



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)

2011
中期報告
Interim Report



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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

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

莊清喜先生 (*主席*)
朱偉洲先生
李秀清博士

薪酬委員會

朱偉洲先生 (*主席*)
莊清喜先生
王桂模先生

提名委員會

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

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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

COMPLIANCE ADVISOR

CCB International Capital Limited

STOCK CODE

1039

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
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COMPANY'S WEBSITE

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INVESTOR RELATIONSHIP

Mr. Chan Wai Shing
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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

核數師及申報會計師

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

合規顧問

建銀國際金融有限公司

股票代號

1039

香港股份過戶登記處

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香港
灣仔
皇后大道東183號
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投資者關係

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Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

Founded in 2001, Changfeng Axle (China) Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) is a leading independent axle component provider for China’s medium duty truck (“MDT”) and heavy duty truck (“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 People’s Republic of China (“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 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 production process to manufacture quality products which are characterized by their strong durability and competitive prices.

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. Those 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.

業務回顧

自二零零一年創立以來，暢豐車橋(中國)有限公司(「本公司」)及其附屬公司(統稱「本集團」)乃中國中型卡車(「中卡」)及重型卡車(「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。本集團主要在中華人民共和國(「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。

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。

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 the most diversified product offerings among independent axle component providers in China. The axle components were sold to customers in the aftermarket through its extensive sales, marketing and services network across China. For the six months ended 30 June 2011, revenue from the aftermarket business segment amounted to approximately RMB341.4 million (30 June 2010: approximately RMB450.6 million) and accounted for approximately 60.9% (30 June 2010: approximately 64.9%) of the Group's total revenue, representing a decrease of approximately 24.2% over the corresponding period in 2010.

The Group continues to strengthen its sales, marketing and service network, including the number of exclusive distributors of the Group. The exclusive distributors were required to sell only Changfeng-branded products 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, which we believe can increase the Group's overall sales. The Group is in the process of converting existing non-exclusive first-tier distributors into exclusive first-tier distributors to further expand the Group's network and profile.

MDT and HDT OEM market

The Group primarily sells axle assemblies directly to OEMs 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 six months ended 30 June 2011, revenue from the OEM market amounted to approximately RMB218.9 million (30 June 2010: approximately RMB244.0 million) and accounted for 39.1% (30 June 2010: 35.1%) of the Group's total revenue, representing a decrease of 10.3% over the corresponding period in 2010.

中重型卡車維修市場

本集團為一間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，提供最多樣化的車橋零部件產品。本集團主要透過中國的廣泛銷售、營銷及服務網絡向維修市場的客戶銷售車橋零部件。於截至二零一一年六月三十日止六個月，來自維修市場業務分部的收入約為人民幣341.4百萬元(二零一零年六月三十日：約人民幣450.6百萬元)，佔本集團總收入約60.9%(二零一零年六月三十日：約64.9%)，較二零一零年同期下降約24.2%。

本集團繼續提升銷售、營銷及服務網絡，包括本集團專營店的數量。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鋪進行裝修。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，我們認為可以增加本集團的整體銷售。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，以進一步擴充本集團的網絡及佔有率。

中重型卡車 OEM 市場

本集團主要直接向中國OEM廠商銷售按訂單製造，符合客戶規格要求的橋總成。本集團間或亦會將一小部份車橋零部件銷售予其他橋總成供應商。截至二零一一年六月三十日止六個月，來自OEM市場的收入，約為人民幣218.9百萬元(二零一零年六月三十日：約人民幣244.0百萬元)佔本集團總收入的39.1%(二零一零年六月三十日：35.1%)，較二零一零年同期下降10.3%。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2011, the Group recorded a consolidated revenue of approximately RMB560.2 million (30 June 2010: approximately RMB694.6 million), representing a decrease of 19.3% as compared with the same period in 2010. Such decline was primarily due to the weak market for MDT and HDT during the first half of 2011 which resulted in the decrease in sales volume of the Group's products during the first half of 2011 as compared with that of the corresponding period in 2010.

Revenue from our aftermarket segment for the six months ended 30 June 2011 decreased by approximately 24.2% to RMB341.4 million from RMB450.6 million for the corresponding period of last year. The decrease in revenue was caused by the less favorable industry environment as increasing road tolls and high fuel prices hamper the growth of the segment and demand. Besides the Group was reorganizing and optimizing the aftermarket network in order to better handle the product mix.

Revenue from the Group's OEM and related market segment for the six months ended 30 June 2011 decreased by approximately 10.3% to RMB218.9 million from RMB244.0 million for the corresponding period of last year. This was caused by the decline in growth rate in the trucking industry together with the delay in the launch of new trucks.

Gross profit and gross profit margin

Gross profit for the six months ended 30 June 2011 decreased by 17.8% to approximately RMB184.2 million from RMB224.1 million for the corresponding period of last year. Gross profit margin remained stable at 32.9% (six months ended 30 June 2010: 32.3%) since the increment of cost was successfully passed through to the customers.

Other income

Other income of the Group for the six months ended 30 June 2011 increased to approximately RMB6.3 million from approximately RMB2.3 million for the corresponding period of last year mainly as a result of the receipt of the government grant as a compensation for specific expenditure on product development.

財務回顧

收入

截至二零一一年六月三十日止六個月，本集團錄得綜合收入約人民幣560.2百萬元(二零一零年六月三十日：約人民幣694.6百萬元)，較二零一零年同期下降19.3%。該下降主要由於二零一一年上半年中型卡車及重型卡車的市場疲弱導致本集團產品銷量於二零一一年上半年較二零一零年同期有所減少所致。

截至二零一一年六月三十日止六個月，我們的維修市場分部收入自去年同期的人民幣450.6百萬元下降約24.2%至人民幣341.4百萬元。收入減少乃由於過路費增加及油價高企阻礙分部及需求增長導致行業環境不利所致。此外，本集團正重組及優化售後網絡，以有效管理產品組合。

截至二零一一年六月三十日止六個月，我們的OEM及相關市場分部收入自去年同期的人民幣244.0百萬元下降約10.3%至人民幣218.9百萬元。此乃由於卡車行業增長速度放緩連同新型卡車推出較慢所致。

毛利及毛利率

於截至二零一一年六月三十日止六個月，毛利下降17.8%，自去年同期約人民幣224.1百萬元下降至約人民幣184.2百萬元。毛利率穩定在32.9% (截至二零一零年六月三十日止六個月：32.3%)，乃由於成本增加額被成功轉移予客戶。

其他收入

截至二零一一年六月三十日止六個月，本集團的其他收入自去年同期約人民幣2.3百萬元增加至約人民幣6.3百萬元，此乃主要由於收到作為產品開發特定開支賠償之政府補助。

Management Discussion and Analysis

管理層討論及分析

Selling and distribution expenses

Selling and distribution expenses of the Group for the six months ended 30 June 2011 increased to approximately RMB13.1 million from approximately RMB10.8 million for the corresponding period of last year. The increase was mainly due to the increase in transportation cost for high delivery expenses in China and increase in salary and welfare expenses relating to the new production factory in Sichuan and Kaifeng.

