

LAUNCH



年報 Annual Report 2010

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

During the financial year of 2010, the Group recorded a turnover of RMB661.1 million and net profit of RMB105.1 million, representing a growth of 43.0% and 69.4% respectively compared to last year. The operating result meets our expectation.

Business review

In 2010, the Group first embarked on a project of enhancing production in the Shanghai plant and with a satisfactory result achieved, we implemented such business model throughout the Group. Under our improvement effort throughout the year, the Group made significant progress in manufacturing technology, management flow, manufacturing procedure and inventory management, which allowed us to have a better cost control and improve the product quality. The enhanced production contributed to the sales growth of the Group's product.

經營業績

二零一零年財政年度，本集團之營業額及淨利潤分別約為人民幣661,100,000元及人民幣105,100,000元，分別較去年同期增長43.0%及69.4%。經營業績基本符合預期。

業務回顧

二零一零年，本集團最先於上海工廠推行精益生產之方式，取得顯著效果後再於本集團全面推行。經過一年之改善，本集團於生產工藝、管理流程、生產流程、庫存管理之方面取得顯著效果，生產成本得到控制，產品品質亦得到提高。精益生產之方式為集團產品銷售之增長作出了貢獻。

Chairman's Statement

董事長報告

In 2010, the global sales of the Group's X431 Electronic Eye maintained its growth to reach 50,000 units. The sales of X-431 GX3 in the China market maintained a strong growth. X-431 Diagun diagnostic computer was awarded as "Top 20 Maintenance and Repair Tool for 2009" by the magazine MOTOR for Repair and Maintenance and "Most Innovative Technology Award 2009" by the magazine Auto and Driving Repair while X431 Heavy-Duty and Creader V (ET97) scanner were rewarded as "Excellent Product in Five Aspects" in 10 major categories of China in 2010 by "勁軒資源" of Shanghai and "The Best Product of the Year 2009" in Australia.

In 2010, the Group restructured the organisation of Shanghai plant to satisfy the increasing orders. The volume of the lifter manufactured by the Shanghai plant reached a historical high. The management, production and R&D systems of Shanghai plant have turned over a new leaf, laying a solid foundation for the Group's promising development in the coming year.

In 2010, matching its new development plan, the Group recreated its corporate culture, which significantly raised the spirit of our staff and strengthened the cohesion.

In 2010, the Group achieved an impressive result in our primary operation, automotive production plant while maintaining the growth in another primary operation, the sales of automotive electronic product. The Group was recognized by Yama Auto as an outstanding supplier, which means that the Group's products are recognized by Chinese automobile companies.

二零一零年，本集團X431電眼睛全球銷量繼續保持增長，達到了50,000台，X-431 GX3中國市場銷售亦保持較高之增長。X-431 Diagun診斷槍被中國《汽車維修與保養》雜誌評為“2009年20佳維修工具”，被中國《汽車與駕駛維修》雜誌評為“2009年最具技術創新獎”；X431 Heavy-Duty亦被上海《勁軒資源》評為中國2010年度十大品類“五佳產品”，Creader V (ET97) 讀碼卡獲得澳洲09年度最佳產品獎。

二零一零年，本集團調整了上海工廠之組織架構，來適應訂單增長之要求。上海工廠之舉升機產量亦突破歷史記錄，上海工廠之管理、生產和研發體系走上新高度，為集團下年度之騰飛打下堅實之基礎。

二零一零年，本集團為適應集團新發展規劃，在集團重朔新企業之文化，集團員工鬥志大幅提升，團結意識大增。

二零一零年，本集團於汽車製造廠重點業務方面亦取得重大之成就，重點業務之汽車電子產品銷售保持了增長。本集團被野馬汽車評為優秀供應商，表示本集團之汽車電子之產品獲得中國汽車廠家之認可。

In 2010, the Group made use of IPD R&D system and developed various brand new products with great success, generating good profit for the Group. The revised model of X-431 Daigun was well received in US, Europe and China market, which the X-4313G launched in China market led the automotive repair into the era of 3G. As for international market, the Group successfully launched X-631+, a more stable and accurate 4-wheel aligner with more functions including power failure detection. In addition, X431 NCP diagnostic computer, KWB-503 tire balancer and Creader VI scanner were launched and attracted much interest from customers. The new products launched during the year will create more sales opportunities for the Group in the coming year.

In 2010, as for corporate responsibility, the Group organized the staff to support the post-disaster reconstruction in Yushu, set up Launch Tech scholarship and hosted automotive technical training workshops. With recognition for our social responsibility, the Group's image was improved.

Prospect

In 2011, the Group intends to carry out R&D and launch innovative industry-leading products with its IPD development system. It is expected that the launch of such new products will extend the Group's market share and increase profit. While developing new product technology, the Group will maintain a strict control over the costs of R&D, production and sales, and enhance production. It will also adopt flexible and dynamic policies in market management and human resources to achieve a rapid and sustaining growth in sales.

In 2011, the Group will continue enhancing production to lay a solid foundation for the Group's further growth.

In 2011, the Group plans to keep creating innovative, quality, efficient, professional and competitive corporate culture to achieve a glorious result. Quality and efficiency was of utmost importance for the Group's internal management and culture establishment in 2010. The improved product quality and services efficiency will definitely increase the competitiveness of the Group.

二零一零年，本集團於IPD研發體系之下，開發了多款新產品獲得巨大成功，亦為集團創造了較多之利潤。X-431 Daigun改款產品在美國、歐洲和中國市場獲得市場用戶之認可，於中國市場推出之X-4313G，讓汽車維修進入3G時代，面向國際市場推出了更加穩定、精度更高、功能更多、斷電可測之X-631+四輪定位儀獲得成功。亦推出了X431 NCP診斷檢測電腦、KWB-503車輪平衡機和Creader VI讀碼卡，市場之用戶亦表現極大之興趣。本年度推出之新產品將為集團下年度銷售帶來更大之機會。

二零一零年，於企業責任方面，本集團發動員工支援玉樹災後重建、設立元征獎學金、開展汽車維修技術培訓會，本集團之社會責任獲得認可，集團形象亦得到提升。

前景

二零一一年，本集團將於IPD開發體系下，研發和推出行業領先和創新之產品，預計新產品之推出將引導本集團實現新市場佔有率之提升和利潤增長。本集團在發展新產品技術之時，亦將嚴格控制研發、生產和銷售之成本，採取精益生產方式、靈活之市場管理和人力資源政策，保持銷售之快速增長。

二零一一年，本集團將繼續推行精益生產之方式，為未來集團業績之更大增長奠定良好基礎。

二零一一年，本集團將繼續打造創新、品質、效率、專業、競爭之企業文化，再創集團之新輝煌。品質和效率是本集團二零一零年內部管理和文化建設之重要工作，提升產品品質和服務效率，讓品質和效率成為本集團之競爭力。

Chairman's Statement

董事長報告

In 2011, the Group will remain market-oriented and maintain the advantages in new products R&D, efficiency and quality, cost control and management, enhancing production and marketing creativeness that it enjoyed in 2010. Besides maintaining the competitiveness of its core business, the Group will make new attempts in order to accomplish sustainable development.

As for China market, relying on about 200 distributors, the Group will adopt our elimination system to eliminate those with worst performance. Enhanced training and evaluation will be provided for salesmen and distributor channels to further realise the Group's advantages. Meanwhile, product promotional activities will be carried out around the country. By continual exploring major industrial exhibitions, allocating more resource in specialized mass media advertisement and organizing sales promotional activities, the Group will try its best in expanding the market share in China to achieve a greater result.

As for overseas market, the Group will remain market-oriented and develop overseas market through cost control, technology research and development and localized sales policy and participation in major industrial exhibition, together with management reform and organizational restructuring to boost products sales volume and market share.

With the help of enhancing production and refined management, the Group will further optimize its R&D, manufacture, management and marketing and endeavor to keep a rapid growth rate.

Looking ahead, all fellow directors and staff of the Group will closely cooperate and continue in making innovation, and create better returns for our shareholders and investors.

Liu Xin (Louis Liu)
Chairman

二零一一年，本集團仍將以市場為中心在新產品技術研發、效率和品質、成本控制與管理、精益生產、行銷創新等方面，保持二零一零年之優勢，保持核心業務充分競爭力之時，實現新跨越，保持集團之可持續發展。

在中國區市場，本集團在已發展近200家經銷商之基礎上，實現末位淘汰制度，加強銷售人員和經銷商管道之培訓和考核，使集團之管道優勢更加體現。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，開展促銷等行銷活動，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，實行管理改革和調整組織架構，來提升海外市場之產品銷售額和市場佔有率。

在精益生產和精細化管理下，本集團研發、生產、管理和市場行銷將更加優化，集團將保持快速發展之速度。

展望未來，集團各同仁將同心協力，不斷創新，為股東和投資者帶來更好之回報。

劉新(劉易之)
董事長

Market

In 2010, with refined management, we enjoyed a more reasonable and favourable channels structure and division of labour so as to increase our work efficiency and channels' competitiveness. To cope with the rapid development of the China automobile market, the Group formulated flexible market strategy and increased its authorized distributors in China to approximately 200. As for foreign market, the Group adjusted the manpower of management and salesmen to optimize the team.

In 2010, the Group consolidated the tool sales team and combined it with subsidiaries for a faster and more efficient tool management, market development and customer services.

In 2010, as for main business, the main business sales team managed by the subsidiaries scaled a new high and rewarded as the best supplier by automobile manufacturers.

In June 2010, the Group convened the fifteenth PRC annual conference in Nanchang, Jiangxi. Participants included the Group's PRC distributors and main business partners. Besides, the Group's sales reached a historical high. In July 2010, the Group held the annual conference for overseas distributors located in Asian, African and Latin American regions in Shanghai. Shanghai plant was recognized by the overseas distributors for its advanced production and quality control. In September 2010, the Group held annual conference for Europe distributors, through which the Group comprehensively communicated with such distributors, laying a solid foundation for the sales and customer service in 2010.

市場

二零一零年，在集團市場精細化管理方法下，管道結構和人員配置更加合理、更加優越，工作效率亦得到更高，管道戰鬥力得到提升；針對中國汽車市場之快速發展，本集團制定了靈活之市場策略，中國授權經銷商發展到近200家。針對海外市場，本集團調整了管理和銷售人員，團隊更加優化。

二零一零年，集團整合工具之銷售團隊合併到分公司，使工具管理、市場開拓和客戶服務更加快速、高效。

二零一零年，集團重點業務方面，由分公司管理之重點業務銷售團隊，於二零一零年亦取得銷售突破，獲得了汽車製造廠評為之優秀供應商之榮譽。

二零一零年，本集團六月於江西南昌召開了集團中國第十五屆年會，集團之中國經銷商和主要合作夥伴參加了會議，集團銷售創歷史新高。亦於7月在上海舉行2010年海外亞非拉地區經銷商年會，上海工廠先進生產方式和品質控制方式獲得海外經銷商之讚揚。於9月舉行了歐洲經銷商年會，充分和經銷商進行了溝通，為二零一零年之銷售和客戶服務打下了基礎。

Business Review

業務回顧

In 2010, the Group organized 18 technical training workshops in China and participated in the 53rd Spring Auto Maintenance Fair, the 54th Autumn Auto Maintenance Fair and Automechanika Shanghai. As for foreign markets, the Group participated in 2010 AAPEX in US, PAACE Automechanika in Frankfurt, Germany, Automechanika Middle East at Dubai International Convention and Exhibition Centre and CENTRO ZARAGOZA in Spain.

Research and Development

The major research and developments of the Group in 2010 were as follows:

In 2010, to enhance the advantage in R&D, the Group implemented various reforms and recruited an experienced R&D team. Besides, the Group rectified the management of R&D team to further perfect and stabilize the IPD R&D systems. Thus, morale is high in the R&D division.

In 2010, the Group developed numerous new products such as X431 3G, X431NCP, Creader VI colored display scanner, X631+ 4-wheel aligner, X631 NCP 4-wheel aligner and KWB-533 tire balancer and revised the design of X431 Daiguan diagnostic computer. The functions of X431 3G such as wireless diagnosis, high-speed internet browsing, one click update as well as quick performance were popular with the Chinese customers. X431 3G is the first diagnostic product using 3G communication network for diagnosis. As such technology is industrial-leading and innovative with a high C/P value, it is our powerful weapon in the market competition.

In 2010, more than 1,000 versions of X431 were launched, the software of which underwent an in-depth development. The Group perfected and enriched the software of X431 Heavy Duty diagnostic computer for heavy auto. It is expected that X431 Heavy Duty diagnostic computer for heavy auto will help extend the Group's market share and generate substantial profit.

二零一零年，集團在中國市場召開了18場全國巡迴技術培訓會，分別參加了第53屆春季汽保展、第54屆秋季汽保展和法蘭克福上海展會。海外市場分別參加了美國2010 AAPEX展覽會、在德國法蘭克福召開之法蘭克福國際汽配展覽會、在迪拜國際展覽中心舉行之中東法蘭克福展會、西班牙CENTRO ZARAGOZA展覽會等展會。

研發

本集團在二零一零年之主要研發工作如下：

二零一零年，本集團為突出本集團研發之優勢，實行了多項改革，補充了有經驗之研發人員，調整了研發管理團隊，集團在IPD研發體系更加完善和穩定，開發人員之士氣亦高漲。

二零一零年，完成了X431 3G、X431NCP、Creader VI彩屏讀碼卡、X631+四輪定位儀、X631 NCP四輪定位儀、KWB-533輪胎平衡機等新產品之研發，亦針對X431 Daiguan 診斷槍進行了改進。X431 3G之無線診斷、高速上網、一鍵升級、運行快速特徵，深受中國市場使用者之喜好，X431 3G是行業率先採用3G通訊網路技術之診斷產品，由於技術業界領先，模式新穎，性價比高，將是集團市場競爭之重要法寶。

二零一零年，X431共發行1000多個版本，軟體得到大幅度深度開發。集團於X431 Heavy-Duty重型車診斷儀軟體方面得到完善和豐富，X431 Heavy-Duty重型車診斷儀將為集團帶來更大之市場份額和利潤空間。

In 2010, the Group focused on the R&D on automobile electronic products such as the diagnostic computers, motor vehicle meters, reversing radars and tire pressure examining products and achieved a breakthrough. Most of our products were welcomed by automobile manufacturers and the Group was awarded as an excellent supplier.

In 2010, the Group's tool R&D and management team combined with the Group's R&D centre, which shared the management and R&D resources, reduced development and management costs as well as raised the development and management efficiency.

Management

In 2010, the Group applied the enhancing production and 6S management and procedure management. Also, the Group implemented refined management in internal management, corporate culture establishment, human resources management, systematical procedure management and implementation, marketing management, general budget management, cost management and control, quality management, efficiency management and R&D management.

In 2010, the Group adopted various incentive measures to motivate and inspire the staff. As for the R&D manpower and procedure management, the Group carried out internal evaluation for award and punishment, intensively inspiring the R&D staff.

In 2010, the Group's ERP, CRM, IO and OA systems completed the consolidation and workflow efficiency started to achieve. Moreover, the internal communication system was further streamlined and optimized.

二零一零年，集團於專用診斷工具、汽車儀錶、倒車雷達、胎壓檢測產品之汽車電子產品研發取得突破，多款產品獲得汽車製造廠喜愛，集團亦被評為優秀供應商。

二零一零年，集團工具之研發和管理團隊亦合併之集團研發中心，管理和研發資源得到了共用，減少了開發和管理費用，提升了開發和管理效率。

管理

二零一零年，集團推行精益生產方式，進行了全面6S管理和流程管理。集團還在內部管理、企業文化建設、人力資源管理、制度流程管理及執行、市場與行銷管理、全面預算管理、成本管理與控制、品質管理、效率管理、研發管理等方面進行精細化管理。

二零一零年，集團於內部實行各種激勵措施，充分調動、激勵員工之改善熱情。研發人員和流程管理方面，進行了內部考核和獎罰，極大地激化了研發人員之激情，士氣亦高漲。

二零一零年，集團之ERP、CRM、IO、OA之系統完成磨合，流程效率開始體現，內部溝通機制進一步順暢和完善。

Business Review

業務回顧

Prospect

In 2011, based on the enhancing production adopted in 2009, the Group will continue to accomplish the target of being a modern and outstanding corporation. Meanwhile, the Group will promote the new corporate culture and make it a new competitive strength of the Group.

In 2011, the Group intends to ride on the momentum of 2010, enhance the technological development of core products, innovate new products, aggressively promote the electronic high-new technological products of automobile and expand the product lines and business to achieve an overall increase in competitiveness of our products and brand.

In 2011, the Group will strengthen the R&D of diagnostic core and competitive products, consolidate the R&D team and widen the gap between the Group and its competitors. The Group will develop revolutionary products. In addition to optimizing existing products, such as X431 3G and X631 NCP, the Group will develop the new generation 3D 4-wheel aligner. As for the mechanical products such as lifter, the Group intends to develop more worldwide applicable products fitting different regional market standards and intensify cost control and management.

In 2011, the Group plans to develop individual diagnostic products and DIY products. Working with upstream and downstream corporations, the Group will develop individual diagnostic products and DIY products specialized for mobile phone and network platform in order to enlarge its market share in the rapidly growing China automobile market. It is expected that such project will bring substantial profit to the Group.

工作展望

二零一一年，集團將在二零零九年之精益生產方式基礎上，繼續推行精益生產，達到現代優秀企業之目標。同時，於企業文化建設方面，宣傳企業新文化，變新文化為集團競爭力。

二零一一年，集團將抓住二零一零發展態勢，加大核心產品技術研發力度之同時，拓展新產品之模式，積極推進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。

二零一一年，集團將加強診斷核心和競爭力產品之研發，穩固研發隊伍，擴大和競爭對手之差距。集團將開發具有行業革新態勢之新產品，除完善已有之新產品X431 3G、X631 NCP等產品，還將開發新一代3D四輪定位儀。舉升機之機械產品方面，集團將開發多款適應於全球不同區域市場標準之產品，亦將加強成本控制和管理。

二零一一年，集團將進行個人診斷和DIY產品全球市場之開發，於上下游企業合作，打造針對手機和網路平臺之個人診斷和DIY產品，來拓展快速發展之中國汽車市場，預計此專案將為集團帶來豐厚之利潤。

In 2011, the Group designs to implement refined management in China market and continue to enhance the sales and service of distribution partners through an elimination system to eliminate those with worst performance in order to optimize and strictly manage the distribution team. Also, the Group will offer much support to the distributors such as credit limit, advertisement, promotional materials, marketing fee, talents and management support to deepen and enhance the cooperation with distributors with an aim to run business bigger and stronger mutually. Furthermore, various types of exhibitions, annual conferences, promotional activities, technical competitions and professional media advertisement will be organized and arranged to promote the popularity, reputation and influence of LAUNCH.

In 2011, the Group will formulate relevant marketing policy with reference to the economic and political features in different regions for every overseas market. Closely working with distributors, the Group will promote the international popularity and influence of the brand of LAUNCH and actively follow the strategic planning adopted by the headquarters for the purpose of boosting export volume and improving the results of overseas market.

二零一一年，集團將在中國區市場推行精細化管理，持續打造合作經銷商之銷售和服務能力，實行末位淘汰制，對經銷商團隊進行優化和嚴格管理。亦仍將給予經銷商更多之支援，如信用額度、廣告、宣傳資料、行銷費用、人員、管理支持等，深化、密切與經銷商之合作，共同做大做強。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元征之知名度、美譽度和影響力。

二零一一年，集團將根據海外市場不同區域市場經濟、政治特點，制定相關行銷政策，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，提升出口量，提升海外市場之業績。

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 2010, the Group had cash and bank balances of approximately RMB355,000,000. As at 31 December 2010, shareholders' equity of the Group amounted to approximately RMB654,000,000. Current assets was approximately RMB780,000,000. The Group's current liabilities of approximately RMB443,000,000, comprised of short-term bank borrowings of approximately RMB305,000,000, and the rest were mainly account payables and accruals. The Group's long term borrowings were about RMB925,000. The Group's net asset value per share was approximately RMB10.84. The Group's gearing ratio, which represented the percentage of bank borrowings over total assets, was approximately 27%.

EMPLOYEES

As at 31 December 2010, the Group had 734 and 27 employees (2009: 734 and 25 respectively) based in the PRC and overseas respectively. Staff costs, excluding directors' and supervisors' emoluments, were approximately RMB83 million in 2010 (2009: approximately RMB68 million).

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 enhance staffs' skills, knowledge and sense of belonging.

OTHERS

As at 31 December 2010, apart from the pledge of certain land and buildings totalling of approximately RMB146 million and (2009: land and buildings of approximately RMB145 million and restricted bank deposit of approximately RMB0.6 million), the Group had no other significant assets pledged, so as on 31 December 2009.

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。於二零一零年十二月三十一日，本集團持有現金及銀行結餘約為人民幣355,000,000元。於二零一零年十二月三十一日，集團的股東權益約為人民幣654,000,000元。流動資產約為人民幣780,000,000元。集團之流動負債約為人民幣443,000,000元，當中包括銀行短期借貸約為人民幣305,000,000元，其他主要為應付賬款及應計費用。集團之長期負債約為人民幣925,000元。集團的每股資產淨值約為人民幣10.84元。集團總資產中銀行借貸所佔百分比為槓桿比率，該比率約為27%。

員工

於二零一零年十二月三十一日，集團於國內及海外分別有734名及27名員工（二零零九年：734名及25名）。於二零一零年，扣除董事及監事酬金後之員工成本約為人民幣83,000,000元（二零零九年：約人民幣68,000,000元）。

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

於二零一零年十二月三十一日，除了已抵押若干土地及樓宇共計約人民幣146,000,000元（二零零九年：土地及樓宇約人民幣145,000,000元及有限制銀行存款約人民幣600,000元）外，集團並沒有抵押其他重要資產，而於二零零九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 42, 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 40, 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42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40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)

Ms. Liu Ping, aged 50, is an assistant chairman of the Company. Ms. Liu is the sister of Mr. Liu Xin, Ms. Liu Yong and Mr. Liu Jun. She is a graduate of Wuhan College of Marine Traffic Engineering (武漢水運工程學院) with a bachelor's degree in shipbuilding. Before she joined the Company in 2004, Ms. Liu has been a shipbuilding engineer of Guangzhou Wenchong Shipbuilding, a large-scale shipyard in the PRC, and has then served as a tutor and a principal with the title of senior professor of the technical school of that shipyard. She is currently responsible for human resources, property management and administration of the Company.

Non-executive Director

Ms. Liu Yong, aged 47, 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.

Ms. Liu Xiaohua, aged 56, obtained an Executive MBA from the Thunderbird School of Global Management in 1999. Ms. Liu has more than 20 years of management experience with large multinational companies in the Asia Pacific region and is currently the managing director of SPX Corporation (China) Co., Ltd., a wholly-owned subsidiary of SPX.

董事(續)

執行董事(續)

劉平女士，現年50歲，為本公司董事長助理。劉女士為劉新先生、劉庸女士及劉均先生之胞姐。彼畢業於武漢水運工程學院，擁有造船工學士學位。於二零零四年加入本公司前，劉女士在國內一家大型的造船廠(廣州文沖船廠)擔任造船工程師，後擔任該船廠技工學校教師、校長職務，具有高級講師職稱。劉女士現時負責本公司人力資源、物業管理及行政後勤等工作。

非執行董事

劉庸女士，現年47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。

劉曉華女士，56歲，於一九九九年取得雷鳥商學院之行政人員工商管理碩士學位。劉女士擁有超過20年亞太區大型跨國公司之管理經驗，目前為SPX全資附屬公司SPX Corporation (China) Co., Ltd. 之董事總經理。

Directors, Supervisors and Senior Management

董事、監事及高級管理人員

DIRECTORS (Continued)

Independent non-executive Directors

Mr. Jiang Chao, aged 39, is currently an executive Director, the chief financial officer, vice president of China Wireless Technologies Limited (a company listed on the Stock Exchange, with stock code 02369), and the qualified accountant and company secretary of that company. He is an associated member of the Association of Chartered Certified Accountants and a certified public accountant in the PRC. Mr. Jiang has about 17 years of experience in accounting and finance. Prior to that, he had worked for the State Audit Bureau. Mr. Jiang had also worked for Qiao Xing Universal Telephone, Inc. (僑興電子有限公司, a company listed on NASDAQ, with stock code XING) and Shenzhen Zhong Xing Telecom Equipment Company Limited (深圳市中興通訊設備有限公司, a company listed on the Stock Exchange, with stock code 00763) where he was responsible for financial and accounting functions. Mr. Jiang obtained a bachelor's degree in economics from SUN Yat-Sen University (中山大學) in 1991.

Mr. Liu Yuan, aged 36, is a partner of 凱橋(北京)投資管理有限公司. He has been the head of the Shenzhen Branch and vice president of a main branch of the Bank of China. Mr. Liu Yuan is a graduate of the Economic Law Department of Zhongnan University of Economics and Law (中南財經政法大學) with a bachelor of law.

Dr. Zou Shulin, aged 48, is a guest professor of the Business and Administration Department of Zhongnan University of Economics and Law (中南財經政法大學). He has been an associate professor and professor of Zhongnan University of Economics and Law (中南財經政法大學) and a branch president of the Shenzhen Branch of China Everbright Bank. Dr. Zou Shulin is a graduate of Zhongnan University of Economics and Law (中南財經政法大學).

董事(續)

獨立非執行董事

蔣超先生，現年39歲，現時為中國無線科技有限公司(一家於聯交所上市的公司，股份代號為02369)的執行董事、財務總監兼副總裁，並為該公司的合資格會計師及公司秘書。蔣先生是特許公認會計師公會的會員及中國執業會計師，蔣先生擁有約17年會計及財務經驗。在此之前，蔣先生曾任職國家審計署，亦曾任職兩家無線通信公司的財務及會計職務，分別是僑興電子有限公司(一家於美國納斯達克股票交易所上市的公司，股份代號為XING)及深圳市中興新通訊設備有限公司(一家於聯交所上市的公司，股份代號為00763)。蔣先生於一九九一年取得中山大學的經濟學學士學位。

劉遠先生，現年36歲，現任凱橋(北京)投資管理有限公司合夥人。曾任中國銀行深圳分行主管、管轄支行副行長。劉遠先生於中南財經政法大學經濟法系畢業取得法學學士學位。

鄒樹林博士，現年48歲，現時擔任中南財經政法大學工商管理客座教授。曾於中南財經政法大學任正副教授及曾任中國光大銀行深圳分行支行行長。鄒樹林博士畢業於中南財經政法大學。

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. Mr. Sun Zhongwen and Mr. Du Xuan are appointed as independent Supervisors.

Mr. Sun Zhongwen, aged 65, is a graduate of Changsha Railway University (now named as Central South University) with a bachelor's degree. Since 1968, he has been an engineer, chief engineer and head of operation of the Liuzhou Railway Administration of the Ministry of Railways and the vice president and standing committee of the party. In 1997, he was appointed as the deputy mayor of the Guilin municipal government in Guangxi, secretary of the work committee and director of the management committee of the Guilin National Hi-Tech Zone. He then served as the deputy director of the standing committee. He has retired in 2006.

Mr. Du Xuan, aged 47, is a graduate of the Computer Department of University of Electronic Science and Technology of China with a bachelor's degree in senior engineering. He has been the chairman of 深圳市金證科技股份有限公司 since 1998 and the vice chairman of Shenzhen Computer Software Association (深圳市計算機軟件協會) and vice chairman of Shenzhen Young Entrepreneurs Association (深圳市青年企業家協會) since 2001.

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，而孫中文先生及杜宣先生則獲委任為獨立監事。

孫中文先生，現年65歲，畢業於長沙鐵道學院（現為中南大學）學士學位，一九六八年以來先後擔任鐵道部柳州鐵路局工程師、總工程師及工程處處長職務，以及柳州鐵路局副局長兼任黨委常委職務。孫先生於一九九七年擔任廣西桂林市人民政府副市長職務，兼任桂林市國家高新區工委書記、管委會主任，後任人大常委會副主任。孫先生於二零零六年榮休。

杜宣先生，現年47歲，畢業於中國電子科技大學計算機系高級工程師學士學位，自一九九八年至今擔任深圳市金證科技股份有限公司董事長，並自二零零一年起兼任深圳市計算機軟件協會副會長，以及深圳市青年企業家協會副會長。

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 47, 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 46, is the vice president and the director of the domestic marketing centre of the Company. 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. Guo Feng, aged 38, 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47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46歲，本公司副總裁兼國內市場中心總監。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。

郭鋒先生，現年38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

SENIOR MANAGEMENT (Continued)

Mr. Jiang Shiwen, aged 38, is the vice president and the Chief Information Officer of the Company. 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.

Mr. Zhang Wei, aged 40, is the Company's Chief Technology Officer. Mr. Zhang graduated from Tsinghua University and Chinese Academy of sciences with a MS degree. Prior in joining in the Company in 2008, he worked as a high school teacher, chief representative in China of foreign-invested enterprise, deputy general manager and chief technology officer of major privately-owned enterprise, in charge of research and development projects. Mr. Zhang is now responsible for establishing the policy and carrying on research for the next generation products. He is an important performer to the Company's technology policy.

高級管理人員(續)

蔣仕文先生，現年38歲，本公司副總裁兼首席信息官。蔣先生畢業於大連理工大學和上海交通大學，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。

張偉先生，現年40歲，本公司首席技術官。張先生畢業於清華大學和中國科學院，擁有理學碩士學位。於二零零八年加入本公司前，曾擔任高校教師、外資企業中國首席代表、大型民營企業副總經理兼技術總監，主導研究開發項目。張先生現負責制定下一代產品的策略和進行研究工作，是公司技術戰略的重要執行者。

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

SENIOR MANAGEMENT (Continued)

Mr. Huang Guobin, aged 41, is the secretary of the Board of the Company. Mr Huang graduated from the Guangzhou Institute of Foreign Languages and the Zhongnan University of Finance and Economics with a bachelor's degree in foreign trade and postgraduate qualifications in investment. He worked as a marketing manager for southern China in Shenzhen Neptunus Group, the department head of the settlement department in the international division of China Investment Bank, a credit management manager in the Shenzhen branch of China Everbright Bank and a manager in the approval department in the head office of China Everbright Bank. Mr. Huang is familiar with the relevant requirements in domestic and overseas capital markets, and has extensive experiences in project investment and risk management. Mr. Huang Guobin has been serving as the secretary of the Board since joining the Company in January 2011.

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

Mr. Liu Chun Ming, aged 35, 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.

高級管理人員(續)

黃國斌先生，現年41歲，本公司董事會秘書。黃先生畢業於廣東外國語學院及中南財經大學，擁有外貿專業學士學位及投資學研究生學歷，曾分別出任深圳海王集團華南區市場營銷經理、中國投資銀行國際部結算科科長及中國光大銀行深圳分行信貸管理部經理，以及中國光大銀行總行審批部經理。黃先生熟悉境內外資本市場的有關規定，在項目投資及風險管理方面具有豐富的經驗。黃國斌先生於2011年1月加入本公司至今擔任董事會秘書。

合資格會計師及公司秘書

廖俊明先生，現年35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市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。

Corporate Governance Report

企業管治報告

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 2010, there were eight members on the Board, which are the Chairman, two other Executive Directors, two Non-Executive Directors ("NEDs") 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

於二零一零年十二月三十一日，董事會由八位成員組成，分別為主席及其他兩位執行董事、二位非執行董事（「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。

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 12 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 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 2010. 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. Jiang Chao 蔣超先生 (appointed on 18 March 2010) (於二零一零年三月十八日獲委任)	chairman 主席	independent non-executive Director 獨立非執行董事
Mr. Liu Yuan 劉遠先生 (appointed on 18 March 2010) (於二零一零年三月十八日獲委任)	member 成員	independent non-executive Director 獨立非執行董事
Dr. Zou Shulin 鄒樹林博士 (appointed on 18 March 2010) (於二零一零年三月十八日獲委任)	member 成員	independent non-executive Director 獨立非執行董事

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12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

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二零一零年年初至今曾召開五次會議。審核委員會之成員如下：

AUDIT COMMITTEE (Continued)

The audit committee comprises the three INEDs, Mr. Jiang Chao, Mr. Liu Yuan and Dr. Zou Shuliu with Mr. Jiang Chao serving as the chairman of the audit committee. Each member brings to the audit committee his valuable experience in reviewing financial statements and evaluating significant control and financial issues of the Group. Mr. Jiang is a member of the Hong Kong Society of Accountants. Mr. Jiang has many 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 5 meetings held during the year is set out in the table on page 23.

The audit 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 audit committee reviewed the quarterly and annual reports. Additional meetings may also be held by the audit committee from time to time to discuss special projects or other issues that the audit committee considered necessary.

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

REMUNERATION COMMITTEE

The Company established a remuneration committee with written terms of reference in compliance with the Code on Corporate Governance Practices ("Code"). The primary duties of the remuneration committee are, amongst other things, to review and determine the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management and to make recommendation to our Board on our Group's policy and structure for all remuneration of our Directors and senior management. The remuneration committee comprises one executive Director, namely, Mr. Liu Jun and two independent non-executive Directors, namely Dr Zou Shulin and Mr. Liu Yuan. Mr. Liu Yuan has been appointed as the chairman of the remuneration committee. A meeting was held by the remuneration committee with all members attended during the year ended 31 December 2010.

審核委員會(續)

審核委員會(「審核委員會」)由三位獨立非執行董事，即蔣超先生、劉遠先生及鄒樹林博士組成，其中蔣超先生擔任審核委員會主席。在審閱財務報表、評估本集團重大監控及財務事宜方面，各成員均為審核委員會貢獻本身的相關寶貴經驗。蔣先生為香港會計師公會會員。蔣先生於核數、會計、稅務、商業諮詢及財務管理方面擁有多年經驗。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。於年內舉行的五次會議的成員出席記錄見第23頁所載表內。

審核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，審核委員會已審閱各季度報告及年報。此外，審核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，審核委員會亦負責發展、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

本公司已成立薪酬委員會，其書面職權範圍乃符合企業管治常規守則(「守則」)規定。薪酬委員會的主要職責為(其中包括)審閱及釐定應付予本集團董事及高級管理層的薪酬待遇、花紅及其他補償的條款，並就本集團有關董事及高級管理層的所有薪酬政策及架構向董事會提供推薦意見。薪酬委員會由一名執行董事劉均先生及兩名獨立非執行董事鄒樹林博士及劉遠先生組成。劉遠先生已獲委任為薪酬委員會主席。截至二零一零年十二月三十一日止年度，薪酬委員會已舉行一次會議，且所有成員均已出席會議。

NOMINATION COMMITTEE

The Company established a nomination committee with written terms of reference in compliance with the Code. The principal duties of the nomination committee are to identify and nominate suitable candidates for the appointment of the Directors and make recommendations to the Board on succession planning for the Directors. The nomination committee comprises one executive Director, namely, Mr. Liu Xin and two independent non-executive Directors, namely Dr Zou Shulin and Mr. Liu Yuan. Dr Zou Shulin has been appointed as the chairman of the nomination committee. A meeting was held by the nomination committee with all members attended during the year ended 31 December 2010.

MEETINGS ATTENDANCE

Number of Meetings	會議次數		
Executive directors	執行董事		
Mr. Liu Xin	劉新先生	12	
Mr. Liu Jun	劉均先生	12	
Non-executive director	非執行董事		
Ms. Liu Yong	劉庸女士	11	
Ms. Liu Xiahua	劉曉華女士	0	
Independent non-executive directors	獨立非執行董事		
Mr. Jiang Chao	蔣超先生	5	
Mr. Liu Yuan	劉遠先生	4	
Dr. Zou Shulin	鄒樹林博士	5	

提名委員會

本公司已成立提名委員會，其書面職權範圍乃符合守則規定。提名委員會的主要職責為識別及提名適合人選擔任董事職務並就董事的繼任計劃向董事會提供推薦意見。薪酬委員會由一名執行董事劉新先生及兩名獨立非執行董事鄒樹林博士及劉遠先生組成。鄒樹林博士已獲委任為提名委員會主席。截至二零一零年十二月三十一日止年度，提名委員會已舉行一次會議，且所有成員均已出席會議。

會議出席記錄

	Board 董事會	Audit Committee 審核委員會
Number of Meetings	12	5
Executive directors		
Mr. Liu Xin	12	N/A 不適用
Mr. Liu Jun	12	N/A 不適用
Non-executive director		
Ms. Liu Yong	11	N/A 不適用
Ms. Liu Xiahua	0	N/A 不適用
Independent non-executive directors		
Mr. Jiang Chao	5	5
Mr. Liu Yuan	4	4
Dr. Zou Shulin	5	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 RMB2,000,000 to the external auditors for their services including audit and non-audit services.

DIRECTORS’ AND INDEPENDENT AUDITOR’S RESPONSIBILITIES FOR ACCOUNTS

The Directors’ responsibilities for the accounts and the responsibilities of the external independent auditor to the shareholders are set out on pages 37 and 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2,000,000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37頁及第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 2010.

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 statement of comprehensive income and consolidated statement of changes in equity respectively and the accompanying note 33 to the financial statements.

The Directors do not recommend the payment of a final dividend.

