材料

During the year ended 31 December 2008, Guangdong Xingfa purchased from Leahin Coating paint materials for use in the surface finishing process.

於截至二零零八年十二月三十一日止年度內，廣東興發向立興塗料購買用於表面處理工序之噴塗原材料。

For the year ended 31 December 2008, Guangdong Xingfa spent approximately RMB12,623,000 on purchasing paint materials from Leahin Coating.

截至二零零八年十二月三十一日止年度，廣東興發動用約人民幣12,623,000元向立興塗料購買噴塗原材料。

- iii. Sale of aluminium profiles by Guangdong Xingfa to Xingfa Curtain Wall
廣東興發向興發幕牆銷售鋁型材

During the year ended 31 December 2008, Guangdong Xingfa sold to Xingfa Curtain Wall certain construction materials specified by Xingfa Curtain Wall. The construction materials purchased by Xingfa Curtain Wall were further processed into window and curtain wall and sold to its customers.

於截至二零零八年十二月三十一日止年度內，興發鋁業向興發幕牆出售興發幕牆指定之若干建材。興發幕牆會將購入之建材再加工為門窗及幕牆後向其客戶出售。

For the year ended 31 December 2008, Guangdong Xingfa sold construction materials to Xingfa Curtain Wall for approximately RMB33,412,000.

截至二零零八年十二月三十一日止年度，廣東興發銷售予興發幕牆之建材約人民幣33,412,000元。

2. Set out below is the annual caps of each of the continuing connected transactions set out above:

2. 下文載列每項持續關連交易之年度上限：

		Annual Caps 年度上限	
	For the year ended 31 December 2008 截至二零零八年 十二月三十一日 止年度	For the year ending 31 December 2009 截至二零零九年 十二月三十一日 止年度	For the year ending 31 December 2010 截至二零一零年 十二月三十一日 止年度
i. Leasing of properties at Chancheng by Guangdong Xingfa from Xingfa Group and Xingfa Innovation 廣東興發向興發集團及興發創新租用位於禪城之物業	RMB8,731,000 人民幣8,731,000元	RMB8,731,000 人民幣8,731,000元	Not applicable 不適用
ii. Purchase of coating materials by Guangdong Xingfa from Leahin Coating 廣東興發向立興塗料購買噴塗原材料	RMB25,000,000 人民幣25,000,000元	RMB35,000,000 人民幣35,000,000元	RMB50,000,000 人民幣50,000,000元
iii. Sale of aluminium profiles by Guangdong Xingfa to Xingfa Curtain Wall 廣東興發向興發幕牆銷售鋁型材	RMB50,000,000 人民幣50,000,000元	RMB70,000,000 人民幣70,000,000元	RMB100,000,000 人民幣100,000,000元

3. Views of the independent non-executive Directors:

3. 獨立非執行董事之觀點：

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

獨立非執行董事已審閱上述持續關連交易，並確認該等交易乃：

- (1) in the ordinary and usual course of business of the Company;
- (2) on normal commercial terms or terms no less favourable to the Company than terms available to or from independent third parties; and
- (3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

- (1) 於本公司一般及日常業務過程中進行；
- (2) 按一般商業條款或不遜於本公司向獨立第三方提供或取得之條款進行；及
- (3) 根據規管該等交易之相關協議並按公平合理之條款進行，且符合股東及本公司之整體利益。

D. The Directors confirm that in respect of the connected transactions and the continuing connected transactions mentioned above, the Company has complied the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

KPMG, the auditors of the Company, have performed certain agreed-upon procedures on the continuing connected transactions pursuant to Rule 14A.38 of the Listing Rules and confirmed to the Board that the transactions:

- (i) have received approval of the Board;
- (ii) are in accordance with the pricing policies of the Group;
- (iii) have been entered into in accordance with the terms and conditions under the relevant agreements governing the transactions; and
- (iv) did not exceed the cap disclosed previously, details of which have been set out in the Company's prospectus dated 17 March 2008.

Corporate Governance

After the listing of the Shares on the Stock Exchange on the Listing Date, the Company has complied fully with the code requirements under the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules. The Company's corporate governance report for the year under review are set out in pages 57 to 65 of the annual report.

The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct in relation to securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code (which was in force prior to 1 January 2009) throughout the year under review.

D. 董事就上述關連交易及持續關連交易確認，本公司已遵守根據上市規則第14A章之披露規定。

本公司核數師畢馬威會計師事務所已根據上市規則第14A.38條就持續關連交易進行若干協定程序，並向董事會確認該等交易：

- (i) 已取得董事會批准；
- (ii) 為根據本集團之定價政策進行；
- (iii) 已根據規管該等交易之相關協議項下之條款及條件進行；及
- (iv) 並無超過早前已披露之上限（其詳情載於本公司於二零零八年三月十七日刊發之招股章程）

企業管治

本公司股份於聯交所上市後，本公司已全面遵守上市規則附錄14所載之企業管治常規守則（「企業管治守則」）之規定。本公司於回顧年度內之企業管治報告載於年報第57至65頁。

本公司亦已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則（「標準守則」）作為其本身有關證券交易之操守守則。經向全體董事作出具體查詢後，全體董事確認彼等於整個回顧年度內均已遵守標準守則（於二零零九年一月一日起生效）所載之規定標準。

Audit Committee

The Company has established an audit committee with written terms of reference based upon the provisions and recommended practices of the CG Code on 29 February 2008. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. At present, members of the audit committee comprise Mr. LAM Ying Hung Andy (chairman), Mr. CHEN Mo and Mr. HO Kwan Yiu, being the three independent non-executive directors of the Company.

The Group's consolidated financial statements for the year ended 31 December 2008 have been reviewed by the audit committee, who is of the opinion that such statement complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

Remuneration Committee

The Company established a remuneration committee on 29 February 2008 with terms of reference in compliance with the CG Code. The remuneration committee comprises Mr. HO Kwan Yiu (chairman), Mr. CHEN Mo, Mr. LAM Ying Hung Andy and Mr. LUO Su. The primary duties of the remuneration committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

Nomination Committee

The Company established a nomination committee on 29 February 2008 with terms of reference in compliance with the CG Code. The nominated committee comprises Mr. LUO Su (chairman), Mr. HO Kwan Yiu, Mr. CHEN Mo and Mr. LAM Ying Hung Andy. The nomination committee is mainly responsible for making recommendations to the board of Directors on appointment of Directors and management of board succession.

審核委員會

本公司已根據企業管治守則之條文及建議常規，於二零零八年二月二十九日成立審核委員會，並以書面界定其職權範圍。審核委員會之主要職責為審閱及監察本集團之財務申報程序及內部監控系統。目前，審核委員會由本公司三名獨立非執行董事林英鴻先生（主席）、陳默先生及何君堯先生組成。

本集團截至二零零八年十二月三十一日止年度之綜合財務報表已由審核委員會審閱，其認為該報表已符合適用會計準則、聯交所及法定規定，並已作出足夠披露。

薪酬委員會

本公司已遵守企業管治守則，於二零零八年二月二十九日成立薪酬委員會，並以書面界定其職權範圍。薪酬委員會由何君堯先生（主席）、陳默先生、林英鴻先生及羅蘇先生組成。薪酬委員會之主要職責為檢討及釐定薪酬組合、花紅及其他應付董事及高級管理層之酬金。

提名委員會

本公司已遵守企業管治守則，於二零零八年二月二十九日成立提名委員會，並以書面界定其職權範圍。提名委員會由羅蘇先生（主席）、何君堯先生、陳默先生及林英鴻先生組成。提名委員會之主要職責為就委任董事及高級管理層向董事會作出推薦意見。

Subsequent Events

Details of subsequent events occurring after the balance sheet date are set out in note 34 in the notes to the consolidated financial statements.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float as at the date of this report.

Auditors

The financial statements have been audited by KPMG who retire and, being eligible, offer themselves for re-appointment. A resolution will be proposed at the forthcoming annual general meeting to re-appoint KPMG as auditors of the Company.

On behalf of the Board of Directors

LUO Su
Chairman

Hong Kong, 17 April 2009

結算日後事項

於結算日後發生之重大事項之詳情，載於綜合財務報表附註之附註34。

足夠公眾持股量

本公司根據公開資料及就董事所知，於本報告日期，本公司一直維持足夠公眾持股量。

核數師

財務報表已經畢馬威會計師事務所審核，而畢馬威會計師事務所將告退，並符合資產膺選連任。於應屆股東週年大會上將提呈一項決議案以續聘畢馬威會計師事務所為本公司核數師。

代表董事會

主席
羅蘇

香港，二零零九年四月十七日

Corporate Governance Practices

The Company has adopted the Code on Corporate Governance Practices (“CG Code”) as set out in Appendix 14 to the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) as its own code of corporate governance. The directors of the Company (“Directors”) consider that since the listing of the shares of the Company on the Main Board of the Stock Exchange on 31 March 2008 (“Listing Date”), the Company has complied with the code provisions under the CG Code.

The Directors are committed to upholding the corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximise the interests of the shareholders.

Set out below is a detailed discussion of the corporate governance practices adopted and observed by the Company from the Listing Date up to 31 December 2008 (“Review Period”).

A. Directors’ Securities Transactions

On 29 February 2008, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (in force prior to 1 January 2009) (“Model Code”) as its own code of conduct for securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the Review Period.

企業管治常規

本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「企業管治守則」）作為其本身之企業管治守則。本公司董事（「董事」）認為，自本公司股份於二零零八年三月三十一日在聯交所主板上市（「上市日期」）起，本公司已遵守企業管治守則項下之守則條文。

董事致力維持本公司之公司管治，確保具有正式及具透明度程序保障及提升股東權益。

下文載列本公司由上市日期至二零零八年十二月三十一日（「回顧期間」）所採納及遵守之企業管治常規之詳細討論。

A. 董事進行之證券交易

於二零零八年二月二十九日，本公司採納上市規則附錄10所載之上市公司董事進行證券交易的標準守則（於二零零九年一月一日前生效）（「標準守則」）作為其本身之證券交易操守守則。經向全體董事作出具體查詢後，全體董事確認彼等於整段回顧期間內已遵守標準守則所載之必守標準。

B. Board of Directors

(i) Board composition

The Board currently comprises a combination of executive Directors and independent non-executive Directors. As at the date of this report, the board of Directors (“Board”) consisted the following Directors:

Executive Directors

Mr. LUO Su (*Chairman*)
Mr. LUO Riming (*Chief executive officer*)
Mr. LIAO Yuqing
Mr. WANG Zhihua

Independent non-executive Directors

Mr. CHEN Mo
Mr. HO Kwan Yiu
Mr. LAM Ying Hung Andy

The executive Directors, with the assistance from the senior management, form the core management team of the Company. The executive Directors have the overall responsibility for formulating the business strategies and development plan of the Group and the senior management are responsible for supervising and executing the plans of the Company and its subsidiaries (together, the “Group”).

B. 董事會

(i) 董事會之組成

董事會現時由執行董事及獨立非執行董事組成。於本報告日期，董事會（「董事會」）包括以下董事：

執行董事

羅蘇先生 (*主席*)
羅日明先生 (*行政總裁*)
廖玉慶先生
王志華先生

獨立非執行董事

陳默先生
何君堯先生
林英鴻先生

在高級管理層之協助下，執行董事組成本公司之核心管理隊伍。執行董事肩負為本集團制訂業務策略及發展計劃之整體責任，高級管理層則負責監察及執行本公司及其附屬公司（統稱「本集團」）之計劃。

(ii) Board meetings

During the Review Period, three full board meetings were held, at which:

- the Directors approved the annual results of the Group for the year ended 31 December 2007 and reviewed the results announcement, annual report and the circular to the shareholders of the Company in relation to the general and repurchase mandates proposal and re-election of the Directors retiring by rotation;
- the Directors approved the interim results of the Group for the six months ended 30 June 2008 and reviewed the results announcement and interim report; and
- the Directors approved the acquisition of Foshan Xinggao Aluminium Co., Ltd. which constituted a discloseable and connected transaction for the Company.

Prior notices convening the Board meetings were despatched to the Directors setting out the matters to be discussed. Prior to and at the meetings, the Directors were provided with the relevant documents to be discussed and approved. The company secretary of the Company is responsible for keeping minutes for the Board meetings.

(ii) 董事會會議

回顧期間，曾舉行三次董事會全體會議，會上：

- 董事批准本集團截至二零零七年十二月三十一日止年度之全年業績，並審閱業績公佈、年報、有關授出一般授權及購回授權建議及董事輪席退任之致本公司股東通函；及
- 董事批准本集團截至二零零八年六月三十日止六個月之中期業績，並審閱業績公佈及中期報告；及
- 董事批准收購佛山興高鋁業有限公司，該交易構成本公司之須予披露及關連交易。

載有將於董事會會議上商討事項之通告已在會議召開前寄發予董事。會議前及會議上，董事獲提供將予考慮及批准之有關文件。本公司之公司秘書負責將董事會會議記錄存檔。

(iii) Attendance record

The following is the attendance record of the board meetings held by the Board during the Review Period:

		Attendance at meeting 會議出席率
Executive Directors		
Mr. LUO Su (<i>Chairman</i>)	執行董事 羅蘇先生 (主席)	3/3
Mr. LUO Riming (<i>Chief executive officer</i>)	羅日明先生 (行政總裁)	3/3
Mr. LIAO Yuqing	廖玉慶先生	2/3
Mr. WANG Zhihua	王志華先生	3/3
Independent non-executive Directors		
Mr. CHEN Mo	獨立非執行董事 陳默先生	3/3
Mr. HO Kwan Yiu	何君堯先生	3/3
Mr. LAM Ying Hung Andy	林英鴻先生	3/3

(iv) Independent non-executive Directors

In compliance with Rule 3.10(1) of the Listing Rules, the Company has appointed three independent non-executive Directors. The Board considers that all independent non-executive Directors have appropriate and sufficient industry or finance experience and qualifications to carry out their duties so as to protect the interests of shareholders of the Company. One of the independent non-executive Directors, Mr. LAM Ying Hung Andy, has over 20 years in the accounting, banking and finance sectors and is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

The Company has received the annual written confirmations from all independent non-executive Directors in respect of their independence. Based on such annual written confirmations, the Board considers that all independent non-executive Directors are being considered to be independent.

(iii) 出席記錄

以下為董事會於回顧期間所舉行之董事會會議出席記錄：

(iv) 獨立非執行董事

為符合上市規則第3.10(1)條，本公司委任三名獨立非執行董事。董事會認為，全體獨立非執行董事均具有合適及充足之業界或財務經驗及資格，以履行彼等之職責，以保障本公司股東之權益。其中一名獨立非執行董事林英鴻先生，在會計、銀行及財務界擁有逾20年經驗，並為英國特許會計師公會及香港會計師公會資深會員。

本公司已接獲全體獨立非執行董事就其獨立性而發出之年度書面確認。根據有關年度書面確認，董事會認為全體獨立非執行董事均被視為獨立人士。

(v) Relationship among members of the Board

Mr. LIAO Yuqing, an executive Director, is the son-in-law of Mr. LUO Su, an executive Director and the chairman of the Board. Save as aforesaid, there is no other family relationship between any of the Directors or chief executive officer. All of them are free to exercise their independent judgment.

(vi) Director's training

To keep the Directors and senior management of the Group abreast of the latest development of Listing Rules, the Company has, subsequent to the Review Period, organised a seminar on the recent amendments of the Listing Rules for the Directors and senior management of the Group given by legal advisers of the Company.

C. Chairman and Chief Executive Officer

The roles of the chairman and the chief executive officer are segregated. Mr. LUO Su is the chairman of the Board who is chiefly responsible for managing the Board while Mr. LUO Riming is the chief executive officer of the Company who takes charge of the supervision of the execution of the policies determined by the Board. The chairman also chairs the Board meetings and briefs the Board members on the issues discussed at the Board meetings.

D. Independent Non-executive Directors

All the independent non-executive Directors have been appointed for a fixed term of two years commencing from 1 March 2008.

The independent non-executive Directors have attended the Board meetings and provided independent judgment on the issues discussed.

(v) 董事會成員間之關係

執行董事廖玉慶先生為執行董事兼董事會主席羅蘇先生之女婿。除上述者外，任何董事或主要行政人員之間概無任何其他家族關係。彼等全體均可作出獨立判斷。

(vi) 董事之培訓

為確保董事及本集團高級管理層能掌握上市規則之最新發展，於回顧期間後，本公司已為董事及本集團高級管理層舉辦有關上市規則近期之修訂之講座，該講座由本公司法律顧問提供。

C. 主席及行政總裁

主席及行政總裁兩者角色分立。羅蘇先生為董事會主席，主要負責管理董事會，而羅日明先生則為本公司行政總裁，負責監察及落實董事會釐定之政策。主席亦主持董事會會議，並向董事會成員簡介將於董事會會議上商討之事項。

D. 獨立非執行董事

全體獨立非執行董事之固定委任年期由二零零八年三月一日開始，為期兩年。

獨立非執行董事已出席董事會會議，並就所商討之事項提供獨立判斷。

E. Remuneration of Directors

The Company established a remuneration committee on 29 February 2008 with written terms of reference in compliance with the CG Code. The remuneration committee comprises Mr. HO Kwan Yiu (chairman), Mr. CHEN Mo, Mr. LAM Ying Hung Andy and Mr. LUO Su. The primary duties of the remuneration committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

The remuneration committee has not held any meeting during the Review Period as the remuneration package and the service agreement of each Director have been considered and approved at a full Board meeting held before the establishment of the remuneration committee. After the Listing Date, no new Director has been appointed. It is the Company's policy that the remuneration package of each Director and senior management shall be determined by reference to the duties, responsibilities, experience and qualifications of each candidate.

F. Nomination of Directors

The Company established a nomination committee on 29 February 2008 with written terms of reference in compliance with the CG Code. The nomination committee comprises Mr. LUO Su (chairman), Mr. HO Kwan Yiu, Mr. CHEN Mo and Mr. LAM Ying Hung Andy. The primary duties of the nomination committee are to make recommendations to the Board on the nominees for appointment as Directors and senior management of the Group.

The nomination committee has not held any meeting during the Review Period as the Company has not appointed any new Director after the Listing Date.

According to the articles of association of the Company, one-third of the Directors are subject to retirement by rotation or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from the office and offer themselves for re-election. The Directors to be retired by rotation shall be those who have been longest in office since their last appointment.

E. 董事薪酬

本公司已遵守企業管治守則，於二零零八年二月二十九日成立薪酬委員會，並以書面界定其職權範圍。薪酬委員會由何君堯先生（主席）、陳默先生、林英鴻先生及羅蘇組成。薪酬委員會之主要職責為檢討及釐定薪酬組合、花紅及其他應付董事及高級管理層之酬金。

由於每名董事之薪酬組合及服務協議已在薪酬委員會成立前之一次董事會全體會議上獲省覽及批准，故薪酬委員會於回顧期間並無舉行任何會議。上市日期後，並無委任任何新董事。根據本公司政策，每名董事及高級管理層之薪酬組合須參考各候選人之職責、責任、經驗及資格而釐定。

F. 提名董事

本公司已遵守企業管治守則，於二零零八年二月二十九日成立提名委員會，並以書面界定其職權範圍。提名委員會由羅蘇先生（主席）、何君堯先生、陳默先生及林英鴻先生組成。提名委員會之主要職責為就委任董事及高級管理層向董事會作出推薦意見。

由於本公司於上市日期後並無委任任何新董事，故提名委員會於回顧期間並無舉行任何會議。

根據本公司之組織章程細則，三分一董事須輪席退任，（如數目並非三或三之倍數，則為最接近但不少於三分一之整數）須退任並可重選連任。將予輪席退任之董事須為自彼等上一次獲委任起計任期為最長者。

At a full Board meeting held on 21 April 2008, the Directors have reviewed the performance of the Directors who retired at the annual general meeting of the Company held on 30 May 2008 and approved to recommend the re-election of such Directors at such annual general meeting of the Company.

在二零零八年四月二十一日舉行之董事會全體會議上，董事已檢討於二零零八年五月三十日舉行的股東週年大會上退任董事之表現，並批准推薦該等董事於本公司該股東週年大會上重選連任。

G. Auditors' Remuneration

During the financial year ended 31 December 2008, the nature of the audit and non-audit services provided by KPMG, the auditors of the Company, and the relevant fees paid by the Company for such services are as follows:

G. 核數師酬金

於截至二零零八年十二月三十一日止年度內，本公司核數師畢馬威會計師事務所提供之審核數及非審核服務之性質及本公司已就該等服務支付之相關費用如下：

Services rendered	已提供服務	Fee paid/payable 已付／應付費用 (RMB'000) (人民幣千元)
Audit service	核數服務	900
Other	其他	1,050

H. Audit Committee

The Company has established an audit committee with written terms of reference based upon the provisions and recommended practices of the CG Code on 29 February 2008. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. At present, members of the audit committee comprise Mr. LAM Ying Hung Andy (chairman), Mr. CHEN Mo and Mr. HO Kwan Yiu, being the three independent non-executive Directors.

H. 審核委員會

本公司已根據企業管治守則之條文及建議常規，於二零零八年二月二十九日成立審核委員會，並以書面界定其職權範圍。審核委員會之主要職責為審閱及監察本集團之財務申報程序及內部監控系統。目前，審核委員會由三名獨立非執行董事林英鴻先生（主席）、陳默先生及何君堯先生組成。

During the Review Period, the audit committee has held two meetings, at which:

- the audit committee members have reviewed and discussed with the external auditors of the Company the Group's combined financial statements for the year ended 31 December 2007, who is of the opinion that such statement complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made;
- the audit committee also reviewed the reasonableness and fairness of the continuing connected transactions of the Company for the year ended 31 December 2007; and
- the audit committee members have reviewed the interim results of the Group for the six months ended 30 June 2008 and reviewed the results announcement.

The following is the attendance record of the committee meetings held by the audit committee during the Review Period:

		Attendance at meeting 會議出席率
Mr. LAM Ying Hung Andy	林英鴻先生	2/2
Mr. CHEN Mo	陳默先生	2/2
Mr. HO Kwan Yiu	何君堯先生	2/2

I. Directors' and Auditors' Acknowledgement

All Directors acknowledge their responsibility for preparing the accounts for the year ended 31 December 2008.

The external auditors of the Company acknowledge their reporting responsibilities in the auditors' report on the consolidated financial statements for the year ended 31 December 2008.

於回顧期間，審核委員會已舉行兩次會議，會上：

- 審核委員會成員已對本集團截至二零零七年十二月三十一日止年度之合併財務報表作出審閱，並與本公司外聘核數師進行商討，其認為該報表符合適用會計準則、聯交所及法例規定，亦已作出足夠披露；
- 審核委員會亦已檢討本公司截至二零零七年十二月三十一日止年度之持續關連交易之合理性及公平性；及
- 審核委員會審閱本集團截至二零零八年六月三十日止六個月之中期業績，並審閱業績公佈。

以下為審核委員會於回顧期間舉行委員會會議之出席紀錄：

I. 董事及核數師確認

所有董事均已確認彼等編製截至二零零八年十二月三十一日止年度賬目之責任。

本公司外聘核數師已確認其於截至二零零八年十二月三十一日止年度綜合財務報表核數師報告內之申報責任。

J. Internal Control

With a view to enhancing the Group's internal control system, during the Review Period, the Company has appointed Baker Tilly Hong Kong Business Services Limited to perform an internal control and systems review, especially on the procurement function of the Group. The Group is in the process of improving and establishing the internal control measures as recommended by Baker Tilly Hong Kong Business Services Limited in certain areas, such as procurement cycle.

The Board acknowledged that it is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board will conduct periodical review on the progress of the improvement and enhancement with an effort to enhance the internal control measures of the Group.

On behalf of the Board of Directors

LUO Su
Chairman

Hong Kong, 17 April 2009

J. 內部監控

為加強本集團之內部監控系統，於回顧期間，本公司已委任香港天華會計師事務所以審閱內部監控及系統（特別在本集團的採購功能）。本集團現正就若干方面（如採購系統）進行由香港天華會計師事務所所建議之提升及制定內部監控措施。

董事確認其負責本公司之內部監控系統，並檢討其效益。董事會將定期檢討提升及強化過程，致力加強本集團之內部監控措施。

代表董事會

主席
羅蘇

香港，二零零九年四月十七日



**Independent auditor's report to the shareholders of
Xingfa Aluminium Holdings Limited**
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Xingfa Aluminium Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), set out on pages 68 to 167, which comprise the consolidated and Company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made 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.

獨立核數師報告
致興發鋁業控股有限公司各股東
(於開曼群島註冊成立之有限公司)

我們已審核列載於第68至167頁興發鋁業控股有限公司(「貴公司」)及其子公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零零八年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的國際財務報告準則及香港公司條例的披露規定編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製以及真實而公平地列報綜合財務報表相關的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見。本報告僅為股東(作為一個團體)編製,別無其他任何用途。我們並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
17 April 2009

我們已根據香港會計師公會頒佈的香港審計準則進行審核。該等準則要求我們遵守道德規範，並規劃及執行審核，以合理確定審核涉及執程序以獲取有關財務報表所載金額及披露資料的審核憑證。

審核工作涉及實施審核程序，以獲取有關財務報表金額及披露的審核證據。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證乃充足及適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映貴公司及貴集團於二零零八年十二月三十一日的財務狀況及貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥為編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓
二零零九年四月十七日

Consolidated Income Statement

綜合收益表

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

(Expressed in Renminbi)
(以人民幣列示)

		Note 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Turnover	營業額	4	2,136,368	2,148,674
Cost of sales	銷售成本		(1,961,110)	(1,949,498)
Gross profit	毛利		175,258	199,176
Other net (loss)/income	其他(虧損)/收入淨額	5	(4,578)	182,168
Distribution expenses	分銷開支		(37,301)	(32,529)
Administrative expenses	行政開支		(61,914)	(29,849)
Profit from operations	經營溢利		71,465	318,966
Finance income	財務收入	6(a)	6,622	2,435
Finance expenses	財務支出	6(a)	(40,070)	(30,478)
Net finance costs	財務成本淨額		(33,448)	(28,043)
Profit before taxation	除稅前溢利	6	38,017	290,923
Income tax (expenses)/credit	所得稅(開支)/抵免	7	(8,704)	677
Profit for the year	年度溢利		29,313	291,600
Attributable to:	歸屬:			
Equity holders of the Company	本公司股權持有人		29,313	291,750
Minority interests	少數股東權益		—	(150)
Profit for the year	年度溢利		29,313	291,600
Dividends payable to equity holders of the Company attributable to the year:	年內應估應付予本公司股權持有人之股息:	11		
Interim dividends declared and paid during the year	年內已宣派及派發中期股息		—	118,961
Dividends proposed after balance sheet date	於結算日後建議派付之股息			
— Final dividends	— 末期股息		8,778	—
— Special dividends	— 特別股息		12,122	—
			20,900	118,961
Basic and diluted earnings per share (RMB yuan)	每股基本及攤薄盈利 (人民幣元)	12	0.075	0.937

The notes on pages 74 to 167 form part of these financial statements.

第74頁至第167頁所載附註為本財務報表的一部分。

Consolidated Balance Sheet

綜合資產負債表

at 31 December 2008

於二零零八年十二月三十一日

(Expressed in Renminbi)
(以人民幣列示)

		Note	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	13	351,713	139,007
Lease prepayments	預付租金	14	153,661	—
Deferred tax assets	遞延稅項資產	17(b)	390	—
			505,764	139,007
Current assets	流動資產			
Inventories	存貨	18	196,332	239,625
Derivative financial instruments	衍生金融工具	19	—	810
Trade and other receivables	交易及其他應收款項	20	466,720	493,145
Pledged deposits	已抵押存款	21	36,646	32,422
Cash and cash equivalents	現金及現金等價物	22	214,905	146,411
Assets classified as held for sale	列為持作待售資產	23	—	10,486
			914,603	922,899
Current liabilities	流動負債			
Loans and borrowings	貸款及借貸	24	559,329	297,000
Trade and other payables	交易及其他應付款項	25	195,544	246,770
Derivative financial instruments	衍生金融工具	19	1,137	722
Current tax payables	應付即期稅項	17(a)	595	2,086
			756,605	546,578
Net current assets	流動資產淨值		157,998	376,321
Total assets less current liabilities	總資產減流動負債		663,762	515,328
Non-current liabilities	非流動負債			
Loans and borrowings	貸款及借貸	24	—	80,000
			—	80,000
Net assets	資產淨值		663,762	435,328
Capital and reserves	股本及儲備			
Share capital	股本	26	3,731	210,000
Reserves	儲備	27	660,031	225,328
Total equity	權益總額		663,762	435,328

Approved and authorised for issue by the board of directors on 17 April 2009.

LUO Su
Chairman
主席
羅蘇

於二零零九年四月十七日獲董事會批准及授權刊發。

LUO Riming
Executive Director
行政總裁
羅日明

The notes on pages 74 to 167 form part of these financial statements.

第74頁至第167頁所載附註為本財務報表的一部分。

Balance Sheet 資產負債表

at 31 December 2008
於二零零八年十二月三十一日

(Expressed in Renminbi)
(以人民幣列示)

		Note	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	13	620	—
Investments in subsidiaries	於附屬公司之投資	15	626,654	—
			627,274	—
Current assets	流動資產			
Trade and other receivable	交易及其他應收款項	20	31,943	—
Cash and cash equivalents	現金及現金等價物	22	20,356	—
			52,299	—
Current liabilities	流動負債			
Trade and other payable	交易及其他應付款項	25	6,687	—
Net current assets	流動資產淨值		45,612	—
Total assets less current liabilities	總資產減流動負債		672,886	—
Net assets	資產淨值		672,886	—
Capital and reserves	股本及儲備			
Share capital	股本	26	3,731	—
Reserves	儲備	27	669,155	—
Total equity	權益總額		672,886	—

Approved and authorised for issue by the board of directors on 17 April 2009.

已於二零零九年四月十七日經董事會批准並授權刊發。

LUO Su
Chairman
主席
羅蘇

LUO Riming
Executive Director
行政總裁
羅日明

The notes on pages 74 to 167 form part of these financial statements.

第74頁至第167頁之附註為本財務報表的一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

(Expressed in Renminbi)
(以人民幣列示)

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股權持有人應佔								
		PRC					Total 總計	Minority interests 少數股東 權益	Total equity 權益總額	
		Share capital 股本	Share premium 股份溢價	Other reserve 其他儲備	statutory reserves 中國法定 儲備	Exchange reserve 匯兌儲備				Retained earnings 保留盈利
		RMB'000 人民幣千元 (Note 26) (附註26)	RMB'000 人民幣千元 (Note 27(a)) (附註27(a))	RMB'000 人民幣千元 (Note 27(a)) (附註27(a))	RMB'000 人民幣千元 (Note 27(b)) (附註27(b))	RMB'000 人民幣千元 (Note 27(c)) (附註27(c))	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
At 1 January 2007 (Note 26(a))	二零零七年 一月一日 (附註26(a))	225,000	—	—	37,186	—	60,915	323,101	29,139	352,240
Profit for the year	年度溢利	—	—	—	—	—	291,750	291,750	(150)	291,600
Transfer from retained earnings	轉撥自保留盈利	—	—	—	36,743	—	(36,743)	—	—	—
Dividend declared and paid during the year	年內已宣派股息	—	—	—	—	—	(118,961)	(118,961)	—	(118,961)
Deemed appropriation on Reorganisation (Note 27(e))	視為於重組中轉 撥(附註27(e))	(75,000)	—	—	(26,049)	—	(19,513)	(120,562)	(28,989)	(149,551)
Capitalisation (Note 26(a))	撥充資本 (附註26(a))	60,000	—	—	—	—	—	60,000	—	60,000
At 31 December 2007 (Note 26(a))	二零零七年 十二月三十一日 (附註26(a))	210,000	—	—	47,880	—	177,448	435,328	—	435,328
At 1 January 2008	二零零八年 一月一日	210,000	—	—	47,880	—	177,448	435,328	—	435,328
Arising from Reorganisation	因重組而產生	(209,822)	—	209,822	—	—	—	—	—	—
Share issued under the placing and global offering (Note 26(d)(ii))	根據配售及全球 發售發行之股份 (附註26(d)(ii))	959	217,763	—	—	—	—	218,722	—	218,722
Share issuance costs (Note 26(d)(ii))	股份發行成本 (附註26(d)(ii))	—	(19,009)	—	—	—	—	(19,009)	—	(19,009)
Capitalisation issue (Note 26(d)(iii))	資本化發行 (附註26(d)(iii))	2,594	(2,594)	—	—	—	—	—	—	—
Exchange differences on translation of financial statements of operations outside the People's Republic of China (the "PRC")	換算中華人民共 和國(「中國」)境 外業務財務報表 之匯兌差額	—	—	—	—	(592)	—	(592)	—	(592)
Profit for the year	年度溢利	—	—	—	—	—	29,313	29,313	—	29,313
Transfer from retained earnings	轉撥自保留盈利	—	—	—	5,967	—	(5,967)	—	—	—
At 31 December 2008	二零零八年十二 月三十一日	3,731	196,160	209,822	53,847	(592)	200,794	663,762	—	663,762

The notes on pages 74 to 167 form part of these financial statements. 第74至167頁所載附註為本財務報表的一部分。

Consolidated Cash Flow Statement

綜合現金流量表

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

(Expressed in Renminbi)
(以人民幣列示)

	Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Operating activities	經營業務		
Profit before taxation	除稅前溢利	38,017	290,923
Adjustments for:	經下列各項調整：		
Depreciation	折舊		
— Property, plant and equipment	— 物業、機器及設備	26,929	23,872
— Investment property	— 投資物業	—	94
Amortisation of lease prepayments	預付租金攤銷	1,338	1,143
Interest income on bank deposits	銀行存款利息收入	(6,622)	(2,435)
Interest expenses on bank loans	銀行借貸利息開支	33,282	26,211
Gain on disposal of lease prepayments	出售預付租金收益	—	(174,941)
Gain on disposal of assets classified as held for sale	出售列為持作待售資產收益	(11,637)	—
Net losses on disposal of property, plant and equipment	出售物業、機器及設備虧損淨額	—	186
Unrealised net loss/(gain) of derivative financial instruments	衍生金融工具未變現虧損／(收益)淨值	1,137	(88)
Unrealised foreign exchange gain	未變現外匯收益	(471)	—
Operating profit before changes in working capital	營運資金變動前經營溢利	81,973	164,965
Change in inventories	存貨變動	43,293	(94,821)
Change in trade and other receivables	交易及其他應收款項變動	34,921	(254,817)
Change in trade and other payables	交易及其他應付款項變動	(180,535)	42,676
Cash used in operations	經營業務所用現金	(20,348)	(141,997)
Income tax and land appreciation tax paid by the subsidiary in the PRC	中國附屬公司已付所得稅及土地增值稅	(10,585)	(3,618)
Net cash used in operating activities	經營業務所用現金淨額	(30,933)	(145,615)
Investing activities	投資活動		
Interest received	已收利息	6,622	2,435
Proceeds from pledged deposits	有抵押存款所得款項	156,371	160,971
Payment of pledged deposits	有抵押存款付款	(160,595)	(154,974)
Acquisition of property, plant and equipment	收購物業、機器及設備	(133,175)	(55,546)
Payment for purchase of assets and assuming of liabilities	購買資產及承擔負債所付款項	(142,644)	—
Payment for lease prepayments	預付租金	—	(5,515)
Proceeds from disposal of lease prepayments	出售預付租金所得款項	—	208,078
Proceeds from disposal of assets classified as held for sale	出售列為持作待售資產所得款項	23,000	—
Payment of business tax and surcharges on disposal of lease prepayments	出售預付租金所付營業稅及附加費	(877)	(9,754)
Advances to related parties	墊款予關連方	—	(48,124)
Repayment of advances to related parties	向關連方償還墊款	3,533	116,367

Consolidated Cash Flow Statement 綜合現金流量表

(Expressed in Renminbi)
(以人民幣列示)

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

			2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Net cash (used in)/generated from investing activities	投資活動 (所用) / 所得現金淨額		(247,765)	213,938
Financing activities	融資活動			
Interest paid	已付利息		(33,282)	(26,211)
Cash distributed to equity holders on Reorganisation	於重組中向股權持有人分派現金	27(e)	—	(21,874)
Proceeds from loans and borrowings	貸款及借貸所得款項		897,625	601,130
Repayment of loans and borrowings	償還貸款及借貸		(715,296)	(418,330)
Proceeds from issuance of shares for global offering	就全球發售發行股份所得款項		218,722	—
Payment of share issuing costs	股份發行成本款項		(19,009)	—
Dividends paid	已付股息		—	(118,961)
Advances from related parties	關連方墊款		—	14,565
Repayments of advances from related parties	關連方償還墊款		(1,447)	(8,319)
Net cash generated from financing activities	融資活動所得現金淨額		347,313	22,000
Net increase in cash and cash equivalents	現金及現金等價物增加淨額		68,615	90,323
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物		146,411	56,088
Effect of foreign exchange rate changes	匯率變動之影響		(121)	—
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物		214,905	146,411

The notes on pages 74 to 167 form part of these financial statements.

第74至167頁所載附註為本財務報表的一部分。

1. Company background and basis of presentation 1. 公司背景及編製基準

(a) Reporting entity

Xingfa Aluminium Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 13 September 2007 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

(b) Reorganisation

Pursuant to a reorganisation (the “Reorganisation”) of the Company and its subsidiaries now comprising the group (collectively referred to as the “Group”) which was completed on 29 February 2008 to rationalise the Group structure for the public listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the operations of manufacturing and sales of aluminium profile (the “Aluminium Profile Business”) with the relevant assets and liabilities of Guangdong Xingfa Group Co., Ltd. (“Xingfa Group”), Guangdong Xingfa Innovation Co., Ltd. (“Xingfa Innovation”) and Foshan Xingfa Aluminium Profiles Co., Ltd (“Foshan Xingfa”) (collectively referred to as the “Predecessor Entities”) were transferred to the subsidiaries now comprising the Group and the Company became the holding company of the subsidiaries now comprising the Group. Details of the Reorganisation are set out in the prospectus dated 17 March 2008 issued by the Company.

The shares of the Company were listed on the Stock Exchange on 31 March 2008.

(a) 呈報實體

興發鋁業控股有限公司(「本公司」)乃於二零零七年九月十三日根據開曼群島公司法第22章(一九六一年法例3, 經綜合及修訂)於開曼群島註冊成立為受豁免有限公司。其註冊辦事處的地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

(b) 重組

根據本公司與本集團現時旗下附屬公司(統稱「本集團」)於二零零八年二月二十九日完成以整頓本集團架構, 使本公司股份於香港聯合交易所有限公司(「聯交所」)主板公開上市之重組(「重組」), 製造及銷售鋁型材業務(「鋁型材業務」)之營運, 連同廣東興發集團有限公司(「興發集團」)、廣東興發創新股份有限公司(「興發創新」)及佛山興發鋁型材有限公司(「佛山興發」)(統稱「前身公司」)之有關資產及負債, 已轉讓予本集團現時旗下附屬公司, 而本公司則成為本集團現時旗下附屬公司之控股公司。重組之詳情載於本公司於二零零八年三月十七日刊發之售股章程。

本公司股份於二零零八年三月三十一日於聯交所主板上市。

1. Company background and basis of presentation (continued)

(c) Basis of presentation

Since all entities which took part in the Reorganisation were under common control of a group of ultimate equity holders (the “Controlling Shareholders”), the Group is regarded as a continuing entity resulting from the Reorganisation under common control. Accordingly, the Company has applied merger accounting to account for the Reorganisation in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), under which the consolidated financial statements have been prepared on the basis that the Company was the holding company of the Group as if the Aluminium Profile Business had been operated by the Group and the current group structure had been in existence for both years presented, rather than from 29 February 2008.

The Predecessor Entities’ assets and liabilities which are related to the Aluminium Profile Business are combined using their existing book values from the Controlling Shareholders’ perspective. Certain assets and liabilities retained by the Predecessor Entities at 28 July 2007 (the “Retained Assets”) were treated as deemed appropriation to the equity holders of the Company at 28 July 2007. Accordingly, the consolidated balance sheets as at 31 December 2007 have not included the Retained Assets but have been prepared to present the state of affairs of the Company and its subsidiaries now comprising the Group as at that date. The consolidated balance sheet as at 31 December 2008 has been prepared to present the state of affairs of the Company and its subsidiaries as at 31 December 2008.

1. 公司背景及編製基準(續)

(c) 呈列基準

由於所有涉及重組之公司均受一組最終股權持有人(「控權股東」)共同控制，故本集團被視為因重組產生受共同控制之持續經營實體。因此，本公司已根據香港會計師公會頒佈之會計指引第5號「共同控制合併之合併會計法」應用合併會計法就重組入賬，據此，綜合財務報表乃按本公司為本集團之控股公司，猶如現有集團架構於兩個呈列年度(而非自二零零八年二月二十九日起)一直存在而編製。

前身公司有關鋁型材業務之資產及負債採用控權股東認為之現有賬面值合併入賬。由前身公司於二零零七年七月二十八日保留之若干資產及負債(「保留資產」)被視作二零零七年七月二十八日對本公司股權持有人之分配。因此，於二零零七年十二月三十一日之綜合資產負債表並不計及保留資產，惟已編製以呈列本公司及本集團現時旗下附屬公司於該日之財務狀況。於二零零八年十二月三十一日之綜合資產負債表乃編製以呈列本公司及其附屬公司於二零零八年十二月三十一日之財務狀況。

1. Company background and basis of presentation (continued)

(c) Basis of presentation (continued)

The consolidated results of the Group for the year ended 31 December 2007 include the results of operations of Aluminium Profile Business of the Predecessor Entities and the results of the operations of the subsidiaries now comprising the Group for the year ended 31 December 2007 (or where the companies were established/incorporated at a date later than 1 January 2007, for the period from the date of establishment/incorporation to 31 December 2007). The consolidated results of the Group for the year ended 31 December 2008 include the results of the Company and its subsidiaries with effect from 1 January 2008 or since their respective dates of incorporation or being acquired, whichever is a shorter period.

All material inter-group transactions and balances have been eliminated on consolidation. In the opinion of the Directors, the consolidated financial statements prepared on this basis present fairly the results of operations and the state of affairs of the Group as a whole.

2. Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which include all applicable individual IFRSs promulgated by the International Accounting Standards Board (the “IASB”), International Accounting Standards (“IASs”) and related Interpretations. These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. A summary of the significant accounting policies adopted and consistently applied by the Group in the preparation of these financial statements is set out below.

1. 公司背景及編製基準(續)

(c) 呈列基準(續)

本集團截至二零零七年十二月三十一日止年度之綜合業績包括截至二零零七年十二月三十一日止年度(或倘公司於二零零七年一月一日後之日期成立/註冊成立,則由成立/註冊成立日期起至二零零七年十二月三十一日期間)前身公司鋁型材業務之營運業績及本集團現時旗下附屬公司之營運業績。本集團截至二零零八年十二月三十一日止年度之綜合業績包括本公司及其附屬公司由二零零八年一月一日或自其各自之註冊成立或被收購日期(以較短期間為準)起之業績。

集團內部之所有重大交易及結餘已於綜合入賬時對銷。董事認為,按此基準編製之綜合財務報表公平地呈列本集團之整體營運業績及財務狀況。

2. 主要會計政策

(a) 合規聲明

本財務報表是按照國際財務報告準則(「國際財務報告準則」)編製。國際財務報告準則包括所有由國際會計準則委員會(「國際會計準則委員會」)頒佈的適用個別國際財務報告準則、國際會計準則(「國際會計準則」)及相關詮釋。本財務報表亦符合香港公司條例的披露規定及香港聯交所證券上市規則的適用披露規定。本集團編製本財務報表所採用及貫徹應用的主要會計政策概要載列如下。

2. Significant accounting policies (continued)

(a) Statement of compliance (continued)

Up to the date of issue of these financial statements, the IASB issued a number of new and revised IFRSs. For the purpose of preparing these financial statements, the Group has adopted all these new and revised IFRSs throughout the years presented, except for any new standards or interpretation that are not yet effective for the accounting period ended 31 December 2008. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period ended 31 December 2008 are set out in Note 33.

The consolidated statements have been approved for issue by the Board of Directors on 17 April 2009.

(b) Basis of measurement

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (“functional currency”). These financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand except for per share data.

These financial statements are prepared on the historical cost basis except that the derivative financial instruments are measured at fair value (Note 2(f)(ii)). The methods used to measure fair value are set out in Note 3.

2. 主要會計政策(續)

(a) 合規聲明(續)

截至本財務報表刊發日期，國際會計準則委員會頒佈多項新訂及經修訂國際財務報告準則。就編製本財務報表而言，本集團於所呈列年度整段期間已採納所有該等新訂及經修訂國際財務報告準則，惟於截至二零零八年十二月三十一日止會計期間尚未生效的任何新訂準則或詮釋除外。已頒佈但於截至二零零八年十二月三十一日止會計期間尚未生效的經修訂及新訂會計準則及詮釋載於附註33。

綜合報表於二零零九年四月十七日經董事會批准發出。

(b) 計量基準

本集團各公司之財務報表項目以最能反映與該公司相關的事項及環境之經濟特徵之貨幣(「功能貨幣」)計量。除每股股份數據外，財務資料已約整至最接近千元的人民幣(「人民幣」)呈列。

財務資料按歷史成本基準編製，惟按公平值計量的衍生金融工具除外(附註2(f)(ii))。計算公平值所用方法載於附註3。

2. Significant accounting policies (continued)

(c) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgments made by management in application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in Note 32.

(d) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

2. 主要會計政策(續)

(c) 所用估計及判斷

管理層編製財務報表時，須作出可能影響會計政策應用和所呈報資產、負債及收支金額的判斷、估計和假設。該等估計和相關假設乃根據過往經驗及管理層相信於該等情況下屬合理的各項其他因素作出，所得結果成為目前並無其他資料顯示之資產及負債賬面值判斷之基礎。實際結果可能與該等估計不同。

估計及相關假設會持續檢討。會計估計改變會在修訂估計期間及受影響的任何未來期間確認。

管理層應用國際財務報告準則時所作出對財務報表有重大影響的判斷及很可能導致重大調整的估計載於附註32。

(d) 綜合賬目基準

(i) 附屬公司

附屬公司指由本集團控制的公司。當本集團有權直接或間接控制公司的財務及經營政策，以自其業務中獲利，則該公司將被視為受本集團控制。在評估控制權時，會考慮目前可行使的潛在投票權。附屬公司之財務報表自控制開始當日起至控制結束當日期間計入綜合財務報表。於有需要時，附屬公司之會計政策會作出變動，以符合本集團所採納之政策。

2. Significant accounting policies (continued)

(d) Basis of consolidation (continued)

(i) Subsidiaries (continued)

In the Company's balance sheet, investments in subsidiaries are stated at cost less impairment losses (Note 2(j)).

(ii) Minority interests

Minority interests represent the portion of the net assets of subsidiaries and controlled entities attributed to interests that are not owned by the Company, whether directly and indirectly through subsidiaries and controlled entities, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity holders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity holders of the Company.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. 主要會計政策(續)

(d) 綜合賬目基準(續)

(i) 附屬公司(續)

於本公司之資產負債表中，於附屬公司之投資按成本減減值虧損列賬(附註2(j))。

(ii) 少數股東權益

少數股東權益指並非由本公司直接或透過附屬公司及受控公司間接擁有的股權所佔附屬公司及受控公司資產淨值部分，而本集團並無就此與該等權益持有人協定任何可能導致本集團整體須就符合金融負債定義的該等權益承擔訂約責任的額外條款。少數股東權益在綜合資產負債表列於權益，但與本公司股權持有人應佔權益分開呈列。本集團業績中的少數股東權益於綜合收益表中按少數股東權益及本公司股權持有人之間的年度溢利或虧損總額分配呈列。

(iii) 綜合賬目時已對銷之交易

集團內公司間結餘及交易，以及於集團內公司間交易所產生之任何未變現收支於編製綜合財務報表時對銷。與按權益法入賬之被投資公司交易所產生之未變現收益以本集團於被投資公司權益之投資為限予以對銷。未變現虧損以未變現收益之相同方法對銷，惟須以並無減值證據為限。

2. Significant accounting policies (continued)

(e) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the date of the transaction. The functional currency of the Company is Hong Kong Dollar (“HKD”). Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rates at that date. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated to RMB at exchange rates ruling at the dates of the transactions. Foreign currency differences are recognised directly in equity.

(f) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, pledged deposits, cash and cash equivalents, loans and borrowings and trade and other payables.

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

2. 主要會計政策(續)

(e) 外幣交易

外幣交易按交易當日匯率換算成本集團公司的相關功能貨幣。本公司之功能貨幣為港元(「港元」)。於呈報日期，以外幣計值的貨幣資產及負債則按當日匯率重新換算為功能貨幣。重新換算產生的外匯差額於損益確認。按歷史成本以外幣計值的非貨幣資產及負債按交易日的匯率換算。

海外業務的資產及負債按呈報日期之匯率換算為人民幣。海外業務收支按交易當日之匯率換算為人民幣。外幣差額直接於權益確認。

(f) 金融工具

(i) 非衍生金融工具

非衍生金融工具包括交易及其他應收款項、有抵押存款、現金及現金等價物、貸款及借貸，以及交易及其他應付款項。

交易及其他應收款項首先以公平價值確認，其後以攤銷成本減呆賬減值撥備列賬，惟倘應收款項為向關連方所提供並無固定還款期的免息貸款或折現影響不大者。在該情況下，應收款項則以成本減呆賬減值撥備列賬。

2. Significant accounting policies (continued)

(f) Financial instruments (continued)

(i) Non-derivative financial instruments (continued)

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

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with Note 2(m), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Cash and cash equivalents comprise cash balances and call deposits.

Accounting for finance income and expenses is set out in Note 2(s).

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the assets. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the assets. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

2. 主要會計政策(續)

(f) 金融工具(續)

(i) 非衍生金融工具(續)

貸款及借貸首先以公平值減應佔交易成本確認。首次確認後，貸款及借貸以攤銷成本、首次確認的金額與借貸期內於損益確認之贖回價值之差額連同任何利息及應付費用按實際利息法列賬。

交易及其他應付款項首先以公平值確認。除根據附註2(m)計量之財務擔保負債外，交易及其他應付款項隨後以攤銷成本列賬，惟倘折現影響不大，則以成本列賬。

現金及現金等價物包括現金結餘及通知存款。

財務收入及支出入賬方法載於附註2(s)。

當本集團成為金融工具合約條文訂約方，則會確認該金融工具。倘本集團所持有關金融資產現金流之合約權利到期或將該金融資產轉讓予另一方而不再保留該資產的控制權或全部風險及回報，則該金融資產將不再獲確認。金融資產一般買賣乃於交易日期(即本集團承諾購買或出售有關資產的日期)入賬。倘合約列明之本集團責任到期、解除或註銷，則不會確認該金融負債。

2. Significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Derivative financial instruments

The Group uses aluminium futures contracts and forward foreign exchange contracts to mitigate its market risk associated with aluminium price and foreign currency fluctuations. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

The Group does not adopt hedge accounting. Derivative financial instruments are recognised initially at fair value, attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value.

Changes in the fair values of derivative financial instruments are recognised directly in profit or loss under “other net income” as they arise.

(g) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (Note 2(j)).

Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

2. 主要會計政策(續)

(f) 金融工具(續)

(ii) 衍生金融工具

本集團以鋁期貨合約及遠期外匯合同減輕鋁價及外幣波動的市場風險。根據其財務政策，本集團並無持有或發行衍生金融工具作交易用途。

本集團並無採納對沖會計處理法。衍生金融工具首先按公平值確認，涉及交易成本於產生時於損益確認。首次確認後，衍生金融工具按公平值計量。

衍生金融工具之公平值變動於產生時直接在損益賬中「其他收入淨額」確認。

(g) 物業、機器及設備

(i) 確認及計量

物業、機器及設備項目以成本減累計折舊及減值虧損計量(附註2(j))。

成本包括收購資產有關的直接開支。自建資產成本包括原材料成本、直接勞工費用、任何將資產投入擬定用途所需的其他直接成本、拆卸及搬遷項目以及恢復資產所在地原貌的成本。為相關設備主要功能購買軟件的費用撥作該設備成本一部分。

2. Significant accounting policies (continued)

(g) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Construction in progress represents property, plant and equipment under construction and machinery pending installation, and is stated at cost less impairment losses (Note 2(j)).

Cost comprises direct costs of construction during the construction and installation period. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when all of the activities necessary to prepare the assets for their intended use are substantially complete.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day serving of property, plant and equipment are recognised in profit or loss as incurred.

2. 主要會計政策(續)

(g) 物業、機器及設備(續)

(i) 確認及計量(續)

倘物業、機器及設備各部分使用年期不同，則會入賬列為物業、機器及設備之個別項目(主要部分)。

在建工程指在建物業、機器及設備與尚未安裝的機器，按成本減減值虧損(附註2(j))列賬。

成本包括建築及安裝期間的建築直接成本。當將資產投入擬定用途所需的所有準備工作大致完成時，不再將該等成本撥充資本，而在建工程會轉撥為物業、機器及設備。

(ii) 日後成本

倘部分物業、機器及設備項目的日後經濟利益將流入本集團，而其成本能可靠計量，則其重置成本按項目的賬面值確認。物業、機器及設備的日常服務成本於產生時在損益確認。

2. Significant accounting policies (continued)

(g) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Buildings held for own use which are situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no more than 20 years after the date of completion. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives of other property, plant and equipment are as follows:

Plant and machinery	10-20 years
Motor vehicles	3-10 years
Office equipment and others	3-10 years

No depreciation is provided in respect of construction in progress until it is substantially complete and ready for its intended use. Upon completion and commissioning for operation, depreciation will be provided at the appropriate rates specified above.

Depreciation methods, useful life and residual value are reassessed at the reporting date.

(h) Lease prepayments

Lease prepayments represent cost of land use rights paid to the PRC government authorities. Land use rights are stated as cost less accumulated amortisation and impairment losses (Note 2(j)). Amortisation is recognised in profit or loss on a straight-line basis over the respective period of the rights.

2. 主要會計政策(續)

(g) 物業、機器及設備(續)

(iii) 折舊

折舊於物業、機器及設備項目各部分的估計可使用年期內按直線法於損益確認。位於租賃土地的持作自用樓宇於未屆滿的租期或估計可使用年期(不超過落成日期起計20年)之較短期間內折舊。租賃資產於租期或可使用年期之較短期間內折舊。

其他物業、機器及設備之估計可使用年期如下：

廠房及機器	10至20年
汽車	3至10年
辦公室設備及其他	3至10年

除非在建工程已大致完成，並可作擬定用途，否則在建工程不會計提任何折舊。完成及投入經營後，折舊將按上文所載適當比率撥備。

折舊方法、可使用年期及餘值會於報告日期重估。

(h) 預付租金

預付租金指付予中國政府部門的土地使用權成本。土地使用權按成本減累計攤銷及減值虧損(附註2(j))入賬。攤銷於各權利有效期內按直線法於損益確認。

2. Significant accounting policies (continued)

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of the production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(j) Impairment of assets

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

2. 主要會計政策(續)

(i) 存貨

存貨以成本或可變現淨值之較低者計量。存貨成本按加權平均成本法計算，包括收購存貨及將存貨運至目前地點及變成現狀所涉開支。已製成的存貨及在製品的成本包括按一般產能計算的適當生產費用部分。

可變現淨值為日常業務中的估計售價，減去估計完成生產及銷售所需的成本。

(j) 資產減值

(i) 金融資產

金融資產於各報告日期獲評估，以釐定是否有任何客觀減值證據。倘有客觀證據顯示一項或多項事件對資產之估計未來現金流量有負面影響，則該金融資產視為已減值。

按攤銷成本計量的金融資產減值虧損以其賬面值與按原訂實際利率貼現的估計未來現金流量現值之差額計算。

各項主要金融資產會分別測試有否減值。其他金融資產會以信貸風險特色分類評估。

2. Significant accounting policies (continued)

(j) Impairment of assets

(i) Financial assets (continued)

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2. 主要會計政策(續)

(j) 資產減值(續)

(i) 金融資產(續)

所有減值虧損均於損益確認。

倘撥回可客觀地與減值虧損確認後發生之事項有關連，則可撥回減值虧損。按攤銷成本計量之金融資產，撥回時須於損益確認。

(ii) 非金融資產

本集團非金融資產(存貨及遞延稅項資產除外)之賬面值會於各報告日期檢討，以釐定有否減值跡象。如有上述跡象，則須估計該資產的可收回金額。

資產或現金產生單位的可收回金額為其使用價值與公平值減銷售成本兩者之較高者。評估使用價值時，估計未來現金流量會按可反映貨幣時間價值之現行市場評估及該資產特有風險的除稅前貼現率貼現成現值。就減值測試而言，資產以能通過持續使用產生現金流量而大致上獨立於其他資產或資產類別所產生的現金流入的最小資產類別(「現金產生單位」)分組。

2. Significant accounting policies (continued)

(j) Impairment of assets (continued)

(ii) Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. 主要會計政策(續)

(j) 資產減值(續)

(ii) 非金融資產(續)

倘資產或其現金產生單位的賬面值超過其可收回金額，方會確認減值虧損。減值虧損於損益確認。所確認有關現金產生單位之減值虧損會先撥至減少該單位獲分配的任何商譽賬面值，然後按比例減少該單位(或一組單位)中的其他資產賬面值。

於各報告日期評估過往期間確認之減值虧損是否已減少或不再存在。倘釐定可收回金額的估計有變時，可撥回減值虧損。減值虧損僅於資產賬面值不超過假如並無確認減值虧損而應有的賬面值(已扣除折舊或攤銷)時方可撥回。

2. Significant accounting policies (continued)

(k) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated to assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(l) Employee benefit

Obligations for contribution to defined contributed pension plans are recognised as an expense in profit or loss when they are due.

(m) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

2. 主要會計政策(續)

(k) 持作待售非流動資產

預期主要通過出售而非持續使用收回之非流動資產(或出售資產及負債組合)歸類為持作待售資產。緊接資產(出售組合之部分)於歸類為持作待售前會按照本集團之會計政策重新計量,其後資產(或出售組合)一般按賬面值或公平值減銷售成本之較低者計算。出售組合之任何減值虧損按比例分配至資產及負債,惟根據本集團會計政策持續計量的存貨、金融資產、遞延稅項資產、僱員福利資產及投資物業不會獲分配任何虧損。首次歸類為持作待售資產之減值虧損及其後重新計量時產生之收益或虧損於損益確認。倘收益超過任何累計減值虧損,則不會確認。

(l) 僱員福利

定額供款退休金計劃的責任於屆滿時在損益確認為開支。

(m) 已發行的財務擔保

財務擔保乃要求發行人(即擔保人)因特定債務人未能根據債務文據之條款於到期時還款引致的損失向擔保受益人(「持有人」)償付特定款項之合約。

2. Significant accounting policies (continued)

(m) Financial guarantees issued (continued)

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 2(n) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group, under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(n) Provisions

Provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2. 主要會計政策(續)

(m) 已發行的財務擔保(續)

倘本集團發出財務擔保，該擔保之公平值(即交易價格，惟公平值可準確估計則除外)首先確認為交易及其他應付款項之遞延收入。因發出擔保而已收或應收的代價根據本集團適用於該資產類別之政策確認。

首先確認為遞延收入之擔保金額於擔保年期內在損益作為已發出的財務擔保之收入攤銷。此外，倘(i)擔保持有人可根據擔保向本集團催收款項；及(ii)向本集團提出的申索款額預期高於現時就該擔保於交易及其他應付款項列賬之數額(即最初確認之金額)減累計攤銷後撥備的金額，即須按照附註2(n)確認。

(n) 撥備

倘本集團須就過往事件承擔能可靠估計的法定或推定責任，且很可能需要流出經濟利益以履行責任，則會確認撥備。撥備乃通過按可反映金錢時間價值之現行市場評估及負債特有風險的除稅前利率將預期未來現金流量貼現而釐定。

2. Significant accounting policies (continued)

(n) Provisions (continued)

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for. The Group did not have any detailed and formal restructuring plan up to the date of this report.

(o) Turnover

(i) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding value added tax or other sales taxes. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards vary depending on the individual terms of contract of sales. For sales of aluminium profiles, transfer usually occurs when the product is received at the customer's warehouse; however, for some international shipments transfer occurs upon loading the goods onto the relevant carrier.

(ii) Services income

Revenue from services rendered is recognised in profit or loss upon the completion of transaction.

2. 主要會計政策(續)

(n) 撥備(續)

倘本集團批准詳細正式的重組計劃，並已開始重組或公開宣佈進行重組，則會確認重組撥備。不會為日後的經營成本作出撥備。截至本報告日期，本集團尚未制定任何詳細正式的重組計劃。

(o) 營業額

(i) 銷售貨品

銷售貨品之收入按已收或應收代價之公平值扣除退貨及補貼、貿易折扣及按成交量計算的回扣(不包括增值稅或其他銷售稅)計量。當貨品擁有權的重大風險及回報已轉交買方，並有可能收回代價，貨品的有關成本及可能退貨數額能可靠估計且對貨品並無持續監管權時，方會確認收入。

風險及回報轉讓視乎銷售合約之個別條款而定。銷售鋁型材時，通常於客戶倉庫接收貨品時轉讓。然而，部分國際貨運的轉讓則於貨品裝載至有關集裝箱時進行。

(ii) 服務收入

提供服務之收入於完成交易後於損益確認。

2. Significant accounting policies (continued)

(p) Government grants

An unconditional government grant is recognised in profit or loss when the grant becomes receivable.

Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same period in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

(q) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(r) Operating lease payment

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expenses, over the term of the lease.

(s) Finance income and expenses

Finance income comprises interest income on funds invested, foreign currency gains and dividend income. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group or the Company's right to receive payment is established.

2. 主要會計政策(續)

(p) 政府補貼

無條件政府補貼於有權收取補貼時在損益確認。

倘可合理保證本集團能收取政府補貼且可符合有關條件，則政府補貼首先確認為遞延收入。補償本集團所涉開支之補貼於確認該等開支的相同期間有系統地在損益確認。補償本集團個別資產成本之補貼於資產可用年期內有系統地在損益確認。

(q) 租金收入

投資物業之租金收入於租期內按直線法在損益確認。租金優惠於租期內確認為總租金收入一部分。

(r) 經營租金

經營租金乃於租期內按直線法在損益確認。已收取的租金優惠於租期內確認為總租金開支一部分。

(s) 財務收入及支出

財務收入包括投資款項之利息收入、外匯收益及股息收入。利息收入以實際利息法在應計時確認。股息收入於本集團或本公司收取款項之權利已確立當日於損益確認。

2. Significant accounting policies (continued)

(s) Finance income and expenses (continued)

Finance expenses comprise interest expense on borrowings and foreign currency losses. All borrowing costs are recognised in profit or loss using effective interest method.

Foreign currency gains and losses are reported on a net basis.

(t) Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

(u) Income tax expense

Income tax expense comprises current tax and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case they are recognised in equity.

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

2. 主要會計政策(續)

(s) 財務收入及支出(續)

財務支出包括借貸利息開支及外匯虧損。所有借貸成本均以實際利息法於損益確認。

外匯收益及虧損按淨值基準呈報。

(t) 研發成本

研究成本於產生期間確認為開支。研發成本包括與研發活動直接相關的成本或可合理分配至該等活動的一切費用。鑑於本集團研發活動之性質，個別資產的有關成本僅可於開發後期當餘下開發成本極少時方可符合確認條件。因此，研究成本及開發成本一般於產生期間確認為開支。

(u) 所得稅開支

所得稅開支包括即期及遞延稅項。所得稅開支於損益確認，惟倘與直接於權益確認之項目相關，則於權益確認。

即期稅項乃根據年內應課稅收入按報告日期已實施或大致實施的稅率計算之預計應付稅項，並會按過往年度之應付稅項調整。

2. Significant accounting policies (continued)

(u) Income tax expense (continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. 主要會計政策(續)

(u) 所得稅開支(續)

可扣稅與應課稅暫時差額分別產生的遞延稅項資產及負債即財務報告所載資產與負債賬面值與相關稅基的差額。遞延稅項資產亦會來自未動用稅務虧損及未動用稅務抵免。

除若干少數例外情況外，所有遞延稅項負債及所有遞延稅項資產(須可能有日後應課稅溢利可供動用該資產)均會確認。支持確認可扣稅暫時差額所產生遞延稅項資產的日後應課稅溢利包括撥回現有應課稅暫時差額所產生溢利，惟該等差額須與相同稅務機關及相同課稅公司有關，並預期於可扣稅暫時差額預期撥回的同一年間或遞延稅項資產所產生稅務虧損可撥回或結轉的各期間內撥回。釐定現有應課稅暫時差額是否支持確認未動用稅務虧損及抵免所產生遞延稅項資產的條件相同，即與同一稅務機關及課稅公司有關且預期於稅務虧損或抵免動用的期間撥回的差額會計算在內。

2. Significant accounting policies (continued)

(u) Income tax expense (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

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

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. 主要會計政策(續)

(u) 所得稅開支(續)

確認遞延稅項資產與負債的少數例外情況為首次確認並不影響會計或應課稅溢利的資產或負債(並非業務合併一部分)產生的暫時差額,以及有關投資附屬公司的暫時差額,如為應課稅差額,則集團可控制撥回時間及該等差額於可見將來應不會撥回者,而如為可扣稅差額,即於可見將來或會撥回者。

所確認遞延稅項金額乃根據預期資產及負債賬面值變現或結算方式,按結算日已頒佈或實質頒佈的稅率計算。遞延稅項資產及負債不會貼現。

於各結算日會檢討遞延稅項資產的賬面值,並會減少至不可能有足夠應課稅溢利供相關稅務優惠動用為止。有關減少會於應有足夠應課稅溢利時撥回。

分派股息產生的額外所得稅會於確認支付相關股息的負債時確認。

2. Significant accounting policies (continued)

(u) Income tax expense (continued)

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

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(v) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

2. 主要會計政策(續)

(u) 所得稅開支(續)

即期結餘與遞延稅務結餘以及相關增減會分開呈列，且不會對銷。倘本公司或本集團可合法將即期稅項資產與即期稅項負債對銷，並符合下列其他條件，則可將即期稅項資產與即期稅項負債以及遞延稅項資產與遞延稅項負債互相對銷：

- 如為即期稅項資產及負債，本公司或本集團擬按淨額結算，或同時變現資產及結算負債；或
- 如為遞延稅項資產及負債，則須與同一稅務機關所徵收所得稅有關：
 - 同一應課稅實體；或
 - 不同應課稅實體，計劃在預期有重大金額的遞延稅項負債或資產須予清償或收回的每個未來期間，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現及清償該資產及該負債。

(v) 關連方

編製本財務報表時，倘符合下列條件，則視為本集團之關連方：

- (i) 該方能夠直接或透過一間或多間中介機構間接控制本集團或對本集團的財務及經營決策發揮重大影響力，或共同控制本集團；

2. Significant accounting policies (continued)

(v) Related parties (continued)

- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or, a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individual;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(w) Segment reporting

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

2. 主要會計政策 (續)

(v) 關連方 (續)

- (ii) 本集團與該方受共同控制；
- (iii) 該方為本集團的聯營公司或本集團為合營夥伴的合營企業；
- (iv) 該方為本集團或本集團母公司之主要管理人員或有關人士的親屬，或受有關人士控制、共同控制或重大影響的公司；
- (v) 該方為第(i)項所指人士的親屬或受該等人士控制、共同控制或重大影響的公司；或
- (vi) 該方為以本集團或本集團關連方之任何公司僱員為受益人的離職後福利計劃。

個別人士的親屬指與公司進行買賣時預期可影響相關個別人士或受相關人士影響的家族成員。

(w) 分部報告

分部指本集團內負責提供相關產品或服務(業務分部)，或在特定經濟環境(地區分部)提供產品或服務的不同部分，各分部所承受的風險及獲得的回報互不相同。

2. Significant accounting policies (continued)

(w) Segment reporting (continued)

The Group's operation is regarded as a single segment, being an enterprise engaged in the Aluminium Profile Business. In addition, analysis of the Group's turnover and results as well as analysis of the Group's carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as over 90% of the turnover are generated from the PRC market.

