美亞控股有限公司*

MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2007

The board of directors of Mayer Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2007.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2007

	Note	**2007** *RMB'000*	2006 *RMB'000* (as restated)
Continuing operations			
Turnover	4	**1,253,230**	944,622
Cost of sales		**(1,197,423)**	(883,072)
Gross profit		**55,807**	61,550
Other revenue	4	**11,340**	6,162
Other income	5	**11,745**	6,725
Distribution costs		**(13,681)**	(12,828)
Administrative expenses		**(34,696)**	(27,540)
Other operating expenses		**(2,899)**	(2,030)
Profit from operations	6	**27,616**	32,039
Finance costs	7	**(19,233)**	(15,967)
Profit before taxation		**8,383**	16,072
Taxation	8	**(3,106)**	(2,426)
Profit for the year from continuing operations		**5,277**	13,646
Discontinued operations			
Profit/(Loss) for the year from discontinued operations	9	**11,634**	(2,203)
Profit for the year		**16,911**	11,443

* *For identification purpose only*

	Note	2007 *RMB'000*	2006 *RMB'000* (as restated)
Attributable to:			
Equity holders of the Company		**13,802**	12,042
Minority interests		**3,109**	(599)
		16,911	11,443
Dividends	11	**11,520**	9,600
Earnings per share for profit attributable to the equity holders of the Company during the year	12		
From continuing operations			
– Basic		**0.83 cents**	2.61 cents
– Diluted		**N/A**	N/A
From discontinued operations			
– Basic		**1.86 cents**	0.38 cents
– Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

At 31 December 2007

	Note	**2007** **RMB'000**	2006 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**117,110**	207,796
Leasehold land and land use rights for own use under operating lease		**8,416**	8,638
Deposit for acquisition of property		**192,142**	–
Available-for-sale financial assets		**–**	720
Goodwill		**–**	4,719
Deferred tax assets		**–**	27
		317,668	221,900
Current assets			
Inventories		**169,214**	217,615
Trade receivables	13	**373,538**	370,155
Prepayments, deposits and other receivables		**16,683**	23,421
Financial assets at fair value through profit or loss		**15,633**	–
Amount due from a related company		**6,473**	2,736
Pledged bank deposits		**46,537**	8,652
Bank deposits		**–**	21,800
Cash and cash equivalents		**67,461**	45,689
		695,539	690,068
LIABILITIES			
Current liabilities			
Trade payables	14	**144,626**	139,488
Other payables and accruals		**181,852**	35,322
Taxation payable		**2,368**	763
Borrowings		**311,402**	345,771
		640,248	521,344
Net current assets		**55,291**	168,724
Total assets less current liabilities		**372,959**	390,624
Non-current liabilities			
Borrowings		**–**	28,832
NET ASSETS		**372,959**	361,792

	Note	**2007** *RMB'000*	2006 *RMB'000*
CAPITAL AND RESERVES			
Issued capital		**59,460**	50,480
Reserves		**245,143**	203,866
Proposed final dividend	11	**11,520**	9,600
Equity attributable to equity shareholders of the Company		**316,123**	263,946
Minority interests		**56,836**	97,846
TOTAL EQUITY		**372,959**	361,792

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

1. GENERAL INFORMATION

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial asset, and financial assets at fair value through profit or loss, which is carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

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

As a result of the adoption of HKFRS 7 the financial statements include expanded disclosure about the significance of the group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, Financial instruments: Disclosure and presentation.

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the group's and the company's objectives, policies and processes for managing capital.

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

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

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

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

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 March 2007
[3] Effective for annual periods beginning on or after 1 January 2008
[4] Effective for annual periods beginning on or after 1 July 2008
[5] Effective for annual periods beginning on or after 1 January 2008

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations are 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 Company's results of operations and financial position.

3. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format. Segment information is presented by way of two segment formats: (a) on a primary segment reporting basis, by business segment; and (b) on a secondary segment reporting basis, by geographical segment.

(a) Business segments

The Group comprises the following main business segments:

Steel – the manufacture and trade of steel pipes, steel sheets and other products made of steel.

Aluminum – the design, develop, manufacture and trade of aluminum forged and forged-spun wheels for automobiles.

Property Investment – the investment and holding of property to earn rentals or for capital appreciation purposes.

Other – the general trading of metal and metal products and leasing of aircrafts for rental purposes.

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

	2007					
	Continuing operations				Discontinued operations	
	Steel *RMB'000*	**Property investment** *RMB'000*	**Others** *RMB'000*	**Sub-total** *RMB'000*	**Aluminum** *RMB'000*	**Total** *RMB'000*
Revenue						
– External sales	**1,200,977**	**–**	**52,253**	**1,253,230**	**61,478**	**1,314,708**
– Inter-segment sales	**–**	**–**	**–**	**–**	**–**	**–**
	1,200,977	**–**	**52,253**	**1,253,230**	**61,478**	**1,314,708**
Segment profit	**26,527**	**74**	**6,372**	**32,973**	**4,244**	**37,217**
Gain on disposals/deemed disposals of interests in subsidiaries				**–**	**8,715**	**8,715**
Unallocated operating income and expenses				**(5,357)**	**–**	**(5,357)**
Profit from operations				**27,616**	**12,959**	**40,575**
Finance costs				**(19,233)**	**(2,592)**	**(21,825)**
Taxation				**(3,106)**	**1,267**	**(1,839)**
Profit for the year				**5,277**	**11,634**	**16,911**
Attributable to:						
Minority interests				**1,022**	**2,087**	**3,109**
Equity holders of the Company				**4,255**	**9,547**	**13,802**
Segment assets	**733,975**	**199,590**	**16,136**	**949,701**	**–**	**949,701**
Unallocated assets				**63,506**	**–**	**63,506**
Total assets				**1,013,207**	**–**	**1,013,207**
Segment liabilities	**472,238**	**162,769**	**4,392**	**639,399**	**–**	**639,399**
Unallocated liabilities				**849**	**–**	**849**
Total liabilities				**640,248**	**–**	**640,248**
Capital expenditure	**22,980**	**–**	**11,098**	**34,078**	**–**	**34,078**
Depreciation and amortisation	**10,789**	**–**	**2,052**	**12,841**	**6,990**	**19,831**

	2006					
	Continuing operations				Discontinued operations	
	Steel	Property investment	Others	Sub-total	Aluminum	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue						
– External sales	936,499	–	8,123	944,622	101,860	1,046,482
– Inter-segment sales	–	–	–	–	–	–
	936,499	–	8,123	944,622	101,860	1,046,482
Segment profit/(loss)	31,390	–	(279)	31,111	(2,513)	28,598
Gain on disposals/deemed disposals of interests in subsidiaries				–	4,673	4,673
Unallocated operating income and expenses				928	–	928
Profit from operations				32,039	2,160	34,199
Finance costs				(15,967)	(4,694)	(20,661)
Taxation				(2,426)	331	(2,095)
Profit/(loss) for the year				13,646	(2,203)	11,443
Attributable to:						
Minority interests				3,153	(3,752)	(599)
Equity holders of the Company				10,493	1,549	12,042
Segment assets	629,858	–	4,784	634,642	239,358	874,000
Unallocated assets				37,968	–	37,968
Total assets				672,610	239,358	911,968
Segment liabilities	386,596	–	2,878	389,474	120,978	510,452
Unallocated liabilities				39,724	–	39,724
Total liabilities				429,198	120,978	550,176
Capital expenditure	9,521	–	–	9,521	32,674	42,195
Unallocated amounts				3	–	3
				9,524	32,674	42,198
Depreciation and amortisation	11,843	–	1,455	13,298	13,095	26,393

b) Geographical segments

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

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

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

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

	Segment assets		**Capital expenditure**	
	2007	2006	**2007**	2006
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Hong Kong	**46,662**	19,929	**–**	3
Mainland China	**714,679**	634,642	**11,183**	9,521
Taiwan	**231,285**	256,084	**11,098**	32,674
Vietnam	**20,581**	–	**11,797**	–
Other countries	**–**	1,313	**–**	–
	1,013,207	911,968	**34,078**	42,198

4. TURNOVER AND OTHER REVENUE

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

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

	2007	2006
	RMB'000	*RMB'000*
		(restated)
Turnover		
Sale of goods	**1,253,230**	944,622
Other revenue		
Interest income	**1,837**	1,052
Rental income	**7,195**	4,966
Fair value gain on financial assets at fair value through profit or loss	**989**	–
Gain on disposal of financial assets	**783**	–
Consultancy fee	**469**	144
Dividend income	**67**	–
	11,340	6,162
	1,264,570	950,784

5. OTHER INCOME

	2007	2006
	RMB'000	*RMB'000*
		(restated)
Scrap sales	**6,429**	5,111
Exchange gains, net	**3,286**	1,297
Sundry income	**2,030**	317
	11,745	6,725

6. PROFIT FROM CONTINUING OPERATIONS

Profit from operations has been arrived at after charging:

	2007	2006
	RMB'000	*RMB'000*
		(restated)
Auditors' remuneration	**536**	600
Cost of inventories recognised as expenses	**1,196,541**	887,250
Depreciation	**12,619**	13,076
Amortisation of operating lease prepayment	**222**	222
Operating leases in respect of		
– rented premises	**3,728**	1,390
– motor vehicles	**–**	541
Impairment of trade receivables	**1,558**	–
Contribution to defined contribution retirement schemes	**1,739**	2,103
Staff costs (including directors' remuneration)	**18,256**	13,500