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二零一零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全面收益表及綜合權益變動報表以及財務報表附註33。

董事不建議派付末期股息。

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*)

Ms. Liu Ping

Non-executive director:

Ms. Liu Yong

Ms. Liu Xiahua

Independent non-executive directors:

Mr. Jiang Chao

Mr. Liu Yuan

Dr. Zou Shulin

Supervisors:

Mr. Wang Xi Lin

Mr. Sun Zhongwen

Mr. Du Xuan

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

劉平女士

非執行董事：

劉庸女士

劉曉華女士

獨立非執行董事：

蔣超先生

劉遠先生

鄒樹林博士

監事：

王希琳先生

孫中文先生

杜宣先生

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 2010, 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

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 佔本公司 已發行內資股 概約百分比	Approximate percentage of the Company's total issued shares 佔本公司已 發行股份總數 概約百分比
<i>Domestic Shares</i>			<i>內資股</i>	
Mr. Liu Xin 劉新先生	⁽¹⁾ Beneficiary owner ⁽¹⁾ 實益擁有人	132,000,000	40.00%	21.87%
	⁽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

於二零一零年十二月三十一日，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市規則第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如下：

股份好倉

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 佔本公司已發行內資股概約百分比	Approximate percentage of the Company's total issued shares 佔本公司已發行股份總數概約百分比
	⁽³⁾ Interest in controlled company ⁽³⁾ 於受控公司權益	10,261,000	3.11% (Note 2) (附註2)	1.70%
Mr. Liu Jun 劉均先生	Interest in controlled company 於受控公司權益	138,864,000	42.08% (Note 3) (附註3)	23.01%
Ms. Liu Yong 劉庸女士	⁽⁴⁾ Interest in controlled company ⁽⁴⁾ 於受控公司權益	10,261,000	3.11% (Note 4) (附註4)	1.70%

Name of Director 董事姓名	Capacity in which shares were held 持股身份	Number of H shares H股數目	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 佔本公司已發行股份總數概約百分比
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H Shares

H股

Mr. Jiang Chao 蔣超先生	Beneficiary owner 實益擁有人	3,920,000	1.43%	0.65%
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DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES (Continued)

Long positions in Shares (Continued)

Notes:

- (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 40.00% interest in the issued domestic shares of the Company.
- (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 40.00% 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.
- (4) Ms. Liu Yong holds 60.00% interest in Shenzhen De Shi Yu which holds 3.11% interest in the issued domestic shares of the Company. By virtue of Liu Yong's holding more than one-third interest in Shenzhen De Shi Yu, Ms. Liu Yong is deemed, under Part XV of the SFO, to be interested in 3.11% interest in the issued domestic shares of the Company.

Save as disclosed above, as at 31 December 2010, 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)

附註：

- (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40.00%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。
- (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40.00%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。
- (4) 劉庸小姐於深圳得時域持有60.00%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。由於劉庸小姐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，劉庸小姐被視作擁有本公司已發行內資股約3.11%之權益。

除上文所披露以外，於二零一零年十二月三十一日，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 2010, 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	Interest in controlled company	138,864,000	42.08%	23.01%
深圳浪曲	受控公司權益		(Note 1)	(附註1)

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

於二零一零年十二月三十一日，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益權益之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)

董事、監事及主要行政人員於證券的權益(續)

(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)

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)

Name 名稱	Capacity in which shares were held 持股身份	(ii) H Shares		
		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
Templeton Asset Management Ltd.	Investment manager 投資經理	45,600,000	16.67%	7.55%
SPX Corporation	Beneficial owner 實益擁有人	24,635,000	9.00%	4.08%

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 2010.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate turnover attributable to the Group's five largest customers was approximately 23% of the Group's total turnover and the Group's largest customer accounted for approximately 9% of the Group's turnover.

The aggregate purchases during the year attributable to the Group's five largest suppliers was approximately 22% of the Group's total purchases and the Group's largest supplier accounted for approximately 6% 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二零一零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約23%，而集團最大客戶則佔集團總營業額約9%。

年內，集團五大供應商應佔的採購總額約為集團總採購額約22%，而集團最大供應商則佔集團總採購額約6%。

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.

REMUNERATION COMMITTEE

The Company established a remuneration committee with written terms of reference in compliance with the Code on Corporate Governance Practices ("Code"). The primary duties of the remuneration committee are, amongst other things, to review and determine the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management and to make recommendation to our Board on our Group's policy and structure for all remuneration of our Directors and senior management. The remuneration committee comprises one executive Director, namely, Mr. Liu Jun and two independent non-executive Directors, namely Dr Zou Shulin and Mr. Liu Yuan. Mr. Liu Yuan has been appointed as the chairman of the remuneration committee. A meeting was held by the remuneration committee with all members attended during the year ended 31 December 2010.

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。

薪酬委員會

本公司已成立薪酬委員會，其書面職權範圍乃符合企業管治常規守則(「守則」)規定。薪酬委員會的主要職責為(其中包括)審閱及釐定應付予本集團董事及高級管理層的薪酬待遇、花紅及其他補償的條款，並就本集團有關董事及高級管理層的所有薪酬政策及架構向董事會提供推薦意見。薪酬委員會由一名執行董事劉均先生及兩名獨立非執行董事鄒樹林博士及劉遠先生組成。劉遠先生已獲委任為薪酬委員會主席。截至二零一零年十二月三十一日止年度，薪酬委員會已舉行一次會議，且所有成員均已出席會議。

NOMINATION COMMITTEE

The Company established a nomination committee with written terms of reference in compliance with the Code. The principal duties of the nomination committee are to identify and nominate suitable candidates for the appointment of the Directors and make recommendations to the Board on succession planning for the Directors. The nomination committee comprises one executive Director, namely, Mr. Liu Xin and two independent non-executive Directors, namely Dr Zou Shulin and Mr. Liu Yuan. Dr Zou Shulin has been appointed as the chairman of the nomination committee. A meeting was held by the nomination committee with all members attended during the year ended 31 December 2010.

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. Jiang Chao, Mr. Liu Yuan and Mr. Cou Shulin.

Five audit committee meetings were held in 2010 and up to the date of this announcement to perform the following duties:

- review the 2009 and 2010 annual reports and first to third quarterly reports of 2010 of the Company; and
- review and supervise the internal control system of the Group.

提名委員會

本公司已成立提名委員會，其書面職權範圍乃符合守則規定。提名委員會的主要職責為識別及提名適合人選擔任董事職務並就董事的繼任計劃向董事會提供推薦意見。薪酬委員會由一名執行董事劉新先生及兩名獨立非執行董事鄒樹林博士及劉遠先生組成。鄒樹林博士已獲委任為提名委員會主席。截至二零一零年十二月三十一日止年度，提名委員會已舉行一次會議，且所有成員均已出席會議。

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蔣超先生、劉遠先生及鄒樹林先生。

於二零一零年度及截至本公佈日期期間，本公司曾召開5次審核委員會會議，以履行以下職責：

- 審閱本公司二零零九年及二零一零年年報及二零一零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 AUDITOR

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. BDO Limited as independent auditor of the Company.

By order of the Board

Launch Tech Company Limited

Liu Xin

Chairman

Shenzhen, the PRC

2 March 2011

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香港立信德豪會計事務所有限公司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

二零一一年三月二日

Supervisory Committee's Report

監事會報告書

To: All Shareholders

During the year ended 31 December 2010, the Supervisory Committee of Launch Tech Company Limited has complied with the Company Law of the PRC and requirements of the relevant laws and regulations of Hong Kong and the Articles of Association of the Company, exercised conscientiously its authority, safeguarded the interests of the shareholders and the Company, followed the principle of honesty and trustworthiness and worked cautiously and diligently.

During the year, we provided reasonable suggestions and advice on the operations and development plans to the Board and strictly and effectively monitored whether the policies and decisions made had conformed with the state laws and regulations and the Articles of Association of the Company or safeguarded the interests of the shareholders.

After investigation, we consider that the financial statements of the Company, audited by BDO Limited, truly and sufficiently reflect the operating results and asset positions of the Company. We also reviewed the Report of the Directors and the profit distribution proposal. We consider that the above report and proposal meet the requirements of the relevant regulations and associations of the Company. We have attended the meeting of the Board of Directors. We consider that the members of the Board of Directors, the chief executive and other officers have strictly complied with the principle of honesty and trustworthiness, worked diligently and sincerely acted in the best interests of the Company. Up to now, none of the Directors, chief executive and other officers have abused their powers, caused damages to the interests of the Company and infringed upon the interests of the Company and its staff, nor have they violated any laws, regulations or the Company's Articles of Association.

We are satisfied with the various tasks achieved in the year 2009 as well as the cost-effectiveness gained, and are confident about the prospects of future development of the Company.

On behalf of the Supervisory Committee
Sun Zhongwen
Chairman of the Supervisory Committee

Shenzhen, the PRC
2 March 2011

致各位股東：

深圳市元征科技股份有限公司監事會（「本監事會」）在截至二零一零年十二月三十一日止年度內遵照《中華人民共和國公司法》、香港有關法律、法規及公司章程的規定，認真履行職權，維護股東權益，維護本公司利益，遵守誠信原則，恪盡職守，合理謹慎、勤勉主動地開展工作。

在本年度內本監事會對本公司的經營及發展計劃向董事會提出合理的建議和意見，對本公司管理層的重大決策及具體決定是否符合國家法律、法規以及本公司章程，是否維護股東利益等，進行了嚴格有效的監督。

本監事會認真審閱並同意董事會擬提呈予本次股東年會的董事會報告、經香港德豪會計師事務所有限公司審核的財務報告以及股利派發方案，認為本公司董事會成員、總裁及其他高級管理人員，嚴格遵守誠信原則，工作克勤盡職，真誠地以公司最大利益為出發點行使職權。至今未發現董事、總裁及高級管理人員濫用職權、損害本公司利益及侵犯本公司股東和本公司員工權益之行為，亦未違反法例、規則或本公司的公司章程。

本監事會對本公司二零零九年度各項工作和取得的經濟效益表示滿意，對公司未來的發展前景充滿信心。

代表監事會
監事會主席
孫中文

中國，深圳
二零一一年三月二日



To the shareholders 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 and its subsidiaries (together "the Group") set out on pages 40 to 139, which comprise the consolidated and company statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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139頁深圳市元征科技股份有限公司及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一零年十二月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合全面收益表、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。

董事就綜合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》的披露規定，編製綜合財務報表，以綜合財務報表作出真實而公平的反映及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告書

AUDITOR'S RESPONSIBILITY

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

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the 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 about whether the consolidated financial statements are free from material misstatement.

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

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

核數師的責任

本行的責任是根據吾等的審核，對該等綜合財務報表作出意見並根據聘任條款僅向整體股東報告，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責或承擔任何責任。

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，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執程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綜合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綜合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，以及評價綜合財務報表的整體列報方式。

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。

Independent Auditor's Report

獨立核數師報告書

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 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

BDO Limited

Certified Public Accountants

CHIU Wing Cheung Ringo

Practising Certificate No. P04434

25th Floor, Wing On Centre,

111 Connaught Road Central, Hong Kong

Hong Kong, 2 March 2011

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 貴集團於二零一零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。

香港德豪會計師事務所有限公司

執業會計師

招永祥

執業證書編號：P04434

香港干諾道中111號

永安中心25樓

香港，二零一一年三月二日

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

			2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Revenue	收益	5	661,114	462,440
Cost of sales	銷售成本		(383,442)	(257,149)
Gross profit	毛利		277,672	205,291
Other income	其他收入	5	37,742	36,335
Selling expenses	銷售開支		(66,061)	(59,305)
Administrative expenses	行政費用		(64,499)	(53,449)
Research and development expenses	研發費用		(27,744)	(20,297)
Other operating expenses	其他經營開支		(17,619)	(15,784)
Finance costs	財務成本	8	(16,883)	(20,054)
Share of losses of an associate	應佔一間聯營公司虧損	18	(5,208)	(5,333)
Profit before income tax	除所得稅前溢利	6	117,400	67,404
Income tax expense	所得稅支出	9	(12,308)	(5,353)
Profit for the year	本年度溢利	10	105,092	62,051
Other comprehensive income	其他全面收益			
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌收益		332	188
Other comprehensive income for the year, net of tax	年內其他全面收益，稅後		332	188
Total comprehensive income attributable to owners of the Company	本公司擁有人應佔全面收益總額		105,424	62,239
			RMB 人民幣	RMB 人民幣 (Restated) (經重列)
Earnings per share for profit attributable to owners of the Company	本公司本年度擁有人應佔溢利之每股盈利			
– Basic	– 基本	12	人民幣 1.74 元	人民幣 1.03 元

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2010 於二零一零年十二月三十一日

			2010 二零一零年	2009 二零零九年	2008 二零零八年
	Notes 附註		RMB'000 人民幣千元	RMB'000 人民幣千元 (Restated) (經重列)	RMB'000 人民幣千元 (Restated) (經重列)
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	258,795	252,705	233,467
Leasehold land and land use rights	14	租賃土地及土地使用權	20,875	21,401	21,927
Goodwill	15	商譽	2,161	2,161	2,161
Development costs	16	開發成本	53,677	51,522	47,008
Interests in an associate	18	於一間聯營公司之權益	1,978	7,186	9,759
Club membership	19	會所會籍	1,177	1,177	1,177
Deferred tax asset	31	遞延稅項資產	11	-	-
			338,674	336,152	315,499
Current assets		流動資產			
Inventories	20	存貨	96,171	84,600	76,650
Trade receivables	21	應收貿易賬款	225,370	240,605	238,734
Bills receivables	22	應收票據	17,371	9,600	1,433
Other receivables, deposits and prepayments	23	其他應收款項、按金 及預付款項	75,439	122,032	164,616
Financial asset at fair value through profit or loss	24	按公平值計入損益 之金融資產	10,000	-	-
Amount due from an associate	26	一間聯營公司欠款	108	374	3,159
Pledged/Restricted bank deposits	27	已抵押／有限制之 銀行存款	-	675	21,000
Cash and cash equivalents	28	現金及現金等價物	355,263	242,348	97,583
			779,722	700,234	603,175
Current liabilities		流動負債			
Trade payables	29	應付貿易賬款	106,028	88,877	60,763
Bills payables		應付票據	-	-	21,000
Other payables and accrued charges		其他應付款項及應計費用	30,050	19,789	12,662
Income tax payables		應付所得稅項	1,836	16	12
Bank borrowings	30	銀行借貸	305,393	360,590	278,865
			443,307	469,272	373,302
Net current assets		流動資產淨值	336,415	230,962	229,873

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2010 於二零一零年十二月三十一日

			2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列)	2008 二零零八年 RMB'000 人民幣千元 (Restated) (經重列)
Total assets less current liabilities	總資產減流動負債		675,089	567,114	545,372
Non-current liabilities	非流動負債				
Bank borrowings	銀行借貸	30	925	266	40,763
Deferred income	遞延收入		20,000	–	–
			20,925	266	40,763
Net assets	資產淨值		654,164	566,848	504,609
EQUITY	權益				
Equity attributable to the Company's owners	本公司擁有人應佔權益				
Share capital	股本	32	60,360	60,360	60,360
Reserves	儲備	33(a)	593,804	488,380	432,177
Proposed final dividend	建議末期股息	11	–	18,108	12,072
Total equity	權益總額		654,164	566,848	504,609

Mr. Liu Xin

劉新先生

Director

董事

Mr. Liu Jun

劉均先生

Director

董事

Statement of Financial Position

財務狀況表

As at 31 December 2010 於二零一零年十二月三十一日

	Notes 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	212,074	208,834
Leasehold land and land use rights	14	9,309	9,565
Development costs	16	28,755	12,776
Investments in subsidiaries	17	96,853	96,853
Interests in an associate	18	11,495	19,110
Club membership	19	1,177	1,177
		359,663	348,315
Current assets			
Inventories	20	72,623	69,320
Trade receivables	21	208,241	220,389
Bills receivables	22	16,316	9,600
Other receivables, deposits and prepayments	23	103,714	154,275
Financial asset at fair value through profit or loss	24	10,000	–
Amount due from a subsidiary	25	32,085	20,000
Amount due from an associate	26	87	353
Pledged/Restricted bank deposits			
Cash and cash equivalents	27	–	675
	28	349,981	235,662
		793,047	710,274
Current liabilities			
Trade payables	29	35,626	52,078
Other payables and accrued charges		19,932	14,706
Amounts due to subsidiaries	25	319,510	248,446
Bank borrowings	30	305,000	330,000
		680,068	645,230
Net current assets		112,979	65,044
Total assets less current liabilities		472,642	413,359
Non-current liability			
Deferred income		20,000	–
Net assets		452,642	413,359
EQUITY			
Share capital	32	60,360	60,360
Reserves	33(b)	392,282	334,891
Proposed final dividend	11	–	18,108
Total equity		452,642	413,359
Mr. Liu Xin 劉新先生 Director 董事			
Mr. Liu Jun 劉均先生 Director 董事			

Consolidated Statement of Cash Flows

綜合現金流量表

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

			2010	2009
			二零一零年	二零零九年
	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	117,400	67,404
Adjustments for:		經調整：		
Interest expenses	8	利息支出	16,546	19,039
Interest income	5	利息收入	(1,132)	(1,518)
Amortisation of development costs	16	開發成本之攤銷	13,588	12,124
Depreciation of property, plant and equipment	13	物業、廠房及設備 之折舊	31,147	26,085
Annual charges on leasehold land and land use rights	14	租賃土地及土地 使用權年費	526	526
Loss on disposals of property, plant and equipment		出售物業、廠房及 設備之虧損	36	213
Provision for impairment on trade receivables	21	應收貿易賬款減值撥備	2,988	2,686
Provision for impairment on other receivables	23	其他應收款項減值撥備	151	5,904
Share of results of an associate	18	應佔一間聯營公司業績	5,208	5,333
Operating profit before working capital changes		營運資金變動前之經營溢利	186,458	137,796
Increase in inventories		存貨增加	(11,571)	(7,950)
Decrease/(Increase) in trade receivables		應收貿易賬款減少/(增加)	12,247	(4,557)
Increase in bills receivables		應收票據增加	(7,771)	(8,167)
Decrease in other receivables, deposits and prepayments		其他應收款項、按金及預付 款項減少	46,442	36,680
Decrease in amount due from an associate		聯營公司欠款減少	266	2,785
Increase in trade payables		應付貿易賬款增加	17,151	28,114
Decrease in bills payables		應付票據減少	-	(21,000)
Increase in other payables and accrued charges		其他應付款項及 應計費用增加	10,261	7,127
Cash generated from operations		經營業務產生現金	253,483	170,828
Interest paid		已付利息	(16,546)	(19,039)
Income tax paid		已付所得稅	(10,499)	(5,349)
Net cash generated from operating activities		經營業務產生現金淨額	226,438	146,440

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
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	–	(2,760)
Receipt of government grants	所收取之政府補貼	20,000	–
Purchases of property, plant and equipment	購買物業、廠房及設備	(38,091)	(45,944)
Expenditure on development activities	開發活動開支	(15,743)	(16,638)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款	770	444
Purchases of financial asset at fair value through profit or loss	購買按公平值計入損益之金融資產	(10,000)	–
Interest received	已收利息	1,132	1,518
Net cash used in investing activities	投資活動所用現金淨額	(41,932)	(63,380)
Cash flows from financing activities	融資活動產生之流動現金		
Decrease in pledged bank deposits	有抵押之銀行存款減少	675	20,325
Drawdown of bank loans	提取銀行貸款	556,077	754,418
Repayments of bank loans	償還銀行貸款	(610,518)	(713,190)
Dividend paid	已付股息	(18,108)	–
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額	(71,874)	61,553
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	112,632	144,613
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	242,348	97,583
Effect of foreign exchange rate changes, on cash held	外匯變動對持有之現金之影響	283	152
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	355,263	242,348

Consolidated Statement of Changes in Equity

綜合權益變動報表

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

		Equity attributable to owners of the Company							
		本公司擁有人應佔權益							
		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	final	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 33)	(Note 33)	(Note 33)		(Note 33)		
			(附註33)	(附註33)	(附註33)		(附註33)		
At 1 January 2009, as previously reported	於二零零九年一月一日 · 如前呈報	60,360	284,210	19,380	19,380	(1,119)	111,823	12,072	506,106
Prior year adjustment (note 2.1)	過往年度調整(附註2.1)	-	-	-	-	-	(1,497)	-	(1,497)
At 1 January 2009, as restated	二零零九年一月一日(經重列)	60,360	284,210	19,380	19,380	(1,119)	110,326	12,072	504,609
Profit for the year	本年度溢利	-	-	-	-	-	62,051	-	62,051
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-
Exchange gain on translation of financial statements of foreign operations	換算海外業務 財務報表之 匯兌收益	-	-	-	-	188	-	-	188
Total comprehensive income for the year	年內全面 收益總額	-	-	-	-	188	62,051	-	62,239
Disapproval of 2008 proposed final dividend	未獲批准之二零零八年建議 之末期股息	-	-	-	-	-	12,072	(12,072)	-
2009 proposed final dividend	二零零九年建議之末期股息	-	-	-	-	-	(18,108)	18,108	-
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	60,360	284,210	19,380	19,380	(931)	166,341	18,108	566,848
2009 final dividend paid	已付二零零九年末期股息	-	-	-	-	-	-	(18,108)	(18,108)
Transactions with owners	與擁有人之交易	-	-	-	-	-	-	(18,108)	(18,108)
Profit for the year	本年度溢利	-	-	-	-	-	105,092	-	105,092
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-
Exchange gain on translation of financial statements of foreign operations	換算海外業務 財務報表之 匯兌收益	-	-	-	-	332	-	-	332
Total comprehensive income for the year	年內全面 收益總額	-	-	-	-	332	105,092	-	105,424
At 31 December 2010	於二零一零年十二月三十一日	60,360	284,210	19,380	19,380	(599)	271,433	-	654,164

* These reserve accounts comprise the reserves of RMB593,804,000 (2009: (restated) RMB488,380,000) in the consolidated statement of financial position.

* 此等儲備賬戶包括於綜合財務狀況表內之儲備人民幣593,804,000元(二零零九年:(經重列)人民幣488,380,000元)。

Notes to the Financial Statements

財務報表附註

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

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.

The financial statements for the year ended 31 December 2010 were approved for issue by the board of directors on 2 March 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements on pages 40 to 139 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”).

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。

截至二零一零年十二月三十一日止年度之財務報表已於二零一一年三月二日獲董事會批准刊發。

2. 主要會計政策概要

2.1 編製基準

於第40頁至第139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。

Notes to the Financial Statements

財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Prior year adjustment

The amounts of goodwill at 1 January 2009 and 31 December 2009 were overstated as the Group had wrongly calculated the goodwill arising from a subsidiary in prior year. The net effect is to decrease the carrying amount of goodwill as at 1 January 2009 and 31 December 2009 by RMB1,497,000. There is no effect on the profit or loss for the year ended 31 December 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 adoption of new or amended of HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 3.

The financial statements have been prepared on the historical cost basis except for financial assets held for trading, which are measured at fair values. 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.

2. 主要會計政策概要(續)

2.1 編製基準(續)

往年調整

由於往年本集團錯誤計算產生自一間附屬公司的商譽，於二零零九年一月一日及二零零九年十二月三十一日的商譽之價值被誇大。淨影響為將二零零九年一月一日及二零零九年十二月三十一日的商譽之賬面值減少人民幣1,497,000元。概無影響截至二零零九年十二月三十一日止年度的損益。

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。採納新訂或經修訂香港財務報告準則及對本集團財務報表之影響(如有)乃載於附註3。

此等財務報表乃按照歷史成本法編製(以公平值計量之持作出售金融資產除外)。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。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Business combination from 1 January 2010

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interest either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed.

2. 主要會計政策概要(續)

2.2 綜合賬目之基準

綜合財務報表合包括集團之財務報表。集團內公司間之交易及結餘連同未變現溢利於編製綜合財務報表時悉數對銷。除非有關交易提供所轉讓資產減值之證據，否則未變現虧損亦予以對銷，於此情況下，虧損於損益賬內確認。

在年內購入或售出之附屬公司之業績由收購生效日起計或計至出售生效日止(視情況而定)，列入綜合全面收益表內。必要時，附屬公司之財務報表將予以調整以使其會計政策與本集團其他成員公司所使用者一致。

自二零一零年一月一日起之業務合併

收購附屬公司或業務採用收購法列賬。一項收購之成本乃按所轉讓資產、所產生負債及本集團(作為收購方)發行之股權於收購當日之公平值總額計量。所收購可識別資產及所承擔負債則主要按收購當日公平值計量。本集團先前所持被收購方之股權以收購當日公平值重新計量，而所產生之收益或虧損則於損益賬內確認。本集團可按逐筆交易基準選擇以被收購方之識別資產淨值之公平值或應佔比例計算非控股權益。所產生之收購相關成本列作開支。

Notes to the Financial Statements

財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

Business combination prior to 1 January 2010

On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connected with business combinations were capitalised as part of the cost of the acquisition.

2.3 Subsidiaries

Subsidiaries are entities (including special purpose 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.

In consolidated financial statements, acquisition of subsidiaries (other than those under common control) is accounted for by applying the acquisition method. This involves the estimation of 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 statement of financial position at their fair value, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

2. 主要會計政策概要(續)

2.2 綜合賬目之基準(續)

二零一零年一月一日之前業務合併

收購時，相關附屬公司之資產及負債按收購當日之公平值計量。少數股東權益則按少數股東佔已確認之資產及負債公平值之比例入賬。

本集團在業務合併中產生之交易成本(與發行債券或權益證券有關之成本除外)已資本化為收購成本之一部分。

2.3 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(包括特殊用途實體)。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。

在綜合財務報表中，收購附屬公司(於共同控制下之附屬公司除外)乃採取收購法入賬。此情況涉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)之公平值，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平值計入綜合財務狀況表，並將按照本集團之會計政策用作其後計量之基準。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries (Continued)

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2.4 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. 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 goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. 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. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate in the period in which the investment is acquired.

2. 主要會計政策概要(續)

2.3 附屬公司(續)

於本公司之財務狀況表中，附屬公司按成本值減去減值虧損列賬，惟持作出售或納入出售組合之附屬公司除外。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。無論是否自投資對象之收購前或收購後溢利收取，所有股息均於本公司之損益表確認。

2.4 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。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。經重新評估後，本集團應佔可識別資產、負債及或然負債之公平淨值超過收購成本之任何部分會於釐定本集團所佔共同控制實體於收購投資期間之損益即時在損益表確認。

Notes to the Financial Statements

財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates (Continued)

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 profit or loss 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.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Where unrealised losses on assets sales between the Group and its associates are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the associate uses 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.

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.

2. 主要會計政策概要(續)

2.4 聯營公司(續)

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）。損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。

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。倘本集團與其聯營公司之間的資產銷售產生的未變現虧損按權益會計法予以回撥，則相關資產亦會從本集團之角度進行減值測試。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，本集團如有必要為應用權益法而採用聯營公司之財務報表時作出調整，以使該聯營公司的會計政策與本集團所用者一致。

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。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates (Continued)

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 reporting 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 (higher of value in use and fair value less costs to sell) of the associate and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate, including cash flows arising from the operations of the associate and the proceeds on ultimate disposal of the investment.

In the Company's statement of financial position, 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.

2. 主要會計政策概要(續)

2.4 聯營公司(續)

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(使用價值與公平值減出售成本中較高者)與其賬面值之差額)。於釐定投資之使用價值時，本集團估計其分佔預期將由聯營公司產生之估計未來現金流量之現值，包括聯營公司經營業務產生之現金流量及最終出售投資之所得款項。

於本公司財務狀況表內，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。

Notes to the Financial Statements

財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 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 the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

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.

2. 主要會計政策概要(續)

2.5 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該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，均於損益表確認。

按公平值入賬及以外幣結算之非貨幣項目按釐定公平值當日之適用匯率換算，並作為部分公平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。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 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 reporting 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.

2.6 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.

2. 主要會計政策概要 (續)

2.5 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。

2.6 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。

Notes to the Financial Statements

財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Revenue recognition (Continued)

- (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.
- (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) Rental income under operating leases is recognised in profit or loss on a straight-line basis over the lease terms.

2.7 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2. 主要會計政策概要(續)

2.6 收入確認(續)

- (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。
- (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) 經營租賃下之租金收入以直線法按租賃年期於損益表內確認。

2.7 借貸成本

所有借貸成本於產生時列作支銷。就購置、建造或生產任何合資格資產而產生的借貸成本乃於需要完成及準備將該資產作擬定用途之期間內予以資本化。合資格資產指必需耗費長期間方可準備好作擬定用途或出售的資產。其他借貸成本均於產生時列支。

當合資格資產引致開支、借貸成本產生及已作出必要活動以準備將該資產作擬定用途或出售時，借貸成本乃資本化為該項資產成本的一部分。當為準備合資格資產作其擬定用途或出售所必需的絕大部分活動完成時，借貸成本會停止資本化。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is stated at cost less any impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2.12).

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.

2.9 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.

2. 主要會計政策概要 (續)

2.8 商譽

商譽初始確認為成本超出所轉讓代價總額及就所收購可識別資產、負債及或然負債公平值之非控股權益而確認之金額。

倘可識別資產、負債及或然負債之公平值超出已付代價之公允價值，則超出部分於重新評估後於收購日期在損益中確認。

商譽乃按成本減任何累計減值虧損入賬。商譽被分配至現金賺取單位並每年進行減值測試(見附註2.12)。

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。

2.9 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。

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財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Intangible assets (other than goodwill)

(Continued)

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

Research and development costs

Costs associated with research activities are expensed in profit or loss 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.

2. 主要會計政策概要(續)

2.9 無形資產(商譽除外)及研發費用(續)

無形資產(商譽除外)(續)

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。

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。直接應用於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。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Research and development costs (Continued)

Other development costs not capitalised 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 2.12.

2.10 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.

Construction-in-progress (“CIP”) represents buildings, plant and machinery under construction or pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction and acquisition. No provision for depreciation is made on CIP until such time as the relevant assets are completed and ready for intended use. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated below.

2. 主要會計政策概要 (續)

2.9 無形資產(商譽除外)及研發費用(續)

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2.12所述，會所會籍及撥充資本之開發費用資產作減值測試。

2.10 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。

在建工程代表在建或有待安裝的樓宇、廠房及機器，以成本減累計減值虧損(如有)列賬。成本包括建築及收購成本。在建工程項目直至相關資產落成並達到預定可使用狀態前不作折舊撥備。當有關資產可供使用，其成本則轉入物業、廠房及設備，並按以下所述有關的政策計提撥備。

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財務報表附註

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Property, plant and equipment (Continued)

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	19%-20%
Mould and equipment	9%-20%
Motor vehicles	19%-20%

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

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 profit or loss.

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 profit or loss during the financial period in which they are incurred.

2. 主要會計政策概要(續)

2.10 物業、廠房及設備(續)

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	19%-20%
模具及設備	9%-20%
汽車	19%-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)。

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，並於損益表確認。

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損益表扣除。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Leasehold land and land use rights

Leasehold land and land use rights represent up-front payments to acquire the land use rights/land under an operating lease. 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 use of the land.

2.12 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.

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.

2. 主要會計政策概要(續)

2.11 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土地使用的收益。

2.12 非金融資產減值

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。

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。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Impairment of non-financial assets (Continued)

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.

An impairment loss on goodwill is not reversed in subsequent periods. 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.

2. 主要會計政策概要(續)

2.12 非金融資產減值(續)

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。

商譽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。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Impairment of non-financial assets (Continued)

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

2.13 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.

(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 profit or loss 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 profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

2. 主要會計政策概要(續)

2.12 非金融資產減值(續)

於中期期間就商譽確認之減值虧損於隨後期間不會予以撥回。假設有關於中期期間之減值僅於該財政年度終結時進行評估，即使並無確認虧損，或虧損屬輕微，皆採用以上相同處理方法。

2.13 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。

(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損益表確認為開支，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損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損益表中扣除。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Leases (Continued)

- (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 profit or loss 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 profit or loss 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.

2.14 Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

2. 主要會計政策概要(續)

2.13 租賃(續)

- (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損益表確認，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損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。

2.14 金融資產

本集團於初步確認時視乎收購資產之目的將金融資產分類。按公平值計入損益之金融資產初步按公平值計量，而所有其他金融資產則初步按公平值加收購金融資產之應佔直接交易成本計量。所有按常規購買或出售之金融資產乃按交易日基準確認及剔除確認。所謂按常規購買或出售，指根據合約購買或銷售金融資產，而該合約條款規定須一般按有關市場之規則或慣例所設時限內交付資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Financial assets (Continued)

Financial assets at fair value through profit or loss

These assets include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

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 reporting date, financial assets 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:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;

2. 主要會計政策概要(續)

2.14 金融資產(續)

按公平值計入損益之金融資產

該等資產包括持作買賣金融資產。倘收購資產之目的為於短期內出售，則分類為持作買賣金融資產。

於初步確認後，按公平值計入損益之金融資產乃按公平值計量，而其公平值變動於所產生期間於損益確認。

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：

- 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；

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Financial assets (Continued)

Impairment of financial assets (Continued)

- 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.

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

Financial assets carried at amortised cost

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 profit or loss for the period in which the impairment occurs.

2. 主要會計政策概要(續)

2.14 金融資產(續)

金融資產減值(續)

- 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。

倘存在任何該等證明，則減值虧損按以下方式計量及確認：

按攤銷成本記賬之金融資產

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損益表內確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Financial assets (Continued)

Financial assets carried at amortised cost (Continued)

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 profit or loss for the period in which the reversal occurs.

2.15 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 reporting 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 profit or loss.

2. 主要會計政策概要 (續)

2.14 金融資產 (續)

金融資產減值 (續)

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損益表內確認。

2.15 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。本期稅項資產或負債所有變動於損益表確認為稅務開支部份。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Accounting for income taxes (Continued)

Deferred tax is calculated using the liability method on temporary differences at the reporting 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.

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 reporting date.

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

2. 主要會計政策概要(續)

2.15 所得稅之會計方法(續)

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，於結算日使用負債法計算。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。

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損益表，或倘與直接自權益或計入權益之項目有關，則於權益確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Accounting for income taxes (Continued)

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.16 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 reporting 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.

2.17 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.

2.18 Share capital

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

2. 主要會計政策概要 (續)

2.15 所得稅之會計方法(續)

僅於下列情況，本期稅項資產及本期稅項負債以淨額呈列，

- (a) 本集團擁有清償已確認金額之可合法強制執行權利；及
- (b) 以淨額清償或同時變現資產及負債之意圖。

2.16 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。

2.17 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。

2.18 股本

普通股歸類為權益。股本以已發行股份面值釐定。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 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 the 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 profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.20 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 profit or loss.

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 profit or loss.

2. 主要會計政策概要(續)

2.19 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損益表扣除。

2.20 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損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損益表中確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Financial liabilities (Continued)

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 profit or loss 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 reporting date.

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.

2.21 Related parties

For the purposes of these financial statements, a party is considered to be related to the group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the group or exercise significant influence over the group in making financial and operating policy decisions, or has joint control over the group;
- (ii) the group and the party are subject to common control;
- (iii) the party is an associate of the group or a joint venture in which the group is a venturer;

2. 主要會計政策概要 (續)

2.20 金融負債(續)

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損益表確認。

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。

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。

2.21 有關連人士

就本財務報表而言,倘出現下列情況則該名人士被視為本集團有關連人士:

- (i) 該名人士能夠透過一名或多名中介人士直接或間接控制集團或於作出財務及經營決策方面對集團行使重大影響力,或共同控制集團;
- (ii) 集團及該名人士受到共同控制;
- (iii) 該名人士為集團或集團為投資方之合資企業之聯繫人;

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Related parties (Continued)

- (iv) the party is a member of key management personnel of the group or the group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the group or of any entity that is a related party of the group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2.22 Government grants

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. When the grant relates to an expense item, it is recognised as other income in the statement of comprehensive income and presented as such over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expenses.

2. 主要會計政策概要(續)

2.21 有關連人士(續)

- (iv) 該名人士為集團或其母公司之主要管理人員或該名人士之近親或為受該名人士控制、共同控制或重大影響之實體；
- (v) 該名人士為(i)所述一方之近親或為受該人士控制、共同控制或重大影響之實體；或
- (vi) 該名人士為集團或作為集團關連人士的任何實體的僱員福利而設的離職後福利計劃。

該名人士之近親為可能被預期於與實體進行交易時影響該名人士或受該名人士影響之該等家族成員。

2.22 政府補貼

無償政府補貼乃當可合理保證將收取補貼且本集團將符合所有附帶條件時按其公平值確認。當補貼涉及開支項目時，其於全面收益表內確認為其他收入，並於有關期間呈列為收入，以按系統基準將補貼抵銷擬作補償之成本。補償本集團資產成本的補貼自資產賬面值扣除，其後於資產可用年限透過減折舊開支在損益中實際確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 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 reporting date and adjusted to reflect the current best estimate.

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.

2.24 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components.

2. 主要會計政策概要(續)

2.23 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。

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。

2.24 分部申報

本集團乃根據定期向執行董事呈報彼等有關本集團業務成份資源分配之決定及對業務成份表現審閱之財務資料，識別營運分部及編製分部資料。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Segment reporting (Continued)

Individually material operating segments are not aggregated for financial reporting purpose unless the segments have similar characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they are share a majority of these criteria.

3. 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 2010:

HKFRSs (Amendments)	Improvements to HKFRSs
Amendments to HKAS 39	Eligible Hedged Items
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Interpretation 17	Distributions of Non-cash Assets to Owners
HK Interpretation 5	Presentation of Financial Statements – Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause

2. 主要會計政策概要(續)

2.24 分部申報(續)

個別重要經營分部不會就財務報告而合併計算，惟該等經營分部之產品及服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務之性質以及監管環境之本質等經濟特性均屬類似，則作別論。個別不重要經營分部若符合以上大部分條件，則可合併計算。

3. 採納新訂或經修訂香港財務報告準則

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二零一零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：

香港財務報告準則(修訂本)	香港財務報告準則之改進
香港會計準則第39號(修訂本)	合資格對沖項目
香港財務報告準則第2號(修訂本)	集團以現金結算以股份為基礎付款之交易
香港會計準則第27號(經修訂)	綜合及獨立財務報表
香港財務報告準則第3號(經修訂)	業務合併
香港(國際財務報告詮釋委員會)–詮釋報告17	向所有者非現金資產的分派
香港財務報告準則詮釋第5號	財務報表之呈報–借款人對於載有即時還款條款之定期貸款的分類

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

Other than as noted below, the adoption of 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.

HKFRS 3 (Revised) – Business Combinations and HKAS 27(Revised) – Consolidated and Separate Financial Statements

The revised accounting policies are described in note 2 to the financial statements, which are effective prospectively for business combinations effected in financial periods beginning on or after 1 July 2009. Changes in HKFRS 3 include the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill and the results in the period that an acquisition occurs and future results. The adoption of revised HKFRS 3 has had no impact to the financial statements as there has been no business combination transaction during the year.

