

Interim Report  
中期業績報告  
2011



**China Automotive Interior Decoration Holdings Limited**  
**中國汽車內飾集團有限公司**

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

**GEM stock code: 8321**  
**創業板股份代號：8321**

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*This report, for which the directors (the “Directors”) of China Automotive Interior Decoration Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## 香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)的特色

創業板的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險的公司提供一個上市的市場。有意投資的人士應瞭解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他經驗豐富的投資者。

由於創業板上市公司新興的性質使然，在創業板買賣的證券可能會較於主機板買賣之證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

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本報告的資料乃遵照香港聯合交易所有限公司創業板證券上市規則(「創業板上市規則」)而刊載，旨在提供有關中國汽車內飾集團有限公司(「本公司」)的資料；本公司的董事(「董事」)願就本報告的資料共同及個別地承擔全部責任。董事在作出一切合理查詢後，確認就其所深知及確信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺留任何其他事項，足以令致本報告或其所載任何陳述產生誤導。

## CONDENSED CONSOLIDATED INCOME STATEMENT 簡明綜合收益表

For the three months and six months ended 30 June 2011

截至二零一一年六月三十日止三個月及六個月

		Note 附註	Three months ended 30 June 截至六月三十日止三個月		Six months ended 30 June 截至六月三十日止六個月	
			2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Revenue	收入	4	36,672	25,879	69,897	53,166
Cost of sales	銷售成本		(25,888)	(18,701)	(55,020)	(37,321)
<b>Gross profit</b>	<b>毛利</b>		<b>10,784</b>	7,178	<b>14,877</b>	15,845
Other income	其他收入	5	194	50	406	960
Selling and distribution costs	銷售及分銷成本		(2,116)	(1,388)	(4,039)	(2,766)
Administrative expenses	行政開支		(2,742)	(4,900)	(5,727)	(9,764)
<b>Profit from operations</b>	<b>經營溢利</b>	7	<b>6,120</b>	940	<b>5,517</b>	4,275
Finance costs	融資成本	8	(411)	(302)	(707)	(531)
<b>Profit before tax</b>	<b>除稅前溢利</b>		<b>5,709</b>	638	<b>4,810</b>	3,744
Income tax expense	所得稅開支	9	(904)	(432)	(1,431)	(1,234)
<b>Profit for the period attributable to the owners of the Company</b>	<b>本公司擁有人應佔期內溢利</b>		<b>4,805</b>	206	<b>3,379</b>	2,510
			RMB 人民幣	RMB 人民幣	RMB 人民幣	RMB 人民幣
<b>Earnings per share</b>	<b>每股盈利</b>	10	<b>2.4 cents分</b>	0.1 cents分	<b>1.7 cents分</b>	1.7 cents分
Basic	基本					
Diluted	攤薄		N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 簡明綜合全面收益表

For the three months and six months ended 30 June 2011

截至二零一一年六月三十日止三個月及六個月

		Three months ended 30 June 截至六月三十日止三個月		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Profit for the period	期內溢利	4,805	206	3,379	2,510
Other comprehensive (loss)/income:	其他全面(虧損)/收益:				
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	(22)	24	(27)	26
Total comprehensive income for the period attributable to the owners of the Company	本公司擁有人應佔期內全面收益總額	4,783	230	3,352	2,536

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 簡明綜合財務狀況表

At 30 June 2011

於二零一一年六月三十日

		Note 附註	30 June 2011 二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2010 二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備		34,428	32,838
Prepaid land lease payments	預付土地租賃款項		3,026	3,063
Loan receivables	應收貸款		118	118
Deferred tax assets	遞延稅項資產		835	763
			<b>38,407</b>	<b>36,782</b>
<b>Current assets</b>	<b>流動資產</b>			
Prepaid land lease payments	預付土地租賃款項		73	73
Inventories	存貨		10,398	9,937
Trade receivables	貿易應收款項	12	53,209	46,966
Notes receivables	應收票據		5,634	6,040
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		22,402	16,818
Due from a director	應收一名董事款項		38	38
Bank and cash balances	銀行及現金結餘		6,164	18,990
			<b>97,918</b>	<b>98,862</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	貿易應付款項	13	13,052	15,472
Accruals and other payables	應計費用及其他應付款項		10,450	9,645
Due to shareholders	應付股東款項		-	22
Borrowings	借貸	14	21,521	21,848
Finance lease payables	應付融資租賃款項		234	234
Current tax liabilities	即期稅項負債		1,271	1,864
			<b>46,528</b>	<b>49,085</b>
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>51,390</b>	<b>49,777</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>89,797</b>	<b>86,559</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Finance lease payables	應付融資租賃款項		95	209
<b>NET ASSETS</b>	<b>淨資產</b>		<b>89,702</b>	<b>86,350</b>
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	15	17,275	17,275
Reserves	儲備		72,427	69,075
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>89,702</b>	<b>86,350</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011

## 簡明綜合現金流量報表

截至二零一一年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Net cash used in operating activities	經營活動動用之現金淨額	<b>(8,368)</b>	(10,791)
Net cash used in investing activities	投資活動動用之現金淨額	<b>(3,283)</b>	(625)
Net cash used in financing activities	融資活動動用之現金淨額	<b>(1,148)</b>	(3,795)
Net decrease in cash and cash equivalents	現金及現金等值物之減少淨額	<b>(12,799)</b>	(15,211)
Cash and cash equivalents at the beginning of period	期初之現金及現金等值物	<b>18,990</b>	22,068
Effect of foreign exchange rate changes	匯率變動之影響	<b>(27)</b>	27
Cash and cash equivalents at the end of period	期終之現金及現金等值物	<b>6,164</b>	6,884
Analysis of cash and cash equivalents: Bank and cash balances	現金及現金等值物之分析： 銀行及現金結餘	<b>6,164</b>	6,884

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 簡明綜合權益變動表

For the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

		Share capital 股本 (Unaudited) (未經審核) RMB'000 人民幣千元	Share premium account 股份溢價賬 (Unaudited) (未經審核) RMB'000 人民幣千元	Merger reserve 合併儲備 (Unaudited) (未經審核) RMB'000 人民幣千元	Foreign currency translation reserve 外匯換算儲備 (Unaudited) (未經審核) RMB'000 人民幣千元	Statutory reserve 法定儲備 (Unaudited) (未經審核) RMB'000 人民幣千元	Retained profits 保留溢利 (Unaudited) (未經審核) RMB'000 人民幣千元	Total equity 權益合計 (Unaudited) (未經審核) RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日	1,064	-	-	2,647	3,018	24,313	31,042
Total comprehensive income for the period	期內全面收益總額	-	-	-	26	-	2,510	2,536
Capitalisation of the shareholder's loans	股東貸款資本化	149	5,112	-	-	-	-	5,261
Changes in equity for the period	期內權益變動	149	5,112	-	26	-	2,510	7,797
At 30 June 2010	於二零一零年六月三十日	<u>1,213</u>	<u>5,112</u>	<u>-</u>	<u>2,673</u>	<u>3,018</u>	<u>26,823</u>	<u>38,839</u>