Administrative expenses

The Group's administrative expenses for the six months ended 30 June 2011 decreased to approximately RMB25.4 million from approximately RMB26.6 million for the corresponding period of last year. The decrease in administrative expenses was due to the one-off occurrence of the listing expenses of approximately RMB10 million for the initial public offering of the Company in six months ended 30 June 2010. This was partially off-set by the increase in number of administrative staff due to the growth of the Group and the increase of amortisation and administrative expenses for the new production factory in Sichuan and Kaifeng.

Finance costs

The Group incurred finance costs of approximately RMB10.4 million for the six months ended 30 June 2011, which represented approximately 1.9% (six months ended 30 June 2010: approximately 1.5%) of its revenue in the corresponding period in 2010. There was no significant changes in the review period.

Taxation

Tax charge decreased by approximately 27.6% from RMB25.4 million in the six months ended 30 June 2010 to RMB18.4 million in the six months ended 30 June 2011 due to the decreased profit. The effective tax rate in 2011 was 13.7% (30 June 2010: 14.7%).

銷售及分銷費用

本集團的銷售及分銷費用自去年同期約人民幣10.8百萬元增長至約人民幣13.1百萬元。該增長乃由於運輸成本上升以應付中國高產品交付費用及工資及福利開支增加以應付四川及開封新生產工廠。

行政費用

截至二零一一年六月三十日止六個月，本集團的行政費用自去年同期約人民幣26.6百萬元下降至約人民幣25.4百萬元。行政費用下降乃由於本公司於截至二零一零年六月三十日止六個月初次公開發售產生之一次性上市費用約人民幣10百萬元，由於本集團發展導致行政人員數目增加及位於四川及開封的新生產工廠攤銷及行政費用增加抵銷了部分費用的下降。

財務費用

本集團於截至二零一一年六月三十日止六個月產生的財務費用約為人民幣10.4百萬元，佔其二零一零年同期收入約1.9%（截至二零一零年六月三十日止六個月：約1.5%）。於回顧期間，財務費用並無重大變化。

稅項

由於溢利下降，故稅項開支自截至二零一零年六月三十日止六個月的人民幣25.4百萬元下降約27.6%至截至二零一一年六月三十日止六個月的人民幣18.4百萬元。二零一一年的實際稅率為13.7%（二零一零年六月三十日：14.7%）。

Management Discussion and Analysis

管理層討論及分析

Profit attributable to owners of the Company

For the six months ended 30 June 2011, the Group achieved a profit attributable to owners of approximately RMB116.4 million, which represented approximately a drop of 21.1% as compared with the corresponding period in 2010. Basic earnings per share dropped by RMB0.10 from RMB0.25 per share in the six months ended 30 June 2010 to RMB0.15 per share in the six months ended 30 June 2011.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 June 2011, cash and cash equivalent of the Group was approximately RMB119.7 million (as at 31 December 2010: approximately RMB518.1 million).

As compared with the year of 2010, cash and cash equivalent decreased by approximately RMB398.4 million, which was mainly resulted from the net cash outflow from operating activities of approximately RMB230.8 million (30 June 2010: net cash inflow of RMB42.6 million) and net cash outflow from investing activities of approximately RMB182.2 million (30 June 2010: RMB93.9 million).

As at 30 June 2011, net current assets of the Group was approximately RMB697.6 million (as at 31 December 2010: approximately RMB676.1 million). As at 30 June 2011, the current ratio (i.e. total current assets / total current liabilities) of the Group remained relatively stable at approximately 2.19 times as compared with 2.10 times as at 31 December 2010.

As at 30 June 2011, total assets of the Group were approximately RMB2,168.2 million (as at 31 December 2010: approximately RMB2,079.1 million) and total liabilities were approximately RMB589.0 million (as at 31 December 2010: approximately RMB616.2 million). The debt ratio as at 30 June 2011 (i.e. total liabilities/total assets) remained relatively stable at 27.2% as compared to 29.6% as at 31 December 2010.

As at 30 June 2011, the Group had total borrowings of approximately RMB353.5 million (as at 31 December 2010: approximately RMB328.5 million). The gearing ratio (i.e. total borrowing/total equity) remained relatively stable at approximately 22.4% (as at 31 December 2010: approximately 22.5%).

本公司擁有人應佔溢利

截至二零一一年六月三十日止六個月，本集團錄得擁有人應佔溢利約人民幣116.4百萬元，較二零一零年同期下降約21.1%。每股基本盈利自截至二零一零年六月三十日止六個月的每股人民幣0.25元下降人民幣0.10元至截至二零一一年六月三十日止六個月的每股人民幣0.15元。

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融資活動的現金流量。

於二零一一年六月三十日，本集團的現金及現金等值項目約為人民幣119.7百萬元(二零一零年十二月三十一日：約人民幣518.1百萬元)。

與二零一零年相比，現金及現金等值項目下降約人民幣398.4百萬元，主要來自經營活動的現金流出淨額約人民幣230.8百萬元(二零一零年六月三十日：現金流入淨額人民幣42.6百萬元)，以及來自投資活動的現金流出淨額約人民幣182.2百萬元(二零一零年六月三十日：人民幣93.9百萬元)。

於二零一一年六月三十日，本集團的流動資產淨值約為人民幣697.6百萬元(二零一零年十二月三十一日：約人民幣676.1百萬元)。於二零一一年六月三十日，本集團的流動比率(即總流動資產/總流動負債)與截至二零一零年十二月三十一日的2.10倍相比，相對穩定地維持在2.19倍。