The revised HKAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners, accordingly, such transactions are recognised within equity. When control is lost and any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The adoption of revised HKAS 27 has had no impact on the current year.

3. 採納新訂或經修訂香港財務報告準則(續)

除以下作注解者外，採納新香港財務報告準則對本年度及過往期間之業績及財務狀況之編製及呈列沒有重大影響。

香港財務報告準則第3號(經修訂) – 業務合併及香港會計準則第27號(經修訂) – 綜合及獨立財務報表

經修訂之會計政策載於財務報表附註2並追溯應用於二零零九年七月一日或之後開始之財務期間之往後業務合併。香港財務報告準則第3號之變動包括非控股權益之估值、交易成本之會計處理、初步確認及其後計量或然代價及分階段收購之業務合併。此等變動影響商譽金額及收購發生期間之業績及日後業績。由於本年度內並無業務合併交易，故採納經修訂香港財務報告準則第3號並無對財務報表產生任何影響。

經修訂香港會計準則第27號要求一間附屬公司之所有權權益變動(但並無失去控制權)入賬為與擁有人(以彼等作為擁有人之身份)進行之交易，因此，有關交易乃於權益內確認。當失去控制權時，任何餘下權益於權益內乃重新計量為公平值，而收益或虧損乃於損益中確認。採納經修訂香港會計準則第27號對本年度並無產生任何影響。

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3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

HKAS 17 (Amendments) – Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the statement of financial position. The amendment to HKAS 17 has removed such a requirement and requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee. The Group has reassessed the classification of leasehold land of its unexpired leases at 1 January 2010 on the basis of information existing at the inception of those leases and concluded that the classification of such leases as operating leases continues to be appropriate.

HK Interpretation 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Interpretation is a clarification of an existing standard, HKAS 1 Presentation of Financial Statements. It sets out the conclusion reached by the HKICPA that a term loan which contains a clause which gives the lender the unconditional right to demand repayment at any time shall be classified as a current liability in accordance with paragraph 69(d) of HKAS 1 irrespective of the probability that the lender will invoke the clause without cause.

3. 採納新訂或經修訂香港財務報告準則(續)

香港會計準則第17號(修訂本)租賃

作為二零零九年香港財務報告準則改進之一部分，香港會計準則第17號就租賃土地分類作出修訂。於修訂香港會計準則第17號之前，本集團須將租賃土地分類為經營租賃，並於財務狀況表內呈列為預付租賃款項。香港會計準則第17號的修訂已廢除有關規定，並規定租賃土地的分類須以香港會計準則第17號所載一般原則為基礎，即租賃資產擁有權附帶的絕大部分風險及回報是否已轉移至承租人。本集團已根據租賃開始時之現有資料，重新評估其於二零一零年一月一日之未到期租賃之租賃土地分類並得出結論：把有關租約分類為經營租賃仍屬適當。

香港詮釋第5號－財務報表的呈列－借款人對包含隨時要求償還條款之定期貸款之分類

此詮釋乃現有準則香港會計準則第1號「財務報表之呈列」之澄清。其載列香港會計師公會所達成之結論，即包含賦予放款人無條件權利隨時要求還款之條款之定期貸款須根據香港會計準則第1號第69(d)段分類為流動負債，而不論放款人將無故撤銷該條款之可能性。

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

HK Interpretation 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (Continued)

In order to comply with the requirements of HK Interpretation 5, the Group has changed its accounting policy on the classification of term loans that contain a repayment on demand clause. Under the new policy, term loans with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the statement of financial position. Previously such term loans were classified in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future.

The new accounting policy has had no effect on the reported classification of borrowings in previous year, accordingly, no retrospective reclassification presented.

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

3. 採納新訂或經修訂香港財務報告準則(續)

香港詮釋第5號 – 財務報表的呈列 – 借款人對包含隨時要求償還條款之定期貸款之分類(續)

為符合香港詮釋第5號所載之規定，本集團已變更分類包含可隨時要求償還條款之定期貸款之會計政策。根據新政策，具有賦予放款人無條件權利可隨時催還貸款之定期貸款於財務狀況表內乃分類為流動負債。過往有關定期貸款乃根據議定還款時間表分類，除非本集團於報告日期已違反協議所載之任何貸款契諾或於其他情況下有理由相信放款人於可見將來會撤銷其於即時還款條款項下之權利。

新會計政策對往年已報告之貸款分類並無影響，因此並無呈列追溯的重新分類。

於批准此等財務報表日期，若干新訂及經修訂香港財務報告準則已經刊發但尚未生效，以及並未由本集團提早採納。

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3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ^{2&3}
Amendments to HKAS 32	Classification of Rights Issues ¹
Amendments to HK(IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirement ³
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ²
HKAS 24 (Revised)	Related Party Disclosures ³
Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets ⁴
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets ⁵
HKFRS 9	Financial Instruments ⁶

¹ Effective for annual periods beginning on or after 1 February 2010

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

³ Effective for annual periods beginning on or after 1 January 2011

⁴ Effective for annual periods beginning on or after 1 July 2011

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

⁶ Effective for annual periods beginning on or after 1 January 2013

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.

Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and amended HKFRSs have been issued but are not expected to have a material impact of the Group's financial statements.

3. 採納新訂或經修訂香港財務報告準則(續)

香港財務報告準則 (修訂本)	二零一零年香港財務報告準則之改進 ^{2及3}
香港會計準則第32號之修訂本	供股分類 ¹
香港(國際財務報告詮釋委員會)–詮釋第14號之修訂本	預付最低資金要求 ³
香港(國際財務報告詮釋委員會)–詮釋第19號	以權益工具抵銷金融負債 ²
香港會計準則第24號 (經修訂)	關連人士披露 ³
香港財務報告準則第7號之修訂本	披露–金融資產轉讓 ⁴
香港會計準則第12號之修訂本	遞延稅項–收回相關資產 ⁵
香港財務報告準則第9號	金融工具 ⁶

¹ 於二零一零年二月一日或其後開始之年度期間生效

² 於二零一零年七月一日或其後開始之年度期間生效

³ 於二零一一年一月一日或其後開始之年度期間生效

⁴ 於二零一一年七月一日或其後開始之年度期間生效

⁵ 於二零一二年一月一日或其後開始之年度期間生效

⁶ 於二零一三年一月一日或其後開始之年度期間生效

董事預期所有公告將於公告生效日期起第一個期間開始被採納用於本集團之會計政策。

預期將會影響本集團會計政策之新訂及經修訂香港財務報告準則之資料載列如下。若干其他新訂及經修訂香港財務報告準則已經刊發，但預期不會對本集團之財務報表構成重大影響。

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

HKFRS 9 Financial instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The directors are currently assessing the possible impact of the new standard on the Group's results and financial position in the first year of application.

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:

3. 採納新訂或經修訂香港財務報告準則(續)

香港財務報告準則第9號財務工具

此項準則於二零一三年一月一日或之後開始之會計期間生效，內容有關財務資產分類和計量。此項新訂準則減少了財務資產計量類別之數目，所有財務資產將會根據有關實體管理財務資產之業務模式及財務資產合約現金流量之特點，按攤銷成本或公平值計量。公平值收益及虧損將於損益中確認，惟有關於若干股本投資者則於其他全面收入呈列。董事現正評估此項新訂準則對本集團於首個應用年度之業績及財務狀況可能產生之影響。

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。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

- (i) Estimated impairment of goodwill
The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. Details of the estimates used in assessing impairment for goodwill are set out in note 15.

- (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 each reporting date.

4. 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

- (i) 商譽之估計減值
本集團每年均按照附註2.12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。評估商譽減值使用之估計詳情載於附註15。

- (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 provision of receivables and other receivables of the Group is based on analysis of the ageing and, where appropriate, other relevant aspects of accounts. Management also considers the relevant risks in particular business sectors in the impairment assessment process. 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. Management will reassess the provision at each reporting date. 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. 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。於減值評估過程中，管理層亦考慮特殊業務分部的相關風險。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。管理層於各結算日重新評估撥發。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。

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

- (iv) PRC income tax and value added tax
- Despite in the opinion of the Company's directors the Group had complied with all relevant tax law and regulations as applicable including PRC income tax and value added tax law and regulations, judgement was made in respect of such assessment. Penalties and/or additional provision may arise in case of non-compliance of which the amount cannot be estimated reliably for the purpose of these financial statements.

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 reporting 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)

- (iv) 中國所得稅及增值稅
- 儘管本公司董事認為，本集團已遵守包括中國所得稅及增值稅法律及規例在內的所有適用稅務法律及規例，但仍就有關評估作出判斷。如未能遵守，可能會遭受罰款及／或作出額外撥備，惟就該等財務報表而言有關金額無法可靠估計。

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

5. REVENUE, OTHER INCOME AND SEGMENT INFORMATION

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.

5. 收益、其他收入及分類資料

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。

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Revenue	收益	661,114	462,440
Other income	其他收入		
Interest income on financial assets stated at amortised cost	按攤銷成本記賬之金融資產利息收入		
– Bank interest income	– 銀行利息收入	1,132	1,518
VAT refunds*	增值稅退稅 *	27,289	24,200
Non-refundable government subsidies**	無償政府補貼 **	463	1,324
Rental income	租金收入	7,823	7,610
Others	其他	1,035	1,683
		37,742	36,335

* VAT refunds relating to the sales of certain products during the period from 1 January 2010 to 31 December 2010 (2009: 1 January 2009 to 31 December 2009) was approved and refunded by the PRC tax bureau in the current year.

** Non-refundable government subsidies were received from the PRC government for subsidising the Group in conducting and launching projects relating to research and development activities. There are no unfulfilled conditions or contingencies relating to these grants.

* 增值稅退稅涉及於二零一零年一月一日至二零一零年十二月三十一日期間(二零零九年: 二零零九年一月一日至二零零九年十二月三十一日)之若干產品銷售, 於本年度獲中國稅務局批准及退繳。

** 向中國政府收取的無償政府補貼乃用於補貼本集團進行及推出有關研發活動的項目。並無與該等補貼有關的未履行條件或或然情況。

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

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

The Group has identified its operating segment and prepared segment information based on the regular internal financial information report to the Group's executive directors for their decision about resources allocation to the Group's business components and review of these components' performance. There is only one business component in internal reporting to the executive directors, which is providing products and services serving the automotive aftermarket and the automobile industry in the PRC and certain overseas countries.

The directors assess segment profit or loss using a measure of operating profit. The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that certain items are not included in arriving at the operating results of the operating segment (rental income and corporate expenses).

Segment assets include all assets with the exception of corporate assets and club membership which are not directly attributable to the business activities of operating segment as these assets are managed on a group basis.

Segment liabilities include trade payables, bills payables, other payables, deferred income and accrued charges attributable to the manufacturing and sales activities of the business segment. Bank borrowings are managed directly by the segment.

The operating segment is monitored and strategic decisions are made on the basis of adjusted segment operating results. Revenue reported below represents revenue generated from external customers. There were no inter-segment sales during the years ended 31 December 2010 and 2009.

5. 收益、其他收入及分類資料 (續)

本集團已根據呈報予本集團執行董事的定期內部財務資料確認其經營分部並編製分部資料。上述內部財務資料乃供本集團執行董事就資源分配至本集團業務部門作出決策以及審核該等部門業績。向執行董事作內部呈報的業務部門僅有一個，即向中國若干海外國家之汽車後市場提供產品及服務。

董事通過計算營運溢利評估分部損益。本集團根據香港財務報告準則第8號進行分部業績報告所採用之計量政策與其根據香港財務報告準則準備之財務報表所用者相同，惟計算經營分部之經營業績未計及的若干項目(租金及企業收支)除外。

分部資產包括所有資產，但以群組方式管理之公司資產及會所會籍則沒有計入，因為這些資產並非直接應佔經營分部之業務活動。

分部負債包括應付賬款、應付票據、其他應付款項、遞延收入及經營分部生產及銷售業務之應計費用。銀行借貸是由該分部直接負責。

該經營分部乃根據經調整分部之經營業績而監控及作出策略決定。下述所呈報之收益是指均來自外界客戶之收益。於截至二零一零年及二零零九年十二月三十一日止年度期間並無分部間之銷售。

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

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

The revenue and profit generated by the Group's operating segment are summarised as follows:

5. 收益、其他收入及分類資料 (續)

由本集團經營分部產生之收益及溢利概述如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列)
Reportable segment revenue	須呈報之分部收益	661,114	462,440
Reportable segment profit	須呈報之分部溢利	115,806	60,833
Interest income	利息收入	1,132	1,518
Interest expenses	利息支出	(16,546)	(19,039)
Depreciation and amortisation	折舊及攤銷	(44,735)	(38,209)
Annual charge on leasehold land and land use rights	租賃土地及 土地使用權年費	(526)	(526)
Loss on disposals of property, plant and equipment	出售物業、廠房及 設備之虧損	(36)	(213)
Impairment of trade and other receivables	應收貿易賬款及 其他應收款項減值	(3,139)	(8,590)
Reportable segment assets	須呈報之分部資產	1,117,219	1,031,880
Interests in an associate	於一間聯營公司之權益	1,978	7,186
Additions to non-current segment assets during the year	年內添置之非流動 分部資產	53,834	62,582
Reportable segment liabilities	須呈報之分部負債	464,232	469,538

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

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

Reconciliation of reportable segment profit and reportable segment assets:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Reportable segment profit	須呈報之分部溢利	115,806	60,833
Rental income	租金收入	7,823	7,610
Corporate expenses	企業支出	(6,229)	(1,039)
Consolidated profit before income tax	除所得稅前綜合溢利	117,400	67,404

5. 收益、其他收入及分類資料 (續)

須呈報之分部溢利與須呈報之分部資產對賬如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列)
Reportable segment assets	須呈報之分部資產	1,117,219	1,031,880
Club membership	會所會藉	1,177	1,177
Corporate assets	企業資產	-	3,329
Group assets	集團資產	1,118,396	1,036,386

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

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

The Group's revenues from external customers and its non-current assets are divided into the following geographical areas:

5. 收益、其他收入及分類資料 (續)

本集團來自外界客戶及其非流動資產收入按下列地區劃分：

		外界客戶之收入		非流動資產	
		Revenue from external customers		Non-current assets	
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
					(Restated)
					(經重列)
Local (country of domicile):	本地(原駐國)				
– The PRC, other than Hong Kong	– 中國 (不包括香港)	384,977	234,840	338,325	335,666
Europe	歐洲	91,406	90,658	338	486
America	美洲	99,623	78,657	–	–
Others	其他	85,108	58,285	–	–
		276,137	227,600	338	486
Total	總計	661,114	462,440	338,663	336,152

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets (including property, plant and equipment, leasehold land and land use rights, goodwill, development costs, interests in an associate and club membership) is based on the physical location of the asset.

客戶所在地點乃根據所提供之服務或交付貨品之地點劃分。非流動資產(包括物業、廠房及設備、租賃土地及土地使用權、商譽、開發成本、於一間聯營公司之權益及會所會籍)之地點乃根據資產所在地劃分。

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6. PROFIT BEFORE INCOME TAX

6. 除所得稅前溢利

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit before income tax has been arrived at after charging/(crediting) the following items:	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)	1,445	1,328
Other staff costs	其他員工成本	73,496	59,803
Retirement benefits	退休福利	9,794	8,221
		<hr/> 84,735	69,352
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)	(12,495)	(16,638)
		<hr/> 72,240	52,714
Research expenditure for current year	本年度研究費用開支	14,156	8,173
Add: Amortisation of development costs (note 16)	加：開發成本之攤銷 (附註16)	13,588	12,124
Research and development expenses	研發費用	<hr/> 27,744	20,297
Depreciation of property, plant and equipment	物業、廠房及設備折舊	31,147	26,085
Operating lease charges on land and buildings	土地及樓宇經營租賃費用	7,478	5,181
Annual charge on leasehold land and land use rights	租賃土地及土地使用 權年費	526	526
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之 虧損	36	213
Auditors' remuneration	核數師酬金	1,959	1,295
Net exchange loss	匯兌虧損淨額	10,385	1,483
Provision for impairment on trade receivables	應收貿易賬款減值撥備	2,988	2,686
Provision for impairment on other receivables	其他應收款項減值撥備	151	5,904
		<hr/> 84,735	69,352

The Group's cost of inventories recognised as expenses during the years 2010 and 2009 is equal to the cost of sales shown in the consolidated statement of comprehensive income.

本集團於二零一零年及二零零九年內確認為開支之存貨成本等同綜合全面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

		Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and other benefits 薪金、津貼 及其他福利 RMB'000 人民幣千元	Retirement benefits costs 退休金成本 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2010	二零一零年				
<i>Executive directors</i>	<i>執行董事</i>				
Mr. Liu Xin	劉新先生	-	419	4	423
Mr. Liu Jun	劉均先生	-	341	4	345
Ms. Liu Ping (appointed on 18 March 2010)	劉平女士 (於2010年3月18日獲委任)	-	202	2	204
Professor Wang Xue Zhi (resigned on 18 March 2010)	王學志教授 (於2010年3月18日辭任)	-	-	-	-
<i>Non-executive directors</i>	<i>非執行董事</i>				
Ms. Liu Yong	劉庸女士	10	-	-	10
Ms. Liu Xiaohua (appointed on 30 September 2010)	劉曉華女士 (於2010年9月30日獲委任)	10	-	-	10
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>				
Dr. Zou Shulin (appointed on 18 March 2010)	鄒樹林博士 (於2010年3月18日獲委任)	10	-	-	10
Mr. Jiang Chao (appointed on 18 March 2010)	蔣超先生 (於2010年3月18日獲委任)	10	-	-	10
Mr. Liu Yuan (appointed on 18 March 2010)	劉遠先生 (於2010年3月18日獲委任)	10	-	-	10
Mr. Zhang Xiao Yu (resigned on 18 March 2010)	張小虞先生 (於2010年3月18日辭任)	-	-	-	-
Professor Hu Zi Zheng (resigned on 18 March 2010)	胡子正教授 (於2010年3月18日辭任)	-	-	-	-
<i>Supervisors</i>	<i>監事</i>				
Mr. Sun Zhongwen (appointed on 18 March 2010)	孫中文先生 (於2010年3月18日獲委任)	10	-	-	10
Mr. Du Xuan (appointed on 18 March 2010)	杜宣先生 (於2010年3月18日獲委任)	10	-	-	10
Mr. Wang Xi Lin	王希琳先生	10	390	3	403
Ms. Hou Wen Tao (resigned on 18 March 2010)	候文濤女士 (於2010年3月18日辭任)	-	-	-	-
Mr. Guo Jian Yuan (resigned on 18 March 2010)	郭健源先生 (於2010年3月18日辭任)	-	-	-	-
		80	1,352	13	1,445

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7. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

7. 董事及監事酬金(續)

		Fees	Salaries, allowances and other benefits	Retirement benefits costs	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
2009	二零零九年				
<i>Executive directors</i>	<i>執行董事</i>				
Mr. Liu Xin	劉新先生	–	413	4	417
Mr. Liu Jun	劉均先生	–	350	4	354
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 (deceased on 14 July 2009)	嚴慶華先生 (於二零零九年七月十四日離世)	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	475	2	487
		80	1,238	10	1,328

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7. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

For the year ended 31 December 2010, the five highest paid individuals of the Group included one director and one supervisor (2009: one director and one supervisor), details of which are included above. The emoluments of the remaining three highest paid individuals (2009: three 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 three individuals (2009: three 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 (2009: Nil). None of the directors waived or agreed to waive any emoluments during the year (2009: Nil).

