



CHANGFENG AXLE (CHINA) COMPANY LIMITED 暢豐車橋（中國）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)

(Stock Code 股份代號：1039)



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Corporate Information 公司資料

DIRECTORS

Executive Directors

Mr. Wong Kwai Mo
Ms. Wu Ching
Mr. Lai Fengcai

Non-Executive Directors

Ms. Dong Ying, Dorothy

Independent Non-Executive Directors

Mr. Zhu Weizhou
Dr. Li Xiuqing
Mr. Chong Ching Hei

COMPANY SECRETARY

Mr. Chan Wai Shing

AUDIT COMMITTEE (WITH EFFECT FROM THE LISTING DATE)

Mr. Chong Ching Hei (*Chairman*)
Mr. Zhu Weizhou
Dr. Li Xiuqing

REMUNERATION COMMITTEE (WITH EFFECT FROM THE LISTING DATE)

Mr. Zhu Weizhou (*Chairman*)
Mr. Chong Ching Hei
Mr. Wong Kwai Mo

NOMINATION COMMITTEE (WITH EFFECT FROM THE LISTING DATE)

Dr. Li Xiuqing (*Chairperson*)
Mr. Wong Kwai Mo
Mr. Zhu Weizhou

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

董事

執行董事

王桂模先生
胡靜女士
賴鳳彩先生

非執行董事

董穎女士

獨立非執行董事

朱偉洲先生
李秀清博士
莊清喜先生

公司秘書

陳偉盛先生

審核委員會 (由上市日期起生效)

莊清喜先生 (*主席*)
朱偉洲先生
李秀清博士

薪酬委員會 (由上市日期起生效)

朱偉洲先生 (*主席*)
莊清喜先生
王桂模先生

提名委員會 (由上市日期起生效)

李秀清博士 (*主席*)
王桂模先生
朱偉洲先生

主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
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Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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1 Science Museum Road
Tsim Sha Tsui
Hong Kong

PRINCIPAL BANKERS

Bank of China
China Construction Bank
Industrial and Commercial Bank of China

AUDITORS AND REPORTING ACCOUNTANTS

Deloitte Touche Tohmatsu

LEGAL ADVISOR

Sidley Austin
Jun He Law Offices

STOCK CODE

1039

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
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COMPANY'S WEBSITE

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INVESTOR RELATIONSHIP

Mr. Chan Wai Shing
ir@changfengaxle.com

香港主要營業地點

香港
尖沙咀
科學館道1號
康宏廣場北座
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主要往來銀行

中國銀行
中國建設銀行
中國工商銀行

核數師

德勤•關黃陳方會計師行

法律顧問

盛德律師事務所
君合律師事務所

股票代號

1039

香港股份過戶登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
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公司網址

<http://www.changfengaxle.com.hk>

投資者關係

陳偉盛先生
ir@changfengaxle.com

Chairman's Statement 主席報告

To the Shareholders,

I would like to extend my sincere thanks to all of you for supporting Changfeng Axle (China) Company Limited (the "Company"). On behalf of the board of directors (the "Board") of the "Company, I am pleased to present you the audited results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2010 (the "Year").

In 2001, Ms. Wu Ching, the founder of the Company, established Fujian Changfeng Axle Manufacturing Co., Ltd. (which was previously known as Longyan Changfeng Mechanical Factory Co. Ltd.), which was engaged in manufacture and sales of axle housings and other axle components. Over the effort of the management in the past years, the Company was successfully listed on The Stock Exchange of Hong Kong Limited on 24 September 2010, thus tapping the international capital market. This listing not only boosted the Company's capital base, but also strengthened our Group's leading position in the industry and enhanced the Company's competitive advantage, creating more business opportunities and giving an impetus to the Group's development.

In 2010, the Chinese Government continued to implement a series of plans to stimulate recovery and growth of economy, which accelerated the transformation of economic development, strengthened and improved macroeconomic adjustment, leading to a continuous growth at a relatively faster pace for the domestic gross investments in fixed assets as well as a steady growth for traffic-related fixed assets. This brought growth momentum for the economy in the People's Republic of China (the "PRC"), which also gave rise to the significant development of infrastructures such as highways and expressways. Since the Chinese Government continued to expand the highway network, the domestic commercial activities and imports and exports remained robust, this drove the transportation of goods through domestic highways and expressways, thus increasing the demands for long-distance logistics and transportation vehicles such as medium duty trucks ("MDT") and heavy duty trucks ("HDT"). With the economic development, the improvement of traffic infrastructures and the growth of trade volume, the demands for MDT and HDT exhibited a gradual annual growth.

各位股東：

本人謹此就 閣下對本公司的支持致以萬分感謝。本人代表暢豐車橋(中國)有限公司(「本公司」)董事會(「董事會」)，欣然向 閣下提呈本公司及其附屬公司(統稱為「本集團」)截至二零一零年十二月三十一日止年度(「本年度」)的經審核業績。

於二零零一年，本公司創辦人胡靜女士成立福建暢豐車橋製造有限公司(前身為龍岩暢豐機械製造有限公司)，經營橋殼和其他車橋零部件的生產與銷售。經過管理層過過去多年的努力，本公司於二零一零年九月二十四日在香港聯合交易所有限公司成功上市，進軍國際資本市場。此次上市不僅加強本公司的資本基礎，亦增強本集團在業界的領導地位，提高本公司的競爭優勢，創建更多業務機會及推動本集團的發展。

於二零一零年，中國政府繼續實施一系列刺激經濟復甦和增長的計劃，加快推進經濟發展轉型、加強及改善宏觀經濟調整，促使固定資產國內總投資額以相對較快的速度持續增長以及與交通有關的固定資產穩定增長。這為中國經濟的增長帶來了動力，亦促使基建(如公路及高速公路)得到重大發展。由於中國政府繼續擴展公路網絡，國內商業活動以及進出口持續興旺，推動了國內公路及高速公路的貨物運輸，因此，對長途物流及運輸工具(如中型卡車(「中卡」)及重型卡車(「重卡」))的需求不斷增加。隨著經濟發展、交通基礎設施改善及貿易量增加，對中卡及重卡的需求亦逐年增加。

During the Year, the Group proactively developed its business. It expanded its product offerings and strengthened its development and production capability through acquisition, expansion and enhancement of production bases. On 11 November 2010, Fujian Changfeng Axle Manufacturing Co., Ltd. ("Fujian Changfeng"), the wholly-owned subsidiary of the Company, and Lonking (Jiangxi) Gear Co., Ltd. ("Lonking Gear"), the wholly-owned subsidiary of Lonking Holdings Limited, entered into the Cooperation Agreement pursuant to which both parties agreed to establish a joint venture company to engage in the manufacturing and sales of high quality gears for automobile and construction machinery in the PRC. Such cooperation will strengthen the Group's axle components and related business and provided the Group with a suitable platform to further develop the business of the Group for production of gears in the PRC. In addition, on 29 November 2010, Kaifeng Changfeng Axle Co., Ltd., the wholly-owned subsidiary of the Company, has successfully tendered for the assets located in Kaifeng City, Henan Province, the PRC, including production and ancillary facilities for the production of automobile parts, the land use rights for the factory land, the land use rights for railway land, the production facilities and the constructions in progress and machinery and equipment. The acquisition will increase the Group's production capacity.

Looking forward, the Group aims to strengthen its leading position in the axle assemblies and related component parts industry, and will increase the Group's production efficiency and improve the production, distribution and logistic capability to meet robust market demand for high-quality products. In response to the strong demand for axle component products in the aftermarket, the Group will expand the market coverage in the PRC through its extensive sales, marketing and services network. With its strong research and development capability, the Group has developed proprietary axle production technologies and processes that have facilitated the production of new and improved axle products, further expanding its product offerings and hence becoming a "one-stop" provider of axle components for the MDT and HDT aftermarket in the PRC.

於本年度，本集團積極拓展業務，透過收購、擴展及壯大生產基地，擴展產品種類及增強產品開發和生產能力。於二零一零年十一月十一日，本公司全資附屬公司福建暢豐車橋製造有限公司（「福建暢豐」）與龍工控股有限公司之全資附屬公司龍工（江西）齒輪有限公司（「龍工齒輪」）訂立合作協議，以共同在中國成立合資企業，於中國從事製造及銷售汽車及建築機械的優質齒輪，此項合作鞏固本集團的車橋零部件及相關業務，並為本集團提供合適平台，進一步發展本集團在中國的齒輪生產業務。因此，於二零一零年十一月二十九日，本公司全資附屬公司開封暢豐車橋有限公司成功投得位於中國河南省開封市的資產，包括生產汽車零件的生產及附屬設施、工廠的土地使用權、鐵路用地的土地使用權、生產設施及在建工程以及機器及設備，以提高本集團的產能。

展望未來，本集團力爭於車橋配件及相關部件行業鞏固領先地位，提高本集團的生產效率並改善生產、分銷及物流能力以滿足市場對高質量產品的強勁需求。為應對維修市場對車橋零部件產品的強勁需求，本集團計劃利用其廣泛的銷售、營銷及服務網絡拓展市場覆蓋範圍。本集團擁有強勁的研發能力，已開發出專有車橋生產技術及工序，從而幫助生產新型和改進型車橋產品，進一步擴大其產品種

Chairman's Statement 主席報告

Leveraging the Group's leading position in the industry and optimized operational mode, it is believed that the Group will fully benefit from development opportunity in the enormous market in the PRC and achieve better results and hence optimize return for shareholders.

Finally, on behalf of the Board, I would like to take this opportunity to express my gratitude to all shareholders, customers, employees, suppliers and partners for their continuous support and encouragement. We are committed to using the highest quality and technical standards and fully utilize every opportunity to give returns to shareholders and all teams for their long-term support.

類，使本集團成為中國中重卡維修市場車橋零部件的「一站式」供應商。憑藉本集團於業內的領先地位及優化的營運模式，相信本集團將從龐大的中國市場中全面受惠，取得更佳的成績，為股東爭取最佳回報。

最後，本人藉此機會代表董事會向全體股東、客戶、員工、供應商及合作夥伴一直以來的支持及鼓勵表示感謝。我們致力於採納最高的質量及技術標準，充分利用每個機會回饋股東及所有團隊的長期支持。

Mr. Wong Kwai Mo
Chairman

8 March 2011

主席
王桂模

二零一一年三月八日

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW

Founded in 2001, the Group is a leading independent axle component provider for China's MDT and HDT aftermarket, and also one of the largest independent axle assembly providers for China's MDT and HDT original equipment manufacturers ("OEM") market. The Group is principally engaged in the manufacture and sales of axle assemblies and axle components in the PRC.

The diversified axle component product offerings include seven major categories of axle components with over 680 models. The products cover all major axle components, including cast steel and punched steel axle housings, brake drums, axle shafts, axle differentials and reducers, steering knuckles and front axle beams. An extensive range of front, middle and rear axle assemblies and suspension assemblies are also manufactured in over 400 models. The Group adopts a vertically integrated production process, with comprehensive axle component production capabilities and research and development abilities enabling the Group to swiftly respond to changes in market trends and meet customer demands. Proprietary processing techniques are used in the production process to manufacture quality products which are characterized by their strong durability and competitive prices.

On 11 November 2010, a wholly-owned subsidiary of the Company entered into a cooperation agreement with Lonking Gear to jointly establish an equity joint venture enterprise in the PRC to engage in the manufacture and sales of high quality gears for automobile and construction machinery in the PRC. Such cooperation has strengthened the Group's axle components and related businesses and provided the Group with a suitable platform to further develop the Group's business of producing gears in the PRC.

The Group has four production facilities in the PRC, one of which is located in Kaifeng city, Henan province, two of which are located in Longyan city, Fujian province and one of which is located in Nanchong city, Sichuan province. These production facilities are strategically located in proximity to primary suppliers and OEM customers so as to accelerate the Group's procurement process, reduce product delivery time and transportation costs and improve logistical efficiency to meet customers' demands. On 29 November 2010, the Group has successfully tendered for assets which comprise of production and ancillary facilities for the production of automobile parts, the land use right of the factory land, the land use right of the railway land, the production facilities and the construction in progress and the machinery and equipment, which are located in Kaifeng city, Henan province, the PRC so as to increase the Group's production capacity.

業務回顧

自二零零一年創立以來，本集團乃中國中卡及重卡維修市場上領先的獨立車橋零部件供應商，亦為中國中重卡原設備製造商（「OEM」）市場上最大型的獨立橋總成供應商之一。本集團主要在中國從事製造及銷售橋總成及車橋零部件。

本集團提供的多樣化車橋零部件產品包括七大類別的車橋零部件，涉及超過680種型號。產品涵蓋所有主要車橋零部件，包括鑄鋼及沖焊橋殼、制動鼓、半軸、差減速器總成、轉向節及前軸。種類多樣的前橋總成、中橋總成、後橋總成及平衡懸架總成亦生產出超過400種型號。本集團採用垂直整合的生產過程，加上全面的車橋零部件生產能力及研發能力，令本集團能夠對市場趨勢的變化迅速作出反應並滿足客戶的需求。生產過程中會運用專有加工技術生產超耐用及價格具競爭力的優質產品。

於二零一零年十一月十一日，本公司一間全資附屬公司與龍工（江西）齒輪有限公司訂立合作協議，以共同在中國成立合資企業，於中國從事製造及銷售汽車及建築機械的優質齒輪。此項合作鞏固本集團的車橋零部件及相關業務，並為本集團提供合適平台，進一步發展本集團在中國的齒輪生產業務。

本集團於中國擁有四個生產基地，其中一個位於河南省開封市，兩個位於福建省龍岩市，另外一個位於四川省南充市。生產基地策略性地設在主要供應商及OEM客戶附近，使本集團可加快採購過程、縮短產品交付時間、降低運輸成本及提高物流效率，以滿足客戶的需求。於二零一零年十一月二十九日，本集團成功投得位於中國河南省開封市的資產（包括用於生產汽車零部件的生產及配套設施、工廠的土地使用權、鐵路用地的土地使用權、生產基地及在建工程以及機器及設備）以提高本集團的產能。

Management Discussion and Analysis 管理層討論及分析

MDT and HDT Aftermarket

The Group is a leading independent axle component provider for China's MDT and HDT aftermarket with one of the most diversified product offerings among independent axle component providers in China. During the year ended 31 December 2010, the axle components were sold to customers in the aftermarket through its extensive sales, marketing and services network across China. For the year ended 31 December 2010, revenue from the aftermarket amounted to approximately RMB871.5 million (2009: approximately RMB500.7 million) and accounted for approximately 66.1% (2009: approximately 62.5%) of the Group's total revenue, representing an increase of approximately 74.0% over the previous year.

The Group continues to expand its sales, marketing and service network, including the exclusive distributors. The exclusive distributors were required to sell Changfeng-branded products exclusively and renovate their stores according to Changfeng-branded design and layout requirements. This uniform branding and marketing strategy, which the Group pioneered in the axle aftermarket in the PRC, helps to promote the Group's brand awareness and strengthen customer confidence in the Group's products, thereby increasing the Group's overall sales. The Group is in the process of converting existing non-exclusive first-tier distributors into exclusive first-tier distributors because of the increase in production capacity and product supply.

MDT and HDT OEM market

The Group primarily sells axle assemblies directly to OEMs customers in the PRC on a made-to-order basis to match its customers' specification requirements. A small portion of axle components is occasionally sold to other axle assembly providers. For the year ended 31 December 2010, revenue from the OEM market amounted to approximately RMB447.2 million (2009: approximately RMB300.4 million) and accounted for 33.9% (2009: 37.5%) of the Group's total revenue, representing an increase of 48.9% over the previous year. The rapid growth of the Group in the OEM market was mainly attributable to its rapid product development and customization capabilities, the high quality products offered at competitive prices, excellent after-sales services, and good relationships with OEM customers. As OEM customers tend to engage independent axle assembly providers who have rapid product development and customization capabilities and offer high quality products at competitive prices to supply their axle assemblies, the Group will continue to grow in the OEM market.

中重型卡車維修市場

本集團為中國中重卡維修市場上領先的獨立車橋零部件供應商，在中國眾多獨立車橋零部件供應商中，提供多樣化的車橋零部件產品之一。於截至二零一零年十二月三十一日止年度，本集團主要透過中國的廣泛銷售、營銷及服務網絡向客戶銷售車橋零部件。於截至二零一零年十二月三十一日止年度，來自維修市場的收入約為人民幣871.5百萬元(二零零九年：約人民幣500.7百萬元)，佔本集團總收入約66.1%(二零零九年：約62.5%)，較去年增長約74.0%。

本集團繼續拓展銷售、營銷及服務網絡，包括專營店。專營店僅允許出售暢豐品牌的產品，並須根據暢豐品牌的設計及佈置要求對其店舖進行裝修。本集團是中國車橋維修市場率先採用統一品牌及營銷策略的公司，此有助提高本集團的品牌認知度及加強客戶對本集團產品的信心，從而增加本集團的整體銷售。隨著本集團增加產能及產品供應，本集團現正逐步將現有非專營一級分銷商轉變為專營一級分銷商。

中重型卡車OEM市場

本集團主要直接向中國OEM廠商客戶銷售按訂單製造，符合客戶規格要求的橋總成。本集團間亦會將一小部份車橋零部件銷售予其他橋總成供應商。截至二零一零年十二月三十一日止年度，來自OEM市場的收入，約為人民幣447.2百萬元(二零零九年：約人民幣300.4百萬元)佔本集團總收入的33.9%(二零零九年：37.5%)，較上年度增長48.9%。本集團在OEM市場上迅速業務增長主要歸因於本集團快速開發及定製產品的能力、以具競爭力的價格提供優質產品、出色的售後服務以及本集團與OEM客戶之間的良好關係。由於OEM客戶趨向轉為採用擁有快速產品開發及定製能力，並能以具競爭力的價格提供優質產品的獨立橋總成供應商以供應彼等的橋總成，故本集團在OEM市場上的增長勢頭將得以持續。

Management Discussion and Analysis 管理層討論及分析

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2010, the Group recorded a consolidated revenue of approximately RMB1,318.7 million (2009: approximately RMB801.1 million), representing an increase of 64.6% as compared with the same period in 2009.

Revenue from our aftermarket segment increased by approximately 74.0% from RMB500.7 million in 2009 to RMB871.4 million in 2010. The increase in revenue was mainly due to (i) the expansion of the Group's production capacity via its four production facilities; (ii) its extensive sales, marketing and services network, which the Group has consistently expanded; (iii) the improvement in the Group's product development capabilities, which in turn, has enabled it to offer a diverse range of product offerings and has improved its responsiveness to market demands; and (iv) quality of the Group's products and the Group's price advantage over its competitors.

Revenue from the Group's OEM and related market segment increased by approximately 48.9% from RMB300.4 million in 2009 to RMB447.2 million in 2010. The increase in revenue was mainly due to (i) the Group's rapid product development and customization capabilities, largely resulting from its research and development abilities and production technologies and processes, enabling it to provide fast turn-around times; (ii) the high quality of the Group's products offered at competitive prices; and (iii) the Group's after-sales services and good relationship with its customers.

Gross profit and gross profit margin

For the year ended 31 December 2010, gross profit increased by 74.5% from approximately RMB251.8 million in 2009 to approximately RMB439.3 million. Gross profit margin increased from approximately 31.4% in 2009 to approximately 33.3% in 2010 mainly due to the launch of new makes and models of the Group's axle component products, including brake drums, axle differentials and reducers and steering knuckles, and the Group's strong pricing power over its aftermarket customers.

財務回顧

收入

於截至二零一零年十二月三十一日止年度，本集團錄得綜合收入約人民幣1,318.7百萬元（二零零九年：約人民幣801.1百萬元），較二零零九年同期增長64.6%。

我們的維修市場分部收入自二零零九年的人民幣500.7百萬元增加約74.0%，至二零一零年的人民幣871.4百萬元。此收入增長主要是由於(i)本集團通過其四個生產基地而提高產能；(ii)本集團一直拓展的廣泛銷售、營銷及服務網絡；(iii)本集團加強產品開發能力，使其得以提供多元化的產品種類，並且更迅速回應市場需求；及(iv)本集團的產品品質素及相對於其競爭對手的價格優勢。

我們的OEM及相關市場分部收入自二零零九年的人民幣300.4百萬元增加約48.9%，至二零一零年的人民幣447.2百萬元。此收入增長主要是由於(i)本集團的快速產品開發及定製能力，而此大致來自其研發能力與生產技術及程序，使其可提供快速的開發時間；(ii)本集團以具競爭力的價格提供優質產品；及(iii)本集團的售後服務以及與客戶的良好關係。

毛利及毛利率

於截至二零一零年十二月三十一日止年度，毛利增長74.5%，自二零零九年約人民幣251.8百萬元增加至約人民幣439.3百萬元。毛利率自二零零九年約31.4%上升至二零一零年約33.3%，主要由於推出新品牌及型號的車橋零部件產品（包括制動鼓、差減速器總成及轉向節）以及本集團對維修市場客戶的強大定價能力所致。

Management Discussion and Analysis 管理層討論及分析

Other income

Other income of the Group decreased from approximately RMB5.1 million in 2009 to approximately RMB2.5 million in 2010 as a result of the exchange loss of approximately RMB4.9 million in 2010. Such decrease was due to the increase of the exchange loss for transferring the proceeds of the initial public offering from Hong Kong Dollar to Renminbi.

Selling and distribution expenses

Selling and distribution expenses of the Group increased from approximately RMB17.6 million in 2009 to approximately RMB22.4 million in 2010. The increase was mainly due to the increase in transportation cost to cope with the increase in revenue.

Administrative expenses

The Group's administrative expenses increased from approximately RMB27.1 million in 2009 to approximately RMB48.5 million in 2010. The increase in administrative expenses was due to the incurring of listing expenses of approximately RMB15.1 million for the initial public offering of the Company in 2010 (2009: approximately RMB4.5 million) and the increase in the number of administration staff to supervise the growth of the Group.

Finance costs

The Group incurred finance costs of approximately RMB22.5 million in 2010, which represented approximately 1.7% (2009: approximately 1.6%) of its revenue and an increase of approximately 77.4% from RMB12.7 million in 2009.

Taxation

Tax charge increased by approximately 77.4% from RMB28.1 million in 2009 to RMB49.9 million in 2010 due to the increased profit. The effective tax rate remarked stable in 2010 at 14.9% (2009: 14.7%).

Profit attributable to equity holders of the Company

The Group achieved a profit attributable to equity holders of approximately RMB285.7 million, which represented an increase of approximately 75.5% as compared with the year 2009. Basic earnings per share rose by RMB0.17 from RMB0.27 per share in 2009 to RMB0.44 per share in 2010.

其他收入

本集團的其他收入自二零零九年約人民幣5.1百萬元減少至二零一零年約人民幣2.5百萬元，此乃由於二零一零年約人民幣4.9百萬元的匯兌虧損所致。此減少乃由於將首次公開招股所得款項從港元兌換為人民幣的匯兌虧損增加。

銷售及分銷費用

本集團的銷售及分銷費用自二零零九年約人民幣17.6百萬元增長至二零一零年約人民幣22.4百萬元。該增長乃由於運輸成本上升以應付收入增長。

行政費用

本集團的行政費用自二零零九年約人民幣27.1百萬元增加至二零一零年約人民幣48.5百萬元。行政費用增加乃由於本公司於二零一零年的首次公開招股的上市費用約人民幣15.1百萬元(二零零九年：約人民幣4.5百萬元)以及行政人員數目增加以監督集團的增長所致。

財務費用

本集團於二零一零年產生的財務費用約為人民幣22.5百萬元，佔其收入約1.7%(二零零九年：約1.6%)，較二零零九年的人民幣12.7百萬元增加約77.4%。

稅項

由於溢利增加，故稅項開支自二零零九年的人民幣28.1百萬元增加約77.4%至二零一零年的人民幣49.9百萬元。二零一零年的實際稅率維持平穩，為14.9%(二零零九年：14.7%)。

本公司股權持有人應佔溢利

本集團錄得股權持有人應佔溢利約人民幣285.7百萬元，較二零零九年增加約75.5%。每股基本盈利自二零零九年的每股人民幣0.27元增加人民幣0.17元至二零一零年的每股人民幣0.44元。

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LIQUIDITY AND FINANCIAL RESOURCES

Cash and cash equivalents of the Group were mainly generated from the cash flow deriving from operating activities and financing activities.

As at 31 December 2010, cash and cash equivalents of the Group was approximately RMB518.1 million (2009: approximately RMB24.4 million).

As compared with the year 2009, cash and cash equivalents increased by approximately RMB493.7 million, which was mainly generated from the net cash inflow from operating activities of approximately RMB209.2 million (2009: net cash outflow of RMB60.4 million) and net cash inflow from financing activities of approximately RMB698.9 million (2009: approximately RMB225.3 million).

As at 31 December 2010, net current assets of the Group was approximately RMB676.1 million (2009: approximately RMB169.8 million). As at 31 December 2010, the current ratio (i.e. total current assets / total current liabilities) of the Group was approximately 209.9% (2009: approximately 136.8%). This was mainly due to the raising of capital through listing which led to an increase in bank balances.

As at 31 December 2010, total assets of the Group were approximately RMB2,079.1 million (2009: approximately RMB1,006.4 million) and total liabilities were approximately RMB616.2 million (2009: approximately RMB481.8 million). As at 31 December 2010, the debt ratio (i.e. total liabilities/total assets) was 29.6% (2009: 47.9%).

As at 31 December 2010, the Group had total borrowings of approximately RMB328.4 million (2009: approximately RMB265.4 million), and the gearing ratio (i.e. total borrowing/total equity) was approximately 22.5% (2009: approximately 50.6%).

Trade and bills receivable

Trade and bills receivables of the Group in 2010 were approximately RMB390.5 million (2009: RMB353.1 million). The increase in balance was due to the increase in revenue.

The average turnover days of trade and bills receivable decreased from 106 days in 2009 to 103 days in 2010. The average turnover days of trade and bills receivable decreased as the Group strived to tighten the control on those outstanding receivables and closely monitored the repayment by its customers.

流動資金及財務資源

本集團的現金及現金等值項目主要來自經營活動及融資活動的現金流量。

於二零一零年十二月三十一日，本集團的現金及現金等值項目約為人民幣518.1百萬元(二零零九年：約人民幣24.4百萬元)。

與二零零九年相比，現金及現金等值項目增加約人民幣493.7百萬元，主要來自經營活動的現金流入淨額約人民幣209.2百萬元(二零零九年：現金流出淨額人民幣60.4百萬元)，以及來自融資活動的現金流入淨額約人民幣698.9百萬元(二零零九年：約人民幣225.3百萬元)。

於二零一零年十二月三十一日，本集團的流動資產淨值約為人民幣676.1百萬元(二零零九年：約人民幣169.8百萬元)。於二零一零年十二月三十一日，本集團的流動比率(即總流動資產/總流動負債)約為209.9%(二零零九年：約136.8%)，主要是由於通過上市籌集資金，以致銀行結餘增加。

於二零一零年十二月三十一日，本集團的總資產約為人民幣2,079.1百萬元(二零零九年：約人民幣1,006.4百萬元)，總負債約為人民幣616.2百萬元(二零零九年：約人民幣481.8百萬元)。於二零一零年十二月三十一日，負債比率(即總負債/總資產)為29.6%(二零零九年：47.9%)。

於二零一零年十二月三十一日，本集團的借款總額約為人民幣328.4百萬元(二零零九年：約人民幣265.4百萬元)，資產負債比率(即借款總額/權益總額)約為22.5%(二零零九年：約50.6%)。

貿易應收款項及應收票據

本集團於二零一零年的貿易應收款項及應收票據約為人民幣390.5百萬元(二零零九年：人民幣353.1百萬元)。結餘的增加乃由於收入增加所致。

貿易應收款項及應收票據的平均週轉天數由二零零九年的106日減少至二零一零年的103日。貿易應收款項及應收票據的平均週轉天數有所減少，此乃由於本集團致力收緊對未收回的應收款項的控制，以及密切監督其客戶之償還情況。

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Inventory

The inventory balance of the Group in 2010 was approximately RMB290.3 million (2009: approximately RMB194.7 million) which mainly reflected the increase in raw materials and finished goods for the market demand for the Group's products.

The average turnover days in inventory decreased from 112 days in 2009 to 101 days in 2010. This was due to the Group's better inventory control of its products in terms of the supply chain which provided the Group a better estimate of customer demand on its products and enhanced the inventory level control of its raw material and finished goods.

Trade and bills payable

Trade and bills payables of the Group in 2010 were approximately RMB189.5 million (2009: approximately RMB145.3 million). The increase in balance was due to the increase in procurement of raw materials for future production.

The average turnover days of trade and bills payables decreased from 84 days in 2009 to 69 days in 2010 as the Group utilized its cash from its operating activities to settle some of its trade and bills payables early so as to strengthen its relationship with the suppliers.

Pledged assets

As at 31 December 2010, the Group has pledged assets of approximately RMB257.1 million (2009: approximately RMB147.3 million) to secure the grant of banking facilities. As at 31 December 2010, the Group had pledged the equity shares of certain PRC subsidiaries as collateral to secure bank borrowings amounting to RMB167.1 million.

Contingent Liabilities

As at 31 December 2010, the Group had no significant contingent liabilities (2009: Nil).

Capital commitment

As at 31 December 2010, the contracted capital commitment of the Group which were not provided in the financial statements were approximately RMB54.0 million (2009: approximately RMB24.8 million). Such capital commitments were mainly for the capital expenditure in respect of acquisition of production facilities.

存貨

本集團於二零一零年的存貨結餘約為人民幣290.3百萬元(二零零九年：約人民幣194.7百萬元)，這主要反映因回應本集團產品的市場需求而增加的原材料及完成產品。

存貨平均週轉天數由二零零九年的112日減少至二零一零年的101日。此乃由於就供應鏈而言本集團對其產品有更佳的存貨控制，使本集團可更準確估計客戶對其產品的需求，並加強其原材料及完成產品的存貨水平控制。

貿易應付款項及應付票據

本集團於二零一零年的貿易應付款項及應付票據約為人民幣189.5百萬元(二零零九年：約人民幣145.3百萬元)。此結餘的上升乃由於為未來的生產而增加採購原材料。

貿易應付款項及應付票據的平均週轉天數由二零零九年的84日減少至二零一零年的69日，此乃由於本集團利用來自經營活動的現金提早支付部分貿易應付款項及應付票據，以增進其與供應商的關係。

抵押資產

於二零一零年十二月三十一日，本集團已抵押約人民幣257.1百萬元(二零零九年：約人民幣147.3百萬元)的資產，作為獲授銀行融資的擔保。於二零一零年十二月三十一日，本集團已將若干中國附屬公司的權益股份用作金額為人民幣167.1百萬元的銀行借貸的抵押。

或然負債

於二零一零年十二月三十一日，本集團並無重大或然負債(二零零九年：無)。

資本承擔

於二零一零年十二月三十一日，已訂約但並無於財務報表作出撥備的本集團資本承擔約為人民幣54百萬元(二零零九年：約人民幣24.8百萬元)。此資本承擔主要用於收購生產基地。

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Employees and remuneration policy

As at 31 December 2010, the Group had 2,422 employees (2009: 1,586 employees). For the year ended 31 December 2010, total staff costs were approximately RMB73.5 million (2009: approximately RMB48.6 million).

The Group also provided internal training, external training and correspondence courses for its staff in order to promote self improvement and enhancement of skills relevant to work. The remuneration of the directors of the Company was determined with reference to their position, responsibilities and experience and prevailing market conditions.

Foreign exchange risk

The business of the Group is mainly located in the PRC and most of the transactions are carried out in Renminbi. Most of the assets and liabilities of the Group are computed in Renminbi, except that the gross proceeds from the Company's initial public offering of approximately HK\$800 million was denominated in foreign currency. As at 31 December 2010, the Group's foreign currencies was approximately HK\$11.4 million. During the year ended 31 December 2010, the Group did not utilize any futures contracts, currency borrowings or other means to hedge against its foreign exchange risk. However, the Group will monitor the risk exposures and will consider hedging against material currency risk if required.

Use of proceeds from the Company's initial public offering

The Company was listed on the Stock Exchange on 24 September 2010 and raised proceeds of RMB652.5 million. Details of use of proceeds have been set out in the Prospectus. During the year ended 31 December 2010, an amount of approximately RMB300 million was utilized for expansion of production facilities and approximately RMB60 million was utilized for working capital and other general corporate purposes. The balance of unutilised proceeds from the Company's initial public offering is approximately RMB292.5 million, which will mainly be used for further expansion of production facilities of the Group.

DIVIDEND

The Board does not recommend payment of any final dividend for the year ended 31 December 2010 (2009: Nil).

僱員及薪酬政策

於二零一零年十二月三十一日，本集團有2,422名僱員（二零零九年：1,586名僱員）。截至二零一零年十二月三十一日止年度，總員工成本約為人民幣73.5百萬元（二零零九年：約人民幣48.6百萬元）。

本集團亦為其員工提供內部培訓、外部培訓及函授課程，以提倡自我改進及增強其與工作相關的技能。本公司董事之酬金乃參考其職務、責任、經驗及當前市況而釐定。

外匯風險

本集團的業務主要位於中國，而大部分交易以人民幣進行。本集團的大部分資產和負債均以人民幣計算，除本公司首次公開招股所得款項總額約800百萬港元以外。截至二零一零年十二月三十一日，本集團的外幣為約11.4百萬港元。於截至二零一零年十二月三十一日止年度，本集團並無使用任何遠期合同、貨幣借款或以其他方式對沖本集團的外匯風險。然而本集團會監察所承受的風險，並會考慮於有需要時對沖重大貨幣風險。

本公司首次公開招股所得款項用途

本公司於二零一零年九月二十四日在聯交所上市，籌集所得款項人民幣652.5百萬元。所得款項用途詳情已載於招股章程。於截至二零一零年十二月三十一日止年度，約人民幣300百萬元被用於擴充生產基地，而約人民幣60百萬元則被用作營運資金及其他一般企業用途。尚未動用的本公司首次公開招股所得款項結餘約為人民幣292.5百萬元，將主要用作進一步擴充本集團的生產基地。

股息

董事會並不建議就截至二零一零年十二月三十一日止年度派發任何末期股息（二零零九年：無）。

Management Discussion and Analysis 管理層討論及分析

PROSPECTS

Looking forward, riding on its (i) extensive sales, marketing and services network among all axle component providers in China's MDT and HDT aftermarket; (ii) diversified axle component offerings well recognized for high quality by customers; (iii) role as an independent provider of axle products in both the aftermarket and OEM market, enhancing the cross-marketing capabilities and maximising the sales and profit, the Group seeks to strengthen its leading position in the axle industry, to further expand its product offerings and to become a "one-stop" provider of axle components for the MDT and HDT aftermarket in China.

The Group will further develop in the following aspects in order to increase its competitiveness in the market.

Marketing Network

In order to enhance its market penetration of the MDT and HDT aftermarket, the Group will (i) expand its extensive sales, marketing and services network vertically and horizontally; (ii) convert more existing non-exclusive first-tier distributors into exclusive first-tier distributors and (iii) provide comprehensive models and products offerings, with its strong brand recognition. Furthermore, the Group will expand its OEM market by selling axle assemblies with higher margins after the completion of high-quality gear factory.

Product Development

In order to increase the Group's production efficiency and improve its product development capabilities, the Group strategically cooperates with various research institutions in the PRC. Under such cooperation, new technology and raw materials will be developed for the production of axle components. Besides, the Group plans to develop new processing technologies and establish national-level testing laboratories aimed at increasing the production speed in order to further shorten the product development cycle and conduct the testing of its products in-house for certification purposes within a shorter time frame than at third-party testing facilities, thereby significantly reducing its overall product development cycle.

Production capacity

In 2011, the Group will focus on completing the expansion of the production facilities in Kaifang city, Henan province and Nanchong city, Sichuan province. The Group expects these facilities will significantly increase its production capacities. Besides, the Group plans to modernize its production lines and introduce the new production lines, in order to increase its production efficiency and capacity.

展望

展望未來，憑藉(i)於中國中重卡維修市場上的所有車橋零部件供應商之中擁有廣泛的銷售、營銷及服務網絡；(ii)多樣化且其高質量獲客戶肯定的車橋零部件產品；及(iii)作為車橋產品的獨立供應商於維修市場及OEM市場的領先地位，提升交叉營銷能力以及大大提高銷售額和溢利，本集團力爭於車橋行業鞏固其領先地位，進一步擴大其產品種類，使本集團成為中國中重卡維修市場車橋零部件的「一站式」供應商。

本集團將進一步發展以下各方面以增強其於市場上的競爭力。

市場網絡

為提高我們於中重型卡車維修市場的市場佔有率，本集團將(i)垂直及水平地擴大其廣泛的銷售、營銷及服務網絡；(ii)將更多現有非專營一級分銷商轉為專營一級分銷商及(iii)其全面的產品型號及種類與強大的品牌知名度。此外，於高質量齒輪廠落成後，本集團將通過銷售較高利潤的車橋配件以擴充OEM市場。

產品開發

為增強本集團的生產效率提高產品開發能力，本集團策略性地與中國多間研究院合作。通過合作，本集團將開發新技術及原材料用作車橋零部件的生產。此外，本集團計劃開發新的加工技術並建立國家級檢測實驗室，旨在提高生產速度，以進一步縮短產品開發週期並第三方檢測設施更短的時間對其產品就認證目的進行內部測試，從而大大減少其整體產品開發週期。

生產能力

於二零一一年，本集團將專注於完成河南省開封市及四川省南充市生產基地的擴充。本集團預期此等設施將大幅提升其生產能力。此外，本集團計劃將其生產線現代化，開設新的生產線以提升生產效率及能力。

Management Discussion and Analysis 管理層討論及分析

Cost Control

The Group will make use of its four production facilities located in the PRC which form an even broader strategic production and distribution network for its products, so as to efficiently control the production cost and logistic cost. Besides, the Group will develop the new production technology to lower its production cost. Furthermore, the Group will expand the sourcing of its raw materials from provinces to nationwide so as to strengthen its cost advantages. In addition, the Group will strategically cooperate with suppliers in order to lengthen the credit terms and reduce the purchase price.

The Group is well-placed to benefit from new opportunities in the enormous China market. The Group is set to welcome challenges and market opportunities ahead.

成本控制

本集團將利用位於中國的四個生產基地，這將為其產品形成一個更廣闊的策略生產及分銷網絡，從而有效地控制生產成本及物流成本。此外，本集團將發展新生產技術以降低其生產成本。本集團亦將會把其原材料採購地點由省擴展至全國，以增強其成本優勢。此外，本集團將策略性地與供應商合作，從而延長信貸期並降低採購價格。

本集團處於有利地位，將得益於龐大中國市場上的新機遇。本集團已準備就緒，迎接未來的挑戰和市場機遇。

Directors and Senior Management 董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Wong Kwai Mo (王桂模), aged 47, was appointed as the Director on 21 May 2008 and was re-designated as the chairman and the executive Director on 28 June 2010. Mr. Wong is responsible for the overall management, business and strategic development, and major decision-making of our Group. Mr. Wong has over 15 years of management and operations experience in the automotive parts and axle industry. Mr. Wong graduated from East China University of Political Science and Law (華東政法大學) with a bachelor's degree in law in 1987 and worked for Longyan City Public Security Bureau (龍岩市公安局) and Longyan City Administration of Industry and Commerce (龍岩市工商行政管理局) respectively until 1991. He then relocated to Hong Kong in 1992. Mr. Wong served as the factory manager of Yongding Changfeng Machinery Manufacturing Factory ("Yongding Changfeng") from 1993 to 2004 during which he gained experience in management and administration. Mr. Wong joined our Group in 2001 when his spouse, Ms. Wu Ching, founded Fujian Changfeng. From 2008 onwards, he has been the director and the general manager of Fujian Changfeng. Mr. Wong has developed several patents relating to axle components.

Ms. Wu Ching (胡靜), aged 46, was appointed as the Director on 21 May 2008 and was re-designated as the executive Director on 28 June 2010. Together with Mr. Wong, Ms. Wu is responsible for overall management, business and strategic development, and major decision-making of our Group. Ms. Wu has over 15 years of management and operations experience in the automotive parts and axle industry. Ms. Wu graduated from Fujian Normal University (福建師範大學) with a bachelor's degree in arts in 1985 and worked for Education Bureau of Longyan (龍岩市教育局) from 1986 to 1989. Ms. Wu then relocated to Hong Kong in 1989. Ms. Wu worked for Yongding Changfeng from 1993 to 2001 during which she gained experience in management. Ms. Wu founded Fujian Changfeng in March 2001. Since 2001, she has been the chairperson of Fujian Changfeng. Ms. Wu is currently the deputy chairperson of Longyan City Machinery Industry Association (龍岩市機械行業協會) and Longyan City Association of Women Entrepreneurs (龍岩市女企業家協會) and a member of Yongding County CPPCC (永定縣政協). Ms. Wu received the National Machinery Industry Outstanding Entrepreneur (全國機械工業優秀企業家) award in 2009 jointly by the China Machinery Industry Federation (中國機械工業聯合會) and the China Machinery Enterprise Management Association (中國機械工業企業管理協會).

執行董事

王桂模先生，47歲，於二零零八年五月二十一日獲委任為我們的董事，並於二零一零年六月二十八日調任為我們的主席兼執行董事。王先生負責本集團的整體管理、業務及策略發展及作出主要決策。王先生在汽車零件及車橋行業的管理及營運方面擁有逾15年的經驗。王先生於一九八七年畢業於華東政法大學，獲法律學學士學位，並於一九九一年前分別任職於龍岩市公安局及龍岩市工商行政管理局。彼隨後於一九九二年移居香港。王先生於一九九三年至二零零四年擔任永定縣長豐機械製造廠（「永定長豐」）的廠長，彼於在任期間獲得有關管理及行政方面的經驗。王先生於二零零一年加入本集團，當時其配偶胡靜女士創立福建暢豐。自二零零八年以來，他一直擔任福建暢豐的董事兼總經理。王先生已開發有關車橋零部件的若干項專利。

胡靜女士，46歲，於二零零八年五月二十一日獲委任為我們的董事，並於二零一零年六月二十八日調任為我們的執行董事。王先生與胡女士一起負責本集團的整體管理、業務及策略發展及作出主要決策。胡女士在汽車零件及車橋行業的管理及營運方面擁有逾15年的經驗。胡女士於一九八五年畢業於福建師範大學，獲文學學士學位，並於一九八六年至一九八九年於龍岩市教育局工作。胡女士隨後於一九八九年移居香港。由一九九三年至二零零一年，胡女士於永定長豐工作，彼於在任期間獲得有關管理方面的經驗。胡女士於二零零一年三月創立福建暢豐。自二零零一年以來，她一直擔任福建暢豐的董事長。胡女士現時為龍岩市機械行業協會及龍岩市女企業家協會的副會長及永定縣政協委員。胡女士於二零零九年獲中國機械工業聯合會與中國機械工業企業管理協會共同頒發全國機械工業優秀企業家稱譽。

Directors and Senior Management 董事及高級管理層

Mr. Lai Fengcai (賴鳳彩), aged 34, has been appointed as the chief executive officer and executive Director on 24 September 2010. Mr. Lai is responsible for overall management, business and strategic development, major decision-making, operations, sales and marketing, internal control of our Group. Mr. Lai has worked in our Group for nine years and he joined our Group as the head of the production department of Fujian Changfeng in 2001. He was promoted as the deputy general manager of Fujian Changfeng in 2003 and was respectively in charge of production, procurement, sales and marketing. From 2006 onwards, he has been the vice president of Fujian Changfeng in charge of the day-to-day operations of Fujian Changfeng. He has over nine years of experience in operation and management in the automotive parts and axle industry. Mr. Lai is currently studying in the Executive Development Program at the Guanghua School of Management of Peking University (北京大學光華管理學院).

NON-EXECUTIVE DIRECTOR

Ms. Dong Ying, Dorothy (董穎), aged 40, was appointed as the Director on 6 August 2008 and was re-designated as the non-executive Director on 28 June 2010. Ms. Dong has over 15 years of experience in investments and corporate finance. Ms. Dong is a managing director of C.V. Starr Investment Advisors (Asia) Limited and, prior to an internal restructuring, Starr International Company (Asia), Limited (together, "Starr Asia") since 2007. Prior to joining Starr Asia, she served as a vice president at AIG Global Investment Corp. (Shanghai) Ltd., a division of American International Group, Inc, focusing on private equity in the PRC, and as a director at Anglo Chinese Corporate Finance Limited and the director of its Shanghai advisory company. Ms. Dong received a bachelor's degree in law from Shanghai University (Fudan Sub-school) in the PRC in July 1992, and a Master of Business Administration degree from McGill University, Canada in June 1997. She was admitted as a Chartered Financial Analyst in September 1999 and is a member of the Hong Kong Society of Financial Analysts and the CFA Institute.

Ms. Dong is a representative from Starr Investments Cayman II, Inc. ("Starr Investments") on our Board. Following our Listing, Ms. Dong will be subject to the normal retirement, re-election and removal processes applicable to all other Directors as stipulated in the Articles.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhu Weizhou (朱偉洲), aged 45, has been appointed as the independent non-executive Director on 24 September 2010. Mr. Zhu graduated from East China University of

賴鳳彩先生，34歲，自二零一零年九月二十四日起獲委任為我們的行政總裁兼執行董事。賴先生負責本集團的整體管理、業務及策略發展、作出主要決策、營運、銷售及營銷及內部監控。賴先生已在本集團工作九年並於二零零一年加入本集團擔任福建暢豐生產部主管。彼於二零零三年被擢升為福建暢豐副總經理，主管生產、採購、銷售及營銷。由二零零六年起，彼獲委任為福建暢豐副總裁，負責福建暢豐的日常營運。彼在汽車零件及車橋行業的營運及管理方面擁有逾九年的經驗。彼現時正在北京大學光華管理學院高層管理培訓中心深造。

非執行董事

董穎女士，40歲，於二零零八年八月六日獲委任為我們的董事，並於二零一零年六月二十八日調任為我們的非執行董事。董女士在投資及企業財務方面擁有逾15年的經驗。董女士為C.V. Starr Investment Advisors (Asia) Limited董事總經理，而於內部改組前，其自二零零七年起任Starr International Company (Asia), Limited (合稱「Starr Asia」)董事總經理。於加盟Starr Asia前，彼為美國國際集團的業務支部AIG Global Investment Corp. (Shanghai) Ltd.的副總裁，專門負責中國私人股權投資，並曾任英高財務顧問有限公司董事及其上海諮詢公司董事。董女士於一九九二年七月在中國上海大學(復旦分校)取得法學士學位，及於一九九七年六月在加拿大McGill University取得工商管理碩士學位。彼於一九九九年九月成為一名特許財務分析師並為香港財務分析師學會及CFA Institute會員。

董女士於我們的董事會乃代表Starr Investments Cayman II, Inc. ("Starr Investments")。於本公司上市後，董女士須遵從細則所載適用於所有其他董事的一般退任、重選和罷免程序。

獨立非執行董事

朱偉洲先生，45歲，自二零一零年九月二十四日起獲委任為我們的獨立非執行董事。朱先生於一九八七年畢業於華東政法大學，獲法律學士學位。朱先生由二零零七年十

Directors and Senior Management 董事及高級管理層

Political Science and Law (華東政法大學) with a bachelor's degree in law in 1987. Mr. Zhu has been the chairman of Xifu Investment Co., Ltd. (西富投資有限公司) from October 2007 onwards. Mr. Zhu was a director of Gemdale Co., Ltd. (金地集團股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600383), from November 2006 to April 2008. Mr. Zhu also served as an assistant to the chairman of Guangsha Holdings Venture Capital Co., Ltd. (廣廈控股創業投資有限公司), the controlling shareholder of Zhejiang Guangsha Co., Ltd. (浙江廣廈股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600052), from August 2002 to December 2008.

Dr. Li Xiuqing (李秀清), aged 44, has been appointed as the independent non-executive Director on 24 September 2010. Dr. Li received a doctor's degree in legal history, a master's degree in law and a bachelor's degree in law from East China University of Political Science and Law (華東政法大學) in June 2004, June 1990 and July 1987, respectively. She is a professor of law and doctoral tutor at East China University of Political Science and Law (華東政法大學). Dr. Li is the chief editor of ECUPL Journal (華東政法大學學報). She was a visiting scholar at Oxford University from January 2003 to July 2003 and received the Shanghai Outstanding Young Jurist (上海市優秀中青年法學家) award in 2006. Dr. Li has published more than 30 articles in major law journals in the PRC.

Mr. Chong Ching Hei (莊清喜), aged 38, has been appointed as the independent non-executive Director on 24 September 2010. Mr. Chong graduated from Hong Kong Polytechnic University with a master's degree in professional accounting in December 2005. Mr. Chong has over 12 years of experience in auditing and corporate financial services. Mr. Chong was admitted as an associate member of the Hong Kong Institute of Certified Public Accountants in October 1999 and a fellow member of the Association of International Accountants in June 2004. Mr. Chong is currently a financial controller and company secretary of China Water Property Group Limited, a company listed on the Stock Exchange (Stock Code: 2349). Mr. Chong was also the financial controller and company secretary of Coastal Rapid Transit Company Limited (濱海交通發展有限公司), the subsidiary of Tianjin Development Holdings Limited whose shares are listed on the Stock Exchange (Stock Code: 882), from April 2004 to March 2006. Mr. Chong previously worked for Deloitte Touche Tohmatsu in Hong Kong for over seven years.

