



CHANGFENG AXLE (CHINA) COMPANY LIMITED
暢豐車橋（中國）有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(Stock Code 股份代號：1039)



2014 Interim Report 中期報告

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Corporate Information

公司資料

DIRECTORS

Executive Directors

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

Non-Executive Directors

Ms. Dong Ying, Dorothy

Independent Non-Executive Directors

Mr. Zhu Weizhou
Dr. Li Xiuqing
Mr. Chong Ching Hei

COMPANY SECRETARY

Mr. Chan Yuk Man, Calvin

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Dr. Li Xiuqing (*Chairperson*)
Mr. Wong Kwai Mo
Mr. Zhu Weizhou

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

董事

執行董事

王桂模先生 (*主席*)
胡靜女士
賴鳳彩先生 (*行政總裁*)

非執行董事

董穎女士

獨立非執行董事

朱偉洲先生
李秀清博士
莊清喜先生

公司秘書

陳玉文先生

審核委員會

莊清喜先生 (*主席*)
朱偉洲先生
李秀清博士

薪酬委員會

朱偉洲先生 (*主席*)
莊清喜先生
王桂模先生

提名委員會

李秀清博士 (*主席*)
王桂模先生
朱偉洲先生

主要股份過戶登記處

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
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Corporate Information

公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Shatin, New Territories
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PRINCIPAL BANKERS

Bank of China
China Construction Bank
Industrial and Commercial Bank of China

AUDITORS AND REPORTING ACCOUNTANTS

Deloitte Touche Tohmatsu

LEGAL ADVISOR

Sidley Austin
Jun He Law Offices

STOCK CODE

1039

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
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COMPANY'S WEBSITE

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INVESTOR RELATIONSHIP

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香港主要營業地點

香港
新界沙田
安耀街3號
滙達大廈
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主要往來銀行

中國銀行
中國建設銀行
中國工商銀行

核數師及申報會計師

德勤•關黃陳方會計師行

法律顧問

盛德律師事務所
君合律師事務所

股份代號

1039

香港股份過戶登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
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公司網址

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投資者關係

陳玉文先生
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Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group is an independent axle component provider for China's medium duty truck ("MDT") and heavy duty truck ("HDT") aftermarket, and also an independent axle assembly provider for China's MDT and HDT original equipment manufacturers ("OEM") market. The Group is principally engaged in the manufacture and sales of axle assemblies and axle components in the People's Republic of China ("PRC").

The Group's products cover all major axle components, including cast steel and punched steel axle housings, brake drums, axle shafts, axle differentials and reducers, steering knuckles and front axle beams. An extensive range of front, middle and rear axle assemblies and suspension assemblies are also manufactured.

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

The Group has two production facilities in the PRC, one of which is located in Kaifeng city, Henan province, and another one is located in Longyan city, Fujian province. Those production facilities are strategically located in proximity to primary suppliers and customers so as to accelerate the Group's procurement process, reduce product delivery time and transportation costs and improve logistical efficiency to meet customers' demands.

業務回顧

本集團乃中國中型卡車(「中卡」)及重型卡車(「重卡」)維修市場的獨立車橋零部件供應商，亦為中國中重卡原設備製造商(「OEM」)市場的獨立橋總成供應商。本集團主要在中華人民共和國(「中國」)從事製造及銷售橋總成及車橋零部件。

本集團的產品涵蓋所有主要車橋零部件，包括鑄鋼及沖焊橋殼、制動鼓、半軸、差減速器總成、轉向節及前軸。本集團亦生產種類多樣的前橋總成、中橋總成、後橋總成及平衡懸架總成。

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

本集團於中國擁有兩個生產基地，其中一個位於河南省開封市，另外一個位於福建省龍岩市。生產基地策略性地設在主要供應商及客戶附近，使本集團可加快採購過程、縮短產品交付時間、降低運輸成本及提高物流效率，以滿足客戶的需求。

Management Discussion and Analysis

管理層討論及分析

On 27 June 2014, a wholly-owned subsidiary of the Company, Fujian Changfeng Machinery Manufacturing Co., Ltd. (“**Fujian Changfeng**”), another wholly-owned subsidiary, Longyan Shengfeng Machinery Manufacturing Co., Ltd. (“**Longyan Shengfeng**”) and Longyan Changfeng Special Vehicle Co., Ltd. (“**Longyan Special Vehicle**”) entered into the equity transfer agreement pursuant to which Longyan Special Vehicle agreed to acquire the entire equity interest in Changfeng Gear Manufacturing Co., Ltd. (the “**JV Company**”) and Fujian Changfeng and Longyan Shengfeng agreed to sell their respective 60% and 40% equity interest in the JV Company at a total consideration of RMB35,000,000 (equivalent to approximately HK\$43,750,000), details of which are disclosed in the Company’s announcement on 29 June 2014.

On 30 July 2014, a wholly-owned subsidiary of the Company, Sichuan Changfeng Axle Co., Ltd. (“**Sichuan Changfeng**”) and Jialing District People’s Government of Nanchong City, Sichuan Province, the PRC (“**Jialing Local Government**”) entered into an agreement pursuant to which Sichuan Changfeng will surrender 2 parcels of land located in Jialing District, Nanchong City to Jialing Local Government to facilitate the urban development of Nanchong City, Sichuan Province for a compensation in an aggregate amount of RMB71,083,706 (equivalent to approximately HK\$88,854,633), details of which are disclosed in the Company’s announcement on 30 July 2014.

MDT and HDT Aftermarket

The Group is an independent axle component provider for China’s MDT and HDT aftermarket with diversified product offerings among independent axle component providers in the PRC. The axle components were sold to customers in the aftermarket through its extensive sales, marketing and services network across the PRC. For the six months ended 30 June 2014, revenue from the aftermarket business segment amounted to approximately RMB79.5 million (30 June 2013: approximately RMB118.6 million) and accounted for approximately 36.4% (30 June 2013: approximately 53.2%) of the Group’s total revenue, representing a decrease of approximately 33.0% as compared with the corresponding period in 2013.

於二零一四年六月二十七日，本公司全資附屬公司福建暢豐機械製造有限公司(「**福建暢豐**」)、另一間全資附屬公司龍岩盛豐機械製造有限公司(「**龍岩盛豐**」)與龍岩暢豐專用汽車有限公司(「**龍岩專用汽車**」)訂立股權轉讓協議，據此，龍岩專用汽車同意收購於福建暢豐齒輪有限公司(「**合營公司**」)的全部股權，而福建暢豐及龍岩盛豐同意出售彼等各自於合營公司的60%及40%股權，總代價為人民幣35,000,000元(相等於約43,750,000港元)，有關詳情披露於本公司日期為二零一四年六月二十九日的公佈。

於二零一四年七月三十日，本公司全資附屬公司四川暢豐車橋有限公司(「**四川暢豐**」)與中國四川省南充市嘉陵區人民政府(「**嘉陵當地政府**」)訂立一項協議，據此，四川暢豐將交回位於南充市嘉陵區的兩幅土地予嘉陵當地政府，以促進四川省南充市城市發展，補償總額為人民幣71,083,706元(相等於約88,854,633港元)，有關詳情披露於本公司日期為二零一四年七月三十日的公佈。

中重型卡車維修市場

本集團為一間中國中重卡維修市場的獨立車橋零部件供應商，在中國眾多獨立車橋零部件供應商中，提供最多樣化的車橋零部件產品。本集團主要透過中國的廣泛銷售、營銷及服務網絡向客戶銷售車橋零部件。於截至二零一四年六月三十日止六個月，來自維修市場業務分部的收入約為人民幣79.5百萬元(二零一三年六月三十日：約人民幣118.6百萬元)，佔本集團總收入約36.4%(二零一三年六月三十日：約53.2%)，較二零一三年同期減少約33.0%。

Management Discussion and Analysis

管理層討論及分析

MDT and HDT OEM market

The Group primarily sells axle assemblies directly to OEMs in the PRC on a made-to-order basis to match its customers' specification requirements. A small portion of axle components is occasionally sold to other axle assembly providers. For the six months ended 30 June 2014, revenue from the OEM market amounted to approximately RMB139.1 million (30 June 2013: approximately RMB92.8 million) and accounted for 63.6% (30 June 2013: 41.7%) of the Group's total revenue, representing an increase of 49.9% over the corresponding period in 2013.

Train and railway market

The Group commenced the export of the train side frame and train bolster in the second quarter of 2013; however, our business to the CIS market is still in a developing stage. For the six months ended 30 June 2014, due to the unstable political environment in the CIS, no revenue was generated from the train and railway market in the CIS (30 June 2013: RMB11.4 million). The Board will continue to actively monitor the development of the Group's business and investment in this particular business and shall provide updates to shareholders as necessary.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2014, the Group recorded a consolidated revenue of approximately RMB218.6 million (30 June 2013: approximately RMB222.80 million), representing a decrease of 1.9% as compared with the corresponding period in 2013. Since the second half of year 2013, there was increasing pressure on the aftermarket and OEM market, the business environment of the truck market remained challenging in the first half of year 2014.

Revenue from the Group's aftermarket segment for the six months ended 30 June 2014 decreased by approximately 33% to RMB79.5 million from RMB118.6 million for the corresponding period of last year. The revenue from aftermarket was diminishing for the six months ended 30 June 2014 since the competition in the aftermarket became more fierce than the corresponding period in 2013 under the slow down of investment in the construction market and infrastructure development projects.

中重型卡車 OEM 市場

本集團主要直接向中國OEM廠商銷售按訂單製造，符合客戶規格要求的車橋總成。本集團間或亦會將一小部份車橋零部件銷售予其他橋總成供應商。截至二零一四年六月三十日止六個月，來自OEM市場的收入約為人民幣139.1百萬元(二零一三年六月三十日：約人民幣92.8百萬元)，佔本集團總收入的63.6%(二零一三年六月三十日：41.7%)，較二零一三年同期上升49.9%。

列車及鐵路市場

本集團於二零一三年第二季度開始出口列車側架及列車搖枕。然而，獨聯體市場有關業務仍處於發展階段。截至二零一四年六月三十日止六個月，由於獨聯體政治環境不穩，獨聯體列車及鐵路市場並無產生收入(二零一三年六月三十日：人民幣11.4百萬元)。董事會將持續積極監督本集團業務及該特定業務投資之發展，並於必要時令股東知悉最新情況。

財務回顧

收入

截至二零一四年六月三十日止六個月，本集團錄得綜合收入約人民幣218.6百萬元(二零一三年六月三十日：約人民幣222.80百萬元)，較二零一三年同期下降1.9%。自二零一三年下半年起，維修及OEM市場壓力持續不斷，卡車市場業務環境於二零一四年上半年仍具挑戰。

截至二零一四年六月三十日止六個月，本集團維修市場分部收入由去年同期人民幣118.6百萬元減少33%至人民幣79.5百萬元。於截至二零一四年六月三十日止六個月，來自維修市場的收入下降是由於在建設市場及基礎設施發展項目投資速度放緩的情況下，維修市場的競爭變得較二零一三年同期更激烈。

Management Discussion and Analysis

管理層討論及分析

Revenue from the Group's OEM and related market segment for the six months ended 30 June 2014 increased by approximately 49.9% to RMB139.1 million from RMB92.8 million for the corresponding period of last year. This was caused by the relatively stable growth rate in the trucking industry.

No revenue from the train and railway market was recognised in the first half of year 2014.

Gross profit and gross profit margin

Gross profit for the six months ended 30 June 2014 increased by 15.5% to approximately RMB42.1 million from RMB36.5 million for the corresponding period of last year. Gross profit margin increased from approximately 16.4% for the period ended 30 June 2013 to approximately 19.3% for the period ended 30 June 2014 as there was an improvement in the average unit selling price within the truck industry.

Other income, other gains and losses

Other gains of the Group for the six months ended 30 June 2014 amounted to RMB10.1 million (six months ended 30 June 2013: a loss of RMB1.6 million). The gains were mainly due to the receipt of government grants from local authorities and the waiver of other payable.

Selling and distribution expenses

Selling and distribution expenses of the Group for the six months ended 30 June 2014 increased to approximately RMB10.8 million from approximately RMB9.6 million for the corresponding period of last year. The increase was mainly due to the slight increase in the delivery cost for the axle business.

Administrative expenses

The Group's administrative expenses for the six months ended 30 June 2014 increased to approximately RMB36.30 million from approximately RMB32.6 million for the corresponding period of last year.

截至二零一四年六月三十日止六個月，本集團OEM及相關市場分部收入自去年同期的人民幣92.8百萬元增加約49.9%至人民幣139.1百萬元。此乃由於卡車行業增長速度相對穩定所致。

於二零一四年上半年並無確認列車及鐵路市場收入。

毛利及毛利率

於截至二零一四年六月三十日止六個月，毛利增加15.5%，自去年同期人民幣36.5百萬元增加至約人民幣42.1百萬元。毛利率自截至二零一三年六月三十日止期間約16.4%升至截至二零一四年六月三十日止期間約19.3%，因為在卡車行業平均單位售價有所上漲。

其他收入、其他收益及虧損

截至二零一四年六月三十日止六個月，本集團的其他收益達人民幣10.1百萬元（截至二零一三年六月三十日止六個月：虧損人民幣1.6百萬元）。該收益乃主要由於收取地方政府之政府補助及豁免其他應付款項。

銷售及分銷費用

截至二零一四年六月三十日止六個月，本集團的銷售及分銷費用自去年同期約人民幣9.6百萬元增加至約人民幣10.8百萬元。該增加乃由於車橋業務運輸成本輕微增加所致。

行政費用

截至二零一四年六月三十日止六個月，本集團的行政費用自去年同期約人民幣32.6百萬元增加至約人民幣36.30百萬元。

Management Discussion and Analysis

管理層討論及分析

Finance costs

The Group incurred finance costs of approximately RMB16.9 million for the six months ended 30 June 2014, which represented approximately 7.7% (six months ended 30 June 2013: approximately 7.7%) of its revenue for the six months ended 30 June 2014. The slight decrease in finance cost was mainly due to the decrease in total amount of borrowings.

Taxation

Income tax expense of RMB1.5 million was recorded for the six months ended 30 June 2014 (six months ended 30 June 2013: RMB1.7 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2014, cash and cash equivalent of the Group was approximately RMB25.4 million (as at 31 December 2013: approximately RMB57.9 million).

As compared with the corresponding period in 2013, cash and cash equivalent decreased by approximately RMB32.5 million, which was mainly resulted from the net cash outflow from operating activities of approximately RMB7.0 million (30 June 2013: net cash inflow of RMB26.3 million) and net cash outflow from financing activities of approximately RMB47.5 million (30 June 2013: RMB30.5 million).

As at 30 June 2014, net current assets of the Group was approximately RMB72.3 million (as at 31 December 2013: approximately RMB83.3 million). As at 30 June 2014, the current ratio (i.e. total current assets/total current liabilities) of the Group was approximately 111.5% (31 December 2013: approximately 111.7%).

As at 30 June 2014, total assets of the Group were approximately RMB1,420.0 million (as at 31 December 2013: approximately RMB1,581.6 million) and total liabilities were approximately RMB626.7 million (as at 31 December 2013: approximately RMB709.4 million). The debt ratio as at 30 June 2014 (i.e. total liabilities/total assets) was 44.1% as compared to 44.9% as at 31 December 2013.

財務費用

本集團於截至二零一四年六月三十日止六個月產生的財務費用約為人民幣16.9百萬元，佔其截至二零一四年六月三十日止六個月收入約7.7%（截至二零一三年六月三十日止六個月：約7.7%）。財務費用輕微減少乃主要由於借款總額減少所致。

稅項

本集團於截至二零一四年六月三十日止六個月錄得所得稅開支人民幣1.5百萬元（截至二零一三年六月三十日止六個月：人民幣1.7百萬元）。

流動資金及財務資源

於二零一四年六月三十日，本集團的現金及現金等值項目約為人民幣25.4百萬元（於二零一三年十二月三十一日：約人民幣57.9百萬元）。

與二零一三年同期相比，現金及現金等值項目下降約人民幣32.5百萬元，主要來自經營活動的現金流出淨額約人民幣7.0百萬元（二零一三年六月三十日：現金流入淨額人民幣26.3百萬元）及來自融資活動的現金流出淨額約人民幣47.5百萬元（二零一三年六月三十日：人民幣30.5百萬元）。

於二零一四年六月三十日，本集團的流動資產淨值約為人民幣72.3百萬元（於二零一三年十二月三十一日：約人民幣83.3百萬元）。於二零一四年六月三十日，本集團的流動比率（即總流動資產／總流動負債）約為111.5%（二零一三年十二月三十一日：約111.7%）。

於二零一四年六月三十日，本集團的總資產約為人民幣1,420.0百萬元（於二零一三年十二月三十一日：約人民幣1,581.6百萬元），總負債約為人民幣626.7百萬元（於二零一三年十二月三十一日：約人民幣709.4百萬元）。於二零一四年六月三十日，負債比率（即總負債／總資產）與於二零一三年十二月三十一日的44.9%相比，為44.1%。

Management Discussion and Analysis

管理層討論及分析

As at 30 June 2014, the Group had total borrowings of approximately RMB433.5 million (as at 31 December 2013: approximately RMB464.2 million). The gearing ratio (i.e. total borrowing/total equity) was approximately 54.6% (as at 31 December 2013: approximately 53.2%).

Trade and bills receivable

Trade and bills receivables of the Group as at 30 June 2014 were approximately RMB214.1 million (as at 31 December 2013: RMB264.5 million). The decrease in balance was mainly due to the decrease in revenue.

Inventory

The inventory balance of the Group as at 30 June 2014 was approximately RMB237.2 million (as at 31 December 2013: approximately RMB240.3 million) which was in line with the change of sales volume.

Trade and bills payable

Trade and bills payables of the Group as at 30 June 2014 were approximately RMB61.4 million (as at 31 December 2013: approximately RMB124.0 million). The decrease in balance was mainly due to the tightening in the credit period granted by the Group's suppliers.

Contingent Liabilities

As at 30 June 2014, the Group had no significant contingent liabilities (as at 31 December 2013: Nil).

Capital commitment

As at 30 June 2014, the contracted capital commitment of the Group which were not provided in the financial statements were approximately RMB1.8 million (as at 31 December 2013: approximately RMB2.0 million). Such capital commitments were mainly for the capital expenditure in respect of acquisition of plant and machinery.

於二零一四年六月三十日，本集團的借款總額約為人民幣433.5百萬元(於二零一三年十二月三十一日：約人民幣464.2百萬元)。資產負債比率(即借款總額／權益總額)約為54.6%(於二零一三年十二月三十一日：約53.2%)。

貿易應收款項及應收票據

本集團於二零一四年六月三十日的貿易應收款項及應收票據約為人民幣214.1百萬元(於二零一三年十二月三十一日：人民幣264.5百萬元)。結餘減少乃主要由於收入減少所致。

存貨

本集團於二零一四年六月三十日的存貨結餘約為人民幣237.2百萬元(於二零一三年十二月三十一日：約人民幣240.3百萬元)，這與銷售量之變動一致。

貿易應付款項及應付票據

本集團於二零一四年六月三十日的貿易應付款項及應付票據約為人民幣61.4百萬元(於二零一三年十二月三十一日：約人民幣124.0百萬元)。此結餘的減少乃主要由於本集團供應商授予之信貸期收緊所致。

或然負債

於二零一四年六月三十日，本集團並無重大或然負債(於二零一三年十二月三十一日：無)。

資本承擔

於二零一四年六月三十日，已訂約但並無於財務報表作出撥備的本集團資本承擔約為人民幣1.8百萬元(於二零一三年十二月三十一日：約人民幣2.0百萬元)。此資本承擔主要是收購廠房及機器之資本開支。

Management Discussion and Analysis

管理層討論及分析

Foreign exchange risk

The business of the Group is mainly located in the PRC and most of the transactions are carried out in Renminbi. Most of the assets and liabilities of the Group are computed in Renminbi. As at 30 June 2014, the Group's foreign currencies amounted to approximately RMB1.9 million. During the six months ended 30 June 2014, the Group did not utilize any future contracts, currency borrowings and otherwise to hedge against its foreign exchange risk. However, the Group will monitor the risk exposures and will consider to hedge against material currency risk if required.

DIVIDEND

The Board has resolved not to recommend any payment of interim dividend for the six months ended 30 June 2014 (30 June 2013: Nil).

PROSPECTS

Having faced with the continuing uncertainty in the global economic situation and fierce competition in the China truck market, the Company expects business to continue to be challenging in the second half of year 2014, particularly in relation to its traditional MDT and HDT OEM market. Given these situations, the Group's management has formulated various strategies and measures to cope with these challenges. The strategies and measures include diversifying the range of the Group's casting and punching products in other industry, exploring the opportunities in overseas market and improvement of the Group's product quality management program.

Looking forward, in light of the Group's (i) recognition in the overseas train and railway industry; (ii) extensive sales, marketing and services network among all axle component providers in the aftermarket; (iii) diversified axle component offerings well recognized for high quality by customers; and (iv) role as an independent provider of axle products in both the aftermarket and OEM market enhancing the cross-marketing capabilities and maximising the sales and profit, the Group strives to strengthen its position in the railway and truck industry, to further expand its product offerings in China, CIS and overseas market.

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

外匯風險

本集團的業務主要位於中國，而大部分交易以人民幣進行。本集團的大部分資產和負債均以人民幣計算。於二零一四年六月三十日，本集團的外幣達約人民幣1.9百萬元。於截至二零一四年六月三十日止六個月，本集團並無使用任何期貨合同、貨幣借款或以其他方式對沖本集團的外匯風險。然而，本集團會監察所承受的風險，並會考慮於有需要時對沖重大貨幣風險。

股息

董事會並不建議就截至二零一四年六月三十日止六個月派發任何中期股息(二零一三年六月三十日：無)。

展望

面對全球經濟狀況持續不明朗因素及中國卡車市場之激烈競爭，本公司預期業務於二零一四年下半年仍然具挑戰性，尤其是在傳統中重卡OEM市場。鑒於該等情況，本集團管理層已制定多項策略及措施，豐富其他行業的鑄造及沖焊產品種類，探索開發海外市場業務機會及改善產品質量管理程序，以應對該等挑戰。

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

本集團將於往後數年進一步加強以下各方面以增強其於市場上的競爭力。

Management Discussion and Analysis

管理層討論及分析

Expansion to overseas markets

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

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

Cost Control

The Group will make use of its production facilities located in the PRC which form a strategic production and distribution network for its products, so as to efficiently control the production cost and logistic cost. Besides, the Group will consolidate the production lines and functional departments and dispose of those unutilised facilities to lower its administrative and production cost. Furthermore, the Group will strategically cooperate with suppliers in order to lengthen the credit terms and reduce the purchase price.

擴大海外市場

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

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

成本控制

本集團將利用位於中國的生產基地,這將為其產品形成一個策略生產及分銷網絡,從而有效地控制生產成本及物流成本。此外,本集團將整合生產線及功能部門,出售該等未使用設施以降低其行政及生產成本。此外,本集團將策略性地與供應商合作,從而延長信貸期並降低採購價格。

Management Discussion and Analysis

管理層討論及分析

Marketing Network

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

Product Development

In order to increase the Group's production efficiency and improve its product development capabilities, the Group strategically cooperates with various research institutions in the PRC. Under such cooperations, new technology and raw materials will be developed for the production of railway and axle components.

市場網絡

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

產品開發

為增強本集團的生產效率及提高產品開發能力，本集團策略性地與中國多間研究院合作。通過合作，本集團將開發新技術及原材料用作鐵路及車橋零部件的生產。

Report on Review of Condensed Consolidated Financial Statements

簡明綜合財務報表審閱報告



**TO THE BOARD OF DIRECTORS OF
CHANGFENG AXLE (CHINA) COMPANY LIMITED**
暢豐車橋(中國)有限公司
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Changfeng Axle (China) Company Limited (the "Company") and its subsidiaries (collectively referred to the "Group") set out on pages 16 to 39, which comprise the condensed consolidated statement of financial position as of 30 June 2014 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial informations to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致：暢豐車橋(中國)有限公司董事會

(於開曼群島註冊成立的有限公司)

引言

吾等已審閱載於第16至39頁之暢豐車橋(中國)有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之簡明綜合財務報表，其中包括於二零一四年六月三十日之簡明綜合財務狀況表與截至該日止六個月期間之相關簡明綜合損益及其他全面收益表、簡明綜合權益變動表和簡明綜合現金流量表及若干說明附註。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製之報告時須遵守上市規則有關條文以及香港會計師公會(「香港會計師公會」)頒佈香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)。貴公司董事須負責根據香港會計準則第34號編製及呈列該等簡明綜合財務報表。吾等之責任是根據吾等之審閱對該等簡明綜合財務報表作出結論，並按照委聘之協定條款僅向作為實體之閣下報告結論，且並無其他目的。吾等不會就本報告之內容對任何其他人士負責或承擔任何責任。

Report on Review of Condensed Consolidated Financial Statements

簡明綜合財務報表審閱報告

SCOPE OF REVIEW

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

BASIS FOR QUALIFIED CONCLUSION

Included in the condensed consolidated financial statements as at 30 June 2014 was property, plant and equipment related to the train and railway business with carrying amount of approximately RMB223,000,000. As set out in note 9 to the condensed consolidated financial statements, the directors of the Company determined that the recoverable amount of the property, plant and equipment approximated to the carrying amount and therefore no impairment loss was recognised for the period ended 30 June 2014.

However, the sales of train and railway components to one of the major customers in Russia have been suspended since May 2014 and have not recommenced as at the date of this report. The cash flow projection on which the Group’s impairment analysis is based assumes a significant volume of sales to this customer in the coming twelve months and thereafter. The directors of the Company considered the suspension in the sales to be temporary and therefore did not adjust the assumptions made in the cash flow projection. However, due to the ongoing suspension of sales to this customer, we were unable to satisfy ourselves as to whether such assumption is reasonable and accordingly whether any impairment in respect of the property, plant and equipment should be recognised in respect of the six months ended 30 June 2014. Any adjustments found to be necessary would affect the Group’s financial position as at 30 June 2014 and the loss for the six months ended 30 June 2014.

審閱範圍

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

保留結論基準

於二零一四年六月三十日之簡明綜合財務報表中，物業、廠房及設備涉及列車及鐵路業務，賬面值約為人民幣223,000,000元。如簡明綜合財務報表附註9所載，貴公司董事已釐定物業、廠房及設備可收回金額與賬面值相若，故截至二零一四年六月三十日止六個月期間並無確認減值虧損。

然而，向一名俄國主要客戶銷售列車及鐵路零部件已自二零一四年五月中止，且於該報告日期尚未恢復銷售。貴集團減值分析所採用之現金流預測乃假設於未來十二個月及其後向該客戶銷售大量零部件。貴公司董事認為銷售中止乃屬暫時，故並未就現金流預測所作假設作出調整。然而，由於持續中止對該客戶之銷售，吾等無法信納該假設是否合理，且有關物業、廠房及設備之任何減值是否據此於截至二零一四六月三十日止六個月確認。任何必要調整將對貴集團於二零一四年六月三十日的財務狀況及截至二零一四年六月三十日止六個月之虧損造成影響。

Report on Review of Condensed Consolidated Financial Statements

簡明綜合財務報表審閱報告

QUALIFIED CONCLUSION

Except for the adjustments to the condensed consolidated financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

EMPHASIS OF MATTER

Without qualifying our conclusion, we draw attention to note 1 to the condensed consolidated financial statements which indicates that the Group incurred a loss of approximately RMB48,820,000 for the six months then ended. The directors of the Company consider that the Group will have sufficient working capital to finance its operations provided that it is able to successfully renew the banking facilities and implement the other measures as set out in note 1 to the condensed consolidated financial statements. However, these conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
28 August 2014

保留結論

除若非因上述情況而令吾等本應知悉對簡明綜合中期財務報表所作之調整外，根據吾等的審閱，吾等並無發現任何事項導致吾等相信簡明綜合財務報表在各重大方面未有按照香港會計準則第34號的規定編製。

強調事項

在並無對結論作出保留意見的情況下，吾等謹請閣下垂注簡明綜合財務報表附註1，其中指出，貴集團於截至該日止六個月產生虧損約人民幣48,820,000元。貴公司董事認為，貴集團將有足夠經營資金以為其營運撥資，惟其須可成功續訂銀行融資及實施其他措施（如簡明綜合財務報表附註1所載）。然而，該等情況顯示存在一個重大不明朗因素，可致貴集團持續經營之能力嚴重存疑。

德勤•關黃陳方會計師行
執業會計師

香港
二零一四年八月二十八日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

for the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

				Six months ended 截至六個月	
		NOTES 附註		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Revenue	收入	3		218,596	222,779
Cost of sales	銷售成本			(176,471)	(186,318)
Gross profit	毛利			42,125	36,461
Other income, other gains and losses	其他收入、其他收益及虧損	4		10,097	(1,556)
Selling and distribution expenses	銷售及分銷開支			(10,766)	(9,584)
Research and development expenditure	研發開支			(11,053)	(9,316)
Administrative expenses	行政開支			(36,319)	(32,626)
Impairment losses on trade receivables	貿易應收款項減值虧損			(20,561)	(33,700)
Impairment losses recognised in respect of property, plant and equipment	物業、廠房及設備之已 確認減值虧損			(3,951)	-
Finance costs	融資成本			(16,850)	(17,092)
Loss before tax	除稅前虧損	5		(47,278)	(67,413)
Taxation	稅項	6		(1,542)	(1,682)
Loss and total comprehensive expense for the period	期內虧損及 全面開支總額			(48,820)	(69,095)
(Loss) profit and total comprehensive (expense) income for the period, attributable to:	以下人士應佔期內(虧損) 溢利及全面(開支)收益 總額:				
Owners of the Company	本公司擁有人			(51,539)	(67,683)
Non-controlling interests	非控股權益	18		2,719	(1,412)
				(48,820)	(69,095)
Basic loss per share (RMB)	每股基本虧損(人民幣)	7		(0.06)	(0.08)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

at 30 June 2014
於二零一四年六月三十日

		NOTES 附註	30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	466,747	524,037
Prepaid lease payments	預付租賃款項		251,235	262,391
Prepayment for acquisition of machinery	購買機器預付款項		2,443	2,602
Deferred tax assets	遞延稅項資產		602	-
			721,027	789,030
Current assets	流動資產			
Inventories	存貨		237,159	240,344
Trade receivables	貿易應收款項	10	175,566	177,077
Bills receivable	應收票據	11	38,487	87,449
Other receivables	其他應收款項	12	139,234	140,508
Prepaid lease payments	預付租賃款項		6,200	6,241
Income tax recoverable	可收回所得稅		2,853	2,439
Bank balances and cash	銀行結餘及現金		25,410	57,902
			624,909	711,960
Assets classified as held for sale	分類為持作出售之資產	13	74,091	80,591
			699,000	792,551
Current liabilities	流動負債			
Trade and bills payables	貿易應付款項及應付票據	14	61,353	123,995
Other payables	其他應付款項	15	127,864	119,721
Borrowings – due within one year	借款 – 於一年內到期	16	433,481	464,167
Income tax payable	應付所得稅		3,989	1,343
			626,687	709,226
NET CURRENT ASSETS	流動資產淨值		72,313	83,325
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		793,340	872,355
NON-CURRENT LIABILITY	非流動負債			
Deferred tax liabilities	遞延稅項負債		-	195
			793,340	872,160
OWNERS' EQUITY	擁有人權益			
Share capital	股本	17	53,560	53,560
Reserves	儲備		739,780	799,844
Equity attributable to owners of the Company	本公司擁有人應佔權益		793,340	853,404
Non-controlling interests	非控股權益		-	18,756
			793,340	872,160

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

for the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital 股本	Share premium 股份溢價	Capital reserves 股本儲備	Surplus reserves 盈餘儲備	Special reserves 特殊儲備	Shares held under awarded share compensation scheme 根據獎勵股份報酬計劃持有的股份	Retained earnings 保留盈利	Total 合計	Non-controlling interests 非控股權益	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2013 (audited)	於二零一三年一月一日(經審核)	53,560	599,296	226,982	149,020	822	(1,627)	33,596	1,061,649	38,566	1,100,215
Loss and total comprehensive expense for the period	期內虧損及全面開支總額	-	-	-	-	-	-	(67,683)	(67,683)	(1,412)	(69,095)
At 30 June 2013 (unaudited)	於二零一三年六月三十日(未經審核)	53,560	599,296	226,982	149,020	822	(1,627)	(34,087)	993,966	37,154	1,031,120
Loss and total comprehensive expense for the period	期內虧損及全面開支總額	-	-	-	-	-	-	(140,562)	(140,562)	(18,398)	(158,960)
At 31 December 2013 (audited)	於二零一三年十二月三十一日(經審核)	53,560	599,296	226,982	149,020	822	(1,627)	(174,649)	853,404	18,756	872,160
(Loss) profit and total comprehensive (expense) income for the period	期內(虧損)溢利及全面(開支)收益總額	-	-	-	-	-	-	(51,539)	(51,539)	2,719	(48,820)
Acquisition of additional interest in a subsidiary (note 18)	收購於一間附屬公司的額外權益(附註18)	-	-	-	-	(8,525)	-	-	(8,525)	(21,475)	(30,000)
At 30 June 2014 (unaudited)	於二零一四年六月三十日(未經審核)	53,560	599,296	226,982	149,020	(7,703)	(1,627)	(226,188)	793,340	-	793,340

note: Amount of RMB822,000 represents the difference between the amount paid for acquisition of additional interest in a subsidiary during year 2007 and the non-controlling interest bearing acquired of.

附註：人民幣822,000元指於二零零七年收購於一間附屬公司額外權益的已付款項與已收購非控股權益之差額。

Amount of RMB8,525,000 during the period represents the difference between the amount paid for acquisition of additional interest in a subsidiary without the overall gain or loss of control in that subsidiary and the carrying amount of non-controlling interest being acquired of.

於本期內人民幣8,525,000元指收購於一間附屬公司額外權益而不會導致完全取得或失去附屬公司控制權時的已付金額與已收購非控股權益賬面值之差額。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

for the six months ended 30 June 2014

截至二零一四年六月三十日止六個月

		Six months ended 截至六個月	
		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	32,055	5,525
Decrease (increase) in trade and bills receivable	貿易應收款項及應收票據減少(增加)	12,233	(38,434)
(Decrease) increase in trade and bills payable	貿易應付款項及應付票據(減少)增加	(62,642)	33,804
Other operating activities items	其他經營活動項目	11,345	25,438
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營活動(所用)產生現金淨額	(7,009)	26,333
INVESTING ACTIVITIES	投資活動		
Acquisition of additional interest in a subsidiary	收購於一間附屬公司之額外權益	(11,450)	-
Purchases of property, plant and equipment	購買物業、廠房及設備	(2,212)	(31,752)
Prepayment for acquisition of machinery	購買機器預付款項	159	(4,949)
Proceeds from redemption of short-term investments	贖回短期投資所得款項	-	20,000
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	12,456	12,258
Deposit received for disposal of subsidiary	出售附屬公司收取按金	22,100	-
Other investing activities items	其他投資活動項目	1,000	79
NET CASH FROM (USED IN) INVESTING ACTIVITIES	投資活動產生(所用)現金淨額	22,053	(4,364)

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

for the six months ended 30 June 2014

截至二零一四年六月三十日止六個月

		Six months ended 截至六個月	
		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
FINANCING ACTIVITIES	融資活動		
Repayment of borrowings	償還借款	(273,350)	(264,610)
Interest paid	已付利息	(16,850)	(17,092)
New borrowings raised	新增借款	242,664	251,167
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用之現金淨額	(47,536)	(30,535)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目減少淨額	(32,492)	(8,566)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及 現金等值項目	57,902	61,872
CASH AND CASH EQUIVALENTS AT 30 JUNE, represented by bank balances and cash	於六月三十日之現金 及現金等值項目， 即銀行結餘及現金	25,410	53,306

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2014

截至二零一四年六月三十日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")

In preparing the condensed consolidated financial statements of the Company, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that Group incurred a loss of RMB48,820,000 for the six months ended 30 June 2014. In the opinion of the directors of the Company, the Group is able to continue as a going concern at least in the coming twelve months taking into consideration the measures which includes, but are not limited to the following:

- (a) The Group is able to renew banking facilities from various banks in full upon their maturity based on the past history and good relationships of the Group with the banks, for the operation requirements of the Group.
- (b) The disposal of equity interest in Fujian Changfeng Axle Manufacturing Co., Ltd. ("Fujian Changfeng") and Changfeng Gear Manufacturing Co., Ltd. ("Changfeng Gear") can be duly completed and the remaining proceeds of RMB28,000,000 and RMB12,900,000 would be received by September 2014 and November 2014 respectively.
- (c) The disposal of land held by Sichuan Changfeng Axle Co., Ltd. ("Sichuan Changfeng") at a consideration of RMB71,084,000 can be completed and the proceeds would be received by October 2014.
- (d) The Group has been applying more stringent selection criteria to select new customers for new sales orders with better repayment terms.
- (e) The Group has been actively pursuing buyers for realising the value of the Group's non-core assets.

1. 編製基準

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

於編製本公司簡明綜合財務報表時，鑒於本集團於截至二零一四年六月三十日止六個月期間內產生虧損人民幣48,820,000元，本公司董事已審慎考慮本集團之未來流動資金。本公司董事認為，經考慮(包括但不限於)以下措施，本集團至少能在未來十二個月持續經營：

- (a) 基於往績及本集團與各銀行的良好關係，本集團能於銀行信貸到期前自各銀行悉數續新銀行信貸以滿足本集團營運需要。
- (b) 出售於福建暢豐車橋製造有限公司(「福建暢豐」)及福建暢豐齒輪有限公司(「暢豐齒輪」)的股權可正式完成且餘下所得款項人民幣28,000,000元及人民幣12,900,000元將分別於二零一四年九月及二零一四年十一月前收取。
- (c) 可完成以代價人民幣71,084,000元出售四川暢豐車橋有限公司(「四川暢豐」)持有之土地且所得款項將於二零一四年十月前收取。
- (d) 本集團一直應用更嚴格的選擇標準甄選新客戶，從而尋求附帶更佳還款條款的新銷售訂單。
- (e) 本集團積極尋求買家以變現本集團非核心資產之價值。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2014

截至二零一四年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

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

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant for the preparation of the Group's condensed consolidated financial statements:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27 *Investment Entities*;
- Amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities*;
- Amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*;
- Amendments to HKAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*; and
- HK(IFRIC)-Int 21 *Levies*.

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

2. 主要會計政策

簡明綜合財務報表乃按歷史成本基準編製。

除下文所述者外，截至二零一四年六月三十日止六個月的簡明綜合財務報表所用會計政策及計算方法與本集團截至二零一三年十二月三十一日止年度之年度財務報表所載者一致。

應用新訂或經修訂香港財務報告準則（「香港財務報告準則」）

於本中期期間，本集團首次應用下列由香港會計師公會（「香港會計師公會」）頒佈且與編製本集團簡明綜合財務報表相關之新訂或經修訂香港財務報告準則（「香港財務報告準則」）：

- 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂，*投資實體*；
- 香港會計準則第32號之修訂，*抵銷金融資產及金融負債*；
- 香港會計準則第36號之修訂，*非金融資產可收回金額披露*；
- 香港會計準則第39號之修訂，*衍生工具更替及對沖會計法之延續*；及
- 香港（國際財務報告詮釋委員會）第21號，*徵稅*

除下文所述外，於本中期期間應用香港財務報告準則之其他新修訂及詮釋並無對該等簡明綜合財務報表所呈報及／或披露金額產生任何重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2014

截至二零一四年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (“CGU”) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

3. REVENUE AND SEGMENT INFORMATION

(a) Operating segments

The Group has three reportable operating segments as follows:

- OEM and related market – manufacturing and selling of axle assemblies and axle components to heavy duty truck and medium duty truck manufacturers and other assembly manufacturers.
- Aftermarket – manufacturing and selling of axle components and axle assemblies to market for providing after-sales services.
- Train and railway business – manufacturing and selling of train and railway components.

2. 主要會計政策 (續)

香港會計準則第36號之修訂非金融資產可收回金額披露

倘獲分配商譽或具有無限使用年期之其他無形資產之現金產生單位(「現金產生單位」)並無出現減值或減值撥回，香港會計準則第36號之修訂取消就有關現金產生單位可收回金額作出披露之規定。此外，倘資產或現金產生單位之可收回金額乃按照其公平值減出售成本釐定，該等修訂引入有關公平值層級、主要假設及所用估值技巧之額外披露規定。

3. 收入及分部資料

(a) 營運分部

本集團擁有以下三個須報告營運分部：

- OEM及相關市場—向重型卡車及中型卡車製造商及其他總成製造商製造及銷售橋總成及車橋零部件。
- 維修市場—製造及於市場銷售車橋零部件及橋總成以提供售後服務。
- 列車及鐵路業務—製造及銷售列車及鐵路零部件。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

3. REVENUE AND SEGMENT INFORMATION

(b) Segment revenue and results

		Segment revenue Six months ended 分部收入 截至六個月		Segment results Six months ended 分部業績 截至六個月	
		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
OEM and related market	OEM及相關市場	139,122	92,783	17,578	16,705
Aftermarket	維修市場	79,474	118,585	24,547	16,452
Train and railway business	列車及鐵路業務	-	11,411	-	3,304
Total segment and consolidated	分部總計及綜合	218,596	222,779	42,125	36,461
Other income, other gains and losses	其他收入、其他收益及虧損			10,097	(1,556)
Selling and distribution expenses	銷售及分銷開支			(10,766)	(9,584)
Research and development expenditure	研發開支			(11,053)	(9,316)
Administrative expenses	行政開支			(36,319)	(32,626)
Impairment losses on trade receivables (note)	貿易應收款項減值虧損(附註)			(20,561)	(33,700)
Impairment losses recognised in respect of property, plant and equipment	物業、廠房及設備之已確認減值虧損			(3,951)	-
Interest on bank borrowings wholly repayable within five year	於五年內悉數償還之銀行借款利息			(16,850)	(17,092)
Loss before tax	除稅前虧損			(47,278)	(67,413)

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

Note: The amount consisted of impairment losses on trade receivables from the OEM and related market of RMB3,745,000 and trade receivables from aftermarket of RMB16,816,000 (six months ended 30 June 2013: RMB7,879,000 and RMB25,821,000), respectively, based on an analysis of the recoverability by customer portfolio. In determining the recoverability, the background, financial strength, sales, repayment ability, historical settlement patterns of each debtor are regularly reviewed. The amount of impairment loss is determined based on estimated future cash flows that is considered as irrