



# 中國車輛零部件科技控股有限公司

China Vehicle Components Technology Holdings Limited

(於開曼群島註冊成立之有限公司)(Incorporated in the Cayman Islands with limited liability)  
股份代號: Stock Code: 1269



## ANNUAL REPORT 2012 2012年報



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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. ZHAO Zhijun (*Chief Executive Officer*)

Mr. WANG Wenbo

Ms. YANG Weixia

#### Non-executive Directors

Mr. Wilson SEA (*Chairman, (formerly known as Mr. Xi Chunying)*)

Mr. XIE Qingxi

Mr. FU Pengxu

#### Independent Non-executive Directors

Mr. CHU Kin Wang, Peleus

Mr. LI Zhiqiang

Mr. ZHANG Jinhua

### AUDIT COMMITTEE

Mr. CHU Kin Wang, Peleus (*Chairman*)

Mr. LI Zhiqiang

Mr. ZHANG Jinhua

### REMUNERATION COMMITTEE

Mr. ZHANG Jinhua (*Chairman, from 23 March 2012*)

Mr. ZHAO Zhijun (*Chairman, prior to 23 March 2012*)

Mr. CHU Kin Wang, Peleus

### NOMINATION COMMITTEE

Mr. Wilson SEA (*Chairman*)

Mr. CHU Kin Wang, Peleus

Mr. ZHANG Jinhua

### COMPANY SECRETARY

Mr. HUNG Man Yuk, Dicson

### AUTHORISED REPRESENTATIVES

Mr. HUNG Man Yuk, Dicson

Ms. YANG Weixia

### COMPLIANCE ADVISER

First Shanghai Capital Limited

### PRINCIPAL BANKERS

China Construction Bank Corporation (Nanyang Branch)

Bank of Communications Co., Ltd. (Nanyang Branch)

### 董事會

#### 執行董事

趙志軍先生(*行政總裁*)

王文波先生

楊瑋霞女士

#### 非執行董事

Wilson SEA先生(*主席*)

(*前稱席春迎先生*)

謝清喜先生

付蓬旭先生

#### 獨立非執行董事

朱健宏先生

李志強先生

張進華先生

#### 審核委員會

朱健宏先生(*主席*)

李志強先生

張進華先生

#### 薪酬委員會

張進華先生(*主席* · 於二零一二年三月二十三日起)

趙志軍先生(*主席* · 於二零一二年三月二十三日前)

朱健宏先生

#### 提名委員會

Wilson SEA先生(*主席*)

朱健宏先生

張進華先生

#### 公司秘書

洪旻旭先生

#### 授權代表

洪旻旭先生

楊瑋霞女士

#### 合規顧問

第一上海融資有限公司

#### 主要往來銀行

中國建設銀行股份有限公司(南陽分行)

交通銀行股份有限公司(南陽分行)

## AUDITORS

Deloitte Touche Tohmatsu  
Certified Public Accountants

## REGISTERED OFFICE

Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman KY1-1111  
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 390, 3rd Floor, Peninsula Centre  
67 Mody Road, Tsimshatsui East  
Kowloon  
Hong Kong

## PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 76 Laojie, Xichuan County  
Henan Province  
PRC

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Wanchai  
Hong Kong

## HONG KONG STOCK EXCHANGE STOCK CODE

1269

## COMPANY WEBSITE

<http://www.china-cvct.com>

## 核數師

德勤•關黃陳方會計師行  
執業會計師

## 註冊辦事處

Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman KY1-1111  
Cayman Islands

## 香港主要營業地點

香港  
九龍  
尖沙咀東部麼地道67號  
半島中心3樓390室

## 中國主要營業地點

中國  
河南省  
浙川縣老街76號

## 股份過戶登記總處

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

## 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
灣仔  
皇后大道東28號  
金鐘匯中心26樓

## 香港聯交所股份代號

1269

## 公司網站

<http://www.china-cvct.com>

# Financial Summary

## 財務資料概要

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last five financial years is as follows:

本集團過往五個財政年度之已刊發業績、資產、負債及非控股權益如下：

### RESULTS

### 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2012	2011	2010	2009	2008
		二零一二年	二零一一年	二零一零年	二零零九年	二零零八年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(Restated)	(Restated)	(Restated)	(Restated)
			(經重列)	(經重列)	(經重列)	(經重列)
Revenue	收益	<b>498,834</b>	556,868	543,716	392,505	297,331
Cost of sales	銷售成本	<b>(400,622)</b>	(436,163)	(417,291)	(307,378)	(232,868)
Gross profit	毛利	<b>98,212</b>	120,705	126,425	85,127	64,463
Other income and expenses, other gains and losses	其他收入及開支、 其他收益及虧損	<b>5,979</b>	53,212	4,224	7,926	12,721
Selling and distribution expenses	銷售及分銷開支	<b>(25,575)</b>	(24,236)	(23,319)	(17,762)	(15,799)
Research and development expenditure	研發支出	<b>(17,600)</b>	(17,743)	(16,299)	(13,348)	(4,174)
Administrative expenses	行政開支	<b>(36,483)</b>	(32,817)	(29,309)	(18,964)	(17,761)
Listing expenses	上市開支	-	(14,908)	(2,599)	-	-
Finance costs	融資成本	<b>(13,317)</b>	(15,113)	(14,921)	(10,975)	(17,242)
Profit before tax	除稅前溢利	<b>11,216</b>	69,100	44,202	32,004	22,208
Taxation	稅項	<b>(3,794)</b>	(12,207)	(6,666)	(3,629)	(3,550)
Net profit	純利	<b>7,422</b>	56,893	37,536	28,375	18,658
Other comprehensive expense: Exchange difference arising on translation	其他全面開支： 換算所產生匯兌 差異	<b>(207)</b>	-	-	-	-
Profit attributable to:	以下人士應佔溢利：					
Equity holders of the Company	本公司股權持有人	<b>7,215</b>	56,893	37,536	28,229	16,051
Non-controlling interests	非控股權益	-	-	-	146	2,607
Earnings per share – Basic (RMB)	每股盈利 – 基本 (人民幣)	<b>0.02</b>	0.23	0.16	0.12	0.07

Note: To conform with the presentation of the financial statements for year ended 31 December 2012, warranty expenses in the consolidated statements of comprehensive income for previous years shown above have been re-presented.

註：為與截至二零一二年十二月三十一日止年度財務報表的呈列方式達成一致，以上陳列之綜合全面收益表所載保修開支費用已按相同方式進行重列。

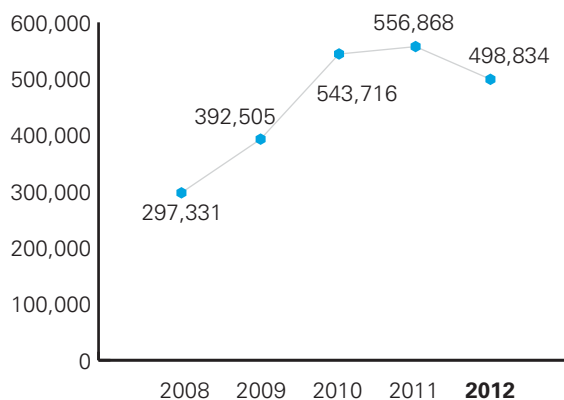
		<b>As at 31 December</b>				
		於十二月三十一日				
		<b>2012</b>	2011	2010	2009	2008
		二零一二年	二零一一年	二零一零年	二零零九年	二零零八年
		<b>RMB'000</b>	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current assets	非流動資產	<b>561,344</b>	449,026	318,711	204,787	180,419
Current assets	流動資產	<b>384,047</b>	455,521	411,191	544,160	340,510
Total assets	資產總值	<b>945,391</b>	904,547	729,902	748,947	520,929
Current liabilities	流動負債	<b>(580,024)</b>	(462,911)	(614,919)	(585,454)	(425,741)
Total assets less current liabilities	資產總值減流動負債	<b>365,367</b>	441,636	114,983	163,493	95,188
Non-current liabilities	非流動負債	<b>(83,828)</b>	(167,312)	(48,728)	(45,013)	(14,870)
Owner's equity	擁有人權益	<b>281,539</b>	274,324	66,255	118,480	80,318
Non-controlling interests	非控股權益		-	-	-	7,109
Equity attributable to owners of the Company	本公司擁有人應佔權益	<b>281,539</b>	274,324	66,255	118,480	73,209

The financial information for each of the three years ended 31 December 2010 has been prepared upon the Reorganisation as if the group structure, at the time when the Shares were listed on the Stock Exchange, had been in existence throughout the years concerned. The results for each of the three years ended 31 December 2010, and the assets, liabilities and non-controlling interests as at 31 December 2008, 2009 and 2010 have been extracted from the Prospectus.

截至二零一零年十二月三十一日止三個年度各年度的財務資料已於重組時編製，猶如集團架構（股份於聯交所上市時）於整個年度已經存在。截至二零一零年十二月三十一日止三個年度各年度之業績、二零零八年、二零零九年及二零一零年十二月三十一日的資產、負債及非控股權益已於招股章程中摘錄。

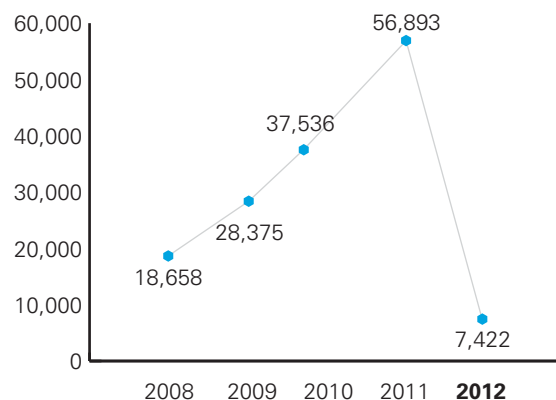
## REVENUE 收入

RMB('000) 人民幣千元



## NET PROFIT 純利

RMB('000) 人民幣千元



# Chairman's Statement

## 主席致辭

Dear valued shareholders,

On behalf of the board of directors of China Vehicle Components Technology Holdings Limited (the "Company"), I am pleased to present the annual report of the Company for the year ended 31 December 2012.

As the largest independent manufacturer of shock absorbers in the PRC, the Company has set the industry benchmark by its strong technological capabilities, excellent product quality, good customer base, advanced cost advantages as well as solid R&D and sales capabilities after more than 60 years of development. Owing to the determination and dynamism of all staff, the Company successfully listed on the Stock Exchange in November 2011 not only laid an important milestone in its history, but also enlarged its capital base, accelerated the business growth, strengthened its competitive edge and further enhanced the Company's leading position in the industry as well.

Looking back into 2012, to respond to the changes and challenges of the automotive market in the PRC, the Company expedited the integration of products, technologies and brand resources. By expanding production facilities and improving manufacturing technologies, our annual production capacity has increased significantly to 15 million units of shock absorbers from 8 million units. In respect of market expansion, the Company not only actively explored new customers in China's OEM market, but also fortified efforts to enter the overseas markets such as Europe and USA and to develop the high speed railway segment. Meanwhile, in order to improve the overall research and development capabilities, the Company took steps to establish the overseas research and development centre on the base of our research centre in China to ensure that our products can satisfy customer demands in domestic and overseas markets.

Furthermore, as private automobile ownership continued to grow, the Company actively developed the after-sales market, strengthening the leading position of the "Danjiang" brand in the market.

Looking forward to 2013, the Company will further improve the modern corporate governance system. We take measures to strengthen the Board's strategic guidance for the Group by setting up the Strategic Development Committee in an attempt to formulate a clearer planning and direction for further development of the Company. In respect of the market, focus will be laid on sales and market development. While increasing marketing efforts, the Company will continue to implement the international marketing strategies so as to make sure that the ramp-up production capacity can match with the sales and thus resulted a greater market share. In addition, we will also initiate recruitment strategy for high-end technical professionals and explore partnership with players having leading market resources. By introducing advanced international technologies, carrying out possible merger and acquisition, speeding up the integration of downstream and upstream along the industrial chain, we set to expedite the overall development pace to strengthen the leading position of the Company.

I would like to take this opportunity to express my heartfelt gratitude to all Shareholders and investors for their generous support, to all directors for their sincere guidance, to all government officials for their assistance, as well as to all our customers and business partners for their trust and cooperation. Meanwhile, we would also like to thank all staff within the Company for their dedication and hard working. We believe we will continue to grow strong and set sail towards creating greater value for all Shareholders.

**Wilson SEA**

*Chairman and Non-executive Director*

28 March 2013

# Chairman's Statement

## 主席致辭

致尊敬的股東：

本人欣然代表中國車輛零部件科技控股有限公司（「本公司」）董事會提呈本公司截至二零一二年十二月三十一日止年度之年度報告。

作為中國最大的獨立汽車減振器製造商，本公司歷經60多年的發展，憑藉雄厚的技術實力、一流的產品質量、優質的客戶基礎、領先的成本優勢和強大的研發及銷售能力，在中國汽車減振器市場上樹立了行業的標杆。經過全體員工勵精圖治、奮發圖強，本公司於二零一一年十一月在香港聯合交易所成功上市，不僅確立了公司發展史上的一個重要里程碑，擴大了資本基礎，同時亦加快了業務發展，強化了競爭優勢，進一步提升了本公司在業界的領導地位。

回顧二零一二年，為積極應對中國汽車市場環境的變化及挑戰，本公司加快了產品、技術和品牌資源的整合，透過擴充生產設施及提升生產技術水平，使汽車減震器年產能由800萬個大幅增至1,500萬個。在市場拓展方面，本公司不單積極開發國內原設備製造商中的新客戶，更努力實施進入歐洲、北美等海外市場及高速鐵路細分市場之計劃。同時，為持續提升整體研發實力，本公司在國內研發中心的基礎上，逐步推進位於歐洲的海外研發中心之建立，以保證產品能夠充分滿足海內外各區分市場的不同需求。

同時，針對國內汽車保有量持續增加，本公司積極開拓汽車售後市場，鞏固旗下「丹江」品牌於市場的地位。

展望二零一三年，本公司將進一步完善現代企業管理體系，通過增設戰略發展委員會等舉措強化董事會對公司的戰略指導，為公司未來發展制定更為明晰的規劃和方向；市場方面，我們將重點著力於促進銷售及開發市場，在增強國內市場營銷力度的同時，繼續推進國際化營銷戰略，力爭使大幅提升後的產能與市場銷售實現匹配，並令市場佔有率獲得更大提升。此外，我們將實施高端專業技術人才引進戰略，並不斷尋求機會與具備市場資源優勢的業內企業展開合作，及引進、吸收國際先進生產技術，亦會考慮通過可能的併購機會，加速實現產業鏈上下游的一體化布局，加快企業整體發展的步伐，鞏固本公司在行業中的領導地位。

本人願藉此機會，再次衷心感謝公司股東及投資者一直以來的信任與支持、各位董事的躬親指導、各級政府領導的關懷與幫助、各方客戶及業務夥伴的精誠合作，以及公司全體員工的不懈奮鬥。我們堅信本公司必將不負眾望，把握機遇，直面未來，在廣闊的市場中乘風破浪並不斷發展壯大，為全體股東創造豐厚的投資回報。

主席兼非執行董事

**Wilson SEA**

二零一三年三月二十八日





# Management Discussion and Analysis

## 管理層討論及分析



*"Due to changes in the domestic and global economies and the overall market environment, the Group's business encountered challenges in 2012. Nevertheless, we achieved significant progress in the expansion of our production capacity and the development of our domestic aftermarket, thanks to the great efforts of our entire staff. With support of the automotive components industry from the Chinese government, we will continue to implement the Group's strategy, establish and consolidate its leading position in the industry as well as deliver long-term value to our shareholders."*

*Mr. Zhao Zhijun, CEO and Executive Director*

### INTRODUCTION

Engaged in the research and development, design, manufacturing and sale of various automobile shock-absorbers, the Group has over 60 years of experience in the automobile industry. After years of development, the Group has become a leading independent supplier of automobile shock-absorbers in the PRC and has established stable long-term business relationships with leading automobile manufacturers in the PRC, including FAW-Volkswagen, Chery, Haima Auto, Dongfeng Automobile, Beijing Automobile, Changan Automobile, Chongqing Lifan, Geely, Jianghuai Automobile, SAIC Motor and Dongfeng Peugeot.

「2012年，儘管由於國內外經濟及市場環境的變化，本集團業務遇到了一定的挑戰，但憑藉集團全員的努力拼搏，我們仍在提升集團產能及拓展國內售後市場方面取得顯著成績。在中國政府對汽車零部件產業的政策支持下，我們將堅定不移的貫徹集團之戰略部署，建立和鞏固行業領導地位，並為股東創造長遠的價值。」

趙志軍先生，行政總裁兼執行董事

### 緒言

本集團的主要業務為研發、設計、生產和銷售各類車輛減振器，在業內擁有超過60年的歷史及經驗。經過多年的發展，我們已經成為中國領先的獨立汽車減振器供應商，並與一汽大眾、奇瑞、海馬汽車、東風汽車、北京汽車、長安汽車、重慶力帆、吉利、江淮汽車、上海汽車、東風標緻等中國領先的汽車製造商建立了長期穩定的業務關係。

## MARKET REVIEW

Due to the slowdown of the macro-economy of the PRC and the continuously sluggish external environment, the growth of automobile sales in the PRC was slow. During the year ended 31 December 2012, the sales volume of automobiles in the PRC achieved 19,306,400 units, representing a slight increase of approximately 4.33% over the corresponding period of 2011 (Source: China Association of Automobile Manufacturers <http://www.caam.org.cn/zhengche/20130111/1605085434.html>). With close links to the automobile manufacturing industry, the automotive component industry was considerably affected. In light of the unfavorable market environment, some domestic-branded automakers reduced their orders to component suppliers. Meanwhile, domestic consumer price index in the PRC has been increasing along with rising costs for labour and raw materials, which brought adverse effects to the Group's operation.

The Group's main products are shock-absorbers for various types of vehicles and are mainly sold to domestic OEM and domestic after-sales market customers. The Group is well-known for its diversified and comprehensive product range which covers a wide range of car types. The Group's current suite of automobile shock-absorber products comprises eleven series, with more than 200 product models. In November 2012, the Group was awarded again the honorable designation of national high and new technology enterprise. With two major production bases in Xichuan County, Nanyang City, Henan Province in the PRC with a total of 8 production lines, the Group's annual production capacity for the year ended 31 December 2012 reached 8 million units of automobile shock-absorbers. The Group sold approximately 4,422,000 units of automobile shock-absorbers for the year ended 31 December 2012, representing a decrease of approximately 558,000 units or 11.2% when compared to that of the last year. The Group's operating revenue amounted to RMB498.8 million, representing a decrease of RMB58.0 million or 10.4% when compared to that of the last year. Profit attributable to shareholders amounted to RMB7.4 million, representing a decline of RMB49.5 million or 87.0%. Basic earnings per share amounted to RMB2 cents. In terms of principal business segments, domestic OEM business achieved a sales income of RMB445.1 million, accounting for 89.2% of the total income, while the domestic automobile aftermarket business achieved a sales income of RMB53.7 million, accounting for 10.8% of the total income.

## 市場回顧

由於中國宏觀經濟增速下滑及國外經濟環境的持續低迷，中國汽車銷量增速緩慢，於截至二零一二年十二月三十一日止年度，中國實現汽車銷量約1930.64萬輛，較二零一一年同期錄得輕微增長約4.33%（資料來源：中國汽車工業協會<http://www.caam.org.cn/zhengche/20130111/1605085434.html>）。作為與汽車製造業息息相關的行業，汽車零部件行業相應受到較大影響，在整體市場不景氣的情況下，部分國產品牌的整車企業減少了對零部件供應商的採購訂單；同時，隨著近年來中國內地消費價格指數的不斷攀升，國內勞動力成本以及原材料成本亦有不同程度的上升，以上因素都給本集團的經營帶來不利影響。

本集團的主要產品為適用於各種類型汽車的專業減振器，主要銷往國內原設備製造商及國內售後市場客戶。本集團以產品種類多、品種齊全、覆蓋車型廣泛著稱，目前的汽車減振器產品包括11個系列，超過200款產品。於二零一二年十一月，我們再次獲得國家高新技術企業稱號。我們在中國河南省南陽市淅川縣擁有兩個主要生產基地，合計8條生產線，於截至二零一二年十二月三十一日止年度，本集團年產能達800萬個汽車減振器。於截至二零一二年十二月三十一日止年度，本集團共銷售汽車減振器約442.2萬個，較去年減少55.8萬個，減少11.2%。本集團實現營業收入人民幣498.8百萬元比去年減少人民幣58.0百萬元或10.4%。股東應佔溢利為人民幣7.4百萬元，同比減少人民幣49.5百萬元，達87.0%。基本每股盈利為人民幣2分。按主要業務分部劃分，國內原設備製造商業務實現銷售收入人民幣445.1百萬元，佔總收入的89.2%，國內汽車售後市場業務實現銷售收入人民幣53.7百萬元，佔總收入的10.8%。

## Management Discussion and Analysis

### 管理層討論及分析

#### DOMESTIC OEM MARKET

In 2012, as the downturn trend of the domestic automobile industry in 2011 continued, domestic automakers generally reduced their production volume, leading to a drop in demand and orders for the Group's products. For the year ended 31 December 2012, the Group's sales volume of shock-absorbers in the domestic OEM market amounted to 3,742,000 units, representing a decrease of approximately 728,000 units or 16.3% when compared to that of 2011. Under this backdrop, the sales income derived from the domestic OEM market for the year ended 31 December 2012 amounted to RMB445.1 million, representing a decline of RMB72.7 million or approximately 14% when compared to that of the corresponding period of 2011.

#### DOMESTIC AFTER-SALES MARKET

Despite the low demand from the domestic OEM market, the Group stepped up its efforts to expand its after-sales market and developed new products. With unremitting dedication to the development of the after-sales market, the sales volume of the Group recorded a respectable growth despite the unfavorable market environment. For the year ended 31 December 2012, the Group's sales income derived from the domestic after-sales market amounted to RMB53.7 million, representing an increase of RMB14.7 million or approximately 37.7% over that of 2011, which was mainly driven by the growth in sales volume. For the year ended 31 December 2012, the Group's sales volume generated from the aftermarket was approximately 680,000 units, up by approximately 33.4% over that of 2011.

#### 國內原設備製造商市場

於二零一二年，由於國內汽車行業延續了二零一一年度的低迷發展，部分國產品牌汽車製造商普遍縮減產量，從而導致對本集團的產品需求及訂單開始減少，於截至二零一二年十二月三十一日止年度，本集團國內原設備製造商市場減振器的銷量為374.2萬個，較二零一一年減少約72.8萬個或16.3%。在此情況下，本集團國內原設備製造商市場於截至二零一二年十二月三十一日止年度的銷售收入錄得人民幣445.1百萬元，較二零一一年同期減少人民幣72.7百萬元，約14%。

#### 國內售後市場

儘管國內原設備製造商市場的需求低迷，但本集團通過積極開拓售後市場客戶，開發新產品，不斷增加對售後市場的拓展力度，使本集團的銷售量在不利的市場環境下，於國內售後市場取得了不俗的增長。於截至二零一二年十二月三十一日止年度，本集團於國內售後市場的銷售收入達人民幣53.7百萬元，較二零一一年增長14.7百萬元，約37.7%。銷售收入的增長主要由銷售數量的增加所帶動，於截至二零一二年十二月三十一日止年度，本集團於售後市場的產品銷量約為68.0萬個，較二零一一年度增長約33.4%。



## OUTLOOK

The year of 2012 is an important transitional year for the PRC government's "12th Five-Year Plan". In order to maintain a steady and moderate economic growth, the PRC government has continued to implement policies to stimulate domestic demand, and continues to carry out the structural adjustment of specific sectors based on its industrial revitalization plan. As one of the ten industries to be developed under the revitalization plan, the organizational structure of the automobile industry will be optimized and upgraded, thereby driving the consumption of automobiles as well as facilitating the fast recovery and long-term development of the domestic automarket. The Group is confident about the prospects of the automobile industry in the PRC. Meanwhile, the "Foreign Investment Industrial Guidance Catalogue (as amended in 2011) (《外商投資產業指導目錄(二零一一年修訂)》)", which was effective from 30 January 2012, has made corresponding adjustments to the policies governing the automobile industry by moving the focus from "automobile manufacturing" to "production, research and development of major components". On 22 January 2013, twelve ministries (including the Ministry of Industry and Information Technology and National Development and Reform Commission) jointly issued the "Guidance on accelerating corporate mergers and restructuring of enterprises in key industries" (關於加快推進重點行業企業兼併重組的指導意見) (below referred as the "Guidance"), underscoring the concentration on development in nine major industries. The Guidance puts forward a number of measures regarding the integration of the automobile industry and targets that by 2015, the top ten automobile market players shall reach a market concentration of over 90%, which would then create three to five sizable automobile conglomerates with core competitive edges. We anticipate that development of automobile players will be increasingly promising. Under these circumstances, the automotive components industry is expected to enjoy more policy supports and encouragement from the State.

Looking ahead, the Group will continue to focus on its business in domestic OEM market in the PRC to reinforce its current leading position in the industry. Meanwhile, it will rapidly increase its market share in the domestic after-sales market and proactively expand into overseas markets. The Group's long-term strategy eyes on establishing and enhancing its leading position in the international OEM market and the domestic after-sales market. The Group will continue to develop its principal business and strengthen its core competitive edges.

## 未來展望

二零一二年是中國實施「十二五」規劃承前啟後的重要一年，中國政府為了保持平穩適度的經濟增長，繼續深入實施擴大內需的戰略舉措，並繼續按照產業振興規劃進行相關產業的結構調整。作為十大產業振興規劃之一的汽車業，勢必將迎來產業結構的優化升級，從而促進汽車消費，帶動國內汽車市場的復蘇及長遠發展，我們對中國汽車行業發展的前景充滿信心。與此同時，自二零一二年一月三十日起執行的《外商投資產業指導目錄(二零一一年修訂)》，亦對汽車行業政策進行了相應的調整，將鼓勵重點由「整車製造」轉變為「關鍵部件的製造和研發」。二零一三年一月二十二日中國工信部、發改委等12個部委聯合發布《關於加快推進重點行業企業兼併重組的指導意見》(下稱《意見》)，提出對九大行業領域為重點加大行業集中度。《意見》中提出數項對汽車行業整合，目標到二零一五年，前10家汽車企業產業集中度逾90%。屆時會形成3至5家具有核心競爭力的大型汽車集團，我們預測汽車企業未來發展方向定是愈大愈強。在此背景下，我們相信汽車零部件行業將會獲得國家更多的政策支持和鼓勵。

展望未來，本集團將繼續以中國原設備製造商市場為主要業務重心，鞏固公司目前在行業內的領先地位，同時加快擴大國內售後市場的佔有率，並積極開拓海外市場。本集團的長遠戰略著眼於在國際原設備製造商市場和國內售後市場建立及鞏固領導地位。本集團將繼續致力於發展主營業務，以及確保公司核心競爭力。

## Management Discussion and Analysis

### 管理層討論及分析

The Group aims to achieve these objectives by implementing the following strategies:

#### (i) Expanding production facilities and enhancing production technologies and efficiency

In order to cope with its plan to expand the product range, market share and new business regions, the Group has expanded production facilities and enhanced production capacity through staged construction and investment by the end of 31 December 2012. Currently, the Group owns fifteen production lines with annual production capacity of approximately 15,000,000 units of automobile shock-absorbers. Meanwhile, the Group also increases the ancillary production capacities of some major components such as piston rods, storage tanks and working cylinders so as to maintain its cost advantage and production quality as well as minimizing its dependence on component suppliers. The expansion of production facilities by the Company in 2012 will help the Group to continue to maintain its leading position in the shock-absorber manufacturing industry in the PRC.

#### (ii) Gaining new customers and opening up new market segments to increase market share

For the year ended 31 December 2012, approximately 89.2% of the Group's revenue was derived from the sales in the domestic OEM market. On the one hand, the Group will continue to supply quality, reliable and high-standard products to those customers and further consolidate the cooperation with them with an aim to be qualified to supply existing customers with shock-absorbers of new car models, and thus increase its market share in the PRC. On the other hand, the Group will continue to gain new customers in the domestic OEM market, as well as extend its reach to the overseas OEMs (such as Europe and North America) who purchase automobile parts and components in the PRC.

本集團將實踐以下的策略以實現目標：

#### (i) 擴充生產設施並提升生產技術及生產效率

為配合擴大產品類別、市場份額及新業務地區的計劃，我們已於二零一二年十二月三十一日前透過分期建設及投資以擴充生產設施並提高產能。目前，我們擁有15條生產線，年產能約為1,500萬個汽車減振器。同時，我們亦同步增加活塞杆、儲油筒及工作筒等主要元件的配套產能，以保持成本優勢及產品質量，降低對元件供應商的依賴。本公司於二零一二年所進行的擴充生產設施，將有助我們繼續保持在中國減振器製造業的翹楚地位。

#### (ii) 開拓新客戶及新的市場分部，提高市場份額

於截至二零一二年十二月三十一日止年度我們約89.2%的收益源自於國內原設備製造商市場的銷售。我們一方面將繼續向該等客戶提供優質、可靠及高標準的產品並進一步鞏固合作關係旨在不斷取得為現有客戶的新型號車輛供應減振器的資格，增加在中國的市場份額；另一方面，我們將繼續開發國內原設備製造商市場上的新客戶，以及於中國本土進行汽車零部件採購的海外原設備市場製造商(如歐洲及北美)。

At the end of June 2012, automobile ownership in the PRC was already over 114,000,000 (source: China Association of Automobile Manufacturers <http://www.caam.org.cn/hangye/20121109/1605081752.html>). The lifetime of automobile shock-absorbers is generally around two years. Accordingly, it is expected that the demand for shock-absorbers in the automobile after-sales market will be significant. For the year ended 31 December 2012, the sales amount in the automobile after-sales market accounted for approximately 10.8% of the Group's revenue. The Group will continuously strive to develop the automobile after-sales market and further increase its market share therein quickly by establishing a nation-wide distribution network.

**(iii) Enhancing the standard of research and development and technologies to strengthen competitiveness**

The Group has obtained approval from the Henan Province Science and Technology Department (河南省科學技術廳) to establish a Technology Research Centre for Shock Absorbers Engineering in Henan Province (河南省汽車減振器工程技術研究中心). Pursuant to the approval, the Group will establish a new domestic R&D centre in 2013 which will be equipped with sophisticated facilities from overseas and qualified and experienced staff will also be recruited, including foreign engineers, to work in this new R&D centre. In December 2012, the Group's overseas R&D centre in Europe was duly put into operation in Asti, Italy, which will substantially enhance the Group's R&D capabilities in overseas shock absorber area and further expand the European and US markets. Meanwhile, it will also help to ensure the industry-leading position of shock absorber technology of the PRC. The Group believes that establishing R&D centres in both the PRC and Europe concurrently will not only substantially enhance its overall R&D capabilities and technology standard, but also build its reputation and improve its corporate image as well as the popularity of its products in the PRC, Europe and North America.

於二零一二年六月底，中國的汽車保有量已超過1.14億輛（資料來源：中國汽車工業協會 <http://www.caam.org.cn/hangye/20121109/1605081752.html>）。汽車減振器的產品壽命一般約為兩年左右。因此，預期汽車售後市場的減振器需求巨大。於截至二零一二年十二月三十一日止年度，汽車售後市場的銷售額佔本集團收益約10.8%。本集團將繼續致力於開發汽車售後市場，通過建立覆蓋全國的分銷網路進一步快速提升於汽車售後市場的份額。

**(iii) 提升研發及技術水準，增強競爭力**

本集團已獲河南省科學技術廳批准成立河南省汽車減振器工程技術研究中心，根據該批准，本集團將於二零一三年成立一個新的國內研發中心，配備從海外進口的先進研發設施，並增聘合資格及經驗豐富的人員，包括招聘境外工程師在此新研發中心任職。於二零一二年十二月，本集團歐洲海外研發中心於意大利(阿斯蒂市)正式運營，此舉將大大提升本集團在海外減振器領域的研發能力，進一步拓展歐美市場。同時，有利於確保中國減振器技術處於行業領先水平。我們相信，同時擁有在中國及歐洲兩個研發中心，不但能夠從實質上提升本集團的整體研發能力及技術水準，亦有助於增加本集團的聲譽、提升本集團在中國、歐洲及北美的企業形象及產品的受歡迎程度。

## Management Discussion and Analysis

### 管理層討論及分析

#### (iv) Maintaining cost advantages

The Group will strive to seek more flexible procurement terms and reduce procurement costs through strengthening the scale of production and product R&D, and capitalizing on the effectiveness of the economies of scale. Meanwhile, the Group will maintain its production cost advantages by upgrading the production lines, improving the level of automation, streamlining the production process, and improving the capability and level of self-production of key components, and therefore improving profit margin and strengthening profitability.

#### (v) Developing the shock absorber market for railway transportation (high speed rails)

Along with the PRC's rapid economic growth over the years, railway transportation in the PRC has made several remarkable achievements, therefore bringing huge potential for the growth of railway shock-absorber market, especially in terms of greater demand for shock absorbers for high speed rails. Through years of R&D and testing, a trial run of railway shock-absorbers developed by the Group was completed. Currently, the Group is proactively seeking to obtain approvals from relevant departments to become a qualified supplier and repairer of railway shock-absorbers. The Group believes that railway transportation (including high speed rails) will become a market with tremendous future growth potential featuring with high profits and entry barriers. Once such approvals have been obtained, the Group will be able to actively participate in the development of railway transportation and capture massive business opportunities arising from this market.

The Group is confident that by implementing the above strategies, it will be able to further strengthen its competitive edges and consolidate its leading position in the market, which will in turn help to satisfy the rising demand and increasingly stringent product requirements of customers, grasp the growth opportunities arisen from the market changes, and create long-term value for shareholders.

#### (iv) 保持成本優勢

本集團將致力於透過擴大生產規模及加強產品研發，利用我們的規模經濟效益取得更為靈活的採購條款並降低採購成本。同時，我們將透過升級生產線、提升自動化水平、簡化生產流程，提高自行生產主要元件的能力及水準，從而保持生產成本的優勢，提高利潤率，不斷增強我們的盈利能力。

#### (v) 開發鐵路運輸(高速鐵路)的減振器市場

隨著多年來中國經濟的高速發展，中國的鐵路運輸亦取得了舉世矚目的發展成就，這為鐵路減振器市場帶來巨大發展潛力，尤其是高速鐵路對減振器的需求較大。透過多年的研發和試驗，由本集團開發的、用於鐵路的減振器已完成試運行。目前，本集團正積極爭取獲得有關部門的批文，成為合資格的鐵路減振器供應商及維修商。我們相信鐵路運輸(包括高速鐵路)將以其高利潤、高准入門檻成為未來增長潛力巨大的市場。當取得准入資質後，本集團即能夠積極參與鐵路運輸的發展，掌握鐵路減振器市場的巨大商機。

我們深信，通過貫徹實施上述的策略，本集團將得以繼續提升競爭優勢，並鞏固集團在市場中的領先地位，滿足客戶不斷增加的需求及對產品日益嚴格的要求，掌握市場變化帶來的增長機遇，並為股東創造長遠的價值。

## FINANCIAL REVIEW

### Revenue

During the year ended 31 December 2012, the Group's revenue decreased by 10.4% to RMB498.8 million from RMB556.9 million in 2011, of which revenue from the OEM Market decreased by 14.0% to RMB445.1 million from RMB517.9 million in 2011, such decrease was mainly due to the declining market demand of the OEM market in the PRC. Revenue from the automobile aftermarket increased by 37.7% to RMB53.7 million from RMB39.0 million in 2011. Such increase was mainly due to the sales contribution resulting from the Group's effort to develop the automobile aftermarket amid the declining demand of the OEM Market in the PRC.

The table below shows an analysis of the Group's sales volume, average selling price and revenue by its business segments for each of the two years ended 31 December 2012 and 2011:

### 財務回顧

#### 收益

於截至二零一二年十二月三十一日止年度，本集團收益由二零一一年人民幣556.9百萬元減少10.4%至人民幣498.8百萬元。其中，原設備製造商市場收益由二零一一年人民幣517.9百萬元減少14.0%至人民幣445.1百萬元，主要是由於國內原設備製造商的市場需求降低。汽車售後市場收益由二零一一年人民幣39.0百萬元增加37.7%至人民幣53.7百萬元。此增幅主要由於本集團在國內原設備製造商需求降低的市場環境下，大力開發售後市場提升該分佈到銷售所致。

下表載列截至二零一二年及二零一一年十二月三十一日止年度各年按各業務分部劃分之本集團銷量、平均銷售價格及收益按各業務分部之分析：

2012	二零一二年	Sales volume 銷量 (Units) (件)	Average selling price 平均銷售價格 (RMB) (人民幣)	Revenue 收益 (RMB'000) (人民幣千元)
OEM market	原設備製造商市場	3,742,008	119.0	445,137
Automobile aftermarket	汽車售後市場	679,801	79.0	53,697
Total	合計	4,421,809		498,834
2011	二零一一年	Sales volume 銷量 (Units) (件)	Average selling price 平均銷售價格 (RMB) (人民幣)	Revenue 收益 (RMB'000) (人民幣千元)
OEM market	原設備製造商市場	4,470,523	115.8	517,861
Automobile aftermarket	汽車售後市場	509,578	76.5	39,007
Total	合計	4,980,101		556,868



## Management Discussion and Analysis

### 管理層討論及分析

#### Cost of sales

During the year ended 31 December 2012, the Group's cost of sales decreased by 8.1% to RMB400.6 million from RMB436.2 million in 2011. Cost of sales for the OEM market decreased by 11.2% to RMB362.8 million from RMB408.8 million in 2011. Such decrease was mainly due to the decreased sales volume and increased production cost. Cost of sales for the automobile aftermarket increased by 38.1% to RMB37.8 million from RMB27.4 million in 2011. Such increase is in line with the growth of business and increase in revenue in the automobile aftermarket.

#### Gross profit

For the year ended 31 December 2012, the overall gross profit decreased by 18.6% to RMB98.2 million from RMB120.7 million for the year ended 31 December 2011.

##### *Gross profit for the OEM market*

The amount of the Group's gross profit decreased by 24.5% from RMB109.1 million for the year ended 31 December 2011 to RMB82.3 million for the year ended 31 December 2012. Such decrease was mainly due to the decreased sales revenue and increased production cost.

##### *Gross profit for the automobile aftermarket*

The amount of the Group's gross profit increased by 36.6% from RMB11.6 million for the year ended 31 December 2011 to RMB15.9 million for the year ended 31 December 2012. Such increase was mainly due to the significant increase in revenue in automobile aftermarket.

#### 銷售成本

於截至二零一二年十二月三十一日止年度期間，本集團之銷售成本由二零一一年人民幣436.2百萬元減少8.1%至400.6百萬元。原設備製造商市場之銷售成本由二零一一年人民幣408.8百萬元減少11.2%至362.8百萬元。此減少主要由於銷量下降及生產成本上升所致。汽車售後市場之銷售成本由二零一一年人民幣27.4百萬元增加38.1%至人民幣37.8百萬元。此增幅與汽車售後市場業務增長及收益增加一致。

#### 毛利

於截至二零一二年十二月三十一日止年度，整體毛利由截至二零一一年十二月三十一日止年度人民幣120.7百萬元減少18.6%至人民幣98.2百萬元。

##### *原設備製造商市場之毛利*

本集團毛利金額由截至二零一一年十二月三十一日止年度人民幣109.1百萬元減少24.5%至截至二零一二年十二月三十一日止年度人民幣82.3百萬元。此減少主要由於銷售收入減少及生產成本上升所致。

##### *汽車售後市場之毛利*

本集團毛利金額由截至二零一一年十二月三十一日止年度人民幣11.6百萬元增加36.6%至截至二零一二年十二月三十一日止年度人民幣15.9百萬元。此增加主要由於汽車售後市場收益大幅上升所致。

The table below shows an analysis of the Group's revenue, gross profit and gross profit margin by its business segments for each of the year ended 31 December 2012 and 2011:

下表載列截至二零一二年及二零一一年十二月三十一日止年度各年按各業務分部劃分之本集團收益、毛利及毛利率之分析：

2012	二零一二年	Revenue 收益 (RMB'000) (人民幣千元)	Gross profit 毛利 (RMB'000) (人民幣千元)	Gross profit margin 毛利率
OEM market	原設備製造商市場	445,137	82,300	18.5%
Automobile aftermarket	汽車售後市場	53,697	15,912	29.6%
Total	合計	498,834	98,212	19.7%

2011	二零一一年	Revenue 收益 (RMB'000) (人民幣千元)	Gross profit 毛利 (RMB'000) (人民幣千元)	Gross profit margin 毛利率
OEM market	原設備製造商市場	517,861	109,058	21.1%
Automobile aftermarket	汽車售後市場	39,007	11,647	29.9%
Total	合計	556,868	120,705	21.7%

### Gross profit margin

For the year ended 31 December 2012, the overall gross profit margin decreased by 2 percentage points to 19.7% from 21.7% for the year ended 31 December 2011. Such decrease was mainly due to the decrease of gross profit margin in OEM market resulting from the decrease of gross profit.

### 毛利率

於截至二零一二年十二月三十一日止年度，整體毛利率由截至二零一一年十二月三十一日止年度21.7%減少2個百分點至19.7%。此減少主要由於原設備製造商市場產品毛利率受其毛利減低所致。

### Other income and expenses, other gains and losses

The other income and expenses, other gains and losses decreased from gain of RMB53.2 million to gain of RMB6.0 million, such significant decrease was mainly due to the compound effect of (i) the decreased government grant received by Nanyang Cijan Auto Shock Absorber Co., Ltd. in 2012; (ii) the increased allowance for doubtful debts made for the relevant trade and other receivables; and (iii) the gain from settlement of legal proceedings recognized in 2011 did not repeat in 2012.

### 其他收入及支出、其他收益及虧損

其他收入及支出、其他收益及虧損由收益人民幣53.2百萬元減少至收益人民幣6.0百萬元，此重大跌幅主要由於(i)南陽漸減汽車減振器有限公司於二零一二年度所收到的政府補貼減少；(ii)相關貿易及其他應收款之呆賬撥備增加所致，以及(iii)二零一一年度來自法律程序的償付收益於二零一二年度不再重複發生。

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#### Selling and distribution expenses

Selling and distribution expenses mainly include salaries and welfare for sales staff, travelling expenses, expenses related to the sales office, expenses related to sales and distribution and entertainment expenses. The selling and distribution expenses increased by 5.5% from RMB24.2 million to RMB25.6 million. Such increase was mainly due to the increase in the marketing expenses and transportation costs which were offset by the decrease in sales volume.

#### Research and development expenses

Research and development expenditure represents the expense on researching and developing absorber related new technologies and products. Expenditure on research activities is recognised as an expense in the period in which it is incurred. The research and development expenditure decreased by 0.8% from RMB17.7 million to RMB17.6 million. Such expense is due to (i) the enhancement on research of applying absorber related technology on different types of vehicles; and (ii) the additional development costs of absorbers for newly developed vehicles.

#### Administrative expenses

Administrative expenses mainly include salaries and welfare for management and administrative staff, amortisation and depreciation, office expenses and utilities, traveling and entertainment. The administrative expenses increased by 11.2% from RMB32.8 million to RMB36.5 million, such increase was in line with (i) the growth in salaries, welfare and related social security fund for the administrative staff; and (ii) increase in professional fees for arranging the listing of the Company's shares on the Main Board of the Stock Exchange on the Listing Date.

#### Finance costs

Finance costs, mainly consisting of interest expenses on bank loans and other finance charges, decreased by 11.9% to RMB13.3 million from RMB15.1 million in 2011. The decrease was mainly due to a higher level of finance cost capitalized compared with 2011 as we had more projects under construction during 2012. During the year, approximately RMB11.1 million (2011: RMB3.3 million) of the interest expense has been capitalized as property under development in respect of the expansion project for Nanyan Xichuan production base.

#### 銷售及分銷開支

銷售及分銷開支主要包括銷售員工之薪金及福利、差旅開支、與銷售辦公室有關的開支、與銷售及分銷有關的開支以及娛樂開支。銷售及分銷開支由人民幣24.2百萬元增加5.5%至人民幣25.6百萬元。此增加主要是由於產品推廣支出以及運輸成本的增加抵消了銷售數量的減少所致。

#### 研發支出

研發支出指研發減振器相關新技術及產品的開支。研究活動的支出於其產生期間確認為開支。研發支出由人民幣17.7百萬元減少0.8%至人民幣17.6百萬元。此支出主要用於(i)加強研究於不同汽車使用減振器相關之技術；及(ii)就新式開發之汽車所用減振器之額外開發成本。

#### 行政開支

行政開支主要包括管理及行政人員的薪金及福利、攤銷及折舊、辦公室開支及公用事業開支、差旅及娛樂。行政開支由人民幣32.8百萬元增加11.2%至人民幣36.5百萬元。此增幅主要由於：(i)行政員工工資、福利及相關的社會保險金增加；(ii)本公司股份於上市日期在聯交所主板上市後，相關的上市專業費用增加。

#### 融資成本

融資成本主要包括銀行貸款的利息開支及其他融資收費，由二零一一年人民幣15.1百萬元減少11.9%至人民幣13.3百萬元。此降幅主要乃由於我們於二零一二年的在建項目較多，因此我們的財務費用資本化水平較二零一一年高所致。於年內，就南陽淅川生產基地的擴展項目之利息開支約人民幣11.1百萬元(二零一一年度：3.3百萬元)已資本化作發展中物業。

### Income tax expense

For the year ended 31 December 2012, the Group's overall income tax expense was approximately RMB3.8 million, decreased by RMB8.4 million or approximately 68.9% as compared with the year ended 31 December 2011. Decrease in income tax expense was mainly due to the decrease in the assessable profits incurred by Nanyang Cijan Auto Shock Absorber Co., Ltd. in 2012.

### Net profit

Net profit for the year decreased by 87.0% from RMB56.9 million to RMB7.4 million. The decrease in the Group's net profit was mainly due to the decrease in the Group's gross profit for the year and other gains and losses as stated above.

## LIQUIDITY AND FINANCIAL RESOURCES

### Net current liabilities

As at 31 December 2012, the Group's net current liabilities increased to RMB196.0 million from RMB7.4 million as at 31 December 2011. Such increase was primarily due to: (i) the decrease in total cash and bank balances of RMB93.3 million and (ii) the increase in bank borrowings due within one year of RMB91.2 million for financing the expansion of production capacity of the Group in 2012.

## FINANCIAL POSITION AND BANK BORROWINGS

As at 31 December 2012, the Group's total cash and bank balances, most of which were denominated in RMB, amounted to approximately RMB71.3 million, representing a decrease of approximately 56.7% as compared with that of approximately RMB164.6 million, most of which were denominated in RMB, as at 31 December 2011. The decrease was primarily attributable to the acquisition of property, plant and equipment for expanding business operations of the Group.

As at 31 December 2012, the Group's total borrowings amounted to approximately RMB346.2 million, representing an increase of approximately 2.7% as compared with that of approximately RMB337.2 million as at 31 December 2011. Out of the total borrowings, short-term bank borrowings due within one year amounted to approximately RMB272.2 million, representing an increase of approximately 50.4% as compared with that of approximately RMB181.0 million as at 31 December 2011, while mid-to-long-term bank borrowings due after one year amounted to approximately RMB74 million, representing a decrease of approximately 52.6% as compared with that of approximately RMB156.2 million as at 31 December 2011.

### 所得稅開支

於截至二零一二年十二月三十一日止年度，本集團整體所得稅開支為約人民幣3.8百萬元較二零一一年十二月三十一日止年度減少人民幣8.4百萬元，約68.9%。所得稅開支減少主要由於二零一二年南陽浙減汽車減振器有限公司之應納稅所得額減少所致。

### 年內純利

年內純利由人民幣56.9百萬元減少87.0%至人民幣7.4百萬元。本集團純利減少主要是由於本年度毛利減少以及上述的其他收入大幅減少所致。

### 流動資金及財務資源

#### 流動負債淨額

於二零一二年十二月三十一日，本集團流動負債淨額由二零一一年十二月三十一日人民幣7.4百萬元增加至人民幣196.0百萬元。此增加主要由於：(i)現金及銀行結餘總額減少人民幣93.3百萬元，及(ii)因於二零一二年撥付本集團產能擴充項目所需資金而令銀行借款於一年內到期數增加人民幣91.2百萬元。

#### 財務狀況及銀行借款

於二零一二年十二月三十一日，本集團現金及銀行結餘總額為約人民幣71.3百萬元(大部以人民幣列值)，與二零一一年十二月三十一日人民幣164.6百萬元比較(大部以港幣及人民幣列值)，減少約56.7%，該減少主要由於收購物業、廠房及設備以擴展本集團業務經營所致。

於二零一二年十二月三十一日，本集團借款總額為約人民幣346.2百萬元，與二零一一年十二月三十一日人民幣337.2百萬元比較，增加約2.7%。其中：於一年內到期之短期銀行借款約人民幣272.2百萬元，與二零一一年十二月三十一日人民幣181.0百萬元比較，增加約50.4%；於一年及以上期限到期之中長期期借款約人民幣74百萬元，與二零一一年十二月三十一日人民幣156.2百萬元比較，減少約52.6%；

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As at 31 December 2012, the Group's gearing ratio, presented as a percentage of total borrowings and bills payable divided by total assets, was approximately 43.0% (2011: approximately 43.3%).

#### WORKING CAPITAL

As at 31 December 2012, the Group's gross inventories, mainly comprising raw materials, work-in-progress and finished products, amounted to approximately RMB79.5 million, representing an increase of 41.6% from approximately RMB56.2 million as at 31 December 2011. The Group's management team reviews and monitors the inventory level regularly. For the year ended 31 December 2012, the average inventory turnover days were 61.8 days (2011: 55.2 days). Inventory turnover days are arrived at by dividing the arithmetic means of the beginning and ending balances of inventory for the relevant period by cost of sales of the same period and multiplied by 365 days.

As at 31 December 2012, the Group's trade receivables amounted to approximately RMB198.4 million, representing an increase of 9.6% from approximately RMB181.0 million as at 31 December 2011. For the year ended 31 December 2012, the average turnover days of trade receivables were 138.8 days (2011: 110.8 days). The increase in the turnover days of trade receivables was mainly because certain OEM market customers made requests to the Group for longer credit periods in light of the slowdown in market growth.

As at 31 December 2012, the Group's trade payables amounted to approximately RMB188.5 million, representing an increase of 9.2% from approximately RMB172.6 million as at 31 December 2011. For the year ended 31 December 2012, the average turnover days of trade payables were 164.5 days (2011: 154.1 days). Trade payable turnover days are calculated by using the average of the beginning and ending trade payable balances of the period, divided by cost of sales for the period and multiplied by 365 days. The increase in the turnover days of trade payables was mainly because the bargaining power of the Group has been relatively higher than that of the suppliers, hence the Group managed to extend the credit period of certain payments beyond the general payment terms, which would to some extent alleviate the negative impact of the increase in both the trade receivables of the Group and trade receivables turnover days on the Group.

於二零一二年十二月三十一日，本集團負債比率（即按借款總額及應付票據總額除以資產總值計算百分比）為約43.0%（二零一一年：約43.3%）。

#### 營運資金

於二零一二年十二月三十一日，本集團總存貨（主要包括原材料、生產中及已製成產品）為約人民幣79.5百萬元，較二零一一年十二月三十一日約人民幣56.2百萬元增加41.6%。本集團管理層定期審閱及監察存貨水平。截至二零一二年十二月三十一日止年度，平均存貨周轉天數為61.8天（二零一一年：55.2天）。存貨周轉天數按於同期年初及年末之存貨結餘的算術平均數除以相關期間銷售成本再乘以365天計算。

於二零一二年十二月三十一日，本集團貿易應收款項為約人民幣198.4百萬元，較二零一一年十二月三十一日約人民幣181.0百萬元增加9.6%。於截至二零一二年十二月三十一日止年度，平均貿易應收款項的周轉天數為138.8天（二零一一年：110.8天）。貿易應收款項周轉天數的上升主要因為若干主要原設備製造商市場客戶要求本集團給予更長信貸期以應對緩慢的市場增長。

於二零一二年十二月三十一日，本集團貿易應付款項為約人民幣188.5百萬元，較二零一一年十二月三十一日約人民幣172.6百萬元增加9.2%。於截至二零一二年十二月三十一日止年度，貿易應付款項之平均周轉天數為164.5天（二零一一年：154.1天）。貿易應付款項周轉天數增加的主要原因為本集團對供應商的議價能力相對較強，因此能夠成功延長若干超出一般支付條款的付款信貸期，此舉將一定程度上減低本集團貿易應收款增加及應收款周轉天數延長給本集團帶來的不利影響。

## CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

For the year ended 31 December 2012, capital expenditures were approximately RMB112.4 million (2011: RMB147.3 million). The Group's capital expenditures are primarily related to acquisition of land use rights, construction of production facilities and expenditures for plant, machinery and equipment for the business expansion of its Nanyang Xichuan production base. The Group has been financing its capital expenditures primarily through cash generated from operations and bank borrowings.

The Group will continue to expand its existing production facilities and construct new plants and new research and development centre as part of its plan to expand production facilities. As at 31 December 2012, the Group had capital commitments for acquisition of plant and machinery of approximately RMB13.4 million (2011: RMB35.0 million).

## INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest earned on the restricted bank balances and bank balances. The Group's borrowings have fixed interest rates and therefore, are subject to fair value interest rate risk. No sensitivity analysis was prepared for restricted bank balances and bank balances as the financial impact arising from the changes in interest rates was minimal. The Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

## FOREIGN EXCHANGE RISK

The businesses of the Group are located in the PRC, and its major operating transactions are dominated in RMB. In addition to certain bank balances and other borrowings of the Group, as well as certain professional expenses payable dominated in HK dollars and US dollars mainly caused by the listing, most of the assets and liabilities of the Group are dominated in RMB. Since RMB is not freely convertible, there exists the risk that the Chinese government may implement measures to interfere with the exchange rates, which in turn may have impact on the Group's net asset value, profit and the dividends declared to the extent that such dividends are subject to foreign exchange, and the Group has no hedging measures against such exchange risks. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

## 資本開支及資本承擔

截至二零一二年十二月三十一日止年度，資本開支為約人民幣112.4百萬元(二零一一年：人民幣147.3百萬元)。本集團資本開支主要有關收購土地使用權、興建生產設施及廠房、機械及設備之開支，以作南陽浙減生產基地之業務拓展。本集團一直主要透過營運及銀行借款產生之現金為其資本開支撥支。

本集團將繼續擴展其現有生產設施及興建新廠房及研發中心，作為擴充生產設施一部份。於二零一二年十二月三十一日，本集團就收購廠房及機械之資本承擔約人民幣13.4百萬元(二零一一年：人民幣35.0百萬元)。

## 利率風險

利率風險為一項金融工具的公平值或未來現金流量將因市場利率改變而波動所帶來的風險。本集團因受限制銀行結餘及銀行結餘所賺取利息的利率改變而面對現金流量利率風險。本集團的借款以固定利率計息，故受公平值利率風險影響。由於利率變動產生的財務影響微不足道，故並無就受限制銀行結餘及銀行結餘編製敏感度分析。本集團監察利率風險，並將於必要時考慮對沖重大利率風險。

## 外匯風險

本集團業務位於中國，而其主要經營交易以人民幣列值。除本集團若干銀行結餘及其他借款，以及主要因上市以港元及美元列值之若干應付專業費用外，本集團大部份資產及負債以人民幣列值。由於人民幣不可自由轉換，故存在著中國政府可能制定措施，干預換算率之風險，繼而對本集團資產淨值、溢利及宣派股息有所影響，該等股息受外匯影響，而本集團並無任何對外匯風險之對沖措施。然而，本集團管理層監察外匯風險及將考慮對沖任何出現之重大外匯風險。

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#### HUMAN RESOURCES

For the year ended 31 December 2012, the Group had 1,418 employees (2011: 1,464 employees) with total remuneration and welfare benefits expenses amounting to approximately RMB46.8 million (2011: RMB45.6 million). The Group's remuneration policy is primarily based on the job responsibilities, work performance and number of years of services of each employee and the current market condition. The Group has also provided internal and external trainings and courses to our employees to encourage self-improvement and enhance their technical skills. The remuneration of the Directors will be determined based on their job duties and responsibilities, experience and current market condition.

#### CONTINGENT LIABILITIES

As at 31 December 2012, the Group did not have any material contingent liabilities.

#### PLEDGE OF ASSETS

As at 31 December 2012, (i) the Group's certain buildings with a net carrying amount of RMB38.5 million (2011: RMB40.2 million), (ii) the Group's leasehold lands with a carrying amount of RMB88.9 million (2011: RMB90.7 million) and (iii) parts of the Group's trade receivables with a net carrying amount of RMB93.2 million (2011: Nil) were pledged to secure the Group's bank loan facilities.

As at 31 December 2012, the Group's certain restricted bank balances with a carrying amount of RMB45.0 million (2011: RMB42.0 million) were pledged to secure the Group's bank bills due within six months or less, which were issued to suppliers for the purchase of raw materials by the Group.

#### MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the 2012 Financial year, there was no material acquisition and disposal of subsidiaries and associated companies by the Company.

#### SIGNIFICANT INVESTMENT HELD

The Group did not have significant investment held as at 31 December 2012.

#### 人力資源

截至二零一二年十二月三十一日止年度，本集團有1,418名僱員(二零一一年：1,464名)，薪酬及福利總開支為約人民幣46.8百萬元(二零一一年：人民幣45.6百萬元)。本集團薪酬政策主要根據各員工之職責、工作經驗及服務年期以及現行市況釐定。本集團亦向僱員提供內部及外部培訓及課程，以鼓勵自我改進及加強彼等專業技術。董事薪酬將根據彼等之職務及職責、經驗及現行市況釐定。

#### 或然負債

於二零一二年十二月三十一日，本集團並無任何重大或然負債。

#### 資產抵押

於二零一二年十二月三十一日，(i)本集團若干樓宇之賬面淨值為人民幣38.5百萬元(二零一一年：人民幣40.2百萬元)，(ii)本集團租賃土地之賬面淨值為人民幣88.9百萬元(二零一一年：人民幣90.7百萬元)，(iii)本集團部分貿易應收款賬面淨值為人民幣93.2百萬元(二零一一年：無)，已抵押作本集團取得銀行貸款融資。

於二零一二年十二月三十一日，本集團若干受限制銀行結餘賬面值為人民幣45.0百萬元(二零一一年：人民幣42.0百萬元)，已抵押作本集團取得銀行六個月或以下之票據，發行予供應商作本集團採購原材料之用途。

#### 重大收購及出售附屬及聯營公司

於二零一二年財政年度，本公司概無重大收購及出售附屬及聯營公司。

#### 所持重大投資

集團於二零一二年十二月三十一日概無持有重大投資。

# Profiles of Directors and Senior Management

## 董事及高級管理層簡歷

### EXECUTIVE DIRECTORS

**Zhao Zhijun (趙志軍)**, aged 38, was appointed as the chief executive officer and an executive Director of the Company on 22 May 2011. He joined the Group in 2005. He is principally responsible for establishing development strategy, making decision in respect of investment projects and the general operation and management of the Group.

Prior to joining the Group, he worked for office of the commissioners and general office of Zhengzhou (鄭州特派員辦事處綜合處) of the China Securities Regulatory Commission (中國證券監督管理委員會) from 1999 to 2002. In 2002, Mr. Zhao served as a general manager of the sales department of Minsheng Securities, Nanyang branch (民生證券有限責任公司南陽營業部) till 2005 responsible for overall management of sales department and market development department. Mr. Zhao graduated from Central South University (中南大學) with a master degree in Philosophy in 2004.

**Wang Wenbo (王文波)**, aged 38, was appointed as an executive director of the Company on 22 May 2011. He is also the deputy general manager of the Group and is in charge of the research and development and technical affairs of the Group. He joined the Group in 1995 and served in various positions including deputy general technology manager and deputy general sales manager. He has over 17 years of experience in the technology, sales and management in the automobile shock absorber industry. He is one of the inventors of two patents with respect to restoration damping valve of hydraulic shock absorber (液壓減振器復原阻尼閥) and compression damping valve of hydraulic shock absorber (液壓減振器壓縮阻尼閥) currently possessed by the Group. Mr. Wang graduated from Huazhong Polytechnic University (華中理工大學) (later renamed as Huazhong University of Science and Technology (華中科技大學)) with a diploma in Mechanic Design and Test Technology in 1995.

### 執行董事

**趙志軍**，38歲，於二零一一年五月二十二日獲委任為本公司行政總裁兼執行董事。彼於二零零五年加入本集團，主要負責制定發展策略、就投資項目作出決策及本集團的整體營運及監管。

於加入本集團前，彼曾於一九九九年至二零零二年任職於中國證券監督管理委員會鄭州特派員辦事處綜合處。趙先生於二零零二年至二零零五年擔任民生證券有限責任公司南陽營業部總經理。趙先生於二零零四年畢業於中南大學，持有哲學碩士學位。

**王文波**，38歲，於二零一一年五月二十二日獲委任為本公司執行董事。彼亦為本集團副總經理，主要負責本集團的研發及技術事務。彼於一九九五年加入本集團，曾擔任多個職位，包括技術副總經理及銷售副總經理。彼於汽車減振器行業擁有逾十七年的技術、銷售及管理經驗。彼是液壓減振器復原阻尼閥及液壓減振器壓縮阻尼閥方面兩項專利的發明人之一，而該等專利目前由我們擁有。王先生於一九九五年畢業於華中理工大學(後改名為華中科技大學)，持有機械設計與測試技術文憑。



## Profiles of Directors and Senior Management

### 董事及高級管理層簡歷

**Yang Weixia (楊瑋霞)**, aged 36, was appointed as an executive director of the Company on 22 May 2011. She is also the deputy general manager of the Group and is principally in charge of the Company's purchase and human resource affairs. She joined the Group in 2007 and served as the financial manager, human resource manager, assistant to the general manager and deputy general manager. Prior to joining the Group, she worked in various positions in Minsheng Securities (民生證券有限責任公司) including office manager of the sales department, officer in charge of the service department, deputy general manager of sales department and Yinzheng business department (銀證業務部) from 1998 to 2007. Ms. Yang graduated from Henan College of Finance and Economics (河南財經學院) (later renamed as Henan University of Finance and Economics (河南財經政法大學)) with a bachelor degree in Economics in 1998. She was accredited as a medium level economist (中級經濟師) by Ministry of Personnel of PRC in 2000.

### NON-EXECUTIVE DIRECTORS

**Wilson Sea (前稱席春迎)**, aged 49, was appointed as the chairman of the Board and non-executive Director of the Company on 27 April 2011 and is responsible for the general strategic planning and management of the Board. From 1997 to 2004, Mr. Sea worked in Minsheng Securities (民生證券有限責任公司) as an assistant to president, president and chairman responsible for the investment banking business, the business of research department, planning and development of the company. From 2004 to 2007, he was the chairman of the board of Kaifung City Lanwei Highway Development Company Limited (開封市蘭尉高速公路發展有限公司). Mr. Sea had been working as the vice-chairman of the board of Yubei (Xinxiang) Power Steering System Co., Ltd. from 2007 and 2011. He has also been appointed as the director of Nanyang Pukang Pharmaceutical Co., Ltd. (南陽普康藥業有限公司) since 2008. He has been appointed as the chairman of the board of First Capital Management Co., Ltd since 2012.

Mr. Sea obtained a bachelor degree in Economics from the University of Henan (河南大學) in 1986. He further obtained a master degree and a doctoral degree in Economics from Fudan University (復旦大學) in 1992 and 1995 respectively. He was appointed as a professor by University of Henan (河南大學) in 1995.

**楊瑋霞**，36歲，於二零一一年五月二十二日獲委任為本公司執行董事。彼亦為本集團副總經理，主要負責本公司的採購及人力資源事務。彼於二零零七年加入本集團，並曾任財務經理、人力資源經理、總經理助理及副總經理。於加入本集團前，彼於一九九八年至二零零七年曾在民生證券有限責任公司擔任多個職位，包括營業部辦公室經理、服務部主任、營業部副總經理及銀證業務部副總經理。楊女士於一九九八年畢業於河南財經學院(後改名為河南財經政法大學)，持有經濟學學士學位。彼於二零零零年獲中國人事部認證為中級經濟師。

### 非執行董事

**Wilson Sea(前稱席春迎)**，49歲，於二零一一年四月二十七日獲委任為本公司董事會主席兼非執行董事，主要負責本集團的整體策略規劃及董事會的管理。於一九九七年至二零零四年，Sea先生於民生證券有限責任公司工作，先後擔任總裁助理、總裁及主席，負責該公司的投資銀行業務、研究部業務、規劃及發展工作。於二零零四年至二零零七年，彼擔任開封市蘭尉高速公路發展有限公司董事會主席。自二零零七年至二零一一年任豫北(新鄉)汽車動力轉向器有限公司董事會副主席。彼亦自二零零八年獲委任為南陽普康藥業有限公司董事。自二零一二年獲委任為首控基金管理有限公司董事會主席。

Sea先生於一九八六年取得河南大學經濟學學士學位。彼繼而分別於一九九二年及一九九五年取得復旦大學經濟學碩士學位及博士學位。彼於一九九五年獲河南大學委任為教授。

**Xie Qingxi (謝清喜)**, aged 40, was appointed as a non-executive Director of the Company on 22 May 2011. From 2000 to 2008, he worked in Henan Lotus Gourmet Powder Company Limited (河南蓮花味精股份有限公司), a company listed on the Shanghai Stock Exchange, in various positions including secretary to the board of directors and manager of securities department. Mr. Xie has been appointed as the deputy president of Henan Hexie Chuangye Investment Management Company Limited (河南合協創業投資管理有限公司) since 2005. Mr. Xie had also been working as a director of Nanyang Pukang Pharmaceutical Co., Ltd. (南陽普康藥業有限公司) from 2008 to 2012. Since February 2012, he was appointed as managing director of Shenzhen Hwaxin Equity Investment Fund Management Co. Ltd. (深圳華信股權投資基金管理有限公司). Mr. Xie graduated from University of Henan (河南大學) with a master degree in Economics in 1999 and a doctoral degree in Economics from Fudan University in 2005, and was engaged in postdoctoral research in Shanghai University of Finance and Economics (上海財經大學) in 2009.

**Fu Pengxu (付蓬旭)**, aged 55, was appointed as the non executive Director of the Company on 22 May 2011. Mr. Fu has over 22 years of experience in investment and industrial management. From 1989 to 2002, he served as the general manager (廠長) and secretary to the Communist Party Committee of Nanyang Transistor Factory (南陽市晶體管廠). From 2002 to 2006, Mr. Fu served as a deputy general manager and later a general manager of Nanyang Jinguang Group Company Limited (南陽金冠集團有限責任公司). From 2006 to 2010, he served as the chairman and president of Henan Hexie Chuangye Investment Management Company Limited (河南合協創業投資管理有限公司). Mr. Fu has been the chairman of Nanyang Pukang Pharmaceutical Co., Ltd. (南陽普康藥業有限公司) since 2008. Mr. Fu graduated from 531 Mechanic Industrial School (五三一機械工業學校) (later renamed as Henan Industrial School (河南工業職業技術學院)) with a diploma in Cannon Manufacturing in 1980.

**謝清喜**，40歲，於二零一一年五月二十二日獲委任為本公司非執行董事。於二零零零年至二零零八年，彼於上海證券交易所上市公司河南蓮花味精股份有限公司出任多個職位，包括董事會秘書及證券部經理。謝先生自二零零五年起獲委任為河南合協創業投資管理有限公司副總裁。謝先生亦自二零零八年至二零一二年擔任南陽普康藥業有限公司董事。二零一二年二月起，獲任深圳華信股權投資基金管理有限公司董事總經理。謝先生於一九九九年畢業於河南大學，取得經濟學碩士學位，於二零零五年取得復旦大學經濟學博士學位，以及於二零零九年在上海財經大學從事博士後研究。

**付蓬旭**，55歲，於二零一一年五月二十二日獲委任為本公司非執行董事。付先生擁有逾二十二年投資及企業管理經驗。於一九八九年至二零零二年，彼擔任南陽市晶體管廠廠長及黨委書記。於二零零二年至二零零六年，付先生先後擔任南陽金冠集團有限責任公司副總經理及總經理。於二零零六年至二零一零年，彼擔任河南合協創業投資管理有限公司主席兼總裁。付先生自二零零八年起一直擔任南陽普康藥業有限公司董事會主席。付先生於一九八零年畢業於五三一機械工業學校(其後改名為河南工業職業技術學院)，持有火砲製造文憑。

## Profiles of Directors and Senior Management

### 董事及高級管理層簡歷

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Chu Kin Wang, Peleus (朱健宏)**, aged 48, was appointed as an independent non-executive director of the Company on 19 October 2011. Mr. Chu has over 20 years of experience in corporate finance, audit, accounting and taxation. He is an executive director of Chinese People Holdings Company Limited (中民控股有限公司) (stock code: 681) since 2008. He is also an independent non-executive director of Eyang Holdings (Group) Co., Limited (宇陽控股(集團)有限公司) (stock code: 117), Huayu Expressway Group Limited (華昱高速集團有限公司) (stock code: 1823), Flyke International Holdings Ltd. (飛克國際控股有限公司) (stock code: 1998) and China AU Group Holdings Limited (中國金豐集團控股有限公司) (stock code: 8176) since 2007, 2009, 2010 and 2012 respectively, all are companies listed on the Main Board of the Stock Exchange other than China AU Group Holdings Limited (stock code: 8176), a company listed on the Growth Enterprises Market of the Stock Exchange. During the period from September 2005 to March 2007, Mr. Chu was the executive director of Mastermind Capital Limited (慧德投資有限公司) (stock code: 905), during the relevant period known as Haywood Investments Limited, a company listed on the Main Board of the Stock Exchange. From January 2008 to August 2010, he was the independent non-executive director of Sustainable Forest Limited (永保林業控股有限公司) during the relevant period known as Bright Prosperous Holdings Limited (晉盈控股有限公司) (stock code: 723) a company listed on the Main Board of the Stock Exchange. He was also the company secretary of Sun Century Group Limited (太陽世紀集團有限公司) during the relevant period known as Hong Long Holdings Limited (鴻隆控股有限公司) (stock code: 1383), a company listed on the Main Board of the Stock Exchange, responsible for corporate finance, financial reporting and compliance and company secretarial matters from 2008 to 2010. Mr. Chu graduated from the University of Hong Kong with a master degree in Business Administration. Mr. Chu is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Chu is also an associate member of both the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries.

#### 獨立非執行董事

**朱健宏**，48歲，於二零一一年十月十九日獲委任為本公司獨立非執行董事。朱先生擁有逾二十年企業融資、核數、會計及稅務經驗。彼自二零零八年起出任中民控股有限公司(股份代號：681)執行董事。自二零零七年、二零零九年、二零一零年及二零一二年，彼亦分別為宇陽控股(集團)有限公司(股份代號：117)、華昱高速集團有限公司(股份代號：1823)、飛克國際控股有限公司(股份代號：1998)及中國金豐集團控股有限公司(股份代號：8176)的獨立非執行董事。除中國金豐集團控股有限公司為聯交所創業板上市公司外，所有該等公司均在聯交所主板上市。於二零零五年九月至二零零七年三月期間，朱先生曾任聯交所主板上市公司慧德投資有限公司(股份代號：905)(於有關期間稱為希域投資有限公司)執行董事。於二零零八年一月至二零一零年八月，彼為聯交所主板上市公司永保林業控股有限公司(於有關期間稱為晉盈控股有限公司)(股份代號：723)獨立非執行董事。彼亦曾於二零零八年至二零一零年出任聯交所主板上市公司太陽世紀集團有限公司(於有關期間稱為鴻隆控股有限公司)(股份代號：1383)的公司秘書，負責企業融資、財務申報與合規及公司秘書事宜。朱先生畢業於香港大學，持有工商管理碩士學位。朱先生為香港會計師公會及英國特許公認會計師公會資深會員。朱先生亦為英國特許秘書及行政人員公會及香港公司秘書公會會員。

**Li Zhiqiang (李志強)**, aged 49, was appointed as an independent non-executive director of the Company on 19 October 2011. He has been an executive director and the president of Shougang Holdings Limited (首鋼控股有限公司) since December 2004. In March 2006, he was a director of Sino Life Insurance Co., Ltd. (中國生命人壽保險股份有限公司), and vice chairman in September 2008. He is also appointed as the chairman and secretary to the Communist Party Committee of Shougang Yili Steel Co., Ltd. (首鋼伊犁鋼鐵有限公司) in February 2010.

**Zhang Jinhua (張進華)**, aged 48, was appointed as an independent non-executive director of the Company on 19 October 2011. Mr. Zhang has over 25 years of experience in automobile industry. He is currently the head of secretary (秘書長) to Society of Automotive Engineers of China (中國汽車工程學會) and has been serving as the deputy head of secretary (副秘書長) and later the head of secretary to Society of Automotive Engineers of China and the head of secretary to China Automotive Industry Technology Progress Rewarding Fund (中國汽車工業科技進步獎勵基金會) since 2009. From 1988 to 2009, Mr. Zhang served as an assistant to the head, deputy head (副所長) and head (所長) and deputy president (副主任) to the president assistant centre (主任助理中心) of the Automotive Technology Information Institute (汽車技術情報研究所) of China Automotive Technology & Research Center (中國汽車技術研究中心). Mr. Zhang graduated from the Jilin Industrial University (吉林工業大學) (later renamed as Jilin University (吉林大學)) with a bachelor degree in Automotive Application in 1988.

## SENIOR MANAGEMENT

**Zhao Zeng (趙增)**, aged 38, is the executive deputy general manager (常務副總經理) of the Group and is principally responsible for the Group's sale and administrative affairs. Mr. Zhao has over 16 years of experience in auditing and management. Mr. Zhao joined the Group in 2005 and served in various positions including the supervisor of the office of the Board, assistant to general manager (廠長助理), deputy general office manager (副廠長) and deputy general manager responsible for procurement. Prior to joining the Group, he worked in various positions in Nanyang She Qi Province Auditor Bureau (南陽社旗縣審計局) from 1995 to 2002 including auditing officer, auditing executive and auditing manager (審計所長) responsible for supervision and auditing of financial conditions of different units in accordance with relevant regulatory requirements in the PRC. Mr. Zhao graduated from Central South University (中南大學) major in Business Administration through online study mode. He was accredited as an accountant and economist by the technology committee of Nanyang (南陽市科委) in 2000.

**李志強**，49歲，於二零一一年十月十九日獲委任為本公司獨立非執行董事。彼自二零零四年十二月起擔任首鋼控股有限公司執行董事兼總裁。彼於二零零六年三月任中國生命人壽保險股份有限公司董事及於二零零八年九月任副董事長。彼亦於二零一零年二月獲委任為首鋼伊犁鋼鐵有限公司董事長兼黨委書記。

**張進華**，48歲，於二零一一年十月十九日獲委任為本公司獨立非執行董事。張先生擁有逾二十五年汽車行業經驗。彼現為中國汽車工程學會秘書長，自二零零九年起先後擔任中國汽車工程學會副秘書長、秘書長及中國汽車工業科技進步獎勵基金會秘書長。一九八八年至二零零九年，張先生擔任中國汽車技術研究中心屬下汽車技術情報研究所的所長助理、副所長及所長，以及主任助理中心副主任。張先生於一九八八年畢業於吉林工業大學(後改名為吉林大學)，取得汽車應用學士學位。

## 高級管理層

**趙增**，38歲，本集團常務副總經理，亦主要負責本集團的銷售及行政事務。趙先生擁有逾十六年核算及管理經驗。趙先生於二零零五年加入本集團，曾任多個職務，包括董事會辦公室主任、廠長助理、副廠長及分管採購的副總經理。於加入本集團前，他曾於一九九五年至二零零二年在南陽社旗縣審計局任多個職位，包括審計主任、審計員及審計所長，負責根據中國有關監管規定監督及審計各單位的財務狀況。趙先生畢業於中南大學，透過網上進修模式主修工商管理。彼於二零零零年獲南陽市科委認證為會計師及經濟師。

## Profiles of Directors and Senior Management

### 董事及高級管理層簡歷

**Xing Yunming (邢雲明)**, aged 63, is the chief engineer of the Group mainly responsible for design, research and development. He has over 39 years of experience in the automobile shock absorber industry. He was the deputy committee (副主任委員) of the Seventh Suspension System Committee of the China Auto Industrial Association (中國汽車工程協會汽車懸架理事會). He was accredited as a senior engineer by the technology committee of Henan (河南省科委) in 1997. He joined the Group in 1972 as a technician and served in various positions including technology manager, chief engineer and deputy general office manager (副廠長) of technology of the Group. He is one of the inventors of 6 patents with respect to shock absorber manufacturing and processing which are possessed by the Group.

**Zhu Zihua (朱自華)**, aged 50, is the deputy general manager of the Group and responsible for production. He has 25 years of experience in automobile shock absorber industry. Mr. Zhu graduated from the Henan College of Finance and Economics (河南財經學院) (later renamed as Henan University of Finance and Economics (河南財經政法大學)) with major in Economics Management in 1997. He was qualified as a qualified engineer by the technology committee of Nanyang Municipal (南陽市科委) and accredited as a senior economist by the technology committee of Henan (河南省科委) in 1998 and 1999 respectively. Mr. Zhu joined the Group as a technician in 1986 and served in various positions including supervisor of electroplating workshop, production manager and deputy production general manager. He is one of the inventors of 10 patents with respect to shock absorber manufacturing and processing which are possessed by the Group.

**Wang Ping (王平)**, aged 42, is the chief financial officer of the Group. He has over 15 years of experience in corporate finance, audit, accounting and taxation. He joined the Group in December 2010 as senior vice president of Guang Da (China) Automotive Components Holdings Limited, a subsidiary of the Group, responsible for investment management. Prior to joining the Group, Mr. Wang worked as the vice president and later a director in EV Capital Pte Ltd. during the period between May 2007 and March 2010. From February 2004 to March 2007, he served as chief financial officer for China Jishan Holdings Limited, the shares of which are listed on the main board of Singapore Stock Exchange. From September 1999 to August 2002, he served as a senior accountant and subsequently a manager for audit department of Deloitte Touche Tohmatsu CPA Ltd. Mr. Wang has been an independent non-executive director of Chongyi Zhangyuan Tungsten Co., Ltd., a company

邢雲明，63歲，本集團總工程師，主要負責設計、研究及開發。彼擁有逾三十九年汽車減振器行業經驗。彼曾任中國汽車工程協會第七屆汽車懸架理事會副主任委員。彼於一九九七年獲河南省科委認定為高級工程師。彼於一九七二年加入本集團任技術員，並曾任本集團技術方面的多個職位，包括技術經理、總工程師及副廠長。彼為減振器製造及加工方面六項專利的發明人之一，而該等專利由本集團擁有。

朱自華，50歲，本集團副總經理，負責生產。彼於汽車減振器行業擁有二十五年經驗。朱先生於一九九七年畢業於河南財經學院(後改名為河南財經政法大學)，主修經濟管理學。彼分別於一九九八年及一九九九年獲南陽市科委授權成為合資格工程師及獲河南省科委認證為高級經濟師。朱先生於一九八六年加入本集團任技術員，曾任各種職務，包括電鍍車間主任、生產經理及生產副總經理。彼為減振器製造及加工方面十項專利的發明人之一，而該等專利由本集團擁有。

王平，42歲，本集團財務總監，於企業財務、審核、會計及稅務方面積逾十五年經驗。彼於二零一零年十二月加入本集團，擔任附屬公司光大(中國)車輛零部件控股有限公司高級副總裁，負責投資管理。於加入本集團之前，王先生曾自二零零七年五月至二零一零年三月於EV Capital Pte Ltd. 擔任副總裁、董事。自二零零四年二月至二零零七年三月，彼擔任中國稽山控股有限公司(其股份於新加坡證券交易所主板上市)之財務總監。自一九九九年九月至二零零二年八月，彼於德勤華永會計師事務所任高級會計師並隨後任審計部經理。王先生自二零一零年十一月起擔任於深圳證券交易所上市之崇義章源鎢業股份有限公司之獨立非執行董事；自二零一一年二月起擔任中國罕王控股有限公司(股份代號：3788)獨立非執行董事，並自二零一二年十二月起擔任中

listed on the Shenzhen Stock Exchange, since November 2010 and has been an independent non-executive director of China Hangking Holdings Limited (Stock Code: 3788) since February 2011. He has also been serving as an independent non-executive director of China Tianrui Group Cement Company Limited (Stock Code: 1252) since December 2012. Mr. Wang graduated from Nanjing University in 1993 and obtained a Master's Degree in Business Administration from Lingnan (University) College of Sun Yat-Sen University in 2004. He is a fellow member of the Chinese Institute of Certified Public Accountants.

**Li Zhiqian (李志乾)**, aged 43, is the deputy general financial manager of the Group. He has 20 years of experience in finance. He joined the Group in 2009 as an assistant to general manager (廠長助理) responsible for finance work. He has been appointed as deputy general financial manager since 2011. Mr. Li was an auditing manager and deputy head (副所長) of Xinwei Limited Liability Public Accountants' Firm of Nanyang (南陽信威有限責任會計師事務所) from 1998 to 2009 responsible for auditing works. Mr. Li graduated from Henan Province Business College (河南省商業高等專科學校) with a diploma in Finance and Accounting (財會專業) in 1991. He is a fellow member of the Chinese Institute of Certified Public Accountants.

**Hung Man Yuk, Dicson (洪旻旭)**, aged 36, has been the Company Secretary and authorised representative of the Group since 1 March 2012. Mr. Hung has extensive experience in accounting, financial control and compliance. Mr. Hung obtained a master's degree majoring in finance from The Curtin University of Technology in November 2002. He was admitted a member of Hong Kong Institute of Certified Public Accountants in July 2004 and a fellow member of The Association of Chartered Certified Accountants in the United Kingdom in November 2006. He is also a member of the Hong Kong Institute of Directors. Mr. Hung has also been appointed executive of several other listed companies, including Qualified Accountant, Chief Financial Officer and Company Secretary of Zhongtian International Ltd. (Stock Code: 2379) from 2006 to 2007, Company Secretary of Come Sure Group (Holdings) Ltd (Stock Code: 794) and China Tian Lun Gas Holdings Ltd. (Stock Code: 1600) since July 2010 and October 2010 respectively.

國天瑞集團水泥有限公司(股份代號：1252)獨立非執行董事。王先生於一九九三年畢業於南京大學，並於二零零四年獲得中山大學嶺南(大學)學院企業管理碩士學位。彼為中國註冊會計師協會會員。

**李志乾**，43歲，本集團財務副總經理。彼擁有逾二十年財務經驗。彼於二零零九年加入本集團任廠長助理，負責財務工作。彼自二零一一年起獲委任為財務副總經理。李先生於一九九八年至二零零九年曾任南陽信威有限責任會計師事務所的審計經理及副所長，負責審計工作。李先生於一九九一年畢業於河南省商業高等專科學校，持有財會專業文憑。彼為中國註冊會計師協會會員。

**洪旻旭**，36歲，自二零一二年三月一日起獲委任為本集團之公司秘書兼授權代表，洪先生於會計、財務監控及合規事宜擁有豐富經驗。洪先生於二零零二年十一月於科廷科技大學(Curtin University of Technology)取得碩士學位，主修金融學。彼於二零零四年七月成為香港會計師公會會員及於二零零六年十一月成為英國特許公認會計師公會之資深會員。彼亦為香港董事學會會員。洪先生曾獲委任為多間其他上市公司職位，包括於二零零六至二零零七年於中天國際控股有限公司(股份代號：2379)擔任合資格會計師、財務總監並同時兼任公司秘書，自二零一零年七月及二零一零年十月起分別於錦勝集團(控股)有限公司(股份代號：794)及中國天倫燃氣控股有限公司(股份代號：1600)擔任公司秘書一職。

## Profiles of Directors and Senior Management

### 董事及高級管理層簡歷

**Liu Jinyong (劉金永)**, aged 42, is the deputy general manager of the international business and domestic after market business of the Group. Mr. Liu has over 16 years experience in sales and marketing. He joined the Group in September 2006 and served as an assistant to general manager (廠長助理) and the deputy general sales manager. Prior joining the Group, he served in various positions including marketing director (Central China) of dairy products department of Hunan Yahua Agricultural Products Holding Company (湖南亞華種業股份有限公司) from 2001 to 2006, logistics officer and sales director (Greater Central China) of Foodstuffs Corporation of the Provincial Food Office (省糧食廳糧油食品公司) from October 1997 to August 2000. Mr. Liu graduated from Nanyang Normal University (南陽師範專科學校) in July 1995.

**Liu Yonghong (劉永紅)**, aged 46, is the deputy general manager and the deputy administration manager of the Group. Mr. Liu has over 25 years of experience in management. He joined the Group in November 1998 and served as the deputy administration manager since then. He is responsible for administration management, logistics services, infrastructure, security and safety, and corporate development planning. Prior joining the Group, he worked for the Bureau of Statistics of Zhejiang and Sichuan Province (浙川縣統計局) from July 1988 to October 1998. Mr. Liu graduated from Henan University of Economics and Law in 1990 with a Professional Diploma in Statistics. He was accredited as an economist by the science and technology committee of Nanyang City (南陽市科學技術委員會) in December 1999.

**Chu Xinyao (褚新耀)**, aged 51, is the deputy general manager of the Group and responsible for quality control. He joined the Group in 1983 and has over 28 years of experience in management. Mr. Chu worked in various senior positions in the Group including deputy general office manager (副廠長), deputy general sales manager and deputy general procurement manager as well as quality control manager. Mr. Chu graduated from Central Agricultural Broadcasting and Television School (中央農業廣播電視學校) with a diploma in Agricultural Economics in 1988. He was accredited as an economist by the technology committee of Henan (河南省科委) in 1999.

**Cheng Zhoujian (程周儉)**, aged 41, is the assistant to the general manager of the Group. Mr. Cheng has over 17 years of experience in automobile shock absorber industry. He graduated from Nanyang Institute of Technology (南陽理工學院) with a diploma of Machine Manufacturing in 1994. He joined the Group in 1994 and served various positions including deputy officer (副主任) and a deputy division manager (副科長) of technical department responsible for the production technology. From 2004 to 2009, Mr. Cheng served various positions including the product engineering deputy general manager and quality control manager of the Group. Since January 2011, he has been appointed as assistant to the general manager (廠長助理) responsible for product research and development of the Group.

**劉金永**，42歲，本集團分管國際業務及國內售後維修市場(After market)業務副總經理。劉先生擁有逾十六年的銷售管理經驗。彼於二零零六年九月加入本集團，先後擔任廠長助理及銷售副總經理。於加入本集團前，彼曾於二零零一年至二零零六年，在湖南亞華種業股份有限公司乳品事業部任華中營銷總監；於一九九七年十月至二零零零年八月，在省糧食廳糧油食品公司物流科長、華中大區任銷售總監；劉先生於一九九五年七月畢業於南陽師範專科學校。

**劉永紅**，46歲，本集團副總經理兼行政副廠長。劉先生擁有逾二十五年的管理經驗。彼於一九九八年十一月加入本集團，一直擔任行政副廠長職務；負責行政管理、後勤服務、基礎建設、安全保衛、企業發展規劃等管理工作。彼加入本集團前，曾於一九八八年七月至一九九八年十月在浙川縣統計局工作；劉先生於一九九零年畢業於河南財經學院，持有統計專業文憑。彼於一九九九年十二月獲得南陽市科學技術委員會認證為經濟師。

**褚新耀**，51歲，本集團副總經理，負責質量控制。彼於一九八三年加入本集團，擁有逾二十八年管理經驗。褚先生曾出任本集團多個高級職位，包括副廠長、銷售副總經理及採購副總經理以及質量控制經理。褚先生於一九八八年畢業於中央農業廣播電視學校，持有農業經濟文憑。彼於一九九九年獲河南省科委認證為經濟師。

**程周儉**，41歲，本集團總經理助理。程先生於汽車減振器行業擁有逾十七年經驗。彼於一九九四年畢業於南陽理工學院，持有機械製造文憑。彼於一九九四年加入本集團，曾任不同職位，包括技術部副主任及副科長，負責生產技術。於二零零零年至二零零九年，程先生曾擔任多個職務，包括本集團產品工程部副總經理及質量控制經理。自二零一一年一月起，彼獲委任為廠長助理，負責本集團的產品研發。

# Directors' Report

## 董事會報告書

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the 2012 Financial Year.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries include research, development and manufacture of automobile shock absorber and suspension system for the OEM market and automobile aftermarket in PRC.

### SUBSIDIARIES

Details of the principal activities of the Company's subsidiaries at 31 December 2012 are set out in note 34 to the financial statements of this annual report.

### RESULTS

The results of the Group for the 2012 Financial Year are set out in the consolidated statement of comprehensive income on page 60 of this annual report.

### FINAL DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2012 (2011: Nil).

### CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 5 June 2013 to Friday, 7 June 2013 (both days inclusive) for the purpose of determining the identity of members who are entitled to attend and vote at the AGM, during which period no transfer of shares can be registered. In order to qualify for attending the AGM, all transfers accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 4 June 2013.

### SHARE CAPITAL

Details of the movements in the issued share capital of the Company during the 2012 Financial Year are set out in note 28 to the financial statements of this annual report.

董事會欣然呈報年度報告連同本集團二零一二年財政年度經審核綜合財務報表。

### 主要業務

本公司為投資控股公司。其附屬公司之主要業務包括為中國的原設備製造商市場及汽車售後市場研發及製造汽車減振器及汽車懸架系統產品。

### 附屬公司

本公司附屬公司於二零一二年十二月三十一日的主要業務詳情載於本年報之財務報表附註34。

### 業績

本集團二零一二年財政年度業績載於本年報第60頁之綜合全面收益表。

### 末期股息

董事會並不建議派付截至二零一二年十二月三十一日止年度之末期股息(二零一一年：無)。

### 暫停辦理股份過戶登記手續

本公司將於二零一三年六月五日星期三至二零一三年六月七日星期五(包括首尾兩日)暫停辦理股份過戶登記手續，期間將不會辦理股份過戶登記，以確定有權出席股東週年大會並於會上投票的股東身分。為符合資格出席股東週年大會，所有股份過戶文件連同有關股票，須於二零一三年六月四日星期二下午四時三十分前交回本公司股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

### 股本

於二零一二年財政年度本集團的已發行股本變動詳情載於本年報財務報表附註28。



## Directors' Report

### 董事會報告書

#### RESERVES

Details of the movements in the reserves of the Group during the 2012 Financial Year are set out in the consolidated statement of changes in equity on page 63 of this annual report.

#### DISTRIBUTABLE RESERVES

As at 31 December 2012, the distributable reserves of the Company amounted to approximately RMB98.9 million (2011: RMB109.9 million), comprising the share premium, the capital reserve, share-based reserve and the retained earnings of the Company.

Under the Companies Law (Revised) of the Cayman Islands, in addition to the retained earnings of the Company, the share premium and capital reserves of the Company are also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

For the surplus reserves, it comprising statutory surplus reserve and discretionary surplus reserve, which are non-distributable and the transfer to these reserves is determined according to the relevant laws in the PRC and by the board of directors of the PRC subsidiaries in accordance with the Article of Associate of the subsidiaries. Statutory surplus reserve can be used to make up for previous years' losses or convert into additional capital of the PRC subsidiaries of the Company. Discretionary surplus reserve can be used to expand the existing operations of the Company's PRC subsidiaries.

#### PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2012, the Group had property, plant and equipment at net book value of approximately RMB373.9 million. Details of the movements are set out in note 16 to the consolidated financial statements.

#### DONATIONS

During the 2012 Financial Year, the Group made charitable and other donation totaling approximately RMB129,500 (2011: RMB561,500).

#### CAPITALIZED INTERESTS

During the 2012 Financial Year, the Group capitalised its borrowing costs that financing the assets under construction approximately RMB11.1 million (2011: RMB3.3 million).

#### 儲備

於二零一二年財政年度本集團的儲備變動詳情載於本年報第63頁之綜合權益變動表。

#### 可分派儲備

於二零一二年十二月三十一日，本公司可分派儲備約為人民幣98.9百萬元(二零一一年：人民幣109.9百萬元)，包括股份溢價、資本儲備、以股份為基礎儲備及本公司保留盈利。

根據開曼群島公司法(經修訂)，除本公司保留盈利外，本公司股份溢價及資本儲備亦可供股東分派，惟於緊隨建議進行上述分派當日之後，本公司必須仍有能力償還在日常業務中到期支付的債務。

就盈餘儲備而言，其包括法定盈餘儲備及酌情盈餘儲備，惟不可用作分派，轉撥至該等儲備的款項須根據中國相關法律並由中國附屬公司董事會按照附屬公司的章程細則釐定。法定盈餘儲備可用於彌償上年度虧損或轉撥為本公司中國附屬公司的額外資本。酌情盈餘儲備可用作擴展本公司中國附屬公司的現有業務。

#### 物業、廠房及設備

於二零一二年十二月三十一日，本集團物業、廠房及設備的賬面淨值約人民幣373.9百萬元。變動之詳情載於綜合財務報表附註16。

#### 捐款

於二零一二年財政年度，本集團作出的慈善及其他捐款共約人民幣129,500元(二零一一年：人民幣561,500元)。

#### 利息資本化

於二零一二年財政年度，本集團資本化其借貸成本作在建資產融資約為人民幣11.1百萬元(二零一一年：人民幣3.3百萬元)。

## FINANCIAL SUMMARY

A summary of the consolidated results, assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on pages 4 to 5 of this annual report.

## BORROWINGS

Details of the borrowings of the Group are set out in notes 25 to financial statements of this annual report.

## MAJOR CUSTOMERS AND SUPPLIERS

For the years ended 31 December 2012 and 2011, sales to the Group's five largest customers accounted for 57.8% and 64.9% of the total revenue of the Group, respectively, and sales to the largest customer included therein accounted for 17.9% and 23.4%, respectively.

For the years ended 31 December 2012 and 2011, purchases from the Group's five largest suppliers accounted for 34.6% and 31.1% of the total purchases of the Group, respectively, and purchases from the largest supplier included therein accounted for 8.5% and 7.3%, respectively.

None of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued shares) had any interests in the Group's five largest customers or suppliers noted above.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the 2012 Financial Year.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the law of Cayman Islands, being the jurisdiction in which the Company is incorporated under which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the 2012 Financial Year was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## 財務概要

本集團於過去五個財政年度的綜合業績、資產、負債及非控股權益概要載於本年報第4至5頁。

## 借款

本集團的借款詳情載於本年報財務報表附註25。

## 主要客戶及供應商

截至二零一二年及二零一一年十二月三十一日止年度，向本集團五大客戶作出的銷售分別佔本集團總收益57.8%及64.9%，而當中向本集團最大客戶作出的銷售分別佔17.9%及23.4%。

截至二零一二年及二零一一年十二月三十一日止年度，向本集團五大供應商作出的採購分別佔本集團總採購34.6%及31.1%，而當中向本集團最大供應商作出的採購則分別佔8.5%及7.3%。

概無董事、彼等的聯繫人士或本公司任何股東（據董事所知擁有本公司已發行股份5%以上）於上述本集團五大客戶或供應商中擁有權益。

## 購買、出售或贖回本公司上市證券

於二零一二年財政年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

## 優先認購權

細則或本公司註冊成立地點開曼群島的法例並無關於優先認購權的規定，要求本公司須按比例向現有股東發行新股。

## 購買股份或債券的安排

本公司、其控股公司或其任何附屬公司或同系附屬公司於二零一二年財政年度期間任何時間概無參與訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體的股份或債券而獲益。

## Directors' Report

### 董事會報告書

#### DIRECTORS

The Directors during the 2012 Financial Year and up to the date of this report were:

##### Executive Directors

Mr. ZHAO Zhijun (*Chief Executive Officer*)  
Mr. WANG Wenbo  
Ms. YANG Weixia

##### Non-executive Directors

Mr. Wilson SEA (*Chairman*)  
Mr. XIE Qingxi  
Mr. FU Pengxu

##### Independent Non-executive Directors

Mr. CHU Kin Wang, Peleus  
Mr. LI Zhiqiang  
Mr. ZHANG Jinhua

According to the Articles, one-third of the Directors for the time being, if the number of Directors is not three or a multiple of three, then the number of Directors nearest to but not less than one-third, shall retire from office but eligible for re-election, and every Director should be subject to retirement by rotation at least once every three years at AGM. Accordingly, Mr. Zhao Zhijun, Mr. Wang Wenbo and Ms. Yang Weixia will retire by rotation from the Board at the forthcoming AGM and, being eligible, offer themselves for re-election as Directors.

#### APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

#### PROFILES OF DIRECTORS

Profiles of the above Directors are set out on pages 23 to 27 of this annual report.

#### 董事

於二零一二年財政年度期間及截至本報告日期止的董事如下：

##### 執行董事

趙志軍先生(*行政總裁*)  
王文波先生  
楊瑋霞女士

##### 非執行董事

Wilson SEA先生(*主席*)  
謝清喜先生  
付蓬旭先生

##### 獨立非執行董事

朱健宏先生  
李志強先生  
張進華先生

根據細則，當時為數三分之一的董事(或如董事人數並非三或三的倍數，則為最接近但不少於三分之一的董事人數)均須輪席退任，但可重選連任，且每名董事須至少每三年於股東週年大會上輪席退任。因此，趙志軍先生、王文波先生及楊瑋霞女士將於應屆股東週年大會輪席告退，惟彼等合資格並願膺選連任。

#### 委任獨立非執行董事

本公司已接獲各獨立非執行董事根據上市規則第3.13條就彼等之獨立性發出之年度確認。本公司認為，全體獨立非執行董事均為獨立人士。

#### 董事簡歷

上述董事簡歷載於本年報第23至27頁。

## DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors had entered into a service agreement with the Company for an initial term of three years with effect from 22 May 2011. Each service agreement will continue thereafter until terminated by either party by giving to the other party not less than three months' prior notice in writing.

Each of the non-executive and independent non-executive Directors had been appointed for an initial term of three years with effect from 27 April 2011 for the Chairman and non-executive Director, 22 May 2011 for the other two non-executive Directors and 19 October 2011 for all the independent non-executive Directors. All Directors are subject to retirement by rotation in accordance with the Articles and the Listing Rules.

None of the Directors proposed for re-election at the forthcoming AGM of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

## REMUNERATION OF THE DIRECTORS

Details of the emoluments of every Director for the 2012 Financial Year is set out in note 13 to the financial statements.

## DIRECTORS' INTERESTS IN CONTRACTS

There was no contract of significance, to which the Company, or its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted throughout the 2012 Financial Year.

## COMPETING INTEREST

None of the Directors had, either directly or indirectly, an interest in a business which causes or may cause any significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

## 董事服務合約

各執行董事已與本公司訂立服務協議，任期由二零一一年五月二十二日起，初步為期三年。每份服務合約於其後將繼續有效，直至其中一方向另一方發出不少於三個月書面通知終止合約為止。

各非執行董事及獨立非執行董事的任期初步為期三年，主席兼非執行董事的任期由二零一一年四月二十七日起，其他兩名非執行董事的任期由二零一一年五月二十二日起，而全體獨立非執行董事的任期由二零一一年十月十九日起。全體董事須根據細則及上市規則輪值退任。

擬於本公司應屆股東週年大會重選連任的董事概無與本公司或任何附屬公司訂有任何本集團可於一年內終止而毋須作出賠償(法定賠償除外)的服務合約。

## 董事薪酬

各董事於二零一二年財政年度的酬金詳情載於財務報表附註13。

## 董事於合約中的權益

本公司或其附屬公司概無訂立於二零一二年財政年度期間任何時間仍然生效，而董事直接或間接於其中擁有重大權益的重大合約。

## 競爭權益

董事概無在與本集團業務構成或可能構成任何重大競爭的業務中直接或間接擁有任何權益，而任何該等人士與本集團亦無存在或可能存在其他利益衝突。

## SHARE OPTION SCHEME

Pursuant to the written resolutions of shareholders of the Company passed on 19 October 2011, the Company adopted the Share Option Scheme subject to the terms and conditions therein. The Share Option Scheme will remain in force for a period of 10 years from the Listing Date.

### A. Summary of the Share Option Scheme

#### 1. Purpose

The purpose of the Share Option Scheme is to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph 2 below) have made or may make to the business development of the Group.

#### 2. Eligible Participants

The Board may at its discretion offer options to any executive, non-executive or INED; any employee of the Group and any customer, supplier, agent, business or joint venture partner, consultant, distributor, promotor, service provider, adviser or contractor of any member of the Group. The above-mentioned persons are collectively referred to as "Eligible Participants" and each an "Eligible Participant".

#### 3. Maximum number of Shares

As at the date of the annual report, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes was 32,000,000 Shares, representing 10% of the Shares in issue as at the Listing Date.

The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. Options may not be granted under any schemes of the Company (including the Share Option Scheme) if this will result in the said 30% limit being exceeded.

## 購股權計劃

根據本公司股東於二零一一年十月十九日通過的書面決議案，本公司已採納購股權計劃，並遵守其中條款及條件。購股權計劃將自上市日期起十年期間內有效。

### A. 購股權計劃概要

#### 1. 目的

購股權計劃旨在表彰或嘉許合資格參與者(定義見下文段落2)已經或可能對本集團業務發展作出的貢獻。

#### 2. 合資格參與者

董事會可酌情授予任何執行、非執行或獨立非執行董事；本集團任何僱員及本集團任何成員公司的任何客戶、供應商、代理、業務或合營企業合夥人、顧問、經銷商、推廣商、服務供應商、諮詢人或承建商購股權。上述人士統稱為「合資格參與者」，而各自為一名「合資格參與者」。

#### 3. 最高股份數目

於年報日期，因根據購股權計劃及任何其他計劃將予授出的所有購股權獲行使而可發行的股份總數為32,000,000股，相當於上市日期當日已發行股份的10%。

因根據購股權計劃及本公司任何其他購股權計劃授出的所有尚未兌換且仍未行使的購股權獲行使而可予發行的股份數目上限合共不得超過不時已發行股份總數的30%。倘將導致超過上述30%限額，則不得根據本公司任何計劃(包括購股權計劃)授出購股權。

#### 4. Maximum entitlement of each participant

Unless approved by the shareholders of the Company, no option may be granted to any Eligible Participants which if exercised in full would result in the total number of Shares issued and to be issued upon exercise of the share options already granted or to be granted to such Eligible Participant (including exercised, cancelled and outstanding share option) in the 12-month period up to and including the date of such new grant exceeding 1% of the total number of Shares in issue as at the date of such new grant.

#### 5. Time of exercise of options and duration of Share Option Scheme

##### (a) Time of exercise of options

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be notified by the Board to the grantee save that such period shall not be more than 10 years from the date of grant. There is no minimum period for which an option must be held before it can be exercised.

Unless the Board otherwise determined, a grantee is not required to achieve any performance target before any options granted can be exercised.

##### (b) Duration of the Share Option Scheme

The duration of the Share Option Scheme shall be 10 years from the Listing Date.

#### 4. 每名參與者可獲授權益上限

倘購股權獲悉數行使將致使截至授出該等新購股權日期(包括該日)止12個月期間已發行及因已授予或將授予任何合資格參與者的購股權(包括已行使、已註銷及尚未行使購股權)獲行使而將予發行的股份總數超過授出該等新購股權當日的已發行股份總數的1%，則不得向該等合資格參與者授出購股權，惟獲得本公司股東批准者除外。

#### 5. 行使購股權的時間及購股權計劃的有效期

##### (a) 行使購股權的時間

購股權可根據購股權計劃的條款，於董事會知會承授人的期間內隨時行使，惟此等期限不得超過授出日期起計十年。並無規定承授人於行使購股權前必須持有的最短時限。

除非董事會另有決定，否則承授人毋須於任何購股權可獲行使前達到任何表現目標。

##### (b) 購股權計劃的有效期

購股權計劃的期限為上市日期起計10年。

#### 6. Subscription price and payment on grant

- (a) Subscription price  
The Subscription price for the Shares under the Share Option Scheme shall be the price determined by the Board and notified to the Eligible Participant which shall not be less than the highest of:
- (i) the nominal value of a Share;
  - (ii) the closing price of each Share as stated on the Stock Exchange's daily quotations sheet on the date of offer of the option; and
  - (iii) the average closing price of each Share as stated in the Stock Exchange's daily quotation sheet for the five consecutive trading days immediately preceding the date of offer of the option.
- (b) Payment on grant  
Eligible Participants are required to pay a consideration of HK\$1.0 for the acceptance of an option granted to them.

#### 7. Termination of the Share Option Scheme

The Company may by ordinary resolution in general meeting or the Board may at any time terminate the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

#### B. Options granted by the Company

As at date of this Report, no option has been granted or agreed to be granted under the Share Option Scheme.

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2012, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

#### 6. 認購價及授出時付款

- (a) 認購價  
購股權計劃項下股份的認購價由董事會釐定及通知合資格參與者，且不得低於下列三者中的最高者：
- (i) 股份面值；
  - (ii) 於授出購股權當日每股股份於聯交所每日報價表所列的收市價；及
  - (iii) 於緊接授出購股權當日前連續五個交易日每股股份於聯交所每日報價表所列的平均收市價。
- (b) 授出時付款  
合資格參與者於接納其所獲授予的購股權時須支付代價1.0港元。

#### 7. 終止購股權計劃

本公司可於股東大會上提呈普通決議案終止購股權計劃或董事會可隨時終止購股權計劃。在終止計劃前授出但於終止計劃之時尚未行使的購股權將根據購股權計劃維持有效及可予行使。

#### B. 本公司已授出的購股權

於本報告日期，概無根據購股權計劃授出或同意授出購股權。

#### 董事於股份和相關股份的權益及淡倉

於二零一二年十二月三十一日，董事及本公司行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第352條須予存置的登記冊所記錄或根據標準守則須知會本公司及聯交所的權益及淡倉如下：

## Long positions in Shares

## 於股份中的好倉

Name of Directors	董事姓名	Number of issued Shares held and nature of interest 所持有已發行股份數目及權益性質	
		Corporate Interests (interests of a controlled corporation) 公司權益(於一間控制公司的權益)	Approximate percentage of issued share capital of the Company 佔本公司已發行股本的概約百分比
Wilson Sea <sup>1</sup> (formerly known as Xi Chunying)	Wilson Sea <sup>1</sup> (前稱席春迎)	122,520,000	38.29%
Zhao Zhijun <sup>2</sup>	趙志軍 <sup>2</sup>	26,280,000	8.21%
Fu Pengxu <sup>3</sup>	付蓬旭 <sup>3</sup>	21,120,000	6.60%
Xie Qingxi <sup>4</sup>	謝清喜 <sup>4</sup>	11,520,000	3.60%

### Notes:

- These Shares are held by Wealth Max Holdings Limited ("Wealth Max"). Mr. Wilson Sea is the sole beneficial owner of Wealth Max and hence is deemed to be interested in all the Shares held by Wealth Max under the SFO.
- These Shares are held by Plenty Venture Holdings Limited ("Plenty Venture"). Zhao Zhijun (趙志軍) owns 63.93% issued share capital of Plenty Venture and hence is deemed to be interested in all the Shares held by Plenty Venture under the SFO.
- These Shares are held by Wingco Development Limited ("Wingco Development"). Fu Pengxu (付蓬旭) owns 45.46% issued share capital of Wingco Development and hence is deemed to be interested in all the Shares held by Wingco Development under the SFO.
- These Shares are held by King Win Capital Limited ("King Win"). Xie Qingxi (謝清喜) owns 50% issued share capital of King Win and hence is deemed to be interested in all the Shares held by King Win under the SFO.

### 附註：

- 該等股份由 Wealth Max Holdings Limited (「Wealth Max」)持有。Wilson Sea先生為Wealth Max的唯一實益擁有人，故根據證券及期貨條例視作於Wealth Max持有的所有股份中擁有權益。
- 該等股份由盛源控股有限公司(「盛源」)持有。趙志軍擁有盛源63.93%已發行股本，故根據證券及期貨條例視作於盛源持有的所有股份中擁有權益。
- 該等股份由榮高有限公司(「榮高」)持有。付蓬旭擁有榮高45.46%已發行股本，故根據證券及期貨條例視作於榮高持有的所有股份中擁有權益。
- 該等股份由景勝投資有限公司(「景勝」)持有。謝清喜擁有景勝50%已發行股本，故根據證券及期貨條例視作於景勝持有的所有股份中擁有權益。

Save as disclosed above, as at 31 December 2012, none of the Directors or chief executive of the Company, had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，於二零一二年十二月三十一日，概無董事或本公司行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第352條規定須予存置的登記冊所記錄，或根據標準守則須知會本公司及聯交所的任何權益或淡倉。



## Directors' Report

### 董事會報告書

At no time during the 2012 Financial Year were the rights to acquire benefits by means of the acquisition of Shares in the Company granted to any Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2012, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

#### Long positions in Shares

於二零一二年財政年度期間任何時間，概無任何董事或彼等各自的配偶或未成年子女獲授可藉購入本公司股份而獲益的權利，彼等亦無行使任何此等權利；本公司、其控股公司或其任何附屬公司概無訂立任何安排，致令董事可於任何其他法人團體獲得此等權利。

#### 主要股東及其他人士於股份及相關股份的權益及淡倉

於二零一二年十二月三十一日，以下人士（董事或本公司主要行政人員除外）於股份或本公司相關股份中，擁有根據證券及期貨條例第336條規定須予存置的登記冊所記錄的權益或淡倉：

#### 於股份中的好倉

Name of shareholders	股東名稱／姓名	Number of issued Shares held and nature of interest 所持有已發行股份數目及權益性質	
		Personal Interests (beneficial owner) 個人權益 (實益擁有人)	Approximate percentage of issued share capital of the Company 佔本公司已發行股本的概約百分比
Wealth Max <sup>1</sup>	Wealth Max <sup>1</sup>	122,520,000	38.29%
Plenty Venture <sup>2</sup>	盛源 <sup>2</sup>	26,280,000	8.21%
Wingco Development <sup>3</sup>	榮高 <sup>3</sup>	21,120,000	6.60%
Wang Liying <sup>4</sup>	王麗英 <sup>4</sup>	122,520,000	38.29%
Sun Haiyan <sup>5</sup>	孫海燕 <sup>5</sup>	26,280,000	8.21%

Notes:

- Wealth Max is wholly beneficially owned by Mr. Wilson Sea.
- Plenty Venture is owned by Zhao Zhijun (趙志軍) as to 63.93%, Liu Baojun (劉保軍) as to 5.48%, Zhao Zeng (趙增) as to 4.57%, Wang Wenbo (王文波) as to 4.57%, Chu Xinyao (褚新耀) as to 4.57%, Liu Yonghong (劉永紅) as to 4.57%, Zhu Zihua (朱自華) as to 4.57%, Liu Jinyong (劉金永) as to 4.11% and Yang Weixia (楊瑋霞) as to 3.65%.
- Wingco Development is owned by Fu Pengxu (付蓬旭) as to 45.46%, Zhang Guangliang (張廣亮) as to 27.27% and Dou Changlun (竇長倫) as to 27.27%.

附註：

- Wealth Max由Wilson Sea先生全資實益擁有。
- 盛源由趙志軍、劉保軍、趙增、王文波、褚新耀、劉永紅、朱自華、劉金永及楊瑋霞分別擁有63.93%、5.48%、4.57%、4.57%、4.57%、4.57%、4.57%、4.11%及3.65%。
- 榮高由付蓬旭、張廣亮及竇長倫分別擁有45.46%、27.27%及27.27%。

4. Ms. Wang Liying is the spouse of Mr. Wilson Sea. By virtue of the SFO, Ms. Wang Liying is deemed to be interested in all shares in which Mr. Wilson Sea is interested and/or deemed to be interested.
4. 王麗英女士為Wilson Sea先生的配偶。根據證券及期貨條例，王麗英女士被視為為Wilson Sea先生擁有及／或被視作擁有的全部權益中擁有權益。
5. Ms. Sun Haiyan is the spouse of Mr. Zhao Zhijun. By virtue of the SFO, Ms. Sun Haiyan is deemed to be interested in all shares in which Mr. Zhao Zhijun is interested and/or deemed to be interested.
5. 孫海燕女士為趙志軍先生的配偶。根據證券及期貨條例，孫海燕女士被視為為於趙志軍先生擁有及／或被視作擁有的全部權益中擁有權益。

Save as disclosed above, so far as is known to any Director or chief executive of the Company, as at 31 December 2012, no other person had an interest or short position in the Shares or underlying Shares of the Company that was required to be kept pursuant to Section 336 of the SFO.

除上文披露者外，據任何董事或本公司行政總裁所知，於二零一二年十二月三十一日，概無其他人士於股份或本公司相關股份中，擁有根據證券及期貨條例第336條規定須予存置的登記冊所記錄的權益或淡倉。

## USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Company was listed on the Main Board of the Stock Exchange on 23 November 2011. The aggregate net proceeds, after deducting underwriting fees and the related expenses payable in connection with the global offering, amounted to approximately HK\$78.1 million. Please refer to the Prospectus for details. For the year ended 31 December 2012, the proceeds from the initial public offering available for and utilized by the Company are as follows:

## 首次公開發售所得款項用途

本公司於二零一一年十一月二十三日於聯交所主板上市。所得款項淨額經扣減包銷費用及全球發售相關應付開支後合共約為78.1百萬港元（詳情請參閱招股章程）。截至二零一二年十二月三十一日止年度，本公司可動用及已動用自首次公開發售所得款項如下：

Use of proceeds	所得款項用途	Net proceeds from the global offering	
		Available 可供動用 (HK\$ million) (百萬港元)	Utilized 已動用 (HK\$ million) (百萬港元)
Acquisition and installation of production facilities for expansion	購買及安裝擴充生產設施	36.2	36.2
Construction of plants and buildings	興建工廠及樓宇	22.7	22.7
Product research and development	產品研發投入	18.7	12.6
Working capital injection	補充營運資金	0.5	0.5
Total	合計	78.1	72.0

## CONNECTED TRANSACTIONS

The related party transactions set out in note 31 to the financial statements also constitute continuing connected transaction under the Listing Rules.

## 關連交易

載於財務報表附註31的關連人士交易，亦構成上市規則所界定的持續關連交易。

During the 2012 Financial Year, the Group had no connected transaction and continuing connected transactions not exempted under Rules 14A.31 and 14A.33 of the Listing Rules respectively.

於二零一二年財政年度內，本集團概無不獲上市規則第14A.31條與第14A.33條豁免的關連交易及持續關連交易。

#### TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holdings of the Shares.

#### AUDIT COMMITTEE

An audit committee (the "Audit Committee") was established by the Board on 19 October 2011 with written terms of reference in compliance with the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control procedures.

The Audit Committee comprises three INEDs, namely Mr. Chu Kin Wang, Peleus, Mr. Li Zhiqiang and Mr. Zhang Jinhua. Mr. Chu Kin Wang, Peleus is the chairman of the Audit Committee.

#### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as the latest practicable date prior to the issue of this annual report, the percentage of the Company's shares which are in the hands of the public exceeds 25% of the Company's total number of issued shares as required under the Listing Rules.

#### REMUNERATION POLICY

For the year ended 31 December 2012, the Group had 1,418 employees (2011: 1,464 employees) with total remuneration and welfare benefits expenses amounted to approximately RMB46.8 million (2011: RMB45.6 million). The Group's remuneration policy is primarily based on the job responsibilities, work performance and number of years of services of each employee and the current market conditions. The Group also provided internal and external trainings and courses to our employees to encourage self-improvement and to enhance their technical skills. The determination of the remuneration to the Directors will be based on their job duties and responsibilities, experience and current market condition.

#### 稅務減免與豁免

董事並不知悉本公司股東因持有股份而可享有任何稅務減免與豁免。

#### 審核委員會

本公司已於二零一一年十月十九日成立審核委員會(「審核委員會」)，並已遵照上市規則附錄14所載企業管治常規守則以書面列明職權範圍。審核委員會的主要職責為檢討及監督財務申報過程及內部監控程序。

審核委員會的成員為三名獨立非執行董事，即朱健宏先生、李志強先生及張進華先生。朱健宏先生為審核委員會主席。

#### 充足公眾持股量

根據本公司可獲得的公開資料及就董事所知，於刊發本年報前的最後實際可行日期，本公司一直維持上市規則規定的足夠公眾持股量，由公眾持有超過25%的本公司已發行股份。

#### 薪酬政策

截至二零一二年十二月三十一日止年度，本集團有1,418名僱員(二零一一年：1,464名)，薪酬及福利總開支約為人民幣46.8百萬元(二零一一年：人民幣45.6百萬元)。本集團薪酬政策主要根據各員工之職責、工作表現及服務年期以及現行市況釐定。本集團亦向僱員提供內部及外部培訓及課程，以鼓勵自我改進及加強彼等的專業技術。董事薪酬將根據彼等之職務及職責、經驗及現行市況釐定。

## RETIREMENT SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, each of the employer and employee are required to make contributions of 5% of the employees' relevant income to the scheme, subject to a cap of monthly relevant income of HK\$25,000. Contributions made to the scheme are vested immediately.

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

For the year ended 31 December 2012, the Group's total contributions to the retirement schemes charged in the income statement amounted to approximately RMB7.1 million (2011: approximately RMB7.2 million). Details of the Group's pension scheme and the basis of calculation are set out in note 11 to the financial statements.

## CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company are set out in the Corporate Governance Report from pages 45 to 57 of this annual report.

## COMPLIANCE ADVISER'S INTEREST

Pursuant to the compliance adviser agreement dated 14 November 2011 entered into between the Company and First Shanghai Capital Limited ("First Shanghai"), First Shanghai has been appointed as the compliance adviser as required under the Listing Rules for the period from the Listing Date to the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the Company's financial results for the year ended 31 December 2012. First Shanghai has received a fee for acting as the Company's compliance adviser during the period.

## 退休計劃

本集團根據香港強制性公積金計劃條例為受香港僱傭條例管轄的司法權區的受聘僱員設立一項強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立受託人管理的定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入的5%向計劃供款，最高為每月相關收入25,000港元。計劃供款即時歸屬。

中國附屬公司的僱員均參與由地區機關設立的退休計劃。附屬公司須按僱員薪金若干百分比向該等計劃供款以支付福利。本集團於該等計劃的唯一責任為根據計劃作出所需供款。

截至二零一二年十二月三十一日止年度，本集團對退休計劃的總供款約人民幣7.1百萬元(二零一一年：約人民幣7.2百萬元)自收益表中扣除。有關本集團退休金計劃及計算基準的詳情載於財務報表附註11。

## 企業管治

本公司致力維持高水平的企業管治常規。有關本公司所採納企業管治常規的詳情載列於本年報第45至57頁企業管治報告中。

## 合規顧問之權益

根據本公司與第一上海融資有限公司(「第一上海」)所訂立日期為二零一一年十一月十四日的合規顧問協議，第一上海已根據上市規則規定獲委任為合規顧問，任期為自上市日期起至本公司就本公司截至二零一二年十二月三十一日止年度之財務業績遵守上市規則第13.46條之日。第一上海已收取於此期間作為本公司合規顧問之費用。

## Directors' Report

### 董事會報告書

As notified by First Shanghai, save as disclosed above, neither First Shanghai nor its respective directors, employees or associates (as defined in the Listing Rules) had any interest in the shares of the Company, or had any options or rights to subscribe for or to nominate persons to subscribe for the shares of the Company as at 31 December 2012.

### AUDITORS

The financial statements for the 2012 Financial Year have been audited by Deloitte Touche Tohmatsu. A resolution to re-appoint Deloitte Touche Tohmatsu as auditor of the Company will be proposed for approval by shareholders of the Company at the forthcoming AGM of the Company.

### REVIEW BY THE AUDIT COMMITTEE

The audited financial statements have been reviewed by the Audit Committee of the Company, which comprises three INEDs are Mr. Chu Kin Wang, Peleus, Mr. Li Zhiqiang and Mr. Zhang Jinhua. Mr. Chu Kin Wang, Peleus is the Chairman of the Audit Committee.

On behalf of the Board

*Chairman*

**Wilson SEA**

28 March 2013

除上述披露者外，誠如第一上海所告知，第一上海及其董事、僱員或聯繫人士(定義見上市規則)於二零一二年十二月三十一日概無於本公司股份中擁有權益、或擁有任何購股權或認購或提名人士認購本公司股份之權利。

### 核數師

德勤•關黃陳方會計師行已審核二零一二年財政年度的財務報表。於本公司應屆股東週年大會將提呈決議案以取得股東批准續聘德勤•關黃陳方會計師行為本公司核數師。

### 經審核委員會審閱

本公司審核委員會(包括三名獨立非執行董事朱健宏先生、李志強先生及張進華先生。朱健宏先生為審核委員會主席)已審閱經審核財務報表。

代表董事會

*主席*

**Wilson SEA**

二零一三年三月二十八日

# Corporate Governance Report

## 企業管治報告

The Board of the Company is committed to promoting good corporate governance to safeguard the interests of the shareholders and to enhance the Group's performance. The Group believes that conducting its businesses in an open and responsible manner and following good corporate governance practices serve its long-term interests and those of its shareholders.

### CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions and certain recommended best practices ("Recommended Best Practices") set out in the Code on Corporate Governance Practices (effective until 31 March 2012) (the "Code") and Corporate Governance Code (effective from 1 April 2012) (the "Revised Code") contained in Appendix 14 to the Listing Rules where suitable to the Company so as to enhance the corporate governance standard of the Company throughout the 2012 Financial Year.

The Board as a whole is responsible for performing the corporate governance duties set out in the Revised Code. The Board reviews at least annually the corporate governance practices of the Company to ensure its continuous compliance with the Code and the Revised Code, and make appropriate changes if considered necessary. During the 2012 Financial Year, the Board has performed the corporate governance duties set out in the Revised Code.

None of the Directors is aware of any information which would reasonably indicate that the Company was not in compliance with the Corporate Governance Code during the 2012 Financial Year.

### THE BOARD

The overall management of the business of the Group is vested to the Board. The Board is responsible for the formulation of strategic, management and financial objectives of the Group and ensuring that the interest of shareholders including those minority shareholders are protected. Daily operations and administration of the Group are delegated to the executive Directors and the management.

本公司董事會致力維持高水平之企業管治以保障股東的利益以及優化本集團的表現。本集團堅信憑著開明及盡責的態度經營業務及奉行良好之企業管治常規，可為本集團及其股東帶來長遠利益。

### 企業管治常規

在二零一二年財政年度內，本公司一直遵守上市規則附錄14所載的企業管治常規守則(有效至二零一二年三月三十一日)(「守則」)及企業管治守則(自二零一二年四月一日起生效)(「經修訂守則」)所載列的守則條文與若干建議最佳常規(「建議最佳常規」)，以提高本公司的企業管治標準。

董事會整體負責執行經修訂守則所載企業管治職責。董事會最少每年就本公司之企業管治常規作出檢討，以確保其持續遵守守則及經修訂守則，並於認為需要時作出適當變動。於二零一二年財政年度，董事會已履行經修訂守則所載企業管治職責。

董事概不知悉有任何資料將合理顯示本公司於截至二零一二年財政年度內不遵守該等企業管治守則。

### 董事會

本集團整體業務由董事會負責管理。董事會負責制定本集團策略、管理和財務目標，以及確保股東(包括少數股東)的利益得以保障。本集團的日常營運及行政管理委派執行董事和管理層處理。

## Corporate Governance Report

### 企業管治報告

#### Board of Directors

The Board currently comprises a combination of executive Directors, non-executive Directors and independent non-executive Directors. As of the date of this annual report, the composition and committees of the Board is as follows:

#### 董事會

董事會現時由執行董事、非執行董事及獨立非執行董事組成。於本年度報告日期，董事會的組成及委員會如下：

Directors 董事	Committee 委員會			
	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Strategy committee 戰略委員會
<b>Executive Directors 執行董事</b>				
Mr. ZHAO Zhijun ( <i>Chief Executive Officer</i> ) 趙志軍先生(行政總裁)		M		M
Mr. WANG Wenbo 王文波先生				
Ms. YANG Weixia 楊瑋霞女士				
<b>Non-executive Directors 非執行董事</b>				
Mr. Wilson SEA ( <i>Chairman</i> ) Wilson SEA先生(主席)			C	C
Mr. FU Pengxu 付蓬旭先生				M
Mr. XIE Qingxi 謝清喜先生				
<b>Independent Non-executive Directors 獨立非執行董事</b>				
Mr. CHU Kin Wang, Peleus 朱健宏先生	C	M	M	
Mr. LI Zhiqiang 李志強先生	M			M
Mr. ZHANG Jinhua 張進華先生	M	C	M	M

#### Notes:

C – chairman  
M – member

#### 附註：

C – 主席  
M – 成員

Profiles of the Directors are set out on pages 23 to 27 of this annual report and is updated on the website of the Company.

有關董事的履歷載於本年報第23至27頁及於本公司網頁更新。

The Board believes that the balance between Executive and Non-Executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of shareholders and the Group. The non-executive Directors provide the Group with diversified expertise and experience. Their views and participation in Board and committee meetings bring independent judgement and advice on issues relating to the Group's strategies, performance, conflicts of interest and management process, to ensure that the interests of all shareholders are taken into account. One of the independent non-executive directors, Mr. Chu Kin Wang, Peleus possesses the appropriate professional accounting qualifications or related financial management expertise as required under the Listing Rules.

董事會相信執行董事及非執行董事組合之比例合理及適當，並充分發揮制衡作用，以保障股東及本集團之利益。非執行董事為本集團帶來多元化的專業知識及經驗。彼等提出的意見及透過參與董事會及委員會會議，在策略、表現、利益衝突及管理程序等事宜上為本集團帶來獨立之判斷及意見，從而確保所有股東之利益均獲得考慮。其中一名獨立非執行董事朱健宏先生具備上市規則所規定的適當專業會計資格或相關財務管理專業知識。

The Group provides briefings and other training to develop and refresh the Directors' knowledge and skills. The Group, together with its legal counsel, continuously update Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

During the year, the Company organised a formal training sessions conducted by K&L Gates Solicitors for the Directors. The training sessions covered topics including the new Corporate Governance Code, the disclosure of price sensitive information and establishment of an internal control system. All Directors attended the sessions.

### The Board Meetings

The Board meets at least two times per year and additional meetings are convened when deemed necessary by Board.

The schedule of regular meetings for the whole year has been informed to each Director. Notices of Board meetings will be served to all the Directors at least 14 days before the meeting. Notices and agenda of the Board meeting are prepared by the Company Secretary as delegated by the Chairman. All the Directors are given the opportunity to include any matters which they believe to be appropriate in the agenda of the Board meetings.

Agenda and relevant information of Board meetings with adequate background information and supporting analysis are made available to the Directors at least 3 days before the intended date of the Board meeting. All the Directors are given separate and independent access to the Company's senior management for further information and enquiries. The Company Secretary and senior management attends all the meetings of the Board and Board committees to advise on corporate governance, statutory compliance and financial matters.

Any material matters that would have conflict of interest between the directors/substantial shareholders and the Company will be dealt with in the Board meeting. Pursuant to the Articles, a Director is not entitled to vote on (nor is counted in the quorum) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his associates (including any person who would be deemed to be an "associate" of the Directors under the Listing Rules) has any material interest, except in certain special circumstances. The chairman of the Board meeting is required to ensure that each Director is aware of such requirement at the commencement of each Board meeting and declaration of interest is properly made in the Board meeting where conflicts of interest arise.

本集團提供簡介會及其他培訓，以發展及重溫董事之知識及技能。本集團連同其法律顧問持續向董事提供有關上市規則及其他適用監管規定之最新發展概況，以確保董事遵守該等規則及提高其對良好企業管治常規之意識。

年內，本公司邀請高蓋茨律師事務所為本公司董事舉辦培訓，其中內容涵蓋新企業管治守則、股價敏感資料的披露以及設立內部監控系統等。全體董事亦有出席該次培訓。

### 董事會會議

董事會每年召開會議不少於2次，並根據需要隨時增開會議。

全年定期會議時間表已通知各董事。召開董事會會議通告將會於會議舉行前不少於14天送呈全體董事。召開董事會會議通告及議程由主席委派公司秘書負責編製。全體董事皆有機會提出任何認為合適商討的事項列入董事會會議議程。

董事會會議議程及相關檔附有適時的背景資料與相關支持的分析在預期的董事會會議前最少3天送呈各董事查閱。所有董事可各自接觸本公司高級管理人員索取進一步的資訊與查詢。公司秘書與高級管理人員參與所有董事會及董事會委員會會議，與董事會成員就企業管治、遵守法則和財務方面提供意見。

任何重要事項中存有董事／主要股東和本公司有利益衝突時，將在董事會會議上處理。根據細則規定，除若干特殊情況外，董事無權就彼或彼任何聯繫人(包括上市規則項下被視為董事「聯繫人」之任何人士)擁有任何重大權益的任何合約或安排或任何其他建議，就董事會決議案投票(亦不得計入會議的法定人數內)。董事會主席須於每次董事會會議舉行時確保每名董事均知悉有關規定，並於出現利益衝突時妥為向董事會申報其權益。



## Corporate Governance Report

### 企業管治報告

Directors have access to the advices and services of the Company Secretary and key officers of the Company in relation to the board procedures. Draft minutes of Board/Board committee meetings recorded in sufficient details the matters considered by the participants of such meetings and decisions reached are forwarded to the participants for comments within a reasonable time after the meetings and final versions of minutes of Board meetings and meetings of Board committee are kept by the Company Secretary, which are open for inspection by any Directors at any reasonable time on reasonable notice.

Board members are provided with complete, adequate and timely information to allow the Directors to fulfill their duties properly. Directors may seek independent professional advice at the Company's expense, if necessary, with the approval of the Board.

As permitted under the Articles, the Company has arranged Directors and Officers Liability Insurance in respect of any legal actions which may be taken against Directors and management in execution and discharge of their duties or in relation thereto.

### ATTENDANCE RECORD AT MEETINGS

The attendance record of the Directors at the meetings of the Board, the Audit Committee, Remuneration Committee, Nomination Committee and general meeting during the 2012 Financial Year are set out in the following table:

董事有權要求公司秘書和本公司主要職員提供有關董事會程式的意見和服務。董事會／董事會委員會會議草稿詳細記錄該等會議所考慮的事項及達致的決定。於會議後的合理時間內送呈會議草稿與議會者表達意見。董事會會議及董事會委員會會議最後定稿由公司秘書存檔。任何董事於合理時間內，發出合理通知後可查閱有關檔。

董事會向其成員提供完整、適當、及時之資料，以使董事能夠恰當地履行其職責。董事如有需要時，於得到董事會批准後，可尋求獨立專業意見，費用由本公司支付。

於細則允許下，本公司已為董事和管理層就履行其職責或相關事宜時可能承擔之法律行動安排董事和管理人員責任保險。

### 會議的出席記錄

下表載列於二零一二年財政年度期間董事出席董事會、審核委員會、薪酬委員會、提名委員會會議及股東大會的出席記錄：

		Meetings attended/Meetings held				
		出席會議次數/會議次數				
		Audit Committee	Remuneration Committee	Nomination Committee	General meeting	
		審核委員會	薪酬委員會	提名委員會	股東大會	
		Board	Committee	Committee	Committee	
		董事會	審核委員會	薪酬委員會	提名委員會	
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. ZHAO Zhijun (Chief Executive Officer)	趙志軍先生 (行政總裁)	2/2	N/A不適用	1/1	N/A不適用	1/1
Mr. WANG Wenbo	王文波先生	2/2	N/A不適用	N/A不適用	N/A不適用	1/1
Ms. YANG Weixia	楊瑋霞女士	2/2	N/A不適用	N/A不適用	N/A不適用	1/1
<b>Non-executive Directors</b>	<b>非執行董事</b>					
Mr. Wilson SEA (Chairman)	Wilson SEA先生(主席)	2/2	N/A不適用	N/A不適用	1/1	1/1
Mr. XIE Qingxi	謝清喜先生	2/2	N/A不適用	N/A不適用	N/A不適用	1/1
Mr. FU Pengxu	付蓬旭先生	2/2	N/A不適用	N/A不適用	N/A不適用	1/1
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>					
Mr. CHU Kin Wang, Peleus	朱健宏先生	2/2	2/2	1/1	1/1	1/1
Mr. LI Zhiqiang	李志強先生	2/2	2/2	N/A不適用	N/A不適用	1/1
Mr. ZHANG Jinhua	張進華先生	2/2	2/2	1/1	1/1	1/1

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

To ensure a balance of power and authority, the roles of the Chairman and the Chief Executive Officer are segregated and not exercised by the same individual. The Chairman is responsible for the leadership and effective running of the Board and ensuring that all material issues are discussed by the Board in a timely and constructive manner. The Chief Executive Officer is responsible for the management of the day-to-day operations of the Group's business and the implementation of the approved strategies of the Group. The Board is headed by the Chairman, Mr. Wilson Sea, formerly known as Mr. Xi Chunying. The Chief Executive Officer is Mr. Zhao Zhijun.

With the support of the Company Secretary, the Chairman ensures all the Directors are properly briefed on issues arising at the Board meetings and be provided with adequate information in a timely manner.

## INEDS

The Board at all times met the requirements of the Listing Rules relating to the appointment of at least 3 INEDs with at least one INED possessing appropriate professional qualifications, or accounting or related financial management expertise throughout the 2012 Financial Year.

The Company has received an annual written confirmation from each of the INEDs of their independence pursuant to Rule 3.13 of the Listing Rules and considers them to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgment.

## MANAGEMENT FUNCTION

The Articles set out matters which are specifically reserved to the Board for its decision. Executive Directors normally meet on an informal basis and participate in senior management meetings on a regular basis to keep abreast of the latest operations and performance of the Group and to monitor and ensure the management carry out the directions and strategies set by the Board correctly and appropriately.

## RESPONSIBILITIES OF DIRECTORS

The Company and the Board require each Director to keep abreast of his responsibilities as a Director of the Company and of the business and operating activities and development of the Company. Every Director is required to devote sufficient time and involvement in the affairs of the Board and the material matters of the Company and to serve the Board with such degree of care and due diligence given his own expertise, qualification and professionalism.

## 主席及行政總裁

為確保權力平衡，主席及行政總裁各有獨立職務，非由一人擔任。主席負責董事會的領導及有效管理，並須確保董事會以合時及建設性的方式討論一切重大事項。行政總裁則負責經營本集團業務的日常運作及執行本集團所批准的策略。董事會由主席Wilson Sea先生(前稱席春迎先生)領導，而行政總裁為趙志軍先生。

在公司秘書協助下，主席致力確保董事會會議上所有董事均適當知悉當前的事項，並適時獲得充份及可靠的資料。

## 獨立非執行董事

董事會於二零一二年財政年度期間所有時間均符合上市規則的規定，委任最少3名獨立非執行董事，而其中一名獨立非執行董事具備適當專業資格，或會計或有關財務管理之專業知識。

本公司已接獲各獨立非執行董事根據上市規則第3.13條的規定發出之年度獨立性書面確認函，並認同獨立非執行董事乃獨立於管理層，且並無任何足以重大干預彼等進行獨立判斷的任何關係。

## 管理層職能

細則載列指明須由董事會決定的事項。執行董事一般定期舉行非正式會議，並定期參與高級管理層的會議，以便掌握本集團近期的營運及表現，且監察及確保管理層正確及恰當地執行董事會制訂的指示及策略。

## 董事責任

本公司及董事會要求每名董事清楚彼作為本公司董事的職責，以及瞭解本公司的經營和業務活動及發展。每名董事均須投入足夠時間及精神處理董事會事務及本公司重要事宜，並按照各自的專門知識、資歷及專業技能，以謹慎盡責的態度為董事會服務。

A comprehensive Compliance Manual has been provided to each Director and has been updated. All Directors have been updated and briefed the relevant changes in legal and regulatory matters to ensure that they have a proper understanding of the operations and the business of the Company and that they are fully aware of their responsibilities under the applicable laws and regulations.

Each executive Director is responsible for the management of the different functions of the business of the Group. The non-executive Directors attended the Board meetings and advised their opinion on the business strategy of the Company and reviewed the financial and operation performance of the Group.

The INEDs serve the relevant function of bringing independent judgment on the issues of strategic direction, development, performance and risk management of the Group. The INEDs are all or a majority of members of the Audit Committee, the Remuneration Committee and the Nomination Committee.

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board is empowered under the Articles to appoint any person as a Director to fill a casual vacancy on or as an additional member of the Board. Suitable candidates who are experienced and competent and able to fulfill the fiduciary duties and duties of skill, care and diligence would be recommended to the Board.

Each of the executive Directors was appointed for an initial term of three years and each service agreement will continue thereafter until terminated by either party by giving to the other party not less than three months' prior notice in writing.

Each of the non-executive Directors and independent non-executive Directors was appointed for a specific term of three years. All Directors are subject to retirement by rotation and are eligible for re-election pursuant to the Articles.

詳盡的合規守則已提供給每一位董事，並會不時更新。每位董事皆獲得最新有關法例和監管事項的變動簡要提示，以確保彼等清楚瞭解本公司的營運及業務，且充分明瞭彼等於法律及規定下的責任。

各執行董事於管理本集團的業務上擔當不同的職責。非執行董事參與董事會會議及就本公司業務策略提供意見和審閱本集團財務和營運表現。

獨立非執行董事負責就本集團策略方針、發展、表現及風險管理作出獨立判斷。獨立非執行董事為審核委員會、薪酬委員會和提名委員會全部或大部分成員。

## 董事委任及重選

董事會依照細則有權委任任何人士出任董事以補替臨時空缺或作為董事會新增成員。具豐富經驗及才能，有能力履行受託職責，有技能、盡職審查及處理能力的候選人士將獲推薦予董事會。

各執行董事的委任初步為期三年，並於其後各服務協議將繼續有效，直至其中一方向另一方發出不少於三個月書面通知終止協議為止。

各非執行董事及獨立非執行董事的委任指定任期為三年。根據細則，全體董事須輪值退任並符合資格膺選連任。

Pursuant to the Articles, any Director appointed by the Board either to fill a casual vacancy or as addition to the Board shall retire and be eligible for re-appointment at the next following general meeting after appointment. At every AGM, one-third of the Directors, including the Chairman, shall be subject to retirement by rotation and re-election by shareholders. The Directors appointed by the Board who are subject to retirement and re-election as mentioned above shall be taken into account in calculating the total number of Directors for the time being but shall not be taken into account in calculating the number of Directors who are to retire by rotation. All Directors eligible for re-election shall have their biographical details made available to the shareholders to enable them to make an informed decision on their re-election. Any appointment, resignation, removal or re-designation of Director shall be timely disclosed to the shareholders by announcement and shall include in such announcement, the reasons given by the Director for his resignation.

## BOARD COMMITTEES

The Board has established 3 main Board Committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, each chaired by different Director, to assist the Board for overseeing particular aspects of the Company's affairs. The terms of reference setting out the principles, procedures and arrangements of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the website of the Company. Board Committees report to the Board of their decisions and recommendations at the Board meetings.

The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

### Audit Committee

The Audit Committee was established on 19 October 2011 with written terms of reference in compliance with the Code on Corporate Governance Practices and maintained on the websites of the Company and HKEx. The members of the Audit Committee are Mr. Chu Kin Wang, Peleus, Mr. Li Zhiqiang and Mr. Zhang Jinhua. Mr. Chu Kin Wang, Peleus, a fellow member of the Hong Kong Institute of Certified Public Accountants, has been the chairman of the Audit Committee.

根據細則，董事會委任的任何董事（不論為填補臨時空缺或屬董事會新增成員）均須於獲委任後首個股東大會退任並合資格膺選連任。於每屆股東週年大會上，三分之一之董事（包括主席）均須輪值退任及由股東重選。於計算當時董事總數時，將會計入按上文所述由董事會委任而須退任及膺選連任的董事，惟於計算將輪值退任董事人數時則不予計算。所有符合資格膺選連任的董事均須向股東披露個人履歷，以便股東於重選時作出知情決定。任何董事委任、辭任、罷免或調任事宜均須以公告形式及時向股東披露，並須在公告中註明該董事辭任的理由。

### 董事會委員會

董事會已成立三個主要董事會委員會，分別為審核委員會、薪酬委員會及提名委員會，分別由不同董事出任主席，以協助董事會以監督本公司事務的各項特定範疇。審核委員會、薪酬委員會及提名委員會的原則、程序及安排之職權範圍刊載於本公司網頁。董事會委員會於董事會會議向董事會匯報其決定和建議。

董事會委員會獲提供充足資源以履行其職責，並於提出合理要求後，可於適當情況下尋求獨立專業意見，費用概由本公司承擔。

### 審核委員會

審核委員會已於二零一一年十月十九日成立，並已遵照企業管治常規守則規定以書面列明職權範圍並載於本公司及港交所之網站。審核委員會成員為朱健宏先生、李志強先生及張進華先生。朱健宏先生為香港會計師公會資深會員，為審核委員會主席。

## Corporate Governance Report

### 企業管治報告

The primary duties of the Audit Committee are reviewing, overseeing and supervision of the effectiveness of the Group's financial reporting process, internal control systems and risk management.

The Audit Committee will hold meetings at least twice a year.

The Audit Committee recommended to the Board on the re-appointment of Deloitte Touche Tohmatsu as the Company's external auditors for the ensuing year and the related resolution shall be put forth in the coming AGM.

The Audit Committee has reviewed the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company's auditors.

For the year ended 31 December 2012, the Group's external auditors, Deloitte Touche Tohmatsu, provided interim review and annual audit services. For the year ended 31 December 2012, the total fee paid/payable in respect of services provided by the Group's external auditors is set out below:

審核委員會的主要職責為檢討、管理及監督本集團的財務匯報程式、內部監控制度及風險管理的成效。

審核委員會將最少每年召開兩次會議。

審核委員會向董事會建議重新聘任德勤•關黃陳方會計師行為本公司下年度的外聘核數師，並建議於應屆股東週年大會提呈有關決議案。

審核委員會已檢討審核的範疇、結果及成本效益，以及本公司核數師的獨立性和客觀性。

於截至二零一二年十二月三十一日止年度，本集團外部核數師德勤•關黃陳方會計師事務所提供中期檢閱及年度審核服務。於截至二零一二年十二月三十一日止年度，就本集團外部核數師提供的服務已支付／應付的費用總額載列如下：

		<b>2012</b> 二零一二年 <b>RMB'000</b> 人民幣千元
Annual audit services	年度審核服務	<b>1,300</b>
Interim review services	中期檢閱服務	<b>406</b>

There was no non-audit services provided by the Group's external auditors, Deloitte Touche Tohmatsu.

During the 2012 Financial Year, the Audit Committee has, amongst other things, reviewed the half-yearly and annual results of the Company and the internal control matters of the Company.

The Audit Committee has reviewed with the management in conjunction with the auditors, the audited annual financial statements of the Group for the 2012 Financial Year and the accounting principles and practices adopted by the Group. The annual report for the 2012 Financial Year has been reviewed by the Audit Committee.

本集團外聘核數師德勤•關黃陳方會計師行過往並無提供非審核服務。

於二零一二年財政年度，審核委員會已(其中包括)審閱本公司半年及全年業績以及本公司內部控制事宜。

審核委員會已和管理層聯同核數師審閱經審核本集團二零一二年財政年度的財務報表，及本集團所採納的會計原則及常規。二零一二年財政年度的年報已由審核委員會審閱。

### Nomination Committee

The Nomination Committee was established on 19 October 2011, The terms of reference for the Nomination Committee in compliance with the Recommended Best Practice and maintained on the websites of the Company and HKEx. The members of the Nomination Committee are Mr. Wilson Sea, Mr. Chu Kin Wang, Peleus and Mr. Zhang Jinhua. Mr. Wilson Sea is the chairman of the Nomination Committee.

The Nomination Committee is responsible for formulating policy and making recommendations to the Board on nominations, appointment of Directors and Board succession. During the 2012 Financial Year, the Committee has, amongst other things, developed selection procedures for candidates for directorship, and considered different criteria including appropriate professional knowledge and industry experience. The Committee also reviewed the size, structure and composition of the Board and assessed the independence of the Independent Non-Executive Directors. The Committee is provided with sufficient resources enabling it to perform its duties and it can seek independent professional advice at the Company's expense if necessary.

The Nomination Committee will hold meetings of least once a year.

### Remuneration Committee

The Remuneration Committee was established on 19 October 2011 with written terms of reference in compliance with the Code on Corporate Governance Practices and maintained on the websites of the Company and HKEx. The members of the Remuneration Committee are Mr. Zhao Zhijun, Mr. Chu Kin Wang, Peleus and Mr. Zhang Jinhua. Mr. Zhang Jinhua is currently the chairman of the Remuneration Committee.

During the 2012 Financial Year, the Remuneration Committee reviewed the structure of remuneration for executive directors and assessed performance of executive Directors. The Remuneration Committee has the responsibility for the determination, within agreed terms of reference, of specific remuneration packages for executive directors and other members of the Executive Committee, including salaries, retirement benefits, bonuses, long-term incentives, benefits in kind and any compensation payments. The Remuneration Committee commits to bringing independent thought and scrutiny to the development and review process of the Group with regards to remuneration. No director is allowed to take part in any discussion about his own remuneration.

### 提名委員會

提名委員會於二零一一年十月十九日成立，提名委員會的職權範圍已遵照建議最佳常規規定並載於本公司及港交所之網站。提名委員會成員為Wilson Sea先生、朱健宏先生及張進華先生。Wilson Sea先生為提名委員會主席。

提名委員會負責制定政策及就董事提名、委任及董事會接任向董事會提供建議。於二零一二年財政年度，委員會(其中包括)已就委任董事建立物色人選之程序，並已考慮利用不同的衡量標準，包括合適的專業知識及行業經驗。委員會亦已檢討董事會之成員人數、架構及組合，及評核獨立非執行董事的獨立性。委員會獲提供充足資源以履行其職責，並可在有需要時在本公司支付費用下尋求獨立專業意見。

提名委員會將最少每年召開一次會議。

### 薪酬委員會

薪酬委員會已於二零一一年十月十九日成立，並已遵照企業管治常規守則規定以書面列明職權範圍並載於本公司及港交所之網站。薪酬委員會的成員為趙志軍先生、朱健宏先生及張進華先生。張進華先生為薪酬委員會主席。

於二零一二年財政年度，薪酬委員會已檢討執行董事的薪酬架構及評核執行董事的表現。薪酬委員會負責於協定的職權範圍內為執行董事及執行委員會的其他委員釐定指定的薪酬組合，包括薪金、退休福利、紅利、長期獎勵、實物利益及任何補償款項。薪酬委員會承諾為本集團就薪酬的發展及檢討流程提供獨立意見及監察。概無董事獲准參與討論其個人薪酬。

The Remuneration Committee will hold meetings at least once a year.

Particulars of the Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance and Appendix 16 of the Listing Rules are set out in note 13 to the financial statements. The Directors' fee shall be subject to shareholders' approval at general meetings. Other emoluments shall from time to time be determined by the Board with reference to the Directors' duties and responsibilities and subject to a review by the Remuneration Committee.

## ACCOUNTANCY AND AUDIT

### Financial reporting

The Board acknowledges its responsibility for preparing the Company's financial statements for 2012 Financial Year which give a true and fair view of the financial position of the Group and in accordance with the statutory requirements and applicable accounting standards. The Company's annual report is prepared and published in accordance with statutory requirements and Hong Kong Financial Reporting Standards in a timely manner required under the Listing Rules. The Directors are provided with adequate information to enable them to make an informed assessment of financial and other information on matters for their approval.

The statement by the auditor of the Company regarding their reporting responsibility to the shareholders on the financial statements of the Group is set out in the Independent Auditor's Report on pages 58 to 59 of this annual report.

### Internal controls

The Group has in place the sound and effective internal controls to safeguard the shareholders' investment and the assets of the Group. The Company has from time to time reviewed the effectiveness of the internal control systems in order to ensure that they meet with the dynamic and ever changing business environment.

During the 2012 Financial Year, the Board has reviewed the effectiveness of the Group's internal control systems, including financial, operational and compliance controls and risk management functions, the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and the training programmes and budget through the Internal Audit Department and the Audit Committee.

薪酬委員會將最少每年召開一次會議。

依照香港公司條例第161條及上市規則附錄16而披露的董事酬金資料詳列於財務報表附註13中。董事收取的袍金須於股東大會上經股東批准。董事的其他酬金則由董事會不時參照董事的職責釐定及經薪酬委員會審閱。

### 問責及審核

#### 財務匯報

董事會知悉其有編製二零一二年財政年度本公司財務報表的責任，賬目須真實而公平地反映本集團的財政狀況，並根據法定規定與適用會計準則編製。本公司年報乃根據上市規則要求與香港財務報告準則而適時編製與刊發。董事獲提供適當資料，以便彼等就批准的事項作出財務和其他的知情決定。

本公司核數師就其對本集團財務報表向股東承擔的申報責任作出的聲明載於本年報第58至59頁的獨立核數師報告。

#### 內部監控

本集團已設立穩健及有效的內部監控，以保障股東的投資和本集團的資產。本公司不時檢討內部監控系統的效益，以確保系統能應付瞬息萬變的商業環境。

於二零一二年財政年度內，董事會透過內部審計部及審核委員會，檢討本集團內部監控系統的有效性，包括財務監控、運作監控及合規監控以及風險管理功能，本公司會計及財務匯報職能方面的資源運用、員工的資歷及經驗，以及員工接受的培訓課程及有關預算。

## SHAREHOLDERS' RIGHTS

### Procedures for convening of an extraordinary general meeting and putting forward proposals at shareholders' meeting

Pursuant to Article 58 of the Articles of Association of the Company, Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (the "Requisitionist(s)") may, by written requisition (the "Requisition") to the Board or the Company Secretary, to require an extraordinary general meeting ("EGM") to be called by the Board for the transaction of any business specified in the Requisition. The Requisition shall be deposited at the principal place of business of the Company in Hong Kong. The EGM shall be held within two months after the deposit of the Requisition. In the event that the Board fails to proceed to convene the EGM within twenty-one days of the deposit of the Requisition, the Requisitionist(s) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) by the Company.

### Procedures for shareholders to put enquiries to the Board

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. In respect of other enquiries, Shareholders may put forward enquiries to the Board through the Company's principal place of business in Hong Kong which will direct the enquiries to the Board for handling.

## COMMUNICATION WITH SHAREHOLDERS

### Effective communication

The Board recognizes the importance of continuing communications with shareholders and strives to ensure the timeliness, completeness and accuracy of information disclosure to shareholders and to the protection in the interests of shareholders. As a channel to further promote effective communication, the Group maintains a website, allowing shareholders to access updates on the Company's particulars where the Company's announcements, financial information and other information are posted.

## 股東權利

### 召開股東特別大會及於股東大會上提呈建議的程序

根據本公司的公司章程第58條，於遞呈要求日期持有不少於本公司繳足股本(賦有本公司股東大會上投票權)十分之一的股東(「要求人」)有權透過向本公司董事會或公司秘書發出書面要求(「要求」)，要求董事會召開股東特別大會(「股東特別大會」)，以處理有關要求中指明的任何事項。要求應交回本公司於香港的主要營業地點。股東特別大會應於遞呈該要求後兩個月內舉行。倘遞呈要求後二十一日內，董事會未有召開股東特別大會，則要求人可自行以同樣方式召開大會，而要求人因董事會未有召開大會而合理產生的所有開支應由本公司向要求人作出償付。

### 股東向董事會提出查詢的程序

股東應向本公司香港股份登記分處卓佳證券登記有限公司(地址為香港灣仔皇后大道東28號金鐘匯中心26樓)查詢其股權情況。對於其他查詢，股東可藉著本公司的香港主要營業地點將查詢直接傳遞予董事會處理。

### 與股東溝通 有效溝通

董事會明瞭與股東維持溝通的重要性，並致力確保能適時向股東披露完整準確的資料及保障股東的利益。本集團已設立網頁，以作為增進有效溝通的管道，讓股東查閱本公司最新資料，而本公司的公佈、財務資料及其他資料皆於網頁刊登。



## Corporate Governance Report

### 企業管治報告

The Board maintains an on-going dialogue with shareholders through general meeting of the Company to communicate with shareholders. The Chairman of the Board and all directors have attended the general meeting to answer any questions from shareholders. Separate resolutions are proposed at general meetings on each substantially separate issue. A shareholder is permitted to appoint any number of proxies to attend and vote in his stead. The notice of AGM was sent to all shareholders at least 20 clear business days before the meeting and the notice of all other general meetings to be sent at least 10 clear business days.

#### Voting by poll

The Articles have set out the rights of shareholders and procedures demanding and conducting a poll on resolutions at general meeting, procedures for and shareholders' right to demand a poll have been specified in corporate communications to shareholders and explained details of such rights at the commencement of the general meeting of shareholders by the Chairman. As required by the Listing Rules, all the general meetings will be voted by way of poll. The results of the poll, if any, are published on the websites of the Stock Exchange and the Company.

#### Changes in the Company's Constitutional Documents

There is no change in the Company's memorandum of association and the Articles during the 2012 Financial Year.

### COMPLIANCE WITH CODE, REVISED CODE AND MODEL CODE

#### Code for securities transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code"). The Company has made specific enquiry of all the Directors regarding any non-compliance with the Model Code during the 2012 Financial Year and they have confirmed their full compliance with the required standard set out in the Model Code for the 2012 Financial Year.

The Company has also adopted the Model Code as the Code for Securities Transactions by Relevant Employees to regulate dealings in securities of the Company by certain employees of the Company, or any of its subsidiaries and the holding companies who are considered to be likely in possession of unpublished price sensitive information in relation to the Company or its securities.

董事會通過本公司股東大會作為與股東溝通的橋樑，與股東保持持續對話。董事會主席及全體董事均出席股東大會，回應股東所作出的任何提問。本公司須就各項實質上個別事項於股東大會上個別提呈決議案。股東可委派任何數目的代表出席大會及代其投票。召開股東週年大會通告在股東週年大會舉行前不少於20個營業日寄發予所有股東，而就所有其他股東大會舉行前不少於10個營業日寄發召開所有其他股東大會通告。

#### 以投票方式表決

細則已載列股東權利及於股東大會要求及進行以投票方式表決決議案的程序，以及於致股東的公司通訊載列股東要求投票方式表決的權利及主席於股東大會開始時亦會闡釋該等股東權利。為符合上市規則，所有股東大會將以投票方式表決。投票方式表決的結果(如有)在聯交所網頁及本公司網頁公佈。

#### 修改本公司憲制文件

於二零一二年財政年度，本公司並無修改公司組織大綱及細則。

#### 遵守守則、經修訂守則及標準守則

#### 董事進行證券交易之守則

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則(「標準守則」)。本公司已就二零一二年財政年度有否任何違反標準守則之事項向所有董事作出具體查詢，彼等確認於二零一二年財政年度已全面遵守標準守則所載之規定標準。

本公司亦已採納標準守則作為相關僱員進行證券交易之守則，藉此規管被認為可能知悉有關本公司或其證券之未刊發價格敏感資料之本公司或其任何附屬公司及控股公司買賣本公司之證券。

## COMPANY SECRETARY

The Company has appointed Mr. Hung Man Yuk, Dicson as its Company Secretary, and Mr. Hung is responsible for all the secretarial service. Mr. Hung confirmed that for the year under review, he has taken no less than 15 hours of relevant professional training.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board acknowledges its responsibility to ensure that sound and effective internal control systems are maintained so as to safeguard the Group's assets and the interest of shareholders. The Board is responsible for reviewing the internal control policies and has delegated the day-to-day management of operational risks to the Executive Directors.

The Directors acknowledge their responsibility for preparing the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The Group's annual results and interim results are announced on a timely basis.

## 公司秘書

本公司已委任洪旻旭先生為公司秘書，而洪先生負責提供所有秘書服務。洪先生確認，於回顧年內，彼已接受不少於15小時的相關專業培訓。

## 董事之責任聲明

董事會知悉彼須確保本集團已實行健全及有效的內部監控制度，以保障本集團的資產及股東的權益。董事會負責檢討內部監控政策，委派執行董事進行營運風險的日常管理。

董事知悉彼須根據法定規定及適用會計準則編製本集團財務報表，而本集團年度業績及中期業績均依時公佈。

# Independent Auditor's Report

## 獨立核數師報告

# Deloitte.

## 德勤

### TO THE SHAREHOLDERS OF CHINA VEHICLE COMPONENTS TECHNOLOGY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Vehicle Components Technology Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 60 to 134, which comprise the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

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

致中國車輛零部件科技控股有限公司股東

(於開曼群島註冊成立的有限公司)

吾等已審核第60頁至第134頁所載中國車輛零部件科技控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)之綜合財務報表，包括於二零一二年十二月三十一日之綜合財務狀況表以及截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表以及主要會計政策概要及其他說明資料。

### 董事就編製綜合財務報表之責任

貴公司董事須遵照香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)及香港公司條例之披露要求，負責編製並真實兼公平地呈列本綜合財務報表，並進行董事認為必須之內部監控，以確保綜合財務報表之編製並無任何由於欺詐或謬誤而出現之重大錯誤陳述。

### 核數師之責任

吾等之責任僅為依照委託協定條款，就審核之綜合財務報表達致意見及僅向閣下報告。除此之外，吾等不就本報告內容對其他任何人士承擔任何責任。吾等根據香港會計師公會頒佈之香港核數準則進行審核。該等準則要求吾等嚴格遵守職業道德，並規劃及執行審核，藉以合理確定綜合財務報表是否並無任何重大錯誤陳述。

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

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

## OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2012, and of its profit and cash flows for the year then ended in accordance with HKFRSs and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

28 March 2013

審核涉及執行程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估是否由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該實體編製真實及公平地列報綜合財務報表相關之內部監控，以設計適當之審核程序，但並非為對該實體之內部監控效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體列報方式。

吾等認為吾等所獲得之審核憑證乃充足及適當地為吾等之審核意見提供基礎。

## 意見

吾等認為，綜合財務報表已根據香港財務報告準則真實及公平地反映 貴集團於二零一二年十二月三十一日之事務狀況以及截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

**德勤•關黃陳方會計師行**  
執業會計師  
香港

二零一三年三月二十八日

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

		Notes	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元 (Restated) (經重列)
		附註		
Revenue	收益	8	498,834	556,868
Cost of sales	銷售成本		(400,622)	(436,163)
Gross profit	毛利		98,212	120,705
Other income and expenses, other gains and losses	其他收入及開支、 其他收益及虧損	9	5,979	53,212
Selling and distribution expenses	銷售及分銷開支		(25,575)	(24,236)
Research and development expenditure	研發支出		(17,600)	(17,743)
Administrative expenses	行政開支		(36,483)	(32,817)
Listing expenses	上市開支		–	(14,908)
Finance costs	融資成本	10	(13,317)	(15,113)
Profit before tax	除稅前溢利	11	11,216	69,100
Taxation	稅項	12	(3,794)	(12,207)
Profit for the year	年內溢利		7,422	56,893
Other comprehensive expense	其他全面開支			
Exchange difference arising on translation	換算所產生匯兌差額		(207)	–
Profit and total comprehensive income for the year	年內溢利及全面收入總額		7,215	56,893
Earnings per share – Basic (RMB)	每股盈利 – 基本(人民幣元)	15	0.02	0.23

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2012  
於二零一二年十二月三十一日

		Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	16	<b>373,894</b>	194,525
Prepaid lease payments	預付租金	17	<b>135,746</b>	100,845
Deposits paid for acquisition of land use rights	購入土地使用權 已付按金		<b>3,650</b>	46,211
Deposits for acquisition of property, plant and equipment	購置物業、廠房及 設備按金		<b>3,678</b>	73,573
Intangible assets	無形資產	18	<b>861</b>	1,310
Goodwill	商譽	19	<b>29,655</b>	29,655
Deferred tax assets	遞延稅項資產	20	<b>3,807</b>	2,907
Trade receivables	貿易應收款項	22	<b>10,053</b>	–
			<b>561,344</b>	449,026
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	21	<b>79,548</b>	56,182
Trade and other receivables	貿易及其他應收款項	22	<b>230,305</b>	232,580
Prepaid lease payments	預付租金	17	<b>2,894</b>	2,153
Restricted bank balances	受限制銀行結餘	23	<b>45,000</b>	41,985
Bank balances and cash	銀行結餘及現金	23	<b>26,300</b>	122,621
			<b>384,047</b>	455,521
<b>TOTAL ASSETS</b>	<b>資產總值</b>		<b>945,391</b>	904,547
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	24	<b>279,161</b>	255,541
Advance from customers	來自客戶之預付款		<b>3,246</b>	1,185
Borrowings – due within one year	借款 – 一年內到期	25	<b>272,153</b>	181,000
Income tax payable	應付所得稅		<b>17,082</b>	16,001
Deferred income	遞延收入	26	<b>928</b>	1,556
Provisions	撥備	27	<b>7,454</b>	7,628
			<b>580,024</b>	462,911
<b>NET CURRENT LIABILITIES</b>	<b>流動負債淨額</b>		<b>(195,977)</b>	(7,390)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減流動負債</b>		<b>365,367</b>	441,636

## Consolidated Statement of Financial Position

### 綜合財務狀況表

At 31 December 2012  
於二零一二年十二月三十一日

		Notes	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
		附註		
NON-CURRENT LIABILITIES	非流動負債			
Borrowings – due after one year	借款 – 一年後到期	25	74,000	156,210
Other payables	其他應付款項	24	1,496	2,048
Deferred income	遞延收入	26	8,332	9,054
			<b>83,828</b>	167,312
TOTAL LIABILITIES	總負債		<b>663,852</b>	630,223
OWNERS' EQUITY	擁有人權益			
Share capital	股本	28	26,217	26,217
Reserves	儲備		255,322	248,107
TOTAL OWNERS' EQUITY	擁有人權益合計		<b>281,539</b>	274,324
TOTAL LIABILITIES AND OWNERS' EQUITY	負債及擁有人權益合計		<b>945,391</b>	904,547

The financial statements on pages 60 to 134 were approved and authorised for issue by the Board of Directors on 28 March 2013 and are signed on its behalf by:

第60至134頁之財務報表經董事會於二零一三年三月二十八日批准及授權刊發，並由以下人士代表簽署：

**Mr. ZHAO Zhijun**  
趙志軍先生  
DIRECTOR  
董事

**Ms. YANG Weixia**  
楊瑋霞女士  
DIRECTOR  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

		Share capital/ paid-in capital	Share premium	Reserves 儲備			Total owners' equity 擁有人 權益合計	
				Capital reserves	Surplus reserves	Translation reserve		Retained earnings
		股本/ 繳足股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	股本儲備 RMB'000 人民幣千元 (note a) (附註a)	盈餘儲備 RMB'000 人民幣千元 (note c) (附註c)	換算儲備 RMB'000 人民幣千元	保留盈利 RMB'000 人民幣千元	權益合計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	330	-	42,899	12,379	-	10,647	66,255
Profit and total comprehensive income for the year	年內溢利及全面收入 總額	-	-	-	-	-	56,893	56,893
Group Reorganisation (note b)	集團重組(附註b)	(326)	70,380	18	-	-	-	70,072
Issue of new share (Note 28)	發行新股份(附註28)	6,554	85,207	-	-	-	-	91,761
Transaction cost attributable to issue of shares	發行股份應佔交易成本	-	(10,657)	-	-	-	-	(10,657)
Capitalisation issue (Note 28)	資本化發行(附註28)	19,659	(19,659)	-	-	-	-	-
Appropriations	撥付	-	-	-	7,013	-	(7,013)	-
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及 二零一二年一月一日	26,217	125,271	42,917	19,392	-	60,527	274,324
Profit for the year	年內溢利	-	-	-	-	-	7,422	7,422
Exchange difference arising on translation	換算所產生匯兌差額	-	-	-	-	(207)	-	(207)
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	(207)	7,422	7,215
Appropriations	撥付	-	-	-	1,377	-	(1,377)	-
As at 31 December 2012	於二零一二年十二月三十一日	26,217	125,271	42,917	20,769	(207)	66,572	281,539



## Consolidated Statement of Changes in Equity

### 綜合權益變動表

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

Notes:

(a) The balance as at 1 January 2011 mainly arising from various reorganisation (the "Group Organisation", as defined in Note 2) to streamline the Group's structure prior to the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited in prior years.

(b) The Company was incorporated on 27 April 2011 and became the holding company of Merit Leader Investment Limited ("Merit Leader") on 22 May 2011. The Company acquired entire share capital of Merit Leader and the amounts owed by Guang Da (China) Automotive Components Holdings Limited ("Guang Da Automotive") of HK\$80 million (equivalent to approximately RMB70.1 million) to the Founders (as defined in Notes 2) by way of the allotment and issue of an aggregate of 49,999 shares at par to the then shareholders of Merit Leader in proportion to their then related shareholding in Merit Leader.

The aggregate amount of RMB70.1 million and the total equity of Merit Leader as of 27 April 2011 in excess of the par value of 49,999 shares of the Company was recognised in share premium accordingly.

Both Merit Leader and Guang Da Automotive are wholly-owned company of the Founders.

(c) The balance comprising statutory surplus reserve and discretionary surplus reserve, which are non-distributable and the transfer to these reserves is determined according to the relevant laws in the mainland China (the "PRC") and by the board of directors of the PRC subsidiaries in accordance with the Article of Associate of the subsidiaries. Statutory surplus reserve can be used to make up for previous years' losses or convert into additional capital of the PRC subsidiaries of the Company.

Discretionary surplus reserve can be used to expand the existing operations of the Company's PRC subsidiaries.

附註：

(a) 於二零一一年一月一日之結餘主要來自過往年度進行的多次重組(「集團重組」，定義見附註2)，以使本公司股份在香港聯合交易所有限公司主板上市日期前精簡本集團的架構。

(b) 本公司於二零一一年四月二十七日註冊成立，並於二零一一年五月二十二日成為Merit Leader Investment (「Merit Leader」)的控股公司。本公司已透過向Merit Leader當時股東(根據彼等當時於Merit Leader的持股比例)按面值配發及發行合共49,999股股份，收購Merit Leader的全部股本及光大(中國)車輛零部件控股有限公司(「光大車輛零部件」)欠付創辦人的款項8,000萬港元(相當於約人民幣7,010萬元)。

人民幣7,010萬元及截至二零一一年四月二十七日Merit Leader的總權益之和超出本公司49,999股股份面值的款項於股份溢價內確認。

Merit Leader與光大車輛零部件為創辦人之全資附屬公司。

(c) 該結餘包括不可分派的法定盈餘儲備及酌情盈餘儲備，對該等儲備進行的轉撥乃根據中國大陸(「中國」)相關法律進行及由中國附屬公司的董事會根據該等附屬公司的組織章程細則決定。法定盈餘儲備可用作彌補往年虧損或轉換為本公司中國附屬公司的額外資本。

酌情盈餘儲備可用作擴充本公司中國附屬公司現時的營運規模。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Profit before tax	除稅前溢利	11,216	69,100
Adjustments for:	經作出以下調整：		
Amortisation of intangible assets	無形資產攤銷	449	449
Depreciation of property, plant and equipment	物業、廠房及設備折舊	15,130	14,933
Deferred income released to profit or loss	撥至損益的遞延收入	(2,175)	(2,559)
Gain from settlement of legal proceedings	法律程序的償付收益	-	(5,467)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	(121)	(422)
Interest income	利息收入	(1,580)	(1,059)
Interest expense	利息開支	13,317	15,113
Reversal of provision for obsolete and slow-moving inventories	陳舊及滯銷存貨撥備撥回	-	(2,974)
Impairment loss (reversal of impairment loss) recognised in respect of trade receivables, net	就貿易應收款項確認的減值虧損(減值虧損撥回)淨額	5,756	(1,355)
Impairment loss recognised in respect of other receivables	就其他應收款項確認的減值虧損	5,117	-
Release of prepaid lease payments	解除預付租金	2,153	1,943
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	49,262	87,702
(Increase) decrease in inventories	存貨(增加)減少	(23,366)	22,642
Increase in trade and other receivables	貿易及其他應收款項增加	(17,520)	(35,708)
Increase (decrease) in trade and other payables	貿易及其他應付款項增加(減少)	22,667	(7,962)
Increase (decrease) in advance from customers	來自客戶的預付款增加(減少)	2,061	(2,290)
Cash generated from operations	經營所得現金	33,104	64,384
Income tax paid	已付所得稅	(3,613)	(5,403)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>經營活動所得現金淨額</b>	<b>29,491</b>	58,981
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Additions of property, plant and equipment	添置物業、廠房及設備	(91,511)	(35,618)
Grants received in relation to acquisition of property, plant and equipment	就收購物業、廠房及設備之已收出讓金	825	7,325
Interest received	已收利息	1,580	1,059
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	451	1,488
Deposit paid for acquisition of property, plant and equipment	就收購物業、廠房及設備已付按金	(17,243)	(72,157)
Payment for acquisition of land use rights	收購土地使用權之付款	(3,650)	(39,475)
Net cash inflow from acquisition of a subsidiary (Note 35)	收購一家附屬公司之現金流入淨額(附註35)	795	-
Placement of restricted bank deposits	存放受限制銀行存款	(98,000)	(100,966)
Release of restricted bank deposits	解除受限制銀行存款	94,985	122,981
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>投資活動所用現金淨額</b>	<b>(111,768)</b>	(115,363)

## Consolidated Statement of Cash Flows

### 綜合現金流量表

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
FINANCING ACTIVITIES	融資活動		
Interest paid	已付利息	(22,987)	(18,044)
New borrowings raised	新增借款	219,943	352,210
Proceeds from issue of new shares	發行新股份所得款項	-	91,761
Payments of transaction costs attributable to issue of new shares	發行新股份應佔交易成本付款	-	(10,657)
Repayment of borrowings	償還借款	(211,000)	(278,300)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(所用)所得之現金淨額	(14,044)	136,970
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物(減少)增加淨額	(96,321)	80,588
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初現金及現金等值物	122,621	42,033
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	年末現金及現金等值物	26,300	122,621
Cash and cash equivalents represented by Bank balances and cash	現金及現金等值物 即銀行結餘及現金	26,300	122,621

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

### 1. GENERAL

The Company is incorporated as an exempted company with limited liability in the Cayman Islands on 27 April 2011. Its immediate parent is Wealth Max Holdings Limited (“Wealth Max”) (incorporated in the British Virgin Islands) and its ultimate controlling party is Mr. Xi Chun Ying and other individuals who have agreed to act-in-concert as detailed in Note 2. The registered office and principal place of the Company is set out in section under heading of “Corporate Information”) of the annual report. The shares of the Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 23 November 2011.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 34.

The consolidated financial statements are presented in Renminbi (“RMB”), the currency of the primary economic environment in which the principal subsidiaries of the Company operate.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Nanyang Xijian Automotive Shock Absorber Company Limited (“Nanyang Xijian”), the holding company of Haikou Danjiang and Ying Saite (both are defined in Note 34), was a sino-foreign cooperative joint venture established in the PRC on 23 June 2005. Mr. Xi Chun Ying and other individuals who have agreed to act-in-concert (collectively referred to as the “Founders”) acquired an aggregate of 87.5% equity interest in Nanyang Xijian from two ex-shareholders in November 2006. The Founders, through their wholly owned entities, acquired the remaining 12.5% equity interest in Nanyang Xijian from the non-controlling shareholders in April 2009 through an open auction.

In preparation for the listing of the shares of the Company on the Stock Exchange, a reorganisation was taken place (the “Group Reorganisation”) as follows:

### 1. 一般資料

本公司於二零一一年四月二十七日於開曼群島註冊成立為獲豁免有限公司，其直接母公司為 Wealth Max Holdings Limited (「Wealth Max」，於英屬處女群島註冊成立)及其最終控制方為附註2所述的席春迎先生及其他同意一致行動的人士。本公司的註冊辦事處及主要營業地點載於年報「公司資料」一節。本公司的股份自二零一一年十一月二十三日起於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為投資控股公司，其附屬公司的主要業務載列於附註34。

綜合財務報表以本公司主要附屬公司於主要經濟環境的貨幣人民幣(「人民幣」)呈列。

### 2. 財務報表編製基準

南陽浙減汽車減振器有限公司(「南陽浙減」)為海口丹江及南陽英賽特(兩者定義見附註34)的控股公司，乃一家於二零零五年六月二十三日在中國成立的中外合作經營企業。席春迎先生及其他同意一致行動的人士(統稱「創辦人」)於二零零六年十一月向兩名前股東收購南陽浙減合共87.5%的股權。創辦人透過其全資擁有的實體以公開拍賣方式於二零零九年四月向非控股股東收購南陽浙減餘下12.5%的股權。

為籌備本公司股份在聯交所上市，本公司進行如下重組(「集團重組」)：

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Cont'd)

The Founders incorporated Merit Leader and Guang Da Automotive on 10 March 2010 and 14 June 2010 respectively. In June 2010, the Founders transferred their entire interest in Guang Da Automotive to Merit Leader and Guang Da Automotive acquired the entire equity interest in Nanyang Xijian (the "First Transfer"). Merit Leader then became the holding company of Guang Da Automotive and Nanyang Xijian upon completion of the First Transfer.

In August 2010, Merit Leader allotted 6,500 shares of US\$1 each, representing 13% of the enlarged issued share capital of Merit Leader, to four entities controlled by independent third parties at par.

The Company was incorporated on 27 April 2011 and issued 1 share of HK\$0.1 each at nil paid to Wealth Max. The Company acquired the entire issued share capital of Merit Leader and shareholders' loans of HK\$80 million (equivalent to approximately RMB70.1 million) owed by Guang Da Automotive on 22 May 2011 by allotment and issue of 49,999 fully paid ordinary shares of the Company to the then existing shareholders of Merit Leader in proportion to their then existing shareholding in Merit Leader (the "Second Transfer").

Since the shareholders' interest in Merit Leader is the same before and after the Second Transfer, the Group, comprising the Company, Merit Leader and its subsidiaries, resulting from the Group Reorganisation is regarded as a continuing entity. The consolidated financial statements of the Group for the year ended 31 December 2011 have been prepared as if the Company had been the holding company of Merit Leader and its subsidiaries throughout the year.

As at 31 December 2012, the Group had net current liabilities of approximately RMB195,977,000. The directors of the Company are of the opinion that, taking into account the available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements that is for at least the next twelve months commencing from the date of the consolidated financial statements. Hence, the consolidated financial statements have been prepared on a going concern basis.

## 2. 財務報表編製基準(續)

創辦人分別於二零一零年三月十日及二零一零年六月十四日註冊成立Merit Leader及光大車輛零部件。於二零一零年六月，創辦人將彼等於光大車輛零部件的全部權益轉讓予Merit Leader，而光大車輛零部件則收購南陽浙減的全部股權(「首次轉讓」)。於完成首次轉讓後，Merit Leader隨後成為光大車輛零部件及南陽浙減的控股公司。

於二零一零年八月，Merit Leader按面值向由獨立第三方控制的四家實體配發6,500股每股面值1美元的股份，佔Merit Leader經擴大已發行股本的13%。

本公司於二零一一年四月二十七日註冊成立，並向Wealth Max無償發行一股每股面值0.1港元的股份。於二零一一年五月二十二日，本公司通過按Merit Leader當時現有股東當時於Merit Leader的相關持股比例向彼等配發及發行49,999股本公司繳足普通股，收購Merit Leader全部已發行股本及光大車輛零部件所欠的股東貸款80百萬港元(相當於約人民幣70.1百萬元)(「第二次轉讓」)。

由於Merit Leader的股東權益在第二次轉讓前後並無變動，故集團重組後成立的本集團(包括本公司、Merit Leader及其附屬公司)被視為持續經營實體。本集團截至二零一一年十二月三十一日止年度之綜合財務報表乃根據本公司於年內猶如一直為Merit Leader及其附屬公司的控股公司的基準而編製。

於二零一二年十二月三十一日，本集團有流動負債淨額約人民幣195,977,000元。本公司董事認為，考慮到可動用銀行融資額及本集團內部財務資源，本集團具備充裕營運資金，以應付其自綜合財務報表日期起未來最少十二個月的現時需要。因此，綜合財務報表乃按持續經營基準編製。

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

In the current year, the Group has applied the following Amendments to HKFRSs issued by the HKICPA.

Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets;
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets; and
Amendments to HKAS 1	As part of the Annual Improvements to HKFRSs 2009–2011 Cycle issued in 2012.

Except as described below, the application of the Amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or disclosures set out in these consolidated financial statements.

#### Amendments to HKAS 1 Presentation of Financial Statements (as part of the Annual Improvements to HKFRSs 2009–2011 Cycle issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is Annual Improvements to HKFRSs (2009–2011 Cycle). The effective date of these amendments is annual periods beginning on or after 1 January 2013.

In current year, the Group has applied for the first time the amendments to HKAS 1 in advance of the effective date (annual periods beginning on or after 1 January 2013). HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position. Upon the adoption of the amendment, as there no effect on the consolidated statement of financial position resulting from reclassification set out in Note 37, the consolidated statement of financial position as at 1 January 2011 is not presented.

### 3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團已應用下列由香港會計師公會所頒佈香港財務報告準則修訂本：

香港會計準則 第12號修訂本	遞延稅項： 收回相關資產；
香港財務報告準則 第7號修訂本	金融工具：披露－ 轉讓金融資產；及
香港會計準則 第1號修訂本	作為於二零一二年頒佈的 香港財務報告準則 二零零九年至二零一一年 週期的年度改進其中部分

除下文所述者外，於本年度應用香港財務報告準則修訂本對本集團於本年度及過往年度的財務表現及狀況以及／或該等綜合財務報表所披露者並無重大影響。

#### 香港會計準則第1號修訂本呈報財務報表(作為於二零一二年六月頒佈的香港財務報告準則二零零九年至二零一一年週期的年度改進其中部分)

多項香港財務報告準則修訂本於二零一二年六月已予頒佈，標題為香港財務報告準則年度改進(二零零九年至二零一一年週期)。該等修訂本的生效日期為於二零一三年一月一日或之後開始的年度期間。

於本年度，本集團於生效日期前(於二零一三年一月一日或之後開始的年度期間)首次應用香港會計準則第1號修訂本。香港會計準則第1號規定追溯變動會計政策或追溯重列賬目或追溯重新分類之實體，須呈列上一個期間開始時的財務狀況表(第三財務狀況表)。香港會計準則第1號修訂本澄清，實體須僅於追溯應用、重列賬目或重新分類對第三財務狀況表所載資料有重大影響時呈列第三財務狀況表，且第三財務狀況表毋須附帶相關附註。採納修訂本，由於按附註37所載重新分類並無對綜合財務狀況表造成影響，故並無呈列二零一一年一月一日之綜合財務狀況表。

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### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

The Group has not early applied the following new and revised HKFRSs, HKASs, amendments and interpretation (collectively referred to as the “new and revised HKFRSs”) that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle, except for the amendments HKAS 1 <sup>1</sup>
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>3</sup>
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements, Disclosure of Interests in Other Entities: Transition and Guidance <sup>1</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities <sup>2</sup>
HKFRS 9	Financial Instruments <sup>3</sup>
HKFRS 10	Consolidated Financial Statements <sup>1</sup>
HKFRS 11	Joint Arrangements <sup>1</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>1</sup>
HKFRS 13	Fair Value Measurement <sup>1</sup>
HKAS 19 (as revised in 2011)	Employee Benefits <sup>1</sup>
HKAS 27 (as revised in 2011)	Separate Financial Statements <sup>1</sup>
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income <sup>4</sup>
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities <sup>2</sup>
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine <sup>1</sup>

### 3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團並未提早應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則、香港會計準則、修訂本及詮釋：

香港財務報告準則 修訂本	香港財務報告準則 二零零九年 至 二零一一年週期的 年度改進(香港會計準則 第1號修訂本除外) <sup>1</sup>
香港財務報告準則 第7號修訂本	披露—金融資產及 金融負債之抵銷 <sup>1</sup>
香港財務報告準則 第9號及香港財務 報告準則第7號修訂本	香港財務報告準則 第9號強制生效日期及 過渡性披露 <sup>3</sup>
香港財務報告準則 第10號、香港財務 報告準則第11號及 香港財務報告準則 第12號修訂本	綜合財務報表、共同安排及其 他實體權益的披露： 過渡性指引 <sup>1</sup>
香港財務報告準則 第10號、香港財務 報告準則第12號及 香港會計準則 第27號修訂本	投資類實體 <sup>2</sup>
香港財務報告準則第9號	金融工具 <sup>3</sup>
香港財務報告準則第10號	綜合財務報表 <sup>1</sup>
香港財務報告準則第11號	共同安排 <sup>1</sup>
香港財務報告準則第12號	其他實體權益的披露 <sup>1</sup>
香港財務報告準則第13號	公平值計量 <sup>1</sup>
香港會計準則第19號 (於二零一一年經修訂)	僱員福利 <sup>1</sup>
香港會計準則第27號 (於二零一一年經修訂)	獨立財務報表 <sup>1</sup>
香港會計準則第28號 (於二零一一年經修訂)	於聯營公司及合營公司的投資
香港會計準則第1號修訂本	其他全面收益項目的呈列 <sup>4</sup>
香港會計準則第32號 修訂本	金融資產及金融負債之抵銷 <sup>2</sup>
香港(國際財務報告 詮釋委員會)—第20號	露天礦場生產階段之 剝採成本 <sup>1</sup>

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

- 1 Effective for annual periods beginning on or after 1 January 2013.
- 2 Effective for annual periods beginning on or after 1 January 2014.
- 3 Effective for annual periods beginning on or after 1 January 2015.
- 4 Effective for annual periods beginning on or after 1 July 2012.

The directors of the Company anticipate that the application of the new and revised HKFRSs, other than those set out below, will have no material impact on the consolidated financial statements.

#### HKFRS 9 “Financial Instruments”

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

### 3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

- 1 由二零一三年一月一日或之後開始的年度期間生效。
- 2 由二零一四年一月一日或之後開始的年度期間生效。
- 3 由二零一五年一月一日或之後開始的年度期間生效。
- 4 由二零一二年七月一日或之後開始的年度期間生效。

本公司董事預期，除下文載述者外，應用新訂及經修訂之香港財務報告準則將不會對綜合財務報表產生重大影響。

#### 香港財務報告準則第9號「金融工具」

於二零零九年頒佈的香港財務報告準則第9號引入金融資產的分類及計量新規定。於二零一零年經修訂的香港財務報告準則第9號載入金融負債的分類及計量及終止確認的規定。

香港財務報告準則第9號的主要規定詳述如下：

- 於香港會計準則第39號金融工具：確認及計量範圍內所有已確認金融資產其後按攤銷成本或公平值計量。特別是，按其目標為收取合約現金流的業務模式所持有的債務投資及合約現金流僅為支付尚未償還本金及其利息款項的債務投資一般於後續會計期間結束時按攤銷成本計量。所有其他債務投資及股本投資均於後續會計期間結束時按公平值計量。此外，根據香港財務報告準則第9號，實體須作出不可撤回的選擇，以於其他全面收入呈報股本投資(並非持作買賣者)公平值的其後變動，只有股息收入於損益確認。



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### 財務報表附註

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### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d) HKFRS 9 “Financial Instruments” (Cont’d)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors anticipate that HKFRS 9 will be adopted by the Group for the annual period beginning 1 January 2015 and that the application of HKFRS 9 in the future is unlikely to have significant impact on amounts reported in respect of the Group’s financial assets and financial liabilities based on an analysis of the Group’s financial instruments as at 31 December 2012.