於二零一一年六月三十日，本集團的總資產約為人民幣2,168.2百萬元(二零一零年十二月三十一日：約人民幣2,079.1百萬元)，總負債約為人民幣589.0百萬元(二零一零年十二月三十一日：約人民幣616.2萬元)。截至二零一一年六月三十日，負債比率(即總負債/總資產)與截至二零一零年十二月三十一日的29.6%相比，相對穩定地維持在27.2%。

於二零一一年六月三十日，本集團的借款總額約為人民幣353.5百萬元(二零一零年十二月三十一日：約人民幣328.5百萬元)。資產負債比率(即借款總額/權益總額)相對穩定地維持在約22.4%(二零一零年十二月三十一日：約22.5%)。

Management Discussion and Analysis

管理層討論及分析

Trade and bills receivable

Trade and bills receivables of the Group as at 30 June 2011 were approximately RMB569.1 million (as at 31 December 2010: RMB390.5 million). The increase in balance was a result of the extension of the credit term to customers.

The average turnover days of trade and bills receivable increased from 103 days in the twelve months ended 31 December 2010 to 156 days in the six months ended 30 June 2011. The increase in average turnover days of trade and bills receivables was due to the increase in the percentage of customers who require longer payment terms.

Inventory

The inventory balance of the Group as at 30 June 2011 was approximately RMB363.8 million (as at 31 December 2010: approximately RMB290.3 million) which mainly reflected the increase in raw materials and finished goods for the new production site in Kaifeng and Sichuan.

The average turnover days in inventory increased from 101 days in the twelve months ended 31 December 2010 to 159 days in the six months ended 30 June 2011. This was due to the commencement of operation in the new production facilities in Kaifeng and Sichuan in the first half of 2011, as more raw materials were purchased.

Trade and bills payable

Trade and bills payables of the Group as at 30 June 2011 were approximately RMB178.0 million (as at 31 December 2010: approximately RMB189.5 million). The decrease in balance was mainly due to the decrease in procurement of raw materials.

The average turnover days of trade and bills payables increased from 69 days in the twelve months ended 31 December 2010 to 89 days in the six months ended 30 June 2011 as the Group has negotiated a longer credit term with suppliers.

Contingent Liabilities

As at 30 June 2011, the Group had no significant contingent liabilities (as at 31 December 2010: Nil).

貿易應收款項及應收票據

本集團於二零一一年六月三十日的貿易應收款項及應收票據約為人民幣569.1百萬元(二零一零年十二月三十一日：人民幣390.5百萬元)。結餘增加乃由於向客戶延長信貸期所致。

貿易應收款項及應收票據的平均週轉天數由截至二零一零年十二月三十一日止十二個月的103日增加至截至二零一一年六月三十日止六個月的156日。貿易應收款項及應收票據的平均週轉天數增加乃由於要求較長付款期的客戶比例增加所致。

存貨

本集團於二零一一年六月三十日的存貨結餘約為人民幣363.8百萬元(二零一零年十二月三十一日：約人民幣290.3百萬元)，這主要反映因生產地點位於開封及四川而增加的原材料及完成產品。

存貨平均週轉天數由截至二零一零年十二月三十一日止十二個月的101日增加至截至二零一一年六月三十日止六個月的159日，此乃由於於二零一一年上半年開封及四川新生產設施投入運營，致使原材料採購增加。

貿易應付款項及應付票據

本集團於二零一一年六月三十日的貿易應付款項及應付票據約為人民幣178.0百萬元(二零一零年十二月三十一日：約人民幣189.5百萬元)。此結餘的下降乃主要由於採購原材料減少。

貿易應付款項及應付票據的平均週轉天數由截至二零一零年十二月三十一日止十二個月的69日增加至截至二零一一年六月三十日止六個月的89日，此乃由於本集團已與供應商商定信貸期已延長。

或然負債

於二零一一年六月三十日，本集團並無重大或然負債(二零一零年十二月三十一日：無)。

Management Discussion and Analysis

管理層討論及分析

Capital commitment

As at 30 June 2011, the contracted capital commitment of the Group which were not provided in the financial statements were approximately RMB81.2 million (as at 31 December 2010: approximately RMB54.0 million). Such capital commitments were mainly for the capital expenditure in respect of acquisition of production facilities.

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 30 June 2011, the Group's foreign currencies was approximately HK\$9.4 million. During the six months ended 30 June 2011, the Group did not utilize any future contracts, currency borrowings and 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.

DIVIDEND

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

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.

資本承擔

於二零一一年六月三十日，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81.2百萬元(二零一零年十二月三十一日：約人民幣54.0百萬元)。此資本承擔主要用於收購生產基地。

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800百萬港元乃以外幣計值以外。截至二零一一年六月三十日，本集團的外幣約為9.4百萬港元。於截至二零一一年六月三十日止六個月，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。

股息

董事會並不建議就截至二零一一年六月三十日止六個月派發任何中期股息(二零一零年：無)。

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。

Management Discussion and Analysis

管理層討論及分析

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 margin 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 efficiency

In the second half of 2011, the Group will focus on the increase of the production efficiency of the production sites. The Group expects production efficiency of the facilities will be increased in the second half of 2011 through the upgrading existing machineries.

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)提供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在比第三方檢測設施更短的時間內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。

生產效率

於二零一一年下半年，本集團將專注於提高所有生產基地的生產效率。本集團預期透過升級現有設備，生產設施的生產效率將於二零一一年下半年有所提升。

Management Discussion and Analysis

管理層討論及分析

Cost Control

The Group will make use of the 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 source the 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。

Report on Review of Interim Financial Information

中期財務資料審閱報告



TO THE BOARD OF DIRECTORS OF CHANGFENG AXLE (CHINA) COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 15 to 34, which comprises the condensed consolidated statement of financial position of Changfeng Axle (China) Company Limited (the “Company”) and its subsidiaries (collectively referred to the “Group”) as of 30 June 2011 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flow for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion 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.