月起出任西富投資有限公司董事長。朱先生於二零零六年十一月至二零零八年四月期間出任金地集團股份有限公司(一家於上海證券交易所上市的公司, 股份代號: 600383)董事。朱先生亦於二零零二年八月至二零零八年十二月任浙江廣廈股份有限公司(一家於上海證券交易所上市的公司, 股份代號: 600052)的控股股東廣廈控股創業投資有限公司主席助理。

李秀清博士, 44歲, 自二零一零年九月二十四日起獲委任為我們的獨立非執行董事。李博士於二零零四年六月、一九九零年六月及一九八七年七月在華東政法大學分別取得法律史博士學位、法律碩士學位及法律學士學位。彼為華東政法大學法學教授及博士生導師。李博士為華東政法大學學報總編輯。自二零零三年一月至二零零三年七月, 彼亦為牛津大學訪問學者, 並於二零零六年獲頒發上海市優秀中青年法學家獎。李博士曾於中國的主要法律期刊上發表逾30篇論文。

莊清喜先生, 38歲, 自二零一零年九月二十四日起獲委任為我們的獨立非執行董事。莊先生於二零零五年十二月畢業於香港理工大學, 獲專業會計碩士學位。莊先生在審計及企業財務服務方面擁有逾12年的經驗。莊先生於一九九九年十月成為香港會計師公會會員及於二零零四年六月成為國際會計師協會資深會員。莊先生現時為中國水務地產集團有限公司(一家於聯交所上市的公司, 股份代號: 2349)財務總監及公司秘書。於二零零四年四月至二零零六年三月期間, 莊先生亦曾擔任天津發展控股有限公司(其股份於聯交所上市, 股份代號: 882)之附屬公司濱海交通發展有限公司的財務總監兼公司秘書。莊先生曾在香港德勤•關黃陳方會計師行任職超過七年。

Directors and Senior Management 董事及高級管理層

SENIOR MANAGEMENT

Mr. Yang Jinwen (楊金文), aged 37, is the vice president. Mr. Yang is responsible for daily operations, production, distribution and product development for our Group. Mr. Yang has worked in our Group for nine years. He has over ten years of experience in operation and management in the automotive parts and axle industry. Mr. Yang graduated from China Agricultural University (中國農業大學) with a bachelor's degree in heat engines (熱力發動機) in 1996. He was qualified as an intermediate mechanical engineer in December 2003 by the Personnel Bureau of the city of Longyan (龍岩市人事局). He was responsible for technology management at Longyan Pump and Nozzle Plant of Longma Group of Fujian (福建龍馬集團龍岩油嘴油泵廠) from August 1996 to February 2002.

Mr. Chan Wai Shing (陳偉盛), aged 31, is the chief financial officer, company secretary and one of our authorized representatives. Mr. Chan is responsible for corporate finance, legal, auditing, accounting, investor and public relations, and administration of our Group. Mr. Chan joined our Group in September 2009. He graduated from City University of Hong Kong with a bachelor's degree in accountancy in 2001. Mr. Chan has over eight years of experience in auditing, advisory accounting and financial management. He worked for Techtronic Industries Company Limited whose shares are listed on the Stock Exchange (Stock Code: 669) from October 2008 to August 2009. Mr. Chan worked for Ernst & Young from September 2001 to October 2008. Mr. Chan was qualified as a certified public accountant of the Hong Kong Institute of Certified Public Accountants in September 2005 and he was admitted as a fellow of the Association of Chartered Certified Accountants in November 2009. Mr. Chan is currently studying for his master's degree in financial analysis at the Hong Kong University of Science and Technology.

Ms. Zheng Ruyan, aged 36, is the vice president. Ms. Zheng joined the Group in December 2006, and is responsible for the Group's financial management, corporate management, human resources administration and management. Ms. Zheng graduated from Beijing Technology and Business University in 2004 with accountancy as her major. She obtained the certificate of Certified Internal Auditor in November 2004. Ms. Zheng has over 15 years of experience in auditing, accounting consultancy and financial management. From December 1995 to November 2006, she was responsible for the internal auditing management of the internal units of Huadian Fujian Power Generation Company Limited. Ms. Zheng is now studying a master's degree in accountancy in Xiamen University.

高級管理層

楊金文先生，37歲，我們的副總裁。楊先生負責本集團的日常業務、生產、分銷及產品開發。楊先生已在本集團工作九年。彼在汽車零件及車橋行業的營運及管理方面擁有逾10年的經驗。楊先生於一九九六年畢業於中國農業大學，獲熱力發動機學士學位。彼於二零零三年十二月獲龍岩市人事局認可為中級工程師。於一九九六年八月至二零零二年二月期間，彼負責福建龍馬集團龍岩油嘴油泵廠的技術管理。

陳偉盛先生，31歲，我們的財務總監兼公司秘書以及授權代表之一。陳先生負責本集團的企業財務、法律、審計、會計、投資者及公共關係及行政事宜。陳先生於二零零九年九月加入本集團。彼於二零零一年畢業於香港城市大學，獲會計學學士學位。陳先生在審計、會計諮詢及財務管理方面擁有逾八年經驗。於二零零八年十月至二零零九年八月期間，彼曾任職於創科實業有限公司(其股份於聯交所上市，股份代號：669)。陳先生於二零零一年九月至二零零八年十月於安永會計師事務所任職。陳先生於二零零五年九月成為香港會計師公會的執業會計師，並於二零零九年十一月成為特許公認會計師公會資深會員。陳先生現正攻讀香港科技大學財務分析師碩士學位。

鄭如燕女士，36歲，我們的副總裁。鄭女士於二零零六年十二月加盟本集團，負責本集團的財務管理以及企業管理、人事行政管理事宜。鄭女士於二零零四年在北京工商大學會計學專業畢業，二零零四年十一月獲國際註冊內部審計師證書。鄭女士在審計、會計諮詢、財務管理方面擁有逾15年工作經驗。於一九九五年十二月至二零零六年十一月期間，彼負責華電福建發電有限公司集團內部單位內審管理。鄭女士現正在攻讀廈門大學會計碩士學位。

Directors' Report 董事會報告

The Board is pleased to present the annual report and the audited financial statements of the Group for the year ended 31 December 2010.

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 21 May 2008 under The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands with ("Companies Law") with limited liability.

In preparing for the listing of the Company's shares on the Main Board of the Stock Exchange, the Group has undergone a reorganization since 16 April 2008. As a result, the Company became the holding company of each of the companies currently comprising the Group. Details of the reorganization are set out in the Prospectus. The shares of the Company were listed on the Main Board of the Stock Exchange on 24 September 2010.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of its subsidiaries are set out in note 29 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year under review.

RESULTS AND DISTRIBUTION

The results of the Group for the year ended 31 December 2010 are set out in the financial statements on page 43.

The Board does not recommend the payment of any final dividend in respect of the year ended 31 December 2010.

FINANCIAL STATEMENTS

The summary of the results, assets and liabilities of the Group for the year ended 31 December 2010 is set out on page 43-44.

RESERVES

Movements in the reserves of the Group during the year ended 31 December 2010 is set out on page 45.

DISTRIBUTABLE RESERVES

As at 31 December 2010, there is no distributable reserves held by the Company.

董事會欣然提呈本集團截至二零一零年十二月三十一日止年度的年報及經審核財務報表。

一般資料

本公司於二零零八年五月二十一日在開曼群島根據開曼群島法例第22章公司法(一九六一年第三號法例，經綜合及修訂)(「公司法」)註冊成立為有限公司。

本集團為籌備本公司股份在聯交所主板上市，於二零零八年四月十六日起進行重組。本公司從而成為現組成本集團各公司的控股公司。重組詳情載於招股章程。本公司股份於二零一零年九月二十四日起在聯交所主板上市。

主要業務

本公司的主要業務為投資控股。附屬公司的主要業務詳情及載於財務報表附註29。本集團之主要業務性質於回顧年度內並無任何重大變動。

業績及分配

本集團截至二零一零年十二月三十一日止年度的業績載於第43頁的財務報表內。

董事會並不建議就截至二零一零年十二月三十一日止年度派付任何末期股息。

財務報表

本集團於截至二零一零年十二月三十一日年度的業績、資產及負債概要載於第43至第44頁。

儲備

本集團於截至二零一零年十二月三十一日止年度內之儲備變動載於第45頁。

可供分配儲備

於二零一零年十二月三十一日，本公司沒有可供分派儲備。

SHARE CAPITAL

Changes in share capital of the Company for the year ended 31 December 2010 and as at that date are set out in note 24 to the financial statements.

PRE-EMPTIVE RIGHTS

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

SHARE OPTION SCHEME

Pursuant to the resolutions in writing passed by all shareholders of the Company on 28 June 2010, the Company approved and adopted a share option scheme for the purpose of enabling the Group to grant options to selected participants as incentives or rewards for their contribution to the Group (the "Share Option Scheme"). During the period from 28 June 2010 to 31 December 2010, no share option had been granted under the Share Option Scheme.

As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme was 80,000,000 Shares, which represented 10% of the Shares in issue.

The Share Option Scheme became effective on 24 September 2010 and the options issued pursuant to the Share Option Scheme will expire no later than 10 years from the date of grant of the option. Under the Share Option Scheme, the Board may grant options to any employees, directors, advisors, consultants, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries to subscribe shares of the Company.

For any options granted to Directors, chief executives or substantial shareholders of the Company, options to be granted shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of options).

The number of shares issued and to be issued in respect of options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the total shares of the Company in issue at any point in time, without prior approval from the shareholders.

股本

本公司股本截至二零一零年十二月三十一日止年度及於當日之變化載於本財務報表附註24。

優先購買權

根據本公司之組織章程細則(「細則」)或開曼群島法例，該無載列有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

購股權計劃

根據本公司全體股東於二零一零年六月二十八日通過的書面決議案，本公司批准及採納一項購股權計劃以允許本集團向所選的參與者授出購股權作為其對本集團作出貢獻的鼓勵或獎賞(「購股權計劃」)。於二零一零年六月二十八日至二零一零年十二月三十一日期間，並無根據購股權計劃授出任何購股權。

於本年報日期，根據購股權計劃可發行的股份總數為80,000,000股，佔當日已發行股份的10%。

購股權計劃於二零一零年九月二十四日生效，根據購股權計劃授出的購股權將於授出日期起計不超過十年後屆滿。根據購股權計劃，董事會可授出購股權予董事會全權認為將會或已經對本公司或其任何附屬公司作出貢獻的任何僱員、董事、顧問、諮詢人、供應商、客戶、代理及有關其他人士以認購本公司股份。

任何授予本公司之董事、高級行政人員或主要股東的購股權，均須經本公司獨立非執行董事(不包括身為購股權建議承授人的任何獨立非執行董事)批准。

未經股東事先批准，於任何一年內，因行使已授予或可授予任何人士的購股權而已發行及可予發行之股份數目，不得超過於授出當時本公司已發行股份數目的1%。

Directors' Report 董事會報告

The amount payable on acceptance of an option is HK\$1.00, which will be payable on or before a prescribed acceptance date. In relation to any options granted under the Share Option Scheme, the exercise price is determined by the Directors, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

The Share Option Scheme does not contain any minimum period(s) for which an option must be held before it can be exercised. However, at the time of granting of the options, the Board may specify any such minimum period(s).

Unless otherwise terminated by the Board or the shareholders in general meeting in accordance with the terms of the Share Option Scheme, the Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional which was 24 September 2010, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

MAJOR SUPPLIERS AND CUSTOMERS

During the year under review, the aggregate sales attributable to the Group's five largest customers comprised approximately 21.0% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 7.0% of the Group's total sales. The aggregate purchases during the year under review attributable to the Group's five largest suppliers were approximately 37.6% of the Group's cost of sales and the purchases attributable to the Group's largest supplier were approximately 16.1% of the Group's cost of sales.

So far as is known to the directors, none of the directors, their associates or substantial shareholders owns more than 5% of the Company's issued share capital nor had any interest in the share capital of any of the five largest customers and suppliers of the Group.

BANK BORROWINGS

Particulars of bank borrowings of the Group as at 31 December 2010 are set out in note 22 to the consolidated financial statements.

接納購股權時的應付款項為1.00港元，該款項將於規定的接納日期或之前支付。就任何根據該計劃授出的購股權而言，行使價由董事釐定，不得低於下列三者中之最高者：(i) 授出當日本公司股份的收市價；(ii) 於緊接授出日期前五個營業日股份的平均收市價；及(iii) 本公司股份的面值。

購股權計劃並無載列購股權可獲行使前須持有的任何最短期限。然而，於授出購股權時，董事會可具體規定任何有關最短期限。

除非經董事會或股東在股東大會上遵照購股權計劃的條款另行終止，否則該計劃的有效期為十年，由成為無條件的二零一零年九月二十四日起計算，該期間結束後不會再授出或提呈購股權，惟若為使十年期屆滿前授出的任何仍然有效的購股權得以行使，或根據購股權計劃的條文可能另有規定，購股權計劃的條文將繼續具有十足效力。

主要供應商及客戶

於回顧年度內，本集團五大客戶應佔銷售總額佔本集團銷售總額約21.0%，而本集團最大客戶應佔銷售額則佔本集團總銷售額約7.0%。於回顧年度內，本集團五大供應商應佔採購總額佔本集團銷售成本約37.6%，而本集團最大供應商應佔銷售成本則佔本集團總採購額約16.1%。

據董事所知，概無任何董事、彼等之聯繫人或該等主要股東擁有超過本公司已發行股本之5%或於本集團的五大客戶及五大供應商中擁有任何股本權益。

銀行借貸

本集團於二零一零年十二月三十一日之銀行借貸詳情載於綜合財務報表附註22。

DONATIONS

Charitable and other donations made by the Group during the year under review amounted to approximately RMB137,000 (2009: approximately RMB17,000).

PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2010, the Group held property, plant and equipment of approximately RMB396.3 million. Details of the movements are set out in note 15 to the consolidated financial statements. Had the Group's buildings been included in these financial statements at such valuation amount throughout the year ended 31 December 2010, an additional depreciation charge of approximately RMB23.5 million would have been charged to the consolidated income statement for the year ended 31 December 2010.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its listed shares during the year ended 31 December 2010. Neither the Company nor any of its subsidiaries had purchased, sold or repurchased any of the listed shares of the Company during the year ended 31 December 2010.

DIRECTORS

The directors in 2010 comprised:

Executive Directors:

Mr. Wong Kwai Mo (Chairman) (appointed on 28 June 2010)
Ms. Wu Ching (appointed on 28 June 2010)
Mr. Lai Fengcai (appointed on 24 September 2010)

Non-executive Directors:

Ms. Dong Ying, Dorothy (appointed on 28 June 2010)

Independent non-executive Directors:

Mr. Zhu Weizhou (appointed on 24 September 2010)
Dr. Li Xinqing (appointed on 24 September 2010)
Mr. Chong Ching Hei (appointed on 24 September 2010)

In accordance with article 84 of the Articles, each of Mr. Wong Kwai Mo, Ms. Wu Ching, Ms. Dong Ying, Dorothy, will retire from the office of Director by rotation and, being eligible, will offer himself/herself for re-election at the forthcoming annual general meeting.

捐贈

本集團於回顧年度內作出的慈善及其他捐贈金額約為人民幣137,000元(二零零九年:約人民幣17,000元)

物業、廠房及設備

截至二零一零年十二月三十一日年度內,本集團擁有物業、廠房及設備約人民幣396.3百萬元。變動之詳情載於綜合財務報表附註15。若將該估值於截至二零一零年十二月三十一日止年度納入於該等財務報表,則會有額外折舊費用約人民幣23.5百萬元在截至二零一零年十二月三十一日止年度之綜合收益表中支銷。

購買、出售或贖回本公司股份

本公司於截至二零一零年十二月三十一日止年度並無贖回其任何上市股份。本公司或其任何附屬公司概無於截至二零一零年十二月三十一日止年度內購買、出售及贖回本公司任何上市股份。

董事

二零一零年之董事包括:

執行董事:

王桂模先生(主席)(於二零一零年六月二十八日獲委任)
胡靜女士(於二零一零年六月二十八日獲委任)
賴鳳彩先生(於二零一零年九月二十四日獲委任)

非執行董事:

董穎女士(於二零一零年六月二十八日獲委任)

獨立非執行董事:

朱偉洲先生(於二零一零年九月二十四日獲委任)
李秀清博士(於二零一零年九月二十四日獲委任)
莊清喜先生(於二零一零年九月二十四日獲委任)

按照細則第84條,王桂模先生、胡靜女士及董穎女士各自將在即將召開的股東週年大會上依章輪值退任董事,合資格者並將參加重新選舉。

Directors' Report 董事會報告

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors and the non-executive Director has entered into a service agreement with the Company for an initial term of three years commencing from 24 September 2010, whereas each of the independent non-executive Directors has entered into a letter of appointment with the Company and is appointed for an initial term of three years commencing from 24 September 2010.

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Director an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

DIRECTORS' REMUNERATION

The Remuneration Committee considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate. Details of Directors' remuneration are set out in note 12 to the financial statements.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 16 to 19 of the annual report.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the heading "Connected Transactions", there was no contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party to and in which a Director had a material interest in, whether directly or indirectly, and subsisted at the end of the financial year under review or at any time during the financial year under review save as disclosed under the section headed "Related Party Disclosures" below and note 28 to the financial statements.

董事服務合約

各執行董事及非執行董事已與本公司訂立服務協議，初步為期三年，而任期由二零一零年九月二十四日開始，而各獨立非執行董事已與本公司訂立委任函件，而任期由二零一零年九月二十四日開始，初步為期三年。

擬於即將召開的股東周年大會上膺選連任的董事概無與本集團任何成員公司訂立任何本集團不可於一年內終止而毋須賠償(法定賠償除外)的合約。

獨立性確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立性確認書，並認為所有獨立非執行董事均為獨立人士。

董事薪酬

薪酬委員會考量並向董事會建議本公司支付董事的薪酬及其他福利。薪酬委員會定期審核所有董事的薪酬，以確保董事的薪酬及補償水平適當。董事薪酬之詳情載列於財務報表附註12。

董事及高級管理人員履歷

本公司董事及本集團高級管理層的履歷詳情載於本年報第16頁至第19頁。

董事於合約之重大權益

除「關連交易」一段所披露者外，本公司或其任何附屬公司概無訂立與本集團業務有關，且本公司董事在其中直接或間接擁有重大利益且於回顧財政年度結束時或於回顧財政年度內任何時間仍然有效的任何重大合約，惟下文「關連方披露」一節及財務報表附註28所披露者除外。

DIRECTOR'S INTERESTS IN COMPETING BUSINESS

None of the Directors held any interests in any competing business against the Company or any of its jointly controlled entities and subsidiaries for the year ended 31 December 2010.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year under review were rights to acquire benefits by means of the acquisition 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, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2010, the interests or short positions of each Director and chief executive in the shares, underlying shares or debentures of the Company or its any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("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 short positions which are being taken or deemed to have taken under such provision of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of the Company (the "Model Code") as set out in the Rules Governing the listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange were as follows:

董事於競爭業務之權益

截至二零一零年十二月三十一日止年度，概無董事於同本公司或其任何共同控制實體及附屬公司存在競爭的業務中擁有任何權益。

董事購買股份或債券之權利

於回顧年度內任何時間，概無向任何董事或彼等各自配偶或未成年子女獲授予透過購買本公司股份或債券的方式獲得權益的權利，或彼等行使任何該等權利，或本公司、其控股公司或其任何附屬公司或同系附屬公司為作出使董事有權購買任何其他實體的該等權利的任何安排中的一方。

本公司董事及最高行政人員於股份、相關股份及債券中的權益及淡倉

截至二零一零年十二月三十一日，董事及最高行政人員於本公司或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券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的有關條文被當作或視為擁有的權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉；或根據香港聯合交易所有限公司證券上市規則（「上市規則」）所載本公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉如下：

Directors' Report 董事會報告

(i) Interest in our Company

(i) 於本公司的權益

Name of Director 董事名稱	Nature of Interest 權益性質	Number of Securities 證券數目	Approximate percentage of shareholding 概約股權百分比
Wu Ching (Note) 胡靜 (附註)	Interest of a controlled corporation 受控法團權益	409,678,560	51.21%
Wong Kwai Mo (Note) 王桂模 (附註)	Interest of a controlled corporation 受控法團權益	409,678,560	51.21%

Note: Each of Wu Ching and Wong Kwai Mo holds 50% of the issued share capital of Changfeng Axle Holdings Ltd. ("Changfeng BVI").

附註：胡靜及王桂模各自持有50%Changfeng Axle Holdings Ltd. (「暢豐BVI」)已發行股本。

(ii) Interest in associated corporations

(ii) 於相聯法團的權益

Name of Director 董事名稱	Name of associated corporation 相聯法團名稱	Number of shares 股份數目	Percentage Shareholding 股權百分比
Wu Ching 胡靜	Changfeng BVI 暢豐BVI	25,000	50%
Wong Kwai Mo 王桂模	Changfeng BVI 暢豐BVI	25,000	50%

SUBSTANTIAL SHAREHOLDERS

主要股東

As at 31 December 2010, the following persons had interests and short positions of 5% or more in the Shares as recorded in the register required to be kept under Section 336 of the SFO:

於二零一零年十二月三十一日，於股份中擁有根據證券及期貨條例第336條須存置之登記冊內記錄之5%或以上權益及短倉的人士如下：

Long positions in the Shares and underlying Shares of our Company

本公司股份及相關股份的好倉

Name of shareholder 股東名稱	Nature of interest 權益性質	Interests in Shares 股份權益	Approximate percentage shareholding 概約股權百分比	Notes 附註
Changfeng BVI 暢豐BVI	Beneficial owner 實益擁有人	409,678,560	51.21%	1
Wu Ching 胡靜	Interest of a controlled corporation 受控法團權益	409,678,560	51.21%	1
Wong Kwai Mo 王桂模	Interest of a controlled corporation 受控法團權益	409,678,560	51.21%	1
Starr International Foundation	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2

Directors' Report 董事會報告

Name of shareholder 股東名稱	Nature of interest 權益性質	Interests in Shares 股份權益	Approximate percentage shareholding 概約股權百分比	Notes 附註
Starr International AG	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2
Starr International	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2
Starr International Investments Ltd	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2
Starr Insurance and Reinsurance Ltd	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2
Starr International Cayman, Inc.	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2
Starr Investments Cayman II, Inc.	Beneficial owner 實益擁有人	114,801,600	14.35%	2
Bliss Fortune Holdings Limited ("Bliss Fortune") 祺福控股有限公司(「祺福」)	Beneficial owner 實益擁有人	45,519,840	5.69%	3
Liu Man Chun 廖文振	Interest of a controlled corporation 受控法團權益	45,519,840	5.69%	3

Notes:

- (1) *Changfeng BVI is owned as to 50% by Wu Ching and as to 50% by Wong Kwai Mo. Both Wu Ching and Wong Kwai Mo are deemed to be interested in the Shares held by Changfeng BVI for the purpose of the SFO.*
- (2) *Starr Investments is wholly-owned by Starr International Cayman, Inc., which is in turn wholly-owned by Starr Insurance and Reinsurance Ltd.. Starr Insurance and Reinsurance Ltd. is a wholly-owned subsidiary of Starr International Investments Ltd., which is in turn wholly-owned by Starr International Company Inc. ("Starr International"). Starr International is wholly-owned by Starr International AG, which is wholly-owned by Starr International Foundation, a charitable foundation established in Switzerland. Each of Starr International Foundation, Starr International AG, Starr International, Starr International Investments Ltd., Starr Insurance and Reinsurance Ltd. and Starr International Cayman, Inc. is deemed to be interested in the Shares held by Starr Investments for the purpose of the SFO.*
- (3) *Bliss Fortune is wholly-owned by Liu Man Chun, and Liu Man Chun is deemed to be interested in the Shares held by Bliss Fortune for the purpose of the SFO.*

附註：

- (1) 暢豐BVI由胡靜擁有50%權益及由王桂模擁有50%權益。根據證券及期貨條例，胡靜與王桂模均被視為擁有暢豐BVI所持有股份的權益。
- (2) Starr Investments由Starr International Cayman, Inc.全資擁有，Starr International Cayman, Inc.由Starr Insurance and Reinsurance Ltd.全資擁有。Starr Insurance and Reinsurance Ltd.為Starr International Investments Ltd.的全資附屬公司，Starr International Investments Ltd.由Starr International Company Inc. (「Starr International」)全資擁有。Starr International由Starr International AG全資擁有，Starr International AG由Starr International Foundation(於瑞士成立的慈善基金)全資擁有。根據證券及期貨條例，Starr International Foundation、Starr International AG、Starr International、Starr International Investments Ltd.、Starr Insurance and Reinsurance Ltd.及Starr International Cayman, Inc.各自被視為擁有Starr Investments所持有股份的權益。
- (3) 祺福由廖文振全資擁有，而根據證券及期貨條例，廖文振被視為擁有祺福所持有股份的權益。

Directors' Report 董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on information available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float throughout the year ended 31 December 2010.

RETIREMENT SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, each of the employer and employee are required to make contributions of 5% of the employees' relevant income to the scheme, subject to a cap of monthly relevant income of HK\$20,000. Contributions made to the scheme are vested immediately.

The employees of the subsidiaries in the People's Republic of China participate in the retirement schemes operated by the local authorities. The subsidiaries are required to contribute a certain percentage of their salaries to these schemes to pay the benefits. The only obligation of the Group in respect to these schemes is the required contributions under the schemes.

For the year ended 31 December 2010, the Group's total contributions to the retirement schemes charged in the income statement amounted to approximately RMB6.6 million (2009: approximately RMB1.9 million). Details of the Group's pension scheme and the basis of calculation are set out in note 10 to the financial statements.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company therefore strives to attain and maintain effective corporate governance practices and procedures. Since its listing on 24 September 2010, the Company has complied with the CG Code contained in Appendix 14 to the Listing Rules for the year ended 31 December 2010. The Group's principal corporate governance practices are set out on pages 32 to 40 of the annual report.