#### HKFRS 13 “Fair Value Measurement”

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

### 3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 香港財務報告準則第9號「金融工具」(續)

- 就計量指定為透過損益按公平值列賬的金融負債而言，香港財務報告準則第9號規定，該金融負債的信貸風險變動以致該負債公平值變動的金額於其他全面收入內呈報，除非於其他全面收入中確認該負債信貸風險變動影響將造成或加大損益內的會計誤算則作別論。金融負債的信貸風險變動引致的公平值變動其後不會重新納入損益內。根據香港會計準則第39號，指定為透過損益按公平值列賬的金融負債的整筆公平值變動金額於損益內呈報。

香港財務報告準則第9號定於二零一五年一月一日或之後開始的年度期間生效，並准許提前應用。

董事預期，本集團將於二零一五年一月一日開始的年度期間採納香港財務報告準則第9號，而根據對本集團於二零一二年十二月三十一日金融工具之分析，未來採納香港財務報告準則第9號不大可能對有關本集團金融資產及金融負債的報告金額造成重大影響。

#### 香港財務報告準則第13號「公平值計量」

香港財務報告準則第13號確立對公平值計量及披露公平值計量的單一指引。此項準則界定公平值，確立計量公平值的框架，以及規定就公平值計量作出披露。香港財務報告準則第13號的範圍廣泛；除指定情況外，其適用於其他香港財務報告準則規定或准許就其計量公平值及披露公平值計量的金融工具項目及非金融工具項目。一般而言，香港財務報告準則第13號的披露規定較現行準則更為廣泛。例如，根據目前僅規限香港財務報告準則第7號「金融工具：披露」項下的金融工具的三個級別之公平值架構作出之量化及定性披露，將藉香港財務報告準則第13號伸延至涵蓋其範圍內的所有資產及負債。

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d) HKFRS 13 “Fair Value Measurement” (Cont’d)

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard is unlikely to affect the amounts reported in the consolidated financial statements but may result in more extensive disclosures in the consolidated financial statements.

#### Amendments to HKAS 1 “Presentation of Items of Other Comprehensive Income”

The amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income* introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a ‘statement of comprehensive income’ is renamed as a ‘statement of profit or loss and other comprehensive income’ and an ‘income statement’ is renamed as a ‘statement of profit or loss’. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012 and will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods.

### 3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 香港財務報告準則第13號「公平值計量」(續)

香港財務報告準則第13號於二零一三年一月一日或之後開始的年度期間生效，並准許提前應用。

董事預期，本集團將於二零一三年一月一日開始的年度期間就綜合財務報表採納香港財務報告準則第13號，而應用新準則不大可能對綜合財務報表所呈報金額產生重大影響，惟或致使本集團須於綜合財務報表作出更廣泛的披露。

#### 香港會計準則第1號修訂本「其他全面收益項目的呈列」

香港會計準則第1號修訂本「其他全面收益項目的呈列」引入全面收益表及收益表的新專門用語。根據香港會計準則第1號修訂本，「全面收益表」更名為「損益及其他全面收益表」，而「收益表」則更名為「損益表」。香港會計準則第1號修訂本保留以單一或兩個獨立但連續報表呈列損益及其他全面收益的選擇。然而，香港會計準則第1號修訂本要求其他全面收益項目歸類成兩個類別：(a) 其後不會重新分類至損益的項目；及(b) 當符合特定條件時，其後可能會重新分類至損益的項目。其他全面收益項目的所得稅須根據相同基礎進行分配，該等修訂本並無更改以除稅前或扣除稅項後的方式呈列其他全面收益項目的選擇。

香港會計準則第1號修訂本於二零一二年七月一日或之後開始的年度期間生效，而本集團將於二零一三年一月一日開始的年度期間就綜合財務報表採納該修訂本。當本集團於未來會計期間應用該等修訂時，其他全面收益項目的呈列方式將據此作出修改。

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### 財務報表附註

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#### 4. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies are set out below.

##### Basis of consolidation

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

Income and expenses of subsidiaries acquired during the year are included in the consolidated statement of comprehensive income from the effect date of acquisition.

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

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

#### 4. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例的適用披露規定。

綜合財務報表已按歷史成本基準編製。歷史成本一般根據貨物交換提供服務所得報酬的公平值而釐定。

主要會計政策載列如下。

##### 綜合賬目基準

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

年內所收購附屬公司之收入及支出自收購生效當日起計入綜合全面收益表。

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

集團內公司間一切重大交易、結餘及收支均於綜合賬目時全額沖銷。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

### Revenue recognition

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

## 4. 主要會計政策(續)

### 商譽

因收購業務產生的商譽按成本減除任何累積減值虧損(如有),並於綜合財務狀況表中另行列賬。

就減值測試而言,商譽乃被分配到預期可受惠於收購協同效應的本集團各有關現金產生單位或現金產生單位的組別。

已獲分配商譽的現金產生單位會每年及凡有跡象顯示單位可能出現減值時進行減值測試。就於一個報告期間的收購所產生的商譽而言,已獲分配商譽的現金產生單位於該報告期間完結前進行減值測試。當現金產生單位的可收回金額少於該單位的賬面值,減值虧損會首先分配至削減該單位已獲分配的任何商譽的賬面值,然後按該單位內其他資產賬面值比例削減其他資產的賬面值。商譽的任何減值虧損乃直接於損益確認。就商譽確認的減值虧損於其後期間不予撥回。

出售相關現金產生單位時,商譽應佔金額計入釐定出售的溢利或虧損金額。

### 收益確認

收益按已收或應收的代價的公平值計量,並代表就於日常業務過程中出售貨品的應收金額,扣除相關銷售稅。

## Notes to the Financial Statements

### 財務報表附註

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### Revenue recognition (Cont'd)

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

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

Service income is recognised when services are provided.

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

##### Leasing

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

##### The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

#### 4. 主要會計政策(續)

##### 收益確認(續)

銷售貨品的收益乃於貨品付運及轉讓所有權時確認，期間於符合下列所有條件時確認：

- 本集團已將貨品擁有權的重大風險及回報轉移予買方；
- 本集團並無保留一般與擁有權有關的銷售貨品持續管理權或實際控制權；
- 銷售收入金額能夠可靠地計量；
- 與交易相關的經濟利益很可能流入本集團；及
- 有關交易產生或將產生之成本能夠可靠地計量。

服務收入於提供時確認。

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

##### 租賃

凡租賃條款規定將擁有權的絕大部分風險及回報撥歸承租人的租賃均列作融資租賃。所有其他租賃則列作經營租約。

##### 本集團作為承租人

經營租賃付款於相關租賃年內按直線基準確認為開支。作為訂立一項經營租賃的獎勵而已收及應收的福利於租賃年內按直線基準確認為租金開支扣減。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### Leasing (Cont'd)

###### The Group as lessor

Rental income from operating lease is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

##### Acquisition of assets through acquisition of a subsidiary

Where an acquisition of an asset or group of assets that does not constitute a business, the Group identify and recognise the individual identifiable assets acquired and liabilities assumed by allocating the purchase price to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

##### Foreign currencies

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

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i. e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

##### Borrowing costs

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

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

#### 4. 主要會計政策(續)

##### 租賃(續)

###### 本集團作為出租人

經營租約於相關租賃年內按直線基準於損益內確認為租金收入。

##### 透過收購附屬公司收購資產

倘收購一項資產或資產組合並無構成業務，本集團會識別及確認個別所收購可識別資產及所承擔負債，根據資產收購日期之公平值將購買價分配予個別可識別資產及負債。

##### 外幣

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

因結算貨幣項目及重新換算貨幣項目而產生的匯兌差額於其產生期間的損益內確認。

就呈報綜合財務報表，本集團海外業務之資產及負債按於各報告期末適用的匯率換算為本集團之呈列貨幣(即人民幣)。收支項目則按年內之平均匯率換算。產生之差額(如有)於其他全面收入確認及在換算儲備項下之權益累計。

##### 借款成本

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

所有其他借款成本均於其產生期間內的損益內確認。

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### 財務報表附註

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### Government grants

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

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

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

##### Retirement benefit costs

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

##### Taxation

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

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

#### 4. 主要會計政策(續)

##### 政府補貼

除非能合理確定本集團將符合有關附帶條件及將會收取有關補助金，否則政府補貼不予確認。

政府補貼乃就本集團確認的有關開支(預期補貼可抵銷成本開支)期間按系統化基準於損益中確認。具體而言，其主要條件為本集團須購買、建設或以其他方式收購非流動資產的政府補貼於綜合財務狀況表中被確認為遞延收入，並按相關資產可使用年期按系統化合理基準撥至損益。

倘政府補貼乃用作補償支出或已發生的虧損，或乃為給予本集團及時財務支援而授出，且無未來相關成本，則在應收期間於損益中確認。

##### 退休福利成本

向國家管理退休福利計劃作出的付款乃於僱員提供令其有權取得供款的服務時確認為開支。

##### 稅項

所得稅開支指即期應付稅項與遞延稅項變動的總和。

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### Taxation (Cont'd)

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised in profit or loss.

#### 4. 主要會計政策(續)

##### 稅項(續)

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

於附屬公司的投資所引致的應課稅暫時差額確認為遞延稅項負債，惟本集團能夠控制暫時差額的回撥及暫時差額很大機會於可預見將來不會撥回則除外。與該等投資及權益相關的可扣減暫時差額產生的遞延稅項資產僅於可能將有足夠應課稅溢利以應用暫時差額的利益且預期將於可見將來撥回時始確認。

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

遞延稅項資產及負債按預期將於清付負債或變賣資產期間適用的稅率，按於報告期末已頒佈或實際上已頒佈的稅率(及稅法)計量。

遞延稅項負債及資產的計量反映於報告期末本集團預計收回或清付其資產及負債的賬面值的模式而引致的稅務後果。遞延稅項於損益中確認。



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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### Property, plant and equipment

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

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

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

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

#### 4. 主要會計政策(續)

##### 物業、廠房及設備

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

折舊乃確認以於物業、廠房及設備項目(在建工程除外)的估計可使用年期內經計及其估計餘值後以直線法撇銷其成本。估計可使用年期、餘值及折舊方法乃於各報告期末予以檢討，而任何估計變動的影響均以預期基準入賬。

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

個別物業、廠房及設備的項目於出售或於預期繼續使用該資產不會帶來任何日後經濟利益時取消確認。出售或撤銷物業、廠房及設備項目所產生的收益或虧損根據出售資產的所得款項與資產的賬面值的差額釐定，並於損益確認。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

### Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

## 4. 主要會計政策(續)

### 租賃土地及樓宇

若租賃包括土地及樓宇部分，本集團以各個部分的擁有權所承擔的絕大部分風險及回報是否已轉移本集團作為獨立評估其分類屬於融資或經營租約的依據，除非兩個部分被清楚確定為經營租約外，於此情況下，整份租約分類為經營租約。具體而言，最低租賃款項(包括任何一次性預付款)按其租約在開始時土地部分租賃權益和樓宇部分租賃權益的相對公平值比例分配至土地及樓宇部分。

倘能可靠地分配租賃款項，則列作經營租約的租賃土地的權益將作為「預付租賃款項」於綜合財務狀況表列賬，並按租賃年期以直線法攤銷。

### 無形資產

#### 個別收購的無形資產

個別收購而使用年期有限的無形資產乃按成本減累計攤銷及任何累計減值虧損入賬。

使用年期有限的無形資產乃於預計可使用年期內按直線法攤銷。估計可使用年期及攤銷法於各報告期末檢討，任何估計變動的影響則按前瞻基準入賬。

於出售後或預期使用或出售資產不會帶來未來經濟利益時，終止確認無形資產。因終止確認無形資產而產生的收益或虧損乃按出售所得款項淨額與有關資產的賬面值的差額計量，並於有關資產終止確認時在損益中確認。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### Intangible assets (Cont'd)

###### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives.

###### Impairment of tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value 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 assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

#### 4. 主要會計政策(續)

##### 無形資產(續)

###### 業務合併收購的無形資產

業務合併所收購的無形資產獨立於商譽確認，並按收購日期的公平值作初步確認(作為其成本)。

初步確認後，使用年期有限的無形資產按成本減累計攤銷及任何累計減值虧損列賬。使用年期有限的無形資產會於估計使用年期内按直線法作攤銷撥備。

##### 有形及無形資產減值

於報告期末，本集團檢討其年期有限的有形及無形資產的賬面值以釐定是否有跡象顯示該等資產存在減值虧損。如存在減值跡象，本集團會估計該等資產的可收回金額，以確定任何減值虧損(如有)。未能估計單一資產的可收回金額，本集團則估計其資產所屬現金產生單位的可收回金額。如分配的合理及一致基準可予識別，則公司資產亦被分配至個別現金產生單位，或於其他情況下其被分配至現金產生單位的最小組合，而該現金產生單位的合理及一致分配基準可予識別。

可收回金額為公平值減去銷售成本及使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值，該貼現率能反映當前市場所評估的貨幣時間值及資產特定風險(就此而言，未來現金流量估計尚未作出調整)。

倘資產的可收回金額(或現金產生單位)估計將少於其賬面值，則資產的賬面值(或現金產生單位)會減少至其可收回金額。減值虧損會即時於損益確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### Impairment of tangible and intangible assets (Cont'd)

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

##### Research and development expenditure

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

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

#### 4. 主要會計政策(續)

##### 有形及無形資產減值(續)

倘減值虧損其後撥回，資產的賬面值(或現金產生單位)則會增加至所估算的經修訂可收回金額，惟按此所增加的賬面值不得高於假設過往年度並無就資產確認減值虧損而原應已釐定的賬面值(或現金產生單位)。所撥回的減值虧損會即時確認為收入。

##### 研發支出

研發活動支出於產生期間確認為開支。

研究活動開支於其產生期間確認為開支。因開發(或內部項目的開發階段)而形成的內部產生無形資產乃於及僅於以下條件達到時確認：

- 存在完成無形資產而令其可作使用或銷售的技術可行性；
- 有意完成無形資產及予以使用或出售；
- 擁有使用或出售無形資產的能力；
- 無形資產將如何帶來可能的未來經濟利益；
- 擁有充足的技術、財務及其他資源以完成開發及使用或出售無形資產；及
- 具備可靠計量無形資產於開發期間應佔開支的能力。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### Research and development expenditure (Cont'd)

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

##### Prepaid lease payments

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

##### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

##### Provisions

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

#### 4. 主要會計政策(續)

##### 研發支出(續)

內部產生無形資產的初步確認金額為自無形資產首次符合上述確認標準之日起計所產生的開支總額。倘並無內部產生無形資產可確認，則開發開支於其產生期間於損益中列支。於初步確認後，內部產生無形資產按成本減累計攤銷及累計減值虧損(如有)計量，所使用基準與獨立收購的無形資產所使用者相同。

##### 預付租金

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

##### 存貨

存貨按成本或可變現淨值(以較低者為準)呈列。成本按加權平均法計算。可變現淨值指存貨估計銷售價格減所有完成成本及就銷售而作出之所需成本。

##### 撥備

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### Share-based payment

For shares granted to senior management by the shareholders (i.e. Founders), the fair value of the employee services received is determined by reference to the fair value of shares granted at the grant date and recognised as an expense in full at the grant date when the shares granted vest immediately, with a corresponding amount recognised in capital reserve as deemed contribution from owners.

##### Financial instruments

Financial assets and liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities of fair value through profit or loss) are added to or deducted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition.

##### Financial assets

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

##### Effective interest method

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

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

#### 4. 主要會計政策(續)

##### 以股份為基礎的付款

就股東(即創辦人)向高級管理層授出的股份而言，所獲取僱員服務的公平值乃參考獲授股份於授出日期的公平值釐定並於授出日期(授出股份立即歸屬時)悉數確認為開支，相應金額於股本儲備中確認為視作擁有人注資。

##### 金融工具

當集團實體成為工具合約條文的訂約方時，金融資產及負債於綜合財務狀況報表內確認。

金融資產及金融負債初步按公平值計量。因收購或發行金融資產及負債(按公平值經損益入賬的金融資產及負債除外)而直接應佔的交易成本於初步確認時按適用情況加入或扣自該項金融資產或金融負債的公平值。

##### 金融資產

金融資產均分類為貸款及應收款項。分類乃取決於金融資產之性質及目的，並於初步確認時釐定。

##### 實際利率法

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

債務工具的利息收入乃按實際利率基準確認。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### Financial instruments (Cont'd)

##### Financial assets (Cont'd)

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, restricted bank balances and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses.

##### Impairment of financial assets

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

Objective evidence of impairment could include:

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

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

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate.

#### 4. 主要會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

##### 貸款及應收款項(續)

貸款及應收款項為附帶固定或可釐定付款的非衍生金融資產，而其在活躍市場並無報價。初步確認後，貸款及應收款項(包括貿易及其他應收款項、受限制銀行結餘及現金)乃採用實際利率法以攤銷成本減任何已識別減值虧損計量。

##### 金融資產減值

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

減值的客觀證據可能包括：

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

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

就按攤銷成本入賬的金融資產而言，減值虧損之金額以資產賬面值與以金融資產的原來實際利率貼現的估計未來現金流之現值之間的差異來計算。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### Financial instruments (Cont'd)

#### Financial assets (Cont'd)

##### Impairment of financial assets (Cont'd)

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

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

#### Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the group entities are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

##### Effective interest method

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

## 4. 主要會計政策(續)

### 金融工具(續)

#### 金融資產(續)

##### 金融資產減值(續)

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

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

#### 金融負債及股權工具

集團實體發行的金融負債及股權工具乃根據已訂立的合約安排內容以及金融負債及股權工具的定義分類為金融負債或股權。

##### 股權工具

股權工具乃扣除所有負債後證明於集團實體資產內擁有剩餘權益的任何合約。本集團所發行的股權工具於扣除直接發行成本後按已收所得款項確認。

##### 實際利率法

實際利率法乃計算金融負債的攤銷成本以及分攤相關期間的利息開支的方法。實際利率乃按金融負債的預計年期或(如適用)較短期間內準確貼現至初步確認的賬面淨值的估計未來現金收入(包括構成實際利率不可或缺部分的已付或已收的一切費用、交易成本及其他溢價或折讓)的利率。



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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### Financial instruments (Cont'd)

##### Financial liabilities and equity instruments (Cont'd)

Effective interest method (Cont'd)

Interest expense is recognised on an effective interest basis.

The Group's financial liabilities, which include trade and other payables, advance from customers, and borrowings are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises a financial liability when, and only when, the Group's obligations are discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### 4. 主要會計政策(續)

##### 金融工具(續)

##### 金融負債及股權工具(續)

實際利率法(續)

利息開支按實際利率基準確認。

本集團的金融負債(包括貿易及其他應付款項、來自客戶之墊款及借款)初步按公平值計量，其後採用實際利息法按攤銷成本計量。

##### 解除確認

倘從資產收取現金流之權利到期或金融資產被轉讓，且本集團已將其於金融資產擁有權之絕大部分風險及回報轉移至另一實體，則金融資產將被取消確認。

於解除確認金融資產時，該項資產賬面值與已收及應收代價總數間的差額會於損益中確認。

本集團僅於其責任獲解除、取消或到期時取消確認金融負債。取消確認之金融負債之賬面值與已付或應付代價之差額於損益確認。

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### 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### Key sources of estimation uncertainty

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

#### (a) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are expected to be shorter than estimated, or it will write-off or write-down obsolete or non-strategic assets that have been abandoned or sold. Change in these estimations may have a material impact on the results of the Group. Details of the movement of property, plant and equipment and the estimated useful lives are set out in Note 16.

### 5. 重大會計判斷及估計不確定因素主要來源

於應用附註4所述的本集團會計政策時，本公司董事須對目前未能從其他來源得出的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及其他被視為相關的因素而作出。實際結果可能與該等估計不同。

估計及相關假設將按持續基準予以審閱。倘會計估計的修訂僅對作出修訂的期間產生影響，則有關會計估計的修訂只會於該期間內確認，或倘會計估計的修訂對現有及未來期間均產生影響，則會於作出該修訂期間及未來期間予以確認。

#### 估計不確定因素主要來源

以下為於各報告期末所作出有關未來的主要假設及估計不確定因素的其他主要來源，有關假設及來源均涉及導致須對下一個財政年度的資產及負債賬面值作出重大調整的重大風險。

#### (a) 物業、廠房及設備的使用年期

本集團管理層決定其物業、廠房及設備的估計使用年期、餘值及相關折舊金額。此估計乃基於有關性質及功能相近的物業、廠房及設備的實際使用年期的過往經驗作出。倘使用年期預期將較估計為短或其將撇銷或撇減已棄置或出售的陳舊或非戰略資產時，管理層將增加折舊金額。該等估計的改變可能對本集團的業績構成重大影響。有關物業、廠房及設備的變動及估計使用年期的詳情載於附註16。

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#### 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

##### Key sources of estimation uncertainty (Cont'd)

##### (b) Estimated impairment of trade and other receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of trade and other receivables is set out in Note 22. A reversal of the allowance for doubtful trade debts of approximately RMB244,000 (2011: RMB2,836,000) was recognised for the year ended 31 December 2012. Impairment loss of RMB6,000,000 (2011: RMB1,481,000) and RMB5,117,000 (2011: nil) in respect of trade receivables and other receivables, respectively, was recognised in profit or loss during the year ended 31 December 2012.

##### (c) Impairment of inventories

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

#### 5. 重大會計判斷及估計不確定因素主要來源(續)

##### 估計不確定因素主要來源(續)

##### (b) 貿易及其他應收款項的估計減值

倘存在減值虧損的客觀證據，本集團會考慮未來現金流量估計。減值虧損金額乃按資產賬面值金額與估計未來現金流量(不包括尚未產生的未來信貸損失)的現值之間的差額計算，並會按金融資產的原來實際利率(即於初步確認時計算的實際利率)貼現。倘實際未來現金流量較預期少，則可能產生重大減值虧損。貿易及其他應收款項的賬面值載於附註22。截至二零一二年十二月三十一日止年度，已確認呆賬撥備撥回約人民幣244,000元(二零一一年：人民幣2,836,000元)。截至二零一二年十二月三十一日止年度，已就貿易應收款項及其他應收款項於損益確認減值虧損分別為人民幣6,000,000元(二零一一年：人民幣1,481,000元)及人民幣5,117,000元(二零一一年：無)。

##### (c) 存貨減值

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

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

### Key sources of estimation uncertainty (Cont'd)

#### (c) Impairment of inventories (Cont'd)

Operational procedures have been in place to monitor this risk, including regular review by the management of the inventory ageing listing on a periodical basis for those aged inventories. This involves comparison of carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether allowance is required to be made for any obsolete and slow-moving items. If the selling price is lower than expected, additional allowance would be recognised. The carrying amount of inventories is set out in Note 21. No provision or reversal of provision for obsolete and slow-moving inventories (2011: a reversal of provision for obsolete and slow-moving inventories of RMB2,974,000) was recognised for the year ended 31 December 2012.

#### (d) Provision for warranty claims

Provision for warranty is made based on the possible claims on the products by customers with reference to the warranty coverage period and the percentage of warranty expenses incurred over total sales amounts historically. In case where the actual claims are greater than expected, a material increase in warranty expenses may arise, which would be recognised in profit or loss for the period in which such a claim takes place. The carrying amount of provision for warranty is set out in Note 27.

#### (e) Estimated impairment on goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, further impairment loss may arise. As at 31 December 2012, the carrying amount of goodwill was RMB29,655,000 (2011: RMB29,655,000) and no impairment loss was recognised for the year ended 31 December 2011 and 2012. Details of the impairment testing on goodwill are disclosed in Note 19.

## 5. 重大會計判斷及估計不確定因素主要來源(續)

### 估計不確定因素主要來源(續)

#### (c) 存貨減值(續)

本集團已制訂營運程序以監察存貨減值風險，包括管理層定期就陳舊存貨審閱存貨貨齡清單。此涉及比較陳舊存貨項目的賬面值及相關之可變現淨值。目的為確定是否須就任何陳舊及滯銷項目作出撥備。倘售價低於預期，則會確認額外撥備。存貨的賬面值載於附註21。截至二零一二年十二月三十一日止年度，並無確認陳舊及滯銷存貨撥備或撥備撥回(二零一一年：陳舊及滯銷存貨撥備撥回人民幣2,974,000元)。

#### (d) 保修索償撥備

保修撥備乃經參考保修有效期及已產生的保修開支佔過往總銷售金額的百分比就客戶對產品的可能索償而作出。倘實際索償較預期為多，則保修開支可能顯著增加，而此將於作出索償的期間於損益確認。保修撥備的賬面值載於附註27。

#### (e) 商譽減值虧損

釐定商譽是否減值需要對商譽所獲分配的現金產生單位的使用價值進行估計。該使用價值計算需要本集團估計預期產生的未來現金流量及適當貼現率，以計算現值。倘實際未來現金流量低於預期，則可能會產生進一步減值虧損。於二零一二年十二月三十一日，商譽的賬面值為人民幣29,655,000元(二零一一年：人民幣29,655,000元)，而截至二零一一年及二零一二年十二月三十一日止年度並未確認任何減值虧損。有關商譽減值測試的詳情於附註19中披露。

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#### 6. CAPITAL RISK MANAGEMENT

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

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

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

#### 7. FINANCIAL INSTRUMENTS

##### (a) Categories of financial instruments

#### 6. 資本風險管理

本集團管理其資本以確保本集團內的實體將能持續經營並同時透過優化債務及權益結餘為股東帶來最大回報。於上一個年度，本集團的整體策略維持不變。

本集團的資產結構包括淨債務(其中包括借款)、現金及現金等價物及本公司擁有人應佔權益，其中包括股本、股份溢價、資本、盈餘儲備及保留盈利。

本公司董事定期審閱資本架構。審閱過程中，本公司董事考慮資本成本及與各類資本相關的風險。根據本公司董事的建議，本集團將透過支付股息、發行新股以及發行新債或贖回現有債務平衡其整體資本架構。

#### 7 金融工具

##### (a) 金融工具類別

	Financial instrument classification 金融工具分類	Carrying amount at 31 December 於十二月三十一日的賬面值	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
<b>Financial assets</b> <b>金融資產</b>			
Trade and other receivables*	Loans and receivables	<b>225,813</b>	229,635
貿易及其他應收款項*	貸款及應收款項		
Restricted bank balances	Loans and receivables	<b>45,000</b>	41,985
受限制銀行結餘	貸款及應收款項		
Bank balances and cash	Loans and receivables	<b>26,300</b>	122,621
銀行結餘及現金	貸款及應收款項		
		<b>297,113</b>	394,241
<b>Financial liabilities</b> <b>金融負債</b>			
Trade and other payables**	At amortised cost	<b>256,202</b>	235,673
貿易及其他應付款項**	按攤銷成本		
Borrowings – due within one year	At amortised cost	<b>272,153</b>	181,000
借款 – 一年內到期	按攤銷成本		
Borrowings – due after one year	At amortised cost	<b>74,000</b>	156,210
借款 – 一年後到期	按攤銷成本		
		<b>602,355</b>	572,883

\* Excluded advances to suppliers and prepayments.

\*\* Excluded payroll and welfare payables, other tax payable and accruals.

\* 不包括向供應商墊款及預付款項。

\*\* 不包括應付工資及福利、其他應付稅項及應計費用。

## 7. FINANCIAL INSTRUMENTS (Cont'd)

### (b) Financial risk management objectives and policies

The management monitors and manages the financial risks relating to the operations of the Group through internal risk assessment which analyses exposures by degree and magnitude of risks. The risks included market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest earned on the restricted bank balances and bank balances. The Group's borrowings have fixed interest rates and therefore, are subject to fair value interest rate risk.

No sensitivity analysis was prepared for restricted bank balances and bank balances as the financial impact arising on changes in interest rates was minimal.

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

## 7 金融工具(續)

### (b) 金融風險管理目標及政策

管理層透過內部風險評估監察及管理與本集團營運有關的金融風險，風險評估涉及對所面對的風險程度及重大性進行分析。該等風險包括市場風險(包括利率風險及貨幣風險)、信貸風險及流動性風險。下文載列降低該等風險的政策。管理層管理及監察該等風險以確保及時及有效採取適當措施。

#### (i) 利率風險

利率風險為一項金融工具的公平值或未來現金流量將因市場利率改變而波動所帶來的風險。本集團因受限制銀行結餘及銀行結餘所賺取的利息的利率改變而面對現金流量利率風險。本集團的借款以固定利率計息，故受到公平值利率風險影響。

由於利率變動產生的財務影響微不足道，故並無就受限制銀行結餘及銀行結餘編製敏感度分析。

本集團監察利率風險，並將於必要時考慮對沖重大利率風險。

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## 7. FINANCIAL INSTRUMENTS (Cont'd)

### (b) Financial risk management objectives and policies (Cont'd)

#### (ii) Currency risk

Certain bank balances and other borrowing of the Group are denominated in Hong Kong dollars ("HK\$") and Euro. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Bank balances	銀行結餘		
– HK\$	– 港元	1,867	41,755
– Euro	– 歐元	5,029	–
		6,896	41,755
Other borrowing – HK\$	其他借款 – 港元	(7,153)	(7,210)

No sensitivity analysis was prepared for the currency risk as the financial impact arising on changes in foreign exchange rates was minimal.

#### (c) Credit risk

As at 31 December 2012, the Group's maximum exposure to credit risk which cause financial loss to the Group due to failure to discharge an obligation by counterparties is arising from the carrying amount of the respective statements of financial position.

Credit risk is the risk of an unexpected loss if a customer or third party to a financial asset fails to meet its contractual obligations. At 31 December 2012, the Group had concentration of credit risk on trade receivables as 87.6% (2011: 53.2%) of total trade receivables were due from top 10 customers.

## 7 金融工具(續)

### (b) 金融風險管理目標及政策(續)

#### (ii) 貨幣風險

本集團若干銀行結餘及其他借款乃以港元(「港元」)及歐元計值。本集團目前並無外幣對沖政策。然而，管理層監察外匯風險，並將於必要時考慮對沖重大外匯風險。

於報告期末，本集團以外幣計值的貨幣資產的賬面值如下：

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Bank balances		
– HK\$	1,867	41,755
– Euro	5,029	–
	6,896	41,755
Other borrowing – HK\$	(7,153)	(7,210)

由於匯兌變動產生之財務影響不大，故並無就貨幣風險編製敏感度分析。

#### (c) 信貸風險

於二零一二年十二月三十一日，本集團所承受倘因交易對手未能履行其承擔之最大信貸風險(可導致本集團財務損失)經由財務狀況表所載列有關金融資產之賬面值產生。

信貸風險為因一名金融資產的客戶或第三方未能履行其合約責任而產生意外虧損的風險。於二零一二年十二月三十一日，由於87.6%(二零一一年：53.2%)的貿易應收款項總額分別來自十大客戶，故本集團貿易應收款項的信貸風險集中。

## 7. FINANCIAL INSTRUMENTS (Cont'd)

### (c) Credit risk (Cont'd)

The Group manages this risk by reviewing the recoverable amount of each individual trade debt and other debt at the end of reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group's sales to customers are mainly on an average credit period of 90 days, whereby the Group extended one-off credit terms of 18 to 24 months to certain particular customers as detailed in Note 22. In order to minimise the credit risk, the extended credit terms are only granted to large-scale original automobile manufacturers based on the creditworthiness and the Group's existing relationships with the customers. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties comprise of a number of banks which are state-owned banks located in the PRC or those with good reputation and high credit ratings assigned by PRC or international credit-rating agencies.

The Group had concentration of credit risk by geographical location as trade receivables and bills receivables comprise various debtors which are all located in PRC during the year ended 31 December 2011 and 2012.

Other than the concentration of the credit risk on trade receivables, bills receivables, restricted bank balances and bank balances, the Group does not have any other significant concentration of credit risk.

## 7 金融工具(續)

### (c) 信貸風險(續)

本集團透過審閱於報告期末各個別貿易債務及其他債務的可收回金額管理此項風險，從而確保已就不可收回金額作出足夠的減值虧損撥備。

本集團向客戶作出銷售的信貸期平均為90日，惟誠如附註22詳述，本集團就若干特定客戶給予一次性延長信貸期至18至24個月。為減低信貸風險，僅會根據客戶的信譽及本集團與該客戶現時的關係，為大型原汽車製造商延長信貸期。為此，本公司董事認為本集團之信貸風險大幅減低。

流動資金信貸風險有限，原因是交易對手方為位於中國的國有銀行或中國或國際的信用評級機構給予高信用評級的銀行。

由於在截至二零一一年及二零一二年十二月三十一日止年度多名有關貿易應收款項及應收票據的債務人乃位於中國，故本集團在地域上出現信貸風險集中情況。

除貿易應收款項、應收票據、受限制銀行結餘及銀行結餘的信貸風險集中外，本集團並無任何其他重大集中信貸風險。



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#### 7. FINANCIAL INSTRUMENTS (Cont'd)

##### (d) Liquidity risk

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

As at 31 December 2012, the Group had net current liabilities of approximately RMB195,977,000 (2011: RMB7,390,000). This exposes the Group to liquidity risk if the Group could not fulfill its financial obligations.

The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the next twelve months from the issuance date of these financial statements after taking into consideration of (i) available undrawn bank facilities amounting to approximately RMB321,000,000 as at 31 December 2012 (2011: RMB210,000,000) and (ii) internal generated funds.

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

#### 7 金融工具(續)

##### (d) 流動性風險

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

於二零一二年十二月三十一日，本集團的流動負債淨額約為人民幣195,977,000元(二零一一年：人民幣7,390,000元)。倘本集團無法履行其財務責任，這將令本集團面臨流動性風險。

經計及(i)於二零一二年十二月三十一日可供動用的未提取銀行融資約人民幣321,000,000元(二零一一年：人民幣210,000,000元)及(ii)內部產生的資金，本公司董事信納本集團將擁有充足的財務資源以履行其於此等財務報表刊發日期起計未來十二個月到期的財務責任。

於報告期末，本集團金融負債的剩餘合約年期表列如下。下表乃根據本集團於最早還款日期可被要求償還的金融負債的未折現現金流量編製而成，包括利息及本金的現金流量。

## 7. FINANCIAL INSTRUMENTS (Cont'd)

### (d) Liquidity risk (Cont'd)

#### Liquidity and interest risk tables

		Weighted average effective interest rate 加權平均 實際利率					Undiscounted		Carrying amount 賬面值 RMB'000 人民幣千元
			3 months to 1 year 三個月 至一年 RMB'000 人民幣千元	1-2 years 一年至兩年 RMB'000 人民幣千元	2-5 years 兩年至五年 RMB'000 人民幣千元	5 years 超過五年 RMB'000 人民幣千元	Over cash flows 未貼現 現金流量 RMB'000 人民幣千元		
<b>As at 31 December 2012</b>	<b>於二零一二年 十二月三十一日</b>								
Trade and other payables	貿易及其他應付款項	-	231,020	22,996	-	-	-	254,016	254,016
Other payables to employees	應付僱員的其他款項	3.6	-	726	566	787	489	2,568	2,186
Borrowings	借款	6.9	15,717	272,261	41,683	38,397	-	368,058	346,153
			246,737	295,983	42,249	39,184	489	624,642	602,355
<b>As at 31 December 2011</b>	<b>於二零一一年 十二月三十一日</b>								
Trade and other payables	貿易及其他應付款項	-	226,144	6,600	-	-	-	232,744	232,744
Other payables to employees	應付僱員的其他款項	3.6	-	929	726	1,185	656	3,496	2,929
Borrowings	借款	7.0	25,905	169,800	68,415	95,693	-	359,813	337,210
			252,049	177,329	69,141	96,878	656	596,053	572,883

### (e) Fair value

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

## 7. 金融工具(續)

### (d) 流動性風險(續)

#### 流動性及利率風險表

### (e) 公平值

金融資產及金融負債的公平值乃根據以貼現現金流量分析為基準的公認定價模式釐定。

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

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#### 8. REVENUE AND SEGMENT INFORMATION

##### (a) Products within each operating segment

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

The Group has two reportable and operating segments as follows:

- OEM Market ("OEM") – manufacturing and selling of automobile shock absorber and suspension system products to the automobile market of original automobile manufacturers.
- Automobile Aftermarket – manufacturing and selling of automobile shock absorber and suspension system products to the secondary market of the automobile industry.

#### 8. 收益及分部資料

##### (a) 各營運分部內的產品

所申報的分部資料乃以產品類型及購買產品的客戶類型釐定，此與作為本集團主要營運決策人（「主要營運決策人」）的本公司董事定期審閱以分配資源及評估表現的內部資料相符。

本集團擁有以下兩個可呈報營運分部：

- 原設備製造商市場（「原設備製造商」）－製造及向原汽車製造商市場銷售汽車減振器及懸架系統產品。
- 汽車售後市場－製造及向汽車行業的二手市場銷售汽車減振器及懸架系統產品。

## 8. REVENUE AND SEGMENT INFORMATION (Cont'd)

### (b) Segment revenue and segment results

## 8. 收益及分部資料(續)

### (b) 分部收益及分部業績

		Segment revenue		Segment results	
		分部收益		分部業績	
		2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
OEM	原設備製造商	<b>445,137</b>	517,861	<b>82,300</b>	109,058
Automobile Aftermarket	汽車售後市場	<b>53,697</b>	39,007	<b>15,912</b>	11,647
Total segment and consolidated	分部總額及綜合	<b>498,834</b>	556,868	<b>98,212</b>	120,705
Other income and expenses, other gains and losses	其他收入、其他收益及虧損			<b>5,979</b>	53,212
Selling and distribution expenses	銷售及分銷開支			<b>(25,575)</b>	(24,236)
Research and development expenditure	研發支出			<b>(17,600)</b>	(17,743)
Administrative expenses	行政開支			<b>(36,483)</b>	(32,817)
Listing expenses	上市開支			-	(14,908)
Finance costs	融資成本			<b>(13,317)</b>	(15,113)
Profit before tax	除稅前溢利			<b>11,216</b>	69,100

Revenue reported above represents revenue generated from sales of goods to external customers. There was no inter-segment sales during the year ended 31 December 2011 and 2012.