7. 董事及監事酬金(續)

截至二零一零年十二月三十一日止年度，本集團五位最高薪人士包括一位董事及一位監事(二零零九年：一位董事及一位監事)，有關資料已於上文披露。其餘三位(二零零九年：三位)最高薪人士的薪酬如下：

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
	1,905	1,641
	12	9
	<hr/> 1,917	<hr/> 1,650

三位(二零零九年：三位)人士各自之酬金介乎零至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(二零零九年：無)。董事於年內概無放棄或同意放棄任何薪酬(二零零九年：無)。

Notes to the Financial Statements

財務報表附註

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

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

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元
16,546	19,039
337	1,015
16,883	20,054

9. INCOME TAX EXPENSE

Enterprise income tax - PRC	企業所得稅－中國
– current year	– 現年度
– underprovision for prior years	– 過往年度撥備不足
Income tax – overseas	所得稅－海外
Deferred tax (note 31)	遞延稅項（附註31）
Total income tax expense	所得稅支出

9. 所得稅支出

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元
7,729	4,687
4,435	-
155	666
(11)	-
12,308	5,353

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 32% (2009: 42%).

Pursuant to the PRC Corporate Income Tax Law which was effective from 1 January 2008, a unified income tax rate has been applied to Company and 深圳市元征軟件開發有限公司 (“Launch Software”). In respect of tax rate that applies to the Company and Launch Software, these enterprises enjoyed a preferential tax rate of 15% in the past and the tax rate will be transitioned to 25% over five years.

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32%（二零零九年：42%）之稅率繳納所得稅。

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，統一所得稅率已應用於本公司及深圳市元征軟件開發有限公司（「元征軟件」）。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，而稅率將於未來五年增加至25%。

9. INCOME TAX EXPENSE (Continued)

上海元征機械設備有限責任公司 (“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.

On 29 October 2009, the Company continued to be recognised as a high technology enterprise and is thereby subject to a preferential tax rate of 15% for the 3 financial years from 2009 to 2011.

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 22% (2009: 20%). It is entitled to the tax holiday of “two-year exemption and three-year 50% reduction” from the first profitable year of operation. 2006 was the first profit-making year for Launch Software and was the first year of its tax holiday. Accordingly, the income tax rate applicable to Launch Software for 2010 was 11%.

Launch Shanghai, a subsidiary of the Company established in the PRC, is subject to income tax at the rate of 25% (2009: 25%). It is entitled to the tax holiday of “two-year exemption and three-year 50% reduction” from its first profitable year of operation. 2008 was the first year for Launch Shanghai to entitle to the tax exemption. Accordingly, the income tax rate applicable to Launch Shanghai for 2010 was 12.5%.

9. 所得稅支出(續)

原先享有固定免稅期之上海元征機械服務有限公司(「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。

於二零零九年十月二十九日，本公司繼續被確認為高科技企業，並因而自二零零九年起至二零一一年三個財政年度獲優惠稅率 15%。

本公司於中國成立之附屬公司元征軟件作為地方稅務局確認的軟件公司，須按 22%(二零零九年：20%)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。二零零六年為元征軟件首個獲利年度，亦為其首個稅務優惠年度。因此，元征軟件於二零一一年之適用所得稅率為 11%。

本公司於中國成立之附屬公司上海元征，需按 25%(二零零九年：25%)之稅率繳納稅項，並自首個經營獲利年度起有權享受「兩年豁免及三年減半」之稅務優惠期。二零零八年為上海元征首個享有稅務優惠的年度。因此，上海元征於二零一零年之適用所得稅率為 12.5%。

Notes to the Financial Statements

財務報表附註

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

9. INCOME TAX EXPENSE (Continued)

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

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：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	117,400	67,404
Tax at the rates applicable in the respective jurisdictions	各管轄區適用稅率 繳納之稅項	25,139	13,481
Tax effect attributable to tax exemption	免稅之稅務影響	(7,835)	(12,788)
Tax effect of non-deductible expenses	不可扣減開支之稅務影響	2,016	2,184
Tax effect of non-taxable revenue	毋須課稅收益之稅務影響	(6,403)	(2,435)
Utilisation of tax losses previously not recognised	動用之前未確認之稅項虧損	(5,044)	–
Underprovision of EIT in respect of prior years	過往年度企業所得稅撥備不足	4,435	–
Tax losses not recognised as deferred tax assets	未確認為遞延稅項資產 之稅務虧損	–	4,555
Others	其他	–	356
Income tax expense	所得稅支出	12,308	5,353

Notes to the Financial Statements

財務報表附註

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

10. PROFIT FOR THE YEAR

Of the consolidated profit attributable to owners of the Company for the year of RMB105,092,000 (2009: RMB62,051,000), an income of RMB57,391,000 (2009: RMB16,957,000) has been dealt with in the financial statements of the Company.

11. DIVIDEND

No interim dividend for the year ended 31 December 2010 (2009: Nil) was declared.

No final dividend is proposed for the year ended 31 December 2010. (2009: RMB0.3 per share after shares consolidation as described in note 32(b) amounting to RMB18,108,000)

12. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of RMB105,092,000 (2009: RMB62,051,000) and on weighted average number of 60,360,000 and 60,360,000 shares in issue during the years ended 31 December 2010 and 2009 respectively. The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the share consolidation on 15 February 2011 as mentioned in note 32(b) and the comparative figure has been restated accordingly.

No diluted earnings per share has been presented as there had been no dilutive potential ordinary shares in both years of 2010 and 2009.

10. 本年度溢利

本年度本公司擁有人應佔之綜合溢利人民幣105,092,000元(二零零九年: 人民幣62,051,000元)中, 共約人民幣57,391,000元(二零零九年: 人民幣16,957,000元)之溢利於本公司財務報表中反映。

11. 股息

本公司並無宣派截至二零一零年十二月三十一日止年度之中期股息(二零零九年: 無)。

截至二零一零年十二月三十一日止年度並不建議派發末期股息(二零零九年: 已因應附註32(b)所述股份合併後, 每股人民幣0.3元, 合共人民幣18,108,000元)。

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105,092,000元(二零零九年: 人民幣62,051,000元)及分別截至二零一零及二零零九年十二月三十一日止年度已發行股份加權平均數60,360,000股及60,360,000股股份計算。就每股基本盈利而言, 普通股股份加權平均數已因應附註32(b)所述於二零一一年二月十五日後生效的股份合併而作出調整, 比較數字亦已重列。

由於二零一零年及二零零九年兩年並無具攤薄潛力之普通股股份, 故並無呈列每股攤薄盈利。

Notes to the Financial Statements

財務報表附註

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

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

Group

集團

		Construction in progress 在建工程 RMB'000 人民幣千元	Buildings 樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Mould and equipment 模具及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2009	於二零零九年一月一日						
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
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度						
Opening net book amount	期初賬面淨值	4,157	143,333	1,603	77,533	6,841	233,467
Additions	添置	3,242	4,488	98	36,111	2,005	45,944
Disposals	出售	-	-	(8)	(191)	(458)	(657)
Depreciation	折舊	-	(6,632)	(713)	(16,596)	(2,144)	(26,085)
Reclassifications	重新分類	-	(47)	3	10	34	-
Exchange realignment	匯兌調整	-	-	-	36	-	36
Closing net book amount	期末賬面淨值	7,399	141,142	983	96,903	6,278	252,705
At 31 December 2009	於二零零九年十二月三十一日						
Cost	成本	7,399	165,729	4,454	152,526	18,247	348,355
Accumulated depreciation	累計折舊	-	(24,587)	(3,471)	(55,623)	(11,969)	(95,650)
Net book amount	賬面淨值	7,399	141,142	983	96,903	6,278	252,705
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度						
Opening net book amount	期初賬面淨值	7,399	141,142	983	96,903	6,278	252,705
Additions	添置	7,684	205	10	27,674	2,518	38,091
Disposals	出售	-	-	-	(664)	(142)	(806)
Depreciation	折舊	-	(6,834)	(325)	(21,560)	(2,428)	(31,147)
Reclassifications	重新分類	(6,572)	6,572	-	(19)	19	-
Exchange realignment	匯兌調整	-	-	-	(48)	-	(48)
Closing net book amount	期末賬面淨值	8,511	141,085	668	102,286	6,245	258,795
At 31 December 2010	於二零一零年十二月三十一日						
Cost	成本	8,511	172,506	4,464	179,414	19,593	384,488
Accumulated depreciation	累計折舊	-	(31,421)	(3,796)	(77,128)	(13,348)	(125,693)
Net book amount	賬面淨值	8,511	141,085	668	102,286	6,245	258,795

Notes to the Financial Statements

財務報表附註

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

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

13. 物業、廠房及設備(續)

Company

公司

		Construction in progress 在建工程 RMB'000 人民幣千元	Buildings 樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Mould and equipment 模具及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2009	於二零零九年一月一日						
Cost	成本	4,157	122,704	4,268	72,437	15,533	219,099
Accumulated depreciation	累計折舊	-	(9,731)	(2,739)	(21,591)	(9,037)	(43,098)
Net book amount	賬面淨值	4,157	112,973	1,529	50,846	6,496	176,001
Year ended 31 December 2009	截至二零零九年十二月三十一日 止年度						
Opening net book value	期初賬面淨值	4,157	112,973	1,529	50,846	6,496	176,001
Additions	添置	3,242	4,407	98	34,281	1,943	43,971
Disposals	出售	-	-	(8)	(136)	(459)	(603)
Depreciation	折舊	-	(4,799)	(702)	(12,160)	(2,080)	(19,741)
Transfer from subsidiaries	轉撥自附屬公司	-	15	15	9,055	121	9,206
Reclassifications	重新分類	-	(47)	3	10	34	-
Closing net book amount	期末賬面淨值	7,399	112,549	935	81,896	6,055	208,834
At 31 December 2009	於二零零九年十二月三十一日						
Cost	成本	7,399	127,082	4,395	119,405	16,779	275,060
Accumulated depreciation	累計折舊	-	(14,533)	(3,460)	(37,509)	(10,724)	(66,226)
Net book amount	賬面淨值	7,399	112,549	935	81,896	6,055	208,834
Year ended 31 December 2010	截至二零一零年十二月三十一日 止年度						
Opening net book value	期初賬面淨值	7,399	112,549	935	81,896	6,055	208,834
Additions	添置	1,112	-	10	26,145	2,376	29,643
Disposals	出售	-	-	-	(664)	(127)	(791)
Depreciation	折舊	-	(4,912)	(314)	(18,040)	(2,346)	(25,612)
Reclassifications	重新分類	(4,353)	4,353	-	(19)	19	-
Closing net book amount	期末賬面淨值	4,158	111,990	631	89,318	5,977	212,074
At 31 December 2010	於二零一零年十二月三十一日						
Cost	成本	4,158	131,435	4,405	144,824	18,281	303,103
Accumulated depreciation	累計折舊	-	(19,445)	(3,774)	(55,506)	(12,304)	(91,029)
Net book amount	賬面淨值	4,158	111,990	631	89,318	5,977	212,074

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財務報表附註

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

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 RMB134,092,000 and RMB100,644,000 respectively (2009: RMB132,764,000 and RMB104,171,000 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:

Outside Hong Kong held on:	香港以外地區：
Leases of over 50 years	50年以上之租約
Leases of between 10 to 50 years	10年至50年之租約
Opening carrying amount	期初賬面值
Annual charge of prepaid operating lease payments	預付經營租賃付款之年費
Closing carrying amount	期末賬面值

Bank borrowings are secured on the land of a subsidiary of the Company for the carrying amount of RMB11,566,000 (2009: RMB11,836,000).

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134,092,000元及人民幣100,644,000元(二零零九年：分別為人民幣132,764,000元及人民幣104,171,000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：

Group 本集團		Company 本公司	
2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
906	971	906	971
19,969	20,430	8,403	8,594
20,875	21,401	9,309	9,565
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
21,401	21,927	9,565	9,821
(526)	(526)	(256)	(256)
20,875	21,401	9,309	9,565

銀行借款乃以本公司一間附屬公司賬面值分別為人民幣11,566,000元(二零零九年：人民幣11,836,000元)的一幅土地作抵押。

Notes to the Financial Statements

財務報表附註

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

15. GOODWILL

Group

Opening and closing carrying amount, as previously reported	期初及期末賬面值 · 如前呈報			
Prior year adjustment (note 2.1)	過往年度調整(附注2.1)			
Opening and closing carrying amount, as restated	期初及期末賬面淨值 (經重列)			
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 2010 comprises goodwill arising from the acquisitions of Launch Software and Launch Europe GmbH amounting to approximately RMB1.2 million and RMB1.0 million respectively at the respective dates of acquisition.

15. 商譽

集團	2009	2008
二零一零年	二零零九年	二零零八年
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
	(Restated)	(Restated)
	(經重列)	(經重列)
Opening and closing carrying amount, as previously reported	3,658	3,658
Prior year adjustment (note 2.1)	(1,497)	(1,497)
Opening and closing carrying amount, as restated	2,161	2,161
Closing carrying amount		
Gross carrying amount	2,221	2,221
Accumulated amortisation	(60)	(60)
Closing net carrying amount	2,161	2,161

於二零一零年十二月三十一日之商譽，包括因收購元征軟件及Launch Europe GmbH而產生之商譽，於各收購日期分別約人民幣1,200,000元及人民幣1,000,000元。

Notes to the Financial Statements

財務報表附註

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

15. GOODWILL (Continued)

The carrying amount of goodwill is allocating to the cash generating unit of the provision of products and services serving the automotive aftermarket and the automobile industry. Based on the impairment assessment of the recoverable amount of goodwill using the value-in-use calculations, covering a four-year cash-flow projections up to year 2014, in the opinion of the directors, no impairment provision is considered necessary for the balance of the Group's goodwill for the year (2009: Nil).

The key assumptions used for value in use calculation were as follows:

Growth rate	增長率
Discount rate	折現率

The key assumptions also include stable profit margins, which have been determined based on past performance. The discount rate used is pre-tax and reflect specific risk relating the cash generating unit of the provision of products and services serving the automotive aftermarket and the automobile industry.

Apart from the considerations described above in determining the value in use of cash generating unit above, the Group's management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

15. 商譽(續)

商譽之賬面值分配至向汽車售後市場及汽車行業提供產品及服務之現金產生單位。採取使用價值法對商譽可收回金額作減值測試，涵蓋至二零一四年止四年的預計現金流量進行貼現。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(二零零九年：無)。

計算使用價值採用之主要假設如下：

	2010 二零一零年	2009 二零零九年
	10.00%	10.00%
	5.99%	6.40%

主要假設亦包括穩定之溢利率，乃根據過往表現釐定。所採用的折現率為稅前並反映有關向汽車售後市場及汽車行業提供產品及服務之現金產生單位有關的特定風險。

除於釐定上述現金產生單位使用價值時考慮的因素外，本集團管理層現時並不知悉任何其他可能將需要改變其主要估計的變動。

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財務報表附註

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

16. DEVELOPMENT COSTS

16. 開發成本

		Group		Company	
		集團		公司	
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Opening carrying amount	期初賬面值	51,522	47,008	12,776	14,372
Development labour cost capitalised (note 6)	開發勞動成本撥作資本(附註6)	12,495	16,638	-	2,477
Development expenses capitalised	開發開支撥作資本	3,248	-	-	-
Transfer from a subsidiary	轉撥自一間附屬公司	-	-	20,241	-
Amortisation charge (note 6)	攤銷費用(附註6)	(13,588)	(12,124)	(4,262)	(4,073)
Closing carrying amount	期末賬面值	53,677	51,522	28,755	12,776
Gross carrying amount	賬面總值	122,385	106,642	82,303	33,737
Accumulated amortisation	累計攤銷	(68,708)	(55,120)	(53,548)	(20,961)
Closing carrying amount	期末賬面值	53,677	51,522	28,755	12,776

All amortisation is included in "research and development expenses" in the statement of comprehensive income.

所有攤銷計入全面收益表「研發費用」內。

Notes to the Financial Statements

財務報表附註

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

17. INVESTMENTS IN SUBSIDIARIES

17. 於附屬公司之投資

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
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 2010 are as follows:

於二零一零年十二月三十一日，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公司	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公司	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	Limited liability company	Germany	DM50,000	100%	–	Sales of accessories, equipment and machines for the automotive aftermarket
Launch Europe GmbH	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	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	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 2010 截至二零一零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
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January	於一月一日之結餘	7,186	9,759	19,110	16,350
Further investment	進一步投資				
in an associate	於一間聯營公司	-	2,760	-	2,760
Share of associate's results	應佔聯營公司業績	(5,208)	(5,333)	-	-
Provision for impairment	減值撥備	-	-	(7,615)	-
Balance at 31 December	於十二月三十一日之結餘	1,978	7,186	11,495	19,110

Particulars of the associate at 31 December 2010 are as follows:

於二零一零年十二月三十一日，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")	RMB218,500,000	RMB191,257,000	PRC	13.8%
上海元征愛思開汽車服務有限公司 ("SK Launch")	人民幣218,500,000元	人民幣191,257,000元	中國	13.8%

The associate has a reporting date of 31 December.

聯營公司之報告日期為十二月三十一日。

Notes to the Financial Statements

財務報表附註

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

18. INTERESTS IN AN ASSOCIATE (Continued)

During the year ended 31 December 2009, the board of directors of SK Launch approved an increase in registered capital from RMB118,500,000 to RMB218,500,000 and agreed that the existing shareholders of SK Launch were committed to inject the additional capital in proportion to their shareholding. As at 31 December 2009, the investment in the associate amounting to RMB2,760,000 was fully paid by the Company. There was no capital injection made during the year ended 31 December 2010. The remaining unpaid capital contribution of RMB11,040,000 was recorded as a capital commitment at 31 December 2010 (2009: RMB11,040,000) as disclosed in note 36 to the financial statements.