7. FINANCE COSTS

	2007	2006
	RMB'000	*RMB'000*
		(restated)
Interest on bank and other borrowings wholly repayable within five years from continuing operations	**19,233**	15,967

8. TAXATION

The amount of income tax for continuing operations charged to the consolidated income statement represents:

	2007	2006
	RMB'000	*RMB'000*
		(restated)
Income tax		
Current year	**3,003**	2,426
Under provision in prior years	**76**	–
Deferred taxation	**27**	–
	3,106	2,426

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

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

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

9. DISCONTINUED OPERATIONS

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

	2007	2006
	RMB'000	RMB'000
Turnover	**61,478**	101,860
Cost of sales	**(44,420)**	(88,061)
Other revenue	**1,620**	3,697
Operating expenses	**(13,152)**	(14,489)
Other operating expenses	**(1,282)**	(5,520)
Finance costs	**(2,592)**	(4,694)
Profit/(loss) before taxation	**1,652**	(7,207)
Taxation	**1,267**	331
Profit/(loss) from discontinued operations	**2,919**	(6,876)
Gain on disposal of subsidiaries (note 10)	**8,715**	–
Gain on deemed and partial disposals of interests in subsidiaries	**–**	4,673
Profit/(loss) for the year from discontinued operations	**11,634**	(2,203)

An analysis of the expenses from discontinued operations is as follows:

	2007	2006
	RMB'000	RMB'000
Cost of inventories recognised as expenses	**44,420**	88,061
Depreciation	**6,990**	13,095
Impairment of inventories	**–**	519
Contribution to defined contribution retirement schemes	**361**	183
Staff costs (including directors remuneration)	**5,752**	6,131

10. GAINS ON DISPOSALS OF INTERESTS IN SUBSIDIARIES

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

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

	2007
	RMB'000
Property, plant and equipment	109,832
Cash and bank balances	5,763
Inventories	75,252
Trade and bills receivable	27,474
Deposits, prepayments and other receivables	2,990
Pledged deposits	6,142
Trade payables	(4,925)
Deposit received	(7,526)
Accrual and other payables	(9,850)
Bank borrowings	(130,394)
Net assets value of subsidiary	74,758
% of ownership	28.51%
Net assets value of subsidiary owned	21,314
Goodwill	4,719
Sales proceeds	(34,609)
Realisation of exchange reserve	(139)
Gain on disposal of Fullchamp	(8,715)
Cash and cash equivalents disposed of	(5,763)
Cash received from Taiwan Mayer	34,609
Net cash inflow from disposal	28,846

11. DIVIDENDS

The directors proposed the payment of final dividend of RMB2 cents per ordinary share, totalling RMB11,520,000 in respect of the year ended 31 December 2007 (2006: RMB9,600,000).

12. EARNINGS PER SHARE

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

	2007 *RMB'000*	2006 *RMB'000*
Weighted average number of ordinary shares in issue	**513,402,740**	402,630,137
Profit from continuing operations attributable to the equity holders of the company	**4,255**	10,493
Profit from discontinued operations attributable to the equity holders of the company	**9,547**	1,549
Continuing operations Basic earnings per share (RMB)	**0.83 cents**	2.61 cents
Discontinued operations Basic earnings per share (RMB)	**1.86 cents**	0.38 cents

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

13. TRADE RECEIVABLES

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

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

	2007 *RMB'000*	2006 *RMB'000*
1 – 30 days	**105,406**	125,713
31 – 60 days	**94,652**	83,493
61 – 90 days	**58,525**	65,695
91 – 180 days	**113,758**	85,905
Over 180 days	**2,117**	19,844
	374,458	380,650
Provision for impairment of receivables	**(920)**	(10,495)
	373,538	370,155

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

	2007	2006
	RMB'000	*RMB'000*
Hong Kong dollars	**27,972**	–
Renminbi	**86,966**	337,702
United States dollars	**251,558**	309
New Taiwan dollars	**7,042**	32,144
	373,538	370,155

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

(iv) The Group's sales are made to several major customers. To minimise credit risk, collection of outstanding receivables is closely monitored on an ongoing basis and deposits are also received in advance for sales made to certain customers.

14. TRADE PAYABLES

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

	2007	2006
	RMB'000	*RMB'000*
1 – 30 days	**61,771**	53,387
31 – 60 days	**19,444**	42,611
61 – 90 days	**18,145**	17,071
91 – 180 days	**45,106**	26,366
Over 180 days	**160**	53
	144,626	139,488

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

	2007	2006
	RMB'000	*RMB'000*
United States dollars	**110,944**	–
Hong Kong dollars	**8**	–
Renminbi	**33,674**	6,133
New Taiwan dollars	**–**	133,355
	144,626	139,488

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

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Results

For the year ended 31 December 2007, the Group reported consolidated turnover of RMB1,253,230,000, representing an increase of 32.67% over last year. Gross profit margin was 4.5% compared to last year's 6.5%. Net profit attributable to shareholders was RMB13,802,000, compared with last year's RMB12,042,000. Earnings per share from continuing operations and discontinued operations for the Year were RMB0.83 cents and RMB1.86 cents versus the last year's RMB2.61 cents and RMB0.38 cents respectively.