公眾持股量充足

根據本公司可獲得的資料及董事所知，於截至二零一零年十二月三十一日止年度，本公司始終維持充足的公眾持股量。

退休計劃

本集團根據香港強制性公積金計劃條例為受香港僱傭條例管轄的司法權區的受聘僱員設立一項強制性公積金計劃（「強積金計劃」）。強積金計劃為一項由獨立受託人管理的定額供款退休計劃。根據強積金計劃，雇主及其僱員各自須按僱員相關收入的5%向計劃供款，最高為每月相關收入的20,000港元。計劃供款即時歸屬。

於中華人民共和國的附屬公司僱員均參與由有關當局設立的退休計劃。附屬公司須按僱員薪金某個百分比向該等計劃供款以支付福利。本集團對該等計劃的唯一責任為根據計劃作出所需供款。

截至二零一零年十二月三十一日止年度，本集團對退休計劃的總供款約人民幣6.6百萬元（二零零九年：約人民幣1.9百萬元）自收益表中扣除。有關本集團的退休金計劃及計算基準載於財務報表附註10。

企業管治常規守則

本公司承諾建立良好企業管治慣例及程序以加強投資者信心及本公司之問責性及透明度。因此，本公司致力達到及保持有效的企業管治慣例及程序。自其於二零一零年九月二十四日上市以來，本公司就截至二零一零年十二月三十一日止年度已遵守上市規則附錄14所載的企業管治守則。本集團的主要企業管治常規載於本年報第32頁至第40頁。

CONNECTED TRANSACTIONS

During the year ended 31 December 2010, the Group entered into the following continuing transactions with its connected persons. The transactions constituted “continuing connected transactions” for the Company under the Listing Rules. Waivers from strict compliance with the announcement requirements, or the announcement and independent shareholders’ approval requirements, had been received from the Stock Exchange. The transactions are subject to the reporting requirements set out in Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS WHICH ARE SUBJECT TO THE REPORTING, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS’ APPROVAL REQUIREMENTS

1. Purchase of roughcast axle housing from Yongding Changfeng Machinery Manufacturing Factory (“Yongding Changfeng”)

On 29 May 2010, our Company entered into a sale and purchase agreement (the “Purchase Agreement”) with Yongding Changfeng, pursuant to which our Company agreed to purchase or procure its subsidiaries to purchase roughcast axle housing from Yongding Changfeng for the production of our products for a term of three years commencing from 1 January 2010 to 31 December 2012.

The price for the roughcast axle housing supplied by Yongding Changfeng will be determined on the following basis in order of priority:

- the price prescribed by the State (including any price prescribed by any relevant local authorities), if applicable;
- the price recommended under the State pricing guidelines, when no State-prescribed price is available;
- the market price, when neither the State-prescribed price nor the State recommended price is available; or
- the price which is no less favourable to our Group than is available from independent third parties, when none of the above is available or applicable.

關連交易

截至二零一零年十二月三十一日止年度，本集團與其關連人士簽訂以下持續交易。根據上市規則，該等交易構成本公司的「持續關連交易」。本公司已取得聯交所豁免嚴格遵守公告規定或公告及獨立股東批准的規定。該等交易須遵守根據上市規則第14A章所載的申報規定。

須遵守申報、公告及獨立股東批准規定的持續關連交易

1. 自永定縣長豐機械製造廠（「永定長豐」）購買橋殼毛坯

於二零一零年五月二十九日，本公司與永定長豐訂立買賣協議（「採購協議」），據此，本公司同意採購或促使其附屬公司向永定長豐採購橋殼毛坯，以供生產我們產品之用，自二零一零年一月一日起至二零一二年十二月三十一日止為期三年。

由永定長豐所供應的橋殼毛坯的價格將根據以下基準按優先次序釐定：

- 如適用，根據國家定價（包括由任何相關地方機構所定的任何價格）；
- 若無國家定價，根據國家定價指引下的建議定價；
- 若無國家定價亦無國家建議定價，根據市場價格；或
- 若無以上定價或有關定價不適用時，根據對於本集團而言不遜於可自獨立第三方獲得的價格。

Directors' Report 董事會報告

Mr. Lu is a cousin of Mr. Wong Kwai Mo, being one of the controlling shareholders of the Company. As Yongding Changfeng may be substantially influenced or controlled by Mr. Lu, who is the legal representative and the factory manager of Yongding Changfeng, and Mr. Wong Kwai Mo, who has held a prior position and role at Yongding Changfeng, Yongding Changfeng is therefore deemed as a connected person of our Company pursuant to Rules 14A.06 and 14A.11(4) of the Listing Rules.

During the year under review, the aggregate amount of transactions under the Purchase Agreement was approximately RMB39.8 million and the waiver granted by the Stock Exchange was RMB50 million.

盧先生為本公司控股股東之一王桂模先生的表兄弟。由於永定長豐可能大受永定長豐的法定代表人兼工廠經理盧先生及先前於永定長豐擁有職位及職務的王桂模先生影響或控制，因此根據上市規則第14A.06及14A.11(4)條，永定長豐被視為本公司的關連人士。

於回顧年度內，採購協議項下的交易總額為約人民幣39.8百萬元，而聯交所授出的豁免為人民幣50百萬元。

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Changfeng Axle (China) Company Limited ■ Annual Report 2010

CONTINUING CONNECTED TRANSACTIONS WHICH ARE SUBJECT TO THE REPORTING AND ANNOUNCEMENT REQUIREMENTS BUT EXEMPT FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT

2. Supply Agreement with Yongding Changfeng

On 29 May 2010, our Company entered into a supply agreement (the "Supply Agreement") with Yongding Changfeng, pursuant to which our Company has agreed to supply or procure members of our Group to supply scrap steel which is steel waste created during the production of steel and expected to be disposed of or not required by our Group to Yongding Changfeng for a term of three years commencing from 1 January 2010 to 31 December 2012.

The price for the scrap steel supplied by our Group to Yongding Changfeng will be determined on the following basis in order of priority:

- the price prescribed by the State (including any price prescribed by any relevant local authorities), if applicable;
- the price recommended under the State pricing guidelines, when no State-prescribed price is available;
- the market price, when neither the State-prescribed price nor the State recommended price is available; or
- the price which is no less favorable to our Group than is available from independent third parties, when none of the above is available or applicable.

須遵守申報及公告規定但獲豁免遵守獨立股東批准規定的持續關連交易

2. 永定長豐的供應協議

於二零一零年五月二十九日，本公司與永定長豐訂立供應協議（「供應協議」），據此，本公司同意供應或促使本集團成員公司向永定長豐供應廢鋼（生產鋼過程中產生而本集團預期出售或不需要的鋼廢料），自二零一零年一月一日起至二零一二年十二月三十一日止為期三年。

由本集團向永定長豐供應廢鋼的價格將根據以下基準按優先次序釐定：

- 如適用，根據國家定價（包括由任何相關地方機構所定的任何價格）；
- 若無國家定價，根據國家定價指引下的建議定價；
- 若無國家定價亦無國家建議定價，根據市場價格；或
- 若無以上定價或有關定價不適用時，根據對於本集團而言不遜於可自獨立第三方獲得的價格。

Mr. Lu is a cousin of Mr. Wong Kwai Mo, being one of the controlling shareholders of the Company. As Yongding Changfeng may be substantially influenced or controlled by Mr. Lu, who is the legal representative and the factory manager of Yongding Changfeng, and Mr. Wong Kwai Mo, who has held a prior position and role at Yongding Changfeng, Yongding Changfeng is therefore deemed as a connected person of our Company pursuant to Rules 14A.06 and 14A.11(4) of the Listing Rules.

During the year under review, the aggregate amounts of transaction under Sale Agreement was approximately RMB8.4 million and the waiver granted by the Stock Exchange was RMB20 million.

Pursuant to Rule 14A.38 of the Listing Rules, the Board has engaged the auditor of the Company to perform certain agreed upon procedures in respect of the continuing connected transactions of the Group. The auditor has reported its factual findings on these procedures to the Board. The independent non-executive Directors have reviewed the continuing connected transactions and the report of the auditor.

In the opinion of the independent non-executive Directors, the continuing connected transactions entered into by the Group were:

- (i) in the ordinary and usual course of business of the Group;
- (ii) either (a) on normal commercial terms; or (b) where there is no available comparison, on terms that are no less favorable to the Group than terms to or from independent third parties; and
- (iii) in accordance with the agreements governing the transactions on terms that are fair and reasonable so far as the shareholders.

Other than disclosed above, there was no other transaction which needs to be disclosed as connected transaction in accordance with the requirements of the Listing Rules during the year ended 31 December 2010.

DIVIDEND

The Board does not recommend the payment of any final dividend in respect of the year ended 31 December 2010.

盧先生為本公司控股股東之一王桂模先生的表兄弟。由於永定長豐可能大受永定長豐的法定代表人兼工廠經理盧先生及先前於永定長豐擁有職位及職務的王桂模先生影響或控制，因此根據上市規則第14A.06及14A.11(4)條，永定長豐被視為本公司的關連人士。

於回顧年度內，銷售協議項下的交易總額為約人民幣8.4百萬元，而聯交所授出的豁免為人民幣20百萬元。

根據上市規則第14A.38條，董事會已聘用本公司之核數師就本集團之持續關連交易進行若干共同協定的程序。核數師已根據該等程序向董事會報告其據實調查結果。獨立非執行董事已審閱該等持續關連交易及核數師之報告。

獨立非執行董事認為，本集團乃於下列情況下訂立該等持續關連交易：

- (i) 於本集團日常業務過程中進行；
- (ii) (a) 按正常商業條款訂立；或 (b) 倘無可比較，則按照不遜於本集團向獨立第三方提供或獨立第三方向本集團提供之條款訂立；及
- (iii) 根據規管該等交易的協議，其條款對股東而言屬公平合理。

除上文所披露者外，於二零一零年十二月三十一日止年度，概無任何其他交易須根據上市規則規定視作關連交易予以披露。

股息

董事會並不建議就截至二零一零年十二月三十一日止年度派付任何末期股息。

Directors' Report 董事會報告

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 4 May, 2011 to Friday, 6 May 2011, both days inclusive, during which period no transfer of shares will be registered. In order to determine who are entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on Monday, 9 May 2011, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 3 May 2011.

AUDIT COMMITTEE

The Audit Committee had reviewed together with the management and external auditors the accounting principles and policies adopted by the Group and the audited annual consolidated financial statements for the year ended 31 December 2010.

AUDITORS

The consolidated financial statements for the year ended 31 December 2010 have been audited by Deloitte Touche Tohmatsu who shall retire at the forthcoming annual general meeting of the Company. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Deloitte Touche Tohmatsu as auditor of the Company.

By order of the Board

Wong Kwai Mo
Chairman

Hong Kong, 8 March 2011

暫停辦理股東過戶登記

本公司將自二零一一年五月四日(星期三)至二零一一年五月六日(星期五)(首尾兩天包括在內)暫停辦理股東過戶登記,在此期間暫停股份過戶。為確定股東是否有權出席本公司將於二零一一年五月九日舉行之應屆股東週年大會及於會上投票,所有股份過戶文件連同有關股票證書必須不遲於二零一一年五月三日(星期二)下午4時30分交回本公司香港股份過戶登記處香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

審核委員會

審核委員會已與管理層及外聘核數師審閱本集團採納的會計原則及政策以及截至二零一零年十二月三十一日止年度的經審核年度綜合財務報表。

核數師

截止二零一零年十二月三十一日止年度的綜合財務報表已由執業會計師德勤•關黃陳方會計師行審核。德勤•關黃陳方會計師行須於本公司應屆股東週年大會上告退。本公司將於應屆股東週年大會上提呈一項決議案以再度委任德勤•關黃陳方會計師行為本公司的核數師。

承董事會命

主席
王桂模

香港,二零一一年三月八日

Corporate Governance Report 企業管治報告

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31 December 2010.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Company's shareholders. The Board strives to adhere to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for its shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for shareholders.

The Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2010.

THE BOARD

The Board consists of 7 Directors, 3 of whom are executive Directors, 1 of whom is non-executive Director and 3 of whom are independent non-executive Directors. The functions and duties conferred on the Board include convening shareholders' meetings and reporting on the work of the Board to the shareholders at shareholders' meetings as may be required by applicable laws, implementing resolutions passed at shareholders' meetings, determining the Company's business plans and investment plans, formulating the Company's annual budget and final accounts, formulating the Company's proposals for dividend and bonus distributions as well as exercising other powers, functions and duties as conferred on it by the Articles and

董事會欣然於截至二零一零年十二月三十一日止年度的年報中呈列本企業管治報告。

企業管治常規

本公司承諾建立良好的企業管治常規及程式，冀能成為一家具透明度及負責任的機構，以開放態度向公司股東負責。董事會致力於遵守企業管治原則並已採納良好的企業管治常規，以符合法律及商業準則，專注於例如內部監控、公平披露及向所有股東負責等領域，以確保本公司所有業務之透明度及負責任。本公司相信，有效的企業管治是為股東創造更多價值之基礎。董事會將繼續不時檢討及改善本集團之企業管治常規，以確保本集團由有效董事會領導以為股東帶來最大回報。

本公司已於截至二零一零年十二月三十一日止整個年度遵守上市規則附錄 14 所載的企業管治常規守則（「企業管治守則」）。

董事會

董事會由七名董事組成，即三名執行董事、一名非執行董事及三名獨立非執行董事。董事會之功能及職責包括根據適用法律之可能規定召開股東大會並於會上向股東報告董事會之工作，實施股東大會上通過之決議案，釐定本公司之業務計劃及投資計劃，制定本公司之年度預算及最終賬目，制定本公司之股息及花紅分派建議以及行使細則及適

Corporate Governance Report 企業管治報告

applicable laws. The senior management is delegated the authority and responsibilities by the Board for the day-to-day management and operations of the Group. The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company. The composition of the Board is well balanced with the directors having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The executive Directors and independent non-executive Directors bring a variety of experience and expertise to the Company.

The Company has received an annual confirmation of independence from each of its independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmation, the Company considers that the three independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

All Directors have separate and independent access to the Company's senior management to fulfill their duties and, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense. All Directors also have access to the company secretary who is responsible for ensuring that the Board procedures, and all applicable rules and regulations, are followed. An agenda and accompanying Board/committee papers are distributed to the Directors/Board committee members with reasonable notice in advance of the meetings. Minutes of Board meetings and meetings of Board committees, which records in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed, are kept by the company secretary and are open for inspection by Directors.

The Company has subscribed appropriate and sufficient insurance coverage on directors' liabilities in respect of legal actions taken against directors arising out of corporate activities.

The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company.

用法律賦予董事會之其他權力、功能及職責。董事會授予高級管理層授權及責任負責本集團之日常管理及經營。董事會定期會面，以檢討本公司之財務及經營表現，並審議及批准本公司之總體策略及政策。董事會之成員各有所長，而董事對於本集團所從業務均具備充分行業知識、豐富的企業及策略規劃經驗及／或專門技術。執行董事及獨立非執行董事為本公司帶來不同的經驗及專門技術。

根據上市規則第3.13條，本公司已從各位獨立非執行董事接獲年度獨立確認書。根據有關確認書之內容，本公司認為，三位獨立非執行董事均為獨立，且彼等符合上市規則第3.13條所載有關獨立性之特定指引。

所有董事可個別及獨立地與本公司的高級管理層人員接洽以履行彼等之職責，並於提出合理的要求後在適當的情況下尋求獨立專業意見，費用由本公司支付。所有董事亦可與公司秘書接洽，而公司秘書乃負責確保董事會的程序及一切適用規則和規例獲得遵循。議程及隨附的董事會／委員會文件可於會議召開前事先給予合理通知下分發予董事／董事委員會成員。董事會會議及董事委員會會議的記錄乃詳細記錄董事會所考慮的事項及達致的決定，包括董事所提出的任何事項或發表的反對意見，概由公司秘書存檔，並可供董事查閱。

本公司已購買適合及充足保險，以覆蓋董事就企業活動期間產生對董事所提出法律訴訟的責任。

董事會定期會面，以檢討本公司之財務及經營表現，並審議及批准本公司之總體策略及政策。

Non-executive Directors

The non-executive Director has entered into a service agreement with the Company for an initial term of three years commencing from 24 September 2010, whereas each of the independent non-executive Directors has entered into a letter of appointment with the Company and is appointed for an initial term of three years commencing from 24 September 2010.

In accordance with article 84 of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

BOARD COMMITTEES

As an integral part of sound corporate governance practices, the Board has established the following Board committees to oversee the particular aspects of the Group's affairs. Each of these committees comprises independent non-executive Directors who are being invited to join as members.

AUDIT COMMITTEE

The Audit Committee was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and to provide advice and comments to the Board. The members meet regularly with the external auditors and the Company's senior management for the review, supervision and discussion of the Company's financial reporting and internal control procedures and ensure that management has discharged its duty to have an effective internal control system. The Audit Committee consists of three members, namely Mr. Chong Ching Hei, Mr. Zhu Weizhou and Dr. Li Xiuqing, of which are all independent non-executive Directors. Mr. Chong Ching Hei, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

Since the Audit Committee was only established on 24 September 2010, the Audit Committee did not hold any meeting during the year under review. From 2011 onwards, the Audit Committee will hold meetings at least twice a year.

非執行董事

非執行董事已與本公司訂立服務協議，自二零一零年九月二十四日開始初步為期三年，而每位獨立非執行董事已與本公司訂立委聘書，其委任自二零一零年九月二十四日開始初步為期三年。

根據細則第84條，於每次股東週年大會上，當時之三分之一董事（倘數目並非三(3)之倍數，則為最接近之數目，惟不得少於三分之一）須輪值告退，惟各董事均須最少每三年輪值退任一次。

董事會轄下委員會

作為優良企業管治常規的重要構成部分，董事會已成立以下的董事委員會，以監察本集團特定範疇的事務。各委員會的成員皆由獲邀加入委員會的獨立非執行董事組成。

審核委員會

審核委員會按照上市規則第3.21及3.22條成立，並備有按照企業管治守則的規定書面職權範圍。審核委員會的主要職責為審核及監督本集團的財務申報程序及內部監控系統，並向董事會提供建議及意見。成員定期與外部核數師及本公司高級管理人員進行會晤，以審核、監督及討論本公司的財務申報及內部控制程序，並確保管理層履行其職責建立有效的內部監控系統。審核委員會由三名成員，即莊清喜先生、朱偉洲先生及李秀清博士（均為獨立非執行董事）組成。莊清喜先生具備適當的專業資格及會計事宜經驗，故獲委任為審核委員會主席。

由於審核委員會僅於二零一零年九月二十四日成立，故審核委員會於回顧年度並未召開任何會議。由二零一一年起，審核委員會將最少每年召開兩次會議。

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The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2010, including the accounting principles and practices adopted by the Group, selection and appointment of the external auditors.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 24 September 2010 with written terms of reference in compliance with the CG Code. The Remuneration Committee is chaired by Mr. Zhu Weizhou with two independent non-executive Directors, namely Mr. Chong Ching Hei and Mr. Wong Kwai Mo, as members. The principal responsibilities of the Remuneration Committee are to formulate and recommend remuneration policy to the Board, to determine the remuneration of executive directors and members of senior management, to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time and to make recommendation on other remuneration related issues. The Board expects the Remuneration Committee to exercise independent judgment and ensures that executive Directors do not participate in the determination of their own remuneration.

The Remuneration Committee did not hold committee meeting for the year ended 31 December 2010 because the Company only listed on 24 September 2010. The Remuneration Committee considers that it is not necessary to review the remuneration policy to the Board and members of senior management in the first year after listing. From 2011 onwards, the Remuneration Committee will hold meetings at least once a year.

NOMINATION COMMITTEE

The Nomination Committee was established on 24 September 2010. The chairman is Dr. Li Xiuqing, an independent non-executive Director, and the two other members are Mr. Wong Kwai Mo and Zhu Weizhou, both of them are independent non-executive Directors. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, making recommendation to the Board on selection of candidates for directorships, appointment, reappointment of Directors and Board succession and assessing the independence of independent non-executive Directors.

審核委員會已審閱本集團截至二零一零年十二月三十一日止年度的綜合財務報表，包括本集團採納的會計原則及常規、甄選及委任外部核數師。

薪酬委員會

薪酬委員會乃按照企業管治守則的規定於二零一零年九月二十四日成立，並備有書面職權範圍。薪酬委員會由朱偉洲先生主持，兩名獨立非執行董事，即莊清喜先生及王桂模先生為成員。薪酬委員會的主要職責為制定薪酬政策並向董事會提供意見；釐定執行董事及高級管理人員的薪酬；參考董事會不時制訂的企業目標，審閱及批准績效薪酬，並就其他薪酬相關事項提供意見。董事會預期薪酬委員會行使獨立判斷並確保執行董事並不參與釐定彼等本身的薪酬。

由於本公司僅於二零一零年十二月三十一日上市，故薪酬委員會於截至二零一零年九月二十四日止年度內並未召開任何委員會會議。薪酬委員會認為毋須於上市後首個年度內審核董事會及高級管理人員的薪酬政策。由二零一一年起，薪酬委員會將最少每年召開一次會議。

提名委員會

提名委員會於二零一零年九月二十四日成立。主席為獨立非執行董事李秀清先生，而其他兩名成員為王桂模先生及朱偉洲先生（兩者均為獨立非執行董事）。提名委員會負責審核董事會的結構、規模和構成；就甄選董事職務候選人、委任、重新委任董事及董事會的繼任事宜向董事會提供意見，並評估獨立非執行董事的獨立性。

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During the period from 24 September 2010, the date of the Company's listing, to 31 December 2010, there was no meeting held by the Nomination Committee. The Nomination Committee considers that it is not necessary to review the composition of the Board during the first year of listing. From 2011 onwards, the Nomination Committee will hold meetings of least once a year.

NUMBER OF MEETINGS AND DIRECTORS' ATTENDANCE

The individual attendance record of each Director at the meetings of the Board, Audit Committee, Remuneration Committee and Nomination Committee from 24 September 2010, the date of the Company's listing, to 31 December 2010 is set out below:

		Board Meeting 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive directors	執行董事				
Mr. Wong Kwai Ho (Chairman)	王桂模先生(主席)	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Ms. Wu Ching	胡靜女士	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Lai Fengcai	賴鳳彩先生	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Non-executive Directors	非執行董事				
Ms. Dong Ying, Dorothy	董穎女士	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Independent non-executive Directors	獨立非執行董事				
Mr. Zhu Weizhou	朱偉洲先生	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Li Xiuqing	李秀清博士	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Chong Ching Hei	莊清喜先生	1/1	N/A 不適用	N/A 不適用	N/A 不適用

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct for securities transactions. Specific enquiries have been made with all Directors, who have confirmed that, during the period under review, they were in compliance with the required provisions set out in the Model Code. All Directors declared that they have complied with the Model Code for the year ended 31 December 2010.

於由本公司上市日期二零一零年九月二十四日起至二零一零年十二月三十一日止之期間內，提名委員會並未召開任何會議。提名委員會認為毋須於上市後首個年度內審核董事會的構成。由二零一一年起，提名委員會將最少每年召開一次會議。

會議及董事出席次數

於自二零一零年九月二十四日(本公司上市日期)至二零一零年十二月三十一日期間，各位董事出席董事會、審核委員會、薪酬委員會及提名委員會會議的個人出席記錄載列如下：

		Board Meeting 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive directors	執行董事				
Mr. Wong Kwai Ho (Chairman)	王桂模先生(主席)	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Ms. Wu Ching	胡靜女士	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Lai Fengcai	賴鳳彩先生	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Non-executive Directors	非執行董事				
Ms. Dong Ying, Dorothy	董穎女士	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Independent non-executive Directors	獨立非執行董事				
Mr. Zhu Weizhou	朱偉洲先生	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Li Xiuqing	李秀清博士	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Chong Ching Hei	莊清喜先生	1/1	N/A 不適用	N/A 不適用	N/A 不適用

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)作為其進行證券交易的行為守則。全體董事作出具體查詢後確認，彼等於回顧期內一直遵守標準守則所載的規定條文。全體董事宣稱彼等於截至二零一零年十二月三十一日止年度內一直遵守標準守則的規定。

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DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparation of the financial statements for the financial year ended 31 December 2010 which give a true and fair view of the state of affairs of the Company and of the Group at that date and of the Group's results and cash flows for the year then ended and are properly prepared on the going concern basis in accordance with the applicable statutory requirements and accounting standards. The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report".

AUDITORS' REMUNERATION

During the year ended 31 December 2010, the remuneration paid or payable to the Group's auditors, Deloitte Touche Tohmatsu, in respect of their audit and non-audit services are as follows:

Items 項目	Amount 金額 (RMB'000) (人民幣千元)
Initial public offering 首次公開發行	2,127
Statutory audit services 法定核數服務	1,530
Non-audit services 非核數服務	—
Total 總數	3,657

During the year under review, Deloitte Touche Tohmatsu provided internal control audit services to the Group in connection with the Group's preparation for its listing, which is of non-audit service nature, at a fee of approximately RMB378,500.