		Share capital 股本 (Unaudited) (未經審核) RMB'000 人民幣千元	Share premium account 股份溢價賬 (Unaudited) (未經審核) RMB'000 人民幣千元	Merger reserve 合併儲備 (Unaudited) (未經審核) RMB'000 人民幣千元	Foreign currency translation reserve 外匯換算儲備 (Unaudited) (未經審核) RMB'000 人民幣千元	Statutory reserve 法定儲備 (Unaudited) (未經審核) RMB'000 人民幣千元	Retained profits 保留溢利 (Unaudited) (未經審核) RMB'000 人民幣千元	Total equity 權益合計 (Unaudited) (未經審核) RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	17,275	18,565	5,992	2,690	5,464	36,364	86,350
Total comprehensive (loss)/ income for the period	期內全面(虧損)/收益總額	-	-	-	(27)	-	3,379	3,352
At 30 June 2011	於二零一一年六月三十日	<u>17,275</u>	<u>18,565</u>	<u>5,992</u>	<u>2,663</u>	<u>5,464</u>	<u>39,743</u>	<u>89,702</u>



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2011

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 9 December 2009 as an exempted company with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of the Group's principal place of business is located at No. 28 Xinfeng Road, Xinfeng Industrial Park, Fangqian Town, New District, Wuxi City, Jiangsu Province, the People's Republic of China (the "PRC").

The principal activity of the Company is investment holding. The Group is principally engaged in the manufacture and sale of nonwoven fabric products used in automotive interior decoration parts.

The shares of the Company were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited on 29 September 2010 ("Listing Date").

## 2. GROUP REORGANISATION AND BASIS OF PREPARATION

Pursuant to the Group Reorganisation (the "Reorganisation") for the purpose of listing (the "Listing") of the Company's ordinary shares on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company and Joystar (BVI) Automotive Interior Decoration Limited were incorporated and interspersed between Joystar International Investment Limited and the equity holders of Joystar International Investment Limited; and became the holding company of the subsidiaries now comprising the Group and the intermediate holding company of Joystar International Investment Limited respectively. Further details of the Reorganisation are also set out in the paragraphs headed "Corporate Reorganisation/Development" of the section headed "History and Development" to the prospectus of the Company dated 21 September 2010 (the "Prospectus") in connection with the Listing.

## 未經審核簡明綜合中期財務報表附註

截至二零一一年六月三十日止六個月

## 1. 一般資料

本公司於二零零九年十二月九日於開曼群島註冊成立為豁免的有限公司。本公司註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本集團的主要營業地點位於中華人民共和國(「中國」)江蘇省無錫市新區坊前鎮新豐工業園新風路28號。

本公司主要業務為投資控股。本集團主要從事製造及銷售用於汽車內飾件的無紡布產品。

本公司股份於二零一零年九月二十九日(「上市日期」)在香港聯合交易所有限公司創業板上市。

## 2. 集團重組及編製基準

根據集團重組(「重組」)以籌備本公司普通股於香港聯合交易所有限公司(「聯交所」)創業板上市(「上市」)，本公司及Joystar (BVI) Automotive Interior Decoration Limited分別註冊成立，嵌入怡星國際投資有限公司與怡星國際投資有限公司之股權持有人之間，並成為現時組成本集團的附屬公司之控股公司以及怡星國際投資有限公司之中間控股公司。重組的進一步詳情亦已載於二零一零年九月二十一日有關上市的招股章程(「招股章程」)「歷史與發展」一節「公司重組／發展」一段。



As the Reorganisation only involved inserting new holding entities at the top of an existing group and has not resulted in any change of economic substances, the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2011 and 2010 have been presented as a continuation of the existing group based on the principles and procedures of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Accordingly, the unaudited condensed consolidated interim financial statements are prepared as if the current group structure had been in existence rather than from date of incorporation of the Company.

### 3. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2011 have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the HKICPA and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required for annual financial statements of the Group for the year ended 31 December 2010 as contained in the Company’s annual report 2010 (“Annual Report 2010”).

The preparation of the unaudited condensed consolidated interim financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated interim financial statements are denominated in Renminbi (“RMB”). Unless otherwise specifically stated, all amounts are presented in thousand.

Except as for the adoption of new and revised HKFRSs issued by the HKICPA, which are effective for the Group’s financial year beginning 1 January 2011, the accounting policies adopted in preparing the unaudited condensed consolidated results for the six months ended 30 June 2011 are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2010. The Directors anticipate that the application of these new and revised HKFRSs will not have material impact on the unaudited condensed consolidated interim financial statements of the Group.

由於重組僅涉及在現有集團之上增設新的控股實體，並無導致經濟實質出現任何變動，故根據香港會計師公會（「香港會計師公會」）頒佈的會計指引第5項「共同控制合併的合併會計法」規定的合併會計法原則及程序，編製截至二零一一年及二零一零年六月三十日止六個月的未經審核簡明綜合中期財務報表作為現有集團之延續呈列。因此，未經審核簡明綜合中期財務報表按猶如現有集團架構已存在編製，而不是按本公司註冊成立日期。

### 3. 編製基準

本集團截至二零一一年六月三十日止六個月的未經審核簡明綜合中期財務報表乃根據香港公認會計原則編製，並符合香港會計師公會所頒佈的香港會計準則（「香港會計準則」）第34號「中期財務報告」及創業板上市規則的適用披露規定。

未經審核簡明綜合中期財務報表並不包括本公司二零一零年年報（「二零一零年年報」）所載截至二零一零年十二月三十一日止年度本集團年度財務報表所要求之所有資料及披露。

未經審核簡明綜合中期財務報表之編製符合香港會計準則第34號，要求管理層作出影響政策應用及所呈報截至結算日之資產與負債、收入與開支之判斷、估計及假設。實際結果可能有別於該等估計。

未經審核簡明綜合中期財務報表以人民幣（「人民幣」）計值。除另有特別注明者外，所有金額以千元呈列。

除採納由香港會計師公會頒佈之多項新訂及經修訂香港財務報告準則（自二零一一年一月一日開始之財政年度生效）外，編製截至二零一一年六月三十日止六個月未經審核簡明綜合業績時所採納會計政策與編製截至二零一零年十二月三十一日止年度之年度財務報表所採用者一致。董事預計，應用該等新訂及經修訂香港財務報告準則對本集團之未經審核簡明綜合中期財務報表並無重大影響。

The Group has not yet applied new/revised HKFRSs that have been issued but not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new/revised HKFRSs would have a material impact on its results of operations.

