

LAUNCH



年報 **Annual Report 2008**

深圳市元征科技股份有限公司
LAUNCH TECH COMPANY LIMITED

(於中華人民共和國註冊成立之股份有限公司)
(a joint stock limited company incorporated
in the People's Republic of China with limited liability)
(Stock Code 股份代號 :8196)

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Our Mission 企業使命

With an aim to be the pioneer of the automotive aftermarket in the PRC, Launch Tech Company Limited (the “Company” or “Launch”) and its subsidiaries (the “Group”) is committed to the provision of the most superior and advanced products, technologies and services to the automobile service and manufacturing industry as well as car owners in the PRC and the world.

Capitalizing on its strong research and development team and market sensitivity, and the cost competitiveness of manufacturing in the PRC, Launch aims at being a new driving force of the world’s automotive aftermarket.

深圳市元征科技股份有限公司(「本公司」或「元征」)及其附屬公司(「集團」)秉著中國汽車後市場先鋒的理念，要為中國及全球汽車服務和製造行業以及廣大車主提供最優質和先進的產品、技術和服務。

憑藉著元征雄厚的研發力量和市場觸覺，以及中國在製造業的成本優勢，我們矢志要成為世界汽車後市場後來居上的強大驅動力。



Liu Xin (Louis Liu) 劉新(劉易之)
Chairman 董事長



Operating results

In the fiscal year of 2008, the Group recorded a turnover of RMB439,000,000 and net profit of RMB13,000,000, representing a 6.3% growth and a 79% drop respectively compared to last year. The operating results were dissatisfactory, mainly due to the high production cost, dropping gross profit margin, high administrative expenses, rising finance cost, big exchange loss, and the increase of provision for impairment on receivables. The Board of Directors will propose a final dividend of RMB0.02 per share at the annual general meeting to be held on 18 June 2009, Thursday.

Business review

In 2008, the Group established 元征(北京)汽車電子研究院 (the "Institute") in Beijing and confirmed the four research directions in diesel-engine high voltage electronic project, diesel-engine single pump electronic control project, gasoline-engine electronic control project and motorcycle engine electronic control project.

經營業績

二零零八年財政年度，本集團之營業額及淨利潤分別約為人民幣439,000,000元及人民幣13,000,000元，分別較去年增長6.3%及下跌79%。經營業績未如理想，主要由於生產成本上漲，毛利率下跌，行政費用大增，財務成本上升，滙差損失上升及應收賬款減值撥備增加。董事會將於二零零九年六月十八日(星期四)召開之股東周年大會上建議派發二零零八年度末期股息每股人民幣二分。

業務回顧

二零零八年，本集團在北京設立元征(北京)汽車電子研究院(「研究院」)，確定柴油機發動機高壓共軌電動項目、柴油發動機單體泵電控項目、汽油發動機電控項目、摩托車發動機電控項目四個研究方向，研究院之設立

Chairman's Statement

董事長報告

The establishment of the Institute is an important milestone for the Group to enter the automotive front-end market and also a boost to its morale.

In 2008, global sales of the Group's X431 Electronic Eye continued to maintain stable growth. The sales of X-431 Tool also maintained a higher growth. Crecorder, being very well-received in the US auto repair and maintenance DIY market, was awarded the "US Top 20 Tool for 2008" by US Motor magazine. The new product X-431 Heavy-Duty heavy auto diagnostic computer was also awarded the "Top 10 Auto Maintenance Test Equipment" in the PRC by "汽車與駕駛維修".

In 2008, the Group successfully launched several new products. The new product X-431 Diagon diagnostic gun has multiple patented technologies, which can test two motor vehicles simultaneously and possesses universal joints and was recognized by the market. A good sales performance is expected by the Group in coming year.

In 2008, the Group achieved major breakthrough in the development and sales of 4-wheel aligner and launched the more stable, sophisticated and functional X-631 4-wheel aligner in the international market. The product was well received in overseas markets such as Europe and the US. The X-631 4-wheel aligner has also become a competitive product in the global market and will become another new profit growth area of the Group in coming year.

In 2008, the Group integrated the advantages in manufacturing and management of mechanical products in both Shenzhen and Shanghai production bases and relocated parts of the manufacturing of mechanical products from Shenzhen to Launch Shanghai Base. The competitive advantage in mechanical products further increased using the advanced production management technology in Launch Shanghai Base and the market share also grew steadily.

為集團進軍汽車前端市場之重要里程碑，集團之士氣亦高漲。

二零零八年，本集團X431電眼睛全球銷量繼續保持穩定增長，X-431 Tool銷售亦保持較高之增長。被美國汽車維修及維護DIY市場充分認可之Crecorder，被美國Motor雜誌評為「2008年美國20佳工具」。而新產品X-431 Heavy-Duty重型汽車故障診斷電腦，亦被《汽車與駕駛維修》評為中國「10佳檢測類汽保設備」。

二零零八年，本集團成功推出了多款新產品。新產品X-431 Diagon診斷槍有多項專利技術，可同時測兩台汽車和擁有萬能接頭，得到市場之認可，來年該可為集團帶來不俗之銷售量。

二零零八年，本集團在四輪定位儀開發和銷售方面得到了重大突破，面向國際市場推出了更加穩定、精度更高、功能更多之X-631四輪定位儀，產品大受歐美等海外市場歡迎，X-631四輪定位儀亦成為具有全球競爭力之產品，來年將成為集團又一新利潤增長點。

二零零八年，本集團整合深圳和上海生產基地機械產品生產和管理之優勢，將部分機械產品之生產由深圳搬遷到了上海元征基地，利用上海元征基地之先進生產管理技術，機械產品競爭優勢進一步加大，市場銷售份額亦穩步增長。

In 2008, the Group adjusted the organizational structure of the headquarter. Having integrated the human resources, production technology and research and development team in the headquarter, the Group enhanced research and development capability and speed of the products, as well as efficiency.

In 2008, the Group developed rapidly in the primary operation of automotive production plant and adjusted the organizational structure of sales. It also increased the investment of sales and service teams, established procedures suitable for development of primary operation and developed strategic cooperation and business with most of the domestic automotive production plants. Sales of primary operation achieved major breakthrough and laid down foundation for the Group to enter into front-end automotive market.

Prospects

The Group established 元征(北京)汽車電子研究院 to lay down good foundation for larger growth in its future results. It was planned to achieve technology industrialization within three years and construct the largest research base for electrical engine control system in the PRC within five years.

In 2009, the Group will focus on the market and respond to the financial crisis and other uncertainties in relation to cost control and management, research and development in technology of core products, sophisticate production, sales innovation etc. It will maintain adequate competitiveness for its core business as well as gradually promote research and development in automotive front-end projects such as automotive electronic according to both domestic and overseas situations, so as to maintain sustainability for the Group.

The Group's management system for IPD integrated product research and development will be formally applied in 2009. The IPD system will achieve the goals of shortened product launching time, increased profit of product, effective product development and providing greater value for customers and shareholders by reorganizing group procedures and products.

二零零八年，本集團調整了總部之組織架構，整合總部人力資源、生產技術和研發團隊，從而提升了產品研發能力和速度，提升了工作效率。

二零零八年，本集團於汽車製造廠重點業務方面發展迅猛，調整了銷售組織架構，加大了銷售和服務隊伍之投入，建立了適合重點業務開展之流程，和國內大部分汽車製造廠開展了戰略合作和業務往來，重點業務銷售取得了重大突破，為集團充分進入汽車前端市場打下了基礎。

前景

本集團設立元征(北京)汽車電子研究院，為未來集團業績之更大增長奠定良好基礎，計劃在三年內實現科技產業化，五年內打造國內最大之發動機電控系統研究基地。

二零零九年，本集團將以市場為中心在成本控制與管理，核心產品技術研發，精細生產，營銷創新等方面，應對金融危機和其他各種不確定性因素。保持核心業務充分競爭力之同時，亦將根據國內外形勢逐步推進汽車電子等汽車前端項目之研發，保持集團之可持續發展。

本集團之IPD集成產品研發管理系統，將於二零零九年正式應用。IPD系統從集團流程重整和產品重整兩個方面來達到縮短產品上市時間、提高產品利潤、有效地進行產品開發、為顧客和股東提供更大價值之目標。

Chairman's Statement

董事長報告

In China market, the Group will develop more qualified distributors on top of the developed distributors and will extend the sales channels to second-tier and third-tier markets so as to increase the influence of the Group's products and channels. Meanwhile, it will boost promotional activities for its products across the nation, continue to explore opportunities in major trade expositions, invest in professional media advertisement, boost sales activities such as promotions, improve the training for sales staff and distributors and strive to develop the China market, so as to achieve better results.

In overseas market, the Group will continue its focus on the market and explore opportunities in major trade expositions to explore overseas market, minimize the impact of international financial and economic crisis towards the Group and turn crisis into opportunities through cost control, research and development of technology and regional sales strategies.

Looking ahead, all fellow directors and staff of Launch will closely cooperate and create ceaselessly. By implementing reforms in all directions and adopting innovative business planning, the Group is going to enter a stage of steady development and so to bring even better returns for our shareholders and investors.

Liu Xin (Louis Liu)

Chairman

在中國區市場，本集團將在已發展經銷商之基礎上，發展更多符合條件之經銷商，將銷售渠道發展至到二級和三級市場，擴大集團產品和渠道之影響力。同時，開展全國巡迴產品推廣活動，繼續拓展重要行業展會，投入專業媒體廣告，開展促銷等營銷活動，加強銷售人員和經銷商渠道之培訓，大力拓展中國區市場，以取得更大之業績。

在海外市場，本集團繼續以市場為中心，通過成本控制、技術研發和分區域制定銷售策略，拓展行業重要展會來拓展海外市場，減少國際金融和經濟危機對集團之衝擊。

展望未來，元征各同仁將同心協力，不斷創新，在集團經營革新規劃下，實施全方位變革，集團將進入穩步發展階段，為股東和投資者帶來更好之回報。

劉新(劉易之)

董事長

MARKETS

In 2008, for domestic market, the Group focused on the market and adjusted the market structure by segmental integration, changed the sales and services strategies, developed and supported about 140 distributors, revoked certain second-tier branches and certain stores and shops, streamlined the structure, lowered cost of sales and improved efficiency.

In 2008, the Group focused on its operation and established primary operation sales teams for each branch, assigned the major customer operations originally managed by the headquarter to be managed by the branches according to their segments and appointed primary project managers, strengthened selling capacity of major products and formulated development ideas for primary operations.

In 2008, the Group held the 13th annual meeting and presented new products such as the X-431 Diagon, AUTOBOOK and X-631 4-wheel aligner, which was participated by over 500 customers and guests around the world. It has firmly established the worldwide brand image of Launch and the market sales also reached new high.

市場

二零零八年，國內市場方面集團以市場為中心，調整了市場架構進行了區域整合，改變了銷售和服務策略，發展了和扶持了近140家經銷商，撤銷了部分二級分公司，撤銷了部分店門及門面，精簡了機構，降低了銷售成本和提高了工作效率。

二零零八年，集團重點業務方面，組建各分公司重點業務銷售團隊，將原來隸屬總部管理之重點客戶業務按區域歸分公司管理，並設置了重點項目經理，加大了重點產品銷售力度，制定了重點業務發展思路。

二零零八年，集團在深圳召開了第十三屆年會，發布了X-431 Diagon診斷槍、AUTOBOOK和X-631四輪定位儀之新產品，來自全球之逾500名客戶和嘉賓參與，在全球範圍內牢固樹立了元征之品牌形象，同期市場銷售亦創新高。

Business Review

業務回顧

In 2008, for overseas market, the Group held 43 sessions of National Training Tour in the PRC market, participated in the 49th Spring Auto Maintenance Fair, the 50th Autumn Auto Maintenance Fair and the Frankfurt Shanghai Exhibition, held the Spring Distributors' Conference in the PRC region and sponsored the 2008 Annual Meeting of the Professional Committee for Transportation. In overseas market, the Group participated Frankfurt Germany Exhibition, Australian AutoEquip Expo, Romania AutoDiga Exhibition, 8 exhibitions of the 8th Leipzig International Automotive Parts and Repairing Equipment Professional Expo, held overseas distributors' annual meeting in Germany and sponsored the 2008 Nurburgring 24-hour endurance race.

In 2008, for social responsibilities and contributions, product innovation and quality service, the Group was awarded the "Top 10 Auto Maintenance Test Equipment" and "Top 10 Auto Maintenance Enterprise" by the Auto and Driving Repair magazine, "Top 10 National Enterprise" in the PRC auto maintenance industry jointly elected by HC360.com and China Automotive Maintenance and Repair Equipment Association and "Innovative Technology Product" elected by China Automotive Maintenance and Repair Equipment Association and China Automotive Maintenance and Repair Trade Association.

RESEARCH AND DEVELOPMENT

The major research and developments of the Group in 2008 are as follows:

In 2008, the Group completed the research and development of X431 Diagun which was developed with auto repair technology. The product is tiny and can test two motor vehicles simultaneously in fast speed. It has universal joints and is well-received by customers in the market. Due to its leading technology and high performance, it will be a major product for the Group to compete in the market.

In 2008, X431 has a total of over 500 versions as the software was developed to a large extent. Meanwhile, the Group adjusted the software structure and allowed convenient transfer between multiple product platforms as well as increased the processing speed of the software.

二零零八年，海外市場方面集團在中國市場召開了43場全國巡迴技術培訓會，分別參加了第49屆春季汽保展、第50屆秋季汽保展和法蘭克福上海展會，召開了春季中國區經銷商會議，贊助了交通運輸專業指導委員會2008年度年會。在海外市場，參加了法蘭克福德國展會、Australian AutoEquip Expo、羅馬尼亞AutoDiga展會、多倫多Automechanika展會、第8屆萊比錫國際汽車零部件、維修設備專業展之8場展會，在德國召開了海外經銷商年會，贊助了2008紐伯格林24小時耐力賽。

二零零八年，集團在社會責任和貢獻、產品創新、服務質量之方面，相繼獲得《汽車與駕駛維修》雜誌評選之「10佳檢測類汽保設備」獎項和「10佳汽保設備企業獎」，慧聰網和中國汽車保修設備行業協會聯合評選之中國汽保行業「十大民族企業」稱號，中國汽車保修設備行業協會和中國汽車維修行業協會聯合評選之「科技創新產品」獎。

研發

本集團在二零零八年之主要研發工作如下：

二零零八年，完成了X431 Diagun 診斷槍之研發，X431 Diagun 診斷槍針對汽車維修技術而開發，產品主機小巧，可同時測兩台車，運行速度快速，擁有萬能接頭，深受市場客戶之喜愛，由於技術業界領先，性價比高，將是集團市場競爭之重要法寶。

二零零八年，X431 共發行500多個版本，軟件得到大幅度深度開發。同時，調整了軟件結構，使多產品平臺之間移植更方便，亦提升了軟件運行速度。

In 2008, the Group completed the research and development of AUTOBOOK, an open-diagnostic platform and focused on diagnosis of the basic function of the main electrical control system of motor vehicles.

In 2008, the Group established 元征(北京)汽車電子研究院 and began research and development on related control and propelling systems of auto diesel-engine and etc. The software company of the Group also focused on the primary operation of the existing motor vehicle production plant and commenced continuous research and development of special diagnostic tools, motor vehicle meters, reverse radar and tire pressure testing products.

In 2008, the Group completed research and development of the X-631 4-wheel aligner. As its technology is more advanced and sophisticated and with better functions and performance, it was well-received by worldwide customers particularly in the Europe and US markets.

In 2008, the Group launched the new Value 100 cooling agent recycler and injector which has many merits such as sophistication, good-looking, integration, stability and reliability. The Group can achieve better sales and profits in the cooling agent equipment domain through this product.

In 2008, for tools development, the Group developed a number of professional tools for auto repair, which increased the profits of tool products.

MANAGEMENT

In 2008, the Group performed comprehensive business reform planning, market analyzing planning and internal and external environment analysis and proposed requirement, time and goal of reform on the ten subjects of strategic planning, corporate culture establishment, human resource management, system procedure management and administration, market and sales management, full budget management, cost management and control, quality management, on-site basic management and technology management, so as to respond to the financial crisis and economic crisis by comprehensive reform.

二零零八年，完成了開放式診斷平臺AUTOBOOK之研發，側重於汽車主要電控系統基本功能之診斷。

二零零八年，集團成立了元征(北京)汽車電子研究院，已經開始進行車用柴油發動機等相關控制和噴射系統之研發。集團軟件公司亦針對目前汽車製造廠方面之重點業務，開展了專用診斷工具、汽車儀錶、倒車雷達、胎壓檢測產品之繼續研發。

二零零八年，完成了X-631四輪定位儀的研發，技術由於其技術更先進、精度更高、功能更齊全、性價比更好，得到了全球特別歐美市場客戶之青睞。

二零零八年，集團推出了Value 100冷媒回收加注機之新產品，設備具有精緻、美觀、集成化、穩定、可靠之諸多特點。通過此產品，可是集團在冷媒設備領域獲得更多銷售和利潤。

二零零八年，集團在工具開發方面，開發了多款汽車維修專業之工具，提升了工具產品之利潤空間。

管理

二零零八年，集團進行了全面經營革新規劃，進行了全面市場分析規劃和內外環境分析，對戰略規劃、企業文化建設、人力資源管理、制度流程管理及執行、市場與營銷管理、全面預算管理、成本管理與控制、品質管理、現場基礎管理、技術管理十大課題提出變革要求、時間和目標，以全面變革來應對金融危機和經濟危機。

Business Review

業務回顧

In 2008, the Group formulated relevant standards, proposed solutions and performed adjustments and clearance to allow more in-depth and scientific management for the Group based on the goal of reform and through analysis of the internal problems of the Company. The Group performed organizational structure adjustment, strengthened supply chain management and performed stringent cost control and various basic management so as to adapt to sharp changing market situation.

In 2008, the Group focused on integration of the ERP, CRM and IO system and strengthened information management.

PROSPECTS

In 2009, the Group will continue the reform of the ten subjects based on the 2008 reform so as to achieve the goal of reform of the ten subjects.

In 2009, the Group will take advantage of the stimulation planning and policy for national industry, strengthen the research capability for technology of core products, actively develop new auto electronic technology products and extend its product and business. The Group will fully enhance the competitiveness of its brands and products.

In 2009, the Group will strengthen research and development in core diagnostic products, supplement research and development teams and enhance our leading position when comparing with our competitors. The Group will develop the second generation product of X431 Electronic Eye and continue to improve and develop the second generation of X431 Diagun. The Group will also launch the X531\231V3.0 version to allow better competitiveness for the 4-wheel aligner product. For the mechanical lift product, the Group will strengthen cost control and management and develop KWA 5 series high, medium and low-end new tire balancer so as to meet market demand and respond to global competition.

In 2009, the Group will formally connect to the IPD system and shorten the launching time of products, increase profits of products, develop products effectively and provide better value for its customers and shareholders.

二零零八年，集團在革新目標樹立之基礎上，經過分析公司內部存在之問題，制定了相應之標準，提出了解決方案，進行了調整和清理，集團管理更加深入和科學化。集團為適應急劇變化之市場形勢，進行了組織架構調整，加強了供應鏈管理，進行了嚴格之成本控制和各類基礎管理。

二零零八年，集團重視ERP、CRM、IO系統之整合，信息化管理得到加強。

工作展望

二零零九年，集團將在二零零八年之革新基礎上，繼續十大課題之變革，達到十大課題革新之目標。

二零零九年，集團將抓住國家行業振興規劃和政策，加大核心產品技術研發力度之同時，積極拓展汽車電子高新技術產品，進行產品和業務之延伸。全面提升品牌和產品之競爭力。

二零零九年，集團將加強診斷核心產品之研發，補充研發隊伍，擴大和競爭對手之差距。開發X431電眼睛第二代產品，繼續完善開發X431 Diagun診斷槍第二代。集團亦將推出X531\231V3.0版本，使四輪定位儀產品更具競爭優勢。舉升機之機械產品方面，集團將加強成本控制和管理，開發KWA 5系列高中低檔新款輪胎平衡機，滿足市場之需求和應對全球競爭之格局。

二零零九年，集團將正式上線IPD系統，將縮短產品上市時間、提高產品利潤、有效地進行產品開發、為顧客和股東提供更大價值。

In 2009, the Group will team up with distributors in the PRC region market and give more support such as credit limit, advertisement, promotional information, sales expense, staff and management support to distributors. Meanwhile, the Group will launch various marketing activities such as exhibitions, annual meetings, product promotion tours, technology contests and professional media advertisement so as to enhance the brand name, reputation and influence of LAUNCH.

In 2009, the Group will formulate related sales policies and cooperate with distributors according to the economic and political characteristics in different regions of the overseas markets and enhance the international brand name and influence of LAUNCH. It will also actively cooperate with the strategic planning of the headquarter, facilitate exports and maintain growth in overseas market results.

二零零九年，集團將在中國區市場和經銷商抱團作戰，給予經銷商更多的支持，如信用額度、廣告、宣傳資料、營銷費用、人員、給予管理支持等，深化、密切與經銷商之合作。同時，將開展拓展各類展會、年會、產品巡迴推廣會、技術競賽、專業媒體廣告等市場活動，擴大LAUNCH元征的知名度、美譽度和影響力。

二零零九年，集團將根據海外市場不同區域市場經濟、政治特點，制定相關營銷政策，和經銷商緊密合作，擴大LAUNCH品牌國際知名度和影響力，積極配合集團總部戰略規劃，促進出口，保持海外市場業績之增長。

Financial Review

財務概覽

FINANCIAL RESOURCES AND LIQUIDITY

The Group adopts a prudent financial management policy and has a healthy financial position. As at 31 December 2008, the Group had cash and bank balances of approximately RMB98,000,000. As at 31 December 2008, shareholders' equity of the Group amounted to approximately RMB506,000,000. Current assets were approximately RMB603,000,000. The Group's current liabilities of approximately RMB373,000,000, comprised of short-term bank borrowings of approximately RMB279,000,000, and the rest were mainly account payables and accruals. The Group's long term borrowings were about RMB41,000,000. The Group's net asset value per share was approximately RMB0.84. The Group's gearing ratio, which represented the percentage of bank borrowings over total assets, was approximately 34.7%.

For the year ended 31 December 2008, most of the Group's income was denominated in RMB whereas all overseas sales were transacted in USD, and expenses were paid in RMB. As the exchange rate between RMB and USD experienced more significant adjustment during 2008, the management will try to minimise the Group's foreign exchange risk through price adjustment with overseas customers for the transactions settled in USD, and it has reached initial understanding with these customers. Therefore, the Directors consider that the Group is not under substantial foreign exchange risk exposure.

EMPLOYEES

As at 31 December 2008, the Group had 981 and 14 employees (2007: 1,533 and 15 respectively) based in the PRC and overseas respectively. Staff costs, excluding directors' and supervisors' emoluments, were approximately RMB73 million (2007: approximately RMB72 million).

財務資源與流動資金

集團採取審慎的理財政策，擁有穩健的財務狀況。於二零零八年十二月三十一日，本集團持有現金及銀行存款約為人民幣98,000,000元。於二零零八年十二月三十一日，集團的股東權益約為人民幣506,000,000元。流動資產約為人民幣603,000,000元。集團之流動負債約為人民幣373,000,000元，當中包括銀行短期借貸約為人民幣279,000,000元，其他主要為應付帳款及應計費用。集團之長期負債約為人民幣41,000,000元。集團的每股資產淨值約為人民幣0.84元。集團總資產中銀行借貸所佔百分比為槓杆比率，該比率約為34.7%。

截至二零零八年十二月三十一日止年度，由於集團絕大部分收入乃以人民幣結算，而所有海外銷售乃以美元進行交易，而開支則以人民幣支付，鑑於人民幣與美元匯率於二零零八年有較大調整，管理層將針對以美元結算之海外客戶通過價格調整以降低集團匯兌風險，並已跟海外客戶初步達成共識。故董事認為，集團毋須面對重大外幣匯兌風險。

員工

於二零零八年十二月三十一日，集團於國內及海外分別有981名及14名員工（二零零七年：1,533名及15名）。扣除董事及監事酬金後之員工成本約為人民幣73,000,000元（二零零七年：約人民幣72,000,000元）。

The Group remunerates employees by their performance and experience. It has adopted a share option scheme whereby employees of the Group may be granted options to acquire shares. The Group also offers staff benefits such as professional training programs to enhance staffs' skills, knowledge and sense of belonging.

OTHERS

上海元征愛思開汽車服務有限公司, a joint venture between the Group and SK Networks Co., Ltd., a Korean company, was established in Shanghai in December 2005. In order to expand its auto repair chain store network, the joint venture increased registered capital to RMB118.5 million. The Group in 2008 invested additional RMB5 million, and current shareholder 愛思客(中國)投資有限公司 in 2008 injected RMB64,000,000 so that the Group's interests in this associate was reduced to 13.8%. The reduction of holding resulted in revenue of approximately RMB4.24 million for the Group. By leveraging on the advanced technologies of the Group in auto repair and maintenance and the partner's superior expertise in repair service coaching, managerial experience, the joint venture is engaged in the provision of professional auto repair, maintenance and decorations service to its customers. The associate commenced operation in 2006, and as it was still in the start-up stage, a loss of approximately RMB7.12 million was incurred by the Group. The management expects that the associate will turnaround in 2009-2010 along with the growth in business.

In 2008, apart from the investment of the Group as mentioned above, the Group did not hold any other material investments, so as of 31 December 2007.

As at 31 December 2008, apart from the pledged bank deposits of approximately RMB21 million (2007: approximately RMB16 million), and the pledge of certain land and buildings totalling approximately RMB56 million (2007: RMB58 million), the Group had no other significant assets pledged, so as of 31 December 2007.