Major Business Activities

- **Disposal of Fullchamp**

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

- **Acquisition of property**

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

- **Issue of 96,000,000 New Subscription Shares**

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

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

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

Production and Sales

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

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

The revenue from direct export sales of steel products outside the PRC during the Year was approximately RMB17,976,000, representing a decrease of approximately 25.3% while it was approximately RMB24,050,000 for the last year.

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

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

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

Gross Profit

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

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

Operating Expenses

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

Finance Costs

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

Financial Resources and Treasury Policies

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

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

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

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

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

Cash Flow

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

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

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

Foreign Exchange Exposures

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

Charge on Group Assets

As at 31 December 2007, building, plant and equipment and interest in leasehold land held for own use under an operating lease of the Group with a carrying value of approximately RMB66,980,000 and RMB8,416,000 respectively and bank deposits of approximately RMB45,687,000 were pledged to banks for securing banking facilities granted to the Group. These banking facilities had been utilised to the extent of approximately RMB140,383,000 at the balance sheet.

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

Contingent Liabilities

At 31 December 2007, the Company has given corporate guarantees in favour certain banks to secure banking facilities of RMB80,241,000 (2006: RMB47,016,700) granted to Guangzhou Mayer, a subsidiary. Out of these banking facilities, RMB60,736,000 was utilised by Guangzhou Mayer as at 31 December 2007 (2006: RMB44,961,000).

The Company has not recognised any deferred income in respect of the cross guarantee as its fair value cannot be reliably measured and its transaction price was $nil.

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

Employment, Training and Development

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

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

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

Outlook

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

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

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

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

SUBSEQUENT EVENTS

Subsequent to 31 December 2007 and up to the date of approval of these financial statements, the Group has no material post balance sheet events.

FINAL DIVIDEND

The directors recommend the payment of final dividend of RMB2 cents per ordinary share, totaling RMB11,520,000, out of the Company's retained profits in respect of the year ended 31 December 2007, subject to shareholders' approval at the forthcoming annual general meeting to be held on 6 June 2008, to the shareholders whose names appear on the Register of Members of the Company on 6 June 2008, which is expected to be payable on 18 September 2008.

CORPORATE GOVERNANCE

The Company has complied with the code provisions laid down in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2007, except for the code provisions (i) A.2.1. whereas there is no separation of the role of Chairman and Chief Executive Officer. Mr. Lai Yueh-hsing currently assumes the role of both the Chairman and the Chief Executive Officer; and (ii) A.4.1 whereas all non-executive directors of the Company are not appointed for a specific term as they are subject to retirement and rotation in accordance with the Company's articles of association.

The Group has adopted the Model Code for securities transaction by directors of Listed Issuers of the Listing Rules ("Model Code"). Following specific enquiry by the Company, all directors confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2007.

AUDIT COMMITTEE

The Audit Committee reviewed with management and the external auditors the accounting principals and practices adopted by the Group and discussed auditing, internal control and financial report matters including the review of the audited financial statements for the year ended 31 December 2007.

PURCHASE, SALE AND REDEMPTION OF SECURITIES

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

BOOK CLOSURE

The Register of Members of the Company will be closed from Tuesday, 3 June 2008 to Friday, 6 June 2008, both days inclusive, for the purpose of determining shareholders' entitlements to the proposed final dividend. In order to qualify for the final dividend, all transfers, accomplished by the relevant share certificates, must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 2 June 2008.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at 5th Floor, Room 501 Aon China Building 29 Queen's Road Central, Hong Kong on 6 June 2008 at 2:30 p.m.. Notice of the annual general meeting will be published and issued in due course.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

The annual report of the Company, which will contain all the information required by the Listing Rules will be sent to shareholders and published on the website of the Company (www.mayer.com.hk) and Stock Exchange (www.hkex.com.hk) in due course.

BOARD COMPOSITION

As at the date of this announcement, the executive directors of the Company are Lai Yueh-hsing, Lo Haw, Lin Meng-chang, Lu Wen-yi, Cheng Dar-terng, Chiang Jen-chin, the non-executive directors of the Company are Hsiao Ming-chih, Huang Chun-fa and the independent non-executive directors are Lin Sheng-bin, Huang Jui-hsiang and Alvin Chiu.

By Order of the Board
Lai Yueh-hsing
Chairman

Hong Kong, 18 April 2008