本集團尚未採納已頒佈但尚未生效的新訂／經修訂香港財務報告準則。本集團已開始對該等新訂香港財務報告準則的影響進行評估，但尚無法確定該等新訂／經修訂香港財務報告準則是否會對其經營業績產生重大影響。

#### 4. REVENUE

The Group's revenue only represents sales of nonwoven fabric products used in automotive interior decoration parts.

#### 4. 收入

本集團收入只是用於汽車內飾件無紡布產品的銷售額。

#### 5. OTHER INCOME

#### 5. 其他收入

		Three months ended 30 June 截至六月三十日止三個月		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Interest income	利息收入	4	4	12	9
Compensation income	賠償收入	4	23	73	23
Exchange gain	匯兌收益	16	–	20	–
Government grants	政府補助金	63	23	67	923
Sundry income	雜項收入	107	–	234	5
		<b>194</b>	<b>50</b>	<b>406</b>	<b>960</b>

## 6. SEGMENT INFORMATION

The Directors consider that the Group operates in a single operating segment as the revenue and profit are derived entirely from the sales of nonwoven fabric products used in automotive interior decoration parts to the customers in the PRC. In addition, all the Group's non-current assets are located in the PRC. Accordingly, no segmental analysis is presented.

## 7. PROFIT FROM OPERATIONS

Profit from operations is stated after charging the following:

## 6. 分部資料

由於收入和利潤全部來自向中國客戶銷售用於汽車內飾件的無紡布產品，因此，董事認為本集團經營單一經營分部。此外，本集團所有的非流動資產均位於中國，故並無呈報分部分分析。

## 7. 經營溢利

經營溢利已扣除下列各項：

	Three months ended 30 June		Six months ended 30 June	
	截至六月三十日止三個月		截至六月三十日止六個月	
	2011	2010	2011	2010
	二零一一年	二零一零年	二零一一年	二零一零年
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)
	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
Depreciation of property, plant and equipment	854	802	1,705	1,584
Directors' remuneration	690	30	1,250	45
Operating lease charges in respect of rented premises	357	44	715	88
Cost of inventories sold	25,699	18,686	54,490	37,292
Research and development	1,422	1,811	2,914	2,850
Staff costs including directors' remuneration				
Salaries and allowances	2,616	1,799	5,293	3,652
Retirement benefits scheme contributions	622	526	1,223	1,209
	<b>3,238</b>	<b>2,325</b>	<b>6,516</b>	<b>4,861</b>

## 8. FINANCE COSTS

## 8. 融資成本

	Three months ended 30 June 截至六月三十日止三個月		Six months ended 30 June 截至六月三十日止六個月	
	2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Interest expenses on Group's borrowings Short-term bank loans	404	291	692	500
Borrowings from unrelated parties wholly repayable within five years	-	-	-	8
Finance lease charges	7	11	15	23
	<b>411</b>	<b>302</b>	<b>707</b>	<b>531</b>

## 9. INCOME TAX EXPENSE

## 9. 所得稅開支

	Three months ended 30 June 截至六月三十日止三個月		Six months ended 30 June 截至六月三十日止六個月	
	2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Current tax Provision for PRC enterprise income tax ("EIT")	976	392	1,503	1,184
Deferred tax	(72)	40	(72)	50
	<b>904</b>	<b>432</b>	<b>1,431</b>	<b>1,234</b>

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

No provision for Hong Kong Profits Tax is required since the Group has no estimated assessable profit for the six months ended 30 June 2011 and 2010.

根據開曼群島及英屬維爾京群島法規，本集團於開曼群島及英屬維爾京群島毋須繳納任何所得稅。

由於本集團於截至二零一一年和二零一零年六月三十日止六個月期間內並無產生任何估計應課稅溢利，故並無就香港利得稅作出撥備。

Pursuant to the enterprise income tax rules and regulations of the PRC, the applicable PRC EIT rate of the Group's subsidiary is 25%.

Joystar (Wuxi) Automotive Interior Decoration Co., Ltd. ("Joystar Wuxi"), being a foreign investment enterprise engaged in manufacturing activities in an advanced and new technology district, is entitled to an exemption from EIT for two years starting from its first profit-making year, followed by a 50% tax relief for the following three years. Joystar Wuxi was entitled to and enjoyed the first exemption year in 2006 and a 50% tax relief for the three years ended 31 December 2010. Therefore, the applicable income tax rate of Joystar Wuxi for the six months ended 30 June 2010 is 12.5%.

Pursuant to PRC Enterprise Income Tax Law, an innovative and high-end technology enterprise may enjoy a preferential enterprise income tax rate of 15% ("IHT Enterprise Rate"). On 22 December 2009, Joystar Wuxi obtained the "Certificate of Innovative and High-end Technology Enterprise" with validity period of three years. Consequently, the applicable income tax rate of Joystar Wuxi for the six months ended 30 June 2011 is 15%.

## 10. EARNINGS PER SHARE

The calculations of basic earnings per share for the three months and six months ended 30 June 2011 are based on the unaudited condensed consolidated profit of approximately RMB4,805,000 and RMB3,379,000 attributable to the owners of the Company respectively (three months and six months ended 30 June 2010: RMB206,000 and RMB2,510,000 respectively) and the weighted average number of ordinary shares of 200,000,000 in issue during the three months and six months ended 30 June 2011 (weighted average number of ordinary shares in issue during the three months and six months ended 30 June 2010: 150,000,000), as adjusted to reflect the share issue on the Listing Date.

Diluted earnings per share for the three months and six months ended 30 June 2011 and the corresponding period in 2010 are not disclosed as no dilutive events existed during these periods.