The accounting policies of the operating segments are the same as the Group's accounting policies disclosed in Note 4. Segment results represent the gross profit of each operating segment, conforming to the same measurement reported to the CODM for the purposes of resources allocation and performance assessment.

Other than the segment revenue and segment profit analysis presented above, information about assets and liabilities was not regularly provided to the CODM. Hence, no segment asset or segment liability information is presented.

以上呈報收益指從銷售產品予外部客戶產生的收益。截至二零一一年及二零一二年十二月三十一日止年度概無分部間銷售。

營運分部的會計政策與附註4所述的本集團會計政策相同。分部業績指各營運分部的毛利。與就分配資源及評估表現目的而向主要營運決策人申報的計算項目相符。

除以上呈列的分部收益及分部溢利分析外，並未定期向主要營運決策人提供有關資產及負債的資料。因此並無披露任何分部資產或分部負債。

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#### 8. REVENUE AND SEGMENT INFORMATION (Cont'd)

##### (c) Geographical information

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

Over 95% of the Group's revenue from external customers is derived from the PRC (country of domicile of the operating subsidiaries).

##### (d) Information about major customers

Revenue from major customers which accounts for 10% or more of the Group's revenue are as follows:

#### 8. 收益及分部資料(續)

##### (c) 地域資料

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

本集團來自外部客戶的其中95%來自中國(即集團實體的註冊國家)。

##### (d) 有關主要客戶的資料

佔本集團收益的10%或以上的來自主要客戶的收益如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
OEM – Customer A	原設備製造商 – 客戶A	89,518	130,458
OEM – Customer B	原設備製造商 – 客戶B	71,771	N/A*
OEM – Customer C	原設備製造商 – 客戶C	N/A*	70,724
OEM – Customer D	原設備製造商 – 客戶D	N/A*	69,871

\* The corresponding revenue did not contribute over 10% of the total sales of the Group for the respective year.

\* 相關收益的貢獻不超過本集團於相關年度銷售總額的10%。

## 9. OTHER INCOME AND EXPENSES, OTHER GAINS AND LOSSES 9. 其他收入及開支、其他收益及虧損

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Allowance for doubtful trade debts	貿易呆賬撥備	(6,000)	(1,481)
Allowance for doubtful other debts	其他呆賬撥備	(5,117)	-
Government grants (note a)	政府補助(附註a)	10,124	30,959
Gain from settlement of legal proceedings (note b)	法律程序和解所得收益(附註b)	-	5,467
Gain from scrap sales	廢料銷售收益	4,241	3,584
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	121	422
Income from suppliers on defects claim	來自供應商的缺陷申索	691	1,076
Interest income from bank deposits	來自銀行存款的利息	1,580	1,059
Others (note)	其他(附註)	(2,868)	2,505
Rental income (note)	租金收入(附註)	-	5,000
Less: direct operating expenses	減：直接營運費用	-	(4,468)
		-	532
Reversal of allowance for doubtful trade debts	貿易呆賬撥備撥回	244	2,836
Release of asset-related government grants (Note 26)	解除與資產相關的政府(附註26)	2,175	2,559
Recovery of bad debt written off	收回撇銷壞賬	-	1,250
Storage services income	倉儲服務收入	788	2,444
		<b>5,979</b>	<b>53,212</b>

### Notes:

During the year ended 31 December 2012, no rental income was recognised for a lease in respect of certain machineries from a third party as it is not probable, in the management's opinion, to receive the rents from the tenant. The relevant depreciation charges were recognised as other expenses.

### 附註：

截至二零一二年十二月三十一日止年度，並無就租賃若干機器確認來自第三方之任何租金收入，原因為管理層認為不可能收取該租戶的租金。相關折舊金額確認為其他開支。

## Notes to the Financial Statements

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#### 9. OTHER INCOME AND EXPENSES, OTHER GAINS AND LOSSES (Cont'd)

Notes: (Cont'd)

- a. Included in the amount is grants of approximately RMB10,124,000 (2011: RMB22,959,000) being incentives received by Nanyang Xijian for the eminent contribution in technology development and encouragement of business development. These grants are accounted for as immediate financial support with no future related costs expected to be incurred nor related to any assets.

During the year ended 31 December 2011, an amount of RMB8,000,000 representing reimbursement from local authority received by Nanyang Xijian for termination benefits payment made to staff on behalf of Jinguan Wangma Information Industry Company Limited (河南金冠王碼資訊產業股份有限公司) ("Jinguan Wangma"), a non-controlling interest shareholder of Nanyang Xijian up to April 2009, pursuant to several government notices in 2007.

- b. Other than RMB100,000 arising from a dispute settlement disclosed in Note 27(ii), the remaining balance of RMB5,367,000 representing gain on settlement between Nanyang Xijian and Jinguan Wangma, relating to a contractual dispute settled in September 2011.

On 23 June 2010, Jinguan Wangma commenced proceedings against Nanyang Xijian claiming an aggregate amount of RMB18,000,000 allegedly owed by Nanyang Xijian to Jinguan Wangma. Nanyang Xijian defended against Jinguan Wangma on the basis that Nanyang Xijian did not owe Jinguan Wangma any money. On 21 December 2010, Nanyang Xijian filed petition for dismissing the charges and demanded approximately RMB2,150,000 from Jinguan Wangma as compensation. No receivable had been recognised in respect of the demanded disbursement.

On 9 May 2011, Nanyang Xijian and Jinguan Wangma entered into a settlement agreement (the "Settlement Agreement"). Pursuant to the Settlement Agreement, (a) Jinguan Wangma agreed that it shall unconditionally and irrevocably withdraw its claim from the court on the date of the Settlement Agreement; (b) commencing from the date of the Settlement Agreement, all disputes relating to claims and liabilities between both parties shall be set off, all rights and obligations in relation to the claims and liabilities between the parties up to the date of the Settlement Agreement shall be terminated, and the parties shall have no other disputes; and (c) both parties agreed that the outstanding balances of payables to Jinguan Wangma to be offset against the receivable from Jinguan Wangma held by Nanyang Xijian. As a result, the Group recognised a gain of approximately RMB5,367,000, being the difference between the receivable from Jinguan Wangma of RMB10,076,000 and the payable to Jinguan Wangma of RMB15,443,000, upon the completion of the Settlement Agreement. Subsequent to the Settlement Agreement, all claims commenced by Jinguan Wangma or Nanyang Xijian were withdrawn and approved by relevant PRC court on 11 May 2011.

#### 9. 其他收入及開支、其他收益及虧損 (續)

附註：(續)

- a. 已計入金額人民幣10,124,000元(二零一一年：人民幣22,959,000元)，指南陽浙減就技術開發和鼓勵業務拓展的傑出貢獻的已收獎金。該等補助視作即時財務支援，並無預期產生或與任何資產相關之未來相關成本。

截至二零一一年十二月三十一日止年度，根據於二零零七年多份政府通知，金額人民幣8,000,000元指南陽浙減代表河南金冠王碼資訊產業股份有限公司(「金冠王碼」，為南陽浙減於二零零九年四月前的非控股權益股東)就終止予員工的福利自當地機構收取的補償。

- b. 除附註27(ii)所披露糾紛和解所產生的人民幣100,000元外，餘額人民幣5,367,000元為於二零一一年九月合約糾紛獲得解決，南陽浙減與金冠王碼之間達成和解的收益。

於二零一零年六月二十三日，金冠王碼就一項合約糾紛對南陽浙減提出訴訟，向南陽浙減申索其指稱南陽浙減欠負金冠王碼共計人民幣18,000,000元的款項。南陽浙減以其並無欠負金冠王碼任何款項的理據進行抗辯。於二零一零年十二月二十一日，南陽浙減提出呈請要求駁回指控，並申索約人民幣2,150,000元作為賠償。並無就所要求的賠償確認應收款項。

於二零一一年五月九日，南陽浙減與金冠王碼訂立和解協議(「和解協議」)。根據和解協議，(a)金冠王碼同意於和解協議日期無條件及不可撤回從法院撤銷申索；(b)自和解協議之日起，有關雙方申索及責任的所有糾紛予以抵銷，截至和解協議日期有關雙方申索及責任的所有權利及義務予以終止，雙方概無其他糾紛；及(c)雙方同意應付金冠王碼的未償還結餘與南陽浙減所持有的應收金冠王碼的款項互相抵銷。因此，於和解協議完成後，本集團確認一筆收益約人民幣5,367,000元(即應收金冠王碼的款項人民幣10,076,000元與應付金冠王碼的款項人民幣15,443,000元之間的差額)。於和解協議後，金冠王碼或南陽浙減提出之所有申索已於二零一一年五月十一日被撤銷及獲中國有關法院批准。

## 10. FINANCE COSTS

## 10. 融資成本

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Interest on:	以下各項的利息：		
Bank borrowings wholly repayable within five years	須於5年內悉數償還的銀行借款	21,445	13,918
Entrusted loans wholly repayable within five years	須於5年內悉數償還的信託貸款	2,527	3,881
Other borrowings wholly repayable within five years	須於5年內悉數償還的其他借款	215	245
		<b>24,187</b>	18,044
Accretion on other payables (Note 24)	其他應付款項的應計費用 (附註24)	187	357
		<b>24,374</b>	18,401
Less: Amounts capitalised	減：資本化金額	<b>(11,057)</b>	(3,288)
		<b>13,317</b>	15,113

Interest has been capitalised at the rate of interest applicable to the specific borrowings financing the assets under construction, or, where financed through general borrowings, at a capitalisation rate representing the average interest rate on such borrowings.

利息已按用於就在建資產提供資金的特別借款適用利率資本化，或倘透過一般借款融資則按有關借款的平均利率資本化。

		2012 二零一二年 %	2011 二零一一年 %
Capitalisation rate	資本化率	<b>6.45-8.10</b>	6.32-8.00



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#### 11. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

#### 11. 除稅前溢利

除稅前溢利已扣除(計入):

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Employee benefits expenses (including directors):	僱員福利開支(包括董事):		
– salaries and other benefits	– 薪金及其他福利	39,714	38,485
– retirement benefit scheme contributions	– 退休福利計劃供款	7,091	7,164
Total staff costs	總員工成本	46,805	45,649
Auditor's remuneration	核數師薪酬	1,706	1,663
Amortisation of intangible assets (included in administrative expenses)	無形資產攤銷(包括在行政開支內)	449	449
Cost of inventories recognised as expenses (included in cost of sales and research and development expenditure)	已確認為開支的存貨成本(包括在銷售成本及研發支出內)	410,857	436,514
Depreciation of property, plant and equipment	物業、廠房及設備折舊	15,130	14,933
Release of prepaid lease payments	呆賬撥備撥回	2,153	1,943
Provision for (reversal of provision for) obsolete and slow-moving inventories (included in cost of sales)*	陳舊及滯銷存貨撥備(撥備撥回)(包括在銷售成本內)*	–	(2,974)

\* As a result of recovery from global financial crisis and economic downturn, the reversal of provision for slow-moving inventories amounting to approximately RMB2,974,000 were recognised during the year ended 31 December 2011 upon realisation of sales.

\* 由於從全球金融危機及經濟低迷中復甦，截至二零一一年十二月三十一日止年度，已於銷售完成時確認滯銷存貨撥備撥回約人民幣2,974,000元。

#### 12. TAXATION

#### 12. 稅項

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Tax expense comprises:	稅項開支包括:		
Current tax expense	即期稅項開支	4,694	11,644
Deferred tax (credit) expense (Note 20)	遞延稅項開支(抵免)(附註20)	(900)	563
		3,794	12,207

## 12. TAXATION (Cont'd)

The current income tax expense for the year ended 31 December 2011 and 2012 represents the PRC enterprise income tax which is calculated at the prevailing tax rate on the taxable income of the group entities in the PRC. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

The Company and Merit Leader were incorporated in jurisdictions under which they are not subject to any income tax.

Guang Da Automotive was incorporated in Hong Kong and has had no assessable profit subject to Hong Kong Profits Tax since its incorporation.

Way Assauto Srl was incorporated in Italy and has had no assessable profit subject to any profits tax since its incorporation.

On 15 December 2009, Nanyang Xijian obtained "High and New Technology Enterprise" status for 3 years that entitles Nanyang Xijian a preferential tax rate of 15% for the period from 2010 to 2012 according to the PRC tax law. Nanyang Xijian renewed its "High and New Technology Enterprise" status in November 2012 and was accredited to 15% preferential tax rate for an extended period up to 2015.

Other PRC established group entities did not have any taxable profit for the year ended 31 December 2011 and 2012.

## 12. 稅項(續)

截至二零一一年及二零一二年十二月三十一日止年度的即期所得稅開支指中國企業所得稅，該稅項乃就於中國的集團實體的應課稅收入按現行稅率計算。根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法的實施細則，由二零零八年一月一日起，中國附屬公司的稅率為25%。

本公司及Merit Leader於毋須繳納任何所得稅之司法權區註冊成立。

光大車輛零部件於香港註冊成立，且自其註冊成立以來概無任何須繳納香港利得稅的應課稅溢利。

Way Assauto Srl於意大利註冊成立，而自其註冊成立以來，並無應課稅溢利須繳納任何利得稅。

於二零零九年十二月十五日，南陽浙減取得「高科技企業」地位，根據中國稅法，南陽浙減享有三年稅務優惠，由二零一零年至二零一二年按15%的優惠稅率繳稅。南陽浙減於二零一二年十一月重續其「高科技企業」地位，其按15%優惠稅率繳稅的期限延長至二零一五年。

其他於中國成立之集團實體於截至二零一一年及二零一二年十二月三十一日止年度並無任何應課稅溢利。

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#### 12. TAXATION (Cont'd)

The tax charge for the year ended 31 December 2011 and 2012 can be reconciled to the profit before tax per consolidated statement of comprehensive income as follows:

#### 12. 稅項(續)

截至二零一一年及二零一二年十二月三十一日止年度的稅款可於綜合全面收益表與除稅前溢利對賬如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	11,216	69,100
Tax at 25%	按25%的稅率計算的稅項	2,804	17,275
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	73	78
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	5,896	8,370
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(228)	(3,495)
Tax effect of additional qualified expenses deductible for tax purpose (note)	額外合資格可扣稅開支的稅務影響(附註)	(1,977)	(2,218)
Effect of tax concessions granted to a PRC subsidiary	向中國附屬公司授出稅項優惠的影響	(2,709)	(7,803)
Utilisation of tax losses previously not recognised	實現以前年度未確認稅項虧損的稅務影響	(65)	-
		<b>3,794</b>	12,207

Note: The amount represents additional 50% income tax deduction in respect of qualifying research and development expenditures incurred for the year.

附註：該金額指就年內所產生合資格研發支出的額外50%所得稅扣減。

### 13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION

#### (a) Directors' and chief executive's emoluments

Details of the emoluments paid to the directors of the Company, include the Chief Executive of the Group, for the year ended 31 December 2011 and 2012 are as follow:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Directors'	董事		
– fees	– 袍金	1,277	138
– salaries and other benefits	– 薪金及其他福利	264	264
– discretionary bonus*	– 酌情花紅*	1,180	850
– retirement benefits scheme contributions	– 退休福利計劃供款	17	22
		<b>2,738</b>	1,274

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

按姓名顯示的董事酬金如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Mr. Zhao Zhi Jun	趙志軍先生	889	598
Ms. Wang Wen Bo	王文波先生	528	291
Ms. Yang Wei Xia	楊瑋霞女士	532	298
Mr. Fu Peng Xu (appointed on 22 May 2011)	付蓬旭先生(於二零一一年 五月二十二日獲委任)	117	13
Mr. Xie Qing Xi (appointed on 22 May 2011)	謝清喜先生(於二零一一年 五月二十二日獲委任)	117	13
Mr. Xi Chun Ying (appointed on 27 August 2011)	席春迎先生(於二零一一年 八月二十七日獲委任)	117	13
Mr. Zhang Jin Hua (appointed on 19 October 2011)	張進華先生(於二零一一年 十月十九日獲委任)	146	16
Mr. Li Zhi Qiang (appointed on 19 October 2011)	李志強先生(於二零一一年 十月十九日獲委任)	146	16
Mr. Chu Kin Wang, Peleus (appointed on 19 October 2011)	朱健宏先生(於二零一一年 十月十九日獲委任)	146	16
		<b>2,738</b>	1,274

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#### 13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION (Cont'd)

##### (a) Directors' and chief executive's emoluments (Cont'd)

Mr. Zhao Zhi Jun is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

##### (b) Employees' emoluments

The five highest paid individuals of the Group for the year ended 31 December 2012 included 3 (2011: 3) directors. The remunerations of the five highest paid individuals are as follows:

#### 13. 董事、行政總裁及僱員薪酬(續)

##### (a) 董事酬金(續)

趙志軍先生亦為本公司之行政總裁，上文披露其酬金乃包括其提供作為行政總裁的服務的酬金。

##### (b) 僱員酬金

截至二零一二年十二月三十一日止年度，本集團的五名最高薪人士包括三名(二零一一年：三名)董事。五名最高薪人士的薪酬如下：

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Employees	僱員		
– salaries and other benefits	– 薪金及其他福利	1,658	913
– discretionary bonus*	– 酌情花紅*	1,470	1,050
– retirement benefits scheme contributions	– 退休福利計劃供款	32	39
		<b>3,160</b>	2,002

Their emoluments were within the following bands:

彼等的酬金介乎以下範圍：

		2012	2011
		二零一二年	二零一一年
Nil to HK\$1,000,000 (equivalents to approximately Nil to RMB813,000)	零至1,000,000港元 (相等於約零至人民幣813,000元)	3	5
HK\$1,000,001 to HK\$1,500,000 (equivalents to approximately RMB813,001 to RMB1,219,000)	1,000,001港元至 1,500,000港元(相等於約 人民幣813,001元至 人民幣1,219,000元)	2	–
		<b>5</b>	5

### 13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION (Cont'd)

#### (b) Employees' emoluments (Cont'd)

During the year ended 31 December 2011 and 2012, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company waived any remuneration during the year ended 31 December 2011 and 2012.

\* The discretionary bonus is determined having regard to the performance and market trend by the remuneration committee of the Company.

### 14. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2012 and 2011, nor has any dividend been proposed since the end of the reporting period.

### 15. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following data:

		2012 二零一二年	2011 二零一一年
<b>Earnings</b>	<b>盈利</b>		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share (RMB'000)	就每股基本盈利而言的本公司擁有人應佔期內溢利 (人民幣千元)	<b>7,422</b>	56,893
<b>Number of shares</b>	<b>股數</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就每股基本盈利而言的普通股加權平均數	<b>320,000,000</b>	251,178,082

For the year ended 31 December 2011, the weighted average number of ordinary shares has been adjusted retrospectively for (i) the 50,000 shares issued at the date of incorporation of the Company and pursuant to the reorganisation as disclosed in Note 2 and (ii) 239,950,000 shares issued pursuant to the capitalisation issue as more fully disclosed in Note 28.

No diluted earnings per share are presented as there was no potential ordinary share outstanding during the year or as at the end of reporting period.

### 13. 董事、行政總裁及僱員薪酬(續)

#### (b) 僱員酬金(續)

截至二零一一年及二零一二年十二月三十一日止年度，本集團概無向任何董事或五名最高薪人士支付酬金以作為加入或加入本集團後的獎勵或離職的補償。截至二零一一年及二零一二年十二月三十一日止年度，概無董事放棄任何薪酬。

\* 酌情花紅乃由本公司薪酬委員會根據業績及市況釐定。

### 14. 股息

於截至二零一二年及二零一一年十二月三十一日止年度期間及自報告期末以來，概無派付或擬派股息。

### 15. 每股盈利

每股基本盈利乃根據以下數據計算：

截至二零一一年十二月三十一日止年度，普通股加權平均數已根據下列各項作出追溯調整(i)於本公司註冊成立之日期以及根據附註2所披露之重組發行50,000股股份及(ii)根據附註28更為詳述之資本化發行而發行之239,950,000股股份。

由於在年內或截至報告期末概無任何發行在外潛在普通股，故並無呈列每股攤薄盈利。

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#### 16. PROPERTY, PLANT AND EQUIPMENT

#### 16. 物業、廠房及設備

		Buildings	Motor vehicles	Furniture, fixture and equipment 傢俬、裝置及設備	Machinery	Construction in progress	Others	Total
		樓宇 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	及設備 RMB'000 人民幣千元	機器 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	其他 RMB'000 人民幣千元 (Note) (附註)	合計 RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>							
At 1 January 2011	於二零一一年一月一日	50,080	5,505	3,688	134,054	6,860	10,037	210,224
Additions	添置	4,076	1,127	466	5,103	48,645	286	59,703
Transfer	轉讓	-	-	-	606	(606)	-	-
Disposal	出售	(18)	(92)	-	(1,813)	-	(9)	(1,932)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	54,138	6,540	4,154	137,950	54,899	10,314	267,995
Additions	添置	341	3,198	826	9,974	179,187	1,303	194,829
Disposal	出售	-	(437)	-	(240)	-	-	(677)
At 31 December 2012	於二零一二年十二月三十一日	54,479	9,301	4,980	147,684	234,086	11,617	462,147
<b>ACCUMULATED DEPRECIATION</b>	<b>累計折舊</b>							
At 1 January 2011	於二零一一年一月一日	(4,657)	(945)	(1,484)	(48,977)	-	(3,340)	(59,403)
Provided for the year	年內撥備	(1,538)	(638)	(399)	(11,652)	-	(706)	(14,933)
Eliminated on disposals	於出售時對銷	-	44	-	817	-	5	866
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	(6,195)	(1,539)	(1,883)	(59,812)	-	(4,041)	(73,470)
Provided for the year	年內撥備	(1,560)	(699)	(468)	(11,671)	-	(732)	(15,130)
Eliminated on disposal	於出售時對銷	-	179	-	168	-	-	347
At 31 December 2012	於二零一二年十二月三十一日	(7,755)	(2,059)	(2,351)	(71,315)	-	(4,773)	(88,253)
<b>CARRYING VALUES</b>	<b>賬面值</b>							
At 31 December 2012	於二零一二年十二月三十一日	46,724	7,242	2,629	76,369	234,086	6,844	373,894
At 31 December 2011	於二零一一年十二月三十一日	47,943	5,001	2,271	78,138	54,899	6,273	194,525

Note: Others mainly comprise various ancillary structures including wires, circuits and drainages etc.

附註：其他主要包括各類附屬構築物，包括電線、電路及水管等。

## 16. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis over the following estimated useful lives taking into account of their estimated residual value:

Buildings	Over the shorter of the term of lease, or 30 years	樓宇	租期或30年 (以較短者為準)
Motor vehicles	5-10 years	汽車	5-10年
Furniture, fixture and equipment	Over the shorter of the term of lease or 5-7 years	傢俬、裝置及設備	租期或5-7年 (以較短者為準)
Machinery	1-15 years	機器	1-15年
Others	3-20 years	其他	3-20年

## 16. 物業、廠房及設備(續)

除在建工程以外的上述物業、廠房及設備項目經計及其估計剩餘價值後，於下列估計使用年期以直線基準折舊：

## 17. PREPAID LEASE PAYMENTS

## 17. 預付租金

		RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	41,484
Additions	添置	63,457
Charged for the year	年內扣除	(1,943)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及 二零一二年一月一日	102,998
Additions	添置	37,795
Charged for the year	年內扣除	(2,153)
At 31 December 2012	於二零一二年十二月三十一日	138,640

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Analysed for reporting purposes:	就申報目的分析：		
Current assets	流動資產	2,894	2,153
Non-current assets	非流動資產	135,746	100,845
		<b>138,640</b>	102,998

The Group's prepaid lease payments comprise medium-term leasehold land located in the PRC. Prepaid lease payments are released to profit or loss over the lease terms ranging between 48 to 50 years.

本集團的預付租金包括位於中國的中期租約租賃土地。預付租金於介乎48至50年的租期內轉撥至損益。



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### 18. INTANGIBLE ASSETS

### 18. 無形資產

		<b>Customer relationship</b>	<b>Patents</b>	<b>Total</b>
		客戶關係	專利	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
<b>COST</b>	<b>成本</b>			
At 1 January 2011,	於二零一一年一月一日、			
31 December 2011 and	二零一一年十二月			
31 December 2012	三十一日以及			
	二零一二年十二月			
	三十一日	3,593	555	4,148
<b>AMORTISATION</b>	<b>攤銷</b>			
At 1 January 2011	於二零一一年一月一日	(1,834)	(555)	(2,389)
Charge for the year	年內扣除	(449)	-	(449)
At 31 December 2011 and	於二零一一年十二月			
1 January 2012	三十一日及			
	二零一二年一月一日	(2,283)	(555)	(2,838)
Charge for the year	年內扣除	(449)	-	(449)
At 31 December 2012	於二零一二年十二月	(2,732)	(555)	(3,287)
	三十一日			
<b>CARRYING VALUES</b>	<b>賬面值</b>			
At 31 December 2012	於二零一二年十二月	861	-	861
	三十一日			
At 31 December 2011	於二零一一年十二月	1,310	-	1,310
	三十一日			

The above customer relationship and patents were acquired through a business combination in 2006.

上述客戶關係及專利乃透過於二零零六年的業務合併購入。

The above intangible assets have finite useful lives and are amortised on a straight-line basis over the following periods from the acquisition date:

上述無形資產具有固定的可使用年期，並以直線法於自收購日期起計的下列期間內攤銷：

Customer relationship      8 years  
Patents                              4 years

客戶關係                      8年  
專利                              4年

## 19. GOODWILL

## 19. 商譽

		RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>	
At 1 January 2011, 31 December 2011 and 2012	於二零一一年一月一日、二零一一年及 二零一二年十二月三十一日	29,655
<b>IMPAIRMENT</b>	<b>減值</b>	
At 1 January 2011, 31 December 2011 and 2012	於二零一一年一月一日、二零一一年及 二零一二年十二月三十一日	-
<b>CARRYING VALUES</b>	<b>賬面值</b>	
At 31 December 2011 and 2012	於二零一一年及二零一二年 十二月三十一日	29,655

For the purposes of impairment testing, goodwill has been allocated to one PRC subsidiary which engages in manufacturing of automobile shock absorber and suspension system products.

為進行減值測試，商譽分配至一家從事製造汽車減振器及懸架系統產品的中國附屬公司。

During the year ended 31 December 2012, the management determines that there is no impairment of the CGU containing goodwill.

截至二零一二年十二月三十一日止年度，管理層認為，包含商譽的現金產生單位並無減值。

The recoverable amount of the CGU has been determined based on a value in use calculation. The calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period. The CGU's cash flows beyond the 5-year period are extrapolated using a steady 2.7% (2011: 4.5%) growth rate. This growth rate is based on the relevant industry long-term growth rate in the jurisdiction the CGU operates. The discount rate applied is 13.68% (2011: 13.68%).

現金產生單位的可收回金額乃根據使用價值計算法釐定。該計算法使用現金流量預測，而現金流量預測則基於管理層所批准的5年期財務預算。超過5年期的現金產生單位的現金流量採用2.7%（二零一一年：4.5%）的穩定增長率推算。該增長率是基於現金產生單位經營所在的司法權區的相關行業的長期增長率得出。所應用的貼現率為13.68%（二零一一年：13.68%）。

Key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the CGU's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the CGU to exceed the recoverable amount of the CGU.

使用價值計算法的主要假設涉及現金流入／流出的估計，其中包括預算銷售額及毛利率，有關估計是基於對現金產生單位的過往表現及管理層對市場發展的預期得出。管理層認為，任何有關假設的任何可能合理的變動不會導致現金產生單位的賬面金額超過現金產生單位的可收回金額。

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#### 20. DEFERRED TAXATION

The following is the analysis of the deferred tax assets:

#### 20. 遞延稅項

以下為遞延稅項資產的分析：

		Allowance for doubtful debts	Provision for obsolete or slow-moving inventories	Total
		呆賬撥備 RMB'000 人民幣千元	陳舊或滯銷 存貨撥備 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	1,178	2,292	3,470
Charge to profit or loss (Note 12)	於損益計入(附註12)	(117)	(446)	(563)
At 31 December 2011 and 1 January 2012	於二零一一年十二月 三十一日及二零一二年 一月一日	1,061	1,846	2,907
Credit to profit or loss (Note 12)	於損益計入(附註12)	900	-	900
At 31 December 2012	於二零一二年十二月 三十一日	1,961	1,846	3,807

The Group had unrecognised tax losses as follows:

本集團未確認的稅項虧損如下：

		RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	6,272
Addition	添置	313
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及 二零一二年一月一日	6,585
Utilisation	動用	(260)
Addition	添置	292
At 31 December 2012	於二零一二年十二月三十一日	6,617

## 20. DEFERRED TAXATION (Cont'd)

No deferred tax asset has been recognised in respect of unrecognised tax losses due to the unpredictability of future profits streams. As at 31 December 2012, the tax losses of RMB6,588,000 (2011: RMB6,243,000) will expire up to 2017 (2011: 2016). The Group has no other significant unprovided deferred tax for the year ended 31 December 2011 and 2012.

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries that are received by non-PRC resident entities from 1 January 2008 onwards. At 31 December 2012, deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of Nanyang Xijian amounting to RMB50,695,000 (2011: RMB39,334,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

## 21. INVENTORIES

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Raw materials	原材料	11,880	9,202
Work-in-progress	在製品	4,338	8,350
Finished goods	製成品	63,330	38,630
		<b>79,548</b>	56,182

## 20. 遞延稅項(續)

由於未來溢利來源的不可預見性，並無就未確認稅項虧損確認遞延稅項資產。於二零一二年十二月三十一日，稅項虧損人民幣6,588,000元(二零一一年：人民幣6,243,000元)將於二零一七年(二零一一年：二零一六年)到期。截至二零一一年及二零一二年十二月三十一日止年度，本集團並無其他重大未撥備遞延稅項。

根據企業所得稅法，自二零零八年一月一日起，非中國居民企業收取的以中國附屬公司所賺取的溢利所宣派的股息需徵收預扣稅。於二零一二年十二月三十一日，由於本集團能夠控制撥回暫時性差額的時間及該等暫時性差額有可能於可預見將來不會撥回，故並無於綜合財務報表就南陽浙減累計溢利人民幣50,695,000元(二零一一年：人民幣39,334,000元)應佔的暫時性差額撥備遞延稅項。

## 21. 存貨

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#### 22. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise the following:

#### 22. 貿易及其他應收款項

貿易及其他應收款項包括以下各項：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	211,452	188,308
Less: allowance for doubtful trade debts	減：呆賬撥備	(13,074)	(7,318)
		<b>198,378</b>	180,990
Bills receivables	應收票據	12,407	23,610
Other receivables (note a)	其他應收款項(附註a)	28,560	24,812
Less: allowance for doubtful other debts	減：其他呆賬撥備	(5,117)	-
		<b>23,443</b>	24,812
Value-added tax recoverables	可退回增值稅	1,638	223
Advances to suppliers	向供應商墊款	4,492	2,945
		<b>240,358</b>	232,580
Less: trade receivables shown under non-current assets (note b)	減：列示於非流動資產下的貿易應收款項(附註b)	(10,053)	-
Total trade and other receivables shown under current assets	列示於流動資產下的貿易及其他應收款項總額	<b>230,305</b>	232,580

Notes:

- a. Included in the balance is (i) an amount of approximately RMB4,800,000 (2011: RMB8,350,000), net of allowance for doubtful other debts of RMB5,117,000 (2011: nil), representing service/rental receivable in respect of storage and machineries from a third party; (ii) RMB8,950,000 (2011: RMB8,950,000) deposits to a creditor as security for other borrowings; and (iii) balances comprise of employees' travel advances, deposits paid to local tax authorities, rental deposits and certain prepayments, all of which are expected to be recovered within twelve months after the end of reporting period.
- b. The Group generally allows a credit period of 90 days to its trade customers with exception to certain strategic customers that the Group extended one-off credit terms to 18 to 24 months during the year ended 31 December 2012. The respective outstanding amounts expected to be received after twelve months from the end of reporting period are presented as non-current assets and measured at amortised cost at an effective interest rate of 6.4% per annum. The Group does not hold any collateral over these balances.

附註：

- a. 該項結餘包括(i)就儲存及機器而應收一名第三方的服務/租賃款項約人民幣4,800,000元(二零一一年：人民幣8,350,000元)，扣除呆賬撥備人民幣5,117,000元(二零一一年：無)；(ii)就其他借貸給予一名債權人作為擔保的按金人民幣8,950,000元(二零一一年：人民幣8,950,000元)；及(iii)由僱員的差旅墊款、支付予地方稅務局的按金及租金按金及若干預付款項組成的結餘，該等結餘預期於報告期末後十二個月內收回。
- b. 本集團一般給予其貿易客戶90天的信貸期，惟於截至二零一二年十二月三十一日止年度，本集團就若干策略性客戶給予一次性延長信貸期至18至24個月。預期將於報告期末起計12個月後收取的相關尚未償還金額列為非流動資產，並以實際利率每年6.4%按攤銷成本計算。本集團並無就該等結餘擁有任何抵押品。

## 22. TRADE AND OTHER RECEIVABLES (Cont'd)

The ageing of trade receivables presented based on invoice date (also approximate to the date of revenue recognition), net of allowance for doubtful debts, is as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
0 to 90 days	0至90天	172,678	157,545
91 to 180 days	91至180天	15,647	9,612
181 to 365 days	181至365天	10,053	13,833
		<b>198,378</b>	180,990

Movement in the allowance for doubtful trade debts:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Beginning balance	年初結餘	7,318	8,673
Addition	增加	6,000	1,481
Reversal of allowance for doubtful trade debts	呆賬撥備撥回	(244)	(2,836)
Ending balance	年末結餘	<b>13,074</b>	7,318

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

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

## 22. 貿易及其他應收款項(續)

按發票日期(與確認收益日期相若)呈列的貿易應收款項(減呆賬撥備)的賬齡如下:

貿易呆賬撥備變動如下:

在接納任何新客戶前，本集團已對潛在客戶的信貸質素進行了評估，並設定了每名客戶的信貸額度。劃給客戶的限額會每年進行一次審查。

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

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#### 22. TRADE AND OTHER RECEIVABLES (Cont'd)

At 31 December 2012, included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately RMB15,647,000 (2011: RMB23,445,000), which are past due for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on repayment history of respective customer. The Group does not hold any collateral over these balances.

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
91 to 180 days	91至180天	15,647	9,612
181 to 365 days	181至365天	-	13,833
		<b>15,647</b>	23,445

Bills receivables represent banker's acceptances, i.e. time drafts accepted and guaranteed for payment by banks in the PRC. Those banks accepting the banker's acceptances, which are state-owned banks or commercial banks in the PRC (the "PRC Banks"), are the primary obligors for payment on the due date of such banker's acceptances. The Group accepts the settlement of trade receivables by customers using banker's acceptances accepted by the PRC Banks on a case by case basis.

The ageing of bills receivables, presented based on receipt date, is as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
0 to 90 days	0至90天	12,407	23,610

#### 22. 貿易及其他應收款項(續)

於二零一二年十二月三十一日，總賬面值約人民幣15,647,000元(二零一一年：人民幣23,445,000元)的債務計入本集團的貿易應收款項結餘，而該等應收賬款已逾期，惟由於信貸質素並無重大轉變及根據過往經驗，該等款項仍被視為可收回，因此，本集團並未就該等款項計提減值虧損撥備。本集團概未就該等結餘持有任何抵押品。

已逾期但未減值的貿易應收款項賬齡

應收票據指銀行承兌匯票，即中國銀行就付款所接受及作出擔保之定期匯票。該等接受銀行承兌匯票之銀行為中國國有銀行或商業銀行(「中國銀行」)，並於銀行承兌匯票之到期日為主要負責支付人。本集團按個別情況接受客戶使用中國銀行接受之銀行承兌匯票償付貿易應收款項。」

應收票據賬齡按收據日期呈列如下：

## 23. RESTRICTED BANK BALANCES/BANK BALANCES AND CASH

Bank balances carry interest at market rates ranging from 0.40% to 0.50% (31 December 2011: 0.36% to 0.5%) per annum.