集團按員工表現及經驗計算薪金報酬，集團設有購股權計劃，集團員工可透過購股權計劃購股。集團亦提供員工福利，如給予員工專業培訓計劃以提高員工之技術、知識及歸屬感。

其他

由集團與韓國SK Networks Co., Ltd.共同出資的上海元征愛思開汽車服務有限公司於二零零五年十二月在上海成立。為擴大其汽車維修連鎖店網絡，該合資公司將其註冊資本增加至人民幣118,500,000元，為此集團於二零零八年追加投資人民幣5,000,000元，二零零八年現有股東愛思客(中國)投資有限公司注資人民幣64,000,000元，以使集團佔該聯營公司權益比率下降至13.8%。是次減持為集團帶來約人民幣4,240,000元收益。此項合作將利用集團先進的汽車維修技術以及韓國SK公司優秀的維修服務培訓、管理經驗，向客戶提供專業的汽車維修、保養、裝飾等服務。於二零零六年聯營公司正式營業，由於仍處於剛開業初期，本年度為集團帶來約人民幣7,120,000元虧損，管理層預期，於二零零九年至二零一零年間，待業務發展上了軌道後，聯營公司將可轉虧為盈。

於二零零八年除集團之上述投資之外，集團並無其他重大投資，而於二零零七年十二月三十一日亦如是。

於二零零八年十二月三十一日，除了已抵押銀行存款約人民幣21,000,000元(二零零七年：約人民幣16,000,000元)，以及已抵押若干土地及樓宇共計約人民幣56,000,000元(二零零七年：58,000,000元)外，集團並沒有抵押其他重要資產，而於二零零七年十二月三十一日亦如是。

Directors, Supervisors and Senior Management

董事、監事及高級管理人員

DIRECTORS

Executive Directors

Mr. Liu Xin, also known as **Louis Liu**, aged 40, is an executive Director and the chairman of the Company. Mr. Liu is the founder of the Company and has around 10 years of experience in corporate management, business development, product development and marketing in the computer and automotive diagnostic and testing industries. He is a graduate of Chengdu Technology University (currently known as Sichuan University) with a bachelor's degree in applied physics. Mr. Liu is mainly responsible for the strategic planning, overall management, establishment of strategic alliances and development of overseas marketing and sales channel. Mr. Liu Xin is the brother of Mr. Liu Jun and Ms. Liu Yong.

Mr. Liu Jun, also known as **Charles Liu**, aged 38, is an executive Director and the chief executive officer of the Company. Mr. Liu is the co-founder of the Company and is the brother of Mr. Liu Xin and Ms. Liu Yong. Mr. Liu has around 10 years of experience in corporate management, business development and product development in automotive diagnostic and testing industries. He is a graduate of Tsinghua University with a bachelor's degree in radio electronics engineering. Mr. Liu once served as the head of the Company's R&D department and headed the development of the first generation of Electronic Eye in November 1994, and was honoured as one of the Shenzhen Ten Outstanding Young Technology Experts in 1998. He is currently responsible for the day-to-day operations of Company, and also supervises the Company's R&D and finance.

董事

執行董事

劉新先生，又名**劉易之**，現年40歲，本公司執行董事兼董事長。劉先生乃本公司之創辦人，彼在電腦及汽車診斷及測試系統行業之企業管理、業務發展、產品開發及市場推廣方面擁有約十年經驗。劉先生在成都科技大學（現稱四川大學）畢業，擁有應用物理學士學位。劉先生主要負責策略性規劃、整體管理、建立策略性聯盟及發展海外市場推廣及銷售渠道之工作。劉新先生與劉均先生及劉庸女士為兄弟及姊弟之關係。

劉均先生，又名**劉正之**，現年38歲，本公司執行董事兼行政總裁。劉先生乃本公司創辦人之一，亦為劉新先生及劉庸女士之胞弟。劉先生在汽車診斷及測試系統行業之企業管理、業務發展及產品開發方面擁有約十年經驗。劉先生在清華大學畢業，擁有電子工程學士學位。劉先生曾出任本公司研發部門主管一職，並於一九九四年十一月領導開發第一代電眼睛，並榮獲一九九八年深圳市青年科技專家。劉先生現時負責本公司之日常業務運作，亦肩負本公司之研發及財務監督工作。

Directors, Supervisors and Senior Management 董事、監事及高級管理人員

DIRECTORS (Continued)

Executive Directors (Continued)

Professor Wang Xue Zhi, aged 72, is an executive Director and chief engineer of the Company. Professor Wang is an expert in automotive diagnostic and testing engineering with approximately 30 years of experience in related studies and research works, and has published 20 related books and academic papers. Prior to joining the Company in May 1998, Professor Wang served as a professor of Xian Highway Transportation Institute (currently known as Changan University) and the vice principal of the board of experts of the China Automobile Maintenance and Repair Equipment Industry Association under the Ministry of Transportation. He heads the Company's overall product development, and was responsible for leading the development of IVIEW-100 wheel alignment system and other similar large-scale automotive diagnostic and testing systems.

Non-executive Director

Ms. Liu Yong, aged 46, is a non-executive Director since June 1997, and is the sister of Mr. Liu Xin and Mr. Liu Jun. Ms. Liu once studied in Dalian Foreign Language Institute, and served in the sales department and public relations department of Guilin Holidays Inn and Guilin Rong Hu Hotel, respectively, and as the general manager of Sunshine Travel Agency. Ms. Liu has extensive experience in corporate management, sales and marketing and public relations management. She is currently a director of Shenzhen De Shi Yu.

Independent non-executive Directors

Mr. Zhang Xiao Yu, aged 64, is an independent non-executive Director since March 2002. Mr. Zhang is the vice-chairman of China Machinery Industrial Association since April 2001, and prior to April 2001, he served as the vice commissioner of the State Machinery Industry Bureau, the chief of Automobile Industry Division of the Ministry of Machinery Industry.

董事 (續)

執行董事 (續)

王學志教授，現年72歲，本公司執行董事兼總工程師。王教授乃汽車診斷及測試工程專家，在相關研究工作方面擁有約30年經驗，曾發表20本相關書籍及學術論文。於一九九八年五月加入本公司前，王教授出任西安公路交通大學(現稱長安大學)之教授，並為交通部屬下《中國汽車保修設備行業協會》之專家委員會副會長。王教授領導本公司之整體產品開發工作，亦曾負責領導開發IVIEW-100四輪定位儀及其他類似大型汽車診斷及測試系統。

非執行董事

劉庸女士，現年46歲，自一九九七年六月起擔任非執行董事，亦為劉新先生及劉均先生之胞姊。劉女士曾就讀於大連外國語學院，曾分別任職於桂林賓館及桂林榕湖飯店之銷售及公關部門，以及擔任陽光旅行社之總經理。劉女士在企業管理、銷售、市場推廣及公共關係管理方面擁有豐富經驗。彼現時擔任深圳得時域之董事。

獨立非執行董事

張小虞先生，現年64歲，自二零零二年三月起擔任獨立非執行董事。張先生於二零零一年四月至今一直出任中國機械工業協會副會長，於二零零一年四月前，他曾擔任國家機械工業局副局長、機械工業部汽車工業司司長。

Directors, Supervisors and Senior Management

董事、監事及高級管理人員

DIRECTORS (Continued)

Independent non-executive Directors (Continued)

Professor Hu Zi Zheng, aged 71, is an independent non-executive Director since March 2002. Mr. Hu is currently the professor and doctoral student mentor of automotive studies of the school of mechanics at Jilin Industrial University. Mr. Hu is also the appointed specialist of China Automobile Engineering Association and member of the board of editors of “Mechanical Engineering Paper”. He also served as the vice principal of the State Key Laboratory of Dynamic Automotive Simulation and dean of automotive school at the Jilin Industrial University. Mr. Hu graduated from the Jilin Industrial University with a degree in automobile engineering, and has around 30 years of experience in automotive science research and teaching.

Mr. Yim Hing Wah, aged 44, has more than 15 years experience in auditing, accounting, taxation, business consulting and financial management. He had worked for Deloitte Touche Tohmatsu as manager for 9 years from July 1992 to December 2000. After that, he was the financial controller of Jiangsu Nandasoft Company Limited and Chinasoft International Limited, the companies listed on GEM. Currently, he is a partner of Chan, Yim, Cheng & Co., an accounting firm in Hong Kong. Mr. Yim is a graduate of Hong Kong Polytechnic University and holds a Bachelor Degree in Accounting. He is a member of the Hong Kong Society of Accountants, a fellow member of Association of Chartered Certified Accountants and a member of Hong Kong Securities Institute.

董事(續)

獨立非執行董事(續)

胡子正教授，現年71歲，自二零零二年三月起擔任獨立非執行董事。胡先生現時為吉林工業大學機械學院汽車研究之教授及博士生導師。胡先生亦獲中國汽車工程學會委任為專業顧問及吉林工業大學《機械工程學報》編輯委員會成員。彼亦曾出任汽車動態模擬國家重點實驗室學術委員會之副會長及吉林工業大學汽車學院院長。胡先生於吉林工業大學畢業，取得汽車工程學位，在汽車科學研究及教學方面積約30年經驗。

嚴慶華先生，現年44歲，於核數、會計、稅務、商業諮詢及財務管理方面擁有逾15年經驗。一九九二年七月至二零零零年十二月之九年期間，嚴先生於德勤會計師行擔任經理，其後加盟於創業板上市之江蘇南大蘇富特軟件股份有限公司及中軟國際有限公司，出任財務總監一職。目前，彼為香港一家會計師事務所Chan, Yim, Cheng & Co.之合夥人。嚴先生畢業於香港理工大學，持有會計學學士學位。彼為香港會計師公會會員、英國特許公認會計師公會資深會員及香港證券學會會員。

Directors, Supervisors and Senior Management

董事、監事及高級管理人員

MEMBERS OF SUPERVISORY COMMITTEE

Supervisory committee in the PRC has similar functions as audit committee, which mainly reviews the financial results of the Company and the decisions made by the Board. Supervisors can represent the interest of shareholders or employees, and independent supervisors are recruited from outside and not related to any of the directors, supervisors, promoters and employees of the Company. Mr. Wang Xi Lin is appointed as a Supervisor through the recommendation of the Company's employees. Ms. Hou Wen Tao and Mr. Guo Jian Yuan are appointed as independent Supervisors.

Ms. Hou Wen Tao, aged 69, is a Supervisor since March 2002. Ms. Hou retired from the Shenzhen Science and Technology Bureau since August 2001, where she served as its vice commissioner, vice principal and inspector since 1991. Prior to July 1986, she served as a senior engineer at the Changchun Applied Chemistry Research Institute of the China Science Academy and a visiting scholar of Proyaume de Belgique in Belgium between April 1981 and February 1982. Ms. Hou obtained a bachelor's degree in atomic physics from Jilin University.

Mr. Guo Jian Yuan, aged 61, is a Supervisor since March 2002. Mr. Guo is currently the chairman of Shenzhen Cosber Industrial Co., Ltd., a distributor of automobile maintenance equipment in the PRC, vice-chairman of China Automobile Maintenance and Repair Equipment Industry Association and chairman of Shenzhen Automobile and Motorcycle Maintenance and Repair Industry Association, in charge of their overall management. He also served as the director and president of Shenzhen Tellus Holding Co., Ltd., a developer of mechanical tools in the PRC, in charge of their overall management. Mr. Guo has extensive experience in corporate management.

監事會成員

國內監事會之職能類似審核委員會，主要負責審核財務業績及董事會所作之決定。監事可代表股東或僱員之權益，而獨立監事均從公司以外聘請，並獨立於本公司之任何董事、監事、發起人及僱員。王希琳先生透過本公司僱員推薦獲委任為監事，而侯文濤女士及郭健源先生則獲委任為獨立監事。

侯文濤女士，現年69歲，自二零零二年三月起擔任監事。侯女士於一九九一年起服務於深圳市科學技術局，先後出任副局長、副主任及調查人員職位，並於二零零一年八月榮休。於一九八六年七月前，彼曾任職中國科學學院長春應用化學研究所高級工程師，於一九八一年四月至一九八二年二月在比利時 Proyaume de Belgique 進修。侯女士取得吉林大學頒發之原子物理學士學位。

郭健源先生，現年61歲，自二零零二年三月起擔任監事。郭先生現時為國內汽車保養設備分銷商深圳市康士柏實業有限公司董事長、中國汽車保修設備行業協會副會長及深圳市汽車摩托車維修行業協會會長，負責該等公司或組織之整體管理。彼亦曾出任國內機械工具開發商深圳市特力(集團)股份有限公司董事兼總裁，負責該等公司之整體管理。郭先生在企業管理方面具豐富經驗。

Directors, Supervisors and Senior Management

董事、監事及高級管理人員

MEMBERS OF SUPERVISORY COMMITTEE (Continued)

Mr. Wang Xi Lin, aged 45, is the general manager of the Company's automotive diagnostic product division and a Supervisor since March 2002. Mr. Wang graduated from the China Mining Industry University in Beijing with a master's degree in engineering. Prior to joining the Company in October 2000, Mr. Wang served as a senior engineer at several state-owned companies and led the R&D works in relation to large electronic control and electronic automation systems. Mr. Wang was formerly the head of the Company's R&D department, and had successfully led the development of the ADC2000 auto diagnostic computer.

SENIOR MANAGEMENT

Ms. Huang Zhao Huan, aged 36, is the head of the Company's domestic marketing centre. Ms. Huang is a graduate of Nanchong Teaching University with a bachelor's degree in mathematics. She is currently responsible for the development and management of the Company's domestic sales network and marketing activities and customer relationships of its major customers. She joined the Company in 1996.

Mr. Hu Kai, aged 35, is the head of the Company's production and procurement department. Mr. Hu has a degree in economic management for Guangxi Teaching University and joined the Company as a manager of purchase division in 1995. He is mainly responsible for overseeing the Company's production planning and management.

Mr. Guo Feng, aged 37, graduated from Xian Electronic Technology University majoring in Communication Engineering. He has been responsible for R&D and implementation of automatic control system of large buildings. He joined Launch in 1999 and worked his way up from engineer, division manager to general manager now. He has successfully led the R&D and improvement of a series of products including engine analyzer and so on.

監事會成員(續)

王希琳先生，現年45歲，本公司汽車診斷事業部總經理，自二零零二年三月起擔任監事。王先生畢業於北京中國礦業大學，擁有工程碩士學位。於二零零零年十月加入本公司前，王先生曾在多家國有企業擔任高級工程師，領導大型電子控制及電子自動系統相關之研發工作。王先生曾擔任本公司研發部門總監，並成功領導ADC2000汽車診斷電腦之開發工作。

高級管理人員

黃兆歡女士，現年36歲，本公司國內市場中心主管。黃女士畢業於南充師範學院，擁有數學學士學位。彼現時負責發展及管理本公司之國內銷售網絡及市場推廣活動，以及本公司主要客戶之客戶關係。黃女士於一九九六年加入本公司。

胡凱先生，現年35歲，本公司生產及採購部門主管。胡先生持有廣西師範大學之經濟管理學位，於一九九五年加入本公司，擔任採購分部經理。彼主要負責監管本公司之生產規劃及管理。

郭鋒先生，現年37歲，畢業於西安電子科技大學通訊工程專業，本科學歷，主導研發過大型樓宇自動控制系統及實施工程項目，於一九九九年加入本公司，先後擔任研發工程師／部門經理／事業部總經理，並成功領導EA系列發動機綜合性能分析儀等產品的研發和改進工作。

Directors, Supervisors and Senior Management

董事、監事及高級管理人員

Mr. Jiang Shiwen, aged 36, is the Company's Chief Information Officer. Mr. Jiang graduated from Dalian University of Technology and Shanghai Jiao Tong University with a master's degree in mathematics and a MBA degree. Prior to joining the Company in 2002, he had worked in several major privately-owned and foreign enterprises as development engineer, in charge of the R&D work relating to large scale management system, e-commerce system and embedded system. Mr. Jiang oversees the construction, implementation and maintenance of the entire IT system of the Company. He has led the Company in the successful planning, design and online operation of a number of large IT networks including ERP, CRM and OA systems.

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

Mr. Liu Chun Ming, aged 33, is the financial controller and company secretary of the Company. Mr. Liu is a qualified accountant and obtained a bachelor's degree (Honours) in accountancy from the City University of Hong Kong in 1997. He is a fellow member of the Association of Chartered Certified Accountants, and, prior to joining the Company in March 2002, has worked in an international audit firm for few years.

COMPLIANCE OFFICER

Mr. Liu Jun, executive Director, compliance officer and authorised representative. Mr. Liu will be advising on and assisting the Board in implementing procedures to ensure that the Company complies with the GEM Listing Rules and other relevant laws and regulations applicable to the Company and responding efficiently to all inquiries directed to the Company by the Stock Exchange.

蔣仕文先生，現年36歲，本公司首席信息官。蔣先生畢業於大連理工大學(Dalian University of Technology)和上海交通大學(Shanghai Jiao Tong University)，擁有數學碩士和工商管理碩士學位。於2002年加入本公司前，蔣先生曾在多家大型民營和外資企業擔任開發工程師，領導大型管理系統、電子商務系統和嵌入式系統相關之研發工作。蔣先生負責領導公司整體的IT系統建設、運行和維護，曾成功領導了公司ERP、CRM、OA等多套大型系統的規劃、設計和上線工作。

合資格會計師及公司秘書

廖俊明先生，現年33歲，本公司之財務總監兼公司秘書。廖先生乃合資格會計師，於一九九七年在香港城市大學取得會計(榮譽)學士學位。彼為英國特許會計師公會資深會員，於二零零二年三月加入本公司前，於一家國際核數師行工作多年。

監察主任

劉均先生乃執行董事、監察主任兼授權代表。劉先生負責向董事會提供意見，並協助董事會採取步驟，確保本公司遵守創業板上規規則及其他適用於本公司之相關法規，以及有效率地回覆聯交所對本公司之詢問。

Directors, Supervisors and Senior Management

董事、監事及高級管理人員

AUDIT COMMITTEE

The audit committee was established by the Company on 21 March 2002, with written terms of reference in compliance with the requirements as set out in Rules 5.23 to 5.25 of the GEM Listing Rules. The principal duties of the committee are the review and supervision of the Company's reporting process and internal control. The Group's audit committee has held five meeting since early 2008. The members of the audit committee are as follows:

Name 姓名	Position in the audit committee 審核委員會職銜	Position in the Board 董事會職銜
Mr. Zhang Xiao Yu 張小虞先生	chairman 主席	independent non-executive Director 獨立非執行董事
Professor Hu Zi Zheng 胡子正教授	member 成員	independent non-executive Director 獨立非執行董事
Mr. Yim Hing Wah 嚴慶華先生	member 成員	independent non-executive Director 獨立非執行董事

審核委員會

本公司已於二零零二年三月二十一日根據創業板上市規則第5.23至第5.25條所載之規定成立具有明確職權範圍之審核委員會。審核委員會之主要職責為審核本公司之財務申報及內部監控工作。集團之審核委員會於二零零八年年初至今曾召開五次會議。審核委員會之成員如下：

CORPORATE GOVERNANCE PRACTICE

The Group commits to maintaining and ensuring a high level of corporate governance standards and continuously reviews and improves our corporate governance and internal controls practices. Set out below are the principles of corporate governance as adopted by the Company during the reporting year.

DISTINCTIVE ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board is responsible for leading the Board of Directors in establishing and monitoring the implementation of strategies and plans to create values for shareholders.

The Chief Executive Officer is responsible for managing the operation of the Group's businesses, proposing strategies to the Board and the effective implementation of the strategies and policies adopted by the Board.

THE BOARD

As of 31 December 2008, there were seven members on the Board, which are the Chairman, two other Executive Directors, a Non-Executive Director ("NED") and three Independent Non-Executive Directors ("INEDs").

The INEDs are considered by the Board to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgments. The Board considered that each of the INEDs brings his own relevant expertise to the Board and its deliberations.

None of the INEDs has any business or financial interests with the Group nor has any relationship with other directors and confirmed their independences to the Group pursuant to Rule 5.09 of the GEM Listing Rules.

企業管治常規

本集團一直致力確保企業管治標準維持於高水平，並持續檢討及改善企業管治及內部監控常規。以下為本公司於報告年度內採納的企業管治原則。

主席及行政總裁的分工

董事會主席負責領導董事會制訂及監控業務策略與計劃的推行，務求為股東締造更高的企業價值。

行政總裁負責管理集團業務運作、向董事會提呈策略方針，以及落實推行獲董事會採納的策略及政策。

董事會

於二零零八年十二月三十一日，董事會由七位成員組成，分別為主席及其他兩位執行董事、一位非執行董事（「非執行董事」）及三位獨立非執行董事（「獨立非執行董事」）。

董事會認為，各獨立非執行董事均為與管理層並無關係的獨立人士，其獨立判斷不會受到影響。此外，董事會認為，各獨立非執行董事均為董事會事務及其決策貢獻本身的相關經驗。

獨立非執行董事並無涉及本集團的任何業務及財務利益，且與其他董事亦並無任何關係，並已根據創業板上市規則第5.09條向本集團確認彼等為獨立人士。

Corporate Governance Report

企業管治報告

THE BOARD (Continued)

The Board met regularly during the year and on ad hoc basis as required by business needs. The Board's primary purpose is to set and review the overall strategic development of the Group and to oversee the achievement of the plans to enhance shareholders' value. Daily operational decisions are delegated to the Executive Directors. The Board met 8 times during the year and the Directors' attendance is shown in the table on page 23. The NED and INEDs may take independent professional advice at the Company's expense in carrying out their functions. The Board has arranged for appropriate insurance coverage for the Directors

The Company appointed each of the Non-Executive directors during the Annual General Meeting or by the Board for new appointment during the year. The term of each of these appointments shall be expired up to the forthcoming Annual General Meeting and can offer for re-election in the Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee ("Committee") comprises the three INEDs, Mr. Zhang Xiao Yu, Professor Hu Zi Zheng and Mr. Yim Hing Wah with Mr. Zhang Xiao Yu serving as the chairman of the Committee. Each member brings to the Committee his valuable experience in reviewing financial statements and evaluating significant control and financial issues of the Group. Mr. Yim is a member of the Hong Kong Society of Accountants, a fellow member of Association of Chartered Certified Accountants and a member of Hong Kong Securities Institute. Mr. Yim has more than 15 years of experience in auditing, accounting, taxation, business consulting and financial management. He possesses the appropriate professional qualification on accounting or related financial management expertise as required under Rule 5.05 (2) of the GEM Listing Rules. Member's attendance at the five meetings held during the year is set out in the table on page 23.

董事會 (續)

年內，本集團定期及按業務所需不時舉行會議。董事會的主要功能為制訂及檢討本集團的整體策略發展，以及監督業務計劃成效以提升股東價值。日常營運決策乃授予執行董事。年內，董事會舉行了8次會議，而董事的出席記錄見第23頁所載表內。非執行董事及獨立非執行董事在履行彼等的職責時，可諮詢獨立專業人士的意見，費用概由本公司承擔。

每名非執行董事均由本公司於股東週年大會委任或由董事會於年內新委任。此類委任之任期均須於應屆股東週年大會屆滿，並可於同屆股東週年大會重選連任。

審核委員會

審核委員會（「委員會」）由三位獨立非執行董事，即張小虞先生、胡子正教授及嚴慶華先生組成，其中張小虞先生擔任委員會主席。在審閱財務報表、評估本集團重大監控及財務事宜方面，各成員均為委員會貢獻本身的相關寶貴經驗。嚴先生為香港會計師公會會員、英國特許公認會計師公會資深會員及香港證券學會會員。於核數、會計、稅務、商業諮詢及財務管理方面擁有逾15年經驗。彼具備創業板上市規則第5.05(2)條所規定的合適專業會計資格或相關財務管理專才。於年內舉行的5次會議的成員出席記錄見第23頁所載表內。

AUDIT COMMITTEE (Continued)

The Committee is required to assist the Board to fulfill its responsibilities related to external financial reporting, associated announcements and system of internal control. During the year, the Committee reviewed the quarterly and annual reports. Additional meetings may also be held by the Committee from time to time to discuss special projects or other issues that the Committee considered necessary.

The Committee is also responsible for the development, implementation and monitoring of the Groups' policy on external audit. The Committee recommended the appointment and reappointment of the Group's external auditors.

REMUNERATION COMMITTEE

The Company has not established a Remuneration Committee. The Board is responsible for determining the Company's policy on remuneration of directors and reviewing all remuneration packages of directors. The Company currently does not have any plan to set up a Remuneration Committee considering the small size of the Board.

In determining the remuneration of each Director, the Board looks into individual competence and his/her contributions to the Company, together with the benchmark of the similar executive positions in the market.

NOMINATION OF DIRECTORS

The Board is responsible for considering the suitability of an individual to act as a Director, and approving and terminating the appointment of a Director. The Company has not established a Nomination Committee. The Company currently does not have any plans to set up a Nomination Committee considering the small size of the Board.

審核委員會(續)

委員會須協助董事會履行其就對外財務申報、相關公佈及內部監控制度的職責。年內，委員會已審閱各季度報告及年報。此外，委員會亦會不時因應需要，就商討特殊項目或其他事宜舉行額外會議。

此外，委員會亦負責發展、執行及監控本集團的外部審核政策，並就外聘核數師的委聘及續聘作出推薦。

薪酬委員會

本公司並無成立薪酬委員會。董事會負責釐定本公司的董事薪酬政策，並檢討所有董事薪酬組合。鑒於董事會成員人數不多，本公司目前並無計劃成立薪酬委員會。

在釐定每位董事的薪酬時，董事會會考慮個別董事的能力及其對本公司的貢獻，以及類似行政職位的市場薪酬指標。

董事提名

董事會負責考慮個別人士是否勝任董事一職，並負責批核及終止董事委任。本公司並無成立提名委員會。鑒於董事會成員人數不多，本公司目前並無計劃成立提名委員會。

NOMINATION OF DIRECTORS (Continued)

The Chairman is responsible for identifying suitable candidates for member of the Board when there is a vacancy or an additional director is considered necessary. The Chairman proposes the appointment of such candidates to each member of the Board for consideration. Each member of the Board will review the qualifications of the relevant candidates for determining the suitability to the Group on the basis of his or her qualifications, experiences and background.

董事提名(續)

董事會主席負責物色合適人選出任董事，以填補空缺或在有需要時的新增董事名額。主席會向董事會各成員建議合資格人選作考慮。董事會各成員將根據候選人的資歷、經驗及背景評估有關人士是否切合本集團的要求。

MEETINGS ATTENDANCE

會議出席記錄

		Board 董事會	Audit Committee 審核委員會
Number of Meetings	會議次數	5	5
Executive directors	執行董事		
Mr. Liu Xin	劉新先生	5	N/A 不適用
Mr. Liu Jun	劉均先生	5	N/A 不適用
Professor Wang Xue Zhi	王學志教授	5	N/A 不適用
Non-executive director	非執行董事		
Ms. Liu Yong	劉庸女士	5	N/A 不適用
Independent non-executive directors	獨立非執行董事		
Mr. Zhang Xiao Yu	張小虞先生	4	5
Professor Hu Zi Zheng	胡子正教授	4	5
Mr. Yim Hing Wah	嚴慶華先生	4	5

Corporate Governance Report

企業管治報告

CONFIRMATION OF COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors’ securities transactions. The Directors have confirmed, following specific inquiry by the Company that they have complied with the required standard set out in the Model Code during the year under review.