## 11. DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

根據中國企業所得稅的規例及法規，本集團的中國附屬公司的適用中國企業所得稅率為25%。

怡星(無錫)汽車內飾件有限公司(「怡星無錫」)，為一家於高新技術區從事製造活動的外商投資企業，自其首個獲利年度起計兩年獲豁免繳納企業所得稅，隨後三年獲50%之稅項減免。怡星無錫於二零零六年有權並享有首個豁免年度，並於截至二零一零年十二月三十一日止三個年度享有50%稅項減免。因此，怡星無錫於截至二零一零年六月三十日止六個月期間之適用所得稅率為12.5%。

根據中華人民共和國企業所得稅法，高新技術企業可享有企業所得稅優惠稅率15% (「高新技術企業稅率」)。於二零零九年十二月二十二日，怡星無錫取得「高新技術企業證書」，有效期為三年。因此，怡星無錫於二零一一年六月三十日止六個月期間之適用所得稅率為15%。

## 10. 每股盈利

截至二零一一年六月三十日止三個月及六個月之每股基本盈利乃根據本公司擁有人於截至二零一一年六月三十日止三個月及六個月內應佔之未經審核簡明綜合盈利分別約人民幣4,805,000元及人民幣3,379,000元(截至二零一零年六月三十日止三個月及六個月：分別為人民幣206,000元及人民幣2,510,000元)及於截至二零一一年六月三十日止三個月及六個月已發行普通股之加權平均數200,000,000股(截至二零一零年六月三十日止三個月及六個月已發行普通股之加權平均數：150,000,000股)而計算，並經調整以反映於上市日期已發行的股份。

由於截至二零一一年六月三十日止三個月及六個月及二零一零年同期並無存在攤薄事件，故此該等期間之每股攤薄盈利不適用。

## 11. 股息

董事會不建議派付截至二零一一年六月三十日止六個月的中期股息(截至二零一零年六月三十日止六個月：無)。

## 12. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally ranging from 30 to 120 days (2010: ranging from 30 days to 120 days), depending on the creditworthiness of customers and the existing relationship with the Group. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

		30 June 2011 二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2010 二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
0 to 90 days	0至90日	40,118	40,485
91 to 180 days	91至180日	9,642	5,462
181 to 365 days	181至365日	3,246	681
Over 365 days	超過365日	203	338
		<b>53,209</b>	<b>46,966</b>

The carrying amounts of trade receivables are denominated in Renminbi.

## 12. 貿易應收款項

本集團與客戶的貿易條款主要為信貸。根據客戶信貸級別及與本集團的現有關係，信貸期一般介乎30至120日(二零一零年：介乎30至120日)。本集團致力嚴謹監控未付之應收款項。逾期未付之結餘由高級管理層定期審閱。貿易應收款項為免息款項。

根據發票日期，貿易應收款項的賬齡分析(經扣除撥備)如下：

貿易應收款項之賬面值乃以人民幣計值。

### 13. TRADE PAYABLES

The aging analysis of trade payables, based on the invoice dates, is as follows:

		30 June 2011 二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2010 二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
0 to 90 days	0至90日	10,557	14,567
91 to 180 days	91至180日	1,537	291
181 to 365 days	181至365日	346	394
Over 365 days	超過365日	612	220
		<b>13,052</b>	<b>15,472</b>

All trade payables are denominated in Renminbi.

所有貿易應付款項均以人民幣計值。

### 14. BORROWINGS

### 14. 借貸

		30 June 2011 二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2010 二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Short-term bank loans, secured	短期銀行貸款，有抵押	21,000	21,000
Borrowings from unrelated parties	來自非關連方的借款	521	848
		<b>21,521</b>	<b>21,848</b>
The borrowings are repayable as follows:		應償還借款如下：	
On demand or within one year	按要求或一年內償還	<b>21,521</b>	<b>21,848</b>



Short-term bank loans are arranged at floating rates and exposed the Group to cash flow interest rate risk.

Borrowings from unrelated parties are unsecured, interest-free and repayable on demand.

短期銀行貸款按浮動利率安排且令本集團面臨現金流量利率風險。

來自非關連方的借款為無抵押、免息且須按要求償還。

## 15. SHARE CAPITAL

## 15. 股本

		Number of Shares 股份數目	Amount 金額 (Unaudited) (未經審核) HK'000 港幣千元	Amount 金額 (Unaudited) (未經審核) RMB'000 人民幣千元
Authorised: Ordinary shares of HK\$0.1 each	法定： 每股面值0.1港元的普通股			
At 31 December 2010 and 30 June 2011	於二零一零年十二月三十一日及 二零一一年六月三十日	<u>10,000,000,000</u>	<u>1,000,000</u>	<u>863,495</u>
Issued and fully paid:	已發行及繳足：			
At 31 December 2010 and 30 June 2011	於二零一零年十二月三十一日及 二零一一年六月三十日	<u>200,000,000</u>	<u>20,000</u>	<u>17,275</u>

## 16. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

		30 June 2011 二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2010 二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Acquisition of prepaid land lease payments Contracted but not provided for Property, plant and equipment Contracted but not provided for	收購預付土地租賃款項 已訂約但未撥備 物業、廠房及設備 已訂約但未撥備	13,347  277  <b>13,624</b>	13,347  700  <b>14,047</b>

## 16. 資本承擔

於報告期末，本集團的資本承擔載列如下：

## 17. LEASE COMMITMENTS

At 30 June 2011, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		30 June 2011 二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2010 二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Within one year	一年內	555	781
In the second to fifth years inclusive	第二至第五年（包括首尾兩年）	1,620	1,620
After five years	超過五年	506	709
		<b>2,681</b>	<b>3,110</b>

## 17. 租賃承擔

於二零一一年六月三十日，不可撤銷經營租賃項下應付的最少未來租賃款項總額如下：

Operating lease payments represent rentals payable by the Group for its warehouse, factory and office premises. Leases are negotiated for a range from 1 to 7 years (31 December 2010: 1 to 7 years) and rentals are fixed over the lease terms and do not include contingent rentals.

經營租賃承擔指本集團就倉庫、工廠及辦公室物業應付的租金。租期議定為介乎一至七年（二零一零年十二月三十一日：一至七年），而租金於租期內固定，惟不包括或然租金。

## 18. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had the following material transactions with its related parties during the period:

## 18. 關連方交易

除財務報表內其他地方披露的該等關連方交易及結餘外，本集團於本期間與其關連方訂有以下重大交易：

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Personal guarantees provided by a director and shareholder of the Company and a director of Joystar Wuxi for finance lease payables	由本公司一名董事及股東及怡星無錫之一名董事就應付融資租賃款項提供的個人擔保	329	554
Salary received by a shareholder	一名股東已收薪金	48	48

In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and the terms are mutually negotiated between the Group and the respective related parties.

本公司董事認為，有關關連方交易於日常業務過程中進行，條款經本集團與各關連方相互協商而定。

## 19. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified/restated to conform with the current period's presentation.

## 19. 比較數字

若干比較數字已重新分類／重列，以符合本期間之列報。

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group is principally engaged in the manufacture and sale of nonwoven fabric products used in automotive interior decoration parts. It manufactures its products with single layer or multiple layers of nonwoven fabric in different specifications in accordance with specific requirements and standards of different customers. The majority of the Group's nonwoven fabric products are supplied to and further processed by the Group's customers in order to make different automotive parts such as floor, head lining, seat cover, parcel tray, trunk, luggage-side trim, hubcap and car-mat, which are of different characteristic and are to be applied for different usages in an automobile.