3. Determination of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset and liability.

(i) Derivatives financial instruments

The fair value of future aluminium contracts and forward foreign exchange contracts are based on their market price.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

2. 主要會計政策(續)

(w) 分部報告(續)

本集團之營運被視為單一分部，即從事鋁型材業務之企業。此外，由於超過90%營業額乃於中國市場產生，故並無呈列按地區市場分類之本集團營業額及業績分析以及本集團分部資產賬面值及添置物業、機器及設備分析。

3. 釐定公平值

本集團多項會計政策及披露須要釐定金融及非金融資產及負債之公平值。用作計量及／或披露的公平值乃根據以下方法釐定。有關釐定公平值時所作假設的其他資料(如適用)在相關資產及負債的相關附註披露。

(i) 衍生金融工具

鋁期貨合約及遠期外匯合同之公平值乃按市場報價計算。

(ii) 非衍生金融負債

用作披露的公平值乃根據未來本金及利息現金流量按報告日期的市場利率折現之現值計算。

4. Turnover

The Group is principally engaged in the Aluminium Profile Business. Turnover represents the sales value of goods supplied to customers. Turnover excludes value added taxes or other sales taxes and is after allowance for goods returned and deduction of any trade discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

4. 營業額

本集團主要從事鋁型材業務。營業額指向客戶供應之貨品銷售價值。營業額不包括增值稅或其他銷售稅，並已扣除退貨撥備及任何貿易折扣。於年內營業額確認之各個重要收益類別金額如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Manufacture and sale of aluminium profiles	製造及銷售鋁型材	2,025,322	2,039,331
Manufacture and sale of aluminium panels, moulds and spare parts	製造及銷售鋁板、 模具及零部件	109,102	108,920
Provision of processing services	提供加工服務	1,944	423
		2,136,368	2,148,674

5. Other net (loss)/income

5. 其他(虧損)/收入淨額

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Compensation from patent infringements (i)	專利侵權賠償(i)	—	936
Government grants (ii)	政府補貼(ii)	2,927	415
Rental income	租金收入		
— investment property	— 投資物業	—	329
— others	— 其他	232	78
Net realised and unrealised (losses)/gains on derivative financial instruments	衍生金融工具已變現及未變現(虧損)/收益淨額		
— aluminium future contracts	— 鋁期貨合約	(19,342)	3,247
— forward foreign exchange contracts	— 外匯遠期合約	(580)	—
Gain on disposal of lease prepayments	出售預付租金收益	—	174,941
Gain on disposal of assets classified as held for sale	出售列為持作待售資產收益	11,637	—
Services income generated from design and installation of aluminium panels	設計及安裝鋁板所得服務收入	—	1,668
Others	其他	548	554
		(4,578)	182,168

(i) During the year ended 31 December 2007, the Group received compensation from patent infringements in connection with certain litigations.

(ii) Government grants in form of cash subsidies were received from several bureaux of the local government. The entitlement of certain government grants was unconditional and was under the discretion of the relevant bureaux. They were granted for future development of the Group. The entitlement of the remaining government grants was conditional. They were granted for subsidising certain research projects, exporting activities of the Group, and maintaining the status of the Group's brand name "Xingfa" as a well-known trademark in the PRC. The relevant conditions mainly included the completion of the research projects. The Group was entitled to these grants when the respective conditions were fulfilled and approvals were obtained from the relevant bureaux.

(i) 截至二零零七年十二月三十一日止年度，本集團已收取有關若干訴訟的專利侵權賠償。

(ii) 本集團獲若干地方政府發放政府現金補貼。若干政府補貼金由相關部門酌情無條件發出，作本集團日後發展之用。其餘政府補貼金為有條件授出，作為本集團若干研究項目、出口業務及維持本集團「興發」品牌作為中國知名商標的津貼。有關條件主要包括完成研究項目。本集團於達成相關條件及取得有關當局的批准後獲發有關補貼。

6. Profit before taxation

6. 除稅前溢利

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
(a) Finance income and expenses:	(a) 財務收入及支出：		
Interest income on bank deposits	銀行存款利息收入	(6,622)	(2,435)
Finance income	財務收入	(6,622)	(2,435)
Interest expenses on bank loans	銀行貸款利息開支	33,282	26,211
Net foreign exchange losses	外匯虧損淨額	6,788	4,267
Finance expenses	財務支出	40,070	30,478
Net finance costs	財務成本淨額	33,448	28,043

(b) Staff costs

(b) 員工成本

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	53,425	41,438
Contributions to defined contribution retirement plan	向定額供款退休計劃供款	3,092	2,041
		56,517	43,479

Staff costs included directors' remuneration (Note 8).

員工成本包括董事酬金(附註8)。

The employees of the Group in the PRC participate in a defined contribution retirement scheme operated by the local government whereby the Group is required to contribute to the scheme at a rate of 10% of the eligible employees' basic salary. The local government authority is responsible for the entire pension obligations payable to the employees.

本集團的中國僱員參與地方政府經營的定額供款退休計劃，據此，本集團須按合資格僱員基本薪金的10%向計劃供款。地方政府機關全權負責向僱員支付退休金。

6. Profit before taxation (continued)

(b) Staff costs (continued)

Contributions to Mandatory Provident Funds are required under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The Group and its employees in Hong Kong each makes monthly mandatory contributions to the Mandatory Provident Fund Scheme at 5% of the employees' relevant income as defined under the Mandatory Provident Fund Schemes Ordinance. The contributions from employees and employer are subject to a cap of monthly relevant income of HKD20,000.

The Group has no other obligations for payment of retirement and other post-retirement benefits to the employees other than the contribution described above.

(c) Other items:

6. 除稅前溢利(續)

(b) 員工成本(續)

香港強制性公積金條例規定須向強制性公積金作出供款。本集團及其於香港之僱員各自每月按強制性公積金條例項下界定之僱員有關入息5%向強制性公積金計劃作出強制性供款。僱主及僱員之供款上限為每月有關入息20,000港元。

除上述供款外，本集團並無為僱員退休及其他退休後福利供款的其他責任。

(c) 其他項目

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Depreciation (i)	折舊 (i)		
— Property, plant and equipment	— 物業、機器及設備	26,929	23,872
— Investment property	— 投資物業	—	94
Amortisation of lease prepayments (i)	預付租金攤銷 (i)	1,338	1,143
Research and development costs (ii)	研發成本 (ii)	2,403	2,265
Increase in inventory provisions	存貨撥備增加	1,900	—
Auditor's remuneration	核數師酬金		
— audit services	— 審核服務	998	195
— other services	— 其他服務	1,050	—
Cost of inventories (i)	存貨成本 (i)	1,961,110	1,949,498
Operating lease charges: (i)	經營租金：(i)		
— plants and machineries	— 廠房及機器	3,607	2,345
— properties	— 物業	11,046	4,473

6. Profit before taxation (continued)

(c) Other items: (continued)

- (i) Cost of inventories for the year ended 31 December 2008 includes RMB75,627,000 (2007: RMB53,363,000) relating to depreciation, amortisation expenses, operating lease charges and staff costs, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.
- (ii) Research and development costs include staff costs of RMB1,368,000 for the year ended 31 December 2008 (2007: RMB1,102,000) which amount is also included in Note 6(b).

7. Income tax expenses/(credit)

(a) Income tax expenses/(credit) in the income statement represents:

6. 除稅前溢利(續)

(c) 其他項目(續)

- (i) 截至二零零八年十二月三十一日止年度，存貨成本包括與折舊、攤銷開支、經營租金及員工成本有關人民幣75,627,000元(二零零七年：人民幣53,363,000元)，已計入上文或附註6(b)分開披露的各類開支總額。
- (ii) 截至二零零八年十二月三十一日止年度，研發成本包括員工成本人民幣1,368,000元(二零零七年：人民幣1,102,000元)，已計入附註6(b)中。

7. 所得稅開支/(抵免)

(a) 收益表內所得稅開支/(抵免)指：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Current tax	即期稅項		
Provision for PRC income tax	中國所得稅撥備	8,862	—
Provision for PRC land appreciation tax	中國土地增值稅撥備	232	2,081
		9,094	2,081
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	臨時差額產生及撥回	(390)	(2,818)
Effect of tax rate change	稅率變動之影響	—	60
		(390)	(2,758)
		8,704	(677)

7. Income tax expenses/(credit) (continued)

(a) Income tax expenses/(credit) in the income statement represents: (continued)

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI. No provision for Singapore Corporate Profits Tax and Hong Kong Profits Tax was made as the Group has no assessable profits subject to Singapore Corporate Profits Tax and Hong Kong Profits Tax during the year (2007: Nil).
- (ii) Pursuant to the income tax rules and regulations of the PRC, the PRC subsidiaries of the Company are liable to PRC enterprise income tax as follows:
 - On 16 March 2007, the Fifth Plenary Session of the Tenth National People’s Congress passed the Corporate Income Tax Law of the PRC (the “New Tax Law”) which has taken effect on 1 January 2008. In December 2007, the Implementation Rules of the Corporate Income Tax Law of the PRC and “Guo Fa [2007] No. 39” were promulgated to specify certain implementation details and grandfathering arrangements of the new tax law. As a result of the New Tax Law, the subsidiaries of the Company in the PRC are subject to a unified tax rate of 25%. The deferred tax assets and liabilities were remeasured for the change in applicable tax rates as a result of the new tax law during the year ended 31 December 2007.

7. 所得稅開支／(抵免) (續)

(a) 收益表內所得稅開支／(抵免)指：
(續)

- (i) 根據開曼群島及英屬處女群島(「英屬處女群島」)規則及規例，本集團毋須繳納開曼群島及英屬處女群島之任何所得稅。於年內，由於本集團並無任何須繳納新加坡企業利得稅及香港利得稅之應課稅溢利，故並無就新加坡企業利得稅及香港利得稅作出撥備(二零零七年：無)。
- (ii) 根據中國所得稅規則及規例，本公司之中國附屬公司須按下列方式繳納中國企業所得稅：
 - 於二零零七年三月十六日，第十屆全國人民代表大會第五次全體會議通過《中國企業所得稅法》(「新稅法」)，新稅法於二零零八年一月一日生效。《中國企業所得稅法實施條例》及「國發[2007]第39號」於二零零七年十二月頒佈，具體說明新稅法若干實施詳情及過渡安排。實施新稅法後，本公司之中國附屬公司須按統一稅率25%繳稅。截至二零零七年十二月三十一日止年度，遞延稅項資產及負債須就新稅法所產生之適用稅率變動而被重新計量。

7. Income tax expenses/(credit) (continued)

(a) Income tax expenses/(credit) in the income statement represents: (continued)

(ii) Pursuant to the income tax rules and regulations of the PRC, the PRC subsidiaries of the Company are liable to PRC enterprise income tax as follows: (continued)

- Guangdong Xingfa Aluminium Co., Ltd. (“Guangdong Xingfa”) is a wholly foreign owned enterprise and is entitled to tax concessions whereby the profit for the first two financial years beginning with the first profit-making year is exempted from income tax in the PRC and the profit for each of the subsequent three years is taxed at 50% of the prevailing tax rate set by the local authority. The prevailing tax rate of Guangdong Xingfa in 2008 is 25% (2007: 33%), but Guangdong Xingfa can continue to enjoy the existing preferential tax treatment until the end of above mentioned tax holidays. No provision for PRC income tax has been made during 2007 as 2007 is the entity’s second profit-making year and the income tax rate applicable to Guangdong Xingfa was 12.5% for the year ended 31 December 2008.
- Foshan Xinggao Aluminium Co., Ltd (“Xinggao Aluminium”) is a limited liability company established under the laws of the PRC. It is liable to the PRC enterprise income tax at a rate of 25% during 2008 (2007: 33%).

7. 所得稅開支／(抵免) (續)

(a) 收益表內所得稅開支／(抵免)指：(續)

(ii) 根據中國所得稅規則及規例，本公司之中國附屬公司須按下列方式繳納中國企業所得稅：(續)

- 廣東興發鋁業有限公司(「廣東興發」)為全外資企業，享有稅項寬免，由首個獲利年度起計首兩個財政年度之溢利獲豁免中國所得稅，其後三年各年之溢利按地方機關制定之當時稅率50%繳稅。廣東興發於二零零八年之現行稅率為25%(二零零七年：33%)，惟廣東興發可繼續享有現有稅務優惠，直至上述稅務優惠期完結為止。由於二零零七年為該公司之第二個獲利年度，故並無於二零零七年就中國所得稅作出撥備，而截至二零零八年十二月三十一日止年度，廣東興發之適用所得稅稅率為12.5%。
- 佛山興高鋁業有限公司(「興高鋁業」)為根據中國法例成立之有限公司。於二零零八年內須按稅率25%(二零零七年：33%)繳納中國企業所得稅。

7. Income tax expenses/(credit) (continued)

(a) Income tax expenses/(credit) in the income statement represents: (continued)

(iii) For the year ended 31 December 2007, income tax credit included the tax effects of Predecessor Entities. Pursuant to the income tax rules and regulations of the PRC, the Predecessor Entities are liable to PRC enterprise income tax as follows:

- Xingfa Group was a limited liability company established under the laws of the PRC. It was liable to the PRC enterprise income tax at a rate of 33% for the year ended 31 December 2007.
- Xingfa Innovation was recognised as an Advanced Technology Enterprise according to the approval from Guangdong Provincial Department of Science and Technology. Pursuant to the approval of Local Tax Bureau of Foshan in 2003, income tax rate applicable to the entity was 15% for the year ended 31 December 2007.

(iv) Pursuant to the New Tax Law in the PRC, from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by tax treaty) on various types of passive income such as dividends derived from sources within the PRC. As Guangdong Xingfa and Xinggao Aluminium are held by a Hong Kong incorporated subsidiary, a rate of 5% is applicable to the calculation of this withholding tax.

7. 所得稅開支／(抵免) (續)

(a) 收益表內所得稅開支／(抵免)指： (續)

(iii) 截至二零零七年十二月三十一日止年度，所得稅抵免包括前身公司之稅務影響。根據中國所得稅規則及規例，前身公司須按下列方式繳納中國企業所得稅：

- 興發集團為根據中國法例成立之有限公司。截至二零零七年十二月三十一日止年度，其須按稅率33%繳納中國企業所得稅。
- 興發創新獲廣東省科學技術廳認可為高新技術企業。根據佛山市地方稅務局於二零零三年之批文，截至二零零七年十二月三十一日止年度，該公司適用之所得稅稅率為15%。

(iv) 根據中國新稅法，由二零零八年一月一日起，在中國境內未設立機構、場所，或者雖在中國境內設立機構、場所但取得之所得與其在中國境內所設機構、場所沒有實際聯繫之非居民企業，將須就多種被動收入(如源於中國境內之股息)按10%稅率(除非按稅收協定減免)繳納預提稅。由於廣東興發及興高鋁業由一間於香港註冊成立之附屬公司持有，故計算此預提稅適用之稅率為5%。

7. Income tax expenses/(credit) (continued)

(a) Income tax expenses/(credit) in the income statement represents: (continued)

(iv) (continued)

According to the notice Caishui [2008] No.1 released by the Ministry of Finance and the State Administration of Taxation, distributions of the pre-2008 retained profits of a foreign-invested enterprise to a foreign investor in 2008 or after are exempt from corporate income tax. Accordingly, undistributed profits amounted to RMB205,153,000 as retained by the Group's PRC subsidiaries as at 31 December 2007 are not subject to the 5% withholding tax on future distributions.

(v) Pursuant to "Fo Fu Ban [2003] No. 46" and "Fo Di Shui Fa [2003] No. 68" issued by the relevant government authorities in Foshan, the land appreciation tax rate applicable to the Group is 1% on the sales proceed on disposal of land use right. Gain on disposal of land use right, net of land appreciation tax and surcharges, is subject to the relevant income tax rules and regulations of the PRC as mentioned above.

7. 所得稅開支／(抵免) (續)

(a) 收益表內所得稅開支／(抵免)指：
(續)

(iv) (續)

根據財政部及國家稅務局發佈之財稅[2008]第1號通知，外商投資企業在二零零八年或之後向外國投資者分派二零零八年前之保留溢利，均可獲豁免繳納企業所得稅。因此，於將來作出分派時，本集團之中國附屬公司於二零零七年十二月三十一日保留之未分派溢利人民幣205,153,000元毋須繳納5%之預提稅。

(v) 根據佛山市相關政府機關頒佈之「佛府辦[2003]46號」及「佛地稅發[2003]68號」，適用於本集團之土地增值稅為出售土地使用權之銷售所得款項之1%。出售土地使用權之收益扣除土地增值稅及附加費後，須遵守上述中國相關所得稅規則及規例。

7. Income tax expenses/(credit) (continued)

7. 所得稅開支／(抵免) (續)

(b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

(b) 按適用稅率計算之所得稅開支與會計溢利對賬：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	38,017	290,923
Notional tax on profit before taxation, calculated at the rates applicable to the jurisdiction concerned	按相關司法權區適用稅率計算之除稅前溢利之名義稅項	14,630	96,004
Effect of tax rate change	稅率變動之影響	—	60
Tax effect of non-deductible expenses (i)	不可扣稅開支之稅務影響 (i)	2,997	1,673
Effect of tax concession (ii)	稅務優惠之影響 (ii)	(9,253)	(99,808)
Tax loss not recognised	未確認稅項虧損	156	—
Tax effect on land appreciation tax	土地增值稅之稅務影響	(58)	(687)
Provision for land appreciation tax	土地增值稅撥備	232	2,081
Income tax expenses/(credit)	所得稅開支／(抵免)	8,704	(677)

(i) Non-deductible expenses mainly represent personnel and other miscellaneous expenses in excess of statutory deductible limits for tax purposes.

(i) 就稅務目的而言，不可扣稅開支主要指超出法定可扣稅上限之僱員及其他雜項開支。

(ii) Effect of tax concession represents the difference between standard income tax rate and preferential income tax rate enjoyed by the Group as set out in Note 7(a)(ii).

(ii) 稅務優惠之影響指標準所得稅稅率與按附註7(a)(ii)所載本集團所享有優惠所得稅稅率之差額。

8. Directors' remuneration

Details of directors' remuneration of the Group are as follows:

8. 董事酬金

本集團董事酬金詳情如下：

		2008 二零零八年				
		Salary, allowance and benefits Fees	in kind Salary, allowance and benefits Fees	Contribution to retirement benefit plan	Bonus	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事					
Mr LUO Su	羅蘇先生	650	119	—	—	769
Mr LUO Riming	羅日明先生	567	122	8	—	697
Mr LIAO Yuqing	廖玉慶先生	483	122	8	—	613
Mr WANG Zhihua	王志華先生	357	75	5	—	437
Independent non-executive directors	獨立非執行董事					
Mr CHEN Mo	陳默先生	100	—	—	—	100
Mr HO Kwan Yiu	何君堯先生	100	—	—	—	100
Mr LAM Ying Hung Andy	林英鴻先生	125	—	—	—	125
Total	總計	2,382	438	21	—	2,841

8. Directors' remuneration (continued)

8. 董事酬金(續)

		2007 二零零七年				
		Fees	Salary, allowance and benefits in kind	Contribution to retirement benefit plan	Bonus	Total
		袍金	薪金、津貼及 實物利益	退休福利 計劃供款	花紅	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事					
Mr LUO Su	羅蘇先生	—	118	—	—	118
Mr LUO Riming	羅日明先生	—	121	7	—	128
Mr LIAO Yuqing	廖玉慶先生	—	121	7	—	128
Mr WANG Zihua	王志華先生	—	52	3	20	75
Independent non-executive directors	獨立非執行董事					
Mr CHEN Mo	陳默先生	—	—	—	—	—
Mr HO Kwan Yiu	何君堯先生	—	—	—	—	—
Mr LAM Ying Hung Andy	林英鴻先生	—	—	—	—	—
Total	總計	—	412	17	20	449

An analysis of directors' remuneration by the number of directors and remuneration range is as follows:

按董事人數及薪酬範圍的董事薪酬分析如下：

		2008 二零零八年 Number of directors 董事人數	2007 二零零七年 Number of directors 董事人數
Nil to HKD1,000,000	零港元至1,000,000港元	7	7

9. Senior management remuneration

Of the five individuals with the highest emoluments, four are directors whose emoluments are disclosed in Note 8 during the year (2007: three). The aggregate of the emoluments in respect of the remaining one individual (2007: two) are as follows:

9. 高級管理人員薪酬

五名最高薪酬人士中，四名為董事，彼等本年度的酬金於附註8披露(二零零七年：三名)。其餘一名(二零零七年：兩名)最高薪酬人士的酬金總額如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Basic salaries, allowances and other benefits	基本薪金、津貼及其他福利	729	128
Contribution to retirement benefit plan	退休福利計劃供款	12	9
Bonus	花紅	—	40
		741	177
		2008 二零零八年 Number of individuals 人數	2007 二零零七年 Number of individuals 人數
Nil to HKD 1,000,000	零港元至 1,000,000 港元	1	2

10. Profit attributable to equity holders of the Company

The consolidated profit attributable to equity holders of the Company includes a loss of RMB18,865,000 (2007: Nil) which has been dealt with in the financial statements of the Company.

10. 本公司股權持有人應佔溢利

本公司股權持有人應佔綜合溢利包括虧損人民幣18,865,000元(二零零七年：無)，已於本公司之財務報表中處理。

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Amount of consolidated loss attributable to equity holders dealt with in the Company's financial statements	於本公司財務報表中處理股權持有人應佔綜合虧損金額	(18,865)	—
Final dividends from subsidiaries attributable to the profits of the previous financial year, approved and paid during the year	上一財政年度溢利應佔之附屬公司股息，於年內批准及派付	50,000	—
Company's profit for the year (Note 27)	本公司之年度溢利(附註27)	31,135	—

11. Dividends

Interim dividend declared and paid	已宣佈及派付之中期股息	—	118,961
Final and special dividends proposed after the balance sheet date of RMB0.05 per ordinary share (2007: Nil)	於結算日後建議派付之末期及特別股息每股普通股人民幣0.05元(二零零七年：無)	20,900	—

The directors proposed a special dividend of RMB0.029 per share and subject to the shareholders' approval at the forthcoming annual general meeting, a final dividend of RMB0.021 per share to all equity holders of the Company. The final and special dividends proposed after the balance sheet date have not been recognised as liabilities at the balance sheet date.

11. 股息

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Interim dividend declared and paid	—	118,961
Final and special dividends proposed after the balance sheet date of RMB0.05 per ordinary share (2007: Nil)	20,900	—

董事建議向本公司全體股權持有人派發特別股息每股人民幣0.029元及末期股息每股人民幣0.021元，惟末期股息的派發須經股東於行將召開之股東週年大會上批准。於結算日後建議派發之末期及特別股息並無於結算日確認為負債。

12. Earnings per share

The calculation of basic earnings per share during the year ended 31 December 2008 was based on the profit attributable to equity holders of the Company of RMB29,313,000 (2007: RMB291,750,000) and the weighted average number of shares in issue during the year ended 31 December 2008 of 391,789,000 (2007: 311,410,000). The weighted average number of shares in issue during the year ended 31 December 2007 and 2008 is calculated on the assumption that the 311,410,000 shares issued upon the Reorganisation were outstanding throughout the entire two years.

		2008 二零零八年 '000 shares 千股	2007 二零零七年 '000 shares 千股
Share issued upon Reorganisation	於重組後發行股份	311,410	311,410
Effect of shares issued on 31 March 2008	於二零零八年三月三十一日發行股份之影響	80,379	—
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數	391,789	311,410

There were no dilutive potential ordinary shares in issue for the years ended 31 December 2007 and 2008, and therefore, diluted earnings per share are the same as the basic earnings per share.

12. 每股盈利

截至二零零八年十二月三十一日止年度之每股基本盈利乃根據本公司股權持有人應佔溢利人民幣29,313,000元(二零零七年：人民幣291,750,000元)及截至二零零八年十二月三十一日止年度已發行股份之加權平均數391,789,000股(二零零七年：311,410,000股)。截至二零零七年及二零零八年十二月三十一日止年度已發行股份之加權平均數乃假設於重組後發行之311,410,000股股份於兩個年度內一直流通在外計算。

截至二零零七年及二零零八年十二月三十一日止年度，並無潛在攤薄普通股，故每股攤薄盈利與每股基本盈利相同。

13. Property, plant and equipment

13. 物業、機器及設備

(a) The Group

(a) 本集團

		Buildings	Plant and machinery	Motor Vehicles	Office equipment and others	Construction in progress	Total
		樓宇	廠房及機器	汽車	辦公室設備及其他	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本:						
At 1 January 2007	於二零零七年一月一日	115,025	229,212	6,036	8,602	—	358,875
Additions	添置	1,253	36,295	2,260	2,926	12,812	55,546
Disposals	出售	(661)	—	—	—	—	(661)
Transfer from construction in progress	轉撥自在建工程	—	9,563	—	49	(9,612)	—
Transfer to assets classified as held for sale	轉撥至持作待售資產	(2,281)	—	—	—	—	(2,281)
Deemed disposal upon Reorganisation (ii)	視作於重組時出售(ii)	(113,336)	(22,447)	(4,012)	(5,714)	—	(145,509)
At 31 December 2007	於二零零七年十二月三十一日	—	252,623	4,284	5,863	3,200	265,970
At 1 January 2008	於二零零八年一月一日	—	252,623	4,284	5,863	3,200	265,970
Additions	添置	49,250	49,098	3,581	7,309	130,412	239,650
Transfer from construction in progress	轉撥自在建工程	188	3,498	—	—	(3,686)	—
Exchange difference	匯兌差額	—	—	—	(16)	—	(16)
At 31 December 2008	於二零零八年十二月三十一日	49,438	305,219	7,865	13,156	129,926	505,604
Accumulated depreciation:	累計折舊:						
At 1 January 2007	於二零零七年一月一日	(51,881)	(106,433)	(4,454)	(4,260)	—	(167,028)
Charge for the year	本年度支出	(3,247)	(19,556)	(383)	(686)	—	(23,872)
Written back on disposals	出售撥回	475	—	—	—	—	475
Transfer to assets classified as held for sale	轉撥至持作待售資產	453	—	—	—	—	453
Deemed disposal upon Reorganisation (ii)	視作於重組時出售(ii)	54,200	2,101	2,973	3,735	—	63,009
At 31 December 2007	於二零零七年十二月三十一日	—	(123,888)	(1,864)	(1,211)	—	(126,963)
At 1 January 2008	於二零零八年一月一日	—	(123,888)	(1,864)	(1,211)	—	(126,963)
Charge for the year	本年度支出	(1,655)	(23,531)	(681)	(1,062)	—	(26,929)
Exchange difference	匯兌差額	—	—	—	1	—	1
At 31 December 2008	於二零零八年十二月三十一日	(1,655)	(147,419)	(2,545)	(2,272)	—	(153,891)
Net book value:	賬面淨值:						
At 31 December 2008	於二零零八年十二月三十一日	47,783	157,800	5,320	10,884	129,926	351,713
At 31 December 2007	於二零零七年十二月三十一日	—	128,735	2,420	4,652	3,200	139,007

13. Property, plant and equipment (continued)

13. 物業、機器及設備 (續)

(b) The Company

(b) 本公司

		Office equipment and others 辦公室設備 RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2008	於二零零八年一月一日	—
Additions	添置	791
Exchange difference	匯兌差額	(16)
		775
At 31 December 2008	於二零零八年十二月三十一日	775
Accumulated depreciation:	累計折舊：	
At 1 January 2008	於二零零八年一月一日	—
Charge for the year	本年度支出	156
Exchange difference	匯兌差額	(1)
		155
At 31 December 2008	於二零零八年十二月三十一日	155
Net book value:	賬面淨值：	
At 31 December 2008	於二零零八年十二月三十一日	620
At 31 December 2007	於二零零七年十二月三十一日	—

(i) All properties owned by the Group are located in the PRC. Buildings represented medium-term leasehold properties.

(i) 本集團擁有的全部物業均位於中國。該等樓宇為中期租賃物業。

(ii) Pursuant to the Reorganisation, certain property, plant and equipment with aggregate net book value of RMB82,500,000 were retained by the Predecessor Entities (Note 27(e)) and had been reflected as deemed appropriation to equity holders of the Company for the year ended 31 December 2007.

(ii) 根據重組，賬面淨值合共人民幣82,500,000元之若干物業、機器及設備由前身公司(附註27(e))保留，並列為於截至二零零七年十二月三十一日止年度視作分配予本公司股權持有人。

13. Property, plant and equipment (continued)

(b) The Company (continued)

- (iii) Up to the date of this report, the Group is in process of applying for the title certificate of one of its properties with carrying value of approximately RMB4,077,000 as at 31 December 2008 (2007: Nil).
- (iv) Included in additions are the purchase of property, plant and equipment amounted to RMB90,711,000 through the acquisition of 100% equity interests in Xinggao Aluminium (Note 16).

13. 物業、機器及設備(續)

(b) 本公司

- (iii) 截至本報告日期，本集團正在為其中一項於二零零八年十二月三十一日之賬面值約為人民幣4,077,000元之業權證(二零零七年：無)。
- (iv) 添置包括透過收購興高鋁業之100%股權而購買物業、機器及設備人民幣90,711,000元(附註16)。

14. Lease prepayments

14. 預付租金

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Cost:	成本：		
At 1 January	於一月一日	—	91,205
Addition	添置	154,999	5,515
Disposal	出售	—	(25,250)
Transfer to assets classified as held for sale	轉撥至持作待售資產	—	(5,470)
Deemed disposal upon Reorganisation (ii)	視作於重組時出售 (ii)	—	(66,000)
At 31 December	於十二月三十一日	154,999	—
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	—	(9,721)
Charge for the year	於年度支出	(1,338)	(1,143)
Disposal	出售	—	1,867
Transfer to assets classified as held for sale	轉撥至持作待售資產	—	474
Deemed disposal upon Reorganisation (ii)	視作於重組時出售 (ii)	—	8,523
At 31 December	於十二月三十一日	(1,338)	—
Carrying amount:	賬面值：		
At 31 December	於十二月三十一日	153,661	—

14. Lease prepayments (continued)

- (i) Interests in leasehold land represent prepayments of land use rights premium to the PRC authorities. The Group's leasehold land is located in the PRC, on which the Group's manufacturing plants were built.
- (ii) Pursuant to the Reorganisation, land use rights (area of approximately 144,355 square metres and remaining periods of grant from 42 years to 50 years) with an aggregate carrying value of RMB57,477,000 were retained by the Predecessor Entities and had been reflected as deemed appropriation to equity holders of the Company for the year ended 31 December 2007 (Note 27(e)).
- (iii) Included in additions for the year ended 31 December 2008 is the additional prepayment of land use right premium amounted to RMB154,999,000 through the acquisition of 100% equity interests in Xinggao Aluminium (Note 16). The remaining period of this land use right was 48 years.

15. Investment in subsidiaries

14. 預付租金 (續)

- (i) 租賃土地權益指預付中國機構之土地使用權費用。本集團之租賃土地位於中國，其上建有本集團生產廠房。
- (ii) 根據重組，賬面值合共人民幣57,477,000元之土地使用權(面積約144,355平方米，餘下獲授年期42至50年)由前身公司保留，並於截至二零零七年十二月三十一日止年度列為視作分配予本公司股權持有人(附註27(e))。
- (iii) 截至二零零八年十二月三十一日止年度之添置包括透過收購興高鋁業之100%股權而額外償還土地使用權溢價人民幣154,999,000元(附註16)。該土地使用權之餘下年期為48年。

15. 於附屬公司之投資

		The Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Unlisted shares, at cost	非上市股份，按成本	626,654	—

15. Investment in subsidiaries (continued)

Details of subsidiaries of the Company at 31 December 2008 are set out below:

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid up capital 已發行及 繳足資本	Attributable equity interest 應佔權益		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
China Xingfa (BVI) Limited (“Xingfa BVI”)	BVI 2 October 2007 英屬處女群島 二零零七年十月二日	USD1,000 1,000美元	100%	—	Investment holding 投資控股
Xingfa Aluminium (Hong Kong) Limited (“Xingfa Hong Kong”) 興發鋁業(香港) 有限公司(「興發鋁業」)	Hong Kong 14 April 2008 香港 二零零八年 四月十四日	HKD1,000 1,000港元	—	100%	Investment holding 投資控股
Guangdong Xingfa 廣東興發鋁業 有限公司(i)(ii) 廣東興發鋁業有限公司(i)(ii)	PRC 26 May 2006 中國 二零零六年五月 二十六日	RMB360,040,000 人民幣360,040,000元	—	100%	Manufacturing and sales of aluminium profiles 生產及銷售鋁型材
Xinggao Aluminium 佛山興高鋁業 有限公司(i)(iii) 佛山興高鋁業 有限公司(i)(iii)	PRC 8 May 2006 中國 二零零六年五月八日	RMB20,000,000 人民幣20,000,000元	—	100%	Leasing of land use right, buildings, and machinery 租賃土地使用權、樓 宇及機器

(i) The English translation of the Company names is for reference only. The official names of these companies are in Chinese.

(ii) The subsidiary is a wholly foreign owned enterprise.

(iii) The subsidiary is a limited liability company.

(iv) Deregistration of Xingfa Aluminium Pte. Ltd (“Xingfa SG”), a subsidiary of the Group, was completed on 11 October 2008.

15. 於附屬公司之投資(續)

於二零零八年十二月三十一日，本公司之附屬公司詳情載列如下：

(i) 公司名稱之英文翻譯僅供參考。該等公司之正式名稱為中文名稱。

(ii) 該附屬公司為外商獨資企業。

(iii) 該附屬公司為有限公司。

(iv) 本集團之附屬公司Xingfa Aluminium Pte. Ltd(「興發SG」)之撤銷註冊於二零零八年十月十一日完成。

16. Purchase of assets and assuming of liabilities

On 26 July 2008, the Group acquired 100% of equity interests in Xinggao Aluminium for a cash consideration of RMB142,698,000.

Prior to the acquisition, the principal activities of Xinggao Aluminium were leasing the land use rights, buildings and machinery to the Group. The underlying set of the assets acquired and liabilities assumed was not integrated in forming a business to generate external revenues to the Group as a whole. As such, the directors are of the opinion that the acquisition of Xinggao Aluminium is considered as a purchase of assets and assuming of liabilities which does not constitute a business combination for accounting purposes.

The directors considered that the total purchase consideration paid represented the fair value of assets acquired and the liabilities assumed. The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

於二零零八年七月二十六日，本集團收購興高鋁業之100%股權，現金代價為人民幣142,698,000元。

根據收購興高鋁業之主要業務為向本集團出租土地使用權、樓宇及機器。所收購之相關資產組別及所承擔之負債不予結合以組成整體為本集團產生外來收益之業務。因此，董事認為，就會計而言，收購興高鋁業被視為並不構成業務合併之購買資產及承擔負債。

董事認為，已付總購買代價相當於所收購資產及所承擔負債之公平值。於收購日期，收購對本集團之資產及負債有下列影響：

		RMB'000 人民幣千元
Property, plant and equipment (Note 13 (iv))	物業、機器及設備 (附註13(iv))	90,711
Lease prepayments (Note 14 (iii))	預付租金 (附註14(iii))	154,999
Other receivables	其他應收款項	11,941
Cash and cash equivalents	現金及現金等價物	54
Other payables	其他應付款項	(115,007)
Net identifiable assets and liabilities	可識別資產及負債	142,698
Consideration paid, satisfied in cash	已付代價，以現金支付	142,698
Cash acquired	已收購現金	(54)
Net cash outflow	現金流出淨額	142,644

17. Income tax in the consolidated balance sheet

(a) Current taxation in the consolidated balance sheet represents:

17. 綜合資產負債表內的所得稅

(a) 綜合資產負債表內的即期稅項為：

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
At 1 January	於一月一日	2,086	3,941
Provision for PRC income tax (Note 7(a))	中國所得稅撥備 (附註 7(a))	8,862	—
Provision for PRC land appreciation tax (Note 7(a))	中國土地增值稅撥備 (附註 7(a))	232	2,081
PRC income tax paid	已付中國所得稅	(10,353)	(1,537)
PRC land appreciation tax paid	已付中國土地增值稅	(232)	(2,081)
Deemed disposal upon Reorganisation (Note 27(e))	視作於重組時出售 (附註 27(e))	—	(318)
At 31 December	於十二月三十一日	595	2,086

17. Income tax in the consolidated balance sheet (continued)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax/(liabilities) recognised in the consolidated balance sheet and the movements during the year are as follows:

		The Group 本集團					
		Depreciation charges in excess of related depreciation allowance	Tax losses	Change in fair value of derivative financial instruments	Impairment loss on bad and doubtful debts	Impairment loss on inventory	Total
		超過相關折舊撥備之折舊費用	稅項虧損	衍生金融工具之公平值變動	呆壞賬減值虧損	存貨減值虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Deferred tax arising from	產生自下列項目之遞延稅項						
At 1 January 2007	於二零零七年一月一日	169	—	(821)	417	—	(235)
Recognised in profit or loss	於損益確認	65	1,995	758	—	—	2,818
Effect of tax rate change	稅率改變的影響	(40)	—	—	(20)	—	(60)
Deemed appropriation upon Reorganisation (Note 27(e))	視作於重組時分配 (附註27(e))	(194)	(1,995)	63	(397)	—	(2,523)
At 31 December 2007	於二零零七年十二月三十一日	—	—	—	—	—	—
At 1 January 2008	於二零零八年一月一日	—	—	—	—	—	—
Recognised in profit or loss	於損益確認	—	—	153	—	237	390
At 31 December 2008	於二零零八年十二月三十一日	—	—	153	—	237	390

(c) Deferred tax assets/liabilities not recognised

No deferred tax assets in respect of accumulated tax losses in Xinggao Aluminium of RMB625,000 have been recognised as it is not probable that the future taxable profits against which the losses can be utilised will be generated. The tax losses incurred by Xinggao Aluminium expire five years after they are incurred.

17. 綜合資產負債表內的所得稅 (續)

(b) 已確認遞延稅項資產及負債：

綜合資產負債表內確認的遞延稅項／(負債) 及年內變動如下：

(c) 未獲確認之遞延稅項資產／負債

由於不大可能產生未來應課稅溢利以動用虧損，故並無就興高鋁業之累計稅務虧損人民幣625,000元確認遞延稅項資產。興高鋁業所產生之稅務虧損於產生後五年屆滿。

17. Income tax in the consolidated balance sheet (continued)

(c) Deferred tax assets/liabilities not recognised (continued)

At 31 December 2008, temporary differences relating to the undistributed profits of the Group's PRC subsidiaries amounted to RMB59,445,000 (2007: nil). Deferred tax liabilities of RMB2,972,000 (2007: nil) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of the foreign-invested enterprise and the directors have determined that the profits will not be distributed in the foreseeable future.

18. Inventories

(a) Inventories in the consolidated balance sheet comprise:

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

- (b) A provision of RMB1,900,000 (2007: Nil) was made against those inventories with net realisable value lower than the carrying value as at 31 December 2008. Other than this provision, none of the inventories as at 31 December 2007 and 2008 were carried at net realisable value.

17. 綜合資產負債表內的所得稅(續)

(c) 未獲確認之遞延稅項資產／負債(續)

於二零零八年十二月三十一日，有關本集團於中國之附屬公司未分派溢利之暫時差額為人民幣59,445,000元(二零零七年：無)。由於本公司控制外商投資企業之股息政策，且董事已釐定於可見將來不會分派溢利，故並無就分派該等保留溢利而須繳付之稅項確認遞延稅項負債人民幣2,972,000元(二零零七年：無)。

18. 存貨

(a) 於綜合資產負債表內之存貨包括：

The Group 本集團	
2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
117,992	165,773
14,295	11,724
64,045	62,128
196,332	239,625

- (b) 於二零零八年十二月三十一日，已就可變現淨值低於賬面值之存貨計提撥備人民幣1,900,000元(二零零七年：無)。除此撥備外，於二零零七年及二零零八年十二月三十一日，概無存貨按可變現淨值入賬。

18. Inventories (continued)

- (c) The analysis of the amount of inventories recognised as an expense is as follows:

Carrying amount of inventories sold	已售存貨賬面值
Write-down of inventories	撤減存貨

- (d) Certain inventories with an aggregate carrying value of RMB146,990,000 were pledged as securities for bank loans of the Group as at 31 December 2008 (2007: RMB53,773,000) (Note 24(b)(i)).
- (e) Pursuant to the Reorganisation, certain inventories with an aggregate carrying value of RMB28,352,000 were retained by the Predecessor Entities and had been reflected as deemed appropriation to equity holders of the Company for the year ended 31 December 2007 (Note 27(e)).

19. Derivative financial instruments

Aluminium futures contracts	鋁期貨合約
Forward foreign exchange contracts	遠期外匯合約

18. 存貨(續)

- (c) 確認為開支之存貨金額分析如下：

The Group 本集團	
2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
1,748,735	1,764,114
1,900	—
1,750,635	1,764,114

- (d) 於二零零八年十二月三十一日，賬面總值為人民幣146,990,000元之若干存貨抵押作本集團銀行貸款之擔保(二零零七年：人民幣53,773,000元)(附註24(b)(i))。
- (e) 根據重組，賬面總值人民幣28,352,000元之若干存貨由前身公司保留，並於截至二零零七年十二月三十一日止年度列為視作分配予本公司股權持有人(附註27(e))。

19. 衍生金融工具

The Group 本集團			
2008 二零零八年		2007 二零零七年	
Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
—	(557)	810	(722)
—	(580)	—	—
—	(1,137)	810	(722)

19. Derivative financial instruments (continued)

(a) Aluminium future contracts

The Group uses commodity futures contracts to mitigate its market risk of aluminium price fluctuation. The Group's policy on the mitigation of market risk of aluminium price fluctuation is set out in Note 31(a)(i). The notional contract value outstanding at the balance sheet date and the related terms are summarised as below:

19. 衍生金融工具(續)

(a) 鋁期貨合約

本集團使用商品期貨合約緩解鋁價波動的市場風險。本集團減輕鋁價波動市場風險的政策載於附註31(a)(i)。於結算日未平倉之名義合約價值及相關條款概述如下：

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Purchase contracts	採購合約		
Volume (tonne)	數量 (噸)	260	700
Market value	市值	2,995	12,631
Notional contract value	合約名義價值	3,552	13,353
Fair value	公平值	(557)	(722)
Contract maturity date	合約到期日	January, and February 2009 二零零九年 一月及二月	January, February, and March 2008 二零零八年 一月、二月及 三月

19. Derivative financial instruments (continued)

19. 衍生金融工具 (續)

(a) Aluminium future contracts (continued)

(a) 鋁期貨合約 (續)

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Sales contracts	銷售合約		
Volume (tonne)	數量 (噸)	—	700
Market value	市值	—	12,631
Notional contract value	合約名義價值	—	13,441
Fair value	公平值	—	810
Contract maturity date	合約到期日		January, February, and March 2008 二零零八年 一月、二月及 三月

The market value of futures contracts is based on quoted market price at the balance sheet date. The net unrealised holding losses on the futures contracts remeasured at fair value was RMB557,000 as at 31 December 2008 (2007: gain of RMB88,000) and the changes in the fair value were recognised in the consolidated income statement.

期貨合約市值以結算日市場報價計算。於二零零八年十二月三十一日，按公平值重新計量的期貨合約未變現的持有虧損為人民幣557,000元(二零零七年：收益人民幣88,000元)，而公平值變動於綜合收益表中確認。

19. Derivative financial instruments (continued)

(b) Forward foreign exchange contracts

The Group has entered into forward foreign exchange contracts to mitigate its market risk of foreign exchange fluctuation. These instruments are used solely to mitigate the market risk associated with the Group's liabilities and not for trading or speculation purposes.

The notional contract value outstanding at the balance sheet date and the related terms are summarised as below:

19. 衍生金融工具(續)

(b) 遠期外匯合約

本集團已訂立遠期外匯合約緩解外匯波動。該等合約僅用以減輕與本集團負債有關的市場風險，而非用作買賣或投機用途。

於結算日未平倉之名義合約價值及相關條款概述如下：

		The Group 本集團		
		Forward rates 遠期匯率	Notional amounts at original currency 按原有貨幣 計算的名義 金額 (‘000) (千元)	Fair values 公平值 RMB’000 人民幣千元
Sell RMB/Buy United States Dollars (“USD”) Less than 3 months	賣出人民幣／買入美元 少於三個月	6.8533	1,754	120
Sell RMB/Buy Euro 3 months to 6 months	賣出人民幣／買入歐元 三個月至六個月	9.6827	1,387	(700)
				(580)

The above derivatives are measured at fair value based on the valuation provided by banks at the balance sheet date. The net unrealised holding losses on the forward contracts remeasured at fair value was RMB580,000 as at 31 December 2008 (2007: Nil) and the changes in the fair value were recognised in the consolidated income statement.

上述衍生工具於結算日銀行提供之估值按公平值計量。於二零零八年十二月三十一日，按公平值重新計量之遠期合約未變現持有虧損淨額為人民幣580,000元(二零零七年：無)，而公平值虧損於綜合收益表確認。

19. Derivative financial instruments (continued)

- (c) Pursuant to the Reorganisation, certain derivative financial instruments with an aggregate fair value totalling RMB188,000 were retained by the Predecessor Entities and had been reflected as deemed appropriation to the equity holders of the Company for the year ended 31 December 2007 (Note 27(e)). The notional contract value and the related terms of derivative financial instruments retained by the Predecessor Entities are summarised as below:

19. 衍生金融工具(續)

- (c) 根據重組，公平值合共人民幣188,000元之若干衍生金融工具由前身公司保留，並於截至二零零七年十二月三十一日止年度列為視作分配予本公司股權持有人(附註27(e))。由前身公司保留的衍生金融工具之名義合約價值及相關條款概述如下：

		RMB'000 人民幣千元
Purchase contracts Volume (tonne)	採購合約 數量(噸)	3,230
Market value Notional contract value	市值 合約名義價值	63,633 63,445
Fair value	公平值	188
Contract maturity date	合約到期日	August, September and October 2007 二零零七年 八月、九月 及十月

20. Trade and other receivables

20. 交易及其他應收款項

		The Group 本集團		The Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Trade receivables	交易應收款項	281,422	279,992	—	—
Bills receivable	應收票據	138,544	120,049	—	—
		419,966	400,041	—	—
Amounts due from subsidiaries	應收附屬公司款項	—	—	31,497	—
Other receivables, prepayments and deposits	其他應收款項、 預付款項及按金	46,754	93,104	446	—
		466,720	493,145	31,943	—

20. Trade and other receivables (continued)

The Group's credit policy is set out in Note 31(b).

Included in trade and other receivables are trade receivables (net of impairment loss for bad and doubtful debts) and bills receivable with the following aging analysis based on due days as of the balance sheet date. The Group generally grants the credit period to customers ranges from 60 days to 90 days, according to the credit history of each customer.

Current 即期

Movements in allowance for impairment in respect of trade and other receivables are set out in Note 31(b).

Included in trade and other receivables are amounts due from related parties (Note 30(c)(i)).

Certain trade debtors and bills receivable with carrying value of RMB25,000,000 and RMB26,346,000 respectively were pledged as securities for bank loans of the Group as at 31 December 2008 (2007: RMB7,000,000) (Note 24(b)(i)).

