



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)



2013 中期報告
Interim Report

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Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. Wong Kwai Mo (*Chairman*)
Ms. Wu Ching
Mr. Lai Fengcai (*Chief executive officer*)

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

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
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George Town
Grand Cayman KY1-1110
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董事

執行董事

王桂模先生 (*主席*)
胡靜女士
賴鳳彩先生 (*行政總裁*)

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

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

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安耀街3號
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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

股份代號

1039

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香港
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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

Changfeng Axle (China) Company Limited (the “**Company**”) and its subsidiaries (collectively, 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 Group’s 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 December 2012, Kaifeng Changfeng Axle Company Limited (“**Kaifeng Changfeng**”), a wholly owned subsidiary of the Company, has achieved a new milestone for the Group by obtaining accreditation as a supplier of the train bolster and train side frame to the Commonwealth of Independent States (“**CIS**”) and setting the platform for the Group’s entrance into the international railway industry. Through the effort of the casting experts and breakthrough in the casting process of the Group, Kaifeng Changfeng has obtained the Authentication of Production Certificate from the Authority of The Republic of Belarus to manufacture the train bolster and train side frame (the “**train components**”). Kaifeng Changfeng has commenced the delivery of such train bolster and train side frame in the second quarter of 2013.

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 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

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**」)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。

本集團的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。本集團亦生產種類多樣的前橋總成、中橋總成、後橋總成及平衡懸架總成。

於二零一二年十二月，本公司全資附屬公司開封暢豐車橋有限公司(「**開封暢豐**」)透過獲得向獨立國家聯合體(「**獨聯體**」)提供列車搖枕及列車側架的供應商資格及為本集團進入國際鐵路行業而為本集團樹立新里程碑。透過鑄造專家的努力及本集團鑄造工藝取得的突破性進展，開封暢豐自白俄羅斯共和國相關機構獲得產品認證證書，以生產列車搖枕及列車側架(「**列車配件**」)。開封暢豐已於二零一三年第二季度開始交付此類列車搖枕及列車側架。

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。



MDT and HDT Aftermarket

The Group is one of the leading independent axle component providers 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 2013, revenue from the aftermarket business segment amounted to approximately RMB118.6 million (30 June 2012: approximately RMB118.5 million) and accounted for approximately 53.2% (30 June 2012: approximately 41.1%) of the Group's total revenue.

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 2013, revenue from the OEM market amounted to approximately RMB92.8 million (30 June 2012: approximately RMB169.6 million) and accounted for 41.7% (30 June 2012: 58.9%) of the Group's total revenue, representing a decrease of 45.3% over the corresponding period in 2012.

Train and railway market

The Group commenced the export of the train side frame and train bolster in the second quarter of 2013. For the six months ended 30 June 2013, revenue from the train and railway market amounted to approximately RMB11.4 million (30 June 2012: Nil) and accounted for 5.1% (30 June 2012: Nil) of the Group's total revenue.

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之一，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、營銷及服務網絡向客戶銷售車橋零部件。於截至二零一三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118.6百萬元(二零一二年六月三十日：約人民幣118.5百萬元)，佔本集團總收入約53.2%(二零一二年六月三十日：約41.1%)。

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車橋總成。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。截至二零一三年六月三十日止六個月，來自OEM市場的收入約為人民幣92.8百萬元(二零一二年六月三十日：約人民幣169.6百萬元)，佔本集團總收入的41.7%(二零一二年六月三十日：58.9%)，較二零一二年同期下降45.3%。

列車及鐵路市場

本集團於二零一三年第二季度開始出口列車側架及列車搖枕。於截至二零一三年六月三十日止六個月，來自列車及鐵路市場的收入約為人民幣11.4百萬元(二零一二年六月三十日：無)，佔本集團總收入5.1%(二零一二年六月三十日：無)。



Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2013, the Group recorded a consolidated revenue of approximately RMB222.8 million (30 June 2012: approximately RMB288.1 million), representing a decrease of 22.7% as compared with the corresponding period in 2012. Since the second half of year 2012, there was increasing pressure on the aftermarket and OEM market, the business environment of the truck market continued to remain challenging in the first half of year 2013.

Revenue from the Group's aftermarket segment for the six months ended 30 June 2013 remained the same at approximately RMB118.6 million. The revenue from aftermarket was relatively stable for the six months ended 30 June 2013 since the competition in the aftermarket became more rational than the corresponding period in 2012 under the slow down of investment in the construction market and infrastructure development projects.

Revenue from the Group's OEM and related market segment for the six months ended 30 June 2013 decreased by approximately 45.3% to RMB92.8 million from RMB169.6 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.

Revenue from the train and railway market of RMB11.4 million was recognised after the commencement of delivery of the train and railway components since the second quarter of 2013.

Gross profit and gross profit margin

Gross profit for the six months ended 30 June 2013 decreased by 10.1% to approximately RMB36.5 million from RMB40.6 million for the corresponding period of last year. Gross profit margin increased from approximately 14.1% for the period ended 30 June 2012 to approximately 16.4% for the period ended 30 June 2013 as the average unit selling price remained relatively stable within the truck industry.

財務回顧

收入

截至二零一三年六月三十日止六個月，本集團錄得綜合收入約人民幣222.8百萬元(二零一二年六月三十日：約人民幣288.1百萬元)，較二零一二年同期下降22.7%。自二零一二年下半年起，維修及OEM市場壓力持續不斷，卡車市場業務環境於二零一三年上半年仍具挑戰。

截至二零一三年六月三十日止六個月，本集團維修市場分部收入維持在約人民幣118.6百萬元不變。於截至二零一三年六月三十日止六個月，來自維修市場的收入保持相對穩定是由於在建設市場及基礎設施發展項目投資速度放緩的情況下，維修市場的競爭變得較二零一二年同期更合理。

截至二零一三年六月三十日止六個月，本集團OEM及相關市場分部收入自去年同期的人民幣169.6百萬元下降約45.3%至人民幣92.8百萬元。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。

來自列車及鐵路市場收入人民幣11.4百萬元乃自二零一三年第二季度開始交付列車及鐵路零部件後確認。

毛利及毛利率

於截至二零一三年六月三十日止六個月，毛利下降10.1%，自去年同期約人民幣40.6百萬元下降至約人民幣36.5百萬元。毛利率自截至二零一二年六月三十日止期間約14.1%增加至截至二零一三年六月三十日止期間約16.4%，因為在卡車行業平均單位售價保持相對穩定。



Other income, other gains and losses

Other losses of the Group for the six months ended 30 June 2013 amounted to RMB1.6 million (six months ended 30 June 2012: RMB3.5 million), representing a decrease of 56.1% as compared with the corresponding period in 2012. The losses was mainly due to the loss on miscellaneous tax expenses.

Selling and distribution expenses

Selling and distribution expenses of the Group for the six months ended 30 June 2013 decreased to approximately RMB9.6 million from approximately RMB10.6 million for the corresponding period of last year. The decrease was mainly due to the decrease in the delivery cost for the axle business.

Administrative expenses

The Group's administrative expenses for the six months ended 30 June 2013 increased to approximately RMB32.6 million from approximately RMB27.6 million for the corresponding period of last year. The increase was due to the increase of administrative expenses for the new production line in Kaifeng catered for the train and railway business.

Finance costs

The Group incurred finance costs of approximately RMB17.1 million for the six months ended 30 June 2013, which represented approximately 7.7% (six months ended 30 June 2012: approximately 7.0%) of its revenue for the six months ended 30 June 2013. The decrease in finance cost was mainly due to the decrease in borrowing rate.

Taxation

Income tax expense of RMB1.7 million was recorded for the six months ended 30 June 2013 (six months ended 30 June 2012: income tax credit of RMB1.5 million).