The Group generally negotiated with its customers on prices before sales orders were placed by them based on the Group's estimated production costs. As a result of sudden increase in raw material prices, such as artificial and synthetic fibres, but an agreed selling price of product, the gross profit and gross margin of the Group for the first quarter of 2011 decreased obviously. In view of this, during the second quarter of 2011, the Group adjusted the price level of its products in order to cover the surging production costs. The Group also restructured the production processes to improve operational efficiency and therefore the Group was able to maintain a profit attributable to the owners of the Company of RMB3.4 million for the six month ended 30 June 2011.

### Financial Review

The Group's revenue for the six months ended 30 June 2011 was illustrated in two main categories:

## 管理層討論及分析

### 業務回顧

本集團主要從事製造及銷售用於汽車內飾件的無紡布產品。本集團根據不同客戶的特定要求及標準製造不同規格一層或多層非織造纖維的產品。本集團大部分無紡布產品均供應予客戶作進一步加工，以成為不同的汽車內飾件，如汽車主地毯面料、頂蓬面料、座椅面料、衣帽架面料、行李箱蓋毯面料、行李箱側毯面料、輪罩面料及汽車腳踏墊面料，各具不同特點，可應用於汽車的不同用途。

本集團一般根據估計生產成本，在客戶下銷售訂單前與其議價。由於原材料價格（如人造纖維及合成纖維）突然上升，而產品售價已獲雙方同意，本集團二零一一年第一季度本集團之毛利及毛利率均顯著減少。有見及此，於二零一一年第二季度，本集團調整產品價格水平以彌補上升之生產成本。本集團亦重整生產流程以改善經營效率，故截至二零一一年六月三十日止六個月本集團得以保持本公司擁有人應佔溢利人民幣3.4百萬元。

### 財務回顧

本集團截至二零一一年六月三十日止六個月期間的收益按兩個主要類別列示：

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Nonwoven fabric for use in automobiles	用於汽車的無紡布	44,000	36,043
Materials for automotive floor carpet	汽車主地毯面料	25,897	17,123
Materials for other automotive parts	其他汽車配件面料		
		<b>69,897</b>	<b>53,166</b>

For the six months ended 30 June 2011, the Group's revenue increased to approximately RMB69.9 million compared to approximately RMB53.2 million in the corresponding period in 2010, representing an increase of approximately 31.5%. The increase in the Group's revenue was mainly attributable to the increase in demand of the Company's products under the growth of automobile industry.

The gross profit of the Group for the six months ended 30 June 2011 decreased slightly to approximately RMB14.9 million compared to approximately RMB15.8 million for the corresponding period last year, representing a drop of approximately 6.1% as well as decrease in the gross profit margin for the six months from approximately 29.8% in the corresponding period last year to 21.3%. Such decrease was primarily attributable to rapid increase in raw material prices during the first half of 2011. Increase in selling and distribution costs of approximately RMB1.3 million was mainly due to increase in transportation costs under the Group's growth of business in the reporting period. The administrative expenses decreased by approximately RMB4.0 million were principally attributable to recognition of expenses incurred in connection with the Listing during the corresponding period last year.

As a result, the profit attributable to the owners of the Company for the six months ended 30 June 2011 increased by RMB0.9 million to approximately RMB3.4 million.

## Outlook

The business environment of automobile industry in the PRC was still stable and the demand for automobiles during the first half in 2011 showed a steady growth. According to statistics released from China Association of Automobile Manufacturers ("CAAM"), automobile production and sales were approximately 9,156,000 units and 9,325,200 units respectively during the first half in 2011, representing an increase of 2.48% and 3.35% compared with the corresponding period of last year. CAAM expects the automobile production and sales will increase by 5% in 2011.

The Group has historically experienced seasonality that the Group generally received more orders in the fourth quarter than in the other quarters of the year. Based on the sales orders up to date, it is expected that such seasonality will continue and the sales orders of the Group for the second half of 2011 will rebound. In view of the upcoming growth, the Group will focus on continuous expansion of its production capacity and exploring suitable land for construction of a new factory premises to tackle the growth in the sales orders. In addition, the Group will negotiate for a more favourable and stable raw material prices with the suppliers, upgrade the existing production lines to improve operational efficiency, to develop new products to meet market demands and reinforce the Group's competitiveness.

截至二零一一年六月三十日止六個月，本集團之營業額增加約31.5%至約人民幣69.9百萬元，而二零一零年同期則約為人民幣53.2百萬元。營業額之增加主要歸因於汽車行業增長對本公司產品需求增加。

截至二零一一年六月三十日止六個月，本集團之毛利略微減少約6.1%至約人民幣14.9百萬元，而去年同期則約為人民幣15.8百萬元。同時，毛利率於六個月期間，由去年同期29.8%下降至今年21.3%。該明顯減少由於原材料價格於報告期內急速上漲所致。在報告期間，銷售及分銷成本增加約人民幣1.3百萬元，該增加主要由於本集團業務拓展令運輸費增加所致。行政開支減少約人民幣4.0百萬元。此減少主要為去年同期確認了有關上市的費用所致。

因此，截至二零一一年六月三十日止六個月，本公司擁有人應佔期內溢利增加人民幣0.9百萬元至約人民幣3.4百萬元。

## 前景

中國汽車行業之營商環境依然穩定，於二零一一年上半年汽車需求呈現穩步增長。根據中國汽車工業協會發佈的統計數據，於二零一一年首半年的汽車產量和銷量分別約達9,156,000輛和9,325,200輛，較去年同期分別增長2.48%和3.35%。中國汽車工業協會仍然預期，汽車產量和銷量於二零一一年將會增長5%。

本集團過往曾經歷季節性特徵，即在一年之中，於其他季度相比，本集團在第四季度普遍收到更多訂單。根據目前之訂單，預計該等季節性特徵會繼續，且二零一一年下半年本集團之銷售訂單會回升。考慮到日後之增長，本集團將繼續擴大產能及物色適當土地以興建廠房，應付增長的銷售訂單。於回顧期內，本集團已成功採納多項措施，務求以將生產成本上升之壓力降至最低及改善毛利率。本集團將繼續堅持此等措施，與供應商商議更為有利及穩定之原材料價格，將現有生產線升級以改善經營效率，以開發新產品，應對市場需求並增強本集團之競爭力。

## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

## 業務目標與實際業務進展之比較

An analysis comparing the business objectives as set out in the Company's prospectus dated 21 September 2010 (the "Prospectus") with the Group's actual business progress for the period from 1 January 2011 to 30 June 2011 is set out below:

本公司日期為二零一零年九月二十一日的招股章程(「招股章程」)所載的業務目標與本集團自二零一一年一月一日至二零一一年六月三十日期間的實際業務進展之比較分析載列如下：