致：暢豐車橋(中國)有限公司董事會

(於開曼群島註冊成立的股份有限公司)

引言

本核數師已審閱載於第15至34頁之中期財務資料。此中期財務資料包括暢豐車橋(中國)有限公司(「本公司」)及其附屬公司(統稱為「本集團」)於二零一一年六月三十日之簡明綜合財務狀況表與截至該日止六個月期間之相關簡明綜合全面收益表、簡明綜合權益變動表和簡明綜合現金流量表及若干說明附註。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製之報告必須符合當中有關條文以及香港會計師公會(「香港會計師公會」)頒佈之香港會計準則第34號「中期財務報告」。董事須對根據香港會計準則第34號編製及呈列該中期財務資料負責。本核數師之責任是根據審閱對該中期財務資料作出結論，並按照委聘之協定條款僅向作為實體之閣下報告結論，且並無其他目的。本核數師不會就本報告之內容向任何其他人士負上或承擔任何責任。

Report on Review of Interim Financial Information

中期財務資料審閱報告

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 August 2011

審閱範圍

本核數師已根據香港會計師公會頒佈之香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務之人員作出查詢，並應用分析性和其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核之範圍，故不能令本核數師保證本核數師將知悉在審核中可能發現之所有重大事項。因此，本核數師不會發表審核意見。

結論

按照本核數師之審閱，本核數師並無發現任何事項，令本核數師相信中期財務資料在各重大方面未有根據香港會計準則第34號編製。

德勤 • 關黃陳方會計師行
執業會計師

香港，二零一一年八月二十九日

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

for the six months ended 30 June 2011
截至二零一一年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
	NOTES 附註		
Revenue	收入	560,225	694,566
Cost of sales	銷售成本	(376,003)	(470,445)
Gross profit	毛利	184,222	224,121
Other income, other gains and losses	其他收入、其他收益 及虧損	6,312	2,303
Selling and distribution expenses	銷售及分銷開支	(13,125)	(10,802)
Research and development expenditure	研發開支	(6,714)	(5,858)
Administrative expenses	行政開支	(25,450)	(26,605)
Finance costs	融資成本	(10,415)	(10,162)
Profit before tax	除稅前溢利	134,830	172,997
Taxation	稅項	(18,426)	(25,458)
Profit and total comprehensive income for the period	期內溢利及全面收益總額	116,404	147,539
Profit and total comprehensive income for the period, attributable to owners of the Company	本公司擁有人應佔期內溢利 及全面收益總額	116,404	147,539
Basic earnings per share (RMB)	每股基本盈利(人民幣)	0.15	0.25

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

at 30 June 2011

於二零一一年六月三十日

		NOTES 附註	30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 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	9	443,666	396,325
Payment for acquisition of machinery	購買機器付款		133,419	99,094
Payment for acquisition of land use right	購買土地使用權付款		11,492	–
Prepaid lease payments	預付租賃款項		292,901	291,172
Available-for-sale investments	可供出售投資		1,000	1,000
			882,478	787,591
Current assets	流動資產			
Inventories	存貨		363,782	290,287
Trade and other receivables	貿易及其他應收款項	10	767,586	474,922
Prepaid lease payments	預付租賃款項		6,005	6,005
Pledged bank deposits	已抵押銀行存款		28,669	2,177
Bank balances and cash	銀行結餘及現金	11	119,698	518,105
			1,285,740	1,291,496
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	12	224,834	257,345
Amount due to a director	應付一名董事款項	17(a)	800	800
Borrowings	借款	13	353,459	328,450
Taxation payable	應付稅項		9,004	28,767
			588,097	615,362
NET CURRENT ASSETS	流動資產淨值		697,643	676,134
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,580,121	1,463,725
NON-CURRENT LIABILITY	非流動負債			
Deferred tax	遞延稅項	14	857	865
			1,579,264	1,462,860
OWNERS' EQUITY	擁有人權益			
Share capital	股本	15	53,560	53,560
Reserves	儲備		1,525,704	1,409,300
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,579,264	1,462,860

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

for the six months ended 30 June 2011
截至二零一一年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔						
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Capital reserves 股本儲備 RMB'000 人民幣千元	Surplus reserves 盈餘儲備 RMB'000 人民幣千元	Special reserves 特殊儲備 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2010	於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 period	期內溢利及全面收益總額	-	-	-	-	-	147,539	147,539
At 30 June 2010	於二零一零年六月三十日	343	-	226,982	59,647	822	384,417	672,211
Profit and total comprehensive income for the period	期內溢利及全面收益總額	-	-	-	-	138,136	138,136	-
Appropriations	撥付	-	-	-	60,401	-	(60,401)	-
Issue of new shares	發行新股份	13,388	650,608	-	-	-	-	663,996
Capitalisation issue	資本化發行	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
Profit and total comprehensive income for the period	期內溢利及全面 收益總額	-	-	-	-	-	116,404	116,404
At 30 June 2011	於二零一一年六月三十日	53,560	599,296	226,982	120,048	822	578,556	1,579,264

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

for the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

		Six months ended	
		截至六月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前溢利	134,830	172,997
Adjustments for:	就以下各項作出調整：		
Finance costs	融資成本	10,415	10,162
Interest income	利息收入	(1,141)	(490)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13,921	11,215
Release of prepaid lease payments	撥回預付租賃款項	3,096	713
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	161,121	194,597
Increase in inventories	存貨增加	(73,495)	(85,546)
Increase in trade and other receivables	貿易及其他應收款項增加	(288,935)	(89,991)
Increase in trade and other payables	貿易及其他應付款項增加	8,662	48,315
Cash (used in) generated from operations	經營(所用)產生之現金	(192,647)	67,375
Income tax paid	已付所得稅	(38,197)	(24,780)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營活動(所用)所得現金淨額	(230,844)	42,595
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	1,141	490
Placement of pledged bank deposits	存放已抵押銀行存款	(28,683)	(44,561)
Proceeds from release of pledged bank deposits	解除已抵押銀行存款所得款項	2,191	65,763
Purchase of available-for-sale investments	購買可供出售投資	-	(1,000)
Purchases of property, plant and equipment	購買物業、廠房及設備	(36,337)	(62,006)
Payment for acquisition of machinery	支付購買機器款項	(83,442)	(45,612)
Payment for acquisition of land use right	支付購買土地使用權款項	(11,492)	-
Advance to a director	預付一名董事墊款	-	(4,281)
Payment for land use rights	支付土地使用權	(25,535)	(2,763)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(182,157)	(93,970)

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

for the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

		Six months ended	
		截至六月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
FINANCING ACTIVITIES	融資活動		
Interest paid	已付利息	(10,415)	(10,162)
Advance from a director	董事墊款	-	4,626
New borrowings raised	新增借款	192,039	270,992
Repayment of borrowings	償還借款	(167,030)	(186,057)
NET CASH FROM FINANCING ACTIVITIES	融資活動產生之現金淨額	14,594	79,399
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目 (減少) 增加淨額	(398,407)	28,024
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及現金等值項目	518,105	24,448
CASH AND CASH EQUIVALENTS AT 30 JUNE, represented by bank balances and cash	於六月三十日之現金及現金等值項目，即銀行結餘及現金	119,698	52,472

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 (HKAS 34), *Interim Financial Reporting*.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for available-for-sale investments, which are measured at fair value, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010 except as described below.