其他收入、其他收益及虧損

截至二零一三年六月三十日止六個月，本集團的其他虧損達人民幣1.6百萬元(截至二零一二年六月三十日止六個月：人民幣3.5百萬元)，較二零一二年同期下降56.1%。該虧損乃主要由於雜稅開支虧損所致。

銷售及分銷費用

截至二零一三年六月三十日止六個月，本集團的銷售及分銷費用自去年同期約人民幣10.6百萬元減少至約人民幣9.6百萬元。該減少乃由於車橋業務運輸成本減少所致。

行政費用

截至二零一三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27.6百萬元增加至約人民幣32.6百萬元。行政費用增加乃由於為滿足列車及鐵路業務所需，本公司位於開封的新生產綫行政費用增加所致。

財務費用

本集團於截至二零一三年六月三十日止六個月產生的財務費用約為人民幣17.1百萬元，佔其截至二零一三年六月三十日止六個月收入約7.7%(截至二零一二年六月三十日止六個月：約7.0%)。財務費用減少乃主要由於借款利率減少所致。

稅項

本集團於截至二零一三年六月三十日止六個月錄得所得稅開支人民幣1.7百萬元(截至二零一二年六月三十日止六個月：所得稅抵免為人民幣1.5百萬元)。



Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2013, cash and cash equivalent of the Group was approximately RMB53.3 million (as at 31 December 2012: approximately RMB61.9 million).

As compared with the corresponding period in 2012, cash and cash equivalent decreased by approximately RMB8.6 million, which was mainly resulted from the net cash outflow from investing activities of approximately RMB4.4 million (30 June 2012: RMB50.7 million) and net cash outflow from financing activities of approximately RMB30.5 million (30 June 2012: RMB2.9 million).

As at 30 June 2013, net current assets of the Group was approximately RMB132.7 million (as at 31 December 2012: approximately RMB205.4 million). As at 30 June 2013, the current ratio (i.e. total current assets / total current liabilities) of the Group was approximately 119.3% (31 December 2012: approximately 130.9%).

As at 30 June 2013, total assets of the Group were approximately RMB1,719.3 million (as at 31 December 2012: approximately RMB1,764.9 million) and total liabilities were approximately RMB688.1 million (as at 31 December 2012: approximately RMB664.7 million). The debt ratio as at 30 June 2013 (i.e. total liabilities/total assets) was 40.0% as compared to 37.7% as at 31 December 2012.

As at 30 June 2013, the Group had total borrowings of approximately RMB485.1 million (as at 31 December 2012: approximately RMB498.6 million). The gearing ratio (i.e. total borrowing/total equity) was approximately 47.0% (as at 31 December 2012: approximately 45.3%).

Trade and bills receivable

Trade and bills receivables of the Group as at 30 June 2013 were approximately RMB368.9 million (as at 31 December 2012: RMB364.2 million). The increase in balance was mainly due to the increase in bills receivables.

流動資金及財務資源

於二零一三年六月三十日，本集團的現金及現金等值項目約為人民幣53.3百萬元(於二零一二年十二月三十一日：約人民幣61.9百萬元)。

與二零一二年同期相比，現金及現金等值項目下降約人民幣8.6百萬元，主要來自投資活動的現金流出淨額約人民幣4.4百萬元(二零一二年六月三十日：人民幣50.7百萬元)及來自融資活動的現金流出淨額約人民幣30.5百萬元(二零一二年六月三十日：人民幣2.9百萬元)。

於二零一三年六月三十日，本集團的流動資產淨值約為人民幣132.7百萬元(於二零一二年十二月三十一日：約人民幣205.4百萬元)。於二零一三年六月三十日，本集團的流動比率(即總流動資產／總流動負債)約為119.3%(二零一二年十二月三十一日：約130.9%)。

於二零一三年六月三十日，本集團的總資產約為人民幣1,719.3百萬元(於二零一二年十二月三十一日：約人民幣1,764.9百萬元)，總負債約為人民幣688.1百萬元(於二零一二年十二月三十一日：約人民幣664.7萬元)。於二零一三年六月三十日，負債比率(即總負債／總資產)與於二零一二年十二月三十一日的37.7%相比，為40.0%。

於二零一三年六月三十日，本集團的借款總額約為人民幣485.1百萬元(於二零一二年十二月三十一日：約人民幣498.6百萬元)。資產負債比率(即借款總額／權益總額)約為47.0%(於二零一二年十二月三十一日：約45.3%)。

貿易應收款項及應收票據

本集團於二零一三年六月三十日的貿易應收款項及應收票據約為人民幣368.9百萬元(於二零一二年十二月三十一日：人民幣364.2百萬元)。結餘增加乃主要由於應收票據增加所致。



Inventory

The inventory balance of the Group as at 30 June 2013 was approximately RMB249.4 million (as at 31 December 2012: approximately RMB278.7 million) which was in line with the change of sales volume.

Trade and bills payable

Trade and bills payables of the Group as at 30 June 2013 were approximately RMB135.9 million (as at 31 December 2012: approximately RMB100.2 million). The increase in balance was mainly due to the increase in the credit period granted by the Group's suppliers.

Contingent Liabilities

As at 30 June 2013, the Group had no significant contingent liabilities (as at 31 December 2012: Nil).

Capital commitment

As at 30 June 2013, the contracted capital commitment of the Group which were not provided in the financial statements were approximately RMB9.4 million (as at 31 December 2012: approximately RMB28.6 million). Such capital commitments were mainly for the capital expenditure in respect of acquisition of production facilities.

In 2011, Changfeng Gear Manufacturing Co., Ltd ("Changfeng Gear") was incorporated pursuant to the cooperation agreement entered into by and between the Group and an independent third party on 11 November 2010, pursuant to which the Group and an independent third party, being the non-controlling shareholder of Changfeng Gear, owns as to 60% and 40% of the equity interest of Changfeng Gear, respectively. The Group made a cash contribution of RMB60,000,000 to Changfeng Gear whilst the non-controlling shareholder contributed new machineries with an aggregate value of RMB40,000,000 to Changfeng Gear. The Group and the non-controlling shareholder were committed to inject an additional amount of RMB60,000,000 and RMB40,000,000, respectively in the year 2012. However, due to change in development plan, on 31 December 2012, the Group and the non-controlling shareholder entered into a supplemental agreement to postpone the capital injection schedule to 31 December 2013. As at 30 June 2013, there was a capital commitment of RMB48 million (31 December 2012: RMB60 million) being made by the Group for such capital injection.

存貨

本集團於二零一三年六月三十日的存貨結餘約為人民幣249.4百萬元(於二零一二年十二月三十一日:約人民幣278.7百萬元),這與銷售量之變動一致。

貿易應付款項及應付票據

本集團於二零一三年六月三十日的貿易應付款項及應付票據約為人民幣135.9百萬元(於二零一二年十二月三十一日:約人民幣100.2百萬元)。此結餘的增加乃主要由於本集團供應商授予之信貸期增加所致。

或然負債

於二零一三年六月三十日,本集團並無重大或然負債(於二零一二年十二月三十一日:無)。

資本承擔

於二零一三年六月三十日,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9.4百萬元(於二零一二年十二月三十一日:約人民幣28.6百萬元)。此資本承擔主要用於收購生產基地。

於二零一一年,福建暢豐齒輪有限公司(「暢豐齒輪」)乃根據本集團與一名獨立第三方於二零一零年十一月十一日訂立的合作協議註冊成立,據此,本集團及獨立第三方(即暢豐齒輪的非控股股東)於暢豐齒輪分別擁有60%及40%的權益。本集團向暢豐齒輪提供現金供款人民幣60,000,000元,而非控股股東則向暢豐齒輪提供價值合共約人民幣40,000,000元的新機器。本集團及非控股股東承諾將於二零一二年分別額外注入人民幣60,000,000元及人民幣40,000,000元。然而,由於發展計劃變動,於二零一二年十二月三十一日,本集團及非控股股東訂立一份補充協議,將注資時間表延遲至二零一三年十二月三十一日。於二零一三年六月三十日,本集團就該項注資作出資本承擔人民幣48百萬元(二零一二年十二月三十一日:人民幣60百萬元)。



Management Discussion and Analysis

管理層討論及分析

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. As at 30 June 2013, the Group's foreign currencies amounted to approximately RMB5.1 million. During the year ended 30 June 2013, the Group did not utilize any future contracts, currency borrowings and otherwise to hedge against its foreign exchange risk. However, the Group will monitor the risk exposures and will consider to hedge against material currency risk if required.