Business objectives as stated in the Prospectus 招股章程所述業務目標	Actual business progress for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月的實際業務進展
<p>1. Expansion of production capacity 擴充產能</p> <p>Upgrading two existing production lines 提升兩條現有生產線</p>	<p>The Group installed new equipment for perfection of existing production lines. 本集團已安裝新設備以完善現有生產線。</p> <p>The Group is in the progress of installation of new PE coating production line. 本集團正進行安裝新淋膜生產線。</p>
<p>2. Acquisition of land and construction of new factory premises 購買土地及興建新廠房</p> <p>Constructing factory premises 興建廠房</p>	<p>The Group is still in the progress of negotiating the terms of acquiring land with the Management Committee of Xibei Yuan District of the Xishan Economic Development Zone of Jiangsu Province. The Group is also exploring other suitable land with favourable offer for the construction of new factory premises with the view of maximizing the shareholders' interest. 本集團仍正在就購買土地之條款與江蘇省錫山經濟開發區錫北園區管理委員會進行磋商。本集團亦正物色其他具優惠條件的合適土地以興建新廠房，以為股東爭取最大利益。</p>
<p>3. Development of new products 開發新產品</p> <p>Research and development 研究及開發</p> <ul style="list-style-type: none"> <li>- Noise-absorbing and heat-insulating nonwoven fabric; and - 吸音及隔熱無紡布；及</li> <li>- Nonwoven fabric for filtering system of high-speed trains/Material for interior decoration of cruising boats/Non-flammable smooth seat pad - 用於動車組過濾系統的無紡布／用於遊艇內飾的物料／防火及防刺坐墊</li> </ul>	<p>The Group has successfully developed noise-absorbing and heat-insulating nonwoven fabric and has distributed the products in the second half of 2010. 本集團已成功開發吸音及隔熱無紡布，並已於二零一零年下半年分銷該產品。</p> <p>The Group is still negotiating with universities in the PRC for the purpose of feasibility to conduct research and development. 本集團仍正就研究及開發之可行性與中國多所大學進行磋商。</p> <p>The Group also conducted research and development on other new nonwoven fabric products. 本集團亦實行研究及開發其他新無紡布產品。</p>

## USE OF PROCEEDS

On 29 September 2010, shares of the Company were listed on the Stock Exchange by way of placing. The net proceeds from the placing was approximately HK\$30.6 million, which was different from the estimated net proceeds of approximately HK\$34.4 million (estimated on the assumption that the placing price would be the mid-point of the stated range as stated in the Prospectus). The Group intends to adjust the use of proceeds in the same manner and in the same proportion as shown in the Prospectus.

During the period from 13 September 2010, being the latest practicable date prior to issue of the Prospectus to 30 June 2011, the Group has applied the net proceeds as follows:

## 所得款項用途

於二零一零年九月二十九日，本公司股份以配售方式於聯交所上市。配售所得款項淨額約為30.6百萬港元，其有別於估計所得款項淨額約34.4百萬港元（估計乃假設配售價格為招股章程所載範圍之中間價）。本集團擬按招股章程所示之相同方式及比例調整所得款項用途。

自二零一零年九月十三日（即刊發招股章程前的最後實際可行日期）至二零一一年六月三十日期間內，本集團已將所得款項淨額作如下用途：

		Note 附註	Adjusted use of proceeds in the same manner and proportion as stated in the Prospectus 按招股章程所示 之相同方式及 比例調整之 所得款項用途 HK\$'000 千港元	Actual use of proceeds 所得款項 實際用途 HK\$'000 千港元
Expansion of production capacity	擴充產能	1	4,387	5,373
Acquisition of land and construction of new factory premises	購買土地及興建新廠房	2, 4	19,401	–
Development of new products	開發新產品	3	1,759	5,102
General working capital	一般營運資金	4	–	15,170
			<b>25,547</b>	<b>25,645</b>

### Notes:

- The Group started to install new equipment for perfection of production during the first half of 2011 which results in increasing the application of funds in the expansion of production capacity.
- As the Group is still in the progress negotiating the terms of acquiring land with the Management Committee of Xibeiyan District of the Xishan Economic Development Zone of Jiangsu Province in respect of the acquisition of land, no proceeds has been applied in relation thereto. The Group is also exploring other suitable land with favourable offer for the construction of new factory premises with the view of maximizing the shareholders' interest.
- In order to remain competitive, the Group devoted more funds and resources to the continued research and development of new products.

### 附註：

- 本集團已於二零一一年上半年開始安裝完善生產之新設備，導致用於擴充產能之資金應用有所上升。
- 由於本集團仍在就購買土地之條款與江蘇省錫山經濟開發區錫北園區管理委員會進行磋商，故並未就此動用所得款項。本集團亦正在物色任何其他具優惠條件的合適土地以興建新廠房，以為股東爭取最大利益。
- 為保持競爭力，本集團已投放更多資金及資源於新產品的持續研究及開發工作。



4. As the Group have not acquired land for construction of new factory premises, the Group applied the proceeds as general working capital in order to increase the efficiency of the use of proceeds. When the Group identify the land for construction of new factory premises, the Group will allocate the general working capital back to its original plan.

The balance of the unused proceeds was placed as bank deposits as at 30 June 2011.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 June 2011, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

### Long positions in shares of the Company

4. 由於本集團仍未購買土地以興建新廠房，為提高所得款項用途之使用效率，本集團將所得款項作一般營運資金。當本集團確實興建新廠房之土地，本集團會將一般營運資金撥回原本計劃。

於二零一一年六月三十日，所得款項未動用部份的結餘以銀行存款方式存放。

### 董事及最高行政人員於證券的權益

於二零一一年六月三十日，本公司董事及最高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(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或被視為擁有的任何權益及/或淡倉)，或根據證券及期貨條例第352條登記於本公司所需存置登記冊內的權益及淡倉，或根據創業板上市規則第5.46至5.67條須知會本公司及聯交所的權益及淡倉如下：

### 於本公司股份之好倉

Name of Directors	Capacity and nature of interest	Number of issued ordinary shares held	Approximate percentage of shareholding in the Company
董事姓名	身份及權益的性質	所持已發行普通股數目	佔本公司股權之概約百分比
Zhuang Yuejin 莊躍進	Beneficial owner 實益擁有人	79,860,000	39.93%
Ruan Bixia 阮碧霞	Interest of spouse 配偶權益	79,860,000*	39.93%
Wong Hsiao Hung 黃小紅	Beneficial owner 實益擁有人	40,695,000	20.35%
Pak Ping 白平	Beneficial owner 實益擁有人	14,910,000	7.45%

\* Ruan Bixia is the spouse of Zhuang Yuejin and is deemed to be interested in all shares held by Zhuang Yuejin under the SFO.