INTERNAL CONTROL

The Board is responsible for maintaining sound and effective internal control systems in order to safeguard the Group's assets and shareholders' interests, and review and monitor the effectiveness of the Company's internal control and risk management systems on a regular basis so as to ensure that internal control and risk management systems in place are adequate. The Company has established written policies

董事對財務報表的責任

董事知悉彼等編製截至二零一零年十二月三十一日止財政年度財務報表的責任，財務報表如實反映本公司及本集團於該日的事務狀況及本集團截至該日期止年度的業績及現金流量，並根據適用的法定規定及會計準則按持續經營基準妥為編製。有關本公司外聘核數師對財務報表所承擔之申報責任的聲明，已載於「獨立核數師報告」內。

核數師薪酬

截至二零一零年十二月三十一日止年度，已付或應付本集團核數師德勤•關黃陳方會計師行的核數及非核數服務薪酬如下：

於回顧年度，德勤•關黃陳方會計師行為本集團準備上市提供內部監控審核服務，該服務性質為非核數服務，費用約為人民幣378,500元。

內部監控

董事會負責維持健全有效的內部監控制度，以保障本集團資產及股東利益，並定期檢討及規管本公司內部監控及風險管理系統之效率，以確保足夠內部監控及風險管理系統。本公司已制定適用於所有營運單位的書面政策及程序，確保內部監控的效率。本公司亦有識別、評估及管理重大風險的程序以達成其管理目標。該程序須不斷改善，並自二零一零年九月二十四日起及直至本報告日期始終使

and procedures applicable to all operating units to ensure the effectiveness of internal controls. The Company also has a process for identifying, evaluating, and managing the significant risks to the achievement of its operational objective. This process is subject to continuous improvement and was in place since 24 September 2010 and up to the date of this report. The day-to-day operation is entrusted to the individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board. The Company carries out reviews on the effectiveness of the internal control systems from time to time in order to ensure that they are able to meet and deal with the dynamic and ever changing business environment.

During the year under review, the Board has conducted a review and assessment of the effectiveness of the Company's internal control systems including financial, operational and compliance controls and risk management for the year ended 31 December 2010. Internal Control department was assigned to assist the Board to perform high-level review of the internal control systems for its business operations and processes. Such review covered the financial, compliance and operational controls as well as risk management mechanisms and assessment was made by discussions with the management of the Company and its external auditors. The Board believes that the existing internal control system is adequate and effective.

DEED OF NON-COMPETITION

The Company has received, from each of the controlling shareholders of the Company, an annual declaration on his/her/its compliance with the undertakings contained in the Deed of Non-Competition entered into by each of them in favour of the Company pursuant to which each of the controlling shareholders of the Company has undertaken to the Company that he/she/it will not and will procure that his/her/its associates (other than members of the Group) not to, engage in any of our business including (without limitation) the following activities:

- acquiring, holding, developing, transferring, disposing or otherwise dealing in, whether directly or indirectly, axle components business or related investments;
- engaging, having a right or in any way having an economic interest, in the promotion or development of or investment in axle components business; or
- acquiring, holding, transferring, disposing or otherwise dealing in any option, right or interest over any of the matters set out in the two paragraphs above;

用。日常營運則委託個別部門，對其本身部門的行為及表現進行問責，並須嚴格遵守董事會制定的政策。本公司不時進行內部監控系統效率的審閱，確保其能夠符合及應對靈活及不時轉變之經營環境。

於回顧年度內，董事會已對本公司截至二零一零年十二月三十一日止年度之內部監控系統進行檢討及評估，包括財務、營運及合規控制及風險管理。內部監控部門已被指派協助董事會就其業務營運及流程進行深入檢討。該檢討涵蓋財務、守規及營運監控以及風險管理機制，並與本公司之管理層及其內部核數師討論後作出評估。董事會相信，現有內部監控系統乃充分有效。

不競爭契據

本公司已收到本公司各控股股東就彼遵守不競爭契據所載承諾而作出的年度聲明。不競爭契據由各控股股東與本公司訂立，據此，本公司各控股股東向本公司承諾將不會，及將促使其聯繫人士（本集團的成員公司除外）不會，從事任何我們所從事的業務，包括但不限於以下活動：

- 直接或間接收購、持有、開發、轉讓、出售或以其他方式買賣車橋零部件業務或相關投資；
- 從事車橋零部件業務的推廣或開發或投資工作，於當中擁有權利或以任何方式擁有經濟利益；或
- 收購、持有、轉讓、出售或以其他方式買賣涉及以上兩段所述事項的任何購股權、權利或權益；

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except for acquiring, holding, transferring, disposing or otherwise dealing in, directly or indirectly, shares of any company, joint venture, corporation or entity of any nature, whether or not incorporated, with any interest in the matters set out in the three paragraphs above so long as their aggregate interest in any such entity is less than 5% of its equity interest.

Details of the Deed of Non-Competition were disclosed in the Prospectus under the section headed "Relationship with Our Controlling Shareholders".

The independent non-executive Directors have reviewed and were satisfied that each of the controlling shareholders of the Company has complied with the Deed of Non-Competition for the year ended 31 December 2010.

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of maintaining a clear, timely and effective communication with the shareholders of the Company and investors. The Board also recognizes that effective communication with its investors is critical in establishing investor confidence and to attract new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure the investors and the shareholders of the Company will receive accurate, clear, comprehensive and timely information of the Group through the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all corporate communications on the Company's website at www.changfengaxle.com.hk. The Board maintains regular dialogues with institutional investors and analysts from time to time to keep them informed of the Group's strategy, operations, management and plans. The Directors and members of various board committees will attend the annual general meeting of the Company and answer any questions raised. The resolution of every important proposal will be proposed at general meetings separately.

The chairman of general meetings of the Company would explain the procedures for conducting a poll before proposing a resolution for voting. The poll results will be announced at general meetings and published on the websites of the Stock Exchange and the Company, respectively. In addition, the Company regularly meets with institutional investors, financial analysts and financial media, and promptly releases information related to any significant progress of the Company, so as to promote the development of the Company through mutual and efficient communications.

惟只要於任何實體的權益合共少於其股本權益5%，則直接或間接收購、持有、轉讓、出售或以其他方式買賣任何公司、合營企業、企業或任何性質實體（不論是否已註冊成立）的股份，連同涉及以上三段所述事項的任何權益除外。

不競爭契據的詳情於招股章程「與控股股東的關係」一節中披露。

獨立非執行董事已審閱並滿意各控股股東於截至二零一零年十二月三十一日止年度遵守不競爭契據的情況。

與股東的聯繫

董事會深明與本公司股東及投資者保持明確、及時和有效的聯繫之重要性。董事會亦深知與投資者之有效溝通，乃建立投資者信心及吸引新投資者之關鍵。因此，本集團致力於保持高透明度、確保本公司投資者及股東通過刊發年報、中期報告、公佈及通函，得到準確、清晰、完整而及時的集團資料。本公司亦在公司網站 www.changfengaxle.com.hk 刊登全部企業通訊。董事會與機構投資者及分析員不時保持溝通，讓彼等得悉本集團的策略、營運、管理及計畫。董事及各委員會成員均將出席本公司股東周年大會及解答問題。股東大會上，各項重要議案須以獨立決議案方式提呈。

本公司股東大會主席會於投票方式表決一項決議案之前解釋要求及進行投票的程式。投票的結果將於大會上宣佈，並將分別在聯交所及本公司的網站上公佈。此外，本公司定期與機構投資者、財務分析師及財務媒體會晤，並即時發佈有關本公司任何重大進程之資料，從而透過雙向及高效之聯繫促進本公司之發展。

Deloitte. 德勤

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANGFENG AXLE (CHINA) COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Changfeng Axle (China) Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 41 to 100, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致 暢豐車橋(中國)有限公司股東 獨立核數師報告

(於開曼群島註冊成立的股份有限公司)

本行審計了第41頁至第100頁列載的暢豐車橋(中國)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)綜合財務報表，包括二零一零年十二月三十一日的綜合財務狀況表和截至該日期止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要和其他說明性附註。

董事對綜合財務報表的責任

編製綜合財務報表及確保這些財務報表遵循香港會計師公會(「香港會計師公會」)發佈的《香港財務報告準則》以及《香港公司條例》的披露要求作出真實及公平的反映是貴公司董事的責任。由此董事確認必須採用內部控制以確保綜合財務報表的編製不存在重大錯報(不論該等錯報是否因欺詐或錯誤而導致)。

核數師的責任

本行的責任是在實施審計工作的基礎上對這些綜合財務報表發表審計意見，除此之外別無其他目的。本行不就本報告之內容向任何其他人士承擔任何責任或接受任何義務。本行遵循香港會計師公會發佈的《香港審計準則》執行審計工作。該等準則要求本行遵守職業道德規範，並計劃和執行審計工作以對綜合財務報表是否不存在重大錯報獲取合理保證。

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITY (CONTINUED)

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2010, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

8 March 2011

核數師的責任(續)

審計工作涉及實施程式，以獲取有關綜合財務報表金額和披露的審計證據。選擇的審計程式取決於審計師的判斷，包括對由於欺詐或錯誤導致的綜合財務報表重大錯報風險的評估。在進行風險評估時，核數師考慮與主體編製真實及公平地反映財務狀況的綜合財務報表相關的內部控制，以設計恰當的審計程式，但目的並非對內部控制的有效性發表意見。審計工作還包括評價董事選用會計政策的恰當性和作出會計估計的合理性，以及評價綜合財務報表的總體列報。

本行相信，本行獲取的審計證據是充分、適當的，為發表審計意見提供了基礎。

審計意見

本行認為，綜合財務報表遵循《香港財務報告準則》真實及公平地反映了貴集團二零一零年十二月三十一日的情況以及貴集團截至該日期止年度的利潤和現金流量，並且已遵循《香港公司條例》的披露規定進行適當編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零一一年三月八日

Consolidated Statement of Comprehensive Income 綜合全面收益表

for the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		NOTES 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Revenue	收入	7	1,318,709	801,151
Cost of sales	銷售成本		(879,379)	(549,373)
Gross profit	毛利		439,330	251,778
Other income and other gains and losses	其他收入及其他收益及虧損	8	2,532	5,078
Selling and distribution expenses	銷售及分銷開支		(22,393)	(17,572)
Research and development expenditure	研發開支		(12,860)	(8,540)
Administrative expenses	行政開支		(48,510)	(27,132)
Finance costs	融資成本	9	(22,534)	(12,700)
Profit before tax	除稅前溢利	10	335,565	190,912
Taxation	稅項	11	(49,890)	(28,128)
Profit and total comprehensive income for the year, attributable to owners of the Company	本公司擁有人應佔年內溢利及全面收益總額		285,675	162,784
Basic earnings per share	每股基本盈利	13	0.44	0.27

Consolidated Statement of Financial Position 綜合財務狀況表

at 31 December 2010

於二零一零年十二月三十一日

		NOTES 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	物業、廠房及設備	15	396,325	282,402
Prepayment for acquisition of machinery	購買機器預付款項		99,094	6,120
Prepaid lease payments	預付租賃款項	16	291,172	87,281
Available-for-sale investments	可供出售投資	17	1,000	–
			787,591	375,803
CURRENT ASSETS				
流動資產				
Inventories	存貨	18	290,287	194,718
Trade and other receivables	貿易及其他應收款項	19	474,922	379,479
Prepaid lease payments	預付租賃款項	16	6,005	1,762
Amount due from a director	應收董事款項	28(a)	–	345
Pledged bank deposits	已抵押銀行存款	20	2,177	29,867
Bank balances and cash	銀行結餘及現金	20	518,105	24,448
			1,291,496	630,619
CURRENT LIABILITIES				
流動負債				
Trade and other payables	貿易及其他應付款項	21	257,345	194,351
Amount due to a director	應付一名董事款項	28(b)	800	–
Borrowings-due within one year	借款 – 於一年內到期	22	328,450	245,444
Income tax payable	應付所得稅		28,767	21,073
			615,362	460,868
NET CURRENT ASSETS				
流動資產淨值				
Total assets less current liabilities	總資產減流動負債		1,463,725	545,554
Non-current liabilities				
非流動負債				
Borrowings – due after one year	借款 – 一年後到期	22	–	20,000
Deferred tax	遞延稅項	23	865	882
			865	20,882
			1,462,860	524,672
OWNERS' EQUITY				
擁有人權益				
Share capital	股本	24	53,560	343
Reserves	儲備		1,409,300	524,329
			1,462,860	524,672

The consolidated financial statements on pages 43 to 100 were approved and authorised for issue by the Board of Directors on 8 March 2011 and are signed on its behalf by:

載於第43頁至100頁的綜合財務報表於二零一一年三月八日獲董事會批准及授權刊發，並由下列董事代表簽署：

Director
董事

Director
董事

Consolidated Statement of Changes in Equity 綜合權益變動表

for the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		Reserves					Total	
		Share capital	Share premium	Capital reserves	Surplus reserves	Special reserves		Retained earnings
		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	
				(note b)				
				(附註 b)				
At 1 January 2009	於二零零九年一月一日	343	-	146,982	26,307	822	107,434	281,888
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	-	-	162,784	162,784
Capital contribution from a shareholder (note a)	視作一名股東注資(附註 a)	-	-	80,000	-	-	-	80,000
Appropriations	撥付	-	-	-	33,340	-	(33,340)	-
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	343	-	226,982	59,647	822	236,878	524,672
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	-	-	285,675	285,675
Appropriations	撥付	-	-	-	60,401	-	(60,401)	-
Issue of new shares (note 24)	發行新股份(附註 24)	13,388	650,608	-	-	-	-	663,996
Capitalisation issue (note 24)	資本化發行(附註 24)	39,829	(39,829)	-	-	-	-	-
Transaction cost attributable to issue of new shares	應佔發行新股份交易成本	-	(11,483)	-	-	-	-	(11,483)
At 31 December 2010	於二零一零年十二月三十一日	53,560	599,296	226,982	120,048	822	462,152	1,462,860

Notes:

- In March 2009, the Company received RMB80,000,000 from its immediate holding company, Changfeng Axle Holdings Ltd. Such amount is recorded in capital reserve as contribution from a shareholder.
- The balance comprising statutory surplus reserve and discretionary surplus reserve, which are non-distributable and the transfer to these reserves is determined according to the relevant laws in the People's Republic of China ("PRC") and by the board of directors of the PRC subsidiaries in accordance with the Article of Associate of the subsidiaries. Statutory surplus reserve can be used to make up for previous year's losses or convert into additional capital of the PRC subsidiaries of the Company. Discretionary surplus reserve can be used to expand the existing operations of the Company's PRC subsidiaries.

附註:

- 於二零零九年三月，本公司向其直接控股公司 Changfeng Axle Holdings Ltd. 收取人民幣 80,000,000 元。該款項於股本儲備中入賬為視作一名股東注資。
- 該結餘包括不可分派的法定盈餘儲備及酌情盈餘儲備，對該等儲備進行的轉撥乃根據中華人民共和國（「中國」）相關法律進行及由中國附屬公司的董事會根據該等附屬公司的組織章程決定。法定盈餘儲備可用作彌補往年虧損或轉換為本公司中國附屬公司的額外資本。酌情盈餘儲備可用作擴充本公司中國附屬公司現時的營運規模。

Consolidated Statement of Cash Flows 綜合現金流量表

for the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
OPERATING ACTIVITIES		
Profit before tax	335,565	190,912
Adjustments for:		
Finance costs	22,534	12,700
Interest income	(1,674)	(615)
Depreciation of property, plant and equipment	23,476	16,784
Release of prepaid lease payments	1,957	652
Operating cash flows before movements in working capital	381,858	220,433
Increase in inventories	(95,569)	(51,146)
Increase in trade and other receivables	(95,443)	(264,505)
Increase in trade and other payables	60,581	43,369
Cash generated from (used in) operations	251,427	(51,849)
Income tax paid	(42,213)	(8,571)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	209,214	(60,420)
INVESTING ACTIVITIES		
Interest received	1,674	615
Placement of pledged bank deposits	(46,738)	(68,173)
Proceeds from release of pledged bank deposits	74,428	48,321
Purchase of available-for-sale investments	(1,000)	-
Purchases of property, plant and equipment (Prepayment for) repayment of prepayment for acquisition of machinery	(154,896)	(91,158)
Advance to a director	(92,974)	16,183
Payment of prepaid lease payments	(5,520)	(3,467)
	(189,381)	(61,124)
NET CASH USED IN INVESTING ACTIVITIES	(414,407)	(158,803)

Consolidated Statement of Cash Flows 綜合現金流量表

for the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
FINANCING ACTIVITIES	融資活動		
Interest paid	已付利息	(22,534)	(12,700)
Advance from a director	董事墊款	5,865	3,390
New borrowings raised	新增借款	522,742	301,156
Repayment of borrowings	償還借款	(459,736)	(146,500)
Capital contribution from immediate holding company	直接控股公司注資	-	80,000
Net proceeds from issue of new shares	發行新股份所得款項淨額	652,513	-
NET CASH FROM FINANCING ACTIVITIES	融資活動產生之現金淨額	698,850	225,346
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目 增加淨額	493,657	6,123
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初現金及現金等值項目	24,448	18,325
CASH AND CASH EQUIVALENTS AT THE END OF YEAR, represented by bank balances and cash	年終現金及現金等值項目， 即銀行結餘及現金	518,105	24,448

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

for the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

1. GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands. It's immediate and also the ultimate holding company is Changfeng Axle Holdings Ltd. (incorporated in the British Virgin Islands). The Company's shares have been listed on the Stock Exchange of Hong Kong Limited with effect from 24 September 2010. The address of the Company's registered office is at Unit 2613, 26/F, North Tower, Concordia Plaza, No.1 Science Museum Road, Tsim Sha Tsui East, Hong Kong. On 24 March 2010, the Company changed its name from Changfeng Axle (China) Co., Ltd. to Changfeng Axle (China) Company Limited by a special resolution approved by the board of directors.

The principal activity of the Company is investment holding. The principal activities of the Group are the manufacture and sale of axle and related components in the People's Republic of China ("PRC"). Particulars of the subsidiaries of the Company are set out in note 29.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

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

New and revised Standards and Interpretations applied in the current year

The following new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") have been applied by the Company:

HKAS 27 (as revised in 2008)
香港會計準則第27號(二零零八年經修訂)

HKAS 39 (Amendments)
香港會計準則第39號(修訂本)

HKFRSs (Amendments)
香港財務報告準則(修訂本)

HKFRSs (Amendments)
香港財務報告準則(修訂本)

1. 一般資料

本公司於開曼群島註冊成立為獲豁免有限公司。其直接及最終控股公司為Changfeng Axle Holdings Ltd. (於英屬處女群島註冊成立)。本公司的股份已自二零一零年九月二十四日起於香港聯合交易所有限公司上市。本公司的註冊辦事處為香港九龍尖沙咀東部科學館道1號康宏廣場北座26樓2613室。於二零一零年三月二十四日，本公司董事會通過一項特別決議案，將本公司英文名稱由Changfeng Axle (China) Co., Ltd.更改為Changfeng Axle (China) Company Limited。

本公司的主要業務為投資控股。本集團的主要業務為於中華人民共和國(「中國」)製造及銷售車橋及相關零部件。本公司的附屬公司詳情載於附註29。

綜合財務報表以與本公司功能貨幣相同之人民幣(「人民幣」)列示。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度應用的新訂及經修訂準則及權釋

本公司於本年度已採用下列香港會計師公會(「香港會計師公會」)所頒佈之新訂及經修訂準則及詮釋：

Consolidated and Separate Financial Statements
綜合及獨立財務報表

Eligible Hedged Items
合資格對沖項目

Improvements to HKFRSs issued in 2009
香港財務報告準則之改進(於二零零九年頒佈)

Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
香港財務報告準則第5號之修訂作為香港財務報告準則之改進一部份(於二零零八年頒佈)

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

New and revised Standards and Interpretations applied in the current year (continued)

HKFRS 1 (Revised)

香港財務報告準則第1號(經修訂)

HKFRS 2 (Amendments)

香港財務報告準則第2號(修訂本)

HKFRS 3 (as revised in 2008)

香港財務報告準則第3號(二零零八年經修訂)

HK-Int 5

香港 – 詮釋第5號

HK (IFRIC)-Int 17

香港(國際財務報告詮釋委員會) – 詮釋第17號

The adoption of the new and revised Standards and Interpretations in the current year has had no material effect on the consolidated financial statements of the Group.

New and revised Standards and Interpretations issued but not yet effective

The Group has not early applied the following new and revised Standards and Interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)

香港財務報告準則(修訂本)

HKFRS 7 (Amendments)

香港財務報告準則第7號(修訂本)

HKFRS 9

香港財務報告準則第9號

HKAS 12 (Amendments)

香港會計準則第12號(修訂本)

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度應用的新訂及經修訂準則及權釋(續)

First-time Adoption of Hong Kong Financial Reporting Standards-Additional Exemptions for First-time Adopters

首次採納香港財務報告準則—首次採納者之額外豁免

Share-based Payment-Group Cash-settled Share-based Payment Transactions

以股份為基準付款集團現金結算以股份為基準付款的交易

Business Combinations

業務合併

Presentation of Financial Statements-Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

財務報表之呈報—借款人對包含按要求還款條文之有期貨款的分類

Distributions of Non-cash Assets to Owners

向擁有人分派非現金資產

於本年度採用的新訂及經修訂準則及詮釋對本集團的綜合財務報表並無重大影響。

已頒布但尚未生效的新訂及經修訂準則及詮釋

本集團並無提早應用以下已頒布但尚未生效的新訂及經修訂準則、修訂或詮釋。

Improvements to HKFRSs issued in 2010¹

香港財務報告準則之改進(於二零一零年頒布)¹

Disclosures – Transfers of Financial Assets³

披露—轉移金融資產³

Financial Instruments⁴

金融工具⁴

Deferred Tax: Recovery of Underlying Assets⁵

遞延稅項：收回相關資產⁵

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

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

New and revised Standards and Interpretations issued but not yet effective (continued)

HKAS 24 (as revised in 2009)
香港會計準則第 24 號 (二零零九年經修訂)

HKAS 32 (Amendments)
香港會計準則第 32 號 (修訂本)

HK (IFRIC)-Int 14 (Amendments)
香港 (國際財務報告詮釋委員會)
— 詮釋第 14 號 (修訂本)

HK (IFRIC)-Int 19
香港 (國際財務報告詮釋委員會) — 詮釋第 19 號

¹ *Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.*

² *Effective for annual periods beginning on or after 1 July 2010.*

³ *Effective for annual periods beginning on or after 1 July 2011.*

⁴ *Effective for annual periods beginning on or after 1 January 2013.*

⁵ *Effective for annual periods beginning on or after 1 January 2012.*

⁶ *Effective for annual periods beginning on or after 1 January 2011.*

⁷ *Effective for annual periods beginning on or after 1 February 2010.*

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition. Specifically, under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

已頒布但尚未生效的新訂及經修訂準則及詮釋 (續)

Related Party Disclosures⁶
關連方披露⁶

Classification of Rights Issues⁷
供股之分類⁷

Prepayments of a Minimum Funding Requirement⁶
最低資本規定之預付款項⁶

Extinguishing Financial Liabilities with Equity Instruments²
以股本工具抵銷金融負債²

¹ 於二零一零年七月一日及二零一一年一月一日 (如適用) 或之後開始之年度期間生效。

² 於二零一零年七月一日或之後開始之年度期間生效。

³ 於二零一一年七月一日或之後開始之年度期間生效。

⁴ 於二零一三年一月一日或之後開始之年度期間生效。

⁵ 於二零一二年一月一日或之後開始之年度期間生效。

⁶ 於二零一一年一月一日或之後開始之年度期間生效。

⁷ 於二零一零年二月一日或之後開始之年度期間生效。

於二零零九年十一月頒佈的香港財務報告準則第9號「金融工具」對金融資產的分類及計量引入新規定。香港財務報告準則第9號「金融工具」(二零一零年十一月經修訂)加入有關金融負債及終止確認的規定。尤其是根據香港財務報告準則第9號,所有屬香港會計準則第39號「金融工具:確認及計量」範疇內的已確認金融資產,其後均按攤銷成本或公平值計量。尤其是,按商業模式持有而目的為收取合約現金流的債務投資,以及僅為支付本金額及未償還本金額的利息的合約現金流的債務投資,一般均於其後會計期間結束時按攤銷成本計量。所有其他債務投資及股本投資均於其後會計期間結束時按公平值計量。

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

New and revised Standards and Interpretations issued but not yet effective (continued)

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Currently, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 31 December 2013 and that the application of the new Standard will affect the classification and measurement of the Group's available for sale investments and may affect the classification and measurement of the Group's other financial assets but not on the Group's financial liabilities. The Group is in the process of determining the impact of adoption of HKFRS 9 on the Group's financial position, results of operations and cash flows.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒布但尚未生效的新訂及經修訂準則及詮釋（續）

就金融負債而言，主要變動乃與指定為按公平值計入損益的金融負債有關。尤其是，根據香港財務報告準則第9號，就指定為按公平值計入損益之金融負債而言，因金融負債之信貸風險有變而導致其公平值變動的款額，乃於其他全面收益呈列，除非於其他全面收益呈報該負債信貸風險變動的影響，會產生或增加損益的會計錯配，則作別論。因金融負債的信貸風險而導致其公平值變動其後不會重新分類至損益。目前，根據香港會計準則第39號，指定為按公平值計入損益的金融負債的全部公平值變動款額均於損益中呈列。

香港財務報告準則第9號於二零一三年一月一日或之後開始之年度期間生效，並可提早應用。

董事預期，香港財務報告準則第9號將於本集團截至二零一三年十二月三十一日止年度的綜合財務報表中採納，並預期應用新訂準則將會對就本集團構成影響及或會對本集團其他金融資產惟非金融負債的分類及計量構成影響。本集團正在確定就採納香港財務報告準則第9號對本集團的財務狀況、經營業績及現金流量的影響。

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

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截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of consolidation

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

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

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

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

Allocation of total comprehensive income to non-controlling interests

Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were not allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Starting from 1 January 2010, total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. 主要會計政策

綜合財務報表乃按照香港會計師公會頒布的香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例的適用披露規定。

綜合財務報表乃按歷史成本基準(如下文所載的會計政策所述，按公平值計算的若干財務工具除外)編製。

綜合賬目基準

綜合財務報表包括本公司及本公司控制的實體(其附屬公司)的財務報表。於本公司有權規管一個實體的財務及經營政策以從其活動得益時，則本公司被視為取得該實體的控制權。

所收購或出售的附屬公司於年內的業績載入自收購有效日期起直至出售有效日期止(如適合)的綜合全面收益表。

如有必要，附屬公司的財務報表會予以調整，使其會計政策與本集團其他成員公司所採用者一致。

集團內公司間一切交易、結餘及收支均於綜合賬目時全額撇銷。

全面收益總額分配至非控股權益

於二零一零年一月一日前，適用於非控股權益的虧損超出附屬公司權益中非控股權益的數額并不被分配以抵銷本集團權益，惟非控股權益須負上具約束力的責任及可以作出額外投資以彌補虧損的情況除外。

由二零一零年一月一日起，即使將附屬公司的全面收益及開支總額歸屬於本公司擁有人及非控股權益會導致非控股權益結餘產生虧絀，附屬公司的全面收益及開支總額仍然歸屬於本公司擁有人及非控股權益。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Business combination

Business combinations prior to 1 January 2010

Acquisition of businesses was accounted for using the purchase method. The cost of the acquisition was measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that met the relevant conditions for recognition were generally recognised at their fair values at the acquisition date.