Application of new or revised Hong Kong Financial Reporting Standards ("HKFRS")

In the current interim period, the Group has applied, for the first time, the following new or revised standards and interpretations ("new or revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"):

- *Improvements to HKFRSs* issued in 2010
- HKAS 24 (as revised in 2009) *Related Party Disclosures*
- Amendments to HKAS 32 *Classification of Rights Issues*
- Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
- HK(IFRIC)-Int 19 *Extinguishing Financial Liabilities with Equity Instruments*

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in the condensed consolidated financial statements and disclosures set out in these condensed consolidated financial statements.

1. 編製基準

簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則附錄16之適用披露規定及香港會計準則第34號「中期財務報告」而編製。

2. 主要會計政策

簡明綜合財務報表乃按歷史成本基準編製，除可供出售投資乃按公平值計量（如適當）以外。

除下文所述者外，截至二零一一年六月三十日止六個月的簡明綜合財務報表所用會計政策及計算方法與本集團截至二零一零年十二月三十一日止年度之年度財務報表所載者一致。

採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本中期期間，本公司已首次應用多項由香港會計師公會（「香港會計師公會」）頒佈的新訂及經修訂準則及詮釋（「新訂及經修訂香港財務報告準則」）：

- 二零一零年頒佈的香港財務報告準則之改進
- 香港會計準則第24號（二零零九年經修訂）*關連方披露*
- 香港會計準則第32號（修訂本）*供股之分類*
- 香港（國際財務報告詮釋委員會）—詮釋第14號（修訂本）*最低資本規定之預付款項*
- 香港（國際財務報告詮釋委員會）—詮釋第19號 *以股本工具抵銷金融負債*

於本中期期間採納上述新訂及經修訂香港財務報告準則並無對該等簡明綜合財務報表之呈報金額及該等簡明綜合財務報表所載披露資料構成任何重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2011
截至二零一一年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

HKFRSs issued but not yet effective

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective.

HKFRS 10
香港財務報告準則第 10 號
HKFRS 11
香港財務報告準則第 11 號
HKFRS 12
香港財務報告準則第 12 號
HKFRS 13
香港財務報告準則第 13 號
HKAS 1 (Amendments)
香港會計準則第 1 號 (修訂本)
HKAS 19 (Revised 2011)
香港會計準則第 19 號 (二零一一年修訂)
HKAS 27 (as revised in 2011)
香港會計準則第 27 號 (二零一一年修訂)
HKAS 28 (as revised in 2011)
香港會計準則第 28 號 (二零一一年修訂)

¹ Effective for annual periods beginning on or after 1 January 2013

² Effective for annual periods beginning on or after 1 July 2012

These five new or revised standards on consolidation, joint arrangements and disclosures were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five new or revised standards are applied early at the same time. The directors of the Company anticipate that certain of these new or revised standards will be applied in the Group's consolidated financial statements for year ending 31 December 2013 and the potential input is described below.

2. 主要會計政策 (續)

已頒佈但尚未生效之香港財務報告準則

本集團並無提早採納下列已頒佈但尚未生效之新訂或經修訂準則。下列於截至二零一零年十二月三十一日止年度綜合財務報表獲授權頒佈後頒佈但尚未生效之新訂或經修訂準則。

Consolidated Financial Statements¹
綜合財務報表¹
Joint Arrangements¹
聯合安排¹
Disclosures of Interests in Other Entities¹
於其他實體權益之披露¹
Fair Value Measurement¹
公平值計量¹
Presentation of Items of Other Comprehensive Income²
其他全面收益項目之呈列²
Employee Benefits¹
僱員福利¹
Separate Financial Statements¹
獨立財務報表¹
Investments in Associates and Joint Ventures¹
投資聯營公司及合營企業¹

¹ 於二零一三年一月一日或之後開始之年度期間生效

² 於二零一二年七月一日或之後開始之年度期間生效

五項有關綜合賬目、聯合安排及披露之新訂或經修訂準則由香港會計師公會於二零一一年六月後頒佈，並於二零一三年一月一日起或之後開始之年度期間生效，可以提早採納，惟所有該等新訂或經修訂準則須於同一時間提早應用。本公司董事預期，本集團將於截至二零一三年十二月三十一日止年度本集團綜合財務報表應用，而其潛在影響詳述如下。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

HKFRSs issued but not yet effective (continued)

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. Under HKFRS 10, there is only one basis for consolidation that is control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

The directors of the Company anticipate that the application of these five new or revised standards will have no material impact on the results and the financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

(a) Products within each operating segment

The Group has two reportable and 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.

2. 主要會計政策 (續)

已頒佈但尚未生效之香港財務報告準則 (續)

香港財務報告準則第10號取代香港會計準則第27號 *綜合及獨立財務報表* 與綜合財務報表有關之部分。根據香港財務報告準則第10號，綜合賬目之唯一基準為控制權。此外，香港財務報告準則第10號包含控制權之新定義，其中包括三個元素：(a) 有權控制投資對象，(b) 自參與投資對象營運所得浮動回報之承擔或權利，及(c) 能夠運用其對投資對象之權力以影響投資者回報金額。香港財務報告準則第10號已就複雜情況的處理方法加入詳細指引。

本公司董事預期，應用五項新訂或經修訂準則不會對本集團業績及財務狀況構成任何重大影響。

3. 收入及分部資料

(a) 各營運分部內的產品

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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2011
截至二零一一年六月三十日止六個月

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

3. 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 分部收入		Segment results 分部業績	
		Six months ended 截至六月三十日止六個月		Six months ended 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
OEM and related market	OEM及相關市場	218,863	243,999	59,832	64,435
Aftermarket	維修市場	341,362	450,567	124,390	159,686
Total segment and consolidated	分部總計及綜合	560,225	694,566	184,222	224,121
Other income, other gains and losses	其他收入、其他收益及虧損			6,312	2,303
Selling and distribution expenses	銷售及分銷開支			(13,125)	(10,802)
Research and development expenditure	研發開支			(6,714)	(5,858)
Administrative expenses	行政開支			(25,450)	(26,605)
Finance costs	融資成本			(10,415)	(10,162)
Profit before tax	除稅前溢利			134,830	172,997
Taxation	稅項			(18,426)	(25,458)
Profit and total comprehensive income for the period	期內溢利及全面收益總額			116,404	147,539

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 reportable and operating segments are the same as the Group's accounting policies described in Note 2. Segment results represent the gross profit of each reportable and operating segment. This is the measure reported to the directors of the Company, also the chief operating decision maker (the "CODM"), for the purposes of resources allocation and performance assessment.

可呈報及營運分部的會計政策與附註2所述的本集團會計政策相同。分部業績指各可呈報及營運分部的毛利。此為就分配資源及評估表現目的而向本公司董事，亦是主要經營決策者（「主要經營決策者」）申報的計算項目。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2011
截至二零一一年六月三十日止六個月

3. 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 CODM.

There are no changes in the basis of segmentation or in the basis of measure of segment profit or loss as compared with the financial statements for the year ended 31 December 2010.

3. 收入及分部資料(續)

(c) 分部資產

		Assets 資產	
		Six months ended 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
OEM and related market Aftermarket	OEM及相關市場 維修市場	135,387 384,018	74,241 316,225
Total of all segments Unallocated	所有分部合計 未分配	519,405 1,648,813	390,466 1,688,621
Consolidated assets	綜合資產	2,168,218	2,079,087

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主要經營決策者呈列，故不會呈列分部負債。

與截至二零一零年十二月三十一日止年度的財務報表相比，分布基準或分布溢利或虧損計量基準沒有任何變化。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2011
截至二零一一年六月三十日止六個月

4. OTHER INCOME, OTHER GAINS AND LOSSES

4. 其他收入、其他收益及虧損

		Six months ended 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	1,141	490
Government grants (note)	政府津貼(附註)	4,060	799
Net foreign exchange loss	匯兌虧損淨額	(168)	(3)
Income from suppliers on defects claim	來自供應商缺陷索償的收入	1,436	1,023
Donation	捐款	(3)	(100)
Others	其他	(154)	94
		6,312	2,303

Note: Included in the grants received during the six months ended 30 June 2011 was an amount of RMB2,800,000 as compensation for specific expenditure on development of front axle product and was recognised in profit or loss in the period as the related costs were incurred for which the grants were intended to compensate during the period under review.

Other grants primarily represented incentives received from local authorities by the group entities 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：截至二零一一年六月三十日止六個月獲得的津貼當中包括作為開發前橋特別開支的補助金額人民幣2,800,000元，及於損益中確認，此乃由於該等津貼擬於回顧期間進行補助而產生相關費用。

其他津貼主要指地方機關就突出稅項供款向本集團實體授出款項，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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

5. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

5. 除稅前溢利

除稅前溢利已扣除：

		Six months ended 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
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	32,390	36,155
– retirement benefit scheme contributions	– 退休福利計劃供款	2,446	1,374
Total staff costs	總員工成本	34,836	37,529
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13,921	11,215
Release of prepaid lease payments	撥回預付租賃付款	3,096	713
Auditors' remuneration	核數師酬金	588	416
Listing expenses (included in administrative expenses)	上市開支(包括在行政開支內)	–	10,549
Cost of inventories recognised as expenses, included in	已確認為開支之存貨成本，包括		
– cost of sales	– 銷售成本	372,659	470,189
– research and development expenditure	– 研發開支內	2,925	3,997

6. TAXATION

6. 稅項

		Six months ended 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Tax expense comprises:	稅項開支包括：		
Current tax expense	即期稅項開支	18,434	25,035
Underprovision in prior year	過往年度撥備不足	–	431
Deferred tax expense	遞延稅項開支	(8)	(8)
		18,426	25,458

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2011
截至二零一一年六月三十日止六個月

6. TAXATION (CONTINUED)

The income tax expense 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 six months ended 30 June 2010 and 2011.

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

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 six months ended 30 June 2010 and 2011.

On 15 August 2010 and 29 October 2010, Kaifeng Changfeng Axle Manufacturing Co., Ltd. ("Kaifeng Changfeng") and Longyan Shengfeng Machinery Manufacturing Co., Ltd. ("Longyan Shengfeng"), both are wholly-owned subsidiary of the Company, obtained "High and New Technology Enterprise" status for 3 years, respectively, that entitled Kaifeng Changfeng and Longyan Shengfeng a preferential tax rate of 15% for the period from 2011 to 2013 according to the PRC Tax Law.

6. 稅項(續)

所得稅開支指中國企業所得稅，該稅項乃就於截至二零一零年及二零一一年六月三十日止六個月，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。

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(「外國企業所得稅」)法，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。於截至二零一零年及二零一一年六月三十日止六個月，福建暢豐按12.5%的稅率繳納企業所得稅。

於二零一零年八月十五日及二零一零年十月二十九日，本公司兩間全資附屬公司開封暢豐車橋有限公司(「開封暢豐」)及龍岩盛豐機械製造有限公司(「龍岩盛豐」)分別獲得「高新技術企業」證書，為期三年，根據中國稅法，此證書可讓開封暢豐及龍岩盛豐從二零一一年至二零一三年止期間享受15%的優惠稅率。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

7. 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	盈利
Earnings for the purposes of basic earnings per share (Profit for the period attributable to owners of the Company)	盈利—每股基本盈利 (本公司擁有人應佔期內溢利)

Number of shares	股份數目
Weighted average number of ordinary shares for the purposes of basic earnings per share	普通股加權平均數—每股基本盈利

No diluted earnings per share is presented as the Company did not have any potential ordinary shares in issue during the six months ended 30 June 2010 and 2011 or at the end of each reporting period.

8. DIVIDENDS

No dividends were paid, declared or proposed during the reporting period. The directors of the Company do not recommend the payment of an interim dividend.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment amounting to approximately RMB61,262,000 (six months ended 30 June 2010: approximately RMB36,874,000) for the purpose of expanding the Group's business.

7. 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：

Six months ended 截至六月三十日止六個月	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
116,404	147,539

Six months ended 截至六月三十日止六個月	
2011 二零一一年	2010 二零一零年
800,000,000	600,000,000

由於於截至二零一零年及二零一一年六月三十日止六個月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。

8. 股息

本公司於報告期內概無支付、宣派或建議宣派任何股息。本公司董事不建議派付中期股息。

9. 物業、廠房及設備之變動

於本期間，本集團購置約人民幣61,262,000元（截至二零一零年六月三十日止六個月：約人民幣36,874,000元）的物業、廠房及設備，以擴展本集團業務。

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簡明綜合財務報表附註

for the six months ended 30 June 2011
截至二零一一年六月三十日止六個月

10. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise the following:

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	貿易應收款項	519,405	390,466
Less: allowance for doubtful debts	減：呆賬撥備	-	-
		519,405	390,466
Bills receivable	應收票據	49,729	70
Other receivables*	其他應收款項*	15,009	5,855
Advances to suppliers	向供應商墊款	162,806	70,222
Prepaid expenses	預付開支	553	684
Others	其他	3,729	-
VAT-in recoverable	增值稅—可收回	16,355	7,625
		767,586	474,922

* The amount primarily consists of employees' travel advances, deposits to local tax authority, rental and utility deposits.

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.

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

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元
0 to 90 days	0至90日	309,085	331,885
91 to 120 days	91至120日	78,962	52,245
121 to 180 days	121至180日	78,559	6,336
181 to 365 days	181日至365日	52,799	-
		519,405	390,466

10. 貿易及其他應收款項

貿易及其他應收款項包括以下各項：

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	貿易應收款項	519,405	390,466
Less: allowance for doubtful debts	減：呆賬撥備	-	-
		519,405	390,466
Bills receivable	應收票據	49,729	70
Other receivables*	其他應收款項*	15,009	5,855
Advances to suppliers	向供應商墊款	162,806	70,222
Prepaid expenses	預付開支	553	684
Others	其他	3,729	-
VAT-in recoverable	增值稅—可收回	16,355	7,625
		767,586	474,922

* 該金額主要包括僱員差旅墊款、向當地稅務部門所交的按金、租用按金。

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。

以下為於報告期末貿易應收款項(按發票日期呈列)的賬齡分析如下：

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元
0 to 90 days	0至90日	309,085	331,885
91 to 120 days	91至120日	78,962	52,245
121 to 180 days	121至180日	78,559	6,336
181 to 365 days	181日至365日	52,799	-
		519,405	390,466

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截至二零一一年六月三十日止六個月

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an aging analysis of bills receivable, presented based on the issue date, at the end of the reporting period:

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元
0 to 90 days	0至90日	48,899	70
91 to 120 days	91至120日	830	-
		49,729	70

10. 貿易及其他應收款項(續)

以下為於報告期末應收票據(按發票日期呈列)的賬齡分析如下:

11. BANK BALANCES AND CASH

Included in the balance as at 30 June 2011 is amount of RMB 60 million which deposited with bank under name of 龍工(江西)齒輪有限公司“籌” for capital verification purpose of 龍工(江西)齒輪有限公司 which was established in July 2011 and became the subsidiary of the Company.

12. TRADE AND OTHER PAYABLES

Trade and other payables comprise the following:

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元
Trade payables	貿易應付款項	82,973	182,337
Bills payable	應付票據	95,075	7,140
		178,048	189,477
Advances from customers	來自客戶的墊款	7,517	8,897
Payables for land use rights	土地使用權應付款項	-	20,710
Payables and accruals for property, plant and equipments	物業、廠房及設備應付款項及應計款項	15,406	10,214
Payroll and welfare payables	應付工資及福利	3,759	4,820
Warranty provision	保修撥備	867	1,039
Other accruals	其他應計款項	10,193	4,429
Other tax payable	其他應付稅項	6,416	15,637
Other payables	其他應付款項	2,628	2,122
		224,834	257,345

11. 銀行結餘及現金

於二零一一年六月三十日,結餘當中包括以龍工(江西)齒輪有限公司「籌」名義之存款人民幣60,000,000元,用作對於二零一一年七月成立之龍工(江西)齒輪有限公司(成為本公司附屬公司)進行驗資。

12. 貿易及其他應付款項

貿易及其他應付款項包括以下各項:

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12. TRADE AND OTHER PAYABLES (CONTINUED)

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

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元
Within 30 days	30日內	21,391	79,321
31 to 60 days	31至60日	14,637	28,660
61 to 90 days	61至90日	15,475	18,736
91 to 180 days	91至180日	21,300	28,275
181 to 365 days	181至365日	10,170	27,345
		82,973	182,337

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

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元
31 to 60 days	31至60日	43,352	7,140
61 to 90 days	61至90日	-	-
91 to 180 days	91至180日	51,723	-
		95,075	7,140

13. BORROWINGS

During the period, the Group obtained new bank borrowings amounting to approximately RMB192,039,000 (six months ended 30 June 2010: approximately RMB192,039,000). The borrowings carry interest at variable market rates range from 5.04% to 7.57% and are repayable in instalments over a period of one year. The proceeds were used to finance the acquisition of property, plant and equipment and served as general working capital.