AUDITORS’ REMUNERATION

The Audit Committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external independent auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company. During the year under review, the Group is required to pay an aggregate of approximately RMB1,267,000 to the external auditors for their services including audit and non-audit services.

DIRECTORS’ AND INDEPENDENT AUDITORS’ RESPONSIBILITIES FOR ACCOUNTS

The Directors’ responsibilities for the accounts and the responsibilities of the external independent auditors to the shareholders are set out on page 38.

LOOKING FORWARD

The Group will keep on reviewing its corporate governance standards on a timely basis and the Board endeavors to take the necessary actions to ensure the compliance with the provisions of the Code on Corporate Governance Practices introduced by the Stock Exchange.

確認遵守標準守則

本公司已採納創業板上市規則第5.48至第5.67條所載列的上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易的操守守則。經本公司作出特定查詢後，全體董事已確認彼等於回顧年度內均已遵守標準守則載列的所需標準。

核數師酬金

本公司審核委員會負責外部核數師的委聘事宜及檢討外部核數師執行的任何非審核職能，包括該等非審核職能會否對本公司構成任何潛在重大不利影響。於回顧年度內，本集團須就外部獨立核數師所提供的服務(包括審計及非審計服務)向其支付合共約人民幣1,267,000元。

董事及獨立核數師就賬目的責任

董事就賬目的責任及外部獨立核數師就股東的責任載列於第38頁。

展望

本集團將繼續適時檢討其企業管治水平，而董事會將竭力採取所需措施，以確保遵守聯交所頒佈的企業管治常規守則條文。

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The Company is engaged in the provision of products and services serving the automotive aftermarket and the automobile industry in the PRC and certain overseas countries. The principal activities of its subsidiaries are set out in note 17 to the financial statements.

RESULTS AND APPROPRIATIONS

Details of the results of the Group and appropriations of the Company for the year are set out in the consolidated income statement and consolidated statement of changes in equity respectively and the accompanying note 32 to the financial statements.

The Directors recommend the payment of a final dividend of RMB2 cents per Share to the shareholders on the register of members on 18 June 2009 amounting to RMB12,072,000.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group and the Company during the year are set out in note 13 to the financial statements.

董事會提呈本公司截至二零零八年十二月三十一日止年度的年報及經審核財務報表。

主要業務

本公司業務為向中國及若干海外國家的汽車後市場及汽車行業提供產品及服務。其附屬公司的主要業務載於財務報表附註17。

業績及分配

集團本年度業績及本公司本年度分配的詳情分別載於綜合收益表及綜合權益變動報表以及財務報表附註32。

董事建議派付末期股息每股人民幣二分予於二零零九年六月十八日名列於股東名冊的股東，合共約人民幣12,072,000元。

物業、廠房及設備

集團及本公司物業、廠房及設備於年內的變動詳情載於財務報表附註13。

DIRECTORS AND SUPERVISORS

The directors and supervisors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Liu Xin (*Chairman*)

Mr. Liu Jun (*Chief Executive Officer*)

Professor Wang Xue Zhi

Non-executive director:

Ms. Liu Yong

Independent non-executive directors:

Mr. Zhang Xiao Yu

Professor Hu Zi Zheng

Mr. Yim Hing Wah

Supervisors:

Ms. Hou Wen Tao

Mr. Guo Jian Yuan

Mr. Wang Xi Lin

All Directors and Supervisors have entered into service contracts with the Company, for a term of three years.

In accordance with the provisions of the Company's Articles of Association, the term of office of the Directors shall be three years commencing from the date of appointment or re-election and renewable upon re-appointment or re-election. In accordance with the provisions of the Company's Articles of Association and the PRC Company Law, the term of office of supervisors shall also be three years and renewable upon re-appointment or re-election.

None of the Directors or Supervisors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事及監事

本年度及至本報告日期，本公司的董事及監事為：

執行董事：

劉新先生 董事長

劉均先生 行政總裁

王學志教授

非執行董事：

劉庸女士

獨立非執行董事：

張小虞先生

胡子正教授

嚴慶華先生

監事：

侯文濤女士

郭健源先生

王希琳先生

各董事及監事已與本公司訂立服務合約，任期為三年。

根據本公司組織章程條文，董事任期自委任或連任日期起計三年，並可經重新委任或重選續任。根據本公司組織章程及中國公司法條文，監事任期也是三年，並可經重新委任或重選續任。

董事或監事概無訂立本公司不可於一年內在毋須支付賠償(法定賠償除外)的情況下終止的服務合約。

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

(a) Interests and short positions of Directors, Chief Executives and Supervisors of the Company in the share capital of the Company and its associated corporations

As at 31 December 2008, the Directors, Chief Executives and Supervisors of the Company had the following interests and short positions in the shares, debentures or underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been 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 he is taken or deemed to have under such provisions of the SFO) or which have been required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which have been required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in Shares

Domestic Shares

Name of Director 董事姓名	Capacity in which shares were held 持股身份	Number of domestic shares 內資股數目	Approximate percentage of the Company's issued domestic shares	Approximate percentage of the Company's total issued shares
			佔本公司 已發行內資股 概約百分比	佔本公司已 發行股份總數 概約百分比
Mr. Liu Xin 劉新先生	⁽¹⁾ Beneficiary owner ⁽¹⁾ 實益擁有人	138,636,000	42.01%	22.97%
	⁽²⁾ Interest in controlled company ⁽²⁾ 於受控公司權益	138,864,000	42.08% (Note 1) (附註 1)	23.01%

董事、監事及主要行政人員於證券的權益

(a) 本公司董事、主要行政人員及監事於本公司及其相關法團之股本中之權益及淡倉

於二零零八年十二月三十一日，本公司董事、主要行政人員及監事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、債券或相關股份中持有下列權益及淡倉，且已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(包括根據證券及期貨條例有關條文被視為或當作由董事擁有之權益及淡倉)，或須載入根據證券及期貨條例第352條而存置之登記冊內或根據創業板上規例第5.48至第5.67條有關董事進行證券交易之規定須知會本公司及聯交所之權益及淡倉：

股份好倉

內資股

Directors' Report

董事會報告書

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES (Continued)

董事、監事及主要行政人員於證券的權益(續)

Long positions in Shares (Continued)

股份好倉(續)

Domestic Shares (Continued)

內資股(續)

Name of Director 董事姓名	Capacity in which shares were held 持股身份	Number of domestic shares 內資股數目	Approximate percentage of the Company's issued domestic shares	Approximate percentage of the Company's total issued shares
			佔本公司 已發行內資股 概約百分比	佔本公司已 發行股份總數 概約百分比
	⁽³⁾ Interest in controlled company	10,261,000	3.11%	1.70%
	⁽³⁾ 於受控公司權益		(Note 2)	(附註2)
Mr. Liu Jun	Interest in controlled company	138,864,000	42.08%	23.01%
劉均先生	於受控公司權益		(Note 3)	(附註3)

Notes:

附註:

(1) Mr. Liu Xin holds 60.00% interest in 深圳市浪曲科技開發有限公司("Shenzhen Langqu") which holds approximately 42.08% interest in the issued domestic shares of the Company. The corporate interest of Mr. Liu Xin in the Company duplicates with that held by Mr. Liu Jun in the Company. By virtue of Mr. Liu Xin's holding more than one-third interest in Shenzhen Langqu, Mr. Liu Xin is deemed, under Part XV of the SFO, to be interested in approximately 42.08% interest in the issued domestic shares of the Company apart from his personal interest of 42.01% interest in the issued domestic shares of the Company.

(1) 劉新先生持有深圳市浪曲科技開發有限公司(「深圳浪曲」)之60.00%權益，而深圳浪曲則持有本公司已發行內資股約42.08%權益。劉新先生於本公司之公司權益與劉均先生於本公司所持之權益重複。由於劉新先生持有深圳浪曲三分之一以上權益，故根據證券及期貨條例第XV部，劉新先生除擁有本公司已發行內資股中42.01%之個人權益外，亦被視作擁有本公司已發行內資股約42.08%權益。

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES (Continued)

Long positions in Shares (Continued)

Domestic Shares (Continued)

- (2) Mr. Liu Xin holds 40.00% interest in 深圳市得時域投資有限公司("Shenzhen De Shi Yu") which holds 3.11% interest in the issued domestic shares of the Company. By virtue of Mr. Liu Xin's holding more than one-third interest in Shenzhen De Shi Yu, Mr. Liu Xin is deemed, under the Part XV of the SFO, to be interested in 3.11% interest in the issued domestic shares of the Company apart from his personal interest of 42.01% interest in the issued domestic shares of the Company.
- (3) Mr. Liu Jun holds 40.00% interest in Shenzhen Langqu which holds approximately 42.08% interest in the issued domestic shares of the Company. The corporate interest of Mr. Liu Jun in the Company duplicates with that held by Mr. Liu Xin in the Company. By virtue of Mr. Liu Jun's holding more than one-third interest in Shenzhen Langqu which holds approximately 42.08% interest in the issued domestic shares of the Company, Mr. Liu Jun is deemed, under Part XV of the SFO, to be interested in approximately 42.08% interest in the issued domestic shares of the Company.

Save as disclosed above, as at 31 December 2008, none of the Directors, Chief executives or Supervisors of the Company had any personal, family, corporate or other interests or short positions in any shares, debentures or underlying shares of the Company or any of its associated corporations as defined in the SFO.

董事、監事及主要行政人員於證券的權益(續)

股份好倉(續)

內資股(續)

- (2) 劉新先生於深圳市得時域投資有限公司(「深圳得時域」)持有 40.00% 權益，而深圳得時域則持有本公司已發行內資股約 3.11% 之權益。除劉新先生於本公司已發行內資股擁有 42.01% 之個人權益外，由於其亦持有深圳得時域三分之一以上權益，故根據證券及期貨條例第 XV 部，劉新先生被視作擁有本公司已發行內資股約 3.11% 之權益。
- (3) 劉均先生持有深圳浪曲之 40.00% 權益，而深圳浪曲則持有本公司已發行內資股約 42.08% 權益。劉均先生於本公司之公司權益與劉新先生於本公司所持之權益重複。由於劉均先生持有深圳浪曲(深圳浪曲持有本公司已發行內資股約 42.08% 權益)三分之一以上權益，故根據證券及期貨條例第 XV 部，劉均先生被視作擁有本公司已發行內資股約 42.08% 權益。

除上文所披露以外，於二零零八年十二月三十一日，本公司各董事、主要行政人員或監事概無於本公司或其任何相關法團(定義見證券及期貨條例)之股份、債券或相關股份中持有任何個人、家族、公司權益或其他權益及淡倉。

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES (Continued)

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

So far as known to the Directors, as at 31 December 2008, the following persons (not being a Director or supervisor of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in shares and underlying shares in the Company

(i) Domestic Shares

Name 名稱	Capacity in which shares were held 持股身份	Number of domestic shares 內資股數目	Approximate percentage of the Company's issued domestic shares	Approximate percentage of the Company's total issued shares
			佔本公司 已發行內資股 概約百分比	佔本公司已 發行股份總數 概約百分比
Shenzhen Langqu 深圳浪曲	Interest in controlled company 受控公司權益	138,864,000	42.08% (Note 1)	23.01%

Note:

- (1) The legal and beneficial interests in the shares of Shenzhen Langqu are owned by Mr. Liu Xin as to 60% and by Mr. Liu Jun as to 40% respectively. Mr. Liu Xin and Mr. Liu Jun are therefore deemed to be interested in all Domestic Shares registered in the name of Shenzhen Langqu under Part XV of the SFO.

董事、監事及主要行政人員於證券的權益(續)

(b) 擁有根據證券及期貨條例第XV部第2及3分部須予披露權益或淡倉之人士及主要股東

於二零零八年十二月三十一日，就董事所知，以下人士（非本公司董事或監事除外）於本公司股份或有關股份中持有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露之權益或淡倉，或直接或間接於附有少於任何情況下於本集團任何其他成員公司股東大會上投票之權利之任何類別股本中擁有10%或以上之權益：

於本公司股份及相關股份之好倉

(i) 內資股

附註：

- (1) 劉新先生及劉均先生分別擁有深圳浪曲股份之法定及實際權益之60%及40%。因此，根據證券及期貨條例第XV部，劉新先生及劉均先生被視為於所有以深圳浪曲名義註冊之內資股中擁有權益。

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES (Continued)

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders (Continued)

(ii) H Shares

Name 名稱	Capacity in which shares were held 持股身份	Interests in H shares long position 於H股好倉 之權益	Approximate percentage of the Company's issued H shares 佔本公司 已發行H股 概約百分比	Approximate
				percentage of the Company's total issued shares 佔本公司 全部已發行 股份概約 百分比
McCarthy Kent C.	Interest of corporation controlled by substantial shareholder 主要股東所控制的法團權益	83,288,000	30.44%	19.21% (Note) (附註)
Templeton Asset Management Ltd.	Investment manager 投資經理	45,600,000	16.67%	7.55%
International Finance Corporation	Beneficial owner 實益擁有人	38,000,000	13.89%	6.30%
Genesis Fund Managers, LLP	Investment manager 投資經理	38,000,000	13.89%	6.30%
Jayhawk Paivate Equity Fund, L. P. ("JPEF")	Investment manager 投資經理	27,028,247	9.87%	4.48%
Genesis Smaller Companies SICAV	Investment manager 投資經理	22,651,000	8.28%	3.75%

董事、監事及主要行政人員於證券的權益(續)

(b) 擁有根據證券及期貨條例第XV部第2及3分部須予披露權益或淡倉之人士及主要股東(續)

(ii) H股

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES (Continued)

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders (Continued)

(ii) H Shares (Continued)

Name 名稱	Capacity in which shares were held 持股身份	Interests in H shares long position 於H股好倉 之權益	Approximate percentage of the Company's issued H shares 佔本公司 已發行H股 概約百分比	Approximate percentage of the Company's total issued shares 佔本公司 全部已發行 股份概約 百分比
United Technologies Corporation Master Trust	Investment manager 投資經理	15,349,000	5.61%	2.54%
Carlson Fund Equity Asian Small Cap	Investment manager 投資經理	12,180,000	4.45%	2.02%

Note:

McCarthy Kent C is interested in 100% of the issued share capital of JPEF. Therefore, by virtue of Part XV of the SFO, the H Shares in which JCF and JPEF are shown as being interested are included in and duplicate with interest in the H Shares held by McCarthy Kent C.

董事、監事及主要行政人員於證券的權益(續)

(b) 擁有根據證券及期貨條例第XV部第2及3分部須予披露權益或淡倉之人士及主要股東(續)

(ii) H股(續)

Name 名稱	Capacity in which shares were held 持股身份	Interests in H shares long position 於H股好倉 之權益	Approximate percentage of the Company's issued H shares 佔本公司 已發行H股 概約百分比	Approximate percentage of the Company's total issued shares 佔本公司 全部已發行 股份概約 百分比
United Technologies Corporation Master Trust	Investment manager 投資經理	15,349,000	5.61%	2.54%
Carlson Fund Equity Asian Small Cap	Investment manager 投資經理	12,180,000	4.45%	2.02%

附註：

McCarthy Kent C於JPEF已發行股本擁有100%之權益，因此，按證券及期貨條例第XV部，JCF及JPEF據顯示擁有之該等H股權益乃包括於並與McCarthy Kent C持有之H股權益重覆。

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2008.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate turnover attributable to the Group's five largest customers was approximately 27% of the Group's total turnover and the Group's largest customer accounted for approximately 14% of the Group's turnover.

The aggregate purchases during the year attributable to the Group's five largest suppliers was approximately 42% of the Group's total purchases and the Group's largest supplier accounted for approximately 10% of the Group's total purchases.

None of the Directors, or Supervisors, their associates or any shareholder of the Company (which to the knowledge of the directors and supervisors own more than 5% of the Company's issued share capital) had any interest in any of the five largest customers or suppliers of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

董事於合約及關連交易的權益

本公司董事概無於本公司或其任何附屬公司所訂立直至本年度結束或於截至二零零八年十二月三十一日止年度期間任何時間仍然存續之任何重大合約中直接或間接擁有重大權益。

主要客戶及供應商

年內，集團五大客戶應佔的營業總額約為集團總營業額的27%，而集團最大客戶則佔集團總營業額約14%。

年內，集團五大供應商應佔的採購總額約為集團總採購額的42%，而集團最大供應商則佔集團總採購額約10%。

就董事所知，擁有超過本公司已發行股本5%權益的本公司董事、監事、彼等的聯繫人士或任何股東，概無擁有集團五大客戶或供應商中任何一間的任何權益。

購買、出售或贖回本公司已上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何已上市證券。

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Articles of Association or the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

BOARD PRACTICES AND PROCEDURES

The Company has complied with the board practices and procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules during this year.

AUDIT COMMITTEE

An audit committee was established on 21 March 2002 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises the three independent non-executive directors, Mr. Zhang Xiao Yu, Professor Hu Zi Zheng and Mr. Yim Hing Wah.

Five audit committee meetings were held in 2008 and up to the date of this announcement to perform the following duties:

- review the 2007 and 2008 annual reports and first to third quarterly reports of 2008 of the Company; and
- review and supervise the internal control system of the Group.

優先認購權

本公司之公司組織章程或中國法例並無訂明本公司須按比例向現有股東發售新股的優先認購權條文。

董事會慣例及程序

本公司於本年度遵照創業板上市規則第5.34至5.45條所載董事會慣例及程序。

審核委員會

本公司已於二零零二年三月二十一日，根據創業板上市規則第5.28至5.33條，成立具有明確職權範圍之審核委員會。審核委員會的主要職責為審核及監督集團的財務申報過程及內部控制制度。審核委員會之成員包括三名獨立非執行董事張小虞先生、胡子正教授及嚴慶華先生。

於二零零八年度及截至本公佈日期期間，本公司曾召開五次審核委員會會議，以履行以下職責：

- 審閱本公司二零零七年及二零零八年年報及二零零八年第一至第三季度季度報告；以及
- 審閱及監督本集團的內部控制制度。

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry to all Directors and the Company is not aware of any non-compliance with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the year.

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had an interest in a business which causes or may cause significant competition with the business of the Group.

INDEPENDENT AUDITORS

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Grant Thornton as independent auditors of the Company.

By order of the Board

Launch Tech Company Limited

Liu Xin

Chairman

Shenzhen, the PRC

31 March 2009

董事進行證券交易

本公司已採納一套有關董事進行證券交易之操守準則，條款不遜於創業板上市規則第5.48至5.67條所規定之交易標準。經向全體董事作出特別諮詢後，本公司並不知悉有任何董事於本年內不遵守規定之交易準則及本公司所採納之有關董事進行證券交易之操守準則。

競爭權益

本公司董事或管理層股東或彼等各自的聯繫人士(定義見創業板上市規則)概無於與本集團業務構成或可能構成激烈競爭的業務中擁有權益。

獨立核數師

本公司將於本公司股東週年大會上提呈決議案以重新委任均富會計師行為本公司之獨立核數師。

承董事會命

深圳市元征科技股份有限公司

董事長

劉新

中國，深圳

二零零九年三月三十一日

Independent Auditors' Report

獨立核數師報告書



Member of Grant Thornton International Ltd

To the members of Launch Tech Company Limited

(A joint stock company with limited liability established in the People's Republic of China)

We have audited the consolidated financial statements of Launch Tech Company Limited 深圳市元征科技股份有限公司 (the "Company") set out on pages 40 to 123, which comprise the consolidated and company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

致：深圳市元征科技股份有限公司股東
(於中華人民共和國成立之股份有限公司)

本行已完成審核載於第40頁至第123頁深圳市元征科技股份有限公司(「貴公司」)的綜合財務報表，此綜合財務報表包括於二零零八年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合收益表、綜合權益變動報表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》之披露要求，編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部監控，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況作出合理的會計估計。

Independent Auditors' Report

獨立核數師報告書

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Grant Thornton

Certified Public Accountants
13th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong
31 March 2009

核數師的責任

本行的責任是根據吾等的審核，對該等財務報表作出意見並僅向整體股東報告，除此之外本報告別無其他目的。本行不會就本報告的內容向任何其他人士負上或承擔任何責任。

本行已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道義規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行政序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於期詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部監控，以設計適當的審核程序，但並非為對公司的內部監控之有效性發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務表的整體列報方式。

本行相信，吾等所獲得的審核憑證充足及適當地為我們的審核意見提供基礎。

意見

本行認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零八年十二月三十一日的事務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》的披露要求而妥為編製。

均富會計師行

執業會計師
香港
皇后大道中15號
置地廣場
告羅士打大廈13樓
二零零九年三月三十一日

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

			2008	2007
			二零零八年	二零零七年
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Revenue	收益	5	438,554	412,463
Cost of sales	銷售成本		(229,196)	(183,766)
Gross profit	毛利		209,358	228,697
Other income	其他收入	5	29,184	23,650
Selling expenses	銷售開支		(71,869)	(74,284)
Administrative expenses	行政費用		(61,346)	(44,582)
Research and development expenses	研發費用		(17,212)	(16,027)
Other operating expenses	其他經營開支		(38,095)	(30,087)
Finance costs	財務成本	8	(26,973)	(23,166)
Share of results of an associate	應佔一間聯營公司業績	18	(7,121)	(2,753)
Gain on deemed disposal of interest in an associate	視作出售一間聯營公司權益之收益	18	4,244	-
Profit before income tax	除所得稅前溢利	6	20,170	61,448
Income tax expense	所得稅支出	9	(7,339)	(101)
Profit for the year	本年度溢利	10	12,831	61,347
Dividends	股息	11	12,072	30,180
			RMB	RMB
			人民幣	人民幣
Earnings per share for profit attributable to the equity holders of the Company during the year	本公司本年度權益持有人應佔每股溢利			
– Basic	– 基本	12	2.1cents 分	10.9cents 分

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2008 於二零零八年十二月三十一日

			2008	2007
			二零零八年	二零零七年
	Notes		RMB'000	RMB'000
	附註		人民幣千元	人民幣千元
ASSETS AND LIABILITIES		資產及負債		
Non-current assets		非流動資產		
Property, plant and equipment	13	物業、廠房及設備	233,467	215,656
Leasehold land and land use rights	14	租賃土地及土地使用權	21,927	22,453
Goodwill	15	商譽	3,658	3,658
Development costs	16	開發成本	47,008	43,975
Interests in an associate	18	於一間聯營公司之權益	9,759	7,636
Club membership	19	會所會藉	1,177	–
			316,996	293,378
Current assets		流動資產		
Inventories	20	存貨	76,650	83,165
Trade receivables	21	應收貿易賬款	238,734	251,582
Bills receivables	22	應收票據	1,433	2,510
Other receivables, deposits and prepayments	23	其他應收款項、按金 及預付款項	164,616	142,414
Amount due from an associate	25	一間聯營公司欠款	3,159	493
Pledged bank deposits	26	已抵押之銀行存款	21,000	15,669
Cash and cash equivalents	27	現金及現金等價物	97,583	175,203
			603,175	671,036
Current liabilities		流動負債		
Trade payables	28	應付貿易賬款	60,763	64,387
Bills payables		應付票據	21,000	18,300
Other payables and accrued charges		其他應付款項及應計費用	12,662	19,274
Income tax payables		應付所得稅項	12	–
Current portion of borrowings	29	借貸之流動部分	278,865	233,323
			373,302	335,284
Net current assets		流動資產淨值	229,873	335,752
Total assets less current liabilities		總資產減流動負債	546,869	629,130
Non-current liabilities		非流動負債		
Borrowings	29	借貸	40,763	105,572
Net assets		資產淨值	506,106	523,558

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2008 於二零零八年十二月三十一日

			2008	2007
			二零零八年	二零零七年
	Notes		RMB'000	RMB'000
	附註		人民幣千元	人民幣千元
EQUITY		權益		
Equity attributable to the Company's equity holders		本公司權益持有人應佔權益		
Share capital	31	股本	60,360	60,360
Reserves	32(a)	儲備	433,674	433,018
Proposed final dividend	11	建議末期股息	12,072	30,180
Total equity		權益總額	506,106	523,558

Mr. Liu Xin

劉新先生

Director

董事

Mr. Liu Jun

劉均先生

Director

董事

Balance Sheet

資產負債表

As at 31 December 2008 於二零零八年十二月三十一日

	Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	176,001	164,835
Leasehold land and land use rights	14	9,821	10,077
Development costs	16	14,372	15,889
Investments in subsidiaries	17	96,853	96,853
Interests in an associate	18	16,350	11,350
Club membership	19	1,177	–
		314,574	299,004
Current assets			
Inventories	20	16,759	58,022
Trade receivables	21	225,007	192,399
Bills receivables	22	1,000	1,000
Other receivables, deposits and prepayments			
其他應收款項、			
按金及預付款項	23	182,025	223,778
附屬公司欠款	24	54,394	48,633
一間聯營公司欠款	25	3,137	493
已抵押之銀行存款	26	21,000	15,669
現金及現金等價物	27	85,272	167,611
		588,594	707,605
Current liabilities			
Trade payables	28	6,859	21,579
Bills payables		21,000	18,300
Other payables and accrued charges		8,857	12,478
Amounts due to subsidiaries	24	151,898	181,276
Current portion of borrowings	29	278,152	232,926
		466,766	466,559
Net current assets		121,828	241,046
Total assets less current liabilities		436,402	540,050
Non-current liabilities			
Borrowings	29	40,000	105,000
Net assets		396,402	435,050
EQUITY			
Share capital	31	60,360	60,360
Reserves	32(b)	323,970	344,510
Proposed final dividend	11	12,072	30,180
Total equity		396,402	435,050
Mr. Liu Xin 劉新先生 Director 董事		Mr. Liu Jun 劉均先生 Director 董事	

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

			2008	2007
			二零零八年	二零零七年
	Notes		RMB'000	RMB'000
	附註		人民幣千元	人民幣千元
Cash flows from operating activities		經營業務產生之流動現金		
Profit before income tax		除所得稅前溢利	20,170	61,448
Adjustments for:		經調整：		
Interest expenses		利息支出	24,257	21,898
Interest income		利息收入	(1,953)	(1,089)
Amortisation of development costs		開發成本之攤銷	10,337	9,254
Depreciation of property, plant and equipment		物業、廠房及設備之折舊	22,941	24,898
Annual charges on leasehold land and land use rights		租賃土地及土地使用權年費	526	591
Loss on disposals of leasehold land and land use rights		出售租賃土地及土地使用權之虧損	-	81
Loss/(gain) on disposals of property, plant and equipment		出售物業、廠房及設備之虧損／(收益)	620	(2,732)
Provision for impairment on trade receivables		應收貿易賬款減值撥備	10,363	10,932
Provision for impairment on other receivables		其他應收款項減值撥備	2,497	-
Provision for slow-moving inventories		滯銷存貨撥備	-	495
Gain on deemed disposal of interest in an associate		視作出售一間聯營公司權益之收益	(4,244)	-
Share of results of an associate		應佔一間聯營公司業績	7,121	2,753
Operating profit before working capital changes		營運資金變動前之經營溢利	92,635	128,529
Decrease/(increase) in inventories		存貨減少／(增加)	6,515	(1,441)
Decrease/(increase) in trade receivables		應收貿易賬款減少／(增加)	2,485	(28,730)
Decrease/(increase) in bills receivables		應收票據減少／(增加)	1,077	(2,510)
Increase in amount due from an associate		聯營公司欠款增加	(2,666)	(450)
Increase in other receivables, deposits and prepayments		其他應收款項、按金及預付款項增加	(25,876)	(36,550)
Decrease in trade payables		應付貿易賬款減少	(3,624)	(3,732)
(Decrease)/increase in other payables and accrued charges		其他應付款項及應計費用(減少)／增加	(6,612)	2,788
Increase in bills payables		應付票據增加	2,700	11,976
Cash generated from operations		經營業務產生現金	66,634	69,880
Interest paid		已付利息	(24,257)	(21,898)
Income tax paid		已付所得稅	(7,327)	(472)
Net cash generated from operating activities		經營業務產生現金淨額	35,050	47,510

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

		2008	2007
		二零零八年	二零零七年
	Notes	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Cash flows from investing activities	投資活動產生之流動現金		
Further investment in an associate	於一間聯營公司之進一步投資	(5,000)	(10,000)
Additions of property, plant and equipment	新增物業、廠房及設備		
	所支付之按金	(42,626)	(34,780)
Expenditure on development activities	開發活動開支	(13,370)	(11,982)
Repayment from a related company	已收一間關連公司之款項	-	1,271
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款	1,254	12,466
Proceeds from disposals of leasehold land and land use rights	出售租賃土地及土地使用權所得款	-	669
Interest received	已收利息	1,953	1,089
Net cash used in investing activities	投資活動所用現金淨額 33	(57,789)	(41,267)
Cash flows from financing activities	融資活動產生之流動現金		
Issue of H shares	發行H股	-	70,796
Share issue expenses	關於發行股份之支出	-	(8,514)
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少	(5,331)	10,155
Drawdown of bank loans	提取銀行貸款	349,368	395,630
Repayment of bank loans	償還銀行貸款	(368,635)	(325,074)
Dividends paid	已付股息	(30,180)	(19,530)
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額	(54,778)	123,463
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(77,517)	129,706
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	175,203	45,197
Effect of foreign exchange rate changes, on cash held	外匯變動對持有之現金之影響	(103)	300
Cash and cash equivalents at 31 December, comprising cash at banks and in hand	於十二月三十一日之現金及現金等價物，計有銀行結餘及現金	97,583	175,203

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

		Equity attributable to equity holders of the Company 本公司權益持有人應佔權益							
		股本	股份溢價*	法定*	公益金*	換算儲備*	保留溢利*	建議之	權益總額
		Share	Share*	Statutory*	Public*	Translation*	Retained*	Proposed	Total
		capital	premium	reserve	welfare	reserve	profits	dividend	equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(Note 32)	(Note 32)	(Note 32)		(Note 32)		
			(附註32)	(附註32)	(附註32)		(附註32)		
At 1 January 2007	於二零零七年一月一日	55,800	226,488	15,601	15,601	(1,316)	87,455	19,530	419,159
Issue of H shares	發行H股	4,560	66,236	-	-	-	-	-	70,796
Share issue expenses	股份發行費用	-	(8,514)	-	-	-	-	-	(8,514)
Appropriations	分配	-	-	3,779	3,779	-	(7,558)	-	-
2006 final dividend paid	已付二零零六年末期股息	-	-	-	-	-	-	(19,530)	(19,530)
Currency translation differences – profit and total income recognised directly in equity	貨幣換算差額 – 直接反映於權益之收益及總收入	-	-	-	-	300	-	-	300
Profit for the year	年內利潤	-	-	-	-	-	61,347	-	61,347
Profit and total income recognised for the year	年內收益及總收入	-	-	-	-	300	61,347	-	61,647
2007 proposed final dividend	二零零七年建議之末期股息	-	-	-	-	-	(30,180)	30,180	-
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日	60,360	284,210	19,380	19,380	(1,016)	111,064	30,180	523,558
2007 final dividend paid	已付二零零七年末期股息	-	-	-	-	-	-	(30,180)	(30,180)
Currency translation differences – loss and total expense recognised directly in equity	貨幣換算差額 – 直接反映於權益之虧損及總支出	-	-	-	-	(103)	-	-	(103)
Profit for the year	年內利潤	-	-	-	-	-	12,831	-	12,831
Profit and total income recognised for the year	年內收益及總收入	-	-	-	-	(103)	12,831	-	12,728
2008 proposed final dividend	二零零八年建議之末期股息	-	-	-	-	-	(12,072)	12,072	-
At 31 December 2008	於二零零八年十二月三十一日	60,360	284,210	19,380	19,380	(1,119)	111,823	12,072	506,106

* These reserve accounts comprise the reserves of RMB433,674,000 (2007: RMB433,018,000) in the consolidated balance sheet.

* 此等儲備賬戶包括於綜合資產負債表內之儲備人民幣433,674,000元(二零零七年: 人民幣433,018,000元)。

Total income and expense attributable to equity holders of the Company for the year ended 31 December 2008 amounts to RMB12,728,000 (2007: RMB61,647,000).

本公司權益持有人應佔截至二零零八年十二月三十一日年度之總收入及支出為人民幣12,728,000元(二零零七年: 人民幣61,647,000元)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

1. GENERAL INFORMATION

Launch Tech Company Limited (the “Company”) was established in Shenzhen, the People’s Republic of China (the “PRC”) as a joint stock limited company and its overseas listed foreign invested shares (“H Shares”) are listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since October 2002. The address of the Company’s registered office is 2-8 Floors, Xin Yan Building, Bagua Number Four Road, Futian District, Shenzhen, the PRC and its principal place of business is Launch Industrial Park, North of Wuhe Road, Banxuegang, Longgang District, Shenzhen, the PRC.

The principal activities of the Company and its subsidiaries (the “Group”) are the provision of products and services serving the automotive aftermarket and the automobile industry in the PRC and certain overseas countries.

2. ADOPTION OF NEW OR AMENDED HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the “new HKFRSs”) issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 January 2008:

HK (IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions
HKAS 39 (Amendments)	Reclassification of Financial Assets

The new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

1. 一般資料

深圳市元征科技股份有限公司(「本公司」)為在中華人民共和國(「中國」)深圳成立之股份有限公司。其海外上市外資股(「H股」)自二零零二年十月以來在香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。本公司註冊辦事處之地址為中國深圳福田區八卦四路新陽大廈2至8樓，而主要營業地址為中國深圳市龍崗區阪雪崗工業區五和大道北元征工業園。

本公司及其子公司(「本集團」)之主要業務為向中國及若干海外國家的汽車後市場及汽車業提供產品及服務。

2. 採納新訂或經修訂香港財務申報準則

本集團於本年度首次應用下列由香港會計師公會頒佈之新準則、修訂及詮釋(「新訂香港財務報告準則」)，該等準則與本集團由二零零八年一月一日起計之年度期間之財務報表有關，並對該等報表有效：

香港(國際財務報告詮釋委員會) – 詮釋第11號	香港財務報告準則第2號：集團及庫存股份交易
香港會計準則第39號(條訂案)	重新分類金融資產

新訂香港財務報告準則對目前及過往期間已編製及呈列之業績及財務狀況並無重大影響。因此，並無需作出前期調整。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

At the date of authorisation of these financial statements, the following new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate financial Statements ²
HKAS 32, HKAS 39 & HKFRS 7 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKAS 39 (Amendment)	Eligible Hedged Items ²
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Embedded Derivatives ⁶
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate ¹
HKFRS 1 (Revised)	First-Time Adoption of HKFRS ²
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments ¹
HKFRS 8	Operating Segments ¹

2. 採納新訂或經修訂香港財務申報準則(續)

於該等財務報表獲認可之日，以下新訂及經修訂香港財務報告準則經已頒佈但尚未生效，且本集團並無提前採納。

香港會計準則第1號(經修訂)	財務報表之呈列 ¹
香港會計準則第23號(經修訂)	借貸成本 ¹
香港會計準則第27號(經修訂)	綜合及獨立財務報表 ²
香港會計準則第32號、香港會計準則第39號及香港財務報告準則第7號(修訂案)	可沽出之金融工具及於清盤時所產生之責任 ¹
香港會計準則第39號(修訂案)	合資格對沖項目 ²
香港會計準則第39號(修訂案)	金融工具：確認及計量—嵌入式衍生工具 ⁶
香港財務報告準則第1號及香港會計準則第27號(修訂案)	於一間附屬公司、共同控制實體或聯營公司進行投資之成本 ¹
香港財務報告準則第1號(經修訂)	首次採納香港財務報告準則 ²
香港財務報告準則第2號(修訂案)	以股份為基礎的付款—歸屬條件付款及註銷 ¹
香港財務報告準則第3號(經修訂)	業務合併 ²
香港財務報告準則第7號(修訂案)	金融工具：披露—改善有關金融工具之披露資料 ¹
香港財務報告準則第8號	經營分部 ¹

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

HK(IFRIC) Interpretation 9	Reassessment of Embedded Derivatives ⁶
HK(IFRIC) Interpretation 13	Customer Loyalty Programmes ³
HK(IFRIC) Interpretation 15	Agreements for the Construction of Real Estate ¹
HK(IFRIC) Interpretation 16	Hedges of a Net Investment in a Foreign Operation ⁴
HK(IFRIC) Interpretation 17	Distribution of Non-Cash Assets to Owners ⁵
HK(IFRIC) Interpretation 18	Transfers of Assets from Customers ²
Various	Annual Improvements to HKFRS 2008 ⁷

- ¹ Effective for annual periods beginning on or after 1 January 2009
- ² Effective for annual periods beginning on or after 1 July 2009
- ³ Effective for annual periods beginning on or after 1 July 2008
- ⁴ Effective for annual periods beginning on or after 1 October 2008
- ⁵ Effective for transfer of assets from customers received on or after 1 July 2009
- ⁶ Effective for annual periods beginning on or after 1 June 2009
- ⁷ Generally effective for annual periods beginning on or after 1 January 2009 unless otherwise stated in the specific HKFRS

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement.

2. 採納新訂或經修訂香港財務申報準則(續)

香港(國際財務報告 詮釋委員會) — 詮釋第9號	重新評估嵌入式 衍生工具 ⁶
香港(國際財務報告 詮釋委員會) — 詮釋第13號	客戶忠誠度計劃 ³
香港(國際財務報告 詮釋委員會) — 詮釋第15號	房地產建設 之協議 ¹
香港(國際財務報告 詮釋委員會) — 詮釋第16號	對沖境外業務 之淨投資 ⁴
香港(國際財務報告 詮釋委員會) — 詮釋第17號	向擁有人分派 非現金資產 ⁵
香港(國際財務報告 詮釋委員會) — 詮釋第18號	轉讓客戶之資產 ²
其他	二零零八年香港 財務報告準則 之年度修訂 ⁷

- ¹ 於二零零九年一月一日或以後開始之年度期間生效
- ² 於二零零九年七月一日或以後開始之年度期間生效
- ³ 於二零零八年七月一日或以後開始之年度期間生效
- ⁴ 於二零零八年十月一日或以後開始之年度期間生效
- ⁵ 於二零零九年七月一日或以後收到從客戶轉讓之資產時生效
- ⁶ 於二零零九年六月一日或以後開始之年度期間生效
- ⁷ 一般於二零零九年一月一日或以後開始之年度期間生效，除非個別香港財務報告準則另有註明

董事預期所有該等準則及詮釋將於頒佈生效日期後起首個期間納入本集團之會計政策內。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

Among these new standards and interpretations, HKAS 1 (Revised) Presentation of Financial Statements is expected to materially change the presentation of the Group's financial statements. The amendments affect the presentation of owner changes in equity and introduce a statement of comprehensive income. The Group will have the option of presenting items of income and expenses and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income).

The amendment does not affect the financial position or results of the Group but will give rise to additional disclosures.

In addition, HKFRS 8 Operating Segments may result in new or amended disclosures. The directors are in the process of identifying reportable operating segments as defined in HKFRS 8.

The directors are currently assessing the impact of other new and amended HKFRSs upon initial application. So far, the directors have preliminarily concluded that the initial application of these HKFRSs is unlikely to have a significant impact on the Group's results and financial position.

2. 採納新訂或經修訂香港財務申報準則(續)

於該等新訂準則及詮釋中，香港會計準則第1號(經修訂)一財務報表之呈列預期將會對本集團財務報表之呈列構成重大變動。修訂影響擁有人權益變動之呈列，並將引入綜合收入報表。本集團將可選擇以註明小計之單一綜合收入報表或兩個獨立報表(獨立收入報表及綜合收入報表)呈列收入及支出項目以及其他綜合收入組成部分。

修訂並不影響本集團之財務狀況或業績，但本集團須就此披露額外資料。

此外，香港財務報告準則第8號一經營分部可能導致新增或經修訂披露資料。董事目前正識別需呈報之經營分部(定義見香港財務報告準則第8號)。

董事目前正評估首次採納其他新訂及經修訂香港財務報告準則後之影響。直至目前為止，董事已得出初步結論，認為首次應用該等香港財務報告準則對本集團之業績及財務狀況造成影響之可能性不大。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements on pages 40 to 123 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

The financial statements for the year ended 31 December 2008 were approved for issue by the board of directors on 31 March 2009.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

The financial statements have been prepared on the historical cost basis. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

3. 主要會計政策概要

3.1 編製基準

於第40頁至第123頁之財務報表已按照香港財務報告準則(包括所有適用之個別香港財務報告準則)、香港會計師公會頒佈之香港會計準則及詮釋編製。財務報表亦包括香港公司條例及香港聯合交易所有限公司創業板證券上市規則(「創業板上市規則」)之適用披露規定。

截至二零零八年十二月三十一日止年度之財務報表已於二零零九年三月三十一日獲董事會批准刊發。

編製此等財務報表時採納之重大會計政策概述如下。除另有指明外，該等會計政策於所有呈列年度內貫徹應用。

此等財務報表乃按照歷史成本法編製。計量基準於以下會計政策內詳述。

務請注意，編製財務報表時須作出會計估計及假設。儘管此等估計乃按管理層對現行事件及行動所深知及判斷而作出，惟實際結果最終或會有別於該等估計。涉及高度判斷或複雜性的範圍，或假設及估計對財務報告而言屬重大的範圍，於附註4內披露。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (see 3.3 below) made up to 31 December each year.

3.3 Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

Business combinations (other than combining entities under common control) are accounted for by applying the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair value, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

Intra-group transactions, balances and unrealised gains on transactions between the Company and its subsidiaries are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3. 主要會計政策概要(續)

3.2 綜合賬目之基準

綜合財務報表載有本公司及其附屬公司(見下文第3.3節)截至每年十二月三十一日止之財務報表。

3.3 附屬公司

附屬公司為本集團擁有權力控制其財務及營運政策以從其經營活動中獲利之實體。本集團會於評估本公司是否控制另一家實體時，考慮現時可行使或可兌換之潛在投票權存在與否及其影響。附屬公司之賬目自控制權轉讓予本集團之日起綜合計入，而有關賬目將於該控制權終止之日自綜合賬目剔除。

業務組合(於共同控制下實體之組合除外)乃採取收購法入賬。此情況涉及按公平值重估於收購日期所有可識別資產及負債，包括該附屬公司之或然負債，而不論該等資產及負債於收購前是否記錄於該附屬公司之財務報表。於初步確認時，該附屬公司之資產及負債會按公允值計入綜合資產負債表，並將按照本集團之會計政策用作其後計量之基準。

集團內公司間之交易、本公司與其附屬公司間交易之結餘及未變現收益會於編製綜合財務報表時作對銷。未變現虧損亦會對銷，惟有證據顯示所轉讓資產出現減值之交易除外。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Subsidiaries (Continued)

In the Company's balance sheet, subsidiaries are carried at cost less any impairment loss. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the balance sheet date.

3.4 Associates

Associates are those entities over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% and 50% of voting rights but which are neither subsidiaries nor investment in a joint venture. In consolidated financial statements, investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Under the equity method, the Group's interests in the associate is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on goodwill relating to the investment in associate recognised for the year.

When the Group's share of losses in an associate equals or exceeds its interests in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interests in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

3. 主要會計政策概要 (續)

3.3 附屬公司(續)

於本公司之資產負債表中，附屬公司按成本值減去減值虧損列賬。附屬公司之業績由本公司按於結算日已收及應收股息之基準列賬。

3.4 聯營公司

聯營公司是指本集團對其有重大影響之公司，泛指擁有20%至50%投票權之持投量，但並不歸類為附屬或合營公司。在綜合財務報表內，於聯營公司之投資乃初步按成本確認並於隨後以權益法入賬。根據權益法，本集團於聯營公司之權益乃按成本入賬並就本集團應佔聯營公司資產淨值減任何可識別減值虧損之收購後變動作出調整，除非其被分類為持作出售(或納入分類為持作出售之出售組合內)。綜合收益表包括本集團應佔聯營公司於本年度之收購後除稅後業績，包括於年內確認之於聯營公司投資有關之商譽之任何減值虧損。

當本集團應佔聯營公司虧損相等或超出其於聯營公司之權益，本集團不會確認超出之損失，除非本集團代聯營公司承擔法律或推定責任或支付款項。就此而言，本集團於聯營公司之權益，即為根據權益法所得投資賬面值，以及本集團實質構成於聯營公司投資淨額之長期投資。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Associates (Continued)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment.

The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. At each balance sheet date, the Group determines whether there is any objective evidence that the investment in associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount of the associate and its carrying amount.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where the associate adopts accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's accounting policies to those of the Group when the associate's financial statements are adopted by the Group in applying the equity method.

3. 主要會計政策概要(續)

3.4 聯營公司(續)

任何收購成本超出本集團應佔於收購日期已確認之聯營公司可識別資產、負債及或然負債之公平值淨額，均確認為商譽。收購成本為交易當日給予資產、承擔或估計負債和本集團發行資本工具之總公平值，連同直接有關該投資之任何成本。

商譽乃計入投資之賬面值內，並作為投資部分接受減值評估。於應用權益法後，本集團釐定是否需要對本集團於聯營公司之投資確認額外減值虧損。於各結算日，本集團決定是否有任何客觀證據顯示於聯營公司之投資已出現減值。如識別有關跡象，本集團將計算減值金額（即可收回聯營公司之金額與其賬面值之差額）。

本集團與聯營公司之間交易而產生之未變現收益將按本集團所享有之部分抵銷。除非該交易提供證據證明所轉移資產出現減值，否則未變現虧損亦應抵銷。倘聯營公司所採納會計政策並非為本集團於同類情況下就類似交易及事件所採用者，本集團為應用權益法而採用聯營公司之財務報表時作出必要調整，以使該聯營公司的會計政策與本集團所用者一致。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Associates (Continued)

In the Company's balance sheet, investments in associates are stated at cost less any impairment losses. The results of associates are accounted for by the Company on the basis of dividends received and receivable.

3.5 Foreign currency translation

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

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the balance sheet date retranslation of monetary assets and liabilities are recognised in the income statement.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 主要會計政策概要 (續)

3.4 聯營公司(續)

於本公司資產負債表內，於聯營公司之投資乃按成本減任何減值虧損入賬。聯營公司之業績乃由本公司根據已收及應收股息入賬。

3.5 外幣換算

財務報表以人民幣(「人民幣」)呈列，人民幣亦為本公司之功能貨幣。

於綜合實體之獨立財務報表內，外幣交易按交易當日之匯率換算為個別實體之功能貨幣。於結算日，外幣計值的貨幣資產及負債均按結算日的適用外匯匯率換算。因結算該等交易及因結算日換算貨幣資產及負債所產生之匯兌收益及虧損，均分別於收益表確認。

按公允值入賬及以外幣結算之非貨幣項目按釐定公允值當日之適用匯率換算，並作為部分公允值收益或虧損而呈報。以外幣為單位按歷史成本計值之非貨幣項目概不重新折算。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Foreign currency translation (Continued)

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rate at the balance sheet date. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been dealt with separately in the translation reserve in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 have been treated as assets and liabilities of the foreign operation and translated into RMB at the closing rate. Goodwill arising on the acquisitions of foreign operations before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

3.6 Revenue recognition

Revenue comprises the fair value for the sale of goods, net of rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

- (i) Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when goods are delivered and the customer has accepted the goods.
- (ii) Revenue from the sale of software systems is recognised when the software system has been delivered and installed and the customer has examined and accepted the software system.

3. 主要會計政策概要(續)

3.5 外幣換算(續)

於綜合財務報表內，原本以本集團之呈列貨幣以外之貨幣呈列之附屬公司所有獨立財務報表已轉換為人民幣。資產及負債已按結算日之匯率折算為人民幣。倘若匯率無重大波動，收入及開支已按交易日報之匯率或申報期之平均匯率折算為人民幣。從此程序產生之任何差額已於股本內之貨幣換算儲備內分開處理。於二零零五年一月一日或之後，收購海外公司產生之商譽及公平值被視為海外公司之資產及負債，並已按收市匯率折算為人民幣；於二零零五年一月一日之前，收購海外業務所產生之商譽乃按收購海外業務當日之外幣匯率折算。

3.6 收入確認

收益包括出售貨物之公平值減去回扣和折扣。倘有可能有關之經濟利益流向本集團及有關之收益及成本(如適用)可以可靠地計量，收益將如下確認：

- (i) 貨品之銷售額於擁有權之重大風險及回報轉移至客戶時確認。此一般被視為貨品已交付及客戶已接納貨品之時間。
- (ii) 銷售軟件系統所得之收益乃於軟件系統付運及安裝，而客戶已驗收軟件系統時確認入賬。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 Revenue recognition (Continued)

- (iii) Revenue from technical services is recognised when the services are rendered.
- (iv) Interest income is recognised on a time proportion basis using the effective interest method.
- (v) Non-refundable government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.
- (vi) Rental income under operating leases is recognised in the income statement on a straight-line basis over the lease terms.

3.7 Borrowing costs

All borrowing costs are expensed as incurred.

3.8 Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The cost of the business combination is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, plus any costs directly attributable to the business combination.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 3.12).

3. 主要會計政策概要 (續)

3.6 收入確認 (續)

- (iii) 技術服務收益於提供服務時確認入賬。
- (iv) 利息收入按時間比例基準使用實際利率法。
- (v) 無須退還之政府撥款在合理確定將獲得該撥款且本集團將遵守所有附帶條件時以公平值確認。
- (vi) 經營租賃下之租金收入以直線法按租賃年期於收益表內確認。

3.7 借貸成本

所有借貸成本於產生時乃列作支銷。

3.8 商譽

商譽指一項業務組合超出本集團於收購日期分佔有關附屬公司可識別資產及負債公平值之差額。業務組合之或有負債乃按交換所提供資本、產生或承擔負債以及本集團發行股本工具日期的公平值總額計值，另加有關業務組合直接應佔的任何成本。

商譽乃按成本減累計減值虧損入賬。商譽被分配至現金賺取單位並每年進行減值測試(見附註3.12)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Goodwill (Continued)

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in the income statement.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

3.9 Intangible assets (other than goodwill) and research and development costs

Intangible assets (other than goodwill)

Intangible assets acquired separately are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. The development costs capitalised, which include cost of materials and direct labour, are amortised on a straight line basis over the estimated useful lives of the products or processes up to eight years from the date of commencement of commercial operation.

Intangible asset such as club membership with indefinite useful life is carried at cost less any subsequent accumulated impairment losses.

3. 主要會計政策概要(續)

3.8 商譽(續)

本集團於被收購者之可辨別資產、負債及或有負債公平值中任何超出該項業務組合成本之部分隨即於損益表中確認。

其後出售附屬公司時，資本化商譽的應佔數額須計入出售時所釐定的收益或虧損。

3.9 無形資產(商譽除外)及研發費用

無形資產(商譽除外)

獨立收購之無形資產初步按成本確認。初步確認後，使用年限有限之無形資產會按成本減累計攤銷及任何累計減值虧損列賬。

使用年限有限之無形資產會於估計使用年限內按直線法作攤銷撥備。撥充資本之開發費用(包括物料成本及直接工資)由開展商業生產當日起按估計至多八年可使用年期以直線法予以攤銷。

無限定可使用年期的無形資產如會所會籍，按成本減任何隨後累積減值虧損計算。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Intangible assets (other than goodwill) and research and development costs (Continued)

Research and development costs

Costs associated with research activities are expensed in the income statement as they occur. Costs that are directly attributable to the development projects whereby research findings or other knowledge are applied to a plan or design for the production of new or substantially improved products and processes are recognised as intangible assets, provided that they meet the following recognition requirements:

- (i) demonstration of technical feasibility of the prospective product for internal use or sale;
- (ii) there is intention to complete the intangible asset and use or sell it;
- (iii) the Group's ability to use or sell the intangible asset is demonstrated;
- (iv) the intangible asset will generate probable economic benefits through internal use or sale;
- (v) sufficient technical, financial and other resources are available for completion; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured.