The summarised financial information of the associate extracted from its management accounts are as follows:

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

18. 於一間聯營公司之權益(續)

截至二零零九年十二月三十一日止年度內，SK Launch 董事會批准將註冊資本由人民幣 118,500,000 元增加至人民幣 218,500,000 元，並同意 SK Launch 現任股東承諾按彼等所持股份比例額外注入資本。於二零零九年十二月三十一日，於聯營公司之投資為數人民幣 2,760,000 元已由本公司悉數支付。截至二零一零年十二月三十一日止年度，並無作出任何資本注資。於二零一零年十二月三十一日，剩下未付出資人民幣 11,040,000 元(二零零九年：人民幣 11,040,000 元)已按資本承擔列賬(如財務報表附註 36 所披露)。

摘自其管理層賬目之本集團聯營公司財務資料概要如下：

	2010	2009
	二零一零年	二零零九年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	93,657	113,439
	10,363	8,604
	54,508	53,572
	(37,744)	(38,651)

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財務報表附註

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

19. CLUB MEMBERSHIP

19. 會所會藉

		Group and Company 集團及公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Lifetime club membership, at cost	終生會所會藉·按成本列賬	1,177	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藉。

20. INVENTORIES

20. 存貨

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Raw materials	原材料	47,207	38,228	35,596	29,139
Work in progress	半成品	14,846	8,281	12,991	6,490
Finished goods	製成品	34,118	38,091	24,036	33,691
		96,171	84,600	72,623	69,320

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

21. TRADE RECEIVABLES

The fair values of trade receivables are as follows:

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款	240,644	252,891	221,318	231,489
Less: provision for impairment of trade receivables	減：應收貿易賬款 減值撥備	(15,274)	(12,286)	(13,077)	(11,100)
		225,370	240,605	208,241	220,389

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 2010:

應收貿易賬款之公平值如下：

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二零一零年十二月三十一日之賬齡分析：

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 6 months	六個月內	88,276	119,874	74,538	101,592
Over 6 months but less than 1 year	六個月以上但少 於一年	63,490	47,870	62,004	47,154
Over 1 year but less than 2 years	一年以上但 少於兩年	64,308	72,861	62,403	71,643
Over 2 years	兩年以上	9,296	-	9,296	-
		225,370	240,605	208,241	220,389

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財務報表附註

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

21. TRADE RECEIVABLES (Continued)

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

		Group		Company	
		集團	公司	集團	公司
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January	於一月一日之結餘	12,286	10,363	11,100	9,600
Amount written off	撇銷金額	-	(763)	-	-
Impairment loss charged to the statement of comprehensive income	於全面收益表內扣除之減值虧損	2,988	2,686	1,977	1,500
Balance at 31 December	於十二月三十一日之結餘	15,274	12,286	13,077	11,100

At each reporting 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.

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 does not hold any collateral over these balances, whether determined on individual or collective basis.

21. 應收貿易賬款(續)

就應收貿易賬款的減值作出撥備的變動如下：

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。

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

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21. TRADE RECEIVABLES (Continued)

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

		Group 集團		Company 公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
		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
Neither past due nor impaired	並無逾期或減值	88,276	119,874	74,538	101,592
Overdue within 1 year	逾期一年以下	137,094	120,731	133,703	118,797
		225,370	240,605	208,241	220,389

As at 31 December 2010, Company's and Group's trade receivables of RMB74,538,000 and RMB88,276,000 respectively (2009: RMB101,592,000 and RMB119,874,000) that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default. Trade 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. The Group does not hold any collateral over these balances.

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	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
		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\$")	美元	175,841	161,294	168,587	156,240

21. 應收貿易賬款(續)

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：

於二零一零年十二月三十一日，本公司及本集團之應收貿易賬款分別為人民幣74,538,000元及人民幣88,276,000元（二零零九年：人民幣101,592,000元及人民幣119,874,000元），既未逾期亦未減值，與大量並無拖欠歷史之客戶有關。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貿易賬款，包括一般銷售予該等客戶及該等客戶之付款，董事認為並無跡象顯示拖欠。本集團並無就此等結餘持有任何抵押品。

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：

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

22. BILLS RECEIVABLES

The fair values of bills receivables are as follows:

22. 應收票據

應收票據之公平值如下：

	Group		Company	
	集團	公司	集團	公司
	2010	2009	2010	2009
	二零一零年	二零零九年	二零一零年	二零零九年
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Bills receivables aged within 6 months				
賬齡在六個月以內之應收票據	17,371	9,600	16,316	9,600

23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

23. 其他應收款項、按金及預付款項

	Group		Company	
	集團	公司	集團	公司
	2010	2009	2010	2009
	二零一零年	二零零九年	二零一零年	二零零九年
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Deposits	375	384	–	–
Prepayments	1,564	8,994	1,236	8,787
Other receivables	56,777	97,886	53,581	90,074
Software tax refundable	4,411	4,461	355	355
Value added tax	20,864	18,708	20,864	22,960
Dividend receivable from a subsidiary	–	–	36,000	40,500
	83,991	130,433	112,036	162,676
Less: provision for impairment on prepayments and other receivables	(8,552)	(8,401)	(8,322)	(8,401)
	75,439	122,032	103,714	154,275

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

23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The movement in the provision for impairment on prepayments and other receivables is as follows:

		Group 集團		Company 公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
		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
Balance at 1 January	於一月一日之結餘	8,401	2,497	8,401	2,497
Impairment loss recognised/(recovered)	減值虧損已確認/ (已收回)	151	5,904	(79)	5,904
Balance at 31 December	於十二月三十一日之結餘	8,552	8,401	8,322	8,401

Other receivables are assessed to be impaired individually at each reporting date and impairment loss of the Company and the Group amounting to RMB8,322,000 (2009: RMB8,401,000) and RMB8,552,000 (2009: RMB8,401,000) respectively has been made as at 31 December 2010. The individually impaired receivables are recognised based on the indication of financial difficulties and default in payments. Consequently, specific impairment provision was recognised. The Group does not hold any collateral over these balances.

Included in other receivables are advances to the staff of the Group and the Company which amounted to RMB3,324,000 and RMB3,012,000 respectively (2009: RMB4,765,000 and RMB4,549,000) in aggregate. Such advances are unsecured, interest-free and repayable on demand.

23. 其他應收款項、按金及預付款項(續)

就其他應收款項及預付款項的減值作出撥備的變動如下：

其他應收款項於各報告日期個別評估減值及本公司及本集團之減值虧損人民幣8,322,000元(二零零九年：人民幣8,401,000元)及人民幣8,552,000元(二零零九年：人民幣8,401,000元)已分別於二零一零年十二月三十一日作出。個別應收款項減值乃根據財政困難和拖欠款項之指示確認。因此，已確認具體減值撥備。本集團並無就該等結餘持有任何抵押品。

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3,324,000元及人民幣3,012,000元(二零零九年：人民幣4,765,000元及人民幣4,549,000元)。此類墊款並無抵押、免息及須於接獲通知時償還。

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財務報表附註

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

24. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

24. 按公平值計入損益之金融資產

		Group and Company 集團及公司	
		2010 二零一零年	2009 二零零九年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Fair value through profit or loss	按公平值計入損益		
– Financial asset held for trading	– 持作出售之金融資產	10,000	–

In the opinion of the directors, the carrying amount of the financial asset held for trading approximates to its fair value as it was acquired close to the reporting date.

董事認為，持作出售之金融資產之賬面值與其公平值相若，因其於接近報告日期被收購。

The financial asset held for trading was subsequently disposed after the reporting date.

該持作出售之金融資產其後於報告日期後出售。

25. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

As at 31 December 2010, the amounts due are unsecured, interest-free and repayable on demand. As at 31 December 2009, the amounts due were unsecured and except for an amount of RMB20,000,000 due from a subsidiary which was interest-bearing at prevailing market rate and repayable within one year, the balance due from/(to) subsidiaries were interest-free and repayable on demand.

25. 附屬公司欠款／(欠附屬公司款項)

於二零一零年十二月三十一日，該款項為無抵押、免息及按要求償還。於二零零九年十二月三十一日，除金額為人民幣20,000,000元之附屬公司欠款按現行市場利率計息及須於一年內償還外，附屬公司欠款／(欠附屬公司款項)之結餘為免息及按要求償還。

The directors consider that the carrying amounts of the balances approximate their fair value.

董事認為，該等結餘之賬面值與彼等公平值相若。

26. AMOUNT DUE FROM AN ASSOCIATE

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

26. 一間聯營公司欠款

該款項為無抵押、免息及於按要求時償還。

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27. PLEDGED/RESTRICTED BANK DEPOSITS

As at 31 December 2009, the balance represented deposits in respect of an agreement entered into with a customer which placed in a designated bank account of the Group and the Company. Such deposits were available to be used when the relevant project commenced. Due to the fact that the project had been commenced, the restricted deposits were released during the year.

28. CASH AND CASH EQUIVALENTS

Included in bank and cash balances of the Group and the Company is RMB319,246,000 and RMB316,875,000 (2009: RMB230,129,000 and RMB227,425,000) of bank balances denominated in RMB placed with banks in the PRC, respectively. 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 reporting date, the cash and bank balances of the Group are denominated in RMB of RMB320,813,000 (2009: RMB230,376,000), US\$ of RMB33,289,000 (2009: RMB8,370,000), Euro ("EUR") of RMB1,160,000 (2009: RMB3,601,000) and other currencies of RMB1,000 (2009: RMB1,000).

27. 有抵押／有限制銀行存款

於二零零九年十二月三十一日，結餘指就與客戶訂立之協議存於本集團及本公司指定銀行賬戶之存款。該存款於項目開始時可獲使用。由於項目已開始的事實，限制存款於年內解除。

28. 現金及現金等價物

計入本集團及本公司銀行及現金結餘分別為存放於中國以人民幣計值之銀行結餘人民幣319,246,000元及人民幣316,875,000元(二零零九年：人民幣230,129,000元及人民幣227,425,000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320,813,000元(二零零九年：人民幣230,376,000元)以人民幣計值、人民幣33,289,000元(二零零九年：人民幣8,370,000元)以美元計值、人民幣1,160,000元(二零零九年：人民幣3,601,000元)以歐元計值及人民幣1,000元(二零零九年：人民幣1,000元)以其他貨幣計值。

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29. TRADE PAYABLES

The ageing analysis of trade payables as at 31 December 2010 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

29. 應付貿易賬款

於二零一零年十二月三十一日，應付貿易賬款之賬齡分析如下：

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
		97,422	82,927	33,309	50,776
		4,657	5,082	590	1,180
		3,949	868	1,727	122
		106,028	88,877	35,626	52,078

30. BANK 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流動部分
Non-current portion included under non-current liabilities	包括於非流動負債項下之非流動部分

30. 銀行借貸

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
		305,000	280,000	305,000	250,000
		1,318	80,856	-	80,000
		306,318	360,856	305,000	330,000
		(305,393)	(360,590)	(305,000)	(330,000)
		925	266	-	-

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

30. BANK BORROWINGS (Continued)

As at 31 December 2010, the Group's and the Company's borrowings were repayable as follows:

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within one year	一年內	305,393	360,590	305,000	330,000
In the second year	於第二年	264	266	-	-
In the third to the fifth year	由第三年至第五年	661	-	-	-
		306,318	360,856	305,000	330,000

All bank borrowings are repayable in one to five years since the draw down date. Bank borrowings for the Group of RMB211,318,000 (2009: RMB310,856,000) and for the Company of RMB210,000,000 (2009: RMB280,000,000) bear fixed interest rate from 4.86% to 5.31% (2009: 4.86% to 7.47%) and from 4.86% to 5.31% (2009: 4.86% to 7.47%) per annum respectively. The remaining borrowings of the Group and the Company bear floating rates ranging from 4.86% to 6.95% (2009: 4.78% to 6.34%) per annum.

At 31 December 2010, the banking facilities of certain subsidiaries and the Company, were secured by land and buildings of the Group as detailed in notes 13 and 14 and personal guarantee provided by certain shareholders/directors. Such banking facilities amounted to RMB708,523,000 (2009: RMB579,310,000) to the Group and RMB675,000,000 (2009: RMB534,500,000) to the Company respectively. The Group and the Company had utilised an amount of RMB306,318,000 (2009: RMB360,856,000) and RMB305,000,000 (2009: RMB330,000,000) respectively, at 31 December 2010.

30. 銀行借貸(續)

於二零一零年十二月三十一日，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五年後償還。本集團及本公司的銀行借貸分別為人民幣211,318,000元(二零零九年：人民幣310,856,000元)及人民幣210,000,000元(二零零九年：人民幣280,000,000元)，分別按固定年利率4.86厘至5.31厘(二零零九年：4.86厘至7.47厘)及4.86厘至5.31厘(二零零九年：4.86厘至7.47厘)計息。本集團及本公司的其餘借貸以介乎4.86厘至6.95厘(二零零九年：4.78厘至6.34厘)之浮動年利率計息。

於二零一零年十二月三十一日，若干附屬公司及本公司之銀行融資以本集團之土地、樓宇(如附註13及14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708,523,000元(二零零九年：人民幣579,310,000元)，本公司之銀行融資則為人民幣675,000,000元(二零零九年：人民幣534,500,000元)。於二零一零年十二月三十一日，本集團及本公司已動用人民幣306,318,000元(二零零九年：人民幣360,856,000元)及人民幣305,000,000元(二零零九年：人民幣330,000,000元)。

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30. BANK 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	公司	集團	公司
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
EUR	歐元	1,318	856	–	–

30. 銀行借貸(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：

31. DEFERRED TAX

Details of the deferred tax asset recognised and movements during the current and prior years:

Group		Others
集團		其他
		RMB'000
		人民幣千元
At 1 January 2009 and 31 December 2009	於二零零九年一月一日及 二零零九年十二月三十一日	–
Credited to profit or loss for the year	計入年內損益	11
At 31 December 2010	於二零一零年十二月三十一日	11

31. 遞延稅項

本年度及過往年度之已確認遞延稅項資產詳情及變動：

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31. DEFERRED TAX (Continued)

At the reporting date, the Group's unused tax losses available for offset against future profits, not recognised as deferred tax asset, is analysed as follows:

Unused tax losses 未動用稅項虧損

The deferred tax asset is not recognised as it is uncertain whether future taxable profit will be available for utilising the accumulated tax losses. Under the current tax legislation in the PRC, the tax losses can be carried forward for five years from the year when the corresponding loss was incurred.

As at 31 December 2010, the Group and the Company did not have material unprovided deferred tax liabilities (2009: Nil).

32. 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 2009 and 2010 於二零零九年及二零一零年十二月三十一日

31. 遞延稅項(續)

於報告日，本集團的未動用稅務虧損可抵銷未來利潤，不確認為遞延稅項資產，分析如下：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
194,758	228,386

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。根據中國現行稅務法例，稅務虧損可由產生虧損之年起計結轉五年。

於二零一零年十二月三十一日，本集團及本公司並無重大未提供之延遲稅項負債(二零零九年：無)。

32. 股本

	Number of shares 股份數目	Registered, issued and fully paid 註冊、已發行 及實收
Domestic and unlisted foreign shares 內資及未上市外資股	H Shares H股	RMB'000 人民幣千元
'000 千股	'000 千股	
Share capital of RMB0.10 each 每股面值人民幣0.10元之股本	330,000	55,800
Issue of H Shares 發行H股	-	4,560
At 31 December 2009 and 2010 於二零零九年及二零一零年十二月三十一日	330,000	60,360

32. SHARE CAPITAL (Continued)

- (a) 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.
- (b) Pursuant to a special resolution of the Company passed on 19 April 2010, every ten domestic and unlisted foreign shares and H Shares of RMB0.1 each of the Company was approved to consolidate into one consolidated share of RMB1 each (the “Shares Consolidation”). The Shares Consolidation was subsequently effective on 15 February 2011.

As a result of the Shares Consolidation, the registered, issued and fully paid share capital of the Company became RMB60,360,000 divided into 33,000,000 domestic and unlisted foreign shares per RMB1 each and 27,360,000 H Shares per RMB1 each.

33. 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.

32. 股本(續)

- (a) 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。
- (b) 根據本公司於二零一零年四月十九日通過的一項特別決議案，每十股每股面值人民幣0.1元之本地非上市海外股份及H股股份合併為一股每股面值人民幣1元之合併股份(「股份合併」)。股份合併其後於二零一一年二月十五日生效。

由於股份合併，本公司之已註冊已發行繳足股本變為人民幣60,360,000元，分拆為33,000,000股每股面值人民幣1元之本地非上市海外股份及27,360,000股每股面值人民幣1元之H股股份。

33. 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、公益金及保留溢利之性質及用途於下文附註(b)載列。

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33. RESERVES (Continued)

(b) Company

		Share premium	Statutory surplus reserve	Public welfare fund	Retained profits	Total
		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 2009	於二零零九年一月一日	284,210	19,380	19,380	1,000	323,970
Disapproval of 2008 proposed final dividend	未獲批准之二零零八年建議 之末期股息	-	-	-	12,072	12,072
Profit for the year	年度溢利	-	-	-	16,957	16,957
2009 proposed final dividend	二零零九年擬派末期股息	-	-	-	(18,108)	(18,108)
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	284,210	19,380	19,380	11,921	334,891
Profit for the year	本年度溢利	-	-	-	57,391	57,391
At 31 December 2010	於二零一零年十二月三十一日	284,210	19,380	19,380	69,312	392,282

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.

33. 儲備(續)

(b) 公司

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。

33. RESERVES (Continued)**(b) Company (Continued)**

Notes: (Continued)

(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 tax 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.

(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. 儲備 (續)**(b) 公司 (續)**

附註：(續)

(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。

(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。

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34. OPERATING LEASE COMMITMENTS

As at 31 December 2010, 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	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within one year	一年內	2,211	2,191	1,008	852
In the second year to fifth year	第二年至第五年	4,851	5,546	197	190
After the fifth year	五年以上	1,450	3,243	–	–
		8,512	10,980	1,205	1,042

The Group leases a number of properties under operating leases. The leases run for an initial period of one to seven (2009: one to seven) years, with an option to renew the lease and renegotiate the terms at the expiry date or at dates as mutually agreed between the Group and respective landlords/lessors. The lease payments are fixed and no arrangements have been entered into for contingent rental payments.

34. 經營租約承擔

於二零一零年十二月三十一日，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：

本集團根據經營租約租賃多項物業。租約之初步年期為一年至七年（二零零九年：一年至七年），本集團及各自業主／出租人有權選擇續新租約及於到期日或共同協定之日期重新磋商其中條款。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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35. FUTURE OPERATING LEASE ARRANGEMENTS

As at 31 December 2010, 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	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within one year	一年內	9,581	7,791	12,929	11,139
In the second year to fifth year	第二年至第五年	5,552	11,207	5,626	17,976
		15,133	18,998	18,555	29,115

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 four (2009: one to four) 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

於二零一零年十二月三十一日，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（初步年期為一年至四年（二零零九年：一年至四年）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
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
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	15,249	16,272	14,920	16,272
– acquisition of plant and equipment	– 收購廠房及設備	–	1,520	–	1,520
– capital injection to an associate	– 向一間聯營公司注資	11,040	11,040	11,040	11,040
		26,289	28,832	25,960	28,832

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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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 not less than those charged to and contracted with other third party customers of the Group.

The directors are of the opinion that the key management personnel were the directors and the supervisors of the Company and certain highest paid employees, details of whose emoluments are set out in note 7.

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：

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元
323	1,548

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。

董事認為，主要管理人員為本公司之董事及監事及若干最高薪僱員，其酬金詳情載於附註 7。

除上述及財務報表其他部分所披露者外，本集團於年內並無訂立任何重大關連人士交易。

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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 2.14 and 2.20 to the financial statements respectively.

(i) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group and the Company have no significant interest bearing assets apart from cash and bank deposits. The Group and the Company currently have bank borrowings with fixed and floating interest rates as disclosed in note 30.