12. 貿易及其他應付款項(續)

以下為於報告期末的貿易應付款項(按發票日期呈列)的賬齡分析:

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元
Within 30 days	30日內	21,391	79,321
31 to 60 days	31至60日	14,637	28,660
61 to 90 days	61至90日	15,475	18,736
91 to 180 days	91至180日	21,300	28,275
181 to 365 days	181至365日	10,170	27,345
		82,973	182,337

以下為於報告期末的應付票據(按發行日期呈列)的賬齡分析:

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元
31 to 60 days	31至60日	43,352	7,140
61 to 90 days	61至90日	-	-
91 to 180 days	91至180日	51,723	-
		95,075	7,140

13. 借款

於期內,本集團獲得新銀行借款約人民幣192,039,000元(截至二零一零年六月三十日止六個月:約人民幣192,039,000元)。該借款按介乎於5.04%至7.57%的浮動市場利率計息並於一年內分期償還。所得款項乃用於購買物業、廠房及設備以及用作一般營運資金。

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簡明綜合財務報表附註

for the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

14. DEFERRED TAX

The following are the major deferred tax liabilities recognised and movement thereon during the years ended 31 December 2010 and six months ended 30 June 2011:

14. 遞延稅項

以下為已確認的主要遞延稅項負債及其於截至二零一零年十二月三十一日止年度及截至二零一一年六月三十日止六個月的變動：

		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 2010	於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 and 1 January 2011	於二零一零年十二月三十一日 及二零一一年一月一日	865
Charged to profit or loss	於損益賬列支銷	(8)
At 30 June 2011	於二零一一年六月三十日	857

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 at 31 December 2010 and 30 June 2011.

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。於二零一零年十二月三十一日及二零一一年六月三十日，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	Expiry date
		人民幣千元	到期日
At 1 January 2010	於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
Addition	添置	1,891	
At 30 June 2011	於二零一一年六月三十日	6,528	2015-2016

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for the six months ended 30 June 2011
截至二零一一年六月三十日止六個月

15. SHARE CAPITAL

15. 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	每股面值 1.00 美元 (「美元」) 的普通股		
Issued & fully paid:	已發行及繳足：		
At 1 January 2010	於二零一零年一月一日	50,000	50
Subdivision	拆細	4,950,000	-
At 30 June 2010	於二零一零年六月三十日	5,000,000	50
At 31 December 2010 and 30 June 2011	於二零一零年十二月三十一日及二零一一年六月三十日	800,000,000	8,000
			30.6.2011 & 31.12.2010
			二零一一年六月三十日 及 二零一零年十二月三十一日
			RMB'000 人民幣千元
Shown on the condensed consolidated statement of financial position	於簡明綜合財務狀況表列示		53,560

16. CAPITAL COMMITMENTS

16. 資本承擔

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元
Capital expenditure in respect of acquisition of plant and machinery and land use rights – contracted for but not provided in the consolidated financial statements	收購廠房及機器及土地使用權的資本開支 — 已訂約但未於綜合財務報表撥備	81,202	53,990

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簡明綜合財務報表附註

for the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

17. RELATED PARTY DISCLOSURES

During the period, the Group entered into the following transactions with related parties:

- (a) Details of balance of amount due to a director are set out in the condensed consolidated statement of financial position on page 16. The balance is interest free, unsecured and repayable on demand.
- (b) Except for transaction with related parties disclosed in the condensed consolidated statement of cash flows on page 19, the Group did not entered into other significant transactions with its related parties.
- (c) Compensation of key management personnel

The remuneration of directors and other members of key management during the six months ended 30 June 2011 and 2010 was as follows:

17. 關連人士披露

於期內，本集團已與關連人士訂立下列交易：

- (a) 有關應付董事款項結餘的詳情載列於第16頁的簡明綜合財務狀況表內。結餘均為免息、無抵押及按要求償還。
- (b) 除於第19頁簡明綜合現金流量表所披露的與關連人士進行的交易之外，本集團並無與其關連人士訂立其他重大交易。
- (c) 主要管理人員報酬

於截至二零一一年及二零一零年六月三十日止年度，董事及其他主要管理人員的薪酬如下：

		Six months ended	
		截至六月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term benefits	短期福利	1,641	402
Discretionary bonus	酌情花紅	230	-
Post-employment benefits	退休福利	18	8
		1,889	410

RESULTS AND APPROPRIATIONS

The results of the Group for the six months ended 30 June 2011 are set out in the condensed consolidated statement of comprehensive income on page 15.

The board of directors (the “Directors”) of the Company (the “Board”) does not recommend the payment of any interim dividend for the six months ended 30 June 2011 (2010: Nil).

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

As at 30 June 2011, 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:

業績及分配

本集團於截至二零一一年六月三十日止六個月的業績載於第 15 頁的簡明綜合全面收益表。

本公司董事(「董事」)會(「董事會」)不建議就截至二零一一年六月三十日止六個月派付任何中期股息(二零一零年：無)。

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

截至二零一一年六月三十日，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：

Other Information 其他資料

(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 30 June 2011, 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:

於二零一一年六月三十日，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

Other Information

其他資料

Name of shareholder	Nature of interest	Interests in Shares	Approximate percentage shareholding	Notes
股東名稱	權益性質	股份權益	概約股權百分比	附註
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
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
Schroder Investment Management (Hong Kong) Limited	Investment manager 投資經理	40,096,000	5.01%	

Other Information 其他資料

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.*

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2011.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its listed shares during the six months ended 30 June 2011. Neither the Company nor any of its subsidiaries had purchased, sold or repurchased any of the listed shares of the Company during the six months ended 30 June 2011.

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。

企業管治

截至二零一一年六月三十日止六個月，本公司已遵守上市規則附錄14所載的企業管治常規守則(「企業管治守則」)。

購買、出售及贖回本公司股份

本公司於截至二零一一年六月三十日止六個月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二零一一年六月三十日止六個月內購買、出售及贖回本公司任何上市股份。

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 throughout the six months ended 30 June 2011.

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, all of whom are 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.

The Audit Committee has reviewed the consolidated financial statements of the Group for the six months ended 30 June 2011.

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二零一一年六月三十日止六個月內一直遵守標準守則的規定。

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。

審核委員會已審閱本集團截至二零一一年六月三十日止六個月的綜合財務報表。

Other Information 其他資料

APPRECIATION

On behalf of the Board, I would like to express my gratitude to our management and staff for their dedication and contribution to the Group throughout the six months ended 30 June 2011.

By Order of the Board
Wong Kwai Mo
Chairman

Hong Kong, 29 August 2011

致謝

截至二零一一年六月三十日止六個月期間，本集團的管理層及員工專心致志，貢獻良多，本人謹代表董事會向他們致衷心謝意。

承董事會命
董事長
王桂模

香港，二零一一年八月二十九日



畅丰