DIVIDEND

The board of directors of the Company (the "Board") has resolved not to recommend any payment of interim dividend for the six months ended 30 June 2013 (30 June 2012: Nil).

PROSPECTS

Having faced with the increasing uncertainty in the global economic situation and fierce competition in the China truck market, the Company expects business to continue to be challenging in the second half of year 2013. To ensure the sustainable success, the Group's management has formulated various strategies and measures to cope with these challenges. The strategies and measures include diversifying the range of the Group's casting and punching products in other industry, exploring the opportunities in overseas market and improvement of the Group's product quality management program.

Looking forward, in light of the Group's (i) recognition in the overseas train and railway industry; (ii) extensive sales, marketing and services network among all axle component providers in the aftermarket; (iii) diversified axle component offerings well recognized for high quality by customers; and (iv) 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 strive to strengthen its position in the railway and truck industry, to further expand its product offerings in China, CIS and overseas market.

The Group will further enhance the following aspects in order to increase its competitiveness within the market in the upcoming years.

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。於二零一三年六月三十日，本集團的外幣達約人民幣5.1百萬元。於截至二零一三年六月三十日止年度，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。

股息

本公司董事會（「董事會」）並不建議就截至二零一三年六月三十日止六個月派發任何中期股息（二零一二年六月三十日：無）。

展望

面對全球經濟狀況日益增加之不明朗因素及中國卡車市場之激烈競爭，本公司預期業務於二零一三年下半年仍然具挑戰性。為確保持續成功，本公司管理層已制定多項策略及措施，豐富其他行業的鑄造及沖焊產品種類，探索開發海外市場業務機會及改善產品質量管理程序，以應對該等挑戰。

展望未來，憑藉本集團(i)獲海外列車及鐵路行業的認可；(ii)維修市場所有車橋零部件供應商的廣泛銷售、營銷及服務網絡；(iii)以高品質獲客戶認同的豐富車轎零部件產品；及(iv)作為於維修市場及OEM市場車橋產品獨立供應商的位置、日益提升的交叉營銷能力以及不斷擴大的銷售額和溢利，本集團力爭於鐵路及卡車行業鞏固其地位，進一步擴大其於中國、獨聯體及海外市場的產品供應。

本集團將於往後數年進一步加強以下各方面以增強其於市場上的競爭力。



Expand overseas market

In order to expand gradually into other overseas markets in anticipation of overseas demand for the Group's products (both railways and truck components), the Company will leverage its broad range of quality product offerings, product development capabilities and cost competitiveness, the Group are well positioned to expand sales of its products into other overseas markets. The Group will implement its overseas expansion plan gradually through a variety of efforts, including:

- exploring the new markets for its train and railway products;
- diversifying and developing the new casting and punching products to satisfy the customer requirements in various industries and countries;
- developing new product models or modifying its existing products to satisfy the specification requirements of different types and models of vehicles used overseas; and
- increasing the sales of its customized axle assemblies in the overseas OEM market, upon identifying potential OEM customers who may have a need for customized axle assemblies.

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 consolidate functional departments and production lines to lower its administrative and production cost. Furthermore, the Group will strategically cooperate with suppliers in order to lengthen the credit terms and reduce the purchase price.

擴大海外市場

由於預期其他海外市場對本集團的產品（鐵路及卡車零部件）有一定需求，為逐步進軍海外市場，本公司將憑借其種類繁多的高質量產品品種、產品開發能力及成本競爭力，本集團現已就開拓其他海外市場的產品銷售作好充分準備。本集團將逐步透過多項努力實現海外拓展計劃，包括：

- 開拓列車及鐵路產品的新市場；
- 多樣化及開發新的洗鑄及沖焊產品以滿足各行業及各國家的客戶需求；
- 開發新產品型號或修改現有產品以符合海外市場使用的不同種類及型號汽車的規格要求；及
- 當物色到對定製車橋總成可能存在需求的潛在OEM客戶後，在海外OEM市場增加定製車橋總成銷售。

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，本集團將整合功能部門及生產綫以降低其行政及生產成本。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。



Management Discussion and Analysis

管理層討論及分析

Marketing Network

In order to enhance its market penetration of the train and railway industry, MDT industry and HDT aftermarket, the Group will (i) expand its overseas and local market by selling components with higher margin with a view to increase subsequent demand for their corresponding products; (ii) expand its extensive sales, marketing and services network vertically and horizontally; and (iii) provide comprehensive models and products offerings, with its strong brand recognition.

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 cooperations, new technology and raw materials will be developed for the production of railway and axle components.

市場網絡

為提高我們於列車及鐵路行業及中重型卡車維修市場的市場佔有率，本集團將(i)通過銷售較高利潤的零部件擴充海外及本地市場以增加其相應產品的後續需求；(ii)垂直及水平地擴大其廣泛的銷售、營銷及服務網絡；及(iii)提供全面的產品型號及種類與強大的品牌知名度。

產品開發

為增強本集團的生產效率及提高產品開發能力，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鐵路及車橋零部件的生產。



Deloitte.

德勤

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

暢豐車橋(中國)有限公司
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Changfeng Axle (China) Company Limited (the "Company") and its subsidiaries (collectively referred to the "Group") set out on pages 15 to 38, which comprise the condensed consolidated statement of financial position as of 30 June 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows 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 informations to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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有限公司)

引言

本行已審閱載於第15至38頁之暢豐車橋(中國)有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之簡明綜合財務報表，此報表包括於二零一三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損益及其他全面收益表、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」(「香港會計準則第34號」)。貴公司董事須對根據香港會計準則第34號編製及呈列該簡明綜合財務報表負責。本行之責任是根據審閱對該簡明綜合財務報表作出結論，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。本行不會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。



Report on Review of Condensed Consolidated Financial Statements

簡明綜合財務報表審閱報告

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 these condensed consolidated financial statements 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong
30 August 2013

審閱範圍

本行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。審閱簡明綜合財務報表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，故不能令本行保證本行將知悉在審核中可能發現之所有重大事項。因此，本行不會發表審核意見。

結論

按照本行之審閱，本行並無發現任何事項，令本行相信簡明綜合財務報表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
二零一三年八月三十日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

for the six months ended 30 June 2013
截至二零一三年六月三十日止六個月



				Six months ended	
				截至六個月	
		NOTES		30.6.2013	30.6.2012
		附註		二零一三年 六月三十日	二零一二年 六月三十日
				RMB'000	RMB'000
				人民幣千元	人民幣千元
				(unaudited)	(unaudited)
				(未經審核)	(未經審核)
Revenue	收入	3		222,779	288,126
Cost of sales	銷售成本			(186,318)	(247,558)
Gross profit	毛利			36,461	40,568
Other income, other gains and losses	其他收入、其他收益及虧損	4		(1,556)	(3,546)
Selling and distribution expenses	銷售及分銷開支			(9,584)	(10,574)
Research and development expenditure	研發開支			(9,316)	(5,775)
Administrative expenses	行政開支			(32,626)	(27,571)
Impairment losses on trade receivables	貿易應收款項減值虧損			(33,700)	-
Impairment losses recognised in respect of property, plant and equipment	物業、廠房及設備之 已確認減值虧損			-	(136,000)
Interest on bank borrowings wholly repayable within five years	於五年內悉數償還之 銀行借款利息			(17,092)	(20,244)
Loss before tax	除稅前虧損	5		(67,413)	(163,142)
Taxation	稅項	6		(1,682)	1,473
Loss and total comprehensive expense for the period	期內虧損及 全面開支總額			(69,095)	(161,669)
Loss and total comprehensive expense for the period, attributable to:	以下人士應佔期內虧損 及全面開支總額：				
Owners of the Company	本公司擁有人			(67,683)	(161,362)
Non-controlling interests	非控股權益			(1,412)	(307)
				(69,095)	(161,669)
Basic loss per share (RMB)	每股基本虧損(人民幣)	7		(0.08)	(0.2)



Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

at 30 June 2013
於二零一三年六月三十日

		NOTES 附註	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	580,531	578,176
Prepaid lease payments	預付租賃款項		294,371	297,730
Prepayment for acquisition of machinery	購買機器預付款項		23,848	18,899
Deferred tax assets	遞延稅項資產		-	37
			898,750	894,842
Current assets	流動資產			
Inventories	存貨		249,421	278,733
Trade receivables	貿易應收款項	10	223,077	255,397
Bills receivable	應收票據	11	145,872	108,818
Other receivables	其他應收款項	12	139,990	136,534
Prepaid lease payments	預付租賃款項		6,405	6,236
Income tax recoverable	可收回所得稅		2,439	2,439
Short-term investments	短期投資		-	20,000
Bank balances and cash	銀行結餘及現金		53,306	61,872
			820,510	870,029
Current liabilities	流動負債			
Trade and bills payables	貿易應付款項及應付票據	13	135,893	100,193
Other payables	其他應付款項	14	64,954	65,372
Borrowings – due within one year	借款 – 於一年內到期	15	485,117	498,560
Income tax payable	應付所得稅		1,847	531
			687,811	664,656
NET CURRENT ASSETS	流動資產淨值		132,699	205,373
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,031,449	1,100,215
NON-CURRENT LIABILITY	非流動負債			
Deferred tax liabilities	遞延稅項負債		329	-
			1,031,120	1,100,215
OWNERS' EQUITY	擁有人權益			
Share capital	股本	16	53,560	53,560
Reserves	儲備		940,406	1,008,089
Equity attributable to owners of the Company	本公司擁有人應佔權益		993,966	1,061,649
Non controlling interests	非控股權益		37,154	38,566
			1,031,120	1,100,215

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

for the six months ended 30 June 2013
截至二零一三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	Shares held under awarded share compensation scheme 根據獎勵股份報酬計劃持有的股份	Retained earnings 保留盈利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	Non-controlling interests 非控股權益 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
							RMB'000 人民幣千元			RMB'000 人民幣千元	
At 1 January 2012 (audited)	於二零一二年一月一日(經審核)	53,560	599,296	226,982	149,020	822	-	492,947	1,522,627	39,953	1,562,580
Loss and total comprehensive expense for the period	期內虧損及全面開支總額	-	-	-	-	-	-	(161,362)	(161,362)	(307)	(161,669)
At 30 June 2012 (unaudited)	於二零一二年六月三十日(未經審核)	53,560	599,296	226,982	149,020	822	-	331,585	1,361,265	39,646	1,400,911
Loss and total comprehensive expense for the period	期內虧損及全面開支總額	-	-	-	-	-	-	(297,989)	(297,989)	(1,080)	(299,069)
Purchase of shares for the purpose of awarded shares compensation scheme	就獎勵股份報酬計劃購買股份	-	-	-	-	-	(1,627)	-	(1,627)	-	(1,627)
At 31 December 2012 (audited)	於二零一二年十二月三十一日(經審核)	53,560	599,296	226,982	149,020	822	(1,627)	33,596	1,061,649	38,566	1,100,215
Loss and total comprehensive expense for the period	期內虧損及全面開支總額	-	-	-	-	-	-	(67,683)	(67,683)	(1,412)	(69,095)
At 30 June 2013 (unaudited)	於二零一三年六月三十日(未經審核)	53,560	599,296	226,982	149,020	822	(1,627)	(34,087)	993,966	37,154	1,031,120



Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

for the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

		Six months ended 截至六個月	
		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
OPERATING ACTIVITIES	經營活動		
Loss before tax	除稅前虧損	(67,413)	(163,142)
Adjustments for:	就以下各項作出調整：		
Interests on bank borrowings wholly repayable within five years	於五年內悉數償還之 銀行借款利息	17,092	20,244
Impairment losses on trade receivables	貿易應收款項減值虧損	33,700	-
Impairment losses in respect of property, plant and equipment	物業、廠房及設備之減值虧損	-	136,000
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	18,946	21,255
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	89	6,116
Release of prepaid lease payments	解除預付租賃款項	3,190	3,118
Bank interest income	銀行利息收入	(79)	(469)
Operating cash flows before movements in working capital	營運資金變動前之 經營現金流量	5,525	23,122
Decrease (increase) in inventories	存貨減少(增加)	29,312	(65,991)
(Increase) decrease in trade receivables	貿易應收款項(增加)減少	(1,380)	21,070
Increase in other receivables	其他應收款項增加	(3,456)	(16,494)
(Increase) decrease in bills receivable	應收票據(增加)減少	(37,054)	26,573
Increase in trade and bill payables	貿易應收款項及應收票據增加	33,804	26,388
Decrease in other payables	其他應付款項減少	(418)	(7,491)
Cash generated from operations	經營產生之現金	26,333	7,177
Income tax paid	已付所得稅	-	(1,903)
NET CASH FROM OPERATING ACTIVITIES	經營活動產生現金淨額	26,333	5,274
INVESTING ACTIVITIES	投資活動		
Purchases of property, plant and equipment	購買物業、廠房及設備	(31,752)	(83,268)
Prepayment for acquisition of machinery	購買機器預付款項	(4,949)	(5,449)
Proceeds from redemption of short-term investments	贖回短期投資所得款項	20,000	-
Payment for land use rights	支付土地使用權	-	(9,263)
Placement of pledged bank deposits	存放已抵押銀行存款	-	(16)
Refund for acquisition of land use right and buildings	購買土地使用權及樓宇之退款	-	43,300
Proceeds from release of pledged bank deposits	解除已抵押銀行存款所得款項	-	2,116
Other investing activities items	其他投資活動項目	12,337	1,905
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(4,364)	(50,675)

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

for the six months ended 30 June 2013
截至二零一三年六月三十日止六個月



		Six months ended 截至六個月	
		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
FINANCING ACTIVITIES	融資活動		
Repayment of borrowings	償還借款	(264,610)	(192,578)
Interest paid	已付利息	(17,092)	(20,244)
New borrowings raised	新增借款	251,167	211,436
Repayment to a director	償還一名董事款項	-	(1,500)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用之現金淨額	(30,535)	(2,886)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目減少淨額	(8,566)	(48,287)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及現金等值項目	61,872	134,450
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	53,306	86,163



Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2013

截至二零一三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 HKAS 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

In preparing the condensed consolidated financial statements of the Company, the directors recognise that although the Group had a net current asset position of RMB132,699,000 as at 30 June 2013, the Group recorded a net loss of RMB69,095,000 for the six-month period then ended. In addition, the Group had bank borrowings due within one year of approximately RMB485,117,000 as at 30 June 2013. The directors are of the opinion that the existing banking facilities could be successfully renewed upon maturity based on the past history and good relationships of the Group with the banks.

Subsequent to the end of the reporting period, the Group had renewed banking facilities on their expiry to the extent of approximately RMB82,000,000 in full for one year. Taking into account the availability of the Group's banking facilities, together with expected net cash inflows generated from the Group's business operations, the directors believe that the Group will have sufficient working capital for its present requirements. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

1. 編製基準

簡明綜合財務報表乃根據由香港會計師公會頒佈之香港會計準則第34號中期財務報告及香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16之適用披露規定而編製。

於編製本公司簡明綜合財務報表時，董事確認，儘管本集團於二零一三年六月三十日擁有流動資產淨值人民幣132,699,000元，本集團於截至該日期止六個月期間錄得虧損淨額人民幣69,095,000元。此外，本集團於二零一三年六月三十日擁有一年內到期之銀行借款約人民幣485,117,000元。董事認為，基於本集團過往記錄及與銀行之良好關係，現有銀行融資可於到期時成功續期。

於報告期末後，本集團就悉數到期之額度約人民幣82,000,000元銀行融資續期一年。經計及本集團之銀行融資可用額度，連同本集團於業務營運中產生之預計現金流量淨額，董事相信，本集團將擁有足夠營運資金以滿足本集團現時所需。因此，簡明綜合財務報表按持續經營基準編製。

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。

除下文所述者外，截至二零一三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二零一二年十二月三十一日止年度之年度財務報表所載者一致。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2013
截至二零一三年六月三十日止六個月



2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Application of new or revised Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are relevant for the preparation of the Group’s condensed consolidated financial statements for the six months ended 30 June 2013:

- HKFRS 10 *Consolidated Financial Statements*;
- HKFRS 11 *Joint Arrangements*;
- HKFRS 12 *Disclosure of Interests in Other Entities*;
- Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance*;
- HKFRS 13 *Fair Value Measurement*;
- HKAS 19 (as revised in 2011) *Employee Benefits*;
- HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*;
- Amendments to HKFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*;
- Amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*;
- Amendments to HKFRSs *Annual Improvements to HKFRSs 2009-2011 Cycle*; and
- HK(IFRIC)-Int 20 *Stripping Costs in the Production Phase of a Surface Mine*.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

2. 主要會計政策 (續)

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，本集團已首次應用多項由香港會計師公會 (「香港會計師公會」) 頒佈的以下與編製本集團截至二零一三年六月三十日止六個月簡明綜合財務報表有關之新訂或經修訂香港財務報告準則 (「香港財務報告準則」)：

- 香港財務報告準則第10號 *綜合財務報表*；
- 香港財務報告準則第11號 *聯合安排*；
- 香港財務報告準則第12號 *於其他實體權益之披露*；
- 香港財務報告準則第10號 (修訂本)、香港財務報告準則第11號 (修訂本) 及香港財務報告準則第12號 (修訂本) *綜合財務報表、聯合安排及於其他實體權益之披露：過渡指引*；
- 香港財務報告準則第13號 *公平值計量*；
- 香港會計準則第19號 (二零一一年經修訂) *僱員福利*；
- 香港會計準則第28號 (二零一一年經修訂) *於聯營公司及合營企業之投資*；
- 香港財務報告準則第7號 (修訂本) *披露一抵銷金融資產及金融負債*；
- 香港會計準則第1號 (修訂本) *其他全面收益項目之呈列*；
- 對香港財務報告準則之修訂 *香港財務報告準則二零零九年至二零一一年週期之年度改進*；及
- 香港 (國際財務報告詮釋委員會) 一詮釋第20號 *露天礦場生產期的剝除成本*。

有關綜合財務報表、聯合安排、聯營公司及披露的新訂及經修訂準則

於本中期期間，本集團首次採納香港財務報告準則第10號、香港財務報告準則第11號、香港財務報告準則第12號及香港會計準則第28號 (二零一一年經修訂) 以及香港財務報告準則第10號、香港財務報告準則第11號、香港財務報告準則第12號有關過渡性指引之修訂。香港會計準則第27號 (二零一一年經修訂) 並不適用於此等簡明綜合財務報表，因為其只適用於處理獨立財務報表。

應用該等準則之影響載列如下。



Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2013
截至二零一三年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

In particular, the directors of the Company have assessed the impact on HKFRS 10 which changes the definition of control over an investee, and concluded that no material effect on the condensed consolidated financial statements.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

2. 主要會計政策 (續)

應用香港財務報告準則第10號之影響

香港財務報告準則第10號取代了香港會計準則第27號綜合及獨立財務報表中有關處理綜合財務報表之部份以及香港(常務詮釋委員會)一詮釋第12號合併—特殊目的實體。香港財務報告準則第10號變更了控制之定義，規定當投資者(a)有權控制投資對象，(b)參與投資對象相關活動而享有可變回報，及(c)能夠運用其對投資對象的權力以影響投資者回報金額時，該投資者可控制投資對象。如若投資者控制對象則必須滿足此等三項條件。控制於早前定義為有權規管實體之財務及經營政策以從其業務中獲益。香港財務報告準則第10號已納入額外指引，以解釋投資者在哪種情況下視為控制投資對象。

本公司董事已評估變更控制投資對象定義之香港財務報告準則第10號之影響，認為其對簡明綜合財務報表並無重大影響。

香港財務報告準則第13號公平值計量

於本中期期間，本集團首次應用香港財務報告準則第13號。香港財務報告準則第13號設立有關公平值計量及公平值計量的披露的單一指引，並取代若干香港財務報告準則先前包含之規定。隨後對香港會計準則第34號做出修訂，以規定於中期簡明綜合財務報表中之若干披露。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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截至二零一三年六月三十日止六個月



2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

HKFRS 13 Fair Value Measurement (continued)

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. The application of this HKFRS has had no impact on the amounts reported in the condensed consolidated financial statements.

2. 主要會計政策 (續)

香港財務報告準則第13號公平值計量 (續)

香港財務報告準則第13號的範圍廣泛，其公平值計量規定應用於其他香港財務報告準則規定或允許公平值計量披露的金融工具項目及非金融工具項目，惟一些特例除外。香港財務報告準則第13號包含「公平值」之新定義並將公平值界定為在現時狀況下於計量日期在一個主要（或最有利的）市場按有秩交易出售一項資產將收取的價格或轉讓負債時將支付的價格。根據香港財務報告準則第13號，不論該價格是否直接可觀或使用另一項估值方法作出估計，公平值為平倉價格。此外，香港財務報告準則第13號載有更廣泛的披露規定。

根據香港財務報告準則第13號之過渡性條文，本集團分別應用新的公平值計量及披露規定。應用該香港財務報告準則對簡明綜合財務報表中報告之金額概無影響。



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簡明綜合財務報表附註

for the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis-the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

2. 主要會計政策 (續)

香港會計準則第1號(修訂本)其他全面收益項目之呈列

香港會計準則第1號(修訂本)為全面收益表及收益表引入新的術語。根據香港會計準則第1號(修訂本)，全面收益表更名為損益及其他全面收益表而收益表則更名為損益表。香港會計準則第1號(修訂本)保留以單一報表或兩份獨立但連續報表呈列損益及其他全面收益的選擇權。然而，香港會計準則第1號(修訂本)規定須於其他綜合收益部分作出額外披露，致使其他全面收益項目可劃分為兩類：(a)其後不會重新分類至損益的項目；及(b)於符合特定條件時其後可重新分類至損益的項目。其他全面收益項目的所得稅須按相同基準予以分配，修訂本並無改變按除稅前或除稅後呈列其他全面收益項目的選擇權。該等修訂已追溯應用，因此，其他全面收益項目之呈列已予修訂，以反映該等變動。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Amendments to HKAS 34 Interim Financial Reporting (as part of the Annual Improvements to HKFRSs 2009-2011 Cycle)

The Group has applied the amendments to HKAS 34 *Interim Financial Reporting* as part of the *Annual Improvements to HKFRSs 2009-2011 Cycle* for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker (CODM) and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Since the CODM does not review liabilities of the Group's reportable segments for performance assessment and resource allocation purposes, the Group has not included total liabilities information as part of segment information.

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

2. 主要會計政策 (續)

香港會計準則第34號(修訂本)中期財務報告(作為香港財務報告準則二零零九年至二零一一年週期之年度改進之一部分)

本集團於本中期期間首次採納香港會計準則第34號 *中期財務報告* 作為香港財務報告準則二零零九年至二零一一年週期之年度改進之一部分。香港會計準則第34號(修訂本)澄清，僅當有關金額定期匯報予主要經營決策者(主要經營決策者)且於去年年度財務報告中就報告分部所披露之金額有重大變動時，特定報告分部之總資產及總負債方可單獨披露於中期財務報表。

由於主要經營決策者並無就表現評估及資源分配審閱本集團須報告分部之負債，本集團並未將總負債資料納入分部資料部分。

除上文所述者外，於本中期期間應用其他新訂或經修訂香港財務報告準則對該等簡明綜合財務報表所呈報之金額及/或所載披露並無重大影響。



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3. REVENUE AND SEGMENT INFORMATION

(a) Operating segments

The Group has three reportable and operating segments as follows:

- OEM and related market-manufacturing and selling of axle assemblies and axle components to heavy duty truck and medium duty truck manufacturers and other assembly manufacturers.
- Aftermarket-manufacturing and selling of axle components and axle assemblies to market for providing after-sales services.
- Train and railway business-manufacturing and selling of train and railway components which commenced sales and became a new operating segment since 2013.

3. 收入及分部資料

(a) 營運分部

本集團擁有以下三個須報告營運分部：

- 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。
- 列車及鐵路業務－製造及銷售於二零一三年開始銷售之列車及鐵路零部件並成為一個新的營運分部。

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3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

3. 收入及分部資料(續)

(b) Segment revenue and results

(b) 分部收入及業績

		Segment revenue 分部收入 Six months ended 截至六個月		Segment results 分部業績 Six months ended 截至六個月	
		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
OEM and related market	OEM及相關市場	92,783	169,598	16,705	26,755
Aftermarket	維修市場	118,585	118,528	16,452	13,813
Train and railway business	列車及鐵路業務	11,411	-	3,304	-
Total segment and consolidated	分部總計及綜合	222,779	288,126	36,461	40,568
Other income, other gains and losses	其他收入、其他收益及虧損			(1,556)	(3,546)
Selling and distribution expenses	銷售及分銷開支			(9,584)	(10,574)
Research and development expenditure	研發開支			(9,316)	(5,775)
Administrative expenses	行政開支			(32,626)	(27,571)
Impairment losses on trade receivables (note)	貿易應收款項減值虧損(附註)			(33,700)	-
Impairment losses recognised in respect of property, plant and equipment	物業、廠房及設備之已確認減值虧損			-	(136,000)
Interest on bank borrowings wholly repayable within five years	於五年內悉數償還之銀行借款利息			(17,092)	(20,244)
Loss before tax	除稅前虧損			(67,413)	(163,142)

Revenue reported above represents revenue generated from external customers. There was no inter-segment sales during the period.

以上呈報收入指從外部客戶產生的收入。期內，概無任何分部間銷售額。

Note: The amount consisted of impairment losses on trade receivables from the OEM and related market of RMB7,879,000 and trade receivables from aftermarket of RMB25,821,000, respectively, based on an analysis of the recoverability by customer portfolio. In determining the recoverability, the background, financial strength, sales, repayment ability, historical settlement patterns of each debtor are regularly reviewed. The amount of impairment loss is determined based on the estimated future cash flows that is considered irrecoverable in the current and prior interim periods.

附註：根據按客戶組合作的可收回性分析，該金額包括分別於OEM及相關市場的貿易應收款項減值虧損人民幣7,879,000元以及於維修市場的貿易應收款項人民幣25,821,000元。於確定可收回性時，公司定期檢討各債務人之背景、財務實力、銷售、償還能力及過往還款之模式。減值虧損之金額乃基於被認為於當前及過往中期期間不能收回之估計未來現金流量釐定。



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3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Segment assets

		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (unaudited) (未經審核)
OEM and related market	OEM及相關市場	81,183	71,992
Aftermarket	維修市場	137,331	183,405
Train and railway business	列車及鐵路業務	4,563	-
Total of all segments	所有分部合計	223,077	255,397

Segment assets represent trade receivables.

3. 收入及分部資料(續)

(c) 分部資產

		Assets 資產	
		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (unaudited) (未經審核)
OEM and related market	OEM及相關市場	81,183	71,992
Aftermarket	維修市場	137,331	183,405
Train and railway business	列車及鐵路業務	4,563	-
Total of all segments	所有分部合計	223,077	255,397

分部資產指貿易應收款項。

4. OTHER INCOME, OTHER GAINS AND LOSSES

		Six months ended 截至六個月	
		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Bank interest income	銀行利息收入	79	469
Government grants (note)	政府補貼(附註)	771	2,012
Net foreign exchange gain	匯兌收益淨額	2	11
Income from suppliers on defects claim	來自供應商缺陷索償的收入	2,215	34
Donation	捐款	(12)	(9)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(89)	(6,116)
Others	其他	(4,522)	53
		(1,556)	(3,546)

Note: Grants primarily represented incentives received from local authorities by the group entities as encouragement of its business development. These grants are accounted for as immediate financial support with no future related costs expected to be incurred nor related to any assets.

4. 其他收入、其他收益及虧損

		Six months ended 截至六個月	
		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Bank interest income	銀行利息收入	79	469
Government grants (note)	政府補貼(附註)	771	2,012
Net foreign exchange gain	匯兌收益淨額	2	11
Income from suppliers on defects claim	來自供應商缺陷索償的收入	2,215	34
Donation	捐款	(12)	(9)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(89)	(6,116)
Others	其他	(4,522)	53
		(1,556)	(3,546)

附註：補貼主要指地方機關向本集團實體授出款項，以鼓勵其業務發展。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。

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5. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

5. 除稅前虧損

除稅前虧損已扣除：

		Six months ended 截至六個月	
		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Employee benefits expenses (including directors' emoluments):	僱員福利開支 (包括董事薪酬)：		
– salaries and other benefits	– 薪金及其他福利	30,816	32,792
– retirement benefit scheme contributions	– 退休福利計劃供款	2,749	2,454
Total staff costs	總員工成本	33,565	35,246
Depreciation of property, plant and equipment	物業、廠房及設備折舊	18,946	21,255
Release of prepaid lease payments	解除預付租賃付款	3,190	3,118
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	184,695	246,464
– for research and development purposes (included in 'research and development' expenditure)	– 就研發而言(包括「研發開支」內)	6,260	1,963

6. TAXATION

6. 稅項

		Six months ended 截至六個月	
		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Tax (credit) expense comprises:	稅項(抵免)開支包括：		
Current tax expense	即期稅項開支	1,177	19
Under(over)provision in prior year	過往年度撥備不足(超額撥備)	139	(1,857)
Deferred tax expense	遞延稅項開支	366	365
		1,682	(1,473)



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6. TAXATION (CONTINUED)

The income tax expense represents the People's Republic of China ("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 2013 and 2012 except for the group entities described below.

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

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

6. 稅項(續)

所得稅開支指中華人民共和國(「中國」)企業所得稅，該稅項乃就於截至二零一三年及二零一二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，惟下述集團公司除外。

本公司在開曼群島註冊成立及不須繳付任何所得稅。

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及龍岩盛豐機械製造有限公司分別獲得「高新技術企業」證書，為期三年，根據中國稅法可自二零一一年至二零一三年止期間享受15%的優惠稅率。

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7. LOSS PER SHARE

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

7. 每股虧損

本公司擁有人應佔每股基本虧損乃根據以下數據計算：

		Six months ended 截至六個月	
		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Loss Loss for the purpose of basic loss per share (Loss for the period attributable to owners of the Company)	虧損 虧損－每股基本虧損 (本公司擁有人 應佔期內虧損)	(67,683)	(161,362)

Six months ended
截至六個月
30.6.2013
&
30.6.2012
二零一三年六月三十日
及
二零一二年六月三十日

Number of shares

Number of ordinary shares
for the purposes of
basic loss per share

股份數目

普通股數目
－每股基本虧損

800,000,000

No diluted loss per share is presented as the Company did not have any potential ordinary shares in issue during the six months ended 30 June 2013 and 2012 or at the end of each reporting period.

由於於截至二零一三年及二零一二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虧損。

8. DIVIDENDS

No dividends were paid, declared or proposed during the interim reporting period. The directors of the Company do not recommend the payment of an interim dividend (six months ended 30 June 2012: nil).

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(截至二零一二年六月三十日止六個月：無)。



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9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment amounting to approximately RMB33,648,000 with estimated useful lives ranging from 5 to 10 years (six months ended 30 June 2012: approximately RMB116,096,000) for the purpose of expanding the Group's train and railway and gearwheel business.

The Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB12,347,000 (six months ended 30 June 2012: RMB6,552,000) for cash proceeds of RMB12,258,000 (six months ended 30 June 2012: RMB436,000), resulting in a loss on disposal of RMB89,000 (six months ended 30 June 2012: RMB6,116,000).

For the six months ended 30 June 2013, the directors of the Company conducted an impairment assessment on the Group's property, plant and equipment and prepaid lease payments. With reference to the valuation report issued by an independent valuer, the recoverable amounts of the relevant assets have been determined on the basis of the value in use calculation using a pre-tax discount rate of 13.61% (six months ended 30 June 2012: 13.25%). This calculation uses cash flow projections based on financial forecasts approved by management of the Group covering five years with the cash flows beyond such period are extrapolated using a steady growth rate till the end of useful lives of the relevant assets. Key assumptions for the value in use calculations relate to the estimation of cash inflow/outflows which include budgeted sales and gross margin, such estimation is based on the management's expectations for the prospective market and market development. The value-in-use calculation of the relevant assets exceeds their carrying amounts as at 30 June 2013 and hence no further impairment loss is recognised for the six months ended 30 June 2013 (six months ended 30 June 2012: impairment loss of RMB136,000,000 as the recoverable amounts were less than the carrying amounts of the relevant assets). The directors of the Company made reference to the recent market prices of the leasehold land located in the similar location as the Group's leasehold land on which the property, plant and equipment is situated and concluded no impairment on prepaid lease payments is required.

9. 物業、廠房及設備之變動

於本期間，本集團購置約人民幣33,648,000元（截至二零一二年六月三十日止六個月：約人民幣116,096,000元）估計可使用年期為5至10年的物業、廠房及設備，以擴展本集團列車及鐵路以及齒輪業務。

本集團已出售總賬面值為人民幣12,347,000元（截至二零一二年六月三十日止六個月：人民幣6,552,000元）之若干物業、廠房及設備換取現金所得款項人民幣12,258,000元（截至二零一二年六月三十日止六個月：人民幣436,000元），導致出售虧損為人民幣89,000元（截至二零一二年六月三十日止六個月：人民幣6,116,000元）。

於截至二零一三年六月三十日止六個月，本公司董事對本集團的物業、廠房及設備以及預付租賃款項進行了減值評估。根據一名獨立估值師出具之估值報告，相關資產之可收回金額已按使用稅前折現率13.61%（截至二零一二年六月三十日止六個月：13.25%）計算的使用價值釐定。該計算方法乃使用本集團管理層批准涵蓋五年財務預測之現金流預測，而該期間之外之現金流乃使用直至相關資產可使用年期結束時之穩定增長率推測。使用價值計算法之主要假設與現金流入／流出估計有關，包括預算銷售額及毛利率，該估計乃依據管理層就未來市場及市場發展之預期。於二零一三年六月三十日，相關資產的使用價值計算超過其賬面值，因此截至二零一三年六月三十日止六個月，概無確認進一步減值虧損（截至二零一二年六月三十日止六個月：由於可收回金額低於有關資產之賬面值，減值虧損人民幣136,000,000元）。本公司董事經參考與物業、廠房及設備所處之本集團租賃土地處於相同地點租賃土地近期市價後得出結論，預付租賃款項無須減值。

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10. TRADE RECEIVABLES

Trade receivables comprise the following:

Trade receivables	貿易應收款項
Less: impairment losses on trade receivables	減：貿易應收款項之減值虧損

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

The following is an aging analysis of trade receivables (net of impairment loss on trade receivables), presented based on the invoice date, which approximated the respective revenue recognition date, at the end of the reporting period:

0 to 90 days	0至90日
91 to 120 days	91至120日
121 to 180 days	121至180日
181 to 365 days	181日至365日
Over 365 days	365日以上

10. 貿易應收款項

貿易應收款項包括以下各項：

	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
	454,420	453,040
	(231,343)	(197,643)
	223,077	255,397

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(扣除貿易應收款項減值虧損)(按發票日期(與各自收益確認日期相若)呈列)的賬齡分析：

	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
	112,328	100,367
	39,986	11,242
	19,980	40,937
	32,185	72,889
	18,598	29,962
	223,077	255,397



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11. BILLS RECEIVABLE

At the end of the reporting period, bills receivable amounting to RMB78,873,000 (2012: RMB55,266,000) have been endorsed to certain creditors. The Group continues to present the endorsed bills as bills receivable until maturity.

The following is an aging analysis of bills receivable:

		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
0 to 90 days	0至90日	63,872	91,670
91 to 120 days	91至120日	50,606	8,698
121 to 180 days	121至180日	29,394	8,450
181 days to 365 days	181日至365日	2,000	-
		145,872	108,818

12. OTHER RECEIVABLES

Other receivables comprise the following:

		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Other receivables	其他應收款項	16,600	13,313
Advances to suppliers	向供應商墊款	94,143	88,783
Prepaid expenses	預付開支	2,530	1,978
VAT-in recoverable	增值稅—可收回	26,717	32,460
		139,990	136,534

11. 應收票據

於本報告期末，應收票據金額為人民幣78,873,000元(二零一二年：人民幣55,266,000元)已背書予若干債權人。本集團繼續呈列已背書票據為應收票據，直至到期。

應收票據的賬齡分析如下：

12. 其他應收款項

其他應收款項包括以下各項：

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13. TRADE AND BILLS PAYABLES

Trade and bills payables comprise the following:

		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade payables	貿易應付款項	133,893	100,193
Bills payable	應付票據	2,000	-
		135,893	100,193

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

		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 30 days	30日內	13,573	27,600
31 to 60 days	31至60日	26,050	17,251
61 to 90 days	61至90日	21,317	20,306
91 to 180 days	91至180日	42,475	24,697
181 to 365 days	181至365日	25,461	10,339
Over 365 days	365日以上	5,017	-
		133,893	100,193

The following is an aging analysis of bills payable.

		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
91 to 180 days	91至180日	2,000	-

13. 貿易應付款項及應付票據

貿易應付款項及應付票據包括以下各項：

以下為於各自報告期末應付貿易款項(按發票日期呈列)之賬齡分析：

應付票據之賬齡分析如下：



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簡明綜合財務報表附註

for the six months ended 30 June 2013
截至二零一三年六月三十日止六個月

14. OTHER PAYABLES

Other payables comprise the following:

Advances from customers	來自客戶的墊款
Payables and accruals for property, plant and equipment	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	保修應計款項
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

14. 其他應付款項

其他應付款項包括以下各項：

30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
22,095	12,997
5,259	7,155
8,074	7,761
667	1,065
12,585	20,586
6,529	8,935
9,745	6,873
64,954	65,372

15. BORROWINGS

During the period, the Group obtained new bank borrowings amounting to approximately RMB251,167,000 (six months ended 30 June 2012: approximately RMB211,436,000) and repaid bank borrowings amounting to approximately RMB264,610,000 (six months ended 30 June 2012: approximately RMB192,578,000). The borrowings carry interest at variable market rates ranging from 5.88% to 7.87% per annum (six months ended 30 June 2012: 6.41% to 7.87%) and are repayable one year from the end of the reporting period.

15. 借款

於期內，本集團獲得新銀行借款約人民幣251,167,000元(截至二零一二年六月三十日止六個月：約人民幣211,436,000元)及償還銀行借款約人民幣264,610,000元(截至二零一二年六月三十日止六個月：約人民幣192,578,000元)。該借款按介乎於5.88%至7.87%(截至二零一二年六月三十日止六個月：6.41%至7.87%)的浮動市場利率計息並自報告期末於一年內償還。

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15. BORROWINGS (CONTINUED)

The Group had pledged certain assets to secure banking facilities granted to the Group. The carrying value of the assets pledged are as follows:

15. 借款(續)

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。已抵押資產的帳面值如下：

		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Property, plant and equipment	物業、廠房及設備	136,010	141,602
Land use rights	土地使用權	83,318	84,225
Trade receivables	貿易應收款項	55,738	58,369
		275,066	284,196

16. SHARE CAPITAL

16. 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\$") 0.01 each	每股面值0.01美元(「美元」)的普通股		
<i>Issued & fully paid:</i>	<i>已發行及繳足：</i>		
At 1 January 2012, 30 June 2012, 1 January 2013 and 30 June 2013	於二零一二年一月一日、二零一二年六月三十日、二零一三年一月一日及二零一三年六月三十日	800,000,000	8,000
			30.6.2013 & 31.12.2012 二零一三年六月三十日 及 二零一二年十二月三十一日 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



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for the six months ended 30 June 2013
截至二零一三年六月三十日止六個月

17. CAPITAL COMMITMENTS

17. 資本承擔

		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Capital expenditure in respect of acquisition of plant and machinery – contracted for but not provided for in the condensed consolidated financial statements	收購廠房及機器的資本開支 – 已訂約但未於簡明綜合財務報表撥備	9,377	28,635

A subsidiary of the Group has a capital commitment in respect of capital contribution of RMB48,000,000 (2012: RMB60,000,000) to Changfeng Gear Co., Ltd..

本集團一間附屬公司有一項資本承擔，有關向暢豐齒輪有限公司出資人民幣48,000,000元(二零一二年：人民幣60,000,000元)。

During the period, a supplemental agreement had been entered in relation to the amendment of capital contribution in Changfeng Gear Co., Ltd., Capital contribution had been reduced from RMB60,000,000 to RMB48,000,000 accordingly.

於期內，就有關向暢豐齒輪有限公司出資之修訂訂立一份補充協議。出資自人民幣60,000,000元相應減至人民幣48,000,000元。

18. RELATED PARTY DISCLOSURES

18. 關連人士披露

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

於期內，本集團已與關連人士訂立下列交易：

Compensation of key management personnel

主要管理人員報酬

The remuneration of directors and other members of key management during the six months ended 30 June 2013 and 2012 was as follows:

於截至二零一三年及二零一二年六月三十日止六個月，董事及其他主要管理人員的薪酬如下：

		Six months ended 截至六個月	
		30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Short-term benefits	短期福利	2,137	1,732
Post-employment benefits	退休福利	53	31
		2,190	1,763



RESULTS AND APPROPRIATIONS

The results of the Group for the six months ended 30 June 2013 are set out in the condensed consolidated statement of comprehensive income on page 15.

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

As at 30 June 2013, the interests or short positions of each director of the Company (the “Director”) and chief executive of the Company 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) (the “SFO”) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (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 Appendix 10 of 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

本集團於截至二零一三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。

本公司董事及最高行政人員於股份、相關股份及債券中的權益及淡倉

於二零一三年六月三十日，本公司董事（「董事」）及本公司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香港聯合交易所有限公司（「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；或根據聯交所證券上市規則（「上市規則」）附錄十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

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)

Interest of a controlled corporation
受控法團權益

404,762,592

50.60%

胡靜 (附註)

Wong Kwai Mo (Note)

Interest of a controlled corporation
受控法團權益

404,762,592

50.60%

王桂模 (附註)

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

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%

(i) 於本公司的權益

(ii) 於相聯法團的權益

主要股東

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2013, to the best of the Director's knowledge, the following persons (other than the Directors and chief executives of the Company) had or deemed or taken to have interests and short positions of 5% or more in the shares of the Company which would fall to be disclosed under provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under Section 336 of the SFO:

於二零一三年六月三十日，據董事所深知，於本公司股份中擁有或被視作擁有根據證券及期貨條例第XV部第2及3分部之條文須予披露或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(不包括本公司董事及最高行政人員)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	404,762,592	50.60%	1
Wu Ching 胡靜	Interest of a controlled corporation 受控法團權益	404,762,592	50.60%	1
Wong Kwai Mo 王桂模	Interest of a controlled corporation 受控法團權益	404,762,592	50.60%	1
Starr International Foundation	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2



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
China Construction Bank Corporation 中國建設銀行股份有限公司	Interest of a controlled corporation 受控法團權益	406,128,560	50.77%	3
CCB International Group Holdings Limited 建行國際集團控股有限公司	Interest of a controlled corporation 受控法團權益	406,128,560	50.77%	3
CCB Financial Holdings Limited 建行金融控股有限公司	Interest of a controlled corporation 受控法團權益	406,128,560	50.77%	3
CCB International (Holdings) Limited 建銀國際(控股)有限公司	Interest of a controlled corporation 受控法團權益	406,128,560	50.77%	3
CCB International Asset Management Limited 建銀國際資產管理有限公司	Interest of a controlled corporation 受控法團權益	406,128,560	50.77%	3
Central Huijin Investment Ltd. 中央匯金投資有限公司	Interest of a controlled corporation 受控法團權益	406,128,560	50.77%	3
Wan Tai Investments Limited 萬鈦投資有限公司	Security interests 質押權益	406,128,560	50.77%	3



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) Wan Tai Investments Limited is wholly owned by CCB International Asset Management Limited. CCB International Asset Management Limited is wholly owned by CCB International (Holdings) Limited. CCB International (Holdings) Limited is wholly owned by CCB Financial Holdings Limited. CCB Financial Holdings Limited is wholly owned by CCB International Group Holdings Limited. CCB International Group Holdings Limited is wholly owned by China Construction Bank Corporation which is ultimately owned by Central Huijin Investment Ltd.. Accordingly, each of CCB International Asset Management Limited, CCB International (Holdings) Limited, CCB Financial Holdings Limited, CCB International Group Holdings Limited, China Construction Bank Corporation and Central Huijin Investment Ltd is deemed to be interested in the security interests held by Wan Tai Investments Limited, 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) 萬鈺投資有限公司由建銀國際資產管理有限公司全資擁有。建銀國際資產管理有限公司由建銀國際（控股）有限公司全資擁有。建銀國際（控股）有限公司由建行金融控股有限公司全資擁有。建行金融控股有限公司由建行國際集團控股有限公司全資擁有。建行國際集團控股有限公司由中國建設銀行股份有限公司全資擁有，而中國建設銀行股份有限公司由中央匯金投資有限公司最終擁有。因此，根據證券及期貨條例，建銀國際資產管理有限公司、建銀國際（控股）有限公司、建行金融控股有限公司、建行國際集團控股有限公司、中國建設銀行股份有限公司及中央匯金投資有限公司各自被視為擁有萬鈺投資有限公司所持有股份的質押權益。



CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the shareholders of the Company. These can be achieved by an effective Board, segregation of duties with clear accountability, sound internal control, appropriate risk assessment procedures and transparency of the Company. The Board will continue to review and improve the corporate governance practices from time to time to ensure the Group is led by an effective Board in order to optimize returns for the shareholders of the Company. During the six months ended 30 June 2013, the Company has applied the principles of and has complied with all code provisions as set forth in the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 of the Listing Rules, save for the deviation as set forth below:

Code Provision A.6.7

Code Provision A.6.7 of the CG Code provides that independent non-executive directors and non-executive directors should attend general meetings of the Company. Due to prior business engagements external to the Company and personal commitments, the non-executive Director, Ms. Dong Ying, Dorothy and the independent non-executive Directors, Mr. Zhu Weizhou and Dr. Li Xiuqing were not able to attend the annual general meeting of the Company held on 7 June 2013.

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 2013. 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 2013.

企業管治常規

本公司致力維持高水平的企業管治常規及程序，務求成為一家具透明度及負責任的企業，以開放態度向本公司股東負責。此目標可透過本公司有效的董事會、分明的職責劃分、良好的內部監控、恰當的風險評估程序及透明度來實現。董事會將繼續不時檢討及改善本集團的企業管治常規，確保本集團在董事會的有效領導下，為本公司股東取得理想回報。於截至二零一三年六月三十日止六個月內，本公司一直應用上市規則附錄十四所載企業管治守則（「企業管治守則」）的原則，並遵守企業管治守則所載列的所有守則條文，惟以下偏離除外：

守則條文第A.6.7條

企業管治守則之守則條文第A.6.7條規定獨立非執行董事及非執行董事須出席本公司股東大會。由於公司之前的外部業務活動及個人事務，非執行董事董穎女士及獨立非執行董事朱偉洲先生及李秀清博士並無參加本公司於二零一三年六月七日舉行之股東週年大會。

購買、出售及贖回本公司股份

本公司於截至二零一三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二零一三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。



Other Information 其他資料

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for securities transactions. Specific enquiries have been made with all Directors, who have confirmed and declared that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2013.

AUDIT COMMITTEE

The audit committee of the Company (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 condensed consolidated financial statements of the Group for the six months ended 30 June 2013.

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 2013.

By Order of the Board
Wong Kwai Mo
Chairman

Hong Kong, 30 August 2013

遵守董事進行證券交易的標準守則

本公司已採納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及聲明，彼等於截至二零一三年六月三十日止六個月內已遵守標準守則所載的規定條文準則。

審核委員會

本公司審核委員會（「**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二零一三年六月三十日止六個月的簡明綜合財務報表。

致謝

截至二零一三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以衷心謝意。

承董事會命
董事長
王桂模

香港，二零一三年八月三十日