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2.14及2.20。

(i) 利率風險

利率風險指有關金融工具之公平值或現金流量因市場利率變動而波動之風險。除現金及銀行存款外，本集團及本公司並無重大計息資產。本集團及本公司現時之銀行借貸以定息及浮息計息(見附註30之披露)。

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40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(i) Interest rate risk (Continued)

Sensitivity analysis

At 31 December 2010, the Group and the Company were exposed to changes in market interest rates through their 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% (2009: +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 reporting date. All other variables are held constant.

40. 財務風險管理及政策 (續)

(i) 利率風險 (續)

敏感度分析

於二零一零年十二月三十一日，本集團及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% (二零零九年：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。

	Group 集團				Company 公司			
	2010 二零一零年	2010 二零一零年	2009 二零零九年	2009 二零零九年	2010 二零一零年	2010 二零一零年	2009 二零零九年	2009 二零零九年
	+1%	-1%	+1%	-1%	+1%	-1%	+1%	-1%
	RMB'000							
	人民幣千元							
Net profit/(loss) for the year and retained earnings	493	(493)	(175)	175	450	(450)	(165)	165

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財務報表附註

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40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(ii) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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.

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. However, the Group mainly exposes to foreign currency risk arising from the Group's financial assets and liabilities denominated in US\$.

The overall net exposure in respect of the carrying amount of the Group's and Company's foreign currency denominated financial assets and liabilities in net position, translated into RMB at the closing rate, are as follows:

		Group 集團		Company 公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
		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
Net financial assets	金融資產淨值				
US\$	美元	198,130	169,549	200,142	203,481

40. 財務風險管理及政策(續)

(ii) 外匯風險

外匯風險指因匯率變動而導致金融工具之公平值或未來現金流量出現波動之風險。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。

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。然而，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。

本集團及本公司以外匯計值之金融資產及負債之賬面淨值(已按收市匯率換算為人民幣)所面對之整體淨風險如下：

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

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(ii) Foreign currency risk (Continued)

Sensitivity analysis

A 5% strengthening/weakening of RMB against US\$ as at the respective reporting 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 has been determined based on the assumed percentages changes in foreign currency exchange rates taking place at the beginning of the financial year and held constant throughout the year. It also assumes that all other variables, in particular interest rates, remain constant.

40. 財務風險管理及政策 (續)

(ii) 外匯風險 (續)

敏感性分析

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。此分析乃以外匯匯率於財政年度初期產生假設百分比變動及於整個年度保持不變為基礎釐定，亦假設所有其他變數（特別是利率）維持不變。

	Increase/ (Decrease) 增加／(減少)	Increase/(Decrease) in profit for the year and retained earnings 本年度利潤及保留盈利增加／(減少)			
		Group 集團		Company 公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
		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
If RMB strengthen 如人民幣兌美元轉強 against US\$	5%	(9,907)	(8,477)	(10,007)	(10,174)
If RMB weaken 如人民幣兌美元轉弱 against US\$	(5%)	9,907	8,477	10,007	10,174

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40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(iii) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations.

The Group's and the Company's maximum exposure to credit risk on recognised financial assets are limited to the carrying amount at the reporting date as summarised below:

40. 財務風險管理及政策(續)

(iii) 信貸風險

信貸風險指金融工具之對手方未能按金融工具之條款履行責任，並導致本集團錄得財務虧損之風險。本集團之信貸風險主要來自其一般業務過程中授予客戶之信貸。

本集團及本公司有關已確認金融資產之最高信貸風險以結算日之賬面值為限，概述如下：

Classes of financial assets – carrying amount	金融資產類別 – 賬面值	Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Trade and bills receivables	應收貿易賬款及應收票據	242,741	250,205	224,557	229,989
Other receivables and deposits	其他應收款項及按金	48,600	89,869	81,259	122,173
Amount due from a subsidiary	一間附屬公司欠款	–	–	32,085	20,000
Amount due from an associate	一間聯營公司欠款	108	374	87	353
Pledged/Restricted bank deposits	有抵押/有限制 銀行存款	–	675	–	675
Cash and bank balances	現金及銀行結餘	355,263	242,348	349,981	235,662
		646,712	583,471	687,969	608,852

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(iii) Credit risk (Continued)

The credit risk on pledged/restricted bank deposits and cash and cash equivalents is limited because the counterparties are banks with high credit-ratings.

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. None of the financial assets of the Group and the Company are secured by collateral or other credit enhancements.

See note 21 to these financial statements for further details of the Group's exposures to credit risk on trade receivables.

40. 財務風險管理及政策 (續)

(iii) 信貸風險 (續)

有抵押／有限制銀行存款及現金及現金等價物之信貸風險有限，原因為對手方均為具有高信用評級之往來銀行。

本集團之策略為持續監控應收結餘。減值撥備已作出以減少有關應收款項之信貸風險。除此之外，本集團並無有關其他金融資產信貸風險之重大集中。本集團及本公司之金融資產概無以抵押品或其他信貸增強措施作抵押。

有關本集團應收貿易賬款信貸風險之進一步詳情，請參見本財務報表附註21。

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40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(iv) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. 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 reporting 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 reporting 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

流動資金風險乃與本集團未能通過交付現金或其他金融資產之方式履行金融負債相關責任之風險有關。本集團就清償應付貿易賬款及其財務責任以及現金流量管理而承受流動資金風險。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 2010 截至二零一零年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

40. 財務風險管理及政策(續)

(iv) Liquidity risk (Continued)

(iv) 流動資金風險(續)

2010

二零一零年

		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	
		Carrying undiscouted	year or on	second	to the	Carrying undiscouted	Carrying undiscouted	year or on	second	to the	
		amount	cash flow	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	或要求時	第二年	第五年	賬面金額	現金總流量	或要求時	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	應付貿易賬款	106,028	106,028	106,028	-	-	35,626	35,626	35,626	-	-
Other payables and accrued charges	其他應付款項及應計費用	30,050	30,050	30,050	-	-	19,932	19,932	19,932	-	-
Bank borrowings	銀行借貸	306,318	310,848	309,814	373	661	305,000	309,359	309,359	-	-
		442,396	446,926	445,892	373	661	360,558	364,917	364,917	-	-

Notes to the Financial Statements

財務報表附註

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

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(iv) Liquidity risk (Continued)

2009

		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				合約未貼現	於一年內			
		賬面金額	現金總流量	或要求時	第二年 第三至第五年		賬面金額	現金總流量	或要求時	第二年 第三至第五年	
		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	88,877	88,877	88,877	-	-	52,078	52,078	52,078	-	-
Other payables and accrued charges	其他應付款項及應計費用	19,789	19,789	19,789	-	-	14,706	14,706	14,706	-	-
Bank borrowings	銀行借貸	360,856	374,014	373,703	311	-	330,000	338,757	338,757	-	-
		469,522	482,680	482,369	311	-	396,784	405,541	405,541	-	-

(v) Fair value measurement

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)

二零零九年

		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				合約未貼現	於一年內			
		賬面金額	現金總流量	或要求時	第二年 第三至第五年		賬面金額	現金總流量	或要求時	第二年 第三至第五年	
		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	88,877	88,877	88,877	-	-	52,078	52,078	52,078	-	-
Other payables and accrued charges	其他應付款項及應計費用	19,789	19,789	19,789	-	-	14,706	14,706	14,706	-	-
Bank borrowings	銀行借貸	360,856	374,014	373,703	311	-	330,000	338,757	338,757	-	-
		469,522	482,680	482,369	311	-	396,784	405,541	405,541	-	-

(v) 公平值

由於本集團金融資產及金融負債即時到期或年期短，故該等金融資產及金融負債之公平值與其賬面值並無重大差別。借貸非流動部分之賬面值與期公平值相若，因為董事認為其利率與相似金融工具之現行市場利率接近。

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(v) Fair value measurement (Continued)

The following table presents financial asset measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels of the fair value hierarchy as defined in HKFRS 7 Financial Instruments: Disclosures which is determined based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following levels:

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

40. 財務風險管理及政策(續)

(v) 公平值(續)

下表呈列根據公平值級別於財務狀況表內以公平值計量之金融資產。金融資產根據計量該等金融資產公平值所用重大輸入數據之相對可靠程度可分為三個公平值級別(定義見香港財務報告準則第7號金融工具:披露):

- 第一級: 相同資產及負債於活躍市場之報價(未經調整);
- 第二級: 第一級所包括報價以外就資產或負債直接(即價格)或間接(即源自價格)觀察所得輸入數值; 及
- 第三級: 並非以觀察所得市場數據(不可觀察數據)為準之資產或負債輸入數值。

Notes to the Financial Statements

財務報表附註

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

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

(v) Fair value measurement (Continued)

The financial asset measured at fair value in the consolidated statement of financial position is grouped into the fair value hierarchy as follows:

As at 31 December 2010
於二零一零年十二月三十一日

Financial asset held for trading 持作交易之金融資產

The financial instrument entered into by the Group is not traded on active markets. The fair value of such contract is estimated using a valuation technique that maximises the use of observable market inputs e.g. market currency and interest rates (Level 2).

(vi) Summary of financial assets and liabilities by category

The carrying amounts presented in the statement of financial position related to following categories of financial assets and liabilities: See notes 2.14 and 2.20 for explanations about how the category of financial instruments affects their subsequent measurement.

40. 財務風險管理及政策(續)

(v) 公平值(續)

財務狀況表內以公平值計量之金融資產分為以下公平值級別：

Level 1	Level 2	Level 3
第一級	第二級	第三級
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元

–	10,000	–
---	--------	---

本集團訂立之金融工具並無交投活躍之市場。此類合約之公平值以重估技術使可觀察之市場數據(如貨幣及利率(第二級))最大化而估計。

(vi) 按類別劃分金融資產及負債概要

於財務狀況表呈列之賬面金額與下列金融資產及負債之類別有關。請參閱附註2.14及2.20，了解金融工具類別如何影響其後計量的解釋。

Notes to the Financial Statements

財務報表附註

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

40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

40. 財務風險管理及政策 (續)

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

(vi) 按類別劃分金融資產及負債概要 (續)

		Group 集團		Company 公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
		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
<i>Financial assets</i>	金融資產				
Cash and cash equivalents	現金及現金等價物	355,263	242,348	349,981	235,662
Fair value through profit or loss	按公平值計入損益表之				
Held for trading	持作出售	10,000	–	10,000	–
Loan and receivables	貸款及應收款項				
Trade receivables	應收貿易賬款	225,370	240,605	208,241	220,389
Bills receivables	應收票據	17,371	9,600	16,316	9,600
Other receivables and deposits	其他應收款項及按金	48,600	89,869	81,259	122,173
Amount due from a subsidiary	一間附屬公司欠款	–	–	32,085	20,000
Amount due from an associate	一間聯營公司欠款	108	374	87	353
Pledged/Restricted bank deposits	有抵押/有限制銀行存款	–	675	–	675
		656,712	583,471	697,969	608,852
<i>Financial liabilities at amortised cost</i>	按攤銷成本記賬之金融負債				
Trade payables	應付貿易賬款	106,028	88,877	35,626	52,078
Other payables and accrued charges	其他應付款項及應計費用	30,050	19,789	19,932	14,706
Bank borrowings	銀行借貸	306,318	360,856	305,000	330,000
		442,396	469,522	360,558	396,784

Notes to the Financial Statements

財務報表附註

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

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.

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.

41. 資本管理政策及程序

本集團之資本管理目標為：

- (i) 確保本集團持續經營的能力；
- (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。

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。

Notes to the Financial Statements

財務報表附註

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

41. CAPITAL MANAGEMENT POLICIES AND PROCEDURES (Continued)

41. 資本管理政策及程序(續)

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

於結算日淨債項調整資本比率如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列)
Current liabilities	流動負債		
Trade payables	應付貿易賬款	106,028	88,877
Other payables and accrued charges	其他應付款項及應計費用	30,050	19,789
Bank borrowings	銀行借貸	305,393	360,590
		<hr/> 441,471	<hr/> 469,256
Non-current liabilities	非流動負債		
Bank borrowings	銀行借貸	925	266
		<hr/>	<hr/>
Total debt	總債項	442,396	469,522
Add: Proposed dividend	加：建議股息	-	18,108
Less: Cash and cash equivalents	減：現金及現金等價物	(355,263)	(242,348)
		<hr/>	<hr/>
Net debt	淨債項	87,133	245,282
		<hr/>	<hr/>
Total equity	總權益	654,164	566,848
Less: Proposed dividend	減：建議股息	-	(18,108)
		<hr/>	<hr/>
Adjusted capital	經調整資本	654,164	548,740
		<hr/>	<hr/>
Debt-to-adjusted capital ratio	債項調整資本比率	13%	45%

Financial Summary

財務摘要

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	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	2006 二零零六年 RMB'000 人民幣千元
Revenue	收益	661,114	462,440	438,554	412,463	304,211
Cost of sales	銷售成本	(383,442)	(257,149)	(229,196)	(183,766)	(141,283)
Gross profit	毛利	277,672	205,291	209,358	228,697	162,928
Other income	其他收入	37,742	36,335	29,184	23,650	19,831
Selling expenses	銷售開支	(66,061)	(59,305)	(71,869)	(74,284)	(64,909)
Administrative expenses	行政費用	(64,499)	(53,449)	(61,346)	(44,582)	(37,708)
Research and development expenses	研發費用	(27,744)	(20,297)	(17,212)	(16,027)	(12,853)
Other operating expenses	其他經營開支	(17,619)	(15,784)	(38,095)	(30,087)	(19,085)
Finance costs	財務成本	(16,883)	(20,054)	(26,973)	(23,166)	(8,147)
Share of results of an associate	應佔一間聯營 公司業績	(5,208)	(5,333)	(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	117,400	67,404	20,170	61,448	39,096
Income tax expense	所得稅支出	(12,308)	(5,353)	(7,339)	(101)	2,033
Profit for the year	本年度溢利	105,092	62,051	12,831	61,347	41,129
Dividends	股息	-	18,108	12,072	30,180	19,530
		RMB 人民幣	RMB 人民幣 (Restated) (經重列)	RMB 人民幣 (Restated) (經重列)	RMB 人民幣 (Restated) (經重列)	RMB 人民幣 (Restated) (經重列)
Earnings per share for profit attributable to owners of the Company	本公司擁有人 應佔每股溢利					
- Basic	- 基本	1.74	1.03	0.21	1.09	0.74
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列)	2008 二零零八年 RMB'000 人民幣千元 (Restated) (經重列)	2007 二零零七年 RMB'000 人民幣千元 (Restated) (經重列)	2006 二零零六年 RMB'000 人民幣千元 (Restated) (經重列)
Total assets	總資產	1,118,396	1,036,386	918,674	962,917	777,301
Total liabilities	總負債	(464,232)	(469,538)	(414,065)	(440,856)	(359,639)
Shareholder's equity	股東權益	654,164	566,848	504,609	522,061	417,662

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 11:00 a.m. on 26 April 2011 (Tuesday) for the following purposes:

- I. To pass the following matters as ordinary resolutions:
 1. To consider and pass the Directors’ Report for the year 2010;
 2. To consider and pass the Supervisory Committee’s Report for the year 2010;
 3. To consider and pass the audited consolidated financial statements of the Company and its subsidiaries for the year 2010;
 4. To consider and pass plans to re-appoint BDO Limited as independent auditor of the Company for the year 2011 and to authorise the board of Directors to fix their remunerations;
 5. To handle any other matters.

茲通告，深圳市元征科技股份有限公司（「本公司」）謹定於二零一一年四月二十六日（星期二）上午十一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. 審議並通過本公司二零一零年度董事會報告書；
 2. 審議並通過本公司二零一零年度監事會報告書；
 3. 審議並通過本公司及其附屬公司二零一零年度之經審核綜合財務報表；
 4. 審議並通過續聘香港立信德豪會計師事務所有限公司出任本公司二零一一年度獨立核數師並授權董事會決定其酬金的方案；
 5. 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 resolution:

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 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；

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- (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

7 March 2011

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

二零一一年三月七日

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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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai 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 26 March 2011 to 26 April 2011, 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 25 March 2011.
5. Shareholders entitled to attend the AGM are requested to deliver the confirmation slip for attendance to (i) the principal place of business of the Company in the PRC (for holders of domestic shares of the Company); or (ii) the Company's H share registrar (for holders of H shares of the Company) on or before 6 April 2011.

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灣仔皇后大道東一八三號合和中心十七M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. 本公司將於二零一一年三月二十六日至二零一一年四月二十六日(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二零一一年三月二十五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二零一一年四月六日或之前以書面回覆(i)(就本公司內資股持有人而言)本公司於中國之主要營業地點；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*)

Ms. Liu Ping

Non-executive Director

Ms. Liu Yong

Ms. Liu Xiaohua

Independent Non-executive Directors

Mr. Jiang Chao

Mr. Liu Yuan

Dr. Zou Shulin

SUPERVISORS

Mr. Sun Zhongwen

Mr. Du Xuan

Mr. Wang Xi Lin

QUALIFIED ACCOUNTANT

Mr. Liu Chun Ming, FCCA

COMPANY SECRETARY

Mr. Liu Chun Ming, FCCA

REMUNERATION COMMITTEE

Mr. Liu Jun

Dr. Zou Shulin

Mr. Liu Yuan

NOMINATION COMMITTEE

Mr. Liu Xin

Dr. Zou Shulin

Mr. Liu Yuan

董事會

執行董事

劉新先生 董事長

劉均先生 行政總裁

劉平女士

非執行董事

劉庸女士

劉曉華女士

獨立非執行董事

蔣超先生

劉遠先生

鄒樹林博士

監事

孫中文先生

杜宣先生

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

薪酬委員會

劉均先生

鄒樹林博士

劉遠先生

審核委員會

劉新先生

鄒樹林博士

劉遠先生

AUDIT COMMITTEE

Mr. Jiang Chao
Mr. Liu Yuan
Dr. Zou Shulin

COMPLIANCE OFFICER

Mr. Liu Jun

AUTHORISED REPRESENTATIVES

Mr. Liu Jun
Mr. Liu Chun Ming, FCCA

AUDITOR

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught 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

審核委員會

蔣超先生
劉遠先生
鄒樹林博士

監察主任

劉均先生

法定代表

劉均先生
廖俊明先生，FCCA

核數師

香港立信德豪會計師事務所有限公司
執業會計師
香港干諾道中
永安中心25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

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

中國深圳市福田區益田路6003號
榮超中心A棟10樓
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
Bank of Jiangsu Shenzhen Branch

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
江蘇銀行深圳分行

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

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

REGISTERED OFFICE

2-8/F
Xin Yang Building
Bagua Number Four Road
Futian District
Shenzhen, the PRC

註冊辦事處

中國深圳市福田區
八卦四路新陽大廈
二至八層

PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

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

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

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

- From 26 March 2011 to 26 April 2011, 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 25 March 2011.

香港主要營業地點

香港
中環德輔道中 26 號
永安中區大廈
18 樓 1801 室

股票編號

8196

網站

www.cnlaunch.com

股東週年大會之截止過戶日期

- 二零一一年三月二十六日至二零一一年四月二十六日(首尾兩天包括在內)。
- 所有過戶文件連同有關股票須於二零一一年三月二十五日下午四時三十分前送抵本公司H股股份過戶登記處。

2010



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