3. 主要會計政策概要 (續)

3.9 無形資產(商譽除外)及研發費用(續)

研發費用

與研究活動掛鈎之費用在其發生時於收益表中支銷。直接應用作生產新增或持續提升產品及程序之計劃或設計之研究結果或其他知識所產生之開發費用確認為無形資產，惟符合以下確認規定者除外：

- (i) 顯示預期開發以供內部使用或銷售之產品之技術可行性；
- (ii) 完成無形資產及使用或出售無形資產之意圖；
- (iii) 本集團使用或出售無形資產之能力得到證明；
- (iv) 無形資產將通過內部使用或銷售使產生可能經濟利益；
- (v) 具備充足技術、財務及其他資源以供完成；及
- (vi) 無形資產應佔之開支能可靠地估量。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Intangible assets (other than goodwill) and research and development costs (Continued)

Other development costs are not capitalised and are recognised as an expense in the period as incurred.

Club membership and capitalised development costs assets are tested for impairment as described below in note 3.12.

3.10 Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold interest in the land at the inception of the lease, and other items of plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, taking into account their estimated residual value and using the straight-line method, at the following rates per annum:

Buildings	4%-5%
Leasehold improvements	20%
Mould and equipment	10%-20%
Motor vehicles	20%

The assets' estimated residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

3. 主要會計政策概要(續)

3.9 無形資產(商譽除外)及研發費用(續)

未撥充資本之其他開發費用於產生時作期內開支予以確認。

如下文附註3.12所述，會所會籍及撥充資本之開發費用資產作減值測試。

3.10 物業、廠房及設備

建於租賃土地上之持作自用樓宇，其公平值可於租賃開始時與租賃土地之公平值分開計量，其他廠房及設備項目乃按成本減累計折舊及減值虧損後入賬。

物業、廠房及設備經考慮其估計剩餘價值後，按下列年率就其估計可使用年期以直線法撇銷各項成本值計算折舊：

樓宇	4%-5%
租賃物業裝修	20%
模具及設備	10%-20%
汽車	20%

於每個結算日對該等資產之預計淨殘值及可使用年限進行審核及調整(如適用)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Property, plant and equipment (Continued)

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

3.11 Leasehold land and land use rights

Leasehold land and land use rights represent up-front payments to acquire the land use rights/leasehold land. They are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis over the lease term except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets.

3.12 Impairment of non-financial assets

The Group's goodwill on acquisition of subsidiaries, property, plant and equipment, leasehold land and land use rights, club membership, development costs, interests in an associate, and the Company's investments in subsidiaries are subject to impairment testing.

Goodwill and other intangible assets which are not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other individual assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

3. 主要會計政策概要 (續)

3.10 物業、廠房及設備(續)

報廢或出售產生之收益或虧損，按銷售所得款項與資產賬面值之差額釐定，並於收益表確認。

其後成本僅於與該項目相關之日後經濟利益有可能流入本集團，且該項目之成本能可靠計算時，計入資產之賬面值或確認為獨立資產(按適用情況)。所有其他開銷、包括維修及保養均於產生之財政期間自收益表扣除。

3.11 租賃土地及土地使用權

租賃土地及土地使用權指購入土地使用權／租賃土地所支付之手續費，按成本減累計攤銷及累計減值虧損列賬。攤銷於租期內按直線法計算，除非其他方法可更好地呈列來自租賃資產的收益。

3.12 資產減值

本集團於收購附屬公司時所產生之商譽、收購物業、廠房及設備、租賃土地及土地使用權、會所會籍、開發成本及於聯營公司之權益及本公司於附屬公司之投資須進行減值測試。

商譽及仍未可供使用之其他無確認使用年期之無形資產最少每年進行減值測試。無論是否有跡象顯示該等資產已減值。所有其他個別資產於顯示賬面值可能不能收回之時進行減值測試。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Impairment of non-financial assets (Continued)

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the assets.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell or value in use, if determinable.

3. 主要會計政策概要(續)

3.12 資產減值(續)

減值虧損按資產之賬面值超出其可收回金額之差額立即確認為虧損。可收回金額為反映市況之公平值減銷售成本與使用價值兩者之較高者。於評估使用價值時，估計未來現金流量乃採用反映現時市場對貨幣價值及資產特定風險之除稅前貼現率貼現至其現時使用價值。

就評估減值而言，倘資產未能產生大致上獨立於其他資產之現金流入，則可收回款額將按能單獨產生現金流入之最小資產類別(即現金產生單位)釐定。因此，部份資產個別進行減值測試及部份資產則以現金產生單位的水平進行測試。商譽特別分配至預期可從相關業務合併的協同效益中帶來獲得利益現金產生單位，為本集團內出於內部管理目的監控商譽的最低水平。

就已分配商譽之現金產生單位確認之減值虧損，初步計入商譽之賬面值。任何剩餘減值虧損按比例自該現金產生單位之其他資產扣除，除非某項資產之賬面值將不會減至低於其可釐定之個別公平值減銷售成本或使用價值。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Impairment of non-financial assets (Continued)

An impairment loss on goodwill is not reversed in subsequent periods including impairment losses recognized in an interim period. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.13 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

3. 主要會計政策概要 (續)

3.12 資產減值(續)

商譽減值虧損(包括於中期確認之減值虧損)不會於其後期間撥回。就其他資產而言，倘用於釐定資產可收回款額之估計有所改變，則撥回減值虧損，惟以資產之賬面值(扣除折舊後)不得超出假設過往年度該資產未確認減值虧損的情況下本該釐定的賬面值。

3.13 租賃

倘本集團決定在約定的時期內將特定資產使用權出讓，以換取一筆或一連串付款的安排，則包括一項交易或連串交易之該項安排為或包括一項租賃。該項決定乃基於安排內容的估值而作出，並不計是否該安排採取法律形式的租賃。

並無轉交擁有權之絕大部分風險及回報予本集團之租賃乃分類為經營租賃。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Leases (Continued)

- (i) Operating lease charges as the lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to the income statement on a straight line basis over the lease term except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the income statements as an integral part of the aggregate net lease payments made. Contingent rental are charged to the income statement in the accounting period in which they are incurred.

- (ii) Assets leased out under operating leases as the lessor

Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

Rental income receivable from operating leases is recognised in the income statement on a straight-line basis over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

3. 主要會計政策概要(續)

3.13 租賃(續)

- (i) 作為承租人之經營租賃開支

如本集團有權以營業租賃獲得資產之使用權，有關租賃之支出於租賃期間按直線法於收益表確認為開支，除非其他方法可更好地呈列來自租賃資產的收益。所獲得之租賃優惠均在收益表中確認為租賃淨付款總額之組成部分。或然租金在其產生之會計期間內在收益表中扣除。

- (ii) 作為出租人根據經營租賃出租資產

根據經營租賃出租之資產乃根據資產之性質予以計量及呈列。於協商及安排經營租賃時所產生之初步直接成本乃計入租賃資產之賬面值，並根據租期以與租金收入相同之基準確認為開支。

來自經營租賃之應收租金收入於租賃期間按直線法於收益表確認，除非其他方法可更好地呈列來自租賃資產的收益。所獲得之租賃優惠均在收益表中確認為租賃淨付款總額之組成部分。或然租金在其產生之會計期間內確認為收入。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries and an associate are set out below.

The Group's financial assets include trade, bills and other receivables, amount due from an associate, pledged bank deposits, and cash and cash equivalents.

Trade, bills and other receivables, and amount due from an associate are categorised as loans and receivables.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

3. 主要會計政策概要(續)

3.14 金融資產

本集團於附屬公司及一間聯營公司之金融資產(除投資外)之會計政策載列如下。

本集團之金融資產包括應收貿易賬款、應收票據及其他應收款項、應收一間聯營公司款項、已抵押銀行存款以及現金及現金等價物。

應收貿易賬款、應收票據及其他應收款項以及應收一間聯營公司款項則分類為貸款及應收款項。

管理層於首次確認時，視乎購入金融資產之目的，釐定其金融資產之分類，並在允許及合適情況下，於每個申報日重新評估該指定。

所有金融資產於且僅於本集團成為工具合約條款一部分時確認。以普通交易方式購入金融資產乃於交易日確認。金融資產於初始確認時按公平值計量，而並非屬按公平值反映於損益表之金融資產，則按公平值加直接應佔之交易成本量。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 Financial assets (Continued)

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. At each balance sheet date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

Impairment of financial assets

At each balance sheet date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

3. 主要會計政策概要(續)

3.14 金融資產(續)

倘收取投資所產生的現金流量之權利失效或被轉讓，且擁有權之絕大部分風險及回報已經轉移，須取消確認金融資產。於各結算日，會檢討金融資產以評估是否存在減值之客觀證據。倘若存在該等客觀證明，將釐定減值並根據金融資產之分類確認。

貸款及應收款項

貸款及應收款項並非於活躍市場報價而具備固定或可釐定款項之非衍生性質金融資產。貸款及應收款項隨後按實際利率法計算之攤銷成本，減任何減值虧損列賬。攤銷成本乃於計及任何收購折讓或溢價後計算，並包括屬於實際利率及交易成本一部分之費用。

金融資產減值

於各結算日審閱金融資產(按公平值反映於損益表除外)以釐定是否存在任何減值之客觀證據。

個別金融資產之客觀減值證據包括引致本集團對下列一項或多項虧損事件關注之可觀察數據：

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 Financial assets (Continued)

Impairment of financial assets (Continued)

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the Group.

3. 主要會計政策概要(續)

3.14 金融資產(續)

金融資產減值(續)

- 債務人陷入重大財務困難；
- 違反合約，例如拖欠或延遲償還利息或本金；
- 債務人可能會破產或經歷其他財務重整；
- 科技、市場、經濟及法律環境之重大改變對債務人有負面影響；及
- 對股本權益工具之投資之公平值出現重大或長期下跌至低於成本值。

有關某一組金融資產之虧損事項包括顯示該組金融資產之估計未來現金流量出現可計量跌幅之可觀察數據。該等可觀察數據包括但不限於組別內債務人之付款狀況，以及與組別內資產拖欠情況有關之國家或當地經濟狀況出現逆轉。

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 Financial assets (Continued)

If any such evidence exists, the impairment loss is measured and recognised as follows:

Loans and receivables

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in income statement for the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in income statement for the period in which the reversal occurs.

3. 主要會計政策概要(續)

3.14 金融資產(續)

倘存在任何該等證明，則減值虧損按以下方式計量及確認：

貸款及應收款項

倘有客觀證據表明貸款及應收款項已產生減值虧損，按資產賬面值與估計未來現金流量(不包括尚未產生之未來信貸虧損)之現值之差額，以該資產之原實際利率(即最初確認之實際利率)折讓。虧損金額於減值產生期間之收益表內確認。

於其後之期間，倘減值虧損減少且客觀上與減值虧損確認後發生之事件有關，則過往確認之減值虧損經損益撥回，惟撥回不應使金融資產之賬面金額超於減值撥回日期尚未確認減值時之攤銷成本。撥回金額於其產生期間之收益表內確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

3. 主要會計政策概要 (續)

3.15 所得稅之會計方法

所得稅包括本期稅項及遞延稅項。

本期所得稅資產及／或負債包括於結算日尚未繳付並與本期或先前申報期有關應付予稅收機關或稅收機關申索之稅務責任。該等稅務責任乃根據其相關財政年度適用稅率及稅法，按應課稅溢利計算。本期稅務資產或負債所有變動於收益表確認為稅務開支部份。

遞延稅項指財務報表中資產及負債的賬面值與相應稅基之間的暫時差額，使用負債法計算。遞延稅項負債通常就所有應課稅暫時差額確認。遞延稅項資產通常就所有可扣減暫時差額、可供結轉至下期之稅項虧損，以及其他未動用稅項抵免予以確認，以應課稅溢利可供以對銷可扣減暫時差額、未動用稅項虧損及未動用稅項抵免為限。

倘該暫時差額源自商譽，或源自不影響稅務及會計盈虧的交易中其他資產及負債的首次確認（除業務合併外），則該等資產及負債不予確認。

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財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Accounting for income taxes (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credit directly to equity.

3.16 Inventories

Inventories comprise raw materials, supplies and purchased goods. Cost is determined using weighted average method and in the case of work in progress and finished goods, include all expenses directly attributable to the manufacturing process as well as appropriate portions of related production overheads, based on normal operating capacity. Financing costs are not taken into consideration. At the balance sheet date, inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

3. 主要會計政策概要(續)

3.15 所得稅之會計方法(續)

遞延稅項負債會為源自於附屬及聯營公司投資的應課稅暫時差額確認，惟倘本集團能夠控制該暫時差額的撥回及該暫時差額於可見將來很可能不會撥回則另作別論。

遞延稅項乃按於清償負債或變現資產期間預計適用於結算日為已頒佈或大致上已頒佈之稅率計算(毋須貼現)。

遞延稅項資產或負債之變動於收益表，或倘與直接自權益或計入權益之項目有關，則於權益確認。

3.16 存貨

存貨包括原料、供用品及所採購貨物。成本使用加權平均法釐定，而就在半成品或製成品，則包括根據正常營運能力直接應佔製造過程之所有開支，及有關生產間接費用之適當部分。財務成本不予計算。存貨於結算日按成本與可變現淨值之較低者列賬。可變現淨值為日常業務中之估計銷售價減預期完成成本及適用銷售開支。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, less bank overdraft which is repayable on demand and form an integral part of the Group's cash management.

3.18 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

3.19 Retirement benefit costs

Retirement benefits to employees are provided through a defined contribution plan.

The employees of the Company and its subsidiaries which operate in PRC are required to participate in a central pension scheme operated by the local municipal government.

The Company and its subsidiaries are required to contribute 8.0% to 22.5% of its payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

3. 主要會計政策概要(續)

3.17 現金及現金等價物

現金及現金等價物包括存放於銀行及手頭現金、活期存款加上原定到期日為三個月或以下、隨時可轉換為已知金額現金及價值變動風險不大之高度流通短期投資，減需應要求償還及組成本集團現金管理不可或缺部分之銀行透支。

3.18 股本

普通股歸類為權益。股本以已發行股份面值釐定。

3.19 退休福利成本

退休福利乃透過界定供款計劃向僱員提供。

本公司及其於中國經營之附屬公司之僱員，須參與由地方市政府所管理之中央退休金計劃。

本公司及其附屬公司須向中央退休金計劃以其工資成本之8.0%至22.5%供款。供款於根據中央退休金計劃之規則應付時於收益表扣除。

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.20 Financial liabilities

The Group's financial liabilities include bank borrowings, trade, bills and other payables and accrued charges.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in the income statement.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the income statement.

- (i) Borrowings
- Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3. 主要會計政策概要(續)

3.20 金融負債

本集團之金融負債包括銀行貸款、應付貿易賬款、應付票據、其他應付款項及應計費用。

金融負債乃於本集團參與訂立工具合約條款時確認。所有利息相關開支乃於收益表之財務成本確認為開支。

當負債項下之責任被解除或取消或屆滿，金融負債將取消確認。

如現有金融負債由同一放債人以條款極為不同之負債所取代，或現有負債之條款作出重大修訂，此類交換或修訂將被視為取消確認原負債及確認新負債處理，有關賬面值之差額於收益表中確認。

- (i) 借貸
- 借貸初步按公平值(扣除已產生之交易成本)確認。借貸其後按已攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之任何差額使用實際利息法於借貸期間在收益表確認。

借貸列為流動負債，除非本集團有無條件權利遞延償還負債之期限至結算日後至少十二個月。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.20 Financial liabilities (Continued)

- (ii) Trade, bills and other payables and accrued charges

These payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

3.21 Related parties

A party is considered to be related to the Group if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Group or the Company;
 - has an interest in the Company that gives it significant influence over the Group or the Company; or
 - has joint control over the Group or the Company;

3. 主要會計政策概要(續)

3.20 金融負債(續)

- (ii) 應付貿易賬款、應付票據及其他應付款項以及應計費用

該等應付款項初步乃按其公平值確認，其後使用實際利率法按攤銷成本計量。

3.21 有關連人士

以下人士被視為本集團有關連人士：

- (i) 透過一或多個中介實體，該方直接或間接
 - 控制本集團或本公司，或由本集團或本公司控制，或與本集團或本公司受到共同控制；
 - 於本擁有權益，而該權益可導致其對本集團公司行使重大影響力；或
 - 對本集團或本公司擁有共同控制；

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Related parties (Continued)

- (ii) the party is an associate of the Group or the Company;
- (iii) the party is a jointly-controlled entity of the Group or the Company;
- (iv) the party is a member of the key management personnel of the Company;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group or the Company, or of any entity that is a related party of the Group or the Company.

3.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3. 主要會計政策概要(續)

3.21 有關連人士(續)

- (ii) 該方為本集團或本公司一名聯繫人士；
- (iii) 該方為本集團或本公司一共同控制實體；
- (iv) 該方為本公司主要管理人員之一；
- (v) 該方為(i)或(iv)項所述任何個別人士之近親；
- (vi) 該方為(iv)或(v)項所述任何個別人士所直接或間接、共同控制或可對其行使重大影響力，或於其擁有重大投票權之實體；或
- (vii) 該方為本集團或本公司，或屬本集團或本公司之有關連人士之任何實體為僱員福利而設之僱用後福利計劃。

3.22 撥備

當本集團因過往事件而在目前須負上法律或推定之責任，且可能須就履行有關責任而導致經濟效益流出，並能夠就此作出可靠估計，方始確認撥備。當數額涉及重大之時間價值時，則按預期用以履行責任之開支之現值呈列撥備。

所有撥備均會於各結算日予以檢討及調整，以反映現時之最佳估計。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.22 Provisions (Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.23 Segment reporting

In accordance with the Group's internal financial reporting, the Group has determined that business segment be presented as the primary reporting format and geographical segment as the secondary reporting format.

In respect of geographical segment reporting, revenue is based on the countries in which the customers are located and total assets and capital expenditure are based on where the assets are located.

3. 主要會計政策概要 (續)

3.22 撥備 (續)

倘不一定需要流出經濟效益或未能可靠估計款額，則有關責任將披露為或然負債；除非出現經濟效益流出的可能性極微。可能出現的責任（僅於一項或多項未來事件發生或不發生的情況下確定）亦披露為或然負債；除非出現經濟效益流出的可能性極微。

3.23 分類申報

按照本集團之內部財務申報形式，本集團決定以業務分類作主要申報形式，地區分類則為次要分類申報形式。

就地區分類申報而言，收入乃按客戶所在國家分類，資產總值及資本開支則按資產所在地分類。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- (i) **Estimated impairment of goodwill**
The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 3.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.
- (ii) **Net realisable value of inventories**
Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. Management will reassess the estimations at the balance sheet date.

4. 重要會計估計及判斷

估計及判斷須持續並根據過往經驗及其他因素(包括在有關情況下相信為合理之對未來事件之預期)進行評估。

4.1 重要會計估計及假設

本集團就未來作出估計及假設。從推算所得的會計估計通常有別於相關實際結果。以下論述有關具有重大風險導致資產與負債之賬面值於下個財政年度出現重大調整之估計及假設。

- (i) **商譽之估計減值**
本集團每年均按照附註3.12所載列之會計政策為商譽進行減值評估。而現金產生單位的可收回金額，則按照使用價值計算。該等計算須使用估計。
- (ii) **存貨之可變現淨值**
存貨之可變現淨值乃於日常業務過程中之估計售價減估計完成成本及銷售開支。該等估計乃以現有市況及銷售同類產品之過往經驗為基準進行，並可因競爭對手因應嚴峻之行業週期而採取之行動而顯著改變。管理層將於結算日重新評估有關估計。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

- (iii) Estimated impairment of receivables and other receivables

The policy for the impairment of receivables and other receivables of the Group is based on analysis of ageing and, where appropriate, other relevant aspects of accounts. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision for impairment may be required.

4.2 Critical judgements in applying the Group's accounting policies

- (i) Research and development activities
- Careful judgement by the Company's directors is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the best information available at each balance sheet date. In addition, all internal activities related to the research and developments of new products are continuously monitored by the Group's management.

4. 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

- (iii) 應收款項及其他應收款項之估計減值

本集團對應收款項及其他應收款項之政策乃根據賬齡分析及(如適用)其他有關方面的款項而制訂。在估計該等應收款項的最終可變現數額時，需要作出大量判斷，包括各債權人現時的信貸狀況及過往付款紀錄，並以實際利率折算估計未來現金流量的現值。倘本集團債權人的財務狀況轉差，削弱其付款能力，則可能需要額外的減值撥備。

4.2 應用本集團會計政策之重要判斷

- (i) 研發活動
- 本公司董事於決定開發費用是否符合確認規定時運用仔細判斷。由於任何產品開發之經濟成果未能確定，及於確認之時可能受制於未來技術問題，故此屬必要。判斷於每個結算日根據可獲提供之最佳資料作出。此外，有關研發新產品之所有內部活動持續受本集團管理層所監察。

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5. REVENUE, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Revenue, which is also the Group's turnover, represents the net amount received and receivable for goods and software systems sold and services rendered arising from the principal activities of the Group, net of value-added tax ("VAT") and/or business tax.

* VAT refunds relating to the sales of certain products during the period from 1 January 2008 to 31 December 2008 (2007: from 1 December 2006 to 31 December 2007) was approved and refunded by the PRC tax bureau in the current year.

The Group's operation is regarded as a single business segment, being an enterprise providing products and services serving the automotive aftermarket and the automobile industry in the PRC and certain overseas countries. As such, no business segment analysis is provided.

The Group's operations are located in four main geographical areas. The following table provides an analysis of the Group's revenue by location of customers, irrespective of the origin of the goods and services.

Segment revenue by geographical markets: 按市場區域劃分之分部收益

PRC other than Hong Kong	中國(不包括香港)	187,784	172,085
Europe	歐洲	102,877	95,519
America	美洲	85,353	60,278
Others	其他	62,540	84,581
		438,554	412,463

No geographical analysis of the carrying amount of segment assets and capital expenditure is provided as less than 10% of the segment assets and capital expenditure are attributable to the markets outside the PRC.

5. 收益、其他收入及分類資料 (續)

收益(亦即本集團之營業額)指就源於本集團主要業務之已出售貨品及軟件系統以及已提供服務所收取及應收取之款項淨額減去增值稅(「增值稅」)及/或營業稅。

* 增值稅退稅涉及於二零零八年一月一日至二零零八年十二月三十一日期間(二零零七年:二零零六年十二月一日至二零零七年十二月三十一日)之若干產品銷售,於本年度獲中國稅務局批准及退繳。

本集團之業務運作被視為一個獨立業務分類,屬一家向中國及若干海外國家之汽車後市場及汽車業提供產品及服務之企業。因此,概無提供任何業務分類分析。

本集團之業務位於四個主要地理區域。下表為本集團按客戶所在地(不計及貨品及服務來源地)劃分之收益分析。

2008	2007
二零零八年	二零零七年
RMB'000	RMB'000
人民幣千元	人民幣千元

由於源自中國以外市場之分類資產及資本性開支低於10%,因此概無提供任何分類資產及資本性開支之賬面金額之地域分析。

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6. PROFIT BEFORE INCOME TAX

6. 除所得稅前溢利

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Profit before income tax has been arrived at after charging/(crediting):	除所得稅前溢利乃經扣除／(計入)下列各項後得出：		
Staff costs	員工成本		
Directors' and supervisors' remuneration (note 7)	董事及監事酬金 (附註7)	1,266	1,506
Other staff costs	其他員工成本	64,669	64,894
Retirement benefits	退休福利	8,210	7,366
		<hr/> 74,145	<hr/> 73,766
Less: Staff costs capitalised as development costs (note 16)	減：作為開發成本撥作資本之員工成本(附註16)	(13,370)	(11,982)
		<hr/> 60,775	<hr/> 61,784
Research expenditure for current year	本年度研究費用開支	6,875	6,773
Add: Amortisation of development costs (note 16)	加：開發成本之攤銷(附註16)	10,337	9,254
		<hr/> 17,212	<hr/> 16,027
Depreciation of property, plant and equipment	物業、廠房及設備折舊	22,941	24,898
Operating lease charges on land and buildings	土地及樓宇經營租賃費用	5,381	5,269
Annual charge on leasehold land and land use rights	租賃土地及土地使用權年費	526	591
Loss on disposals of leasehold land and land use rights	出售租賃土地及土地使用權虧損	-	81
Loss/(gain) on disposals of property, plant and equipment	出售物業、廠房及設備之虧損／(收益)	620	(2,732)
Auditors' remuneration	核數師酬金	1,267	1,303
Net exchange loss	匯兌虧損淨額	22,406	17,279
Provision for impairment on trade receivables	應收貿易賬款減值撥備	10,363	10,932
Provision for impairment on other receivables	其他應收款項減值撥備	2,497	-
Provision for slow-moving inventories	滯銷存貨撥備	-	495
		<hr/> -	<hr/> 495

The Group's cost of inventories recognised as expenses during the years 2007 and 2008 equal to the cost of sales shown in the consolidated income statement.

本集團於二零零七年及二零零八年內確認為開支之存貨成本等同綜合收益表內之銷售成本。

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7. DIRECTORS' AND SUPERVISORS' REMUNERATION

7. 董事及監事酬金

		Salaries, allowances and other benefits		Retirement benefits	Total
		Fees	薪金、津貼及其他福利	costs	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
2008	二零零八年				
<i>Executive directors</i>	<i>執行董事</i>				
Mr. Liu Xin	劉新先生	–	403	4	407
Mr. Liu Jun	劉均先生	–	383	4	387
Professor Wang Xue Zhi	王學志教授	–	–	–	–
<i>Non-executive director</i>	<i>非執行董事</i>				
Ms. Liu Yong	劉庸女士	15	–	–	15
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>				
Mr. Zhang Xiao Yu	張小虞先生	15	–	–	15
Professor Hu Zi Zheng	胡子正教授	15	–	–	15
Mr. Yim Hing Wah	嚴慶華先生	5	–	–	5
<i>Supervisors</i>	<i>監事</i>				
Ms. Hou Wen Tao	候文濤女士	10	–	–	10
Mr. Guo Jian Yuan	郭健源先生	10	–	–	10
Mr. Wang Xi Lin	王希琳先生	10	390	2	402
		80	1,176	10	1,266

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

7. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

7. 董事及監事酬金(續)

		Fees	Salaries, allowances and other benefits	Retirement benefits	Total
		袍金	薪金、津貼 及其他福利	退休金成本	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
2007	二零零七年				
<i>Executive directors</i>	<i>執行董事</i>				
Mr. Liu Xin	劉新先生	–	386	4	390
Mr. Liu Jun	劉均先生	–	373	4	377
Professor Wang Xue Zhi	王學志教授	–	273	–	273
<i>Non-executive director</i>	<i>非執行董事</i>				
Ms. Liu Yong	劉庸女士	15	–	–	15
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>				
Mr. Zhang Xiao Yu	張小虞先生	15	–	–	15
Professor Hu Zi Zheng	胡子正教授	15	–	–	15
Mr. Yim Hing Wah	嚴慶華先生	5	–	–	5
<i>Supervisors</i>	<i>監事</i>				
Ms. Hou Wen Tao	候文濤女士	10	–	–	10
Mr. Guo Jian Yuan	郭健源先生	10	–	–	10
Mr. Wang Xi Lin	王希琳先生	10	384	2	396
		80	1,416	10	1,506

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7. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

For the year ended 31 December 2008, the five highest paid individuals of the Group included two directors and one supervisor (2007: two directors and one supervisor), details of which are included above. The emoluments of the remaining two highest paid individuals (2007: two individuals) are as follows:

Salaries, allowances and other benefits	薪金、津貼及其他福利
Retirement benefits cost	退休金成本

The emoluments of each of the two individuals (2007: two individuals) fall within the band of nil to HKD1,000,000. No emoluments were paid by the Group to the directors, supervisors or highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2007: Nil). None of the directors waived or agreed to waive any emoluments during the year (2007: Nil).