Pursuant to the Reorganisation, certain bills receivable and trade and other receivables with an aggregate carrying value of RMB417,182,000, including amounts due from related parties of RMB172,831,000 (Note 30(c)), were retained by the Predecessor Entities and had been reflected as deemed appropriation to equity holders of the Company for year ended 31 December 2007 (Note 27(e)).

20. 交易及其他應收款項 (續)

本集團之信貸政策載於附註31(b)。

交易及其他應收款項包括交易應收款項(扣除呆壞賬減值虧損)及應收票據，按到期日計算，其於結算日之賬齡分析如下。本集團一般根據每位客戶之信貸紀錄向客戶授予60至90天信貸期。

The Group 本集團

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
419,966	400,041

有關交易及其他應收款項的減值撥備變動載於附註31(b)。

計入交易及其他應收款項為應收關連方款項(附註30(c)(i))。

於二零零八年十二月三十一日，賬面值分別為人民幣25,000,000元及人民幣26,346,000元之若干應收賬款及應收票據已抵押作為本集團銀行貸款之擔保(二零零七年：人民幣7,000,000元)(附註24(b)(i))。

根據重組，賬面總值人民幣417,182,000元之若干應收票據以及交易及其他應收款項(包括應收關連方款項人民幣172,831,000元(附註30(c)))由前身公司保留，並已於截至二零零七年十二月三十一日止年度列為視作分配予本公司股權持有人(附註27(e))。

21. Pledged deposits

Bank deposits have been pledged to bank as securities for certain banking facilities (Note 24(b)(i)) and bills payable (Note 25).

Pursuant to the Reorganisation, certain pledged deposits with an aggregate carrying amount totalling RMB97,268,000 were retained by the Predecessor Entities and had been reflected as deemed appropriation to equity holders of the Company for the year ended 31 December 2007 (Note 27(e)).

22. Cash and cash equivalents

Cash and cash equivalents denominated in RMB are deposited with several state-controlled banks in the PRC in the ordinary course of business. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restriction imposed by the PRC government.

Pursuant to the Reorganisation, certain cash and cash equivalents with an aggregate carrying amount totalling RMB21,874,000 were retained by the Predecessor Entities and had been reflected as deemed appropriation to equity holders of the Company for the year ended 31 December 2007 (Note 27(e)).

21. 有抵押存款

銀行存款已抵押予銀行作為若干銀行信貸(附註24(b)(i))及應付票據(附註25)之擔保。

根據重組，賬面總值人民幣97,268,000元之若干有抵押存款由前身公司保留，並已於截至二零零七年十二月三十一日止年度列為視作分配予本公司股權持有人(附註27(e))。

22. 現金及現金等價物

	The Group 本集團		The Company 本公司	
	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Cash and bank balances 現金及銀行結餘	214,905	146,411	20,356	—

日常業務過程中，以人民幣計值的現金及現金等價物存入中國多家國控制銀行。人民幣為不可自由兌換的貨幣，而將資金匯出中國境外須遵守中國政府的外匯限制。

根據重組，賬面總值人民幣21,874,000元之若干現金及現金等價物由前身公司保留，並已於截至二零零七年十二月三十一日止年度列為視作分配予本公司股權持有人(附註27(e))。

23. Assets classified as held for sale

23. 列為持作待售資產

		At 31 December 於十二月三十一日 2008 二零零八年 RMB'000 人民幣千元	At 31 December 於十二月三十一日 2007 二零零七年 RMB'000 人民幣千元
Lease prepayments	預付租金	—	4,996
Property, plant and equipment	物業、機器及設備	—	1,828
Investment property	投資物業	—	3,662
		—	10,486

Pursuant to two sale and purchase agreements entered into between the Group and a related party on 12 October 2007 and 6 December 2007, the Group disposed of the above assets to a related party at an aggregate consideration of RMB23,000,000. The transaction was completed on 29 July 2008.

根據本集團與一名關連方於二零零七年十月十二日及二零零七年十二月六日訂立的兩項買賣協議，本集團以總代價人民幣23,000,000元向一名關連方出售上述資產。該等交易於二零零八年七月二十九日完成。

24. Loans and borrowings

24. 貸款及借貸

(a) Loans and borrowings were repayable as follows:

(a) 貸款及借貸到期日如下：

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Bank loans	銀行貸款		
— repayable within one year	— 須於一年內償還	559,329	297,000
— repayable after one year but within two years	— 須於一年後但兩年內償還	—	40,000
— repayable after two years but within five years	— 須於兩年後但五年內償還	—	40,000
		559,329	377,000
Less: loans and borrowings repayable within one year classified as current liabilities	減：歸類為流動負債且須於一年內償還的貸款及借貸	(559,329)	(297,000)
		—	80,000

24. Loans and borrowings (continued)

24. 貸款及借貸(續)

(b) Terms

(b) 條款

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Secured bank loans:	有抵押銀行貸款：		
— Fixed interest rate ranging from 4.62% — 5.04% per annum	— 固定年利率介乎 4.62%至5.04%	216,346	102,000
— Variable interest rate at prevailing market rate	— 按當時市場利率釐定之浮動利率	43,983	95,000
Unsecured bank loans:	無抵押銀行貸款：		
— Fixed interest rate ranging from 4.78% — 5.31% per annum	— 固定年利率介乎 4.78%至5.31%	140,000	100,000
— Variable interest rate at prevailing market interest rate	— 按現行市場利率厘定之浮動利率	159,000	80,000
		559,329	377,000

(i) The secured bank loans were secured by the following assets of the Group as at the balance sheet date.

(i) 於結算日，有抵押銀行貸款以本集團以下資產作抵押。

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Carrying value of assets:	資產賬面值：		
Inventories (Note 18)	存貨(附註18)	146,990	53,773
Trade receivables (Note 20)	交易應收款項(附註20)	25,000	—
Bills receivable (Note 20)	應收票據(附註20)	26,346	7,000
Pledged deposits (Note 21)	已抵押存款(附註21)	25,036	—
Total	總計	223,372	60,773

24. Loans and borrowings (continued)

(b) Terms (continued)

- (ii) No bank loans as at 31 December 2008 were secured by Predecessor Entities (2007: RMB190,000,000).
- (iii) Certain banking facilities amounted to RMB773,000,000 (31 December 2007: RMB385,000,000) were guaranteed by certain related parties, such backing facilities were utilised to the extent of RMB511,093,000 as at 31 December 2008 (2007: RMB370,000,000) (Note 30(b)(v)).
- (iv) Pursuant to the Reorganisation, the Predecessor Entities had obtained the consents of relevant banks to transfer the operations of Aluminium Profile Business together with the selected assets and liabilities to the subsidiaries now comprising the Group. Pursuant to the relevant PRC Laws, bank borrowings totaling RMB212,500,000 were not included in the liabilities assumed by the subsidiaries now comprising the Group after the Reorganisation and were retained by the Predecessor Entities. They had been reflected as deemed appropriation to equity holders of the Company for the year ended 31 December 2007 (Note 27(e)).

24. 貸款及借貸(續)

(b) 條款(續)

- (ii) 於二零八年十二月三十一日，概無銀行貸款由前身公司抵押(二零零七年：人民幣190,000,000元)。
- (iii) 於二零零八年十二月三十一日，若干銀行信貸人民幣773,000,000元(二零零七年十二月三十一日：人民幣385,000,000元)由若干關連方擔保，該等銀行信貸其中人民幣511,093,000元(二零零七年：人民幣370,000,000元)已動用(附註30(b)(v))。
- (iv) 根據重組，前身公司獲得相關銀行同意，將鋁型材業務以連同指定資產及負債轉讓予現時本集團旗下附屬公司。根據相關中國法律，總額人民幣212,500,000元的銀行借貸並無計入重組後現時本集團旗下附屬公司所承擔的負債，並由前身公司保留。該等銀行借貸已於截至二零零七年十二月三十一日止年度列為視作分配予本公司股權持有人(附註27(e))。

25. Trade and other payables

Ageing analysis of the trade and bills payables is as follows:

		The Group 本集團		The Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Amounts due to subsidiaries	應付附屬公司款項	—	—	4,648	—
Trade payables	交易應付款項	93,318	53,578	—	—
Bills payable (i)	應付票據(i)	28,807	100,197	—	—
Other payables and accruals	其他應付款項及應計費用	71,424	92,191	2,039	—
Deferred income (ii)	遞延收入(ii)	1,995	804	—	—
		195,544	246,770	6,687	—

Included in trade and other payables are amounts due to related parties (Note 30(c)(ii)).

Included in trade and other payables are trade payables and bills payable with the following aging analysis as of the balance sheet date. The credit period granted by various suppliers ranges from 30 days to 60 days.

25. 交易及其他應付款項

交易應付款項及應付票據之賬齡分析如下：

交易及其他應付款項包括應付關連方款項(附註30(c)(ii))。

交易及其他應付款項包括交易應付款項及應付票據，其於結算日之賬齡分析如下。由不同供應商授予之信貸期介乎30日至60日。

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Due within 1 month or on demand	一個月內到期或應要求償還	37,485	21,239
Due after 1 month but within 3 months	一個月後但三個月內到期	76,520	76,536
Due after 3 months but within 6 months	三個月後但六個月內到期	8,120	56,000
		122,125	153,775

25. Trade and other payables (continued)

- (i) Bills payable as at 31 December 2008 and 2007 were secured by pledged bank deposits as disclosed in Note 21.
- (ii) Deferred income consists of deferred government grants. The grants from local government were conditional and the conditions would be fulfilled upon the completion of several research projects and the approval obtained from the relevant authorities. These grants will be recognised as other income when the conditions are fulfilled.
- (iii) Pursuant to the Reorganisation, the Predecessor Entities had obtained the consents of relevant banks and creditors to transfer the operations of Aluminium Profile Business together with the selected assets and liabilities to the subsidiaries now comprising the Group. Pursuant to the relevant PRC Laws, bills payable and amounts due to creditors of RMB182,000,000 and RMB162,995,000 respectively, including amounts due to related parties of RMB20,355 (Note 30(c)), were not included in the liabilities assumed by the subsidiaries now comprising the Group after the Reorganisation and were retained by the Predecessor Entities. They had been reflected as deemed appropriation to equity holders of the Company for the year ended 31 December 2007 (Note 27(e)).

26. Share capital

- (a) For the purpose of these consolidated financial statements, the share capital as at 1 January 2007 and 31 December 2007 were presented as follows:
 - (i) The share capital as at 1 January 2007 of RMB225,000,000 represented the aggregate amounts of share capital of Xingfa SG and Xingfa Group, which were RMB150,000,000 and RMB75,000,000 respectively.
 - (ii) The share capital as at 31 December 2007 of RMB210,000,000 represented the aggregate amounts of share capital of the Company and Xingfa SG, which were RMB nil and RMB210,000,000 respectively.

Xingfa SG was incorporated in Singapore on 3 April 2006 and became the holding company of the subsidiaries now comprising the Group. Pursuant to shareholders' resolution of Xingfa SG during the year ended 31 December 2008, 285 new shares of Xingfa SG were issued and allotted to Controlling Shareholders in consideration of capitalisation of the amounts due to the Controlling Shareholders totaling RMB60,000,000.

25. 交易及其他應付款項(續)

- (i) 於二零零八年及二零零七年十二月三十一日，應付票據以附註21披露的有抵押銀行存款作擔保。
- (ii) 遞延收入包括遞延政府補貼。地方政府之補貼為有條件，而相關條件於多個研究項目完成及取得相關部門批准後方告達成。該等補貼將於條件達成時確認為其他收入。
- (iii) 根據重組，前身公司已獲得相關銀行及債權人的同意，將鋁型材業務連同指定資產及負債轉讓予現時本集團旗下的附屬公司。根據相關中國法例，應付票據和應付債權人款項分別為人民幣182,000,000元及人民幣162,995,000元，包括應付關連方款項人民幣20,355元(附註30(c))，均並無計入於重組後現時本集團旗下的附屬公司所承擔的負債，並由前身公司保留。該等應付票據及應付款項已於截至二零零七年十二月三十一日止年度列為視作分配予本公司股權持有人。(附註27(e))

26. 股本

- (a) 編製本綜合財務報表時，於二零零七年一月一日及二零零七年十二月三十一日的股本呈列如下：
 - (i) 於二零零七年一月一之股本人民幣225,000,000元指興發SG及興發集團之股本總額，分別為人民幣150,000,000元及人民幣75,000,000元。
 - (ii) 於二零零七年十二月三十一日之股本人民幣210,000,000元指本公司及興發SG之股本總額，分別為人民幣零元及人民幣210,000,000元。

興發SG於二零零六年四月三日於新加坡註冊成立，並成為現時本集團旗下成員公司之控股公司。根據興發SG之股東決議案，截至二零零八年十二月三十一日止年度，285股興發SG新股獲發行及配發予控股股東，以作為資本化應付控股股東款項人民幣合共60,000,000元之代價。

26. Share capital (continued)

26. 股本(續)

(b) Movements of the authorised and issued share capital of the Company during the year ended 31 December 2008 are as follows:

(b) 截至二零零八年十二月三十一日止年度，本公司之法定及已發行股本之變動如下：

	Note	2008 二零零八年			2007 二零零七年		
		No. of Shares 股份數目 (千股)	Nominal value of fully paid shares 繳足股份面值 HKD'000 RMB 千港元 等值 人民幣千元		No. of Shares 股份數目 (千股)	Nominal value of fully paid shares 繳足股份面值 HKD'000 RMB 千港元 等值 人民幣千元	
Authorised:							
Ordinary shares of HK\$ 0.01 each	(c)	1,000,000	10,000		10,000	100	
Ordinary shares, issued and fully paid:							
At 13 September 2007 (date of incorporation) and at 1 January 2008		—	—	—	—	—	—
Arising from the Reorganisation	(d)(i)	20,000	200	178	—	—	—
Shares issued under the placing and global offering	(d)(ii)	106,590	1,066	959	—	—	—
Capitalisation issue	(d)(iii)	291,410	2,914	2,594	—	—	—
At 31 December		418,000	4,180	3,731	—	—	—

26. Share capital (continued)

(c) Authorised share capital of the Company

The Company was incorporated on 13 September 2007 with an authorised share capital of HK\$100,000 divided into 10,000,000 shares of HK\$0.01 each. On 29 February 2008, the authorised share capital of the Company was increased to HK\$200,000 by the creation of a further 10,000,000 shares of HK\$0.01 each. On 31 March 2008, the authorised share capital of the Company was increased to HK\$10,000,000 by the creation of a further 980,000,000 shares of HK\$0.01 each.

(d) Issue of share capital

(i) Upon Reorganisation

The Company was incorporated with 10,000,000 nil-paid ordinary shares at HK\$0.01 per share. On 29 February 2008, the ownership of Xingfa SG was transferred from the Controlling Shareholders to Xingfa BVI. After the completion of the Reorganisation on 29 February 2008, the Company acquired the ownership of Xingfa BVI from the Controlling Shareholders in consideration of which satisfied by:

- allotted and issued, credited as fully paid, 10,000,000 ordinary shares to the Controlling Shareholders; and
- credited as fully paid at par the 10,000,000 nil-paid ordinary shares issued on incorporation.

26. 股本(續)

(c) 本公司之法定股本

本公司於二零零七年九月十三日註冊成立，法定股本為100,000港元，分為10,000,000股每股面值0.01港元之股份。於二零零八年二月二十九日，透過新增另外10,000,000股每股面值0.01港元之股份，本公司法定股本增加至200,000港元。於二零零八年三月三十一日，透過新增另外980,000,000股每股面值0.01港元之股份，本公司法定股本增加至10,000,000港元。

(d) 發行股本

(i) 於重組時

本公司以10,000,000股每股面值0.01港元之未繳股款普通股註冊成立。於二零零八年二月二十九日，興發SG之擁有權由控權股東轉讓予興發BVI。於二零零八年二月二十九日重組完成後，本公司向控權股東收購興發BVI之擁有權，其代價以下列方式支付：

- 向控權股東配發及發行10,000,000股入賬列為繳足之普通股；及
- 將於註冊成立時發行之10,000,000股未繳股款普通股按面值入賬列為繳足。

26. Share capital (continued)

(d) Issue of share capital (continued)

(ii) Issue of shares under the placing and global offering

On 31 March 2008, the Company issued 106,590,000 ordinary shares of HK\$0.01 each, at a price of HK\$2.28 per share in connection with the placing and global offering, and raised gross proceeds of approximately HK\$243,025,000 (equivalent to RMB218,722,000). The proceeds of HK\$1,066,000 (equivalent to RMB959,000) representing the par value, were credited to the Company's share capital. The remaining proceeds of HK\$241,959,000 (equivalent to RMB217,763,000), before the share issue expenses of RMB19,009,000, were credited to the share premium account.

(iii) Capitalisation issue

On 31 March 2008, pursuant to the written resolution of shareholders of the Company passed on 29 February 2008, 291,410,000 ordinary shares of HK\$0.01 each of the Company were allotted and issued at par value to the Controlling Shareholders. The amount was paid up in full by applying an amount of HK\$2,914,000 (equivalent to RMB2,594,000) standing to the credit of the share premium account of the Company after the issue of shares, under placing and global offering.

26. 股本(續)

(d) 發行股本(續)

(ii) 根據配售及全球發售發行股份

於二零零八年三月三十一日，本公司就配售及全球發售按每股2.28港元之價格發行106,590,000股每股面值0.01港元之普通股，並籌集所得款項總額約243,025,000港元(相等於人民幣218,722,000元)。所得款項1,066,000港元(相等於人民幣959,000元)相當於面值，乃計入本公司股本。扣除股份發行開支人民幣19,009,000元前之餘下所得款項241,959,000港元(相等於人民幣217,763,000元)計入股份溢價賬。

(iii) 資本化發行

於二零零八年三月三十一日，根據本公司股東於二零零八年二月二十九日通過之書面決議案，本公司向控權股東按面值配發及發行291,410,000股每股面值0.01港元之普通股。該金額透過動用根據配售及全球發售而發行股份後本公司股份溢價賬中2,914,000港元(相等於人民幣2,594,000元)之進賬全數繳足。

27. Reserves

27. 儲備

本集團

		Share premium	Other reserve	PRC statutory reserves	Exchange reserve	Retained earnings	Total
		RMB'000	RMB'000	中國法定儲備 RMB'000	匯兌儲備 RMB'000	保留溢利 RMB'000	總計 RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 27(a))	(Note 27(a))	(Note 27(b))	(Note 27(c))	(Note 27(c))	(Note 27(c))
		(附註27(a))	(附註27(a))	(附註27(b))	(附註27(c))	(附註27(c))	(附註27(c))
At 1 January 2007 (Note 26(a))	於二零零七年一月一日 (附註26(a))	—	—	37,186	—	60,915	98,101
Profit for the year	本年度溢利	—	—	—	—	291,750	291,750
Transfer from retained earnings	轉撥自保留溢利	—	—	36,743	—	(36,743)	—
Dividend declared and paid during the year	本年度已宣派及派付股息	—	—	—	—	(118,961)	(118,961)
Deemed appropriation on Reorganisation (Note 27(e))	視為於重組中轉撥 (附註27(e))	—	—	(26,049)	—	(19,513)	(45,562)
At 31 December 2007	於二零零七年十二月三十一日	—	—	47,880	—	177,448	225,328
At 1 January 2008	於二零零八年一月一日	—	—	47,880	—	177,448	225,328
Arising from	因重組而產生	—	—	—	—	—	—
Reorganisation (Note 26(d)(i))	(附註26(d)(i))	—	209,822	—	—	—	209,822
Share issued under the placing and global offering (Note 26(d)(ii))	根據配售及全球發售發行之股份 (附註26(d)(ii))	217,763	—	—	—	—	217,763
Share issuance costs (Note 26(d)(ii))	股份發行成本 (附註26(d)(ii))	(19,009)	—	—	—	—	(19,009)
Capitalisation issue (Note 26(d)(iii))	資本化發行 (附註26(d)(iii))	(2,594)	—	—	—	—	(2,594)
Exchange differences on translation of financial statements of operations outside the People's Republic of China (the "PRC")	換算中華人民共和國 (「中國」) 境外業務財務報表之匯兌差額	—	—	—	(592)	—	(592)
Profit for the year	本年度溢利	—	—	—	—	29,313	29,313
Transfer from retained earnings	轉撥自保留溢利	—	—	5,967	—	(5,967)	—
At 31 December 2008	於二零零八年十二月三十一日	196,160	209,822	53,847	(592)	200,794	660,031

27. Reserves (continued)

27. 儲備 (續)

The Company

本公司

		Share premium 股份溢價 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 13 September and 31 December 2007	於二零零七年九月十三日 及十二月三十一日	—	—	—	—	—
At 1 January 2008	於二零零八年一月一日	—	—	—	—	—
Arising from Reorganisation	因重組而產生	—	441,976	—	—	441,976
Share issued under the placing and global offering (Note 26(d)(ii))	根據配售及全球 發售發行之股份 (附註 26(d)(ii))	217,763	—	—	—	217,763
Share issuance costs (Note 26(d)(ii))	股份發行成本 (附註 26(d)(ii))	(19,009)	—	—	—	(19,009)
Capitalisation issue (Note 26(d)(iii))	資本化發行 (附註 26(d)(iii))	(2,594)	—	—	—	(2,594)
Exchange differences on translation of financial statements in RMB	換算人民幣 財務報表之 匯兌差額	—	—	(116)	—	(116)
Profit for the year	本年度溢利	—	—	—	31,135	31,135
At 31 December 2008	於二零零八年 十二月三十一日	196,160	441,976	(116)	31,135	669,155

(a) Share premium and other reserve

Under the Companies Law of the Cayman Islands, the funds in the share premium account and other reserve account of the Company are distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(a) 股份溢價及其他儲備

根據開曼群島公司法，本公司之股份溢價賬及其他儲備賬之資金可分派予股東，惟緊隨建議分派股息當日後，本公司能清償其於日常業務過程中到期之債務。

27. Reserves (continued)

(a) Share premium and other reserve (continued)

The other reserve of the Group represents the difference between (a) the nominal value of share capital and the existing balance on the share premium account of a subsidiary acquired; and (b) the nominal value of the shares issued by the Company in exchange under the Reorganisation of the Group on 29 February 2008.

The other reserve of the Company represents the difference between (a) the consolidated net assets of the subsidiaries acquired; and (b) the nominal value of the shares issued by the Company in exchange under the Reorganisation of the Group on 29 February 2008.

(b) PRC statutory reserves

Guangdong Xingfa is a wholly foreign owned enterprise in the PRC, it is required to transferred at least 10% of its net profit, as determined under the PRC accounting rules and regulations, to statutory general reserve until the reserve reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to equity holders. Guangdong Xingfa has transferred a net profit of RMB5,967,000 calculated base on 12% of its net profit under the PRC accounting rules and regulations to the statutory reserves in 2008. (2007: RMB36,743,000).

(c) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies outside the PRC.

(d) Distributable reserves

The aggregate amount of distributable reserves of the Company as at 31 December 2008 was RMB669,155,000 (2007: Nil).

27. 儲備(續)

(a) 股份溢價及其他儲備(續)

本集團之其他儲備指以下兩者之差額：(a)已收購附屬公司股份溢價賬之股本面值及現有結餘；與(b)本公司根據於二零零八年二月二十九日本集團重組為交換而發行之股份面值。

本公司之其他儲備指以下兩者之差額：(a)已收購附屬公司之綜合資產淨值；與(b)本公司根據於二零零八年二月二十九日本集團重組為交換而發行之股份面值。

(b) 中國法定儲備

廣東興發為中國全外資企業，其須根據中國會計規則及規例將純利至少10%轉撥至法定一般儲備，直至儲備餘額達註冊資本的50%。撥款至該儲備必須於分派股息予股權持有人前進行。於二零零八年，廣東興發已根據中國會計規則及規例按其純利12%計算之純利人民幣5,967,000元轉撥至法定儲備(二零零七年：人民幣36,743,000元)。

(c) 匯兌儲備

匯兌儲備包括因換算中國境外公司財務報表所產生之匯兌差額。

(d) 可供分派儲備

於二零零八年十二月三十一日，本公司之可供分派儲備總額為人民幣669,155,000元(二零零七年：無)。

27. Reserves (continued)

(e) Deemed appropriation on Reorganisation

For the year ended 31 December 2007, the Retained Assets of the Predecessor Entities with an aggregate amount of RMB149,551,000 which were related to the Aluminium Profile Business were retained by the Predecessor Entities. They were reflected as deemed appropriation represent the following assets and liabilities retained by the Predecessor Entities during the Reorganisation for the year ended 31 December 2007. Detail of which are as follows:

		Notes 附註	RMB'000 人民幣千元
Assets			
Property, plant and equipment	物業、機器及設備	13(ii)	82,500
Lease prepayments	預付租金	14(ii)	57,477
Deferred tax assets	遞延稅項資產	17(b)	2,523
Inventories	存貨	18(e)	28,352
Derivative financial instruments	衍生金融工具	19(c)	188
Trade and other receivables	交易及其他應收款項	20	417,182
Pledged deposits	已抵押存款	21	97,268
Cash and cash equivalents	現金及現金等價物	22	21,874
			707,364
Liabilities			
Loans and borrowings	貸款及借貸	24(b)(iv)	(212,500)
Trade and other payables	交易及其他應付款項	25(iii)	(344,995)
Current tax payables	應付即期稅項	17(a)	(318)
			(557,813)
Net assets	資產淨值		149,551

In order to enable the Group to continue with the Aluminium Profile Business, the Group entered into various lease agreements with Predecessor Entities for the leasing of certain land use right, building and machinery under operating leases.

27. 儲備 (續)

(e) 視為於重組中轉撥

截至二零零七年十二月三十一日止年度，總額為人民幣149,551,000元之前身公司保留資產乃與由前身公司保留之鋁型材業務有關。該金額反映為視為轉撥，指截至二零零七年十二月三十一日止年度於重組中由前身公司保留之下列資產及負債。有關詳情如下：

為使本集團可繼續經營鋁型材業務，本集團就根據經營租約租賃若干土地使用權、樓宇及機器與前身公司訂立多份租賃協議。

27. Reserves (continued)

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity holders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a net debt-to-capital ratio. For this purpose, the Group defines net debt as loans and borrowings plus unaccrued proposed dividends, less cash and cash equivalents and pledged deposits. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

27. 儲備(續)

(f) 資本管理

本集團的主要資本管理目標為保障本集團持續經營的能力，按恰當風險水平為產品及服務定價，並以合理成本取得融資，以繼續為股權持有人提供回報。

本集團定期檢討及積極管理其資本架構，以在維持較高借貸水平可能帶來較高股東回報與取得充裕資金狀況所帶來的裨益及保障之間的平衡，並就經濟環境的轉變對資本架構進行調整。

本集團按淨負債資產比率監控股本架構。就此而言，本集團將淨負債定義為貸款及借貸加未累計建議股息減現金及現金等價物以及已抵押存款。經調整資本包括權益之所有部份減未累計建議股息。

27. Reserves (continued)

(f) Capital management (continued)

During 2008, the Group's strategy, which was unchanged from 2007, was to maintain the net debt-to-capital ratio at the lower end of the range from 45% to 55%. To achieve this end, the Group may adjust the amount of dividends paid to equity holders, issue new shares or raise new debt financing.

27. 儲備(續)

(f) 資本管理(續)

於二零零八年，本集團之策略與二零零七年不變，乃將淨負債資產比率維持於45%至55%範圍之下限。為達此目的，本集團可能調整向股權持有人支付股息、發行新股份或籌集新債務融資。

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
		Notes 附註	
Current liabilities:	流動負債：		
— Loans and borrowings	— 貸款及借貸	24	559,329
			297,000
Non-current liabilities:	非流動負債：		
— Loans and borrowings	— 貸款及借貸	24	—
			80,000
Total debt	債務總額		559,329
			377,000
Add: Proposed dividends	加：建議股息	11	20,900
Less: Cash and cash equivalents	減：現金及現金等價物	22	(214,905)
Pledged deposits	已抵押存款	21	(36,646)
Net debt	債務淨額		328,678
			198,167
Total equity	權益總額		663,762
Less: Proposed dividends	減：建議股息	11	(20,900)
Adjusted capital	經調整資本		642,862
			435,328
Net debt-to-capital ratio	淨負債資產比率		51%
			46%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司及其附屬公司概不受外界資本規定限制。

28. Commitments

(a) Capital commitments

Capital commitments outstanding at 31 December not provided for in the financial statements were as follows:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Purchase of property, plant and equipment	購置物業、機器及設備		
— Authorised and contracted for	— 已批准及已訂約	76,389	40,883

(b) Operating lease commitments

At 31 December, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Within 1 year	一年內	2,797	4,355
After one year but within two years	一年後但兩年內	415	—
		3,212	4,355

28. 承擔

(a) 資本承擔

於十二月三十一日，於財務資料並無撥備的未履行資本承擔如下：

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
	76,389	40,883

(b) 經營租約承擔

於十二月三十一日，根據不可撤銷經營租約應付的未來最低租金總額如下：

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
	2,797	4,355
	415	—
	3,212	4,355

29. Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2008 (2007: financial guarantees of RMB38,000,000 were issued to external parties).

At 31 December 2008, contingent liabilities of the Company were as follows:

Guarantees given to banks by the Company in respect of banking facilities utilised by certain subsidiaries	本公司就若干附屬公司動用之銀行信貸而提供之擔保
--	-------------------------

As at the balance sheet date, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees.

30. Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

29. 或然負債

於二零零八年十二月三十一日，本集團並無重大或然負債(二零零七年：財務擔保人民幣38,000,000已發行予外界人士)。

於二零零八年十二月三十一日，本公司之或然負債如下：

The Company 本公司	
2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
444,000	—

於結算日，董事認為本公司不大可能因任何擔保而遭提出申索。

30. 重大關連方交易

除本財務報表其他部分所披露的交易及結餘外，本集團亦進行以下重大關連方交易：

30. Material related party transactions

(continued)

During the year ended 31 December 2008, the directors are of the view that related parties of the Group include the following individuals/companies:

30. 重大關連方交易(續)

於截至二零零八年十二月三十一日止年度，董事認為以下人士／公司為本集團的關連方：

Name of related party 關連方名稱	Relationship with the Group 與本集團關係
LUO Su 羅蘇	Controlling Shareholder 控權股東
LUO Riming 羅日明	Controlling Shareholder 控權股東
LIAO Yuqing 廖玉慶	Controlling Shareholder 控權股東
LUO Zhiyong 羅志勇	Close family member of a Controlling Shareholder 控權股東之親屬
CHEN Hongzai 陳洪再	Key management personnel of Xingfa Group 主與發集團之主要管理人員
Foshan Leahin Coating Co., Ltd. (“Leahin Coating”) (佛山立興塗料有限公司) (i)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
佛山立興塗料有限公司(「立興塗料」) (i)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
Xinggao Aluminium (佛山市興高鋁業有限公司) (i) (iv)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
佛山市興高鋁業有限公司(「興高鋁業」) (i) (iv)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
Foshan Xinghui Ceramics Co., Ltd. (“Foshan Xinghui”) (佛山市興輝陶瓷有限公司) (i)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
佛山市興輝陶瓷有限公司(「佛山興輝」) (i)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
Foshan Xingfa Curtain Wall, Door & Window Co., Ltd. (“Xingfa Curtain Wall”) (佛山市興發幕牆門窗有限公司) (i)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
佛山市興發幕牆門窗有限公司(「興發幕牆」) (i)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
Hang Fat Aluminium Profiles Co., Ltd. (“Hang Fat”) (ii)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
恒發鋁型材有限公司(「恒發」) (ii)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
Xingfa Group (iii)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
興發集團(iii)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
Xingfa Innovation (iii)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有
興發創新(iii)	Effectively owned by the Controlling Shareholders 由控權股東實際擁有

30. Material related party transactions

(continued)

- (i) The English translation of the company names is for reference only. The official names of these companies are in Chinese.
- (ii) The Controlling Shareholders disposed of their entire interests in Hang Fat to an independent third party on 5 March 2008. Hang Fat was no longer a related party of the Group from that date.
- (iii) Following the consummation of the transfer of operations of Aluminium Profiles Business from the Predecessor Entities to the subsidiaries now comprising the Group on 28 July 2007, these Predecessor Entities have become related parties of the Group from that date.
- (iv) Upon the completion of acquisition of 100% equity interest of Xinggao Aluminium by the Group on 26 July 2008, Xinggao Aluminium has become the wholly-owned subsidiary of the Group and was no longer a related party of the Group from that date.

30. 重大關連方交易 (續)

- (i) 該等公司的英文譯名僅供參考。該等公司的正式名稱為中文名稱。
- (ii) 控權股東於二零零八年三月五日向一名獨立第三方出售其於恒發之全部權益。恒發自當日起不再為本集團之關連方。
- (iii) 於二零零七年七月二十八日，前身公司向本集團現時旗下附屬公司轉讓鋁型材業務完成後，該等前身公司自當日起成為本集團之關連方。
- (iv) 於本集團於二零零八年七月二十六日收購興高鋁業之100%股權完成後，興高鋁業已成為本集團之全資附屬公司，而自當日起不再為本集團之關連方。

30. Material related party transactions

(continued)

(a) Recurring transactions

Particulars of significant transactions between the Group and the above related parties during the year are as follows:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Sales and purchases	買賣		
Sales of goods to Hang Fat	銷售貨品予恒發	—	88,638
Xingfa Curtain Wall	興發幕牆	33,412	14,408
Total	總計	33,412	103,046
Purchases of raw materials from Hang Fat	購買原材料自恒發	—	36,769
Leahin Coating	立興塗料	12,623	13,631
Xingfa Group	興發集團	—	8,946
Xingfa Innovation	興發創新	—	18,165
Total	總計	12,623	77,511

(b) Non-recurring transactions

(i) Sales of goods

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Xingao Aluminium	興高鋁業	—	2,219

30. 重大關連方交易(續)

(a) 持續交易

本集團與上述關連方於年內進行的重大交易詳情如下：

(b) 非持續交易

(i) 銷售貨物

30. Material related party transactions

(continued)

(b) Non-recurring transactions (continued)

(ii) Rental income

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Leahin Coating	立興塗料	80	160
Xingfa Curtain Wall	興發幕牆	85	169
Total	總計	165	329

(iii) Operating lease arrangements

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Operating lease expenses paid to	支付經營租金予		
— Xingfa Group	— 興發集團	8,113	3,822
— Xingfa Innovation	— 興發創新	2,603	1,484
— Xinggao Aluminium [#]	— 興高鋁業 [#]	3,083	1,762
Total	總計	13,799	7,068

[#] Included in operating lease expenses paid to Xinggao Aluminium were operating lease charged up to the completion date of acquisition of entire equity interests in Xinggao Aluminium by the Group.

30. 重大關連方交易 (續)

(b) 非持續交易 (續)

(ii) 租金收入

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Leahin Coating	立興塗料	80	160
Xingfa Curtain Wall	興發幕牆	85	169
Total	總計	165	329

(iii) 經營租賃安排

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Operating lease expenses paid to	支付經營租金予		
— Xingfa Group	— 興發集團	8,113	3,822
— Xingfa Innovation	— 興發創新	2,603	1,484
— Xinggao Aluminium [#]	— 興高鋁業 [#]	3,083	1,762
Total	總計	13,799	7,068

[#] 支付予興高鋁業之經營租金包括截至本集團收購興高鋁業全部股權完成日期支銷之經營租金。

30. Material related party transactions

(continued)

(b) Non-recurring transactions (continued)

(iv) Short-term advances to/(from) related parties

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Xinggao Aluminium	興高鋁業	—	24,700
Foshan Xinghui	佛山興輝	—	6,000
Xingfa Group	興發集團	—	17,424
Total	總計	—	48,124
Xingfa Curtain Wall	興發幕牆	—	(9,000)
Xingfa Group	興發集團	—	(5,368)
Hang Fat	恒發	—	(197)
Total	總計	—	(14,565)

30. 重大關連方交易(續)

(b) 非持續交易(續)

(iv) 關連方獲得/(提供)的短期墊款

30. Material related party transactions

(continued)

(b) Non-recurring transactions (continued)

(v) Financial guarantees

Certain banking facilities utilised by the Group were guaranteed by the following related parties as at the balance sheet date.

30. 重大關連方交易 (續)

(b) 非持續交易 (續)

(v) 財務擔保

於結算日，本集團已動用之若干銀行信貸由下列關連方擔保。

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
LUO Su, LUO Riming, and LIAO Yuqing	羅蘇、羅日明及廖玉慶	259,600	—
Xingfa Group, LUO Su, LUO Riming and LIAO Yuqing	興發集團、羅蘇、羅日明及廖玉慶	243,513	—
Xingfa Group, Foshan Xinghui, LUO Su, CHEN Hongzai, LUO Riming and LIAO Yuqing	興發集團、佛山興輝、羅蘇、陳洪再、羅日明及廖玉慶	7,980	—
Xingfa Group, Leahin Coating, Foshan Xinghui, Xinggao Aluminium, LUO Su, CHEN Hongzai, LUO Riming and LIAO Yuqing	興發集團、立興塗料、佛山興輝、興高鋁業、羅蘇、陳洪再、羅日明及廖玉慶	—	190,000
Xingfa Group, LUO Su, CHEN Hongzai, LUO Riming and LIAO Yuqing	興發集團、羅蘇、陳洪再、羅日明及廖玉慶	—	30,000
Xingfa Group, Foshan Xinghui, Xinggao Aluminium, LUO Su, CHEN Hongzai, LUO Riming and LIAO Yuqing	興發集團、佛山興輝、興高鋁業、羅蘇、陳洪再、羅日明及廖玉慶	—	70,000
Xingfa Group, Foshan Xinghui, LUO Su, LUO Riming, CHEN Hongzai and LIAO Yuqing	興發集團、佛山興輝、羅蘇、羅日明、陳洪再及廖玉慶	—	50,000
Xingfa Group, Xingfa Innovation, Foshan Xinghui, LUO Su, LUO Riming and LIAO Yuqing	興發集團、興發創新、佛山興輝、羅蘇、羅日明及廖玉慶	—	30,000
Total	總計	511,093	370,000

30. Material related party transactions

(continued)

(b) Non-recurring transactions (continued)

(v) Financial guarantees (continued)

The Group did not issue financial guarantees to banks in respect of banking facilities to either the related parties or third parties as at 31 December 2008 (2007: RMB48,000,000).

(vi) Bank loans secured by assets of the Predecessor Entities

No bank loans as at 31 December 2008 were secured by the Predecessor Entities (2007: RMB190,000,000).

(vii) Disposal of assets to Xingfa Curtain Wall

The Group disposed of certain lease prepayments, property, plant and equipment and investment property to Xingfa Curtain Wall at an aggregate consideration of RMB23,000,000 during the year ended 31 December 2008 (2007: Nil).

(viii) Acquisition of equity interests of Xinggao Aluminium

Pursuant to an extraordinary general meeting held on 25 July 2008, the shareholders approved the Group to acquire 100% equity interests in Xinggao Aluminium at a consideration of RMB142,698,000 from LUO Zhiyong, LUO Riming and LIAO Yuqing (the "Acquisition").

The Acquisition was completed on 26 July 2008 and Xinggao Aluminium has become the wholly-owned subsidiary of the Company since that date (Note 16).

30. 重大關連方交易(續)

(b) 非持續交易(續)

(v) 財務擔保(續)

於二零零八年十二月三十一日，本集團並無就銀行信貸向關連方或第三方發出財務擔保(二零零七年：人民幣48,000,000元)。

(vi) 以前身公司資產抵押的銀行貸款

於二零零八年十二月三十一日，概無銀行貸款由前身公司抵押(二零零七年：人民幣190,000,000元)。

(vii) 向興發幕牆出售資產

截至二零零八年十二月三十一日止年度，本集團以總代價人民幣23,000,000元(二零零七年：無)向興發幕牆出售若干預付租金、物業、機器及設備和投資物業。

(viii) 收購興高鋁業之股權

根據於二零零八年七月二十五日舉行之股東特別大會，股東批准本集團以代價人民幣142,698,000元向羅志勇、羅日明及廖玉慶收購興高鋁業之100%股權(「收購」)。

收購於二零零八年七月二十六日完成，興高鋁業自當日起已成為本公司之全資附屬公司(附註16)。

30. Material related party transactions

(continued)

(c) Balances with related parties

As at the balance sheet date, the Group had the following balances with related parties:

(i) Trade and other receivables

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Trade related	與貿易有關		
Xingfa Curtain Wall	興發幕牆	6,045	—
Hang Fat	恒發	—	6,265
		6,045	6,265
Non-trade related	與非貿易有關		
Xingfa Innovation	興發創新	—	189
Xingfa Group	興發集團	1,312	4,656
		1,312	4,845
		7,357	11,110

(ii) Trade and other payables

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Trade related	與貿易有關		
Leahin Coating	立興塗料	3,001	3,138
Non-trade related	與非貿易有關		
Hang Fat	恒發	—	747
Xingfa Curtain Wall	興發幕牆	—	700
		—	1,447
		3,001	4,585

30. 重大關連方交易 (續)

(c) 與關連方的結餘

於結算日，本集團與關連方的結餘如下：

(i) 交易及其他應收款項

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Trade related	與貿易有關		
Xingfa Curtain Wall	興發幕牆	6,045	—
Hang Fat	恒發	—	6,265
		6,045	6,265
Non-trade related	與非貿易有關		
Xingfa Innovation	興發創新	—	189
Xingfa Group	興發集團	1,312	4,656
		1,312	4,845
		7,357	11,110

(ii) 交易及其他應付款項

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Trade related	與貿易有關		
Leahin Coating	立興塗料	3,001	3,138
Non-trade related	與非貿易有關		
Hang Fat	恒發	—	747
Xingfa Curtain Wall	興發幕牆	—	700
		—	1,447
		3,001	4,585

30. Material related party transactions

(continued)

(c) Balances with related parties (continued)

(ii) Trade and other payables (continued)

The amounts due from/(to) related parties are unsecured, interest free and have no fixed terms of repayment.

Pursuant to the Reorganisation, certain amount due from/(to) related parties with an aggregate carrying amount totalling RMB172,831,000 and RMB20,355,000 were retained by the Predecessor Entities and had been reflected as deemed appropriation to equity holders of the Company for the year ended 31 December 2007 respectively (Note 27(e)).

(d) Key management personnel compensation

Remuneration for key management personnel, including the amounts paid to the Group's directors as disclosed in Note 8 and the senior management as disclosed in Note 9, is as follows:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	3,832	705
Contribution to retirement benefit plan	退休福利計劃 供款	39	31
		3,871	736

Total remuneration is included in "staff costs" (Note 6(b)).

30. 重大關連方交易(續)

(c) 與關連方的結餘(續)

(ii) 交易及其他應付款項(續)

應收/(應付)關連方款項為無抵押、免息且無固定還款期。

根據重組，賬面總值分別為人民幣172,831,000元及人民幣20,355,000元的若干應收/(應付)關連方款項由前身公司保留，並於截至二零零七年十二月三十一日止年度列入視作分配予本公司股權持有人(附註27(e))。

(d) 主要管理人員酬金

主要管理人員之酬金(包括附註8及附註9分別所披露支付予本集團董事及高級管理人員的金額)如下：

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
	3,832	705
	39	31
	3,871	736

酬金總額計入「員工成本」(附註6(b))。

31. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Market risk

Increasing market fluctuations may result in significant cash-flow and profit volatility risk for the Group. The Group's income or the values of its holding of financial instruments are affected by changes in commodity price of aluminium, foreign exchange rate and interest rate. The objective of market risk management is to manage and control market risk exposures within the acceptable parameters, while minimising the costs on managing the risk.

31. 金融風險管理

本集團因使用金融工具而面臨以下風險：

- 市場風險
- 信貸風險
- 流動資金風險

本附註呈列有關本集團所面臨之上述各類風險、本集團計量及管理風險之目標、政策及程序以及本集團資金管理的資料。

董事會全權負責建立及監督本集團的風險管理架構。本集團制定風險管理政策以識別及分析本集團所面臨的風險、設定適當風險上限及控制措施，監控風險並維持在上限以內。本集團定期檢討風險管理政策及系統，以反映市場狀況及本集團業務之變動。本集團旨在透過培訓及管理準則與程序，發展具紀律且積極的環境，讓所有僱員瞭解彼等之職能及責任。

(a) 市場風險

市場日益波動或會導致本集團面臨重大現金流量及溢利波動風險。本集團之收入或所持金融工具的價值受鋁商品價格、外匯匯率及利率變化的影響。市場風險管理旨在管理及控制市場風險在可接受的水平，同時將風險管理成本減至最低。

31. Financial risk management (continued)

(a) Market risk (continued)

The Group seeks to manage and control the market risks primarily through its regular operating and financial activities, and uses derivative instruments when deemed appropriate. All such transactions are carried out within the guidelines set by the Board of Directors.

(i) Commodity price risk on aluminium

Aluminium ingots are the major raw materials of the Group's products which account for approximately 80% of total cost of sales. Fluctuations on commodity price of aluminium will have a significant impact on the Group's earnings, cash flows as well as the value of the inventories. The Group uses its futures contracts traded on the Shanghai Futures Exchange to reduce its risks arising from fluctuations in aluminium price. The Group enters futures based on the inventories on hand, expected usage of aluminium and sales requirements. The Group considers that it is not cost effective to maintain a highly effective hedge on transaction basis.

The outstanding balances of future contracts entered as at the balance sheet date are disclosed in Note 19.

31. 金融風險管理(續)

(a) 市場風險(續)

本集團主要通過一般營運及財務活動與使用衍生工具(如適用)管理及控制市場風險。所有相關交易均按董事會制定的指引進行。

(i) 鋁商品價格風險

鋁錠為本集團產品的主要原材料，佔總銷售成本約80%。鋁商品價格波動會對本集團的盈利、現金流量及存貨價值有重大影響。本集團在上海期貨交易所買賣期貨合約，降低鋁價格波動的風險。本集團根據手頭存貨、預期鋁用量及銷售要求進行期貨交易。本集團認為，就各項交易進行高效對沖並不符合成本效益。

於結算日所訂立期貨合約之未平倉結餘披露於附註19。

31. Financial risk management (continued)

(a) Market risk (continued)

(i) Commodity price risk on aluminium
(continued)

Sensitivity analysis

The following commodity price sensitivity is calculated based on the outstanding aluminium future contracts of the Group as at the balance sheet date, assuming 10% (2007: 10%) shift of future contract price is as follows:

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Profit increase as future contract price increased	262	—

A 10% (2007: 10%) decrease in future contract prices of aluminium would have had the equal but opposite effect on the above aluminium future contracts to the amounts shown above, on the basis that all other variables remain constant.