Restricted bank balances, carrying interest at market rates ranging from 3.25% to 3.30% (31 December 2011: 2.50% to 3.30%) per annum, represent amounts deposited with banks as pledge for the bill payables with maturity of three to six months issued to suppliers for the purchase of raw materials and securities.

## 24. TRADE AND OTHER PAYABLES

Trade and other payables comprise the following:

## 23. 受限制銀行結餘／銀行結餘及現金

銀行結餘年利率介乎0.40%至0.50%（二零一一年十二月三十一日：0.36%至0.5%）。

年利率介乎3.25%至3.30%（二零一一年十二月三十一日：2.50%至3.30%）的受限制銀行結餘指作為發行予供應商以購買原材料的原到期日為三至六個月的應付票據的擔保的銀行存款。

## 24. 貿易及其他應付款項

貿易及其他應付款項包括以下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Trade payables	貿易應付款項	188,488	172,646
Bills payables	應付票據	60,350	54,480
		<b>248,838</b>	227,126
Other payables	其他應付款項	5,178	5,618
Other payables to employees (note)	其他應付僱員的款項(附註)	2,186	2,929
Other tax payable	其他應付稅項	12,088	10,845
Other accruals	其他應計費用	4,287	4,188
Payroll and welfare payables	應付工資及福利款項	8,080	6,883
		<b>280,657</b>	257,589
Less: Amount shown under non-current liabilities	減：列示於非流動負債下的款項	<b>(1,496)</b>	(2,048)
Total trade and other payables shown under current liabilities	列示於流動負債下的貿易及其他應付款項總額	<b>279,161</b>	255,541



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#### 24. TRADE AND OTHER PAYABLES (Cont'd)

The following is an ageing analysis of trade payables presented based on invoice date at the end of the reporting periods:

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 90 days	90天內	163,634	151,411
91–180 days	91至180天	20,799	16,147
181–365 days	181至365天	2,197	3,561
1–2 years	一至兩年	1,858	1,527
		<b>188,488</b>	172,646

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

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 30 days	30天內	11,980	–
31 to 60 days	31至60天	19,170	6,600
61 to 90 days	61至90天	29,200	–
91 to 180 days	91至180天	–	47,880
		<b>60,350</b>	54,480

Trade payables and bills payables principally comprise amounts outstanding for purchase of materials. The average credit period for purchase of goods is 90 days. The Group has financial risk management policies in place to ensure that sufficient financial resources are maintained to meet its financial obligation as they fall due.

#### 24. 貿易及其他應付款項(續)

以下為於報告期末的貿易應付款項按發票日期呈列賬齡分析：

以下為於報告期末的應付票據應付按發票日期呈列賬齡分析：

貿易應付款項及應付票據主要包括購買材料未付的款項。購買貨品的平均信貸期為90天。本集團已設有財務風險管理政策確保維持充足的財務資源以應付財務責任到期時的需要。

## 24. TRADE AND OTHER PAYABLES (Cont'd)

Note: Other payables to employees are interest-free and the settlement of the obligations is estimated to occur through to 2026. The payable to employee are calculated at the net present value of estimated future net cash flows of the payment obligation, discounted at 3.6% per annum at 31 December 2011 and 2012, respectively. Management has allocated the payables that are expected to be settled within twelve months after the end of reporting period as current liabilities. No assets was legally restricted for the purposes of settling the payables.

## 24. 貿易及其他應付款項(續)

附註：其他應付予僱員的款項為免息，且該項責任預期將至二零二六年方能償還。於二零一一年及二零一二年十二月三十一日，應付予僱員的款項按付款責任的估計未來淨現金流量的淨現值並分別按每年3.6%的比率貼現計算。管理層將預期將於各報告期末以後未來十二個月內償還的應付款項分作流動負債。並無資產因償還該應付款項而遭依法限制。

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At beginning of the year	年初	2,929	9,734
Payment	付款	(930)	(7,162)
Accretion during the year	年內增加	187	357
At end of the year	年末	2,186	2,929
Analysed for reporting purposes:	就報告目的分析如下：		
Current liabilities	流動負債	690	881
Non-current liabilities	非流動負債	1,496	2,048
		2,186	2,929

## 25. BORROWINGS

## 25. 借款

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Bank borrowings	銀行借款	309,000	270,000
Entrusted loans (note)	委託貸款(附註)	30,000	60,000
Other borrowing	其他借款	7,153	7,210
		346,153	337,210
Unsecured	無抵押	237,153	247,210
Secured	有抵押	109,000	90,000
		346,153	337,210

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#### 25. BORROWINGS (Cont'd)

At 31 December 2012, all borrowings are denominated in RMB except for RMB7,153,000 other borrowing was denominated in HK\$(2011: RMB7,210,000). The contractual maturity dates are as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within one year	一年內	272,153	181,000
More than one year, but not exceeding two years	超過一年但不超過兩年	38,000	62,210
More than two years, but not exceeding five years	超過兩年但不超過五年	36,000	94,000
		<b>346,153</b>	337,210
Less: Amounts due for settlement within 12 months (shown under current liabilities)	減：須於12個月內償還的金額 (列示於流動負債下)	<b>(272,153)</b>	(181,000)
Amounts shown under non-current liabilities	列示於非流動負債下的金額	<b>74,000</b>	156,210

Note: During the year ended 31 December 2011, the Group entered into entrusted loans arrangements with several banks to receive funding from certain specific lenders through the banks. The balances carried fixed interest rates at 8.31% (2011: 8.31% to 8.53%) per annum at 31 December 2012.

附註：截至二零一一年十二月三十一日止年度，本集團與幾家銀行訂立委託貸款安排，以通過銀行收取若干特定放款人的資金。於二零一二年十二月三十一日，有關結餘按8.31%（二零一一年：8.31%至8.53%）的年固定利率計息。

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

本集團的借款（貼現票據除外）的實際利率（其亦相等於合約利率）如下：

		2012 二零一二年	2011 二零一一年
Fixed-rate borrowings	定息借款	<b>5.60% – 8.53%</b> <b>per annum</b> 每年	5.31% – 8.82% per annum 每年
		<b>5.60% – 8.53%</b>	5.31% – 8.82%

## 25. BORROWINGS (Cont'd)

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Type A	A類	40,000	40,000
Type B	B類	69,000	50,000
		<b>109,000</b>	90,000

Type A: Borrowings are guaranteed by third parties and secured by assets of the Group (note).

A類：借款由第三方擔保並以本集團的資產作抵押(附註)。

Type B: Borrowings are secured by assets of the Group (note).

B類：借款由本集團的資產作抵押(附註)。

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

附註：本集團已抵押若干資產以為本集團獲授的貸款融資作擔保。已抵押資產的賬面值如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	38,546	40,239
Land use rights	土地使用權	88,881	90,741
Trade receivables	貿易應收款項	93,153	-
		<b>220,580</b>	130,980

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#### 26. DEFERRED INCOME

#### 26. 遞延收入

		Note a 附註a RMB'000 人民幣千元	Note b 附註b RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	3,688	2,156	5,844
Addition	增加	–	7,325	7,325
Credit to profit or loss	計入損益	(348)	(2,211)	(2,559)
At 31 December 2011 and 1 January 2012	於二零一一年十二月 三十一日及於 二零一二年一月一日	3,340	7,270	10,610
Addition	增加	–	825	825
Credit to profit or loss	計入損益	(348)	(1,827)	(2,175)
At 31 December 2012	於二零一二年十二月 三十一日	2,992	6,268	9,260

Analysed for reporting purposes as:

就報告目的分析如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Current liabilities*	流動負債*	928	1,556
Non-current liabilities	非流動負債	8,332	9,054
		9,260	10,610

\* The carrying amount of deferred income designated for expenditure which is expected to be released to profit or loss in the next twelve months is classified as current.

\* 預期於未來十二個月內撥入損益的指定為開支的遞延收入賬面值被分類為流動負債。

Notes:

附註：

- The grant represents an amount of RMB4,200,000 designated for the expenditure on development of the recycling and purifying facilities received in 2009 which was deferred and are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.
- Grants received in relation to acquisition of certain plant and equipment and were recorded as deferred income in the consolidated statement of financial position and are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.

- 補助指於二零零九年收取的人民幣4,200,000元被指定作開發回收和淨化設施的開支，並已遞延及於相關資產的預期使用年期內按直線基準計入損益。
- 該補助乃就購置若干廠房及設備而收取，並在綜合財務狀況表中入賬列作遞延收入及於相關資產的預期使用年期內按直線基準計入損益。

## 27. PROVISIONS

## 27. 撥備

		<b>Warranty Provision</b> 保修撥備 RMB'000 人民幣千元 (note i) (附註i)	<b>Litigation</b> 訴訟 RMB'000 人民幣千元 (note ii) (附註ii)	<b>Total</b> 總計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	4,784	2,900	7,684
Additions	增加	11,164	-	11,164
Utilisations/release	動用/解除	(8,320)	(2,900)	(11,220)
At 31 December 2011 and 1 January 2012	於二零一一年 十二月三十一日及 二零一二年一月一日	7,628	-	7,628
Additions	增加	8,787	-	8,787
Utilisations	動用	(8,961)	-	(8,961)
At 31 December 2012	於二零一二年十二月 三十一日	7,454	-	7,454

*Notes:*

- (i) The warranty provision represents management's best estimate of the Group's liability under an average warranty period of two years granted on products, based on prior experience for defective products.
- (ii) Legal proceedings  
On 31 May 2010, Biyadi Automobile Company Limited (比亞迪汽車有限公司) ("Biyadi") commenced proceedings against Nanyang Xijian in relation to a contractual dispute, claiming damages in respect of a batch of goods which were returned due to quality issues. On 6 December 2010, the judgment of the legal proceeding was delivered and Nanyang Xijian was ordered to settle compensation of approximately RMB2,951,000 to Biyadi. Provision of RMB2,900,000 was made as of 31 December 2010 regarding this case.

*附註:*

- (i) 保修撥備指管理層對本集團就產品提供的平均兩年的保修期所承擔的責任的最佳估計，並以過往有關缺陷產品的經驗為基準。
- (ii) 法律訴訟  
於二零一零年五月三十一日，比亞迪汽車有限公司（「比亞迪」）就一項合約糾紛對南陽漸減提出訴訟，要求就因質量問題退回的一批貨物提出索償。於二零一零年十二月六日，法院對法律訴訟作出判決，頒令南陽漸減向比亞迪支付賠償約人民幣2,951,000元。於二零一零年十二月三十一日，已就該案件作出撥備人民幣2,900,000元。

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#### 27. PROVISIONS (Cont'd)

Notes: (Cont'd)

- (ii) Legal proceedings (Cont'd)  
On 7 December 2011, Nanyang Xijian, Biyadi and a wholly-owned subsidiary of Biyadi (together with Biyadi referred to as Biyadi Group) entered into a settlement agreement (the "Biyadi Settlement Agreement"). Pursuant to the Biyadi Settlement Agreement, (a) all the parties agreed that the outstanding balances of receivables from Biyadi Group held by Nanyang Xijian amounting to approximately RMB2,800,000 to be offset against the compensation payable to Biyadi of RMB2,951,000 in respect of legal proceeding disclosed above; and (b) commencing from the date of the Biyadi Settlement Agreement, all disputes relating to claims and liabilities between Nanyang Xijian and Biyadi Group shall be set off, all rights and obligations in relation to the claims and liabilities between the parties up to the date of the Biyadi Settlement Agreement shall be terminated, and the parties shall have no other disputes. Pursuant to the Biyadi Settlement Agreement, the litigation provision of RMB2,900,000 and the trade receivables of RMB2,800,000 in aggregate were derecognised concurrently whereas a gain of RMB100,000, being the difference between the two outstanding balances was recognised in other gains.

Subsequent to the Biyadi Settlement Agreement, all claims commenced by Biyadi were settled on 7 December 2011.

#### 27. 撥備(續)

附註：(續)

- (ii) 法律訴訟(續)  
於二零一一年十二月七日，南陽浙減與比亞迪及比亞迪全資附屬公司(連同比亞迪統稱比亞迪集團)和解協議(「比亞迪和解協議」)。根據比亞迪和解協議，(a)所有訂約方同意，南陽浙減所持之應收比亞迪集團之未償還結餘約人民幣2,800,000元與上述有關法律訴訟的應付比亞迪集團賠償人民幣2,951,000元互相抵銷；及(b)自比亞迪和解協議日期起，所有就南陽浙減與比亞迪集團之申索及負債之糾紛將對銷，雙方就申索及負債之所有權利及義務於比亞迪和解協議日期予以終止，及雙方概無其他糾紛。根據比亞迪和解協議，訴訟撥備人民幣2,900,000元及貿易應收款項人民幣2,800,000元已同時終止確認而收益人民幣100,000元(即兩項未償還結餘之差額)已於其他收益確認。

於比亞迪和解協議後，比亞迪提出之所有申索已於二零一一年十二月七日悉數償還。

#### 28. SHARE CAPITAL

#### 28. 股本

		Number of shares 股數	Share capital 股本 HK\$ 千港元
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股		
Authorised:	法定：		
At incorporation	於註冊成立時	3,900,000	390,000
Increase in authorised share capital (note i)	法定股本增加(附註i)	9,996,100,000	999,610,000
At 31 December 2011 and 2012	於二零一一年及二零一二年 十二月三十一日	10,000,000,000	1,000,000,000
Issued and fully paid:	已發行及繳足：		
At incorporation	於註冊成立時	1	0.1
Issued in consideration for the acquisition of the entire share capital of Merit Leader	作為收購Merit Leader全部股本的代價而發行	49,999	4,999
Capitalisation issue (note ii)	資本化發行(附註ii)	239,950,000	23,995,000
Issue of shares pursuant to the global offering (note iii)	根據全球發售發行股份(附註iii)	80,000,000	8,000,000
At 31 December 2011 and 2012	於二零一一年及二零一二年 十二月三十一日	320,000,000	32,000,000

## 28. SHARE CAPITAL (Cont'd)

## 28. 股本(續)

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Share capital presented in consolidated statement of financial position	<b>26,217</b>	26,217

### Notes:

- (i) On 19 October 2011, pursuant to written resolution passed by all shareholders, the authorised share capital of the Company was increased from HK\$390,000 to HK\$1,000,000,000 by creation of 9,996,100,000 new shares ranking pari passu in all respects with the shares then in issue taking effect conditionally upon the completion of listing the shares of the Company on the Stock Exchange.
- (ii) Pursuant to written resolutions of all the shareholders passed on 19 October 2011, the directors of the Company were authorised, and resolved to capitalise HK\$23,995,000 (equivalent to approximately RMB19,659,000) standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par of 239,950,000 shares conditional upon the completion of listing of the shares of the Company on the Stock Exchange.
- (iii) On 11 November 2011, 80,000,000 shares of HK\$0.10 each of the Company, amounting to HK\$8,000,000 (equivalent to approximately RMB6,554,000), were issued at HK\$1.40 per share by way of placing and public offering and the Company's shares have then listed on the Main Board of the Stock Exchange.

### 附註：

- (i) 根據全體股東於二零一一年十月十九日通過的書面決議案，藉增設9,996,100,000股新股份(該等股份在各方面與現已發行股份享有同等權利)，將本公司的法定股本由390,000港元增至1,000,000,000港元，惟須待本公司股份於聯交所上市完成後方告生效。
- (ii) 根據全體股東於二零一一年十月十九日通過的書面決議案，本公司董事獲授權及議決於本公司股份完成在聯交所上市後，資本化本公司股份溢價賬所進賬之23,995,000港元(約人民幣19,659,000元)，應用該款項按面值繳足239,950,000股份。
- (iii) 於二零一一年十一月十一日，本公司80,000,000股每股面值0.10港元的股份(合共8,000,000港元(約人民幣6,554,000元))通過配售及公開發售按每股1.40港元的價格發行，本公司股份其後於聯交所主板上市。



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#### 29. OPERATING LEASE COMMITMENTS

##### The Group as lessee

The minimum lease payment under operating lease in respect of office premises amounted to RMB2,560,000 (2011: RMB2,266,000) for the year ended 31 December 2012.

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within one year	一年內	1,887	1,441
Between second and fifth year inclusive	第二至第五年間 (包括首尾兩年)	-	32
		<b>1,887</b>	<b>1,473</b>

Operating lease payments represent rental payable by the Group for certain office premises. Leases are negotiated for original terms of 1 to 2 years with fixed rental.

##### The Group as lessor

At the end of the reporting period, the Group had contracted with tenants in respect of certain machineries for the following future minimum lease payments:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within one year	一年內	-	5,000

#### 29. 經營租賃承擔

##### 本集團作為承租人

截至二零一二年十二月三十一日止年度，根據經營租賃就辦公物業的最低租賃付款為人民幣2,560,000元(二零一一年：人民幣2,266,000元)。

於報告期末，本集團根據不可撤銷經營租賃的未來租賃付款承擔的到期情況如下：

經營租賃付款指本集團就若干辦公室物業應付的租金。租賃按1至2年期磋商及以固定租金計算。

##### 本集團作為出租人

於報告期末，本集團就若干機器與承租人之未來最低租賃付款情況如下：

#### 30. OTHER COMMITMENTS

#### 30. 其他承擔

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Capital expenditure in respect of acquisition of plant and machinery and construction costs	收購廠房及機器的資本開支及建築成本		
- Contracted for but not provided in the consolidated financial statements	- 已訂約但未於綜合財務報表撥備	<b>13,354</b>	<b>35,025</b>

### 31. RELATED PARTY DISCLOSURES

#### Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the year ended 31 December 2011 and 2012 were as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Short-term benefits	短期福利	4,450	2,592
Post-employment benefits	退休福利	48	59
		<b>4,498</b>	2,651

### 32. RETIREMENT BENEFIT PLAN

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

### 33. MAJOR NON-CASH TRANSACTION

1. During the year ended 31 December 2011, the balance of receivables from Biyadi Group amounting to approximately RMB2,800,000 was offset against litigation provision of RMB2,900,000 pursuant to the Biyadi Settlement Agreement set out in Note 27(ii).

### 31. 關聯方披露

#### 主要管理人員報酬

於截至二零一一年及二零一二年十二月三十一日止年度，董事及其他主要管理人員的薪酬如下：

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Short-term benefits	4,450	2,592
Post-employment benefits	48	59
	<b>4,498</b>	2,651

### 32. 退休福利計劃

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

### 33. 主要非現金交易

1. 截至二零一一年十二月三十一日止年度，根據附註27(ii)所載比亞迪和解協議，應收比亞迪集團的款項結餘約人民幣2,800,000元與應付訴訟撥備人民幣2,900,000元相互抵銷。

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#### 34. PARTICULARS OF SUBSIDIARIES

As 31 December 2012, the Company has the following indirectly held, unless otherwise stated, subsidiaries:

#### 34. 附屬公司詳情

於二零一二年十二月三十一日，除非另有所指，本公司擁有以下間接持有的附屬公司：

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/成立 之地點及日期	Issued and fully paid share/ registered capital 已發行及繳足 股份/註冊股本	Effective equity interest attributable to the Group 本集團應佔實際 股本權益		Principal activities 主要業務	Legal form 法定形式
			2012 二零一二年	2011 二零一一年		
Merit leader	British Virgin Islands 10 March 2011 英屬處女群島 (「英屬處女群島」) 二零一一年三月十日	US\$50,000 50,000美元	100% (directly) (直接)	100% (directly) (直接)	Investment holding 投資控股	Private limited liability company 私人有限公司
Guang Da Automotive 光大車輻零部件	Hong Kong 14 June 2011 香港 二零一一年六月十四日	HK\$1 1港元	100%	100%	Investment holding 投資控股	Private limited liability company 私人有限公司
Nanyang Xijian 南陽浙減	PRC 23 June 2005 中國 二零零五年六月二十三日	HK\$170,000,000 170百萬港元	100%	100%	Research, development and manufacture of automobile shock absorber and suspension system products 研發及製造汽車減振器及懸架系統產品	Foreign invested limited liability company 外商投資有限公司
Haikou Danjiang Auto Shock Absorber Company Limited ("Haikou Danjiang")*** 海口丹江汽車減振器有限公司 (「海口丹江」)	PRC 20 March 2006 中國 二零零六年三月二十日	RMB1,000,000 人民幣1百萬元	100%	100%*	Not yet commenced business 尚未開始營業	Domestic limited liability company 國內有限公司
Nanyang Ying Saite Vehicle Shock Absorber Company Limited ("Ying Saite")*** 南陽英賽特車輻減振器有限公司 (「英賽特」)	PRC 19 March 2007 中國 二零零七年三月十九日	RMB5,000,000 人民幣5百萬元	100%	100%	Trading of shock absorber and related components 買賣減振器及相關零部件	Domestic limited liability company 國內有限公司
Way Assauto Srl 意大利威奧斯圖	Italy 21 June 2011** 意大利 二零一一年六月二十一日	Euro10,000 10,000歐元	100%	N/A 不適用	Research, development of automobile shock absorber products 汽車減振器產品研發	Private limited liability company 私人有限公司
Ordos City Xijian Auto Shock Absorber Company Limited*** 鄂爾多斯市浙減汽車減振器有限公司	PRC 14 August 2012 中國 二零一二年八月十四日	RMB10,000,000 人民幣10,000,000元	100%	N/A 不適用	Not yet commenced business 尚未開展業務	Domestic limited liability company 國內有限公司

### 34. PARTICULARS OF SUBSIDIARIES (Cont'd)

- \* Nanyang Xijian exercised effective control over Haikou Danjiang through contractual agreements with two individuals equity holders of Haikou Danjiang since the date of establishment of Haikou Danjiang up to 28 September 2011, the date Nanyang Xijian obtained the legal ownership of Haikou Danjiang from the two individual equity holders.
- \*\* In January 2012, Nanyang Xijian acquired total equity interest in Way Assauto Srl for Euro10,000 from a third party. The details of the acquisition is set out in Note 35.
- \*\*\* The English name is the unofficial translation of respective Chinese name and is for identification purposes only.

None of the above subsidiaries had issued any debt securities during the years or at the end of reporting period.

### 35. ACQUISITION OF A SUBSIDIARY

On 4 January 2012, the Group acquired 100% of equity interest in Autoparti Asti Srl (immediately following the acquisition the company name was changed to "Way Assauto Srl") for a cash consideration of Euro 10,000 (equivalent to RMB80,486) from an independent third party.

On the date of acquisition, Way Assauto Srl had not carried out any significant operations. In the opinion of the directors of the Company, the above acquisition did not constitute a business combination in accordance with HKFRS 3 "Business Combination" and as such, the acquisition has been accounted for as an acquisition of assets through acquisition of a subsidiary.

### 34. 附屬公司詳情(續)

- \* 南陽浙減自海口丹江成立日期以來透過與海口丹江兩名個別股權持有人訂立的合約協議對海口丹江擁有實際控制權，直至二零一一年九月二十八日(即南陽浙減從兩名個別股權持有人取得海口丹江的法定擁有權當日)。
- \*\* 於二零一二年一月，南陽浙減以10,000歐元向第三方收購Way Assauto Srl全部股權。該項收購的詳情載於附註35。
- \*\*\* 英文名稱為相關中文名稱的非官方譯名，僅供識別用途。

於年內或報告期末，上述附屬公司概無發行任何債務證券。

### 35. 收購附屬公司

於二零一二年一月四日，本集團向獨立第三方收購Autoparti Asti Srl(緊隨收購後，該公司易名為「Way Assauto Srl」)，代價為10,000歐元(相當於人民幣80,486元)。

於收購日期，Way Assauto Srl並無進行任何重大業務。本公司董事認為上述收購並不構成根據香港財務報告準則第3號「業務合併」所述的業務合併，因此，該項收購入賬為透過收購附屬公司收購資產。

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#### 35. ACQUISITION OF A SUBSIDIARY (Cont'd)

Assets and liabilities recognised at the date of acquisition are as follows:

		RMB'000 人民幣千元
Net assets recognised:	確認之資產淨值：	
Deposit for acquisition of equipment	收購設備之按金	499
Other receivables	其他應收款項	2,538
Bank balances	銀行結餘	875
Other payables	其他應付款項	(3,832)
		80
Satisfied by:	以下列方式支付：	
Cash consideration paid	已付現金代價	80
Net cash inflow on acquisition of Way Assauto Srl:	收購Way Assauto Srl之現金流入淨額：	
Cash consideration paid	已付現金代價	(80)
Less: Cash and cash equivalents balances acquired	減：購入之現金及現金等值物結餘	875
		795

#### 36. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed in the Company's special general meeting held on 19 October 2011, the Company approved and adopted a share option scheme (the "Scheme") which will remain in force for a period of 10 years from the date of its adoption. Details of the Scheme are set out in section titled 'Share Option Scheme' in the annual reports.

During the year ended 31 December 2012 and 2011, no share options were granted under the Scheme by the Company. In addition, as of 31 December 2012 and 2011, no share options under the Scheme were outstanding.

#### 35. 收購附屬公司(續)

於收購日期確認之資產及負債如下：

#### 36. 購股權計劃

根據於二零一一年十月十九日舉行之本公司股東特別大會通過之普通決議案，本公司批准及採納一項購股權計劃(「該計劃」)，自採納日期起計有效期十年。該計劃詳情載於本年報「購股權計劃」一節。

截至二零一二年及二零一一年十二月三十一日止年度，本公司概無根據該計劃授出購股權。此外，於二零一二年及二零一一年十二月三十一日，概無購股權計劃項下尚未行使之購股權。

### 37. RECLASSIFICATION OF COMPARATIVE FIGURES

To conform with the presentation of current year's financial statements, warranty expenses in the consolidated statements of comprehensive income for the year ended 31 December 2011 have been reclassified:

Financial line item	財務項目	As originally	Reclassification	As restated
		stated		經重列
		原本所列	重新分類	經重列
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
<b>Consolidated statement of comprehensive income</b>	<b>綜合全面收益表</b>			
Cost of sales	銷售成本	424,999	11,164	436,163
Selling and distribution expenses	銷售及分銷開支	35,400	(11,164)	24,236

As the above reclassifications have no effect on the consolidated statement of financial position, the consolidated statement of financial position as at 1 January 2011 was not presented.

為與本年度財務報表的呈列方式達成一致，截至二零一一年十二月三十一日止年度的綜合全面收益表所載保修開支已按以下方式重新分類：

由於上述重新分類對綜合財務狀況表並無造成影響，故此，於二零一一年一月一日的綜合財務狀況表未有呈列。

### 38. FINANCIAL INFORMATION OF THE COMPANY

### 38. 本公司財務資料

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Investment in an unlisted subsidiary	於一間非上市附屬公司的投資	<b>73,939</b>	73,939
Amount due from a subsidiary (note a)	應收一間附屬公司款項 (附註a)	<b>58,384</b>	70,068
Bank balances and cash	銀行結餘及現金	<b>1,817</b>	551
Trade and other payables	貿易及其他應付款項	<b>(2,919)</b>	(1,775)
Amount due to a subsidiary (note a)	應付一間附屬公司款項 (附註a)	<b>(6,153)</b>	(6,693)
<b>NET ASSETS</b>	<b>資產淨值</b>	<b>125,068</b>	136,090
<b>OWNER'S EQUITY</b>	<b>擁有人權益</b>		
Share capital	股本	<b>26,217</b>	26,217
Reserves (note b)	儲備(附註b)	<b>98,851</b>	109,873
<b>TOTAL OWNER'S EQUITY</b>	<b>擁有人權益總額</b>	<b>125,068</b>	136,090

Notes:

- The balances are interest free, unsecured and repayable on demand.
- Reserves comprise share premium of RMB125,271,000 (2011: RMB125,271,000) and accumulated losses of RMB26,420,000 (2011: 15,398,000).

附註：

- 該等結餘為免息、無抵押及須應要求償還。
- 儲備包括股份溢價人民幣125,271,000元(二零一一年：人民幣125,271,000元)及累計虧損人民幣26,420,000元(二零一一年：人民幣15,398,000元)。

# Glossary

## 詞彙

In this annual report (other than the Independent Auditor's Report and Financial Information), unless the context otherwise requires, the following expression shall have the following meanings:

於本年報內(獨立核數師報告及財務資料除外)，除非文義另有所指，下列詞彙具有以下含義：

"12th Five-Year Plan"	the Twelfth Five-Year Plan for the National Economic and Social Development	「十二五規劃」	指 國民經濟和社會發展第十二個五年規劃
"2012 Financial Year"	for the financial year ended 31 December 2012	「二零一二年財政年度」	指 截至二零一二年十二月三十一日止財政年度
"AGM"	the annual general meeting of the Company	「股東週年大會」	指 本公司股東週年大會
"Articles" or "Articles of Association"	the Articles of Association of the Company, as amended from time to time	「細則」或「組織章程細則」	指 本公司不時修訂的章程細則
"Automobile Aftermarket"	the secondary market of the automobile industry, concerned with the manufacturing, remanufacturing, distribution, retailing and installation of vehicle parts equipment and accessories after the sale of automobile by the original equipment manufacturer to the consumers	「汽車售後市場」	指 汽車行業的二級市場，涉及原設備製造商在出售汽車後向消費者提供汽車部件、設備及配件的製造、再製造、分銷、零售及安裝服務
"Beijing Automobile"	Beijing Automobile Works Co., Ltd (北京汽車製造廠有限公司), our customer, an Independent Third Party	「北京汽車」	指 北京汽車製造廠有限公司，我們的客戶，獨立第三方
"Board"	the board of Directors	「董事會」	指 董事會
"BVI"	the British Virgin Islands	「英屬處女群島」	指 英屬處女群島
"Changan Automobile"	Chongqing Changan Automobile Co., Ltd (重慶長安汽車股份有限公司), our customer, an Independent Third Party	「長安汽車」	指 重慶長安汽車股份有限公司，我們的客戶，獨立第三方
"Chery"	Chery Automobile Co., Ltd (奇瑞汽車股份有限公司), our customer, an Independent Third Party	「奇瑞」	指 奇瑞汽車股份有限公司，我們的客戶，獨立第三方
"Chongqing Lifan"	Chongqing Lifan Passenger Vehicle Co., Ltd. (重慶力帆乘用車有限公司), our customer, an Independent Third Party	「重慶力帆」	指 重慶力帆乘用車有限公司，我們的客戶，獨立第三方
"Company"	China Vehicle Components Technology Holdings Limited (中國車輛零部件科技控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange	「本公司」	指 中國車輛零部件科技控股有限公司，一間於開曼群島註冊成立的受豁免有限公司，其股份於聯交所上市
"Director(s)"	the director(s) of the Company	「董事」	指 本公司董事

“Dongfeng Automobile”	Dongfeng Automobile Co., Ltd. (東風汽車股份有限公司), our customer, an Independent Third Party	「東風汽車」	指 東風汽車股份有限公司，我們的客戶，獨立第三方
“Dongfeng Peugeot”	Dongfeng Peugeot Citroen Automobile Company Ltd (神龍汽車有限公司), our customer, an Independent Third Party	「東風標緻」	指 神龍汽車有限公司，我們的客戶，獨立第三方
“FAW-Volkswagen”	FAW-Volkswagen Automobile Company Ltd (一汽大眾汽車有限公司), our customer, an Independent Third Party	「一汽大眾」	指 一汽大眾汽車有限公司，我們的客戶，獨立第三方
“Geely”	Zhejiang Geely Automobile Parts and Components Purchase Limited (浙江吉利汽車零部採購有限公司), our customer, an Independent Third Party	「吉利」	指 浙江吉利汽車零部採購有限公司，我們的客戶，獨立第三方
“Group”	the Company and its subsidiaries	「本集團」	指 本公司及其附屬公司
“Haima Auto”	FAW Haima Automobile Co., Ltd. (一汽海馬汽車有限公司), our customer, an Independent Third Party	「海馬汽車」	指 一汽海馬汽車有限公司，我們的客戶，獨立第三方
“INED(s)”	the independent non-executive Directors	「獨立非執行董事」	指 獨立非執行董事
“Jianghuai Automobile”	Anhui Jianghuai Automobile Co., Ltd (安徽江淮汽車股份有限公司), our customer, an Independent Third Party	「江淮汽車」	指 安徽江淮汽車股份有限公司，我們的客戶，獨立第三方
“King Win”	King Win Capital Limited (景勝投資有限公司), a company incorporated in the BVI with limited liability on 1 July 2010, a Shareholder and is owned as to 50% by Xie Qingxi (謝清喜) (a non-executive Director) and 50% by Zhang Chuanyong(張傳勇)	「景勝」	指 景勝投資有限公司，一間於二零一零年七月一日在英屬處女群島註冊成立的有限責任公司，為股東及由謝清喜(非執行董事)及張傳勇分別擁有50%
“Listing Date”	23 November 2011	「上市日期」	指 二零一一年十一月二十三日
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange	「上市規則」	指 聯交所證券上市規則
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers	「標準守則」	指 上市發行人董事進行證券交易的標準守則
“Nanyang Cijan”	Nanyang Cijan Auto Shock Absorber Co., Ltd. (南陽浙減汽車減振器有限公司) (formerly known as Nanyang Jinguang Auto Shock Absorber Co., Ltd (南陽金冠汽車減振器有限公司)), a wholly foreign owned enterprise established in China on 23 June 2005 and one of our wholly-owned subsidiaries	「南陽浙減」	指 南陽浙減汽車減振器有限公司(前稱南陽金冠汽車減振器有限公司)，一間於二零零五年六月二十三日在中國成立的外商獨資企業及我們其中一間全資附屬公司
“OEM Market”	the automobile market of original automobile manufacturers	「原設備製造商市場」	指 原汽車製造商的汽車市場



## Glossary

### 詞彙

"Plenty Venture"	Plenty Venture Holdings Limited (盛源控股有限公司), a company incorporated in the BVI with limited liability on 1 July 2010, a Shareholder and is respectively owned as to 63.93% by Zhao Zhijun (趙志軍) (an executive Director), 5.48% by Liu Baojun (劉保軍), 4.57% by Zhao Zeng (趙增), 4.57% by Wang Wenbo (王文波) (an executive Director), 4.57% by Zhu Xinyao (褚新耀), 4.57% by Liu Yonghong (劉永紅), 4.57% by Chu Zihua (朱自華), 4.11% by Liu Jinyong (劉金永), and 3.65% by Yang Weixia (楊瑋霞) (an executive Director), all being the Senior Management	「盛源」	指 盛源控股有限公司，一間於二零一零年七月一日在英屬處女群島註冊成立的有限責任公司，為股東及分別由趙志軍(執行董事)、劉保軍、趙增、王文波(執行董事)、褚新耀、劉永紅、朱自華、劉金永及楊瑋霞(執行董事)(均為高級管理層)擁有63.93%、5.48%、4.57%、4.57%、4.57%、4.57%、4.57%、4.57%及3.65%權益
"PRC"	the People's Republic of China which excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan	「中國」	指 中華人民共和國，不包括香港，中國澳門特別行政區及台灣
"Prospectus"	the prospectus of the Company dated 11 November 2011	「招股章程」	指 本公司日期為二零一一年十一月十一日的招股章程
"RMB"	Renminbi, the lawful currency of the PRC	「人民幣」	指 中國的法定貨幣人民幣
"SAIC Motor"	SAIC Motor Corporation Limited (上海汽車集團股份有限公司), our customer, an Independent Third Party	「上海汽車」	指 上海汽車集團股份有限公司，我們的客戶，獨立第三方
"SFO"	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)	「證券及期貨條例」	指 香港法例第571章證券及期貨條例
"Share Option Scheme"	the share option scheme adopted by the Company pursuant to the written resolutions of the Shareholders of the Company passed on 19 October 2011	「購股權計劃」	指 本公司根據本公司股東於二零一一年十月十九日通過的書面決議案採納的購股權計劃
"Shares"	the ordinary shares issued by the Company, with a nominal value of HK\$0.10 each	「股份」	指 本公司已發行每股面值0.10港元的普通股股份
"Stock Exchange"	The Stock Exchange of Hong Kong Limited	「聯交所」	指 香港聯合交易所有限公司
"Wealth Max"	Wealth Max Holdings Limited, a company incorporated in the BVI with limited liability on 12 July 2010, our Controlling Shareholder and is wholly beneficially owned by Mr. Wilson Sea (formerly known as Mr. Xi Chunying)	「Wealth Max」	指 Wealth Max Holdings Limited，一間於二零一零年七月十二日在英屬處女群島註冊成立的有限責任公司，為控股股東及由Wilson Sea先生(前稱席春迎先生)全資實益擁有
"Wingco Development"	Wingco Development Limited (榮高有限公司), a company incorporated in the BVI with limited liability on 5 July 2010, a Shareholder and is respectively owned as to 45.46% by Fu Pengxu (付蓬旭) (a non-executive Director), 27.27% by Zhang Guangliang (張廣亮) and 27.27% by Dou Changlun (竇長倫)	「榮高」	指 榮高有限公司，一間於二零一零年七月五日在英屬處女群島註冊成立的有限責任公司，為股東及分別由付蓬旭(非執行董事)、張廣亮及竇長倫擁有45.46%、27.27%及27.27%權益

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