Goodwill arising on acquisition was recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after assessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeded the cost of the business combination, the excess was recognised immediately in profit or loss.

The non-controlling interest in the acquiree was initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Business combinations achieved in stages were accounted for as separate steps. Goodwill was determined at each step. Any additional acquisition did not affect the previously recognised goodwill.

3. 主要會計政策 (續)

本集團於現有附屬公司的擁有權權益變動

本集團於附屬公司擁有權權益變動而無導致失去控制權者均作為股本交易入賬。本集團的權益及非控股權益的賬面值經調整以反映彼等於附屬公司的相對權益變動。經調整非控股權益的金額與已付或已收代價的公平值間的任何差額直接於權益中確認並歸屬於本公司擁有人。

業務合併

於二零一零年一月一日前的業務合併

收購業務乃以購買法列賬。收購成本乃按本集團就換取被收購方控制權而給予的資產、產生或承擔的負債及所發行股本工具三者於交換日期的公平值總和，另加業務合併直接應佔的任何成本計量。被收購方符合有關確認條件的可識別資產、負債及或然負債一般按收購日期的公平值確認。

收購所產生商譽乃確認為資產，並初步按成本(即業務合併成本高於本集團於已確認可識別資產、負債及或然負債的公平淨值權益的數額)計量。倘於評估後，本集團於被收購方的可識別資產、負債及或然負債的公平淨值權益高於業務合併成本，則高出數額會即時於損益賬中確認。

於被收購方的非控股權益初步按非控股權益於所確認資產、負債及或然負債的公平淨值比例計量。

分階段達至的業務合併應於各階段處理，其商譽亦應於各階段單獨計算。任何額外的收購不會影響先前已確認的商譽。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combination (continued)

Business combinations on or after 1 January 2010

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 (2008) are recognised at their fair values, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with HKFRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3. 主要會計政策 (續)

業務合併 (續)

於二零一零年一月一日或之後的業務合併

收購業務乃以收購法列賬。於業務合併中轉讓的對價以公平值計量，即本集團轉讓的資產於收購日期的公平值、本集團對被收購方前擁有人的負債及本集團為交換被收購方控制權而發行的股本權益的總和。與收購相關的成本於產生時於損益賬中確認。

於收購日期，符合香港財務報告準則第3號(二零零八年)確認條件的被收購方的可識別資產、負債及或然負債按其公平值確認，惟以下情況除外：

- 與僱員福利安排相關的遞延稅項資產或負債及負債或資產乃分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- 與本集團重置被收購方以股份為基礎付款的獎勵相關的負債或股本工具乃根據香港財務報告準則第2號以股份為基礎的付款計量；及
- 根據香港財務報告準則第5號持作出售的非流動資產及已終止經營業務劃分為持作出售的資產(或出售組別)乃根據該準則計量。

商譽計量為已轉讓的對價、於被收購方的任何非控股權益金額及收購方先前持有的被收購方股本權益(如有)的公平值的總和超過可識別的被收購資產及已承擔債務於收購日期的淨額的數額。倘若於評估後，本集團於被收購方的可識別資產淨值的公平值權益超過已轉讓的對價、於被收購方的任何非控股權益的金額及收購方先前持有的被收購方權益(如有)的公平值的總和，則超出部份即時於損益賬中確認為廉價購買收益。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combination (continued)

Business combinations on or after 1 January 2010 (continued)

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

Revenue recognition

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

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. 主要會計政策 (續)

業務合併 (續)

於二零一零年一月一日或之後的業務合併 (續)

非控股權益可初步按公平值或非控股權益於被收購方可識別資產淨值的公平值應佔的比例計量。計量基準根據各項交易基準選擇。

假如業務合併分階段完成，本集團先前持有的被收購方股本權益於收購日期(即本集團取得控制權的日期)按公平值重新計量，而因此而產生的收益或虧損(如有)則於損益賬中確認。

於收購日期前於其他全面收益中確認並於權益累計的先前持有的股本權益價值變動，於本集團取得對被收購方的控制權時於損益賬重新歸類。

收入確認

收入按已收或應收的代價的公平值計量，並代表就於日常業務過程中出售貨品的應收金額(扣除折讓及銷售相關稅項)。

銷售貨品之收入於達成以下條件時予以確認：

- 本集團將貨品擁有權的主要風險及回報轉嫁予買方；
- 本集團對所售貨品不再具有一般與擁有權相關的程度的持續管理參與權，亦無實際控制權；
- 收入金額能可靠計量；
- 與交易相關的經濟利益可能流入本集團；及
- 交易已產生或將予產生的成本能可靠計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 主要會計政策 (續)

收入確認 (續)

銷售貨品的收入乃於貨品付運及轉讓所有權時確認。

當經濟利益可能流入本集團及收入金額能可靠計量時，金融資產的利息收入方獲確認。金融資產利息收入乃參照未償還本金額及適用實際利率按時間基準累算，實際利率乃將於金融資產預期可使用年期內的估計日後收取現金確切地貼現至該資產於初步確認時的賬面淨值的利率。

租賃

凡租賃條款規定將擁有權的絕大部份風險及回報歸承租人之租賃均列作融資租賃。所有其他租賃則列作經營租約。

本集團作為承租人

經營租賃付款於相關租賃年內按直線基準確認為開支，除非另有系統基準更能代表租賃資產使用經濟利益的時間模式。

外幣

為編製各個別集團實體的財務報表，以非實體功能貨幣(外幣)進行的交易均按交易日期的適用匯率換算為各自的功能貨幣(即該實體經營所在主要經濟環境的貨幣)記賬。於報告期末，以外幣計值的貨幣項目均按於報告期末適用的匯率重新換算。按歷史成本計量以外幣計值的非貨幣項目則毋須重新換算。

因結算貨幣項目及重新換算貨幣項目而產生的滙兌差額於其產生期間的損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments made to state-managed retirement benefit scheme are charged as expenses when employees have rendered service entitling them to the contributions.

3. 主要會計政策 (續)

借款成本

收購、建造或生產合資格資產(即需要一段頗長時間始能達致其擬定用途或可供銷售的資產)的直接應計借款成本均計入該等資產的成本,直至該等資產大體上已可作其擬定用途或可供銷售為止。

所有其他借款成本均於其產生期間內的損益內確認。

政府津貼

政府津貼於確認前須先有合理保證本集團將遵守津貼隨附的條件及能夠收取該等津貼。

政府津貼按有系統的基準於本集團將津貼所擬補償的相關成本確認為開支的期間於損益內確認。以要求本集團團購買建造收購非流動資產的政府津貼於綜合財務狀況報表內確認為遞延收入並會於有關資產的可使用年期內轉撥至損益內。

就作為對已產生的開支或虧損的補償或就為本集團提供即時財務支持而不涉及未來相關成本的目的而應收的政府津貼乃於其應收的期間在損益內確認。

退休福利成本

向國家管理退休福利計劃作出的付款乃於僱員提供令其有權取得供款的服務時支銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

3. 主要會計政策 (續)

稅項

所得稅開支指現時應付稅款與遞延稅項的總和。

現時應付稅項按有關年度應課稅溢利計算。應課稅溢利與綜合全面收益表所列溢利不同，因為其不包括於其他年度的應課稅或可扣減的收入或開支項目，亦不包括毋須課稅或不可扣稅項目。本集團的即期稅項負債乃按於報告期末已頒佈或實際上已頒佈的稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用的相應稅基之間的暫時差額予以確認。一般就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產一般則於可能出現應課稅溢利對銷可用的可扣稅暫時差額時確認。若初次確認一項交易(業務合併除外)的資產及負債而產生暫時差額，而該差額不會影響應課稅溢利或會計溢利，則不會確認該等資產及負債。

於附屬公司之投資所引致之應課稅暫時差額確認為遞延稅項負債，除本集團能夠控制暫時差額的回撥及暫時差額很大機會於可預見將來不會撥回則除外。與該等投資相關之可扣減暫時差額產生之遞延稅項資產僅於可能將有足夠應課稅溢利以應用暫時差額的利益且預期將於可見將來撥回時始確認。

遞延稅項資產的賬面值於報告期末被審閱，而倘不再可能擁有足夠應課稅溢利以收回所有或部份資產時則會作出扣減。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment (other than construction in progress) over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產及負債按預期將於清付負債或變賣資產期間適用之稅率，按於報告期末已頒佈或實際上已頒佈之稅率（及稅法）計量。遞延稅項負債及資產之計量反映於報告期末本集團預計收回或清付其資產及負債之賬面值之模式而引致之稅務後果。遞延稅項於損益中確認，惟倘其與於其他全面收益或直接於權益確認之項目相關，則遞延稅項亦會分別於其他全面收益或直接於權益確認。

物業、廠房及設備

物業、廠房及設備（包括持作用於生產或供應貨品或服務，或用於行政用途的樓宇，惟在建工程除外）按成本減其後累積折舊及累積減值虧損列賬。

物業、廠房及設備項目（在建工程除外）乃按其估計可使用年期限及考慮其估計剩餘價值後，用直線法作出折舊以撇銷該等項目的成本。估計可使用年期、剩餘價值及折舊方法乃於報告期末檢討，估計變動的影響按預先計提的基準入賬。

在建工程包括用作生產或自用而正在建造過程中的物業、廠房及設備。在建工程按成本減任何已確認的減值虧損列賬。當在建工程完成及準備作擬定用途時，在建工程分類為物業、廠房及設備的適當類別。該等資產的折舊於資產可投入擬定用途時按與其他物業資產相同的基準開始提撥。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in the profit or loss in the year in which the item is derecognised.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Prepaid lease payments

Prepaid lease payments representing land use rights in the PRC are stated at cost and amortised on a straight-line basis over the lease terms. Prepaid lease payments which are to be amortised in the next twelve months or less are classified as current assets.

Impairment of non-current assets other than financial assets

At the end of reporting period, the Group reviews the carrying amounts of its non-current assets other than financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

3. 主要會計政策 (續)

物業、廠房及設備 (續)

個別物業、廠房及設備的項目於出售或於預期繼續使用該資產不會帶來任何日後經濟利益時取消確認。物業廠房及設備項目的出售或停用而產生的任何收益或虧損按其銷售所得款項淨額與資產賬面值的差額釐定並於上述資產取消確認的年度內計入損益。

研發開支

研究活動開支於其產生期間確認為開支。

預付租賃付款

預付租賃付款指於中國的土地使用權，乃按成本呈列及於租賃年內以直線基準攤銷，而將於未來十二個月或以內攤銷的預付租賃付款被分類為流動資產。

除金融資產外的非流動資產減值

於報告期末，本集團審閱其除金融資產外的非流動資產的賬面值，藉此決定是否有任何跡象顯示該等資產出現減值虧損。倘估計資產的可收回金額少於其賬面值，則資產的賬面值將被削減至其可收回金額。減值虧損即時被確認為開支。

倘其後撥回減值虧損，則會增加資產的賬面值至其可收回金額的經修訂估計，惟已增加的賬面值不會超過倘於過去年度概無就資產確認減值虧損所釐定的賬面值。撥回減值虧損即時被確認為收益。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

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

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

Financial instruments

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

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策 (續)

存貨

存貨按成本或可變現淨值(以較低者為準)呈列。成本按加權平均法計算。

撥備

當本集團因過往事件而承擔現有責任，而本集團可能須償付該責任時確認撥備。撥備按於報告期末對償付現有責任所需的代價的最佳估計計量，並經考慮與該責任相關的風險及不確定因素。倘使用估計清償現有責任的現金流量計量撥備，其賬面值為該等現金流量(倘影響重大)的現值。

財務工具

當集團實體成為工具合約條文的訂約方時，本集團的金融資產及負債於綜合財務狀況報表內確認。金融資產及金融負債初步按公平值計量。因收購或發行金融資產及負債(按公平值經損益入賬的金融資產及負債除外)而直接應佔的交易成本於初步確認時按適用情況加入或扣自該項金融資產或金融負債的公平值。

金融資產

本集團的金融資產均分類歸入貸款及應收款項以及可供出售金融資產。所有透過正規途徑購買或銷售的金融資產乃按買賣日期確認及解除確認。正規途徑購買或銷售乃要求於市場法規或慣例所設立的時間框架內交付資產的購買或銷售金融資產事宜。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period, receivables (including trade receivables, bills receivable, other receivables, amount due from a director, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit and loss, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see accounting policy on impairment loss on financial assets below).

3. 主要會計政策 (續)

財務工具 (續)

金融資產 (續)

實際利率法

實際利率法乃計算金融資產的經攤銷成本以及分攤相關期間的利息收入的方法。實際利率乃按金融資產的預計年期或(如適用)較短期間內準確折讓至初步確認的賬面淨值的估計未來現金收入(包括構成實際利率不可或缺部份的已付或已收的一切費用、交易成本及其他溢價或折讓)的利率。

債務工具的利息收入乃按實際利率基準確認。

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款的非衍生金融資產，而其在活躍市場並無報價。於各報告期末，應收款項(包括貿易應收款項、應收票據、其他應收款項、應收董事款項、已抵押銀行存款及銀行結餘及現金)乃採用實際利息法以攤銷成本減任何已識別減值虧損列賬。

可供出售金融資產

可供出售金融資產為指定或並無分類為按公平值計入損益的金融資產、貸款及應收款項或持至到期投資的非衍生工具。

可供出售金融資產於報告期末按公平值計量。公平值變動於其他全面收益確認及於投資重估儲備累積，直至該金融資產被出售或釐定出現減值，屆時過往於投資重估儲備累積的累計收益或虧損會重新分類至損益(請參閱下文有關金融資產減值虧損的會計政策)。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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

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

- significant financial difficulty of the issuer or counter party; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

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

3. 主要會計政策 (續)

財務工具 (續)

金融資產 (續)

金融資產減值

金融資產乃於各報告期末評估減值跡象。倘有客觀證據證明，投資的估計未來現金流因首次確認金融資產後發生的一項或多項事件而受到影響，則金融資產出現減值。

就可供出售股本投資而言，當投資的公平值出現重大或長期減值至低於其成本，則被視為減值的客觀證據。

就其他金融資產而言，減值的客觀證據可能包括：

- 發行人或對手方的重要財務困難；或
- 違反合約，如利息或本金支付的違約或拖欠；或
- 借款人可能將宣告破產或財務重組。

就若干類別的金融資產(如貿易應收款項)而言，被評為不會單獨作出減值的資產會於其後彙集一併評估減值。應收款項組合出現減值的客觀證據包括本集團過往收款紀錄、組合內逾期超過平均信貸期的還款數目上升，以及國家或地區經濟狀況出現明顯變動導致應收款項未能償還。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

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

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

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. 主要會計政策 (續)

財務工具 (續)

金融資產 (續)

金融資產減值 (續)

就按攤銷成本入賬的金融資產而言，當有客觀證據證明資產已減值，其減值虧損會於損益中確認，減值虧損以資產賬面值與以原來實際利率貼現的估計未來現金流之現值之間的差異來計算。

除貿易應收款項的賬面值是通過撥備賬作出扣減外，金融資產的賬面值減少乃直接經由所有金融資產的減值虧損而導致。撥備賬賬面值的變化於損益中確認。當一項貿易應收款項被認為不可收回時，將於撥備賬作出撇銷。倘於過往撇銷的金額於其後收回，則會計入損益中。

就按攤銷成本計量的金融資產而言，倘於隨後期間減值虧損額減少且該減幅客觀上與確認減值虧損後所發生之事件有關，則先前已確認的減值虧損會在其後期間於損益賬中撥回，惟須以減值撥回當日的資產賬面值不得超過未確認減值時原有的攤銷成本為限。

可供出售股本投資的減值虧損將不會於後續期間撥回損益。於減值虧損後的公平值增加直接於其他全面收益確認及於投資重估儲備累積。就可供出售債務投資而言，倘投資公平值的增加客觀地與確認減值虧損後發生的事件有關，則於其後撥回減值虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity instruments

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

The Group's financial liabilities, which include trade and other payables, amount due to a director and borrowings, are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

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

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the asset expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial asset and recognise a collateralised borrowing for proceeds received.

3. 主要會計政策 (續)

財務工具 (續)

金融負債及股權工具

本集團發行的金融負債及股權工具乃根據已訂立的合約安排內容以及金融負債及股權工具的定義分類。

股權工具乃扣除所有負債後證明於本集團資產內擁有剩餘權益的任何合約。

實際利率法

實際利率法為計算金融負債的攤銷成本及在相關期間分配利息開支的方法。實際利率是在金融負債的預計年期或較短期間(如適用)內，將其未來現金付款確切貼現所使用的利率。

利息開支按實際利率基準確認。

本集團的金融負債(包括貿易及其他應付款項、應付一名董事款項及借款)初步按公平值計量，其後採用實際利息法按攤銷成本計量。

本集團所發行的股權工具於扣除直接發行成本後按已收所得款項入賬。

解除確認

當應收取資產現金流量的合約權利屆滿，或金融資產被轉讓而本集團已轉讓該項金融資產擁有權的絕大部份風險及回報時，有關金融資產會解除確認。於解除確認金融資產時，該項資產賬面值與已收及應收代價總數間的差額會於損益中確認。倘本集團仍保留已轉移資產擁有權的絕大部份風險及回報，本集團將繼續確認該金融資產以及確認已收所得款項的有抵押借款。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derecognition (continued)

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

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

(a) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are expected to be shorter than estimated, or it will write-off or write-down obsolete or non-strategic assets that have been abandoned or sold. Change in these estimations may have a material impact on the results of the Group.

3. 主要會計政策 (續)

財務工具 (續)

解除確認 (續)

當有關合約所訂明責任獲解除、註銷或屆滿時，將解除確認金融負債。獲解除確認的金融負債的賬面值與已付及應付的代價間差額於損益中確認。

4. 重大會計判斷及估計不確定因素主要來源

於應用附註3所述的本集團會計政策時，管理層須對並未能輕易從其他途徑得悉的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及其他被視為相關的因素。實際結果可能與該等估計不同。

估計及相關假設將按持續基準被審閱。倘對會計估計的修訂僅影響一段期間，則僅於估計被修訂的期間確認對會計估計的修訂，或倘修訂影響目前及未來期間則會於修訂及未來期間予以確認。

估計不確定因素主要來源

以下為可產生須對未來十二個月內的資產及負債賬面值作出重大調整的重大風險的有關未來主要假設，以及於報告期末的其他估計不確定因素的主要來源。

(a) 物業、廠房及設備的使用年期

本集團管理層決定其物業、廠房及設備的估計使用年期及相關折舊金額。此估計乃基於有關性質及功能相近的物業、廠房及設備的實際使用年期的過往經驗。倘使用年期預期將較估計為短或其將撇銷或撇減已棄置或出售的陳舊或非戰略資產時，管理層將增加折舊金額。該等估計的改變可能對本集團的業績構成重大影響。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(b) Estimated impairment of trade receivable

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2010, the carrying amount of trade receivables is approximately RMB390,466,000 (2009: RMB316,952,000). No allowances for doubtful debts have been recognised for the years ended 31 December 2010 and 2009.

(c) Impairment of inventories

The Group records inventories at the lower of cost and net realisable value. Net realisable value is the estimated selling price for inventories, less all the estimated costs of completion and costs necessary to make the sales.

Operational procedures have been in place to monitor the risk as a significant proportion of the Group's working capital is devoted to inventories. Procedure-wise, the management reviews the inventory aging listing on a regular basis for those aged inventories. This involves comparison of carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether allowance is required to be made in the financial statements for any obsolete and slow-moving items. Although the Group carried periodic review on the net realisable value of inventory, the actual realisable value of inventory is not known until the sales take place.

4. 重大會計判斷及估計不確定因素主要來源 (續)

估計不確定因素主要來源 (續)

(b) 貿易應收款項的估計減值

倘存在減值虧損的客觀證據，本集團會考慮未來現金流量估計。減值虧損金額乃按資產賬面值金額與估計未來現金流量（不包括尚未產生的未來信貸損失）的現值之間的差額計算，並會按金融資產的原來實際利率（即於初步確認時計算的實際利率）貼現。倘實際未來現金流量少於預期，則可能產生重大減值虧損。於二零一零年十二月三十一日，貿易應收款項的賬面值約為人民幣390,466,000元（二零零九年：人民幣316,952,000元）。於截至二零一零年及二零零九年十二月三十一日止年度概無確認呆賬撥備。

(c) 存貨減值

本集團按成本或可變現淨值（以較低者為準）將存貨入賬。可變現淨值為存貨的估計售價減任何估計完成成本及進行銷售所需的成本。

由於本集團相當大部份的營運資金亦用作增加存貨，因此已制訂營運程序以監察此風險。根據程序，管理層定期就陳舊存貨審閱存貨貨齡清單。此涉及比較陳舊存貨項目的賬面值及相關之可變現淨值。目的為確定是否須於財務報表就任何陳舊及滯銷項目作出撥備。儘管本集團定期審閱存貨的可變現淨值，惟直至銷售前不能得知存貨的實際可變現價值。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(d) Provision for warranty claims

Provision for warranty is made based on the possible claims on the products by customers with reference to the warranty coverage period and the percentage of warranty expenses incurred over total sales amounts during the financial year. In case where the actual claims are greater than expected, a material increase in warranty expenses may arise, which would be recognised in profit or loss for the period in which such a claim takes place. Warranty accrual has been included in trade and other payables with carrying amount of approximately RMB1,039,000 at 31 December 2010 (2009: RMB869,000) (note 21).

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through optimization of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts (which include bank and other borrowings), cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, share premium, capital and special reserves, surplus reserves, and retained earnings.