7. 董事及監事酬金(續)

截至二零零八年十二月三十一日止年度，本集團五位最高薪人士包括兩位董事及一位監事(二零零七年：兩位董事及一位監事)，有關資料已於上文披露。其餘兩位(二零零七年：兩位)最高薪人士的薪酬如下：

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
	827	641
	2	3
	<hr/>	<hr/>
	829	644

兩位(二零零七年：兩位)人士各自之酬金界乎零至1,000,000港元。年內，本集團並無向包括董事、監事或最高薪人士支付任何薪酬，作為其加入或於加入本集團時之獎勵或作為離職之補償(二零零七年：無)。董事於年內概無放棄或同意放棄任何薪酬(二零零七年：無)。

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8. FINANCE COSTS

Interest charges on bank loans stated at amortised cost:	按攤銷成本記賬銀行貸款之利息支出：
– wholly repayable within five years	– 須於五年內悉數償還
Bank charges	銀行費用

8. 財務成本

2008	2007
二零零八年	二零零七年
RMB'000	RMB'000
人民幣千元	人民幣千元
24,257	21,898
2,716	1,268
26,973	23,166

9. INCOME TAX EXPENSE

PRC enterprise income tax (“EIT”) has been provided based on the estimated taxable income for PRC taxation purposes at the rates of taxation prevailing in the provinces in which the Group operates. The Company’s overseas subsidiary is subject to income tax at the rate of 42%.

Pursuant to the relevant laws and regulations in the PRC, the Company has been designated as a new and high technology enterprise. The Company is subject to income tax at the rate of 18% (2007: 15%). The Company was exempted from EIT for the financial years in 2000 and 2001 and was eligible for and entitled to 50% tax relief for the financial years from 2002 to 2004. Upon obtaining the approval from local tax bureau, the Company was eligible and entitled to 50% tax relief for the 3 additional financial years from 2005 to 2007.

上海元征機械設備有限責任公司 (“Launch Shanghai”), a subsidiary of the Company established in the PRC, is subject to income tax at the rate of 25% (2007: 27%). It is entitled to the tax holiday of “two-year exemption and three-year 50% reduction” from the first profitable year of operation. No provision for EIT has been made for Launch Shanghai as it did not derive any taxable income for the year.

9. 所得稅支出

中國企業所得稅(「企業所得稅」)乃按本集團經營所在省份當時稅率就中國稅項之估計應課稅收入作出撥備。本公司之海外附屬公司須按42%之稅率繳納所得稅。

根據中國相關法例及法規，本公司已被定為高新技術企業。本公司須按18% (二零零七年：15%)之稅率繳納所得稅。本公司獲豁免繳納二零零零年及二零零一年財政年度之企業所得稅，且有資格並有權於二零零二年至二零零四年財政年度獲享50%稅務減免，若地方稅務局批准，本公司亦可於二零零五年至二零零七年三個額外財政年度獲享50%稅務減免。

上海元征機械設備有限責任公司(「上海元征」)，本公司於中國成立之附屬公司須按25%(二零零七年：27%)之稅率繳納所得稅，該公司有權於首個經營獲利年度起計享有「兩年豁免及三年減半」免稅期。由於上海元征於本年度並無任何應課稅收入，故該公司並無就企業所得稅作出任何撥備。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

9. INCOME TAX EXPENSE (Continued)

深圳市元征軟件開發有限公司(“Launch Software”), a subsidiary of the Company established in the PRC, as a software company recognised by the local tax bureau, is subject to income tax at the rate of 18% (2007: 15%). It is entitled to the tax holiday of “two-year exemption and three-year 50% reduction” from the first profitable year of operation.

Pursuant to the new PRC Corporate Income Tax Law which was effective from 1 January 2008, a unified income tax rate has been applied to Launch Shanghai in 2008. In respect of the tax rate that applies to the Company and Launch Software, these enterprises which enjoy a preferential tax rate of 15% in the past are subject to a tax rate of 18% in 2008 and the tax rate will be transitioned to 25% over five years.

Launch Shanghai and Launch Software which originally enjoyed the preference of regular tax holidays will continue to enjoy original preference in accordance with the preferential measures and terms stipulated by the original tax law, administrative regulations and relevant documents until the expiration of the preference.

9. 所得稅支出(續)

本公司於中國成立之附屬公司深圳市元征軟件開發有限公司(「元征軟件」)作為當地稅務局認定之軟件公司須按18% (二零零七年: 15%) 的稅率繳納所得稅, 該公司有權於首個經營獲利年度起計享有「兩年豁免及三年減半」免稅期。

根據於二零零八年一月一日起生效之新中國企業所得稅法, 統一所得稅率已於二零零八年應用於上海元征。就應用於本公司及元征軟件之稅率而言, 該等企業於過往按15%之優惠稅率繳稅, 於二零零八年則需按18%之稅率繳納稅項, 而稅率將於未來五年增加至25%。

原先享有固定免稅期之上海元征及元征軟件, 將根據原先稅法、管理法規及有關文件規定之稅項寬免措施及條款繼續享有原先之稅項寬免, 直至稅項寬免期屆滿為止。

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
The tax expense comprises:	稅項支出包括:		
Enterprise income tax-PRC	企業所得稅－中國		
– current year	– 現年度	5,414	–
– overprovision for prior years	– 過往年度過度撥備	133	–
Income tax – overseas	所得稅－海外	1,792	101
Income tax expense	所得稅支出	<u>7,339</u>	<u>101</u>

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

9. INCOME TAX EXPENSE (Continued)

Reconciliation between income tax expense and accounting profit at applicable tax rates is as follows:

Profit before income tax	除所得稅前溢利
Tax at PRC income tax rate of 18% (2007: 15%)	按中國所得稅稅率 18% (二零零七年: 15%)
Tax effect attributable to tax exemption	繳納之稅項
Tax effect of non-deductible expenses	免稅之稅務影響
Tax effect of non-taxable revenue	不可扣減開支之稅務影響
Tax losses not recognised as deferred tax assets	毋須課稅收益之稅務影響
Effect of different tax rates of subsidiaries	未確認為遞延稅項資產之稅務虧損
Underprovision of EIT deferred taxation in respect of prior years	附屬公司不同稅率之影響
Income tax expense	過往年度企業所得稅遞延之撥備不足
	所得稅支出

The deferred tax assets are not recognised as it is uncertain whether future taxable profit will be available for utilising the accumulated tax losses. Under the current tax legislation, the tax losses can be carried forward for five years from the year the losses were incurred.

9. 所得稅支出(續)

所得稅支出與會計溢利按適用稅率計算之對賬如下:

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
	20,170	61,448
	3,631	9,217
	(7,379)	(17,368)
	835	1,461
	(4,073)	(91)
	12,801	6,791
	1,391	91
	133	—
	7,339	101

由於未能確定未來有否應課稅溢利以利用累計稅務虧損，因此並未確認遞延稅項資產值。根據現行稅務法例，稅務虧損可由產生虧損之年起計結轉五年。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

10. PROFIT FOR THE YEAR

Of the consolidated profit attributable to the equity holders of the Company for the year of RMB12,831,000 (2007: RMB61,347,000), a loss of RMB8,468,000 (2007: profit of RMB11,263,000) has been dealt with in the financial statements of the Company.

11. DIVIDENDS

No interim dividend for the year ended 31 December 2008 was declared.

A final dividend of RMB0.02 (2007: RMB0.05) per share amounting to approximately RMB12,072,000 for the year ended 31 December 2008 (2007: RMB30,180,000) has been proposed by the directors after the balance sheet date. The proposal is subject to approval by the shareholders at the forthcoming annual general meeting. The final dividend proposed has not been recognised as a liability at the balance sheet date, but reflected as an appropriation of retained profits for the year ended 31 December 2008.

12. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of RMB12,831,000 (2007: RMB61,347,000) and on weighted average number of 603,600,000 and 560,623,562 shares in issue during the years ended 31 December 2008 and 2007 respectively.

No diluted earnings per share has been presented as there had been no dilutive potential ordinary shares in both years of 2008 and 2007.

10. 本年度溢利

本年度本公司權益持有人應佔之綜合溢利人民幣12,831,000元(二零零七年：人民幣61,347,000元)中，共約人民幣8,468,000元(二零零七年：溢利人民幣11,263,000元)之虧損於本公司財務報表中反映。

11. 股息

本公司並無宣派截至二零零八年十二月三十一日止年度之中期股息。

董事於結算日後建議派發截至二零零八年十二月三十一日止年度之末期股息每股人民幣0.02元(二零零七年：人民幣0.05元)，合共約人民幣12,072,000元(二零零七年：人民幣30,180,000元)。是項建議須待股東於應屆股東週年大會上批准。該建議末期股息於結算日並未確認為負債，惟已反映為截至二零零八年十二月三十一日止年度之保留溢利分配。

12. 每股盈利

每股基本盈利乃根據本公司權益持有人應佔溢利人民幣12,831,000元(二零零七年：人民幣61,347,000元)及分別截至二零零八年及二零零七年十二月三十一日止年度已發行股份加權平均數603,600,000股及560,623,562股股份計算。

由於二零零八年及二零零七年兩年並無具攤薄潛力之股份，故並無呈列每股攤薄盈利。

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

Group		集團					
		Construction in progress	Leasehold Buildings improvements	Mould and equipment	Motor vehicles	Total	
		在建工程	樓宇 租賃物業裝修	模具及設備	汽車	總計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2007	於二零零七年一月一日						
Cost	成本	–	150,685	10,850	76,117	21,924	259,576
Accumulated depreciation	累計折舊	–	(10,759)	(8,180)	(16,327)	(8,802)	(44,068)
Net book amount	賬面淨值	–	139,926	2,670	59,790	13,122	215,508
Year ended 31 December 2007	截至二零零七年十二月三十一日 止年度						
Opening net book amount	期初賬面淨值	–	139,926	2,670	59,790	13,122	215,508
Additions	添置	–	20,732	36	10,827	3,185	34,780
Disposals	出售	–	(7,975)	(421)	(86)	(1,252)	(9,734)
Depreciation	折舊	–	(6,932)	(858)	(12,852)	(4,256)	(24,898)
Closing net book amount	期末賬面淨值	–	145,751	1,427	57,679	10,799	215,656
At 31 December 2007	於二零零七年十二月三十一日						
Cost	成本	–	157,281	3,847	86,028	21,684	268,840
Accumulated depreciation	累計折舊	–	(11,530)	(2,420)	(28,349)	(10,885)	(53,184)
Net book amount	賬面淨值	–	145,751	1,427	57,679	10,799	215,656
Year ended 31 December 2008	截至二零零八年十二月三十一日 止年度						
Opening net book amount	期初賬面淨值	–	145,751	1,427	57,679	10,799	215,656
Additions	添置	4,157	4,008	659	32,563	1,239	42,626
Disposals	出售	–	–	(67)	(361)	(1,446)	(1,874)
Depreciation	折舊	–	(6,426)	(416)	(12,348)	(3,751)	(22,941)
Closing net book amount	期末賬面淨值	4,157	143,333	1,603	77,533	6,841	233,467
At 31 December 2008	於二零零八年十二月三十一日						
Cost	成本	4,157	161,289	4,371	118,095	17,196	305,108
Accumulated depreciation	累計折舊	–	(17,956)	(2,768)	(40,562)	(10,355)	(71,641)
Net book amount	賬面淨值	4,157	143,333	1,603	77,533	6,841	233,467

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

13. 物業、廠房及設備(續)

Company	公司					
	Construction in progress	Buildings improvements	Leasehold improvements	Mould and equipment	Motor vehicles	Total
	在建工程	樓宇	租賃物業裝修	模具及設備	汽車	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2007	於二零零七年一月一日					
Cost	-	112,439	11,540	48,006	20,263	192,248
Accumulated depreciation	-	(6,174)	(8,902)	(9,053)	(7,997)	(32,126)
Net book amount	-	106,265	2,638	38,953	12,266	160,122
Year ended 31 December 2007	截至二零零七年十二月三十一日 止年度					
Opening net book value	-	106,265	2,638	38,953	12,266	160,122
Additions	-	20,722	36	7,848	3,185	31,791
Disposals	-	(7,975)	(421)	(10)	(1,252)	(9,658)
Depreciation	-	(5,115)	(850)	(7,458)	(3,997)	(17,420)
Closing net book amount	-	113,897	1,403	39,333	10,202	164,835
At 31 December 2007	於二零零七年十二月三十一日					
Cost	-	119,025	3,815	55,783	20,023	198,646
Accumulated depreciation	-	(5,128)	(2,412)	(16,450)	(9,821)	(33,811)
Net book amount	-	113,897	1,403	39,333	10,202	164,835
Year ended 31 December 2008	截至二零零八年十二月三十一日 止年度					
Opening net book value	-	113,897	1,403	39,333	10,202	164,835
Additions	4,157	3,679	601	20,113	1,237	29,787
Disposals	-	-	(67)	(321)	(1,447)	(1,835)
Depreciation	-	(4,603)	(408)	(6,601)	(3,496)	(15,108)
Transfer to subsidiaries	-	-	-	(1,678)	-	(1,678)
Closing net book amount	4,157	112,973	1,529	50,846	6,496	176,001
At 31 December 2008	於二零零八年十二月三十一日					
Cost	4,157	122,704	4,268	72,437	15,533	219,099
Accumulated depreciation	-	(9,731)	(2,739)	(21,591)	(9,037)	(43,098)
Net book amount	4,157	112,973	1,529	50,846	6,496	176,001

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

Bank borrowings are secured on the Group's and the Company's certain buildings for the carrying amount of RMB33,602,000 and RMB3,256,000 respectively (2007: RMB35,298,000 and RMB3,460,000 respectively).

14. LEASEHOLD LAND AND LAND USE RIGHTS

These are up-front payments to acquire the leasehold land and land use rights and their carrying amount are analysed as follows:

Group

Outside Hong Kong held on:	香港以外地區：
Leases of over 50 years	50年或以上之租約
Leases of between 10 to 50 years	10年至50年之租約

Opening carrying amount	期初賬面值
Disposals	出售
Annual charges of prepaid operating lease payment	預付經營租賃付款之年費
Closing carrying amount	期末賬面值

13. 物業、廠房及設備(續)

銀行借款乃以本集團及本公司賬面值分別為人民幣33,602,000元及人民幣3,256,000元(二零零七年：人民幣35,298,000元及人民幣3,460,000元)的若干樓宇作抵押。

14. 租賃土地及土地使用權

此乃購入租賃土地及土地使用權所支付之手續費，其賬面淨值分析如下：

集團

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
1,036	1,101
20,891	21,352
21,927	22,453

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
22,453	23,794
-	(750)
(526)	(591)
21,927	22,453

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

14. LEASEHOLD LAND AND LAND USE RIGHTS (Continued)

14. 租賃土地及土地使用權(續)

Company	公司	2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Outside Hong Kong held on:	香港以外地區：		
Leases of over 50 years	50年或以上之租約	1,036	1,101
Leases of between 10 to 50 years	10年至50年之租約	8,785	8,976
		9,821	10,077
		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening carrying amount	期初賬面值	10,077	11,149
Disposals	出售	-	(750)
Annual charges of prepaid operating lease payment	預付經營租賃付款之年費	(256)	(322)
Closing carrying amount	期末賬面值	9,821	10,077

Bank borrowings are secured on the Group's and the Company's land for the carrying amount of RMB21,927,000 (2007: RMB22,453,000) and RMB9,821,000 respectively (2007: RMB10,077,000).

銀行借款乃以本集團及本公司賬面值分別為人民幣21,927,000元(二零零七年：人民幣22,453,000元)及人民幣9,821,000元(二零零七年：人民幣10,077,000元)的若干土地作抵押。

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

15. GOODWILL

Group

Opening and closing carrying amount	期初及期末賬面值
Closing carrying amount	期末賬面值
Gross carrying amount	賬面總值
Accumulated amortisation	累計攤銷
Closing net carrying amount	期末賬面淨值

The goodwill at 31 December 2008 comprises goodwill arising from the acquisitions of Launch Shanghai, Launch Software and Launch Europe GmbH ("Launch Europe") amounting to approximately RMB1.5 million, RMB1.2 million and RMB1.1 million respectively at the respective dates of acquisition. Based on the impairment assessment of the recoverable amount of goodwill using the value-in-use calculations, covering a four-year cash-flow projections discounted at 7% per annum, in the opinion of the directors, no impairment provision (2007: Nil) is considered necessary for the balance of the Group's goodwill for the year.

15. 商譽

集團

2008 and 2007
二零零八年及二零零七年
RMB'000
人民幣千元

	3,658
	<hr/>
	3,796
	(138)
	<hr/>
	3,658
	<hr/>

於二零零八年十二月三十一日之商譽，包括因收購上海元征、元征軟件及Launch Europe GmbH (「Launch Europe」) 而產生之商譽，於各收購日期分別約人民幣1,500,000元、人民幣1,200,000元及人民幣1,100,000元。採取使用價值法對商譽可收回金額作減值測試，對四年的預計現金流量以7%年利率進行貼現。依據測試結果，董事認為無須對本集團商譽之餘額作減值撥備(二零零七年：無)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

16. DEVELOPMENT COSTS

2008

Opening carrying amount	期初賬面值
Development labour cost capitalised	開發勞動成本撥作資本
Amortisation charge (note 6)	攤銷費用(附註6)
Closing carrying amount	期末賬面值
Gross carrying amount	賬面總值
Accumulated amortisation	累計攤銷
Closing carrying amount	期末賬面值

2007

Opening carrying amount	期初賬面值
Development labour cost capitalised	開發勞動成本撥作資本
Transfer to a subsidiary	轉至一間附屬公司
Amortisation charge (note 6)	攤銷費用(附註6)
Closing carrying amount	期末賬面值
Gross carrying amount	賬面總值
Accumulated amortisation	累計攤銷
Closing carrying amount	期末賬面值

16. 開發成本

二零零八年

Group	Company
集團	公司
RMB'000	RMB'000
人民幣千元	人民幣千元
43,975	15,889
13,370	2,227
(10,337)	(3,744)
47,008	14,372
90,522	31,779
(43,514)	(17,407)
47,008	14,372

二零零七年

Group	Company
集團	公司
RMB'000	RMB'000
人民幣千元	人民幣千元
41,247	37,172
11,982	2,871
–	(20,241)
(9,254)	(3,913)
43,975	15,889
77,152	29,552
(33,177)	(13,663)
43,975	15,889

All amortisation is included in “research and development expenses” in the income statement.

所有攤銷計入收益表「研發費用」內。

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

17. INVESTMENTS IN SUBSIDIARIES

17. 於附屬公司之投資

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Unlisted investments, at cost	非上市投資，按成本值	96,853	96,853

Particulars of the Company's subsidiaries as at 31 December 2008 are as follows:

於二零零八年十二月三十一日，本公司附屬公司之詳情如下：

Name of subsidiary 附屬公司名稱	Form of business structure 商業性質	Place of registration and operations 註冊及營業地點	Registered and fully paid capital 註冊及實收資本	Percentage of registered capital held by the Company 本公司持有註冊資本百分比		Principal activities 主要業務
				directly 直接	indirectly 間接	
上海元征機械設備 有限責任公司 ("Launch Shanghai")	Limited liability company	PRC	USD 10,000,000	75%	25%	Manufacturing of equipment and machines for maintenance of automobiles
上海元征機械設備 有限責任公司 ("上海元征")	有限責任公司	中國	10,000,000美元	75%	25%	製造汽車後市場之養護設備
Launch Europe GmbH ("Launch Europe")	Limited liability company	Germany	DM50,000	100%	–	Sales of accessories, equipment and machines for the automotive aftermarket
Launch Europe GmbH ("Launch Europe")	有限責任公司	德國	50,000馬克	100%	–	銷售汽車後市場之所有配件、設備及機器
深圳市元征軟件 開發有限公司 ("Launch Software")	Limited liability company	PRC	RMB40,000,000	90%	10%	Development, manufacturing and sales of equipment for the automotive aftermarket
深圳市元征軟件 開發有限公司 ("元征軟件")	有限責任公司	中國	人民幣 40,000,000元	90%	10%	開發、製造及銷售汽車後市場之設備

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

18. INTERESTS IN AN ASSOCIATE

18. 於一間聯營公司之權益

		Group		Company	
		集團	集團	公司	公司
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January	於一月一日之結餘	7,636	389	11,350	1,350
Further investment in an associate	進一步投資 於一間聯營公司	5,000	10,000	5,000	10,000
Gain on deemed disposal	視作出售之收益	4,244	-	-	-
Share of associate's results	應佔聯營公司業績	(7,121)	(2,753)	-	-
Balance at 31 December	於十二月三十一日之結餘	9,759	7,636	16,350	11,350

Particulars of the associate at 31 December 2008 are as follows:

於二零零八年十二月三十一日，聯營公司之詳情如下：

Name	Registered capital	Fully paid capital	Place of registration and operation	Percentage of interest held by the Company
名稱	註冊資本	實收資本	註冊及營業地點	本公司持有權益百分比
上海元征愛思開汽車服務有限公司 ("SK Launch")	RMB118,500,000 (2007: RMB54,500,000)	RMB118,500,000 (2007: RMB49,500,000)	PRC	13.8% (2007: 30%)
上海元征愛思開汽車服務有限公司 ([SK Launch])	人民幣 118,500,000 元 (二零零七年：人民幣 54,500,000 元)	人民幣 118,500,000 元 (二零零七年：人民幣 49,500,000 元)	中國	13.8% (二零零七年：30%)

On 25 April 2006, the board of directors of SK Launch approved an increase in registered capital from RMB4,500,000 to RMB54,500,000. The Group had to further inject RMB15,000,000 for the investment in the associate and RMB10,000,000 was fully paid in 2007. The remaining RMB5,000,000 was fully paid during the year.

於二零零六年四月二十五日，SK Launch董事會批准增加註冊資本由人民幣4,500,000元增至人民幣54,500,000元。本集團須額外注資人民幣15,000,000元投資於聯營公司，於二零零七年已支付人民幣10,000,000元。年內已悉數支付人民幣5,000,000元。

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

18. INTERESTS IN AN ASSOCIATE (Continued)

During the year, the shareholders of SK Launch approved an increase in registered capital from RMB54,500,000 to RMB118,500,000 and agreed that one of the existing shareholders other than the Company was committed to inject the additional RMB64,000,000. As a result, on 1 July 2008, the Group's interest in SK Launch was reduced to 13.8% and a gain on deemed disposal of RMB4,244,000 was dealt with in the income statement.

Although the Group's interest in SK Launch reduced to less than 20%, the Group continues to have significant influence on SK Launch's operations which is evidenced by the Group's representation on the board of directors of SK Launch. Accordingly, the Group continues to account for SK Launch as an associate in the financial statements.

The summarised financial information of the associate extracted from its PRC audited financial statements are as follows:

Assets	資產
Liabilities	負債
Revenues	收益
Loss for the year	年內虧損

18. 於一間聯營公司之權益(續)

年內，SK Launch股東批准將註冊資本由人民幣54,500,000元增加至人民幣118,500,000元，並同意其中一名現任股東(本公司除外)承諾額外注入人民幣64,000,000元。因此，於二零零八年七月一日，本集團於SK Launch之權益減少至13.8%，而人民幣4,244,000元之視作出售收益已反映於收益表。

儘管本集團於SK Launch之權益減少至少於20%，本集團繼續對SK Launch之營運有重大影響，從本集團於SK Launch董事會之代表便可證明。因此，本集團繼續於財務報表中將SK Launch列作聯營公司。

摘自其中國經審核財務報表之本集團聯營公司財務資料概要如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Assets	資產	109,300	71,438
Liabilities	負債	38,571	34,415
Revenues	收益	21,103	4,928
Loss for the year	年內虧損	(34,839)	(9,253)

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

19. CLUB MEMBERSHIP

		Group and Company 集團及公司	
		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Lifetime club membership, at cost	終生會所會籍，按成本列賬	1,177	–

The Group plans to hold this membership for the foreseeable future.

本集團計劃於可見將來持有此會籍。

20. INVENTORIES

		Group 集團		Company 公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Raw materials	原材料	43,012	29,315	9,179	16,512
Work in progress	半成品	9,179	7,529	3	2,826
Finished goods	製成品	24,459	46,321	7,577	38,684
		76,650	83,165	16,759	58,022

In 2007, the Group and the Company made a specific provision for slow-moving inventories of RMB495,000 and RMB261,700 respectively which was included in other operating expenses in the consolidated income statement. No provision for slow-moving inventories is made for the current year based on management's assessment.