\* 阮碧霞乃莊躍進之配偶，根據證券及期貨條例被視為擁有莊躍進所持全部股份之權益。

As at 30 June 2011, none of the directors and chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Save as disclosed above, at no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any body corporate.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY**

Save as disclosed under the paragraph "DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SECURITIES", at 30 June 2011, the directors of the Company were not aware of any persons other than directors or chief executives of the Company who had, or was deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company in accordance with the provisions of Divisions 2 and 3 of Part XV of the SFO; or recorded in the register required to be kept under Section 336 of the SFO.

## **PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2011.

## **INTERESTS OF THE COMPLIANCE ADVISER**

As at 30 June 2011, except for the agreement entered into between the Company and Sun Hung Kai International Limited, the Company's compliance adviser on 20 September 2010, neither the Company's compliance adviser nor its directors, employees or associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as notified by the Company's compliance adviser.

於二零一一年六月三十日，概無本公司董事及最高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)的股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關條文彼等被當作或被視為擁有的任何權益或淡倉)，或根據證券及期貨條例第352條登記於本公司所需存置登記冊內的權益或淡倉或根據創業板上市規則第5.46至5.67條須知會本公司及聯交所的權益或淡倉。

除上文所披露者外，於呈報期間之任何時間內概無授予任何董事或彼等各自之配偶或未滿十八歲子女可透過收購本公司或任何其他法人團體之股份或債權證而獲益的權利，該等權利亦無獲其行使；本公司、其控股公司或其任何附屬公司亦無參與訂立任何安排致使董事、彼等各自之配偶或未滿十八歲子女獲得於本公司或任何法人團體之該等權利。

## **主要股東及其他人士於本公司之股份及相關股份中的權益及淡倉**

除「董事及最高行政人員於證券的權益」一段所披露者外，於二零一一年六月三十日，本公司董事概不知悉任何人士(本公司董事或最高行政人員除外)已經或被視為於股份或相關股份中擁有根據證券及期貨條例第XV部之第2條及第3條規定須向本公司披露，或根據證券及期貨條例第336條登記於須予存置登記冊的權益或淡倉。

## **購買、贖回或出售本公司之上市證券**

本公司及其任何附屬公司於截至二零一一年六月三十日止六個月期間概無購買、贖回或出售本公司任何上市證券。

## **合規顧問的權益**

據本公司合規顧問告知，於二零一一年六月三十日，除於二零一零年九月二十日本公司與新鴻基國際有限公司(本公司之合規顧問)訂立之協議外，本公司之合規顧問或其董事、僱員或聯繫人士概無於本公司或本集團任何成員公司之股本中擁有任何權益(包括可認購有關證券的購股權或權利)。

## DIRECTOR'S INTEREST IN COMPETING INTERESTS

The Directors are not aware of any business or interest of the directors of the Company, the controlling shareholder of the Company and their respective associates (as defined under GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the six months ended 30 June 2011.

## CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors, the Company confirmed that all Directors have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors during the six months ended 30 June 2011.

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Except for the deviation from the code provision A.2.1 of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules, the Company has complied with the Code for the six months ended 30 June 2011.

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhuang Yuejin is the Chairman and the Chief Executive Officer of the Company. Such deviation from Code provision A.2.1 is deemed appropriate as it is considered to be more efficient to have one single person as the Chairman of the Company as well as to discharge the executive functions of a chief executive officer, and it provides the Group with strong and consistent leadership in the development and execution of long term business strategies. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are three independent non-executive Directors on the Board. All of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection of its interests.

## 董事於競爭業務的權益

截至二零一一年六月三十日止六個月期間，董事概不知悉任何本公司董事、本公司控股股東及彼等各自的聯繫人士(定義見創業板上市規則)的任何業務或權益與本集團的業務出現或可能出現競爭，亦不知悉該等人士已經或可能與本集團出現任何其他利益衝突。

## 有關董事進行證券交易之行為守則

本公司已採納有關董事進行證券交易之行為守則，其條款並不遜於創業板上市規則第5.48條至第5.67條所載之交易準則規定。經向全體董事作出特定查詢後，本公司確認全體董事截至二零一一年六月三十日止六個月期間均一直遵守行為守則及有關董事進行證券交易之交易準則規定。

## 遵守企業管治常規守則

除對創業板上市規則附錄十五所載企業管治常規守則(「守則」)之守則條文第A.2.1條有所偏離外，本公司截至二零一一年六月三十日止六個月期間一直遵守守則。

守則條文第A.2.1條規定主席與行政總裁的角色應予區分，並不應由一人同時兼任。莊躍進先生為本公司主席及行政總裁。守則條文第A.2.1條的偏離情況被視為恰當，原因是董事會認為一人同時兼任本公司主席並履行行政總裁的執行職務更具效率，並為本集團提供穩固且貫徹的領導，方便發展及推行長遠的業務策略。董事會深信，基於董事經驗豐富，董事會的運作能充份確保權力得到制衡。董事會有三名獨立非執行董事。由於彼等的獨立性均屬充分，故此董事會認為本公司已取得平衡及充份保障本公司的利益。

## LIQUIDITY AND FINANCIAL RESOURCES

## 流動性及財務資源

		30 June 2011 二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2010 二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Current assets	流動資產	97,918	98,862
Current liabilities	流動負債	46,528	49,085
Current ratio	流動比率	<u>2.10</u>	<u>2.01</u>

The current ratio of the Group as at 30 June 2011 was 2.1 times as compared to that of 2.01 times as at 31 December 2010.

本集團於二零一一年六月三十日的流動比率為2.1倍，而於二零一零年十二月三十一日則為2.01倍。

As at 30 June 2011, the Group's gearing ratio (represented by totals of borrowings and finance lease payable divided by summation of total bank borrowings and finance lease payable and equity) amounted to approximately 19.6% (31 December 2010: 20.5%).

於二零一一年六月三十日，本集團的資本負債比率（即借款及應付融資租賃之總和除以銀行借款總額和以及應付融資租賃及權益之總和）約為19.6%（二零一零年十二月三十一日：20.5%）。

As at 30 June 2011, bank and cash balances of the Group amounted to approximately RMB6.2 million (31 December 2010: RMB19.0 million), and approximately RMB0.1 million (31 December 2010: RMB2.9 million) of which are denominated in Hong Kong dollars, United States dollars and Euro.

於二零一一年六月三十日，本集團銀行及現金結餘約為人民幣6.2百萬元（二零一零年十二月三十一日：人民幣19.0百萬元），其中約人民幣0.1百萬元（二零一零年十二月三十一日：人民幣2.9百萬元）以港元、美元及歐元列值。

In order to secure the supply of materials and to stabilize the price thereof in future, the Group placed trade deposits of approximately RMB14 million (31 December 2010: RMB11 million) with the suppliers by the end of 30 June 2011.

為確保日後的物料供應及穩定其價格，本集團於二零一一年六月三十日前向供應商支付貿易按金約人民幣14百萬元（二零一零年十二月三十一日：人民幣11百萬元）。

Taking into account the existing financial resources available to the Group, the Group's financial position is stable and healthy.

經考慮本集團現有可供使用之財務資源後，本集團的財務狀況乃屬穩健。

## FOREIGN EXCHANGE EXPOSURE

Majority of the assets and liabilities of the Group were denominated in Renminbi and Hong Kong dollars. As at 30 June 2011, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

## CAPITAL STRUCTURE

There has been no material change in the capital structure of the Group since 31 December 2010.

## SIGNIFICANT INVESTMENTS

As at 30 June 2011, there was no significant investment held by the Group.

## MATERIAL ACQUISITIONS OR DISPOSALS

For the six months ended 30 June 2011, there were no material acquisitions or disposal of subsidiaries and affiliated companies by the Group.

## PLEDGE ON ASSETS

As at 30 June 2011, the Group secured its bank borrowings by buildings with a carrying amounts of approximately RMB7.6 million and prepaid land lease payments with a carrying amounts of approximately RMB3.1 million. The carrying amounts of motor vehicles held by the Group under finance lease amounted to approximately RMB0.9 million.

An approximately RMB6.3 million of trade receivables were pledged to a bank to secure short-term bank borrowings.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2011, the Group employed a total of 199 employees. The remuneration policy of the employees of the Group is set up by the Board on the basis of their experience, qualifications and competence. Other employees' benefits include contributions to statutory mandatory provident funds, and social insurance together with housing provident funds to its employees in Hong Kong and the PRC respectively.

A remuneration committee was set up for, inter alia, reviewing the Group's remuneration policy and structure for all directors and senior management of the Group.

## 外匯風險

本集團大部分資產及負債以人民幣及港元計值。於二零一一年六月三十日，本集團概無因外匯合約、利息、貨幣掉期或其他金融衍生工具而面臨任何重大風險。

## 資本架構

自二零一零年十二月三十一日以來，本集團之資本架構並無重大變動。

## 重大投資

於二零一一年六月三十日，本集團並無持有重大投資。

## 重大收購或出售

於截至二零一一年六月三十日止六個月，本集團概無就本集團之附屬公司及聯營公司進行重大收購或出售。

## 抵押資產

於二零一一年六月三十日，本集團以賬面值約人民幣7.6百萬元的樓宇及賬面值約人民幣3.1百萬元的預付土地租賃款項擔保其銀行借款。本集團根據融資租賃持有的機動車賬面值約為人民幣0.9百萬元。

大約人民幣6.3百萬元的貿易應收款項已抵押給銀行，以取得短期銀行借款。

## 僱員及薪酬政策

於二零一一年六月三十日，本集團共聘用199名僱員。本集團的僱員薪酬政策乃由董事會根據其經驗、資歷及工作能力而制定。其他僱員福利分別包括香港及中國僱員的法定強制性公積金供款、社會保險以及住房公積金。

薪酬委員會已告成立，旨在(其中包括)審閱本集團所有董事及高級管理層的薪酬政策及結構。



## **NOMINATION COMMITTEE**

The Company established a nomination committee on 13 September 2010 with written terms of reference in compliance with the Code. The nomination committee comprises one executive Director, namely Mr. Zhuang Yuejin, and two independent non-executive Directors, namely Mr. Law Tze Lun and Mr. Feng Xueben. Mr. Zhuang Yuejin has been appointed as the chairman of the nomination committee.

## **REMUNERATION COMMITTEE**

The Company established a remuneration committee on 13 September 2010 with written terms of reference in compliance with Code provision B.1.1. The remuneration committee comprises one executive Director, namely, Mr. Zhuang Yuejin and two independent non-executive Directors, namely Mr. Law Tze Lun and Dr. Tang Yanfei. Mr. Zhuang Yuejin has been appointed as the chairman of the remuneration committee.

## **AUDIT COMMITTEE**

The audit committee has three members namely Mr. Law Tze Lun, Dr. Tang Yanfei and Mr. Feng Xueben, all of whom are independent non-executive Directors. Mr. Law Tze Lun has been appointed as the chairman of the audit committee. The Group's unaudited condensed consolidated results for the three months and six months ended 30 June 2011 have not been audited by the Company's auditors, but have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and adequate disclosure have been made.

## **提名委員會**

本公司於二零一零年九月十三日成立提名委員會，並以書面列明符合守則的職權範圍。提名委員會目前由一名執行董事莊躍進先生，及兩名獨立非執行董事羅子璘先生及馮學本先生組成。莊躍進先生已獲委任為提名委員會主席。

## **薪酬委員會**

本公司於二零一零年九月十三日成立薪酬委員會，並以書面列明符合守則條文第B.1.1條的職權範圍。薪酬委員會目前由一名執行董事莊躍進先生，及兩名獨立非執行董事羅子璘先生及湯炎非博士組成。莊躍進先生已獲委任為薪酬委員會主席。

## **審核委員會**

審核委員會由羅子璘先生、湯炎非博士及馮學本先生三位成員組成。該等成員全部為獨立非執行董事。羅子璘先生獲委任為審核委員會主席。本集團截至二零一一年六月三十日止三個月及六個月的未經審核簡明綜合業績尚未由本公司之核數師審核但已由審核委員會審閱，而該委員會認為該等業績乃按適用之會計準則及規定而編製，且已作出充分披露。

## BOARD OF DIRECTORS

The Board comprises six executive Directors and three independent non-executive Directors as follows:

### Executive Directors

Mr. Zhuang Yuejin (*Chairman*)  
Ms. Wong Hsiao Hung  
Mr. Pak Ping  
Ms. Ruan Bixia  
Mr. Chen Xianping  
Mr. Wong Ho Yin (appointed on 30 June 2011)

### Independent non-executive Directors

Mr. Law Tze Lun  
Dr. Tang Yanfei  
Mr. Feng Xueben

## 董事會

董事會由下列六名執行董事及三名獨立非執行董事組成：

### 執行董事

莊躍進先生(*主席*)  
黃小紅女士  
白平先生  
阮碧霞女士  
陳顯平先生  
黃浩然先生(於二零一一年六月三十日獲委任)

### 獨立非執行董事

羅子璘先生  
湯炎非博士  
馮學本先生

By the order of the Board  
**China Automotive Interior Decoration Holdings Limited**  
**Zhuang Yuejin**  
*Chairman*

承董事會命  
中國汽車內飾集團有限公司  
**莊躍進**  
*主席*

Hong Kong, 11 August 2011

香港，二零一一年八月十一日





Website 網址: <http://www.joystar.com.hk>