The directors of the Group review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital and will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

4. 重大會計判斷及估計不確定因素主要來源 (續)

估計不確定因素主要來源 (續)

(d) 保修索償撥備

保修撥備乃經參考保修有效期間及已產生的保修開支佔於財政年度的總銷售金額的百分比就客戶對產品的可能索償而作出。倘實際索償較預期為多，則保修開支可能顯著增加，而此將於作出索償的期間於損益確認。於二零一零年十二月三十一日應計保修賬面值計入貿易及其他應付款項；約為人民幣1,039,000元(二零零九年：人民幣869,000元)(附註21)。

5. 資本風險管理

本集團管理其資本以確保本集團內的實體將能持續經營並同時透過優化債務及權益結餘為股東帶來最大回報。本集團的整體策略較去年維持不變。

本集團的資產結構包括淨債務(其中包括銀行及其他借款)、現金及現金等值項目及本公司擁有人應佔權益，其中包括股本、股份溢價、資本及特別儲備、盈餘儲備及保留盈利。

本集團董事定期審閱資本架構。作為審閱的一部分，董事考慮資本成本及與各類資本相關的風險，並將透過支付股息、發行新股以及發行新債或贖回現有債務平衡其整體資本架構。

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6. FINANCIAL INSTRUMENTS

6. 財務工具

(a) Categories of financial instruments

(a) 財務工具類別

	Financial instrument classification 財務工具分類	Carrying amount 賬面值	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Financial assets 金融資產			
Trade and other receivables 貿易及其他應收款項	Loans and receivables 貸款及應收款項	396,391	362,271
Amount due from a director 應收董事款項	Loans and receivables 貸款及應收款項	–	345
Pledged bank deposits 已抵押銀行存款	Loans and receivables 貸款及應收款項	2,177	29,867
Bank balances and cash 銀行結餘及現金	Loans and receivables 貸款及應收款項	518,105	24,448
Available-for-sale investments 可供出售投資	Available-for-sale financial assets 可供出售金融資產	1,000	–
		917,673	416,931
Financial liabilities 金融負債			
Trade and other payables* 貿易及其他應付款項*	At amortised cost 按攤銷成本	227,343	181,942
Amount due to a director 應付一名董事款項	At amortised cost 按攤銷成本	800	–
Borrowings 借款			
– due within one year – 一年內到期	At amortised cost 按攤銷成本	328,450	245,444
Borrowings 借款			
– due after one year – 一年後到期	At amortised cost 按攤銷成本	–	20,000
		556,593	447,386

* Excluded advances from customers, accruals for property, plant and equipment, other tax payables and accruals

* 不包括來自客戶的墊款、物業、廠房及設備應計款項、其他應付稅項及應計款項。

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for the year ended 31 December 2010
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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amount due from a director, pledged bank deposits, cash and bank balances, trade and other payables, amount due to a director, and borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments included market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(c) Currency risk

Certain bank balances of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

Hong Kong dollars ("HK\$") 港元(「港元」)

6. 財務工具(續)

(b) 金融風險管理目標及政策

本集團主要財務工具包括貿易應收款項及其他應收款項、應收董事款項、已抵押銀行存款、現金及銀行結餘、貿易應付款項及其他應付款項、應付董事款項及借款。財務工具詳情於各自附註披露。有關財務工具的風險包括市場風險(包括利率風險及其他價格風險)、信貸風險及流動性風險。下文載列降低該等風險的政策。管理層管理及監察該等風險以確保及時及有效採取適當措施。

(c) 貨幣風險

本集團若干銀行結餘以外幣列值。本集團現時並無外幣對沖政策。然而，管理層監控匯兌風險及將考慮對沖重大外幣風險為日益重要。

於本報告期末，本集團以外幣列值的貨幣資產賬面值如下：

Assets 資產	
2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
10,722	-

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Interest rate risk (continued)

Sensitivity analysis

The following analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year and all other variables were held constant. A 25 basis point (2009: 25 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For those bank balances with interest rate of 0.001% per annum, the analysis below reflects the sensitivity that the interest rate may drop to 0%.

25 basis points higher	上升 25 個基點
25 basis points lower	下跌 25 個基點

The Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

(e) Other price risk

The Group is exposed to other price risk through its investments fund (as disclosed in note 17) as at 31 December 2010. If the price of the investment fund had been 5% higher/lower, the Group's investment valuation reserve would increase/decrease by approximately RMB50,000 for the year ended 31 December 2010 as a result of the changes in fair value of investment fund.

(f) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial asset fails to meet its contractual obligations. At 31 December 2010 and 2009, the Group had no significant concentration of credit risk on trade receivables, with exposure spread over a number of counterparties and customers.

6. 財務工具(續)

(d) 利率風險(續)

敏感度分析

以下分析之編製乃假設於報告期末尚餘的財務工具於整個年度尚未償付及所有其他變量維持不變。倘向主要管理人員作出內部報告的利率風險屬管理層經對利率波動的合理評估，則使用升值或貶值 25 個基點(二零零九年：25 個基點)。

就該等年利率為 0.001% 的銀行結餘而言，以下分析反映利率可能跌至 0% 的敏感度。

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
1,301	(136)
(1,276)	136

本集團監察利率風險，並將於必要時考慮對沖重大利率風險。

(e) 其他價格風險

於二零一零年十二月三十一日，本集團因投資於投資基金(誠如附註 17 所披露)承受其他價格風險。如投資基金的價格上升/下跌 5%，本集團於截至二零一零年十二月三十一日止年度的投資估值儲備會因投資基金公平值的變動而增加/減少約人民幣 50,000 元。

(f) 信貸風險

信貸風險為因一名金融資產的客戶或第三方未能履行其合約責任而產生意外虧損的風險。於二零一零年及二零零九年十二月三十一日，本集團概無貿易應收款項重大集中信貸風險，而風險分散於若干名交易對手及客戶。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Credit risk (continued)

The Group manages this risk by reviewing the recoverable amount of each individual trade debt at the end of reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group had concentration of credit risk by geographical location as trade and bills receivable comprise various debtors which are located in PRC.

The credit risk on liquid funds is limited because the majority of counterparties are state-owned banks located in the PRC.

Other than the concentration of the credit risk on trade receivables, bills receivable, amount due from director and bank balances and pledged bank deposits, the Group does not have any other significant concentration of credit risk.

(g) Liquidity risk

In the management of the liquidity risk, the Group closely monitors its cash position resulting from its operations and maintains a level of cash and cash equivalents deemed adequate by the management to meet in full its financial obligations as they fall due for the foreseeable future. The management monitors the utilisation of bank and other borrowings.

The following table details the Group's remaining contractual maturity for its financial liabilities as at 31 December 2010 and 2009. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

6. 財務工具(續)

(f) 信貸風險(續)

本集團透過審閱於報告期末各個別貿易債務的可收回金額管理此項風險，從而確保已就不可收回金額作出足夠的減值虧損撥備。就此而言，本公司董事認為本集團的信貸風險已被大幅降低。

由於多名有關貿易應收款項及應收票據的債務人乃位於中國，故本集團在地域上出現信貸風險集中情況。

由於大部份交易對手為於中國的國有銀行，因此流動資金信貸風險有限。

除貿易應收款項、應收票據、應收董事款項以及銀行結餘及已抵押銀行存款的集中信貸風險外，本集團概無任何其他重大信貸集中風險。

(g) 流動性風險

於管理流動性風險時，本集團密切監察其因其營運所產生的現金狀況及維持管理層認為足夠的現金及現金等值項目水平以全面應付於可見未來到期的財務責任。管理層監察銀行及其他借款的動用情況。

下表詳述於二零一零年及二零零九年十二月三十一日，本集團及本公司的金融負債的餘下合約到期期限。下表乃根據以本集團及本公司可能被要求付款的最早日期為基準的金融負債的未貼現現金流量編製。此表同時包括利息及本金現金流量。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(g) Liquidity risk (continued)

Liquidity and interest risk tables

		Weighted average interest rate 加權 平均利率 %	Within 3 months 三個月內 RMB'000 人民幣千元	3 months to 1 year 三個月至 一年 RMB'000 人民幣千元	1-2 years 一年至 兩年 RMB'000 人民幣千元	Total undiscounted cash flows 總未貼現 現金流量 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
As at 31 December 2010	於二零一零年 十二月三十一日						
Trade and other payables	貿易及其他應付款項	-	200,376	26,967	-	227,343	227,343
Amount due to a director	借款—一年內到期	-	800	-	-	800	800
Borrowings-due within one year	借款—一年後到期	5.89%	138,577	199,327	-	337,904	328,450
			339,753	226,294	-	566,047	556,593
As at 31 December 2009	於二零零九年 十二月三十一日						
Trade and other payables	貿易及其他應付款項	-	178,929	3,013	-	181,942	181,942
Borrowings-due within one year	應付一名董事款項	5.63%	124,147	126,626	-	250,773	245,444
Borrowings-due after one year	借款—一年內到期	5.40%	266	814	21,080	22,160	20,000
			303,342	130,453	21,080	454,875	447,386

(h) Fair value

The fair value of financial assets and financial liabilities (excluding available-for-sale investments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions.

For available-for-sale investments, the fair value is determined with reference to price quoted by the bank, which is determined by reference to the net assets of the fund.

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

6. 財務工具(續)

(g) 流動性風險(續)

流動性及利率風險表

(h) 公平值

金融資產及金融負債(不包括可供出售投資)的公平值乃根據以貼現現金流量分析為基準的公認定價模式或使用可觀察的目前市場交易的價格釐定。

可供出售投資的公平值乃參考銀行的報價釐定，而銀行的報價則參考基金資產淨值釐定。

本公司董事認為，按攤銷成本於綜合財務報表入賬的金融資產及金融負債的賬面值與其公平值相若。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(h) Fair value (continued)

Fair value measurements recognised in the consolidated statements of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Available-for-sale
investments
– Level 3

可供出售投資
一級別三

6. 財務工具(續)

(h) 公平值(續)

於綜合財務狀況報表確認的公平值計量

下表提供於初步確認後按公平值計量的財務工具的分析，乃根據公平值可觀察程度分為級別一至三。

- 級別一公平值計量由相同資產或負債在活躍市場的報價(未經調整)得出。
- 級別二公平值計量由級別一所載報價以外的可觀察資產或負債數據直接(即價格)或間接(即源自價格)得出。
- 級別三公平值計量由包括並非以可觀察市場數據(不可觀察數據)為基礎的資產或負債數據的估值技術得出。

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
1,000	–

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7. REVENUE AND SEGMENT INFORMATION

(a) Products within each operating segment

The segment information reported was by business, determined by the types of products and the types of customers to which the products are sold, which is consistent with the internal information that is regularly reviewed by the directors of the Company, who are the chief operating decision makers of the Group, for the purposes of resource allocation and assessment of performance.

The Group has two reportable operating segments as follows:

- OEM and related market-manufacturing and selling of axle assemblies and axle components to heavy duty truck and middle duty truck manufacturers and other assembly manufacturers.
- Aftermarket-manufacturing and selling of axle components and axle assemblies to market for providing after-sales services.

7. 收入及分部資料

(a) 各營運分部內的產品

所申報的分部資料乃以產品種類及購買產品的客戶類型釐定業務，此與作為本集團主要營運決策人的董事定期審閱以分配資源及評估表現的內部資料相符。

本集團擁有以下兩個須報告營運分部：

- OEM及相關市場一向重型卡車及中型卡車製造商及其他總成製造商製造及銷售橋總成及車橋零部件。
- 維修市場—製造及於市場銷售車橋零部件及橋總成以提供售後服務。

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7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

7. 收入及分部資料(續)

(b) Segment revenue and results

(b) 分部收入及分部業績

		Segment revenue		Segment results	
		分部收入		分部業績	
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
		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
OEM and related market	OEM及相關市場	447,232	300,437	118,539	83,455
Aftermarket	維修市場	871,477	500,714	320,791	168,323
External revenue/ segment result	外部收入/ 分部業績	1,318,709	801,151	439,330	251,778
Other income and other gains and losses	其他收入及 其他收益及虧損			2,532	5,078
Selling and distribution expenses	銷售及分銷開支			(22,393)	(17,572)
Research and development expenditure	研發開支			(12,860)	(8,540)
Administrative expenses	行政開支			(48,510)	(27,132)
Finance costs	融資成本			(22,534)	(12,700)
Profit before tax	除稅前溢利			335,565	190,912
Taxation	稅項			(49,890)	(28,128)
Profit and total comprehensive income for the year	年內溢利及 全面收益總額			285,675	162,784

Revenue reported above represents revenue generated from external customers.

以上呈報收入指從外部客戶產生的收入。

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represent the gross profit of each operating segment. This is the measure reported to the directors of the Company for the purposes of resources allocation and performance assessment.

營運分部的會計政策與附註3所述的本集團會計政策相同。分部業績指各營運分部的毛利。此為就分配資源及評估表現目的而向本公司董事申報的計算項目。

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7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Segment assets

OEM and related market Aftermarket	OEM及相關市場 維修市場
Total of all segments Unallocated	所有分部合計 未分配
Consolidated assets	綜合資產

Segment assets represent trade receivables.

Segment liabilities are not presented as liabilities are generally incurred for all operating segments and not presented to the directors.

(d) Geographical information

The Group principally operates in the PRC (country of domicile of the operating subsidiaries). No non-current assets of the Group are located outside the PRC.

All of the Group's revenue from external customers is attributed to the group entities' countries of domicile (i.e. the PRC).

(e) Information about major customers

None of individual customer of the Group contributed over 10% or more of the Group's revenue during each of the years ended 31 December 2010 and 2009.

7. 收入及分部資料(續)

(c) 分部資產

Assets 資產	
2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
74,241	50,749
316,225	266,203
390,466	316,952
1,688,621	689,470
2,079,087	1,006,422

分部資產指貿易應收款項。

由於所有營運分部一般亦會產生負債及不會向董事呈列，故不會呈列分部負債。

(d) 地域資料

本集團主要於中國營運(營運附屬公司的註冊國家)。概無本集團的非流動資產位於中國以外。

所有本集團來自外部客戶的收入均歸屬於集團實體的註冊國家(即中國)。

(e) 有關主要客戶的資料

於截至二零一零年及二零零九年十二月三十一日止年度各年，本集團客戶貢獻佔比概無超過本集團收益的10%或以上。

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8. OTHER INCOME AND OTHER GAINS AND LOSSES

8. 其他收入及其他收益及虧損

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	1,674	615
Government grant (note)	政府津貼(附註)	1,381	804
Net foreign exchange loss	匯兌虧損淨額	(4,922)	(66)
Income from suppliers on defects claim	來自供應商缺陷索償的收入	4,596	3,712
Donation	捐款	(137)	(17)
Others	其他	(60)	30
		2,532	5,078

Note: The amounts primarily represented incentives granted by local authorities to the group entities located in the PRC for the eminent contribution of tax payment, encouragement of its business development and refund of various taxes paid. These grants are accounted for as immediate financial support with no future related costs expected to be incurred nor related to any assets.

附註：該等金額主要指地方機關就突出稅項供款向本集團位於中國的實體授出款項，以鼓勵其業務發展及退回多項已付稅項。該等津貼概無附帶未達成的條件及其他或然條件。該等授出款項列作即期財務支援，預期未來將不產生相關費用及與任何資產無關。

9. FINANCE COSTS

9. 融資成本

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Interest on:	以下各項的利息：		
Bank borrowings wholly repayable within five years	於五年內悉數償還的銀行借款	21,439	10,900
Other borrowings wholly repayable within five years	於五年內悉數償還的其他借款	1,095	1,800
		22,534	12,700

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10. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

Employee benefits expenses (including directors):	僱員福利開支(包括董事):
– salaries and other benefits	– 薪金及其他福利
– retirement benefit scheme contributions	– 退休福利計劃供款
Total staff costs	總員工成本
Depreciation of property, plant and equipment	物業、廠房及設備折舊
Release of prepaid lease payments	撥回預付租賃付款
Auditors' remuneration	核數師酬金
Listing expenses (included in administrative expenses)	上市開支(包括在行政開支內)
Cost of inventories recognised as expenses (included in cost of sales and research and development expenditure)	已確認為開支之存貨成本 (包括在銷售成本及研發開支內)

10. 除稅前溢利

除稅前溢利已扣除：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
66,902	46,725
6,572	1,856
73,474	48,581
23,476	16,784
1,957	652
1,530	991
15,125	4,500
885,109	556,600

11. TAXATION

Tax expense comprises:	稅項開支包括：
Current tax expense	即期稅項開支
Underprovision in prior year	過往年度撥備不足
Deferred tax expense (note 23)	遞延稅項開支(附註23)

11. 稅項

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
49,115	27,840
792	311
(17)	(23)
49,890	28,128

The income tax expense of the year represents the PRC Enterprise Income Tax which is calculated at the prevailing tax rate of 25% on the taxable income of the group entities in the PRC for the years ended 31 December 2009 and 2010.

The Company was incorporated in the Cayman Islands and is not subject to any income tax.

Chang Feng Holding (Hong Kong) Limited ("Changfeng HK"), a wholly owned subsidiary of the Company, was incorporated in Hong Kong and has had no assessable profit subject to Hong Kong Profits Tax since its incorporation.

年內所得稅開支指中國企業所得稅，該稅項乃就於截至二零零九年及二零一零年十二月三十一日止年度，於中國的集團實體的應課稅收入按現行稅率25%計算。

本公司在開曼群島註冊成立及不須繳付任何所得稅。

暢豐控股香港有限公司(「暢豐香港」)為本公司一家全資附屬公司，於香港註冊成立，且自其註冊成立以來概無須繳付香港利得稅的應課稅溢利。

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11. TAXATION (CONTINUED)

Fujian Changfeng Axle Manufacturing Co., Ltd. ("Fujian Changfeng"), a wholly owned subsidiary of the Company, was established in the PRC. In accordance with Foreign Enterprise Income Tax ("FEIT") Laws in PRC, Fujian Changfeng was approved to be exempted from FEIT for two years starting from its first profit making year since its establishment and followed by a 50% tax relief for the next three years. Fujian Changfeng was subject to 12.5% tax rate for the years ended 31 December 2009 and 2010, the first and second year entitled for 50% tax relief.

The tax charge for the year can be reconciled to the profit before tax per consolidated statement of comprehensive income as follows:

Profit before tax	除稅前溢利
Tax at the domestic income tax rate of 25% (2009: 25%)	按內資企業所得稅率25% (二零零九年：25%)繳納的稅項
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響
Underprovision in prior year	過往年度撥備不足
Effect of tax exemptions/concessions granted to a PRC subsidiary	向中國附屬公司授出稅項 豁免/優惠的影響

Under the New Tax Law, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated distributable profits of the PRC subsidiaries amounting to approximately RMB209,734,000 and RMB460,697,000 at 31 December 2009 and 2010, respectively, as the Company is able to control the timing of the reversal of temporary differences and it is probable the temporary differences will not reverse in the foreseeable future.

11. 稅項(續)

福建暢豐車橋製造有限公司(「福建暢豐」)為本公司一家全資附屬公司，於中國成立。根據中國外國企業所得稅法(「外國企業所得稅」)，福建暢豐獲批准豁免於自其註冊成立以來的首個獲利年度起的兩年繳納外國企業所得稅，而此後三年獲50%的稅務減免。於截至二零零九年及二零一零年十二月三十一日止年度，福建暢豐按12.5%的稅率繳納企業所得稅，而於首個及第二個年度獲50%的稅項減免。

年內稅款可於綜合全面收益表與除稅前溢利對賬如下：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
335,565	190,912
83,891	47,728
5,529	2,236
920	240
792	311
(41,242)	(22,387)
49,890	28,128

根據新稅法，自二零零八年一月一日起就以中國附屬公司所賺取的溢利宣派的股息徵收預扣稅。由於本公司可控制撥回暫時性差額時間，且暫時性差額可能將不會於可見將來撥回，因此，於綜合財務報表內概無就於二零零九年及二零一零年十二月三十一日分別歸屬於中國附屬公司累計可供分派溢利約人民幣209,734,000元及人民幣460,697,000元的暫時性差額作出遞延稅項撥備。

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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments of the directors on a name basis are as follows:

For the year ended 31 December 2010

Wong Kwai Mo*	王桂模*
Wu Ching*	胡靜*
Lai Feng Cai* (note)	賴鳳彩*(附註)
Dong Ying, Dorothy	董穎
Zhu Wei Zhou	朱偉洲
Li Xiu Qing	李秀清
Zhuang Qing Xi	莊清喜

Note: appointed on 24 September 2010

For the year ended 31 December 2009

Wong Kwai Mo*	王桂模*
Wu Ching*	胡靜*
Dong Ying, Dorothy	董穎

* Executive directors

None of the directors waived any emoluments during the years ended 31 December 2010 and 2009.

12. 董事及僱員薪酬

(a) 董事酬金

董事酬金按姓名基準載述如下：

截至二零一零年十二月三十一日止年度

Fees 袍金 RMB'000 人民幣千元	Other emoluments 其他酬金		Total emoluments 總酬金 RMB'000 人民幣千元
	Salaries and other benefits 薪金及其他利益 RMB'000 人民幣千元	Retirement benefits scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	
-	180	-	180
-	180	-	180
-	150	-	150
-	-	-	-
-	24	-	24
-	24	-	24
-	24	-	24
-	582	-	582

附註：於二零一零年九月二十四日獲委任

截至二零零九年十二月三十一日止年度

Fees 袍金 RMB'000 人民幣千元	Other emoluments 其他酬金		Total emoluments 總酬金 RMB'000 人民幣千元
	Salaries and other benefits 薪金及其他利益 RMB'000 人民幣千元	Retirement benefits scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	
-	150	-	150
-	150	-	150
-	-	-	-
-	300	-	300

* 執行董事

於截至二零一零年及二零零九年十二月三十一日止年度，董事概無放棄任何酬金。

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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

(b) Employees' emoluments

During the year ended 31 December 2010, of the five individuals with the highest emoluments in the Group, three (2009: two) were directors of the Company whose emoluments are included in the disclosures in note (a) above. The emoluments of the five individuals are as follows:

Salaries and other benefits	薪金及其他福利
Discretionary bonus	酌情花紅
Contributions to retirement benefits scheme	退休福利計劃供款

Their emoluments were within the following bands:

Nil to HK\$1,000,000 (equivalent to approximately Nil to RMB851,000)	零至1,000,000港元(相等於約零至人民幣851,000元)
--	----------------------------------

During both years, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

12. 董事及僱員薪酬(續)

(b) 僱員酬金

於截至二零一零年十二月三十一日止年度，本集團五名最高薪人士中，其中三名(二零零九年：兩名)為本公司董事，彼等薪酬於上文附註(a)披露。該五名人士的酬金如下：

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Salaries and other benefits	1,048	524
Discretionary bonus	232	142
Contributions to retirement benefits scheme	11	7
	1,291	673

彼等的酬金介乎以下範圍：

	No. of individuals 僱員人數	
	2010 二零一零年	2009 二零零九年
Nil to HK\$1,000,000 (equivalent to approximately Nil to RMB851,000)	5	5

於該兩年，本集團概無向五名最高薪人士(包括董事及僱員)支付酬金以作為加入或加入本集團後的獎勵或離職的補償。

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13. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

Earnings

Earnings for the purposes of basic earnings per share (Profit for the year attributable to owners of the Company)

盈利

盈利—每股基本盈利
(本公司擁有人應佔年內溢利)

Number of shares

Weighted average number of ordinary shares for the purposes of basic earnings per share

股份數目

普通股加權平均數—每股基本盈利

For the year ended 31 December 2010, the weighted average number of ordinary shares has been adjusted for 595,000,000 shares upon capitalisation issue retrospectively and 200,000,000 shares issued in global offering as more fully described in note 24.

For the year ended 31 December 2009, the weighted average number of ordinary shares of 600,000,000 comprising 5,000,000 shares in issue and 595,000,000 shares upon capitalisation issue as more fully described in note 24.

No diluted earnings per share is presented as the Company did not have any potential ordinary shares in issue during both years or at the end of each reporting period.

14. DIVIDENDS

No dividend was paid or declared by the Company during the years ended 31 December 2010 and 2009.

13. 每股盈利

本公司擁有人應佔每股基本盈利乃根據以下數據計算：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
285,675	162,784
2010 二零一零年	2009 二零零九年
654,246,575	600,000,000

於截至二零一零年十二月三十一日止年度，普通股加權平均數追溯調整資本化發行的595,000,000股股份及全球發售中已發行的200,000,000股股份，詳情於附註24披露。

於截至二零零九年十二月三十一日止年度，600,000,000股普通股加權平均數包括5,000,000股已發行股份及資本化發行的595,000,000股股份，詳情於附註24披露。

由於於該兩個年度或於各報告期末本公司並無任何潛在已發行普通股，故並無呈列每股攤薄盈利。

14. 股息

本公司於截至二零一零年及二零零九年十二月三十一日止年度概無支付或宣派任何股息。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings	Motor vehicles	Furniture, fixture and equipment 傢俬、裝置及設備	Machinery 機器	Construction in progress 在建工程	Total 合計
		樓宇 RMB'000 人民幣千元	汽車 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
COST	成本						
At 31 December 2008 and 1 January 2009	於二零零八年十二月三十一日 及二零零九年一月一日	63,661	812	1,522	100,436	25,765	192,196
Additions	添置	24,040	144	842	66,507	29,769	121,302
Transfer	轉讓	30,651	-	-	7,960	(38,611)	-
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	118,352	956	2,364	174,903	16,923	313,498
Additions	添置	29,263	4,619	1,719	25,086	76,712	137,399
Transfer	轉讓	24,111	-	-	5,339	(29,450)	-
At 31 December 2010	於二零一零年十二月三十一日	171,726	5,575	4,083	205,328	64,185	450,897
ACCUMULATED DEPRECIATION	累計折舊						
At 31 December 2008 and 1 January 2009	於二零零八年十二月三十一日 及二零零九年一月一日	5,328	210	350	8,424	-	14,312
Provided for the year	年內撥備	4,889	111	302	11,482	-	16,784
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	10,217	321	652	19,906	-	31,096
Provided for the year	年內撥備	5,446	182	488	17,360	-	23,476
At 31 December 2010	於二零一零年十二月三十一日	15,663	503	1,140	37,266	-	54,572
CARRYING VALUES	賬面值						
At 31 December 2010	於二零一零年十二月三十一日	156,063	5,072	2,943	168,062	64,185	396,325
At 31 December 2009	於二零零九年十二月三十一日	108,135	635	1,712	154,997	16,923	282,402

The above items of property, plant and equipment, other than construction in progress, are depreciated on straight-line basis at the following rates after taking into account residual values:

Buildings	樓宇	4.5%
Motor vehicles	汽車	18%
Furniture, fixture and equipment	傢俬、裝置及設備	18%
Machinery	機器	9%

The Group has pledged certain buildings to secure general banking facilities grant to the Group at the end of each reporting period as detailed in note 22.