31. 金融風險管理(續)

(a) 市場風險(續)

(i) 鋁商品價格風險(續)

敏感度分析

下列商品價格敏感度乃按本集團於結算日之未平倉鋁期貨合約，假設期貨合約價格變動10%（二零零七年：10%）計算如下：

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
因期貨合約價增加而使溢利增加	262	—

假設其他變量維持不變，鋁期貨合約價格下跌10%（二零零七年：10%）將對上述鋁期貨合約構成上表所示相等金額但相反之影響。

31. Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign currency risk

As the Group's principal activities are carried out in the PRC, the Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the operations in the PRC, RMB, to which they relate. The transactions in foreign currency are primarily denominated in USD. The Group currently does not have a policy to exercise fair value hedges on foreign currency risk as the impact of foreign currency on the Group's total cost of sales is minimal. However, management monitors foreign currency exposure to ensure that the net exposure is kept to an acceptable level and will consider hedging significant transactions should the need arise. The Group's exposure to foreign currency risk was as follows based on notional amounts:

31. 金融風險管理(續)

(a) 市場風險(續)

(ii) 外匯風險

由於本集團的主要業務在中國進行，故本集團銷售及採購並非以營運所在地中國的功能貨幣人民幣計值，故面臨外匯風險。外匯交易主要以美元列值。由於外匯對本集團總銷售成本的影響輕微，故本集團現時並無利用公平值對沖外幣風險的政策。然而，管理層監控外幣風險，確保淨外幣風險維持在可接受水平，並考慮在需要時對沖重大交易。按名義金額計算，本集團之外幣風險如下：

		31 December 2008 二零零八年十二月三十一日			31 December 2007 二零零七年十二月三十一日		
		HKD '000 千港元	USD '000 千美元	Euro '000 千歐元	HKD '000 千港元	USD '000 千美元	Singapore Dollars '000 新加坡千元
Trade and other receivables	交易及其他應收款項	1,669	7,925	300	—	10,756	—
Cash and cash equivalents	現金及現金等價物	621	185	—	446	145	41
Pledged deposits	已抵押存款	—	—	90	—	—	—
Trade and other payables	交易及其他應付款項	—	(477)	(48)	(1,489)	(841)	—
Loans and borrowings	貸款及借貸	—	(1,671)	(1,300)	—	—	—
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生之風險總額	2,290	5,962	(958)	(1,043)	10,060	41
Notional amounts of forward foreign exchange contracts	遠期外匯合約之名義金額	—	1,754	1,387	—	—	—
Net exposure	風險淨額	2,290	7,716	429	(1,043)	10,060	41

31. Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign currency risk (continued)

Sensitivity analysis

The following foreign currency sensitivity is calculated based on the major net foreign currency exposure of the Group as at the balance sheet date, assuming 6% (2007: 5%) shift of RMB against USD is as follows:

Decreased profit in RMB'000	溢利減少人民幣千元
USD	美元

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

A 6% (2007: 5%) weakening of the RMB against USD at 31 December would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

(iii) Interest rate risk

The Group adopts a policy of ensuring that over 50% of its exposure to changes in interest rates on borrowings is on a fixed rate basis. The Group's loans and borrowings are mainly short-term in nature and on fixed rate basis. The interest rates and terms of repayment of the Group's loans and borrowings are disclosed in Note 24.

31. 金融風險管理(續)

(a) 市場風險(續)

(ii) 外匯風險(續)

敏感度分析

根據本集團於結算日的主要外匯淨風險計算的外匯敏感度分析如下(假設人民幣兌美元匯率調整6%(二零零七年:5%)):

2008	2007
二零零八年	二零零七年

2,294	213
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敏感度分析乃假設匯率變動已於結算日發生，並已於該日用運用於集團公司所承受當時存在之衍生及非衍生金融工具之貨幣風險，同時假設其他變量(尤其是利率)保持不變。

假設所有其他變量保持不變，於十二月三十一日人民幣兌美元貶值6%(二零零七年:5%)會對上文所示貨幣金額產生等同但相反的影響。

(iii) 利率風險

本集團採取政策確保超過50%之借貸利率變動風險來自固定利率。本集團貸款及借貸主要為短期及具固定利率。本集團貸款及借貸之利率及還款條款於附註24披露。

31. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis

A change of 100 basis points in interest rate would have increased or decreased profit by RMB as follows:

Profit decrease as 100 basis points increase	由於增加100個基本點而使溢利下降
--	-------------------

A 100 basis points decrease would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Effective interest rates

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their average effective interest rates at the balance sheet date. Majority of these items mature in the next 12 months.

		2008 二零零八年	2007 二零零七年
Variable rate instruments	浮息工具		
Cash and cash equivalents	現金及現金等價物	0.76%	0.77%
Bank loans	銀行貸款	5.39%	7.05%
Fixed rate instruments	定息工具		
Pledged deposits	已抵押存款	3.98%	3.13%
Bank loans	銀行貸款	4.85%	6.45%

31. 金融風險管理(續)

(a) 市場風險(續)

(iii) 利率風險(續)

敏感度分析

利率增減100個基本點會增加或減少以人民幣列值的溢利如下：

2008 二零零八年	2007 二零零七年
RMB'000 人民幣千元	RMB'000 人民幣千元

1,367	650
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假設所有其他變量保持不變，減少100個基本點會對上文所示貨幣金額產生等同但相反的影響。

實際利率

就賺取收入之金融資產及計息金融負債而言，下表呈列其於結算日之平均實際利率。大部分有關項目於未來十二個月內到期。

31. Financial risk management (continued)

(a) Market risk (continued)

(iv) Fair value

The carrying amounts of all financial assets and liabilities approximate their respective fair values as at the balance sheet date, and the following methods and assumptions were used to estimate the fair value for each class of these financial instruments:

- (a) Cash and cash equivalents, pledged deposits, trade and other receivables and trade and other payables.

The carrying amounts of these financial assets and liabilities approximate their fair value because of the short maturities of these instruments.

(b) Interest-bearing borrowings

The carrying amounts of interest-bearing borrowings approximate their fair value as majority of the borrowings are short-term in nature.

(c) Derivative financial instruments

Details of the assumptions and methods used in estimating the fair values of derivative financial instruments were disclosed in Note 3.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and other receivables.

31. 金融風險管理(續)

(a) 市場風險(續)

(iv) 公平值

於結算日，所有金融資產及負債之賬面值均與其各自公平值相若，而用以估計各類此等金融工具之公平值之方法及假設如下：

- (a) 現金及現金等價物、已抵押存款、交易及其他應收款項以及交易及其他應付款項。

由於此類工具短期內到期，故該等金融資產及負債之賬面值與其公平值相若。

(b) 計息借貸

由於計息借貸主要為短期借貸，故大部分計息借貸之賬面值與其公平值相若。

(c) 衍生金融工具

估計衍生金融工具公平值之假設及所採用之方法詳情於附註3披露。

(b) 信貸風險

信貸風險指倘客戶或金融工具交易方不能履行合約責任而導致本集團財務虧損的風險，有關風險主要來自本集團的應收客戶款項及其他應收款項。

31. Financial risk management (continued)

(b) Credit risk (continued)

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 5% to 10% of the Group's revenue is attributable to sales transactions with a single customer for the years ended 31 December 2008 and 2007.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, where available. Credit limit is established for each customer which represents the maximum open amount without requiring approval from the Board of Directors; these limits are reviewed annually. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis. The Group chases the customers to settle the due balances and monitors the settlement progress on an ongoing basis.

The Group has a concentration of credit risk of the total trade and other receivables due from the Group's largest debtor and the five largest debtors as follows:

		2008 二零零八年	2007 二零零七年
Due from	應收以下人士款項		
— largest debtor	— 最大債務人	14%	18%
— five largest debtors	— 五大債務人	47%	52%

31. 金融風險管理(續)

(b) 信貸風險(續)

交易及其他應收款項

本集團的信貸風險主要受各客戶的不同情況影響。本集團客戶基礎的統計數據(包括客戶營運行業及國家的違約風險)對信貸風險產生之影響較小。截至二零零八年及二零零七年十二月三十一日止年度,本集團約5%至10%收益來自與單一客戶之銷售交易。

本集團已訂立信貸政策,於提供標準付款及交付條款及條件前,個別分析各新客戶的信貸評級。本集團的審閱包括外部評級(如適用)。各客戶的信貸限額毋須經董事會批准,但須每年檢討的最高信貸額度。不符合本集團信貸標準的客戶可以預付形式與本集團交易。本集團會追討客戶結清到期餘額,並持續監察結算進度。

本集團的信貸風險集中,以下為本集團最大債務人及五大債務人之交易及其他應收款項總額:

31. Financial risk management (continued)

(b) Credit risk (continued)

The maximum exposure of credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet, including derivative financial instruments.

In 2008, the Group does not provide guarantees which would expose the Group to the credit risk.

The Group's business is managed on a worldwide basis, but mainly participates in five principal economic environments. The maximum exposure to credit risk for trade receivables and bills receivable on the basis of geographical location of customers are as follows:

		2008 二零零八年	2007 二零零七年
The PRC	中國	356,261	373,213
Hong Kong	香港	44,792	7,206
Europe	歐洲	5,205	13,672
North America	北美洲	2,540	1,710
Asia Pacific (other than the PRC and Hong Kong)	亞太地區(不包括中國及香港)	11,168	4,240
		419,966	400,041

Normally, the Group does not obtain collateral from customers. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

31. 金融風險管理(續)

(b) 信貸風險(續)

最大信貸風險為綜合資產負債表內各項金融資產之賬面值，包括衍生金融工具。

於二零零八年，本集團並無就所面臨的信貸風險提供擔保。

本集團業務遍及世界各地，惟主要在五個主要經濟環境營運。按客戶所在地區分析的交易應收款項及應收票據所涉最大信貸風險如下：

		2008 二零零八年	2007 二零零七年
The PRC	中國	356,261	373,213
Hong Kong	香港	44,792	7,206
Europe	歐洲	5,205	13,672
North America	北美洲	2,540	1,710
Asia Pacific (other than the PRC and Hong Kong)	亞太地區(不包括中國及香港)	11,168	4,240
		419,966	400,041

本集團一般不接受客戶提供的抵押品。本集團就交易及其他應收款項之估計虧損作出減值撥備。該撥備的主要部分為就同類資產組別所產生但尚未識別之虧損而作出的特定虧損撥備。綜合虧損撥備乃根據同類金融資產過往之付款統計數據釐定。

31. Financial risk management (continued)

(b) Credit risk (continued)

Impairment losses

The movements in the allowance for impairment in respect of trade and other receivables during the year are as follows:

		2008 二零零八年	2007 二零零七年
Balance at 1 January	於一月一日的結餘	470	2,244
Deemed disposal upon Reorganisation	視作於重組時出售	—	(1,774)
Balance at 31 December	於十二月三十一日的結餘	470	470

Based on past experience, except for the above amounts that the customers were unable to repay the outstanding balance, the Group believes that no impairment allowance is necessary in respect of trade and bills receivable not past due. Over 99% of the total balances relate to customers that have a good track record with the Group.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

31. 金融風險管理(續)

(b) 信貸風險(續)

減值虧損

於本年度內有關交易及其他應收款項的減值撥備變動如下：

	2008 二零零八年	2007 二零零七年
Balance at 1 January	470	2,244
Deemed disposal upon Reorganisation	—	(1,774)
Balance at 31 December	470	470

基於過往的經驗，除上述客戶無法償還的欠款餘額外，本集團相信毋須就未到期之交易及其他應收款項作減值撥備，超過99%的結餘總額乃與和本集團保持良好營業紀錄的客戶有關。

(c) 流動資金風險

流動資金風險指本集團無法履行到期的財務責任風險。本集團的政策乃定期監察流動資金需求及遵守借貸契約的情況，確保維持充足現金儲備及獲主要財務機構提供足夠信貸資金，以應付短期及長遠的流動資金需求。

31. Financial risk management (continued)

(c) Liquidity risk (continued)

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

		2008 二零零八年			2007 二零零七年				
		Contractual undiscounted cash out flow/(inflow) 合約未貼現 現金流出/(流入)			Contractual undiscounted cash out flow/(inflow) 合約未貼現金流出/(流入)				
		Within 1 year or on demand 一年內或 應要求		Balance sheet carrying amount 資產負債表 賬面值	Within 1 year or on demand 一年內或 應要求	More than 1 year but less than 2 years 一年後 但兩年內	More than 2 years but less than 5 years 兩年後 但五年內	Total	Balance sheet carrying amount 資產負債表 賬面值
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Bank loans	銀行貸款	577,582	577,582	559,329	306,176	43,439	46,176	395,791	377,000
Trade and other payables	交易及其他 應付款項	195,544	195,544	195,544	246,770	—	—	246,770	246,770
		773,126	773,126	754,873	552,946	43,439	46,176	642,561	623,770
Forward foreign exchange contracts	遠期外匯合約	(26,030)	(26,030)		—	—	—	—	

31. 金融風險管理(續)

(c) 流動資金風險(續)

下表詳述於結算日本集團之金融負債之剩餘合約到期款項，乃按合約未貼現現金流量(包括按合約利率或(如浮動)按於結算日之現行利率計算之利息款項)及本公司須支付之最早日期計算：

32. Accounting estimates and judgments

Key sources of estimation uncertainty are as follows:

The methods, estimates and judgments the directors used in applying the Group's accounting policies have a significant impact on the Group's financial position and operating results. Some of the accounting policies require the Group to apply estimates and judgments, on matters that are inherently uncertain. The critical accounting judgments in applying the Group's accounting policies are described below.

(a) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value.

The Group reviews annually the useful life of an asset and its residual value, if any. The depreciation expense for future years is adjusted if there are significant changes from previous estimation.

(b) Impairments

- (i) In considering the impairment losses that may be required for certain property, plant and equipment and lease prepayments, recoverable amount of these assets needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to items such as level of turnover and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as turnover and operating costs.

32. 會計估計及判斷

估計不確定因素的主要來源如下：

董事在應用本集團會計政策時所採用的方法、估計及判斷，對本集團財務狀況及經營業績有重大影響。部分會計政策要求本集團對固有不確定的事項作出估計及判斷。應用本集團會計政策時所作出的主要會計判斷如下。

(a) 折舊

物業、機器及設備經計及估計剩餘價值後，在估計可使用年期內以直線法折舊。

本集團每年檢討資產的可使用年限及剩餘價值(如有)。倘過往估計有重大改變，則調整日後年度的折舊開支。

(b) 減值

- (i) 考慮若干物業、機器及設備及預付租金的減值虧損時，須釐定該等資產的可收回數額。可收回款項為淨售價與使用值兩者之較高者。由於未必能取得該等資產的既有市場報價，故難以精確估計售價。釐定使用值時，將預期有關資產所得現金流量貼現至其現值時，需要對營業額水平及營運成本金額等項目作出重大判斷。本集團會運用一切可得資料，釐定可收回款項之合理約數，包括根據對營業額及營運成本等項目之合理且可以證據支持之假設和預測作出之估計。

32. Accounting estimates and judgments

(continued)

(b) Impairments (continued)

- (ii) Impairment losses for bad and doubtful debts are assessed and provided based on the directors' regular review of aging analysis and evaluation of collectibility. A considerable level of judgment is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer.

An increase or decrease in the above impairment losses would affect the net profit or loss in future years.

- (iii) Impairment losses for inventories are assessed and provided based on the directors' regular review of market price against inventories costs. A considerable level of judgment is exercised by the directors when assessing the market price.

An increase or decrease in the above impairment losses would affect the net profit or loss in future years.

33. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2008

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the accounting year ended 31 December 2008 and which have not been adopted in these financial statements.

32. 會計估計及判斷(續)

(b) 減值(續)

- (ii) 呆壞賬減值虧損按董事定期檢討的賬齡分析和可收回程度評估進行評估及撥備。董事在評估各客戶的信用評級及過往收賬紀錄時使用大量判斷。

上述減值虧損的任何增減均會影響未來年度的純利或虧損淨值。

- (iii) 存貨減值虧損按董事定期對市價與存貨成本的檢討進行評估及撥備。董事在評估市價時須行使大量判斷。

上述減值虧損的任何增減均會影響未來年度的純利或虧損淨值。

33. 於截至二零零八年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響

截至本財務報表的刊發日期，國際會計準則委員會已頒佈多項於截至二零零八年十二月三十一日止會計年度尚未生效的修訂、新準則及詮釋，而本財務報表並無採納該等修訂、新準則及詮釋。

33. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2008 (continued)

Of these developments, the following relate to matter that may be relevant to the Group's operations and the consolidated financial statements:

33. 於截至二零零八年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響(續)

基於有關變動，下列修訂、新準則及詮釋可能與本集團的經營及綜合財務報表有關：

		Effective for accounting periods beginning on or after 於下列日期或之後 開始的會計期間生效
Revised IAS 1 國際會計準則第1號	Presentation of Financial Statements 財務報表的呈列	1 January 2009 二零零九年一月一日
Revised IAS 23 國際會計準則第23號	Borrowing Costs 借貸成本	1 January 2009 二零零九年一月一日
Amendments to IAS 27 國際會計準則第27號修訂本	Consolidated and Separate Financial Statements 綜合及個別財務報表	1 July 2009 二零零九年七月一日
IFRS 8 國際財務報告準則第8號	Operating Segments 經營分部	1 January 2009 二零零九年一月一日
Improvements to IFRSs 國際財務報告準則之改進		1 January 2009 or 1 July 2009 二零零九年一月一日或 二零零九年七月一日

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

董事確認，本集團正評估預期首次應用該等修訂、新準則及新詮釋期間的影響。迄今為止，本集團認為採納上述修訂、新準則及詮釋不會嚴重影響本集團的經營業績及財務狀況。

34. Non-adjusting post balance sheet event

After the balance sheet date the directors of the Company proposed final and special dividends. Further details are disclosed in Note 11.

34. 非調整結算日後事項

於結算日後，本公司董事建議派發末期及特別股息。進一步詳情於附註11披露。

Four Years Summary

四年概要

(Expressed in Renminbi)
(以人民幣列示)

		2008 二零零八年	2007 二零零七年	2006 二零零六年	2005 二零零五年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Assets and liabilities	資產及負債				
Property, plant and equipment	物業、機器及設備	351,713	139,007	191,847	202,280
Investment property	投資物業	—	—	3,756	3,943
Lease prepayments	預付租金	153,661	—	81,484	83,162
Deferred tax assets	遞延稅項資產	390	—	—	465
Net current assets/(liabilities)	流動資產/(負債)淨額	157,998	376,321	75,388	(37,899)
Total assets less current liabilities	總資產減流動負債	663,762	515,328	352,475	251,951
Non-current liabilities	非流動負債	—	(80,000)	(235)	—
Net assets	資產淨值	663,762	435,328	352,240	251,951
Capital and reserves	股本及儲備				
Share capital	股本	3,731	210,000	225,000	155,041
Reserves	儲備	660,031	225,328	98,101	68,683
Total equity attributable to equity holders of the Company	本公司股權持有人應佔權益總額	663,762	435,328	323,101	223,724
Minority interests	少數股東權益	—	—	29,139	28,227
Total equity	權益總額	663,762	435,328	352,240	251,951
Operating results	經營業績				
Turnover	營業額	2,136,368	2,148,674	1,861,244	1,309,103
Profit from operations	經營溢利	71,465	318,966	88,699	56,957
Net finance costs	財務成本淨額	(33,448)	(28,043)	(22,535)	(20,080)
Profit before taxation	除稅前溢利	38,017	290,923	66,164	36,877
Income tax (expenses)/credit	所得稅(開支)/抵免	(8,704)	677	(5,875)	(11,062)
Profit for the year	年度溢利	29,313	291,600	60,289	25,815
Attributable to:	歸屬:				
Equity holders of the Company	本公司股權持有人	29,313	291,750	59,377	24,774
Minority interests	少數股東權益	—	(150)	912	1,041
Profit for the year	年度溢利	29,313	291,600	60,289	25,815
Basic and diluted earnings per share (RMB yuan)	每股基本及攤薄盈利 (人民幣元)	0.075	0.937	0.191	0.080

Notes:

- The Company was incorporated in the Cayman Islands on 13 September 2007 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to the Reorganisation, the Company became the holding company of the Group on 29 February 2008.
- Although the Reorganisation was not completed until 29 February 2008, the Group is regarded as a continuing group resulting from the Reorganisation. The consolidated financial statements have been prepared on the basis that the Company has been treated as the holding company of the Group since 1 January 2005, rather than from 29 February 2008. Accordingly, the consolidated results of the Group for the four years ended 31 December 2008 have been prepared as if the Aluminium Profile Business had been operated by the subsidiaries now comprising the Group and the group structure immediately after the Reorganisation had been in existence since 1 January 2005. This financial summary includes the consolidated results of the Company and its subsidiaries now comprising the Group with effect from 1 January 2005 or since their respective dates of incorporation, whichever is a shorter period. The consolidated balance sheets at 31 December 2005, 2006, 2007 are the combination of the balance sheets of the Company and its subsidiaries now comprising the Group at 31 December 2005, 2006 and 2007. In the opinion of the directors, the resulting consolidated financial statements give a more meaningful view of the results and state of affairs of the Group as a whole.
- The calculation of basic earnings per share for the three years ended 31 December 2007 is based on the profit attributable to equity holders of the Company and the 311,410,000 shares in issue as at the date of the Prospectus, as if the shares were outstanding throughout the entire period.
- The summary above does not form part of the audited consolidated financial statements.

附註:

- 本公司乃於二零零七年九月十三日根據開曼群島公司法第22章(一九六一年法例3,經綜合及修訂)於開曼群島註冊成立為受豁免有限公司。根據重組,本公司於二零零八年二月二十九日成為本集團之控股公司。
- 儘管重組於二零零八年二月二十九日方告完成,惟本集團被視為因重組而產生之持續集團。綜合財務報表乃按本公司被視為自二零零五年一月一日起(而非自二零零八年二月二十九日)起成為本集團之控股公司而編製。因此,本集團截至二零零八年十二月三十一日止四個年度之綜合業績已經編製,猶如鋁型材業務由本集團現時旗下附屬公司自二零零五年一月一日起經營,且緊隨重組後之集團架構自二零零五年一月一日起一直存在。本財務概要包括本公司及本集團現時旗下附屬公司由二零零五年一月一日起或自其各自之註冊成立日期以來(以較短期為準)之業績。於二零零五年、二零零六年及二零零七年十二月三十一日之綜合資產負債表乃將本公司及本集團現時旗下附屬公司於二零零五年、二零零六年及二零零七年十二月三十一日之資產負債表合併所得。董事認為,所產生之綜合財務報表提供較有意義之本集團整體業績及財務狀況。
- 截至二零零七年十二月三十一日止三個年度之每股基本盈利乃按本公司股權持有人應佔溢利及於售股章程日期已發行股份311,410,000股計算,獲如該等股份於整段期間一直流通在外。
- 上述概要並不組成經審核綜合財務報表之一部分。

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