於二零零七年，本集團及本公司分別就滯銷存貨作特別撥備人民幣495,000元及人民幣261,700元，於綜合收益表其他經營開支內列賬。基於管理層評估，本年度並無就滯銷存貨作出任何撥備。

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

21. TRADE RECEIVABLES

The fair values of trade receivables are as follows:

		Group		Company	
		集團	集團	公司	公司
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade receivables	應收貿易賬款	249,097	262,514	234,607	203,331
Less: provision for impairment of receivables	減：應收貿易賬款減值撥備	(10,363)	(10,932)	(9,600)	(10,932)
		238,734	251,582	225,007	192,399

21. 應收貿易賬款

應收貿易賬款之公平值如下：

The movement in the provision for impairment of trade receivables is as follows:

就應收貿易賬款的減值作出撥備的變動如下：

		Group		Company	
		集團	集團	公司	公司
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January	於一月一日之結餘	10,932	10,571	10,932	10,571
Amount written off	撇銷金額	(10,932)	(10,571)	(10,932)	(10,571)
Impairment loss charged to the income statement	於收益表內扣除之減值虧損	10,363	10,932	9,600	10,932
Balance at 31 December	於十二月三十一日之結餘	10,363	10,932	9,600	10,932

At each of the balance sheet date, the Group's trade receivables were individually and collectively determined for impairment purposes. The individually impaired receivables are recognised based on the credit history of its customers, indication of financial difficulties, default in payments, and current market conditions. Consequently, specific impairment provision was recognised. The Group does not hold any collateral over these balances, whether determined on individual or collective basis.

於每一結算日，本集團之應收貿易賬款會個別及共同釐定是否已減值。個別已減值之應收賬款乃按客戶之信貸往績、財政困難之跡象、拖欠付款，以及當時市況予以確認。因此已確認特別減值撥備。本集團並無就此等結餘持有任何抵押品（不論按個別或共同基準釐定）。

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

21. TRADE RECEIVABLES (Continued)

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The Group's credit terms are one to six months for its trade customers. The following is the ageing analysis of trade receivables, based on the invoice dates, as at 31 December 2008:

		Group 集團		Company 公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Within 6 months	六個月內	108,068	136,782	95,317	97,590
Over 6 months but less than 1 year	六個月以上但少於一年	84,096	72,111	83,695	57,673
Over 1 year but less than 2 years	一年以上但少於兩年	46,570	42,689	45,995	37,136
		238,734	251,582	225,007	192,399

The ageing analysis of trade receivables that are past due as at the balance sheet date but not impaired is as follows:

		Group 集團		Company 公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Neither past due nor impaired	並無逾期或減值	96,488	100,385	94,130	59,690
Overdue within 1 year	逾期一年以下	142,246	151,197	130,877	132,709
		238,734	251,582	225,007	192,399

21. 應收貿易賬款(續)

就應收貿易賬款之減值虧損，本集團會確認於撥備賬中。除非本集團相信日後收回該款項的可能性極低，有關減值虧損將直接於應收貿易賬款中撇銷。

本集團給予其貿易客戶一至六個月之信貸期。以下為根據發票日期之應收貿易賬款於二零零八年十二月三十一日之賬齡分析：

於結算日已逾期但並無減值之應收貿易賬款之賬齡分析如下：

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

21. TRADE RECEIVABLES (Continued)

Receivables that were past due but not impaired related to a number of customers that the Group had continuing business relationships with these customers including sales to and settlements from these customers in general, which in the opinion of the directors have no indications of default.

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	Group 集團		Company 公司	
	2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
United States dollars ("US\$")	182,714	183,468	179,939	142,162

22. BILLS RECEIVABLES

The fair values of bills receivables are as follows:

	Group 集團		Company 公司	
	2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Bills receivables aged within 6 months	1,433	2,510	1,000	1,000

21. 應收貿易賬款(續)

已逾期但沒有減值、且與本集團維持持續業務關係之多名客戶有關之應收賬款，包括一般銷售予該等客戶及該等客戶之付款，董事認為並無跡像顯示拖欠。

應收貿易賬款已包括以下與實體功能貨幣有別的貨幣為單位的該實體相關金額：

22. 應收票據

應收票據之公平值如下：

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23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

23. 其他應收款項、按金及預付款項

		Group 集團		Company 公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Deposits	按金	464	555	78	143
Prepayments	預付款項	6,071	6,521	5,704	6,067
Other receivables	其他應收款項	106,820	100,271	90,112	87,698
Software tax refundable	可退回軟件稅	9,382	2,589	1,108	957
Value added tax	增值稅	44,376	32,478	42,520	29,913
Dividend receivable from a subsidiary	應收一間附屬公司 之股息	–	–	45,000	99,000
		167,113	142,414	184,522	223,778
Less: provision for impairment on other receivables	減：其他應收款項 之減值撥備	(2,497)	–	(2,497)	–
		164,616	142,414	182,025	223,778

Included in other receivables are advances to the staff of the Group and the Company which amounted to RMB5,895,000 and RMB5,554,000 respectively (2007: RMB9,047,000 and RMB8,696,000) in aggregate. Such advances are unsecured, interest-free and repayable on demand.

As at 31 December 2008, other receivables included an amount of RMB1,158,000 (2007: Nil) which was held under custodian by the Company's director namely Mr. Liu Jun in the course of business of the Group. These amounts were unsecured, interest-free and repayable on demand.

其他應收款項包括向本集團及本公司僱員所作之墊款，總金額分別達人民幣5,895,000元及人民幣5,554,000元（二零零七年：人民幣9,047,000元及人民幣8,696,000元）。此類墊款並無抵押、免息及須於接獲通知時償還。

於二零零八年十二月三十一日，其他應收款項包括本公司董事劉均先生於本集團之業務過程中以託管方式持有之人民幣1,158,000元（二零零七年：無）。該等款項為無抵押、免息及須於要求時償還。

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

24. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due are unsecured, interest-free and repayable on demand.

25. AMOUNT DUE FROM AN ASSOCIATE

The amount is unsecured, interest-free and repayable on demand.

26. PLEDGED BANK DEPOSITS

The deposits are pledged to banks to secure certain banking facilities granted to the Group and the Company.

27. CASH AND CASH EQUIVALENTS

Included in bank and cash balances of the Group is RMB83,432,000 (2007: RMB104,271,000) of bank balances denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

At the balance sheet date, the cash and bank balances of the Group are denominated in RMB of RMB83,972,000 (2007: RMB105,190,000), US\$ of RMB10,940,000 (2007: RMB68,023,000), Euro ("EUR") of RMB2,639,000 (2007: RMB1,990,000) and other currencies of RMB32,000 (2007: Nil).

24. 附屬公司欠款／(結欠)

該款項為無抵押、免息及於通知時償還。

25. 一間聯營公司欠款

該款項為無抵押、免息及於通知時償還。

26. 已抵押銀行存款

存款已抵押予銀行，作為授予本集團及本公司若干銀行融資之抵押。

27. 現金及現金等價物

計入本集團銀行及現金結餘為存放於中國以人民幣計值之銀行結餘人民幣83,432,000元(二零零七年：人民幣104,271,000元)。人民幣並非可自由兌換之貨幣。根據中國內地之外匯管理法規以及結匯、售匯及付匯管理規定，本集團獲准透過獲認可進行外匯業務之銀行將人民幣兌換為外幣。

於結算日，本集團之現金及銀行結餘為人民幣83,972,000元(二零零七年：人民幣105,190,000元)以人民幣計值、人民幣10,940,000元(二零零七年：人民幣68,023,000元)以美元計值、人民幣2,639,000元(二零零七年：人民幣1,990,000元)以歐元計值及人民幣32,000元(二零零七年：無)以其他貨幣計值。

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28. TRADE PAYABLES

The ageing analysis of trade payables as at 31 December 2008 is as follows:

Within 6 months	六個月內
Over 6 months but less than 1 year	六個月以上 但少於一年
Over 1 year but less than 2 years	一年以上 但少於兩年

Group 集團		Company 公司	
2008	2007	2008	2007
二零零八年	二零零七年	二零零八年	二零零七年
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元
41,547	54,876	5,748	16,155
7,920	7,105	1,006	4,733
11,296	2,406	105	691
60,763	64,387	6,859	21,579

28. 應付貿易賬款

於二零零八年十二月三十一日，應付貿易賬款之賬齡分析如下：

29. BORROWINGS

Bank loans	銀行貸款
Secured	有抵押
Unsecured	無抵押
Less: Current portion due within one year included under current liabilities	減：包括於流動負債項下一年內到期之即期部分
Non-current portion included under non-current liabilities	包括於非流動負債項下之非即期部分

Group 集團		Company 公司	
2008	2007	2008	2007
二零零八年	二零零七年	二零零八年	二零零七年
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元
318,152	337,926	318,152	337,926
1,476	969	-	-
319,628	338,895	318,152	337,926
(278,865)	(233,323)	(278,152)	(232,926)
40,763	105,572	40,000	105,000

29. 借貸

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29. BORROWINGS (Continued)

As at 31 December 2008, the Group's and the Company's borrowings were repayable as follows:

		Group 集團		Company 公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Within one year	一年內	278,865	233,323	278,152	232,926
In the second year	於第二年	40,563	90,396	40,000	90,000
In the third to the fifth year	由第三年至第五年	200	15,176	–	15,000
		319,628	338,895	318,152	337,926

All bank borrowings are repayable in one to three years since the draw down date. Bank borrowings for the Group of RMB222,476,000 (2007: RMB150,968,000) and for the Company of RMB221,000,000 (2007: RMB150,000,000) bear a fixed interest rate at 5.51% (2007: 5.82%) and at 6.95% (2007: 5.59%) per annum respectively. The remaining borrowings bear floating rates ranging from 4.86% to 8.96% (2007: 5.58% to 8.89%) per annum.

At 31 December 2008, the banking facilities of certain subsidiaries and the Company, were secured by land, buildings, fixed deposits of the Group as detailed in note 13, 14 and 26 and personal guarantee provided by certain shareholders/directors. Such banking facilities amounted to RMB759,279,000 to the Group (2007: RMB400,295,000) and RMB757,347,000 to the Company (2007: RMB399,218,000) respectively. The Group and the Company had utilised an amount of RMB304,628,000 (2007: RMB275,375,000) and RMB303,152,000 (2007: RMB274,407,000) respectively, at 31 December 2008.

29. 借貸(續)

於二零零八年十二月三十一日，本集團及本公司之借貸須於下列期限償還：

所有銀行借貸須於提取日後一年至三年後償還。本集團及本公司的銀行借貸分別為人民幣222,476,000元(二零零七年：人民幣150,968,000元)及人民幣221,000,000元(二零零七年：人民幣150,000,000元)，分別按固定年利率5.51厘(二零零七年：5.82厘)及6.95厘(二零零七年：5.59厘)計息。其餘借貸以介乎4.86厘至8.96厘(二零零七年：5.58厘至8.89厘)之浮動年利率計息。

於二零零八年十二月三十一日，若干附屬公司及本公司之銀行融資以本集團之土地、樓宇、定期存款(如附註13、14及26所詳述)及若干股東／董事提供之個人擔保作為抵押。該等本集團之銀行融資為數人民幣759,279,000元(二零零七年：人民幣400,295,000元)，本公司之銀行融資則為人民幣757,347,000元(二零零七年：人民幣399,218,000元)。於二零零八年十二月三十一日，本集團及本公司已動用人民幣304,628,000元(二零零七年：人民幣275,375,000元)及人民幣303,152,000元(二零零七年：人民幣274,407,000元)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

29. BORROWINGS (Continued)

Included in borrowings are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		Group		Company	
		集團	集團	公司	公司
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
US\$	美元	14,151	28,357	14,151	28,375

29. 借貸(續)

借貸包括下列以除與該等金額有關之實體之功能貨幣外之貨幣計值之金額：

30. DEFERRED TAX

As at 31 December 2008, the Group and the Company did not have material unprovided deferred tax liabilities.

31. SHARE CAPITAL

Share capital of RMB0.10 each 每股面值人民幣0.10元之股本
Issue of H Shares 發行H股

At 31 December 2007 and 2008 於二零零七年及二零零八年十二月三十一日

30. 遞延稅項

於二零零八年十二月三十一日，本集團及本公司概無任何重大未撥備之遞延稅項負債。

31. 股本

	Number of shares		Registered, issued and fully paid
	Domestic and unlisted foreign shares	H Shares	
	內資及未上市外資股	H股	註冊、已發行 及實收
	'000	'000	RMB'000
	千股	千股	人民幣千元
Share capital of RMB0.10 each	330,000	228,000	55,800
Issue of H Shares	-	45,600	4,560
At 31 December 2007 and 2008	330,000	273,600	60,360

Except for the currency in which dividends are paid and the restrictions as to whether the shareholders can be PRC investors or foreign investor, domestic and unlisted foreign shares and H Shares rank pari passu in all respects with each other.

除支付股息之貨幣及是否限制股東為中國投資者或外國投資者外，內資、未上市外資股與H股在各方面享有同等權益。

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

31. SHARE CAPITAL (Continued)

On 11 December 2007, the Company, by means of placing of new H shares to institutional investors, issued and allotted an aggregate of 45,600,000 new H Shares of RMB 0.10 each at a price of HK\$1.63 per H Share. After the completion of the subscription of H Shares, the Company's number of total issued shares and issued H shares increased to 603,600,000 shares and 273,600,000 shares respectively.

32. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements. Nature and purpose of the statutory surplus reserve, public welfare fund and retained profits are explained in note (b) below.

(b) Company

31. 股本(續)

於二零零七年十二月十一日，本公司向機構投資者配發新H股，以每股H股1.63港元之價格合共發行每股面值人民幣0.10元之新H股45,600,000股。於H股認購完成後，本公司之已發行股份總數及已發行H股股份分別增至603,600,000股及273,600,000股。

32. 儲備

(a) 集團

本集團之儲備金額以及本年度及過往年度之儲備變動呈列於財務報表之綜合權益變動報表內。法定公積金、公益金及累計溢利之性質及用途於下文附註(b)載列。

(b) 公司

		Share premium	Statutory surplus reserve	Public welfare fund	Retained profits	Total
		股份溢價	法定公積金	公益金	保留溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2007	於二零零七年一月一日	226,488	15,601	15,601	48,015	305,705
Issue of H shares	發行H股	66,236	-	-	-	66,236
Share issue expenses	股份發行費用	(8,514)	-	-	-	(8,514)
Appropriations	分配	-	3,779	3,779	(7,558)	-
Profit for the year	年度溢利	-	-	-	11,263	11,263
2007 proposed final dividend	二零零七年擬派末期股息	-	-	-	(30,180)	(30,180)
At 31 December 2007 and at 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日	284,210	19,380	19,380	21,540	344,510
Loss for the year	年度虧損	-	-	-	(8,468)	(8,468)
2008 proposed final dividend	二零零八年擬派末期股息	-	-	-	(12,072)	(12,072)
At 31 December 2008	於二零零八年十二月三十一日	284,210	19,380	19,380	1,000	323,970

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

32. RESERVES (Continued)

(b) Company (Continued)

Notes:

(i) Share premium

Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less the amount of expenses incurred in connection with the issue of the shares.

(ii) Statutory surplus reserve

The Company's Articles of Association requires the appropriation of 10% of profit after income tax each year to the statutory surplus reserve until the balance reaches 50% of the registered share capital. According to the provision of the Company's Articles of Association, under normal circumstances, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the Company's production and operation. For the capitalisation of statutory surplus reserve into share capital, the remaining amount of such reserve shall not be less than 25% of the registered share capital. The transfer to the statutory surplus reserve is based on the net profit in the financial statements prepared under PRC accounting standards.

(iii) Public welfare fund

Public welfare fund represents the appropriation of profit after income according to the requirements of the Company's Articles of Association and the PRC Company Law. According to the requirements, the Company shall make allocation from profit after income tax at the rate of 5% to 10% to the public welfare fund. The public welfare fund can only be utilised on capital items for employees' collective welfare. Individual employees only have the right to use these facilities, the titles to which will remain with the Company. The public welfare fund forms part of the shareholders' equity but is not distributable other than in liquidation. The transfer to the public welfare fund was based on the net profit in the financial statements prepared under PRC accounting standards in the past. However, there is no longer statutory requirement for appropriation and therefore, no appropriation is made for the current year. The appropriation is subject to the shareholders' approval in the annual shareholders meeting of the Company.

32. 儲備(續)

(b) 公司(續)

附註：

(i) 股份溢價

股份溢價乃本公司股份以溢價發行時所得資金，撇除發行股份費用後，與股份面值之差異。

(ii) 法定公積金

本公司公司章程規定每年將除稅後溢利之10%轉撥為法定公積金，直至結餘達到註冊股本之50%為止。根據本公司公司章程之規定，在一般情況下，法定公積金僅可用於彌補虧損、撥充資本至股本及擴充本公司之生產及業務。就將法定公積金撥充資本至股本而言，該等法定公積金之剩餘款項不得少於註冊股本之25%。法定公積金之轉移乃以根據中國會計準則所編製之財務報表中之淨利潤為基準。

(iii) 公益金

公益金指根據本公司公司章程及中國公司法轉撥備除收入後溢利。根據有關規定，本公司須將其除所得稅後溢利之5%至10%轉撥為公益金。公益金僅可用於員工集體福利之公益項目。個別員工僅有權使用其項下之設施，而設施之所有權仍屬於本公司。公益金構成股東之部分權益，除清盤外不得分派。公益金之轉移乃以根據過往之中國會計準則所編製之財務報表中之淨利潤為基準。然而，由於再無法定規定須作出分配，因此本年度並無作出分配。分配須待股東於本公司之股東週年大會上批准。

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

32. RESERVES (Continued)

(b) Company (Continued)

(iv) Retained profits

The reserve available for distribution to shareholders is based on the lower of the aggregate amount of profit after income tax for the year and retained profits brought forward determined under PRC accounting regulations and that determined under Hong Kong generally accepted accounting principles after deduction of the current year's appropriations to the statutory surplus reserve and public welfare fund.

33. NOTE TO CONSOLIDATED CASH FLOW STATEMENT

Non-cash transaction:

The cost of club membership of approximately RMB1,177,000 was prepaid in 2007.

34. OPERATING LEASE COMMITMENTS

As at 31 December 2008, the Group and the Company had commitments for future minimum lease payments in respect of land and buildings under non-cancellable operating leases which fall due as follows:

		Group 集團		Company 公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Within one year	一年內	3,567	3,917	1,578	2,446
In the second year to fifth year	第二年至第五年	5,288	8,288	2,098	3,138
After the fifth year	五年以上	49	67	49	67
		8,904	12,272	3,725	5,651

The lease payments are fixed and no arrangements have been entered into for contingent rental payments.

32. 儲備(續)

(b) 公司(續)

(iv) 保留溢利

可供分派予股東之儲備乃根據中國會計規定或根據香港普遍採納之會計準則釐定之本年度之除稅後溢利總額及累計結轉溢利之總額(以較低者為準),並扣除本年度轉撥為法定公積金及公益金之金額計算。

33. 綜合現金流量表附註

非現金交易:

會所會籍約人民幣1,177,000元之費用已於二零零七年預先支付。

34. 經營租約承擔

於二零零八年十二月三十一日,本集團及本公司根據不可撤銷之經營租約就土地及樓宇須於下列年期內支付日後之最低租約承擔如下:

租約付款乃固定及概未就或然租金付款訂立安排。

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財務報表附註

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35. FUTURE OPERATING LEASE ARRANGEMENTS

As at 31 December 2008, the Group and the Company had future aggregate minimum lease receipts in respect of land and buildings under non-cancellable operating leases as follows:

		Group 集團		Company 公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Within one year	一年內	7,512	5,554	10,860	5,554
In the second year to fifth year	第二年至第五年	27,038	16,092	27,038	16,092
After the fifth year	五年以上	—	18	—	18
		34,550	21,664	37,898	21,664

The Group and the Company leases certain portion of the buildings (note 13) under operating lease arrangements which run for an initial period of one to five years. The terms of the leases generally also require the tenants to pay security deposits. There is no arrangement of contingent rental receivables.

35. 未來經營租約安排

於二零零八年十二月三十一日，本集團及本公司有根據不可撤銷之經營租約就土地及樓宇於以下年期內收取之最低租金如下：

本集團及本公司根據經營租約（初步年期為一年至五年）租賃若干樓宇部分（附註13）。此等租約之條款一般訂明承租人須支付抵押金。並無有關或然應收租金之安排。

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36. CAPITAL COMMITMENTS

36. 資本承擔

	Group		Company	
	集團	集團	公司	公司
	2008	2007	2008	2007
	二零零八年	二零零七年	二零零八年	二零零七年
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Capital expenditure contracted but not provided for in the financial statements:				
已定約但未於財務報表中撥備之資本開支：				
– expenditures on construction-in-progress				
– 在建工程開支				
	14,920	–	14,920	–
– capital injections to an associate				
– 向一間聯營公司注資				
	–	5,000	–	5,000
	<hr/>	<hr/>	<hr/>	<hr/>
	14,920	5,000	14,920	5,000
	<hr/>	<hr/>	<hr/>	<hr/>

37. SHARE OPTION SCHEME

Pursuant to the Company's share option scheme approved by a resolution of the shareholders of the Company dated 21 March 2002 (the "Share Option Scheme"), the Company, for the purpose of encouraging the participants to perform their best in achieving the goals of the Group, may grant options to employees including any directors of the Company or its subsidiaries to subscribe for the H Shares in the Company. An offer for the grant of options must be accepted within 28 days from the date of offer, and a consideration of RMB1.00 is payable by each of the participants on acceptance of the grant of options. The Share Option Scheme will remain valid for a period of ten years commencing on 21 March 2002. An option may be exercised at any time during a period to be notified by the directors of the Company to each grantee provided that the period within which the option must be exercised shall be not less than two years and not more than 10 years from the date of grant. The subscription price for H Shares under the Share Option Scheme will be determined by the directors and notified to each grantee and will be no less than the highest of (a) the closing price of the H Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average closing price of the H Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of a H Share.

37. 購股權計劃

根據經本公司股東於二零零二年三月二十一日之決議所通過之本公司購股權計劃(「購股權計劃」)，本公司為鼓勵參與者盡其所能達到本集團之目標，可向僱員(包括本公司或其附屬公司之任何董事)授予購股權，以認購本公司之H股。每名參與者若接納授予購股權之建議必須於建議日期起計二十八日內作出，接納授予購股權時每人須支付代價人民幣1.00元。購股權計劃之有效期於二零零二年三月二十一日起計為期十年。每份購股權可於本公司董事通知每名承授人之時期內隨時行使，惟購股權須予行使之時期由授出之日起計不可短於兩年及長於十年。購股權計劃項下H股之認購價將由董事釐定後通知承授人，認購價不會低於以下三者之最高者：(a)授出購股權日期(必須為營業日)H股於聯交所之日報表所列之收市價；(b)緊接授出購股權日期前五個營業日H股於聯交所日報表所列之平均收市價；及(c)H股之面值。

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37. SHARE OPTION SCHEME (Continued)

However, for employees who are PRC nationals and have taken up any options to subscribe for the Company's H Shares, they shall not be entitled to exercise the options until:

- (i) The current restrictions imposed by the relevant PRC laws and regulations restricting PRC nationals from subscribing for and dealing in H Shares or any laws and regulations with similar effects have been abolished or removed; and
- (ii) The China Securities Regulatory Commission or other relevant government authorities in the PRC have approved the new issue of H Shares upon the exercise of any options which may be granted under the Share Option Scheme.

The total number of H Shares subject to the Share Option Scheme and any other share option schemes must not, in aggregate, exceed 30% of issued H Shares of the Company in issue from time to time. The total number of H Shares available for issue under options granted under the Share Option Scheme and any other schemes, must not in aggregate, exceed 10% of the number of H Shares of the Company in issue from time to time. The Company may seek approval from shareholders in general meeting for renewing the 10% limit or for granting further options beyond the 10% limit, provided that the options in excess of the 10% limit are granted only to participants specifically identified by the Company before such approval is sought.

No employee of the Company or its subsidiaries shall be granted an option which, if all the options granted to the employee (including both exercised and outstanding options) in any 12-month period up to the date of grant, shall not exceed 1% of the H Shares in issue at the date of grant.

No option has been granted by the Company under the Share Option Scheme since its adoption.

37. 購股權計劃(續)

然而，屬於中國國民並已接納可認購本公司H股之購股權之僱員直至以下時間方有權行使購股權：

- (i) 中國有關限制其國民認購及買賣H股之法律及法規或具有類似效力之法律及法規現時所施加之限制被廢除或解除；及
- (ii) 中國證券監督管理委員會或中國其他相關之政府機關批准購股權計劃所授購股權獲行使後新發行H股。

購股權計劃及任何其他購股權計劃所涉及之H股總數合共不可超過本公司不時已發行H股之30%。購股權計劃及任何其他計劃所授購股權而可供發行之H股總數合共不可超過本公司不時已發行H股數目之10%。本公司可於股東大會尋求股東批准更新此10%限額或批准進一步授出超出10%限額之購股權，惟僅可向尋求此項批准前本公司所特別界定之參與者授予超過此10%限額之購股權。

本公司或其附屬公司之僱員獲授予之購股權於截至授出相關購股權之日止十二個月期內合計不得低於授出日期已發行H股之1%。

自採納購股權計劃以來，本公司並無按該計劃授出購股權。

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

38. RETIREMENT PLANS

As stipulated by the rules and regulations in the PRC, the Group contributes to state-sponsored retirement plans for its employees in the PRC. The Group is required to contribute 8.0% to 22.5% of the basic salaries of its employees to the retirement plans, and has no further obligation for the actual payment of the previous or post retirement benefits. The relevant state-sponsored retirement plans are responsible for the entire present obligation to retired employees.

39. RELATED PARTY TRANSACTIONS

The following transactions were carried out with a related party:

Sales to an associate

銷售予一間聯營公司

Sales to an associate were conducted in the normal course of business at prices and terms no less than those charged to and contracted with other third party customers of the Group.

The Group did not enter into any material related party transactions during the year other than as disclosed above and elsewhere in the financial statements.

38. 退休計劃

根據中國法規及法例之規定，本集團須為其中國僱員向國家資助之退休計劃供款。本集團須支付員工基本薪金 8.0% 至 22.5% 之金額作為退休計劃之供款，惟並無義務支付退休前後福利之實際付款。有關之國家資助退休計劃須就有關退休員工承擔所有現行責任。

39. 與關連人士之交易

以下交易為與關連人士進行之交易：

2008	2007
二零零八年	二零零七年
RMB'000	RMB'000
人民幣千元	人民幣千元
5,468	2,771

銷售予一間聯營公司乃在正常業務過程中，按不遜於收取或與本集團其他第三方客戶訂立之合約之價格及條款進行。

除上文及本財務報表其他部分所披露者外，年內，本集團並無訂立任何重大關連人士交易。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT AND POLICIES

The Group is exposed to a variety of financial risks such as market risk (including foreign currency risk and interest rate risk), liquidity risk and credit risk, which result from both its operating and investing activities.

The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate strategies to manage the Group's exposure to these risks. Generally, the Group employs a conservative strategy regarding its risk management. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. The Group does not hold any derivative financial instruments for speculative purpose.

The Group's financial assets and financial liabilities are set out in note 3.14 and 3.20 to the financial statements respectively.

(i) Interest rate risk

The Group has no significant interest bearing assets apart from cash and bank deposits. The Group currently have bank borrowings with fixed and floating interest rates as disclosed in note 29.

40. 財務風險管理及政策

本集團須承受不同財務風險，例如市場風險(包括外匯風險及利率風險)、流動資金風險及信貸風險，該等風險均來自其經營及投資活動。

本集團並無書面風險管理政策及指引。然而，董事會會定期舉行會議，以分析及制定策略管理本集團須承受之該等風險。一般而言，本集團就其風險管理採用保守策略。管理財務風險之整體目標集中於透過盡量降低本集團於金融市場上承受之風險，讓本集團取得短期至中期現金流量。本集團並無就投機用途持有任何衍生金融工具。

本集團之金融資產及金融負債分別載於財務報表附註3.14及3.20。

(i) 利率風險

除現金及銀行存款外，本集團並無重大計息資產。本集團現時之銀行借貸以定息及浮息計息(見附註29之披露)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(i) Interest rate risk (Continued)

Interest rate sensitivity

At 31 December 2008, the Company was exposed to changes in market interest rates through its bank deposits and borrowings, which are subject to variable interest rates. The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1% and -1% (2007: +1 and -1%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Group's and the Company's bank deposits and borrowings held at each balance sheet date. All other variables are held constant.

	Group				Company			
	集團		集團		公司		公司	
	2008	2008	2007	2007	2008	2008	2007	2007
	二零零八年	二零零八年	二零零七年	二零零七年	二零零八年	二零零八年	二零零七年	二零零七年
	+1%	-1%	+1%	-1%	+1%	-1%	+1%	-1%
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Net (loss)/profit for the year								
本年度淨(虧損)/溢利	(231)	231	(208)	208	(231)	231	(205)	205

(ii) Credit risk

The carrying amounts of trade receivables and other receivables represent the Group's maximum exposure to credit risk in relation to its financial assets. It is the Group's policy that receivable balances are monitored on an ongoing basis. The allowance for impairment has been made to reduce the exposure to the credit risk in relation to the receivables. Other than this there are no significant concentrations of credit risk within the Group in relation to other financial assets.

40. 財務風險管理及政策(續)

(i) 利率風險(續)

利率敏感度

於二零零八年十二月三十一日，本公司透過其銀行存款及借貸承擔市場利率變動的風險，視乎可變利率而定。下表說明本年度淨業績及權益就利率合理地可能增加及減少1% (二零零七年：增加及減少1%) 的敏感度，由年初起生效。這些變動根據對現行市況的觀察，認為合理地可能發生。計算根據本集團及本公司於各結算日持有的銀行存款及借貸作出。所有其他可變因素保持不變。

(ii) 信貸風險

應收貿易賬款及其他應收款項之賬面值，即為本集團之金融資產有關之最大信貸風險。本公司政策乃持續監察應收款項餘額，並已作減值撥備減少與應收款項有關之信貸風險。除本處披露者外，本集團內並無與其他金融資產相關之重大信貸風險。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(iii) Foreign currency risk

The Group's exposure to market risk for changes in foreign currency exchange rates relates primarily to certain trade receivables, certain cash and cash equivalents and certain bank borrowings in currencies other than the functional currency of RMB.

Foreign currency sensitivity

The Group mainly operates in the PRC and Germany. The functional currency of the Company and its subsidiaries are mainly RMB and EUR with certain transactions being settled in US\$ and EUR. The Group mainly exposes to foreign currency risk arising from the Group's financial assets and liabilities denominated in US\$.

Foreign currency denominated financial assets and liabilities, translated into RMB at the closing rate, are as follows:

US\$ 美元

40. 財務風險管理及政策(續)

(iii) 外匯風險

本集團因外幣匯率變動承擔之市場風險，主要與以功能貨幣人民幣以外貨幣列值之若干應收貿易賬款、若干現金及現金等價物及若干銀行借貸相關。

外幣敏感度

本集團主要在中國及德國營運。本公司及其附屬公司之功能貨幣主要為人民幣及歐元，若干交易以美元及歐元結算。本集團主要面對本集團以美元列值之金融資產及負債產生之外幣風險。

下列以外幣為貨幣單位的金融資產及負債按結算日的收市匯率換算為人民幣：

Group 集團		Company 公司	
2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
179,503	223,134	221,144	214,434

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(iii) Foreign currency risk (Continued)

A 5% strengthening/weakening of RMB against US\$ as at the respective balance sheet dates would (decrease)/increase the profit after income tax (due to changes in the fair value of monetary assets and liabilities) by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Group

If RMB strengthen against US\$	如人民幣兌美元轉強
If RMB weaken against US\$	如人民幣兌美元轉弱

Company

If RMB strengthen against US\$	如人民幣兌美元轉強
If RMB weaken against US\$	如人民幣兌美元轉弱

40. 財務風險管理及政策 (續)

(iii) 外匯風險 (續)

如於有關結算日，人民幣兌美元轉強／轉弱5%，除所得稅後溢利（由於貨幣資產及負債之公平值變動）（減少）／增加之金額將如下表所示。此分析假設所有其他變數（特別是利率）維持不變。

集團

Increase/ (decrease) 增加/（減少）	Increase/(decrease) in net profit 淨利潤增加/（減少）	
	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
5%	(8,975)	(11,157)
(5%)	8,975	11,157

公司

Increase/ (decrease) 增加/（減少）	Increase/(decrease) in net profit 淨利潤增加/（減少）	
	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
5%	(11,057)	(10,722)
(5%)	11,057	10,722

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(iv) Liquidity risk

The Group exercised liquidity risk management policy by maintaining sufficient cash level and the availability of adequate amount of committed credit facilities.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The remaining contractual maturities at the balance sheet date of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay.

40. 財務風險管理及政策(續)

(iv) 流動資金風險

本集團維持足夠水平之現金及已承諾信貸提供之融資，執行流動資金風險管理政策。

本集團的政策為定期監督其流動資金需求，並遵守貸款契諾，確保維持充足現金及可隨時變現有價證券的儲備，以及主要金融機構提供充足已承諾資金額度，應付短期及較長期流動資金需求。本集團及本公司非衍生金融負債於結算日的餘下合約到期款項，根據合約未貼現現金流(包括使用合約利率計算的利息付款，或如為浮息，根據結算日的現行利率)及本集團可能需要支付的最早日期。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(iv) Liquidity risk (Continued)

2008

		Group 集團					Company 公司				
		Total		In the			Total		In the		
		contractual	Within one	In the	third year		contractual	Within one	In the	third year	
		undiscounted	year or on	second	to the	Carrying	undiscounted	year or on	second	to the	
		amount	demand	year	fifth year	amount	cash flow	demand	year	fifth year	
		合約未貼現	於一年內		第三至	合約未貼現	於一年內		第三至		
		賬面金額	現金總流量	或通知時	第二年	第五年	賬面金額	現金總流量	或通知時	第二年	第五年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade payables	應收貿易賬款	60,763	60,763	60,763	-	-	6,859	6,859	6,859	-	-
Bills payables	應付票據	21,000	21,000	21,000	-	-	21,000	21,000	21,000	-	-
Other payables and accrued charges	其他應付款項及 應計費用	12,662	12,662	12,662	-	-	8,857	8,857	8,857	-	-
Borrowings	借貸	319,628	378,098	335,286	42,562	250	318,152	376,344	334,443	41,901	-
		414,053	472,523	429,711	42,562	250	354,868	413,060	371,159	41,901	-

40. 財務風險管理及政策 (續)

(iv) 流動資金風險 (續)

二零零八年

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(iv) Liquidity risk (Continued)

2007

		Group 集團					Company 公司				
		Total		In the			Total		In the		
		contractual	Within one	In the	third year		contractual	Within one	In the	third year	
		undiscounted	year or on	second	to the		undiscounted	year or on	second	to the	
		amount	demand	year	fifth year		amount	demand	year	fifth year	
		合約未貼現	於一年內		第三至		合約未貼現	於一年內		第三至	
		賬面金額	或通知時	第二年	第五年		賬面金額	或通知時	第二年	第五年	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Trade payables	應付貿易賬款	64,387	64,387	64,387	-	-	21,579	21,579	21,579	-	-
Bills payables	應付票據	18,300	18,300	18,300	-	-	18,300	18,300	18,300	-	-
Other payables and accrued charges	其他應付款項及應計費用	19,274	19,274	19,274	-	-	12,478	12,478	12,478	-	-
Borrowings	借貸	338,895	356,746	247,106	94,245	15,395	337,926	355,631	246,639	93,779	15,213
		440,856	458,707	349,067	94,245	15,395	390,283	407,988	298,996	93,779	15,213

(v) Fair value

The fair values of the Group's financial assets and financial liabilities are not materially different from their carrying amounts because of the immediate or short term maturity of these financial assets and liabilities. The carrying amount of the non-current portion of borrowings approximates its fair value since the directors consider that their interest rates are close to the prevailing market rates of similar financial instruments.

40. 財務風險管理及政策(續)

(iv) 流動資金風險(續)

二零零七年

(v) 公平值

本集團之金融資產及金融負債之公平值與其賬面值並無重大分別，因該等金融資產及負債乃即時或於短期內到期。借貸非即期部分之賬面值與其公平值相若，原因為董事認為其利率與類似金融工具之現行市場利率接近。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(vi) Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities as recognised at 31 December 2008 and 2007 may be categorised as follows. See notes 3.14 and 3.20 for explanations about how the category of financial instruments affects their subsequent measurement.

(a) Financial assets

Cash and cash equivalents	現金及現金等價物
Loan and receivables	貸款及應收款項：
Trade receivables	應收貿易賬款
Bills receivables	應收票據
Other receivables and deposits	其他應收款項及按金
Amount due from an associate	一間聯營公司欠款
Pledged bank deposits	已抵押之銀行存款

40. 財務風險管理及政策 (續)

(vi) 按類別劃分金融資產及負債概要

本集團於二零零八年及二零零七年十二月三十一日確認的金融資產及負債賬面金額可按以下類別劃分。請參閱附註3.14及3.20，了解金融工具類別如何影響其後計量的解釋。

(a) 金融資產

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
	97,583	175,203
	238,734	251,582
	1,433	2,510
	158,545	135,893
	3,159	493
	21,000	15,669
	520,454	581,350

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(vi) Summary of financial assets and liabilities by category (Continued)

(b) Financial liabilities

Financial liabilities at
amortised cost:

Trade payables
Bills payables
Other payables and
accrued charges
Borrowings

按攤銷成本記賬之金融負債：

應付貿易賬款
應付票據
其他應付款項
及應計費用
借貸

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
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60,763	64,387
21,000	18,300
12,662	19,274
319,628	338,895
414,053	440,856

41. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- (i) to ensure the Group's ability to continue as a going concern;
- (ii) to provide an adequate return to shareholders;
- (iii) to support the Group's sustainable growth; and
- (iv) to provide capital for the purpose of potential mergers and acquisitions.

41. 資本管理政策及程序

本集團之資本管理目標為：

- (i) 確保本集團繼續作為持續經營實體經營的能力；
- (ii) 向股東提供充足回報；
- (iii) 支持本集團的持續增長；及
- (iv) 提供資本供可能進行的合併及收購之用。

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財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

41. CAPITAL MANAGEMENT POLICIES AND PROCEDURES (Continued)

The Group sets the amount of equity capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The net debt-to-adjusted capital ratio at the balance sheet date was as follows:

41. 資本管理政策及程序(續)

本集團按其整體融資結構的比例預定權益股本的金額。本集團按經濟狀況轉變及相關資產的風險特色管理資本結構並作出調整。

於結算日淨債項調整資本比率如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Current liabilities	流動負債		
Trade payables	應付貿易賬款	60,763	64,387
Bills payables	應付票據	21,000	18,300
Other payables and accrued charges	其他應付款項及應計費用	12,662	19,274
Current portion of borrowings	借貸之流動部分	278,865	233,323
		373,290	335,284
Non-current liabilities	非流動負債		
Borrowings	借貸	40,763	105,572
Total debt	總債項	414,053	440,856
Add: Proposed dividend	加：建議股息	12,072	30,180
Less: Cash and cash equivalents	減：現金及現金等價物	(97,583)	(175,203)
Net debt	淨債項	328,542	295,833
Total equity	總權益	506,106	523,558
Less: Proposed dividend	減：建議股息	(12,072)	(30,180)
Adjusted capital	經調整資本	494,034	493,378
Debt-to-adjusted capital ratio	債項調整資本比率	67%	60%

Financial Summary

財務概要

Consolidated Income Statement

綜合收益表

		2008	2007	2006	2005	2004
		二零零八年	二零零七年	二零零六年	二零零五年	二零零四年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收益	438,554	412,463	304,211	342,586	277,627
Cost of sales	銷售成本	(229,196)	(183,766)	(141,283)	(190,219)	(144,687)
Gross profit	毛利	209,358	228,697	162,928	152,367	132,940
Other income	其他收入	29,184	23,650	19,831	38,157	21,392
Selling expenses	銷售開支	(71,869)	(74,284)	(64,909)	(69,513)	(35,056)
Administrative expenses	行政費用	(61,346)	(44,582)	(37,708)	(44,854)	(47,055)
Research and development expenses	研發費用	(17,212)	(16,027)	(12,853)	(8,500)	(8,008)
Other operating expenses	其他經營開支	(38,095)	(30,087)	(19,085)	(15,305)	(17,164)
Finance costs	財務成本	(26,973)	(23,166)	(8,147)	(11,126)	(8,432)
Share of results of an associate	應佔一間聯營公司業績	(7,121)	(2,753)	(961)	-	-
Gain on deemed disposal of interest in an associate	視作出售一間聯營公司權益之收益	4,244	-	-	-	-
Profit before income tax	除所得稅前溢利	20,170	61,448	39,096	41,226	38,617
Income tax (expense)/credit	所得稅(支出)/抵免	(7,339)	(101)	2,033	(4,097)	1,085
Profit for the year	本年度溢利	12,831	61,347	41,129	37,129	39,702
Dividends	股息	12,072	30,180	19,530	19,530	18,200
		RMB	RMB	RMB	RMB	RMB
		人民幣	人民幣	人民幣	人民幣	人民幣
Earnings per share for profit attributable to the equity holders of the Company during the year	本公司本年度權益持有人應佔每股溢利					
- Basic	- 基本	2.1 cents 分	10.9 cents 分	7.4 cents 分	7.1 cents 分	7.6 cents 分

Consolidated Balance Sheet

綜合資產負債表

		2008	2007	2006	2005	2004
		二零零八年	二零零七年	二零零六年	二零零五年	二零零四年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	920,171	964,414	778,798	614,758	779,406
Total liabilities	總負債	(414,065)	(440,856)	(359,639)	(277,238)	(459,653)
Minority interests	少數股東權益	-	-	-	-	(339)
Shareholder's equity	股東權益	506,106	523,558	419,159	337,520	319,414

Notice of Annual General Meeting

股東週年大會通告

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Launch Tech Company Limited (the “Company”) will be held at the conference room, 9th Floor, Office Block, Launch Industrial Park, North of Wuhe Road, Banxuegang, Longgang District, Shenzhen, the PRC at 10:00 a.m. on 18 June 2009 Thursday for the following purposes:

- I. To pass the following matters as ordinary resolutions:
 1. To consider and pass the Directors' Report for the year 2008;
 2. To consider and pass the Supervisory Committee's Report for the year 2008;
 3. To consider and pass the audited consolidated financial statements of the Company and its subsidiaries for the year 2008;
 4. To consider and pass the resolution of final dividend distribution for the year 2008;
 5. To consider and pass plans to re-appoint Directors and Supervisors;
 6. To consider and pass plans to re-appoint Grant Thornton as independent auditors of the Company for the year 2009 and to authorise the board of Directors to fix their remunerations;
 7. To handle any other matters.

茲通告，深圳市元征科技股份有限公司（「本公司」）謹定於二零零九年六月十八日（星期四）上午十時正假座中國深圳市龍崗區坂雪崗工業區五和大道北元征工業園辦公樓九樓會議室召開股東週年大會，藉以商討下列事項：

- I. 以普通決議案通過的以下事項：
 1. 審議並通過本公司二零零八年度董事會報告書；
 2. 審議並通過本公司二零零八年度監事會報告書；
 3. 審議並通過本公司及其附屬公司二零零八年度之經審核綜合財務報表；
 4. 審議並通過二零零八年度末期股息分配議案；
 5. 審議並通過續聘董事及監事；
 6. 審議並通過續聘均富會計師行出任本公司二零零九年度獨立核數師並授權董事會決定其酬金的方案；
 7. 處理任何其他事項。

Notice of Annual General Meeting

股東週年大會通告

II. To pass the following matters as special resolutions:

1. To consider and resolve that, subject to the approval of China Securities Regulatory Commission and/or other relevant statutory authorities in the People's Republic of China and/or the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the proposed allotment and issue of new H shares and/or domestic shares, the board of Directors be authorised:

- (a) to issue and/or place H shares and/or domestic Shares within a period of 12 months from the date of this resolution, provided that the total number of H shares and/or domestic shares to be placed and/or issued shall not exceed 20% (the "20% Limit") of the number of H shares and/or domestic shares of the Company in issue respectively;
- (b) subject to the 20% Limit, to decide the number of H shares and/or domestic shares to be placed and/or issued and to deal with any matter arising from or related to the placing or issue of the new shares mentioned above;

II. 以特別決議案通過的以下事項：

1. 審議並通過，在受限於中國證券監督管理委員會（「中國證監會」）及／或中華人民共和國其他有關的法定機關及／或香港聯合交易所有限公司創業板批准本公司擬增發H股及／或內資股上市及買賣的前提下，授予董事會一項授權：

- (a) 由決議案日期起計十二個月期間內發行及／或配售H股及／或內資股，惟將予配售及／或發行之H股及／或內資股之總數不得分別超過本公司已發行之H股及／或內資股之股份數目的20%（「20%限額」）；
- (b) 以20%限額為限，確定將予配售及／或發行H股及／或內資股之數目，以及處置因配售及／或發行該等新股份所產生或與之有關之事宜；

Notice of Annual General Meeting

股東週年大會通告

- (c) to amend, in accordance with the increase in registered capital of the Company, the relevant articles contained in the Articles of Association in relation to the registered capital of the Company and any other articles that require corresponding amendments; and
- (d) if any chronological variation of the wordings or numbering of the articles contained in the Articles of Association of the Company is necessary upon application to the companies examination and approval authority authorised by the State Council and China Securities Regulatory Commission for examination and approval, to make corresponding amendments to the Articles of Association as required by such authority and China Securities Regulatory Commission.
- (c) 根據增加註冊資本的具體情況，修改章程中關於本公司註冊資本的細則及需相應修改的其他細則；及
- (d) 如公司章程呈報國務院授權的公司審批部門和中國證監會審批時需要進行文字或條文順序的變動，依據上述審批部門和中國證監會的要求作出相應的修改。

By order of the Board

Launch Tech Company Limited

Liu Xin

Chairman

Shenzhen, the PRC

31 March 2009

承董事會命

深圳市元征科技股份有限公司

董事長

劉新

中國，深圳

二零零九年三月三十一日

Notice of Annual General Meeting

股東週年大會通告

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority, must be deposited at (i) the principal place of business in the PRC of the Company, at 9th floor, Launch Industrial Park, North of Wuhe Road, Banxuegang Longgang District, Shenzhen, the PRC (for holders of domestic shares of the Company); or (ii) the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H shares of the Company), not less than 24 hours before the time for holding the meeting or appointed time of voting.
3. Shareholders or their proxies shall present proofs of identities when attending the AGM.
4. The Registrar of members will be closed from 18 May 2009 to 18 June 2009, both days inclusive. All transfers accompanied by relevant share certificates must be lodged with Company's H share registrar not later than 4:30 p.m. on 15 May 2009.
5. Shareholders entitled to attend the AGM are requested to deliver the reply slip for attendance to (i) the registered office of the Company (for holders of domestic shares of the Company); or (ii) the Company's H share registrar (for holders of H shares of the Company) before 26 May 2009.

附註：

1. 有資格出席上述會議及於會上投票之本公司股東，均可委派一名或多名代理人出席會議及代其投票；代理人毋須為本公司股東。
2. H股股東代理人委任表格及如果該代理人委任表格由他人根據授權書或其他授權文件代表委託人簽署，經由公證律師證明之該等授權書或其他授權文件的副本，必須最遲於此會議召開或指定表決時間二十四小時前送達(i) (就本公司內資股持有人而言)本公司之中國主要營業地點，地址為中國深圳龍崗區坂雪崗工業區五和大道北元征工業園辦公樓九樓；或(ii) (就本公司H股持有人而言)本公司H股股份過戶登記處地址為香港皇后大道東一八三號合和中心四十六樓香港中央證券登記有限公司，方為有效。
3. 股東或其代理人出席會議時應出示本人身份證明文件。
4. 本公司將於二零零九年五月十八日至二零零九年六月十八日(首尾兩天包括在內)暫停辦理股東名冊變更登記。為釐定有權出席大會並可於大會上投票之股東之身份，所有過戶文件連同有關股票須於二零零九年五月十五日下午四時三十分前送抵本公司H股股份過戶登記處。
5. 有權出席股東週年大會之股東需於二零零九年五月二十六日前以書面回覆(i) (就本公司內資股持有人而言)本公司之註冊辦事處；或(ii) (就本公司H股持有人而言)本公司H股股份過戶登記處。

DIRECTORS OF THE COMPANY

Executive Directors

Mr. Liu Xin (*Chairman*)

Mr. Liu Jun (*Chief executive officer*)

Professor Wang Xue Zhi

Non-executive Director

Ms. Liu Yong

Independent Non-executive Directors

Mr. Zhang Xiao Yu

Professor Hu Zi Zheng

Mr. Yim Hing Wah

SUPERVISORS

Ms. Hou Wen Tao

Mr. Guo Jian Yuan

Mr. Wang Xi Lin

QUALIFIED ACCOUNTANT

Mr. Liu Chun Ming, FCCA

COMPANY SECRETARY

Mr. Liu Chun Ming, FCCA

AUDIT COMMITTEE

Mr. Zhang Xiao Yu

Professor Hu Zi Zheng

Mr. Yim Hing Wah

COMPLIANCE OFFICER

Mr. Liu Jun

董事會

執行董事

劉新先生 董事長

劉均先生 行政總裁

王學志教授

非執行董事

劉庸女士

獨立非執行董事

張小虞先生

胡子正教授

嚴慶華先生

監事

侯文濤女士

郭健源先生

王希琳先生

合資格會計師

廖俊明先生 FCCA

公司秘書

廖俊明先生 FCCA

審核委員會

張小虞先生

胡子正教授

嚴慶華先生

監察主任

劉均先生

AUTHORISED REPRESENTATIVES

Mr. Liu Jun
Mr. Liu Chun Ming, FCCA

AUDITORS

Grant Thornton
13th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

LEGAL ADVISERS

As to Hong Kong law:
Woo, Kwan, Lee & Lo
26th Floor, Jardine House
1 Connaught Place
Hong Kong

As to PRC law:
ZHONG LUN LAW FIRM
12-13/F, Building 1,
China Merchants Tower,
No. 118 Jianguo Road,
Chaoyang District, Beijing 100022,
People's Republic of China

Suite 17-D, 17/F,
Shenzhen Development Bank Tower,
5047 Shennan Road East, Shenzhen 518001,
People's Republic of China

法定代表

劉均先生
廖俊明先生 FCCA

核數師

均富會計師行
執業會計師
香港中環皇后大道中 15 號
置地廣場告羅士打大廈 13 樓

法律顧問

香港法律：
胡關李羅律師行
香港中環
康樂廣場一號
怡和大廈 26 樓

中國法律：
北京市中倫金通律師事務所
中國北京市朝陽區建國路 118 號
招商局中心 01 樓 12/13 層
郵政編碼：100022

中國深圳市深南東路 5047 號
深圳發展銀行大廈 17 樓 D
郵政編碼：518001

PRINCIPAL BANKERS

Bank Of China Shenzhen Branch
Agricultural Bank of China Shenzhen Cbd Branch
Shenzhen Development Bank Co., Ltd.
of Shekou Shenzhen Branch
Gongdong Development Bank of Shenzhen Branch
Hang Seng Bank (China) Limited Shenzhen Branch

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

Xin Yang Building
Bagua Number Four Road
Futian District
Shenzhen, the PRC

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Launch Industrial Park
North of Wuhe Road, Banxuegang, Longgang District, Shenzhen,
the PRC

Launch Shanghai Base
No. 661 Baian Road, Angtin Zhen, Jiading District, Shanghai,
the PRC

主要往來銀行

中國銀行深圳市分行
中國農業銀行深圳中心區支行
深圳發展銀行深圳蛇口支行
廣東發展銀行深圳分行
恒生銀行(中國)有限公司深圳市分行

香港股份過戶登記處

香港中央證券登記有限公司
香港皇后大道東183號
合和中心46樓

註冊辦事處

中國深圳福田區
八卦四路新陽大廈

中國主要營業地點

元征工業園
中華人民共和國
深圳市龍崗區坂雪崗工業區五和大道北

上海元征基地
中華人民共和國
上海市嘉定區安亭鎮百安公路661號

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1801, 18th Floor
Wing On Central Building
26 Des Voeux Road Central
Hong Kong

STOCK CODE

8196

WEBSITE

www.cnlaunch.com

BOOK CLOSE DATE FOR ANNUAL GENERAL MEETING AND FINAL DIVIDEND

- From 18 May 2009 to 18 June 2009, both inclusive.
- All transfers accompanied by relevant share certificates must be lodged with the Company's H Share registrar no later than 4:30 p.m. on 15 May 2009.

香港主要營業地點

香港
德輔道中 26 號
永安中區大廈
18 樓 1801 室

股票編號

8196

網站

www.cnlaunch.com

末期股息及年度股東大會之截止過戶日期

- 二零零九年五月十八日至二零零九年六月十八日(首尾兩天包括在內)。
- 所有過戶文件連同有關股票須於二零零九年五月十五日下午四時三十分前送抵本公司H股股份過戶登記處。

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