除在建工程以外的以上物業、廠房及設備項目經計及剩餘價值後，按以下比率以直線基準折舊：

於各報告期末，本集團已抵押若干樓宇，以獲得授予本集團的一般銀行融資，詳情見附註22。

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16. PREPAID LEASE PAYMENTS

16. 預付租賃付款

		RMB'000 人民幣千元
At 1 January 2009	二零零九年一月一日	26,790
Additions	添置	62,905
Released to profit and loss	轉撥至損益	(652)
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	89,043
Additions	添置	210,091
Released to profit and loss	轉撥至損益	(1,957)
At 31 December 2010	於二零一零年十二月三十一日	297,177

Analysed for reporting purpose:	就申報目的分析：
Current assets	流動資產
Non-current assets	非流動資產

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
6,005	1,762
291,172	87,281
297,177	89,043

At 31 December 2010, the Group's prepaid lease payments comprise medium-term lease leasehold land located in PRC.

於二零一零年十二月三十一日，本集團的預付租賃付款包括位於中國的中期租約租賃土地。

Prepaid lease payments are released to profit or loss over the lease terms ranging from 45 to 50 years.

預付租賃付款於介乎45至50年的租期內轉撥至損益。

The Group is in the process of obtaining the land use right certificate of a parcel of land included in prepaid lease payments with carrying amount of approximately RMB206,983,000 at 31 December 2010 (2009: Nil).

本集團將獲得一幅土地的土地使用權，計入預付租賃款項，於二零一零年十二月三十一日的賬面值約為人民幣206,983,000元(二零零九年：零)。

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17. AVAILABLE-FOR-SALE INVESTMENTS

Investment fund 投資基金

The fair value of the above investment is determined based on the price quoted by a bank, the fund issuer.

17. 可供出售投資

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
1,000	-

上述投資的公平值乃根據銀行(基金發行人)的報價釐定。

18. INVENTORIES

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

18. 存貨

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
126,006	75,498
55,554	83,729
108,727	35,491
290,287	194,718

19. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise the following:

Trade receivables 貿易應收款項
Less: allowance for doubtful debts 減：呆賬撥備

Bills receivable 應數票據
Other receivables 其他應收款項
Advances to suppliers 向供應商墊款
Prepaid expenses 預付開支
VAT-in recoverable 增值稅—可收回

19. 貿易及其他應收款項

貿易及其他應收款項包括以下各項：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
390,466	316,952
-	-
390,466	316,952
70	36,192
5,855	9,127
70,222	15,893
684	1,315
7,625	-
474,922	379,479

The Group allows an average credit period of 90-120 days to its trade customers. The aging analysis of trade receivables and bills receivable is presented based on the invoice date at the end of the reporting period.

本集團向其貿易客戶提供90至120天的平均信貸期。貿易應收款項及應收票據的賬齡分析根據於報告期末的發票日期呈列。

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19. TRADE AND OTHER RECEIVABLES (CONTINUED)

The aging of trade receivables is as follows:

0 to 90 days	0至90日
91 to 120 days	91至120日
121 to 180 days	121至180日

The aging of bills receivable is as follows:

0 to 90 days	0至90日
91 to 120 days	91至120日
121 to 180 days	121至180日

Before accepting any new customers, the Group has assessed the potential customer's credit quality and defined credit limit of each customer. Limits attributed to customers are reviewed once a year.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period and no impairment is necessary for those balances which are not past due.

Included in the Group's trade receivables balances are debtors with aggregate carrying amount of approximately RMB63,416,000 and RMB7,846,000 at 31 December 2009 and 2010, respectively, which are past due for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances.

19. 貿易及其他應收款項(續)

貿易應收款項的賬齡分析如下：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
331,885	237,594
52,245	49,097
6,336	30,261
390,466	316,952

應收票據的賬齡分析如下：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
70	30,237
-	-
-	5,955
70	36,192

於接受任何新客戶前，本集團已評估潛在客戶的信貸質素及各客戶的定額信貸限額。給予客戶的限額會每年審閱一次。

於決定貿易應收款項的可收回性時，本集團考慮自最初授出信貸之日起至報告期末貿易應收款項的信貸質素的任何轉變，而未逾期的結餘不須減值。

計入本集團貿易應收款項結餘為於二零零九年及二零一零年十二月三十一日總賬面值分別約人民幣63,416,000元及人民幣7,846,000元的應收賬款，該等應收賬款已逾期，惟由於信貸質素並無重大轉變及根據過往經驗，該等款項仍被視為可收回，因此，本集團並未就該等款項作出減值虧損撥備。本集團概未就該等結餘持有任何抵押。

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19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Aging of trade receivables which are past due but not impaired:

91 to 120 days	91 至 120 日
121 to 180 days	121 至 180 日

19. 貿易及其他應收款項 (續)

已逾期但未減值的貿易應收款項賬齡分析：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
1,510	33,155
6,336	30,261
7,846	63,416

20. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits and bank balances carry interest rates ranging from 0.001% to 4.86% per annum for the year ended 31 December 2010 (2009: 0.15% to 3.78%).

Pledged bank deposits represent amounts deposited with banks as pledge for the banks accepted bills issued to its suppliers for the purchase of raw materials.

20. 已抵押銀行存款／銀行結餘及現金

於截至二零一零年十二月三十一日止年度，已抵押銀行存款及銀行結餘的年利率介乎0.001%至4.86%（二零零九年：0.15%至3.78%）。

已抵押銀行存款代表存入銀行以作為銀行接受向其供應商發出以購買原材料的票據的金額的抵押。

21. TRADE AND OTHER PAYABLES

Trade and other payables comprise the following:

Trade payables	貿易應付款項
Bills payable	應付票據
Advances from customers	來自客戶的墊款
Payables for land use rights	土地使用權應付款項
Payables and accruals for property, plant and equipments	物業、廠房及設備應付款項及應計款項
Payroll and welfare payables	應付工資及福利
Warranty accrual (Note)	保修應計款項(附註)
Other accruals	其他應計款項
Other tax payable	其他應付稅項
Other payables	其他應付款項

21. 貿易及其他應付款項

貿易及其他應付款項包括以下各項：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
182,337	119,920
7,140	25,385
189,477	145,305
8,897	3,702
20,710	—
10,214	28,511
4,820	4,987
1,039	869
4,429	4,279
15,637	3,559
2,122	3,139
257,345	194,351

Note: At 31 December 2010 and 2009, the warranty provision represents management's best estimate of the Group's liability under 6-month warranty granted on products, based on prior experience and industry practice for defective products.

附註：於二零一零年及二零零九年十二月三十一日，保修撥備指管理層對本集團就產品提供的六個月保修所承擔的責任的最佳估計，並以過往經驗及有關缺陷產品的行業常規為基準。

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for the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

21. TRADE AND OTHER PAYABLES (CONTINUED)

The following is an aging analysis of trade payables, presented based on invoice date, at the end of each reporting period:

Within 30 days	30日內
31 to 60 days	31至60日
61 to 90 days	61至90日
91 to 180 days	91至180日
181 to 365 days	181至365日

The following is an aging analysis of bills payable, presented based on issuance date, at the end of each reporting period:

31 to 60 days	31至60日
61 to 90 days	61至90日
91 to 180 days	91至180日

Trade payables and bills payable principally comprise amounts outstanding for purchase of goods. The credit period for purchase of goods is between 30 to 90 days.

22. BORROWINGS

Bank borrowings	銀行借款
Other borrowings	其他借款
Unsecured	無抵押
Guaranteed	已擔保
Secured	已抵押

21. 貿易及其他應付款項

以下為於各報告期末的貿易應付款項(按發票日期呈列)的賬齡分析:

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
79,321	71,770
28,660	22,730
18,736	14,530
28,275	10,731
27,345	159
182,337	119,920

以下為於各報告期末的應付票據(按發行日期呈列)的賬齡分析:

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
7,140	—
—	2,130
—	23,255
7,140	25,385

貿易應付款項及應付票據主要包括結欠購買貨品金額。購買貨品的信貸期介乎30至90日。

22. 借款

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
308,450	245,444
20,000	20,000
328,450	265,444
46,600	40,000
—	25,500
281,850	199,944
328,450	265,444

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22. BORROWINGS (CONTINUED)

All borrowings are denominated in RMB and carry fixed interest rates. The contractual maturity dates are as follows:

Within one year	於一年內
More than one year, but not exceeding two years	超過一年但不超過兩年

Less: Amounts due for settlement within 12 months (shown under current liabilities)	減：須於十二個月內償還的金額 (於流動負債呈列)
---	--------------------------

Amounts shown under non-current liabilities	非流動負債項下的金額
---	------------

The ranges of effective interest rates (which are also equal to contractual interest rates) on the Group's borrowings other than bills discounted are as follows:

Fixed-rate borrowings	定息借款
-----------------------	------

The borrowings are guaranteed and/or secured by the following:

Type A	A類
Type B	B類
Type C	C類
Type D	D類
Type E	E類
Type F	F類

22. 借款(續)

所有借款均以人民幣計算及以固定利率計息。合約到期日如下：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
328,450	245,444
—	20,000
328,450	265,444
328,450	245,444
—	20,000

本集團的借款(貼現票據除外)的實際利率(其亦相等於合約利率)如下：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
1.81%-9.10% per annum 年利率	4.37%-9.01% per annum 年利率

借款透過以下方式擔保及/或抵押：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
—	25,500
—	42,000
—	10,000
—	75,100
281,850	10,000
—	62,844
281,850	225,444

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22. BORROWINGS (CONTINUED)

Type A: Borrowings were guaranteed by Ms. Wu Ching and Mr. Wong Kwai Mo and guaranteed by third parties.

Type B: Borrowings were guaranteed by Ms. Wu Ching and Mr. Wong Kwai Mo and secured by assets of the Group (note 1).

Type C: Borrowings were guaranteed by Ms. Wu Ching and Mr. Wong Kwai Mo and secured by assets of a third party.

Type D: Borrowings were guaranteed by Ms. Wu Ching, Mr. Wong Kwai Mo and third parties and secured by assets of the Group (note 1).

Type E: Borrowings were secured by certain assets of the Group (note 1).

Type F: Borrowings were secured by bills receivable.

Note 1: *The Group has pledged certain assets to secure banking facilities granted to the Group. The carrying values of the assets pledged are as follows:*

Property, plant and equipment	物業、廠房及設備
Land use right	土地使用權
Trade receivables	貿易應收款項

At 31 December 2010 and 2009, the Group has pledged the equity shares of certain PRC subsidiaries as collateral to secure bank borrowings amounting to RMB167,100,000 and RMB70,100,000, respectively.

The guarantees provided as mentioned in Type A to Type D were released upon repayment of borrowings in the current year.

22. 借款(續)

A類：借款由胡靜女士與王桂模先生擔保及由第三方擔保。

B類：借款由胡靜女士與王桂模先生擔保及以本集團的資產抵押(附註1)。

C類：借款由胡靜女士與王桂模先生擔保及以一名第三方的資產抵押。

D類：借款由胡靜女士、王桂模先生及多名第三方擔保及以本集團的資產抵押(附註1)。

E類：借款以本集團的若干資產抵押(附註1)。

F類：借款以應收票據作擔保。

附註1：本集團已抵押若干資產以作為向本集團授出的銀行融資的擔保。已抵押的資產的賬面值如下：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
115,061	84,451
86,451	13,721
55,612	49,173
257,124	147,345

於二零一零年及二零零九年十二月三十一日，本集團已將若干中國附屬公司的權益股份用作金額分別為人民幣167,100,000元及人民幣70,100,000元的銀行借貸的抵押。

上文所述A類至D類提供的擔保於本年度償還借款後已解除。

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23. DEFERRED TAX

The following are the major deferred tax liabilities recognised and movement thereon during the years ended 31 December 2010 and 2009:

		Revaluation of identifiable assets and liabilities
		重估可識別 資產及負債 RMB'000 人民幣千元
At 1 January 2009	於二零零九年一月一日	905
Charged to profit or loss	於損益賬列支銷	(23)
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	882
Charged to profit or loss	於損益賬列支銷	(17)
At 31 December 2010	於二零一零年十二月三十一日	865

The revaluation of the identifiable assets and liabilities was arisen from the acquisition of a subsidiary, Longyan Shengfeng in prior years.

可識別資產及負債的重估來自過往年度收購一間附屬公司龍岩盛豐。

The tax losses are principally attributable to subsidiaries in the PRC with no deferred tax asset has been recognised in respect of the tax losses, due to the unpredictability of future profits streams. The tax losses of the PRC subsidiaries can be carried forward for five years. The Group has no other significant unprovided deferred tax for the years ended 31 December 2010 and 2009.

稅項虧損主要來自中國附屬公司，由於未來溢利的不可預見性，因此並無就稅項虧損確認遞延稅項資產。中國附屬公司的稅項虧損可結轉五年。於截至二零一零年及二零零九年十二月三十一日止年度，本集團概無其他重大未撥備遞延稅項。

The Group had unrecognised tax losses as follows:

本集團擁有的未確認稅項虧損如下：

		RMB'000 人民幣千元	Expiry date 到期日
At 1 January 2009	於二零零九年一月一日	-	N/A 不適用
Addition	添置	958	
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	958	2014
Addition	添置	3,679	
At 31 December 2010	於二零一零年十二月三十一日	4,637	2014-2015

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24. SHARE CAPITAL

24. 股本

		Number of shares 股份數目	Amount 金額 US\$'000 千美元
Ordinary shares of the United States dollars ("US\$") 1.00 each at 31 December 2009, US\$0.01 each at 31 December 2010	普通股於二零零九年十二月三十一日為每股面值1.00美元(「美元」)，於二零一零年十二月三十一日為每股面值0.01美元		
<i>Authorised:</i>	<i>法定：</i>		
At 1 January 2009 and 31 December 2009	於二零零九年一月一日及二零零九年十二月三十一日	50,000	50
Subdivision (note 1)	拆細(附註1)	4,950,000	–
Addition (note 1)	增加(附註1)	4,995,000,000	49,950
At 31 December 2010	於二零一零年十二月三十一日	5,000,000,000	50,000
<i>Issued & fully paid:</i>	<i>已發行及繳足：</i>		
At 1 January 2009 and 31 December 2009	於二零零九年一月一日及二零零九年十二月三十一日	50,000	50
Subdivision (note 1)	拆細(附註1)	4,950,000	–
Capitalisation issue (note 2)	資本化發行(附註2)	595,000,000	5,950
Global offering (note 3)	全球發售(附註3)	200,000,000	2,000
At 31 December 2010	於二零一零年十二月三十一日	800,000,000	8,000
Shown on the consolidated statement of financial position	於綜合財務狀況報表呈列		
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
		53,560	343

Notes:

附註：

(1) On 28 June 2010, shareholders' resolutions of the Company were passed pursuant to which each share of US\$1.00 in the share capital of the Company were subdivided into 100 shares of US\$0.01 each. On the same date, the Company increased its authorised share capital to US\$50,000,000 divided into 5,000,000,000 shares, with a par value of US\$0.01 each. Such additional shares rank *pari passu* in all aspects with the shares then in issue.

(1) 於二零一零年六月二十八日，本公司股東決議案獲通過，據此，本公司股本中每股面值1.00美元的股份拆細為100股每股0.01美元的股份。同日，本公司增加其法定股本至50,000,000美元，分為5,000,000,000股每股面值0.01美元的股份。該等額外股份與已發行的股份在所有方面享有同等權益。

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24. SHARE CAPITAL (CONTINUED)

Notes: (Continued)

- (2) On 28 June 2010, shareholders' resolutions of the Company were passed to capitalize an amount of US\$5,950,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par of 595,000,000 shares and such shares rank *pari passu* in all aspects with the shares then in issue.
- (3) In September 2010, the Company issued 200,000,000 shares with par value of US\$0.01 each, at a price of HK\$4.00 per share by way of a global offering to Hong Kong and overseas investors.

25. OPERATING LEASE

Minimum lease payments paid under operating leases in respect of office premises amounted to RMB200,000 and RMB405,000 for the year ended 31 December 2009 and 2010, respectively.

At the end of each reporting period, the Group had commitments for future lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)

Operating lease payments represent rental payable by the Group for certain office premises and warehouse properties. Leases are negotiated for a term of 1 to 2 years with fixed rate.

24. 股本(續)

附註：(續)

- (2) 於二零一零年六月二十八日，本公司股東決議案獲通過，透過使用該筆款項悉數結付面值595,000,000股股份，將本公司股份溢價賬進賬項5,950,000美元予以資本化，及該等股份與當時已發行股份在所有方面享有同等權益。
- (3) 於二零一零年九月，本公司透過向香港及海外投資者全球發售，按每股4.00港元發行200,000,000股每股面值0.01美元的股份。

25. 經營租賃

根據辦公室物業的經營租賃已付的最低租賃付款於截至二零零九年及二零一零年十二月三十一日止年度分別為人民幣200,000元及人民幣405,000元。

於各報告期末，本集團根據不可撤銷經營租賃的未來租賃付款承擔的到期情況如下：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
509	58
271	-

經營租賃付款指本集團就若干辦公室物業及倉儲物業應付的租金。租賃按一年至兩年期磋商及以固定比率計算。

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26. OTHER COMMITMENTS

Capital expenditure in respect of acquisition of plant and machinery – contracted for but not provided in the consolidated financial statements

收購廠房及機器的資本開支
— 已訂約但未於
綜合財務報表撥備

The capital expenditure is related to the construction of production facilities for expansion of the Group's operation.

26. 其他承擔

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
53,990	24,849

資本開支與興建生產基地以擴充本集團的營運規模有關。

27. RETIREMENT BENEFIT PLAN

The employees of the Group are members of state-managed retirement benefit scheme operated by the PRC government. The Company's subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

27. 退休福利計劃

本集團的僱員為由中國政府運作的國家管理退休福利計劃的成員。本公司附屬公司須按工資成本的若干百分比向退休福利計劃供款以提供福利資金。本集團就退休福利計劃的唯一責任為作出計劃項下的規定供款。

28. RELATED PARTY DISCLOSURES

Other than those transactions disclosed in note 22, the Group had the following transactions with related parties:

- (a) Particulars of the amount due from a director are as follows:

28. 關連人士披露

除於附註22所披露的交易外，本集團已進行以下關連人士交易：

- (a) 應收董事款項詳情如下：

Ms. Wu Ching (note)

胡靜女士(附註)

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
—	345

Note: Maximum amount outstanding during the year ended 31 December 2010 and 2009 was RMB7,748,000 and RMB3,467,000, respectively.

附註：於截至二零一零年及二零零九年十二月三十一日止年度所結欠的最高金額分別為人民幣7,748,000元及人民幣3,467,000元。

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28. RELATED PARTY DISCLOSURES (CONTINUED)

- (b) Details of balances of amount due to a director are set out in the consolidated statement of financial position on page 4. All amounts due from/to directors as at 31 December 2010 and 2009 are interest free, unsecured and repayable on demand.
- (c) During the years ended 31 December 2010 and 2009, the Group entered into the following significant transaction with directors:

Purchase of buildings	購買樓宇
Ms. Wu Ching (note)	胡靜女士(附註)
Purchase of motor vehicle	購買汽車
Mr. Wong Kwai Mo	王桂模先生

Note: For the year ended 31 December 2009, the transaction was arrived at after negotiations between Ms. Wu Ching and the Company on the basis of a valuation carried out on the purchase date by Jones Lang LaSalle Sallmanns Limited, an independent qualified professional valuer not connected with the Group. The buildings were acquired for premises used for operation.

- (d) Compensation of key management personnel

The remuneration of directors and other members of key management during the years ended 31 December 2010 and 2009 was as follows:

Short-term benefits	短期福利
Post-employment benefits	退休福利

28. 關連人士披露(續)

- (b) 有關應付董事款項的詳情載列於第4頁的綜合財務狀況表內。於二零一零年及二零零九年十二月三十一日，所有應收／應付董事款項均為免息、無抵押及按要求償還。
- (c) 於截至二零一零年及二零零九年十二月三十一日止年度，本集團與董事進行以下重大交易：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
-	10,000
800	-

附註：於截至二零零九年十二月三十一日止年度，該交易乃胡靜女士與本公司根據仲量聯行西門有限公司(與本集團概無關連的獨立合資格專業估值師)於購買日進行的估值經磋商後訂立。所購買樓宇用作營運之用。

- (d) 主要管理人員報酬

於截至二零一零年及二零零九年十二月三十一日止年度，董事及其他主要管理人員的薪酬如下：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
1,340	666
12	7
1,352	673

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29. PARTICULARS OF SUBSIDIARIES

The Company has the following indirectly held, unless otherwise stated, subsidiaries:

29. 附屬公司詳情

本公司擁有以下間接持有(另有註明者除外)的附屬公司：

Name of subsidiary 附屬公司名稱	Place and of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid share/ registered capital 已發行及繳足股份/ 註冊股本	Effective equity interest attributable to the Group as at 31 December 本集團應佔實際股本權益 於十二月三十一日		Principal activities 主要業務
			2009 二零零九年	2010 二零一零年	
暢豐控股香港有限公司 Changfeng HK 暢豐控股香港有限公司 (「暢豐香港」)	Hong Kong 14 February 2008 香港 二零零八年二月十四日	HK\$10,000 10,000 港元	100% (directly) (直接)	100% (directly) (直接)	Investment holding 投資控股
福建暢豐車橋製造有限公司 Fujian Changfeng 福建暢豐車橋製造有限公司 (「福建暢豐」)	PRC 5 March 2001 中國 二零零一年三月五日	RMB813,000,000 (2009: RMB236,000,000) 人民幣 813,000,000 元 (二零零九年： 人民幣 236,000,000 元)	100%	100%	Manufacture and sale of axle and related components 製造及銷售車橋及相關零部件
龍岩盛豐機械製造有限公司 Longyan Shengfeng 龍岩盛豐機械製造有限公司 (「龍岩盛豐」)	PRC 29 March 2006 中國 二零零六年三月二十九日	RMB293,000,000 (2009: RMB163,000,000) 人民幣 293,000,000 元 (二零零九年： 人民幣 163,000,000 元)	100%	100%	Manufacture and sale of roughcast 製造及銷售毛坯
開封暢豐車橋有限公司 Kaifeng Changfeng 開封暢豐車橋有限公司 (「開封暢豐」)	PRC 19 April 2006 中國 二零零六年四月十九日	RMB375,000,000 (2009: RMB105,000,000) 人民幣 375,000,000 元 (二零零九年： 人民幣 105,000,000 元)	100%	100%	Manufacture and sale of axle 製造及銷售車橋
北京暢豐機電研究所 Beijing Changfeng 北京暢豐機電研究所 (「北京暢豐」)	PRC 6 July 2009 中國 二零零九年七月六日	RMB1,000,000 人民幣 1,000,000 元	100%	100%	Research and development of axle and related components 研發車橋及相關零部件
四川暢豐車橋有限公司 Sichuan Changfeng 四川暢豐車橋有限公司 (「四川暢豐」)	PRC 16 July 2009 中國 二零零九年七月十六日	RMB160,000,000 (2009: RMB30,000,000) 人民幣 160,000,000 元 (二零零九年： 人民幣 30,000,000 元)	100%	100%	Manufacture and sale of axle 製造及銷售車橋

Notes to the Financial Statements 財務報表附註

for the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

30. EVENT AFTER THE REPORTING PERIOD

On 20 February 2011, Longyan Shengfeng entered into a sale and purchase agreement with 福建永定法拉特工業有限公司 (the "Vendor") to acquire assets comprising land use rights, factory buildings and certain production facilities for a cash consideration of RMB 62,500,000. There is provisional clause included in the sale and purchase agreement requesting Longyan Shengfeng to pay the Vendor 70% of total consideration within 10 working days from the date of the agreement and 30% to be payable within 10 working days upon completion of transfer the legal title of relevant assets to Longyan Shengfeng. The 70% of total consideration was paid up to the date of this report.

31. FINANCIAL SUMMARY OF THE COMPANY

RESULTS

Administrative expenses	行政開支
Interest income	利息收入
Loss for the year	年內虧損

30. 報告期後事項

於二零一一年二月二十日，龍岩盛豐與福建永定法拉特工業有限公司（「賣方」）訂立一項買賣協議，收購包括土地使用權、廠房樓宇及若干生產設施在內的資產，現金代價為人民幣62,500,000元。買賣協議內的臨時條款要求龍岩盛豐自協議日期起計十個工作天內向賣方支付總代價的70%，並於完成將有關資產的法定權利轉讓予龍岩盛豐後的十個工作天內支付餘下30%。截至本報告日期已支付總代價的70%。

31. 本公司財務概要

業績

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
(18,612)	(2,682)
41	-
(18,571)	(2,682)

Notes to the Financial Statements 財務報表附註

for the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

31. FINANCIAL SUMMARY OF THE COMPANY (CONTINUED)

31. 本公司財務概要(續)

ASSETS AND LIABILITIES

資產及負債

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
NON-CURRENT ASSET	非流動資產		
Investment in a subsidiary	於一間附屬公司的投資	875,066	238,497
CURRENT ASSET	流動資產		
Bank balance	銀行結餘	9,452	9
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	1,590	2,859
Amount due to a subsidiary	應付附屬公司款項	6,112	-
Amount due to a director	應付一名董事款項	7,526	2,622
		15,228	5,481
Net current liabilities	流動負債淨額	(5,776)	(5,472)
Total assets less current liabilities	總資產減流動負債	869,290	233,025
OWNERS' EQUITY	擁有人權益		
Share capital	股本	53,560	343
Reserves	儲備	815,730	232,682
		869,290	233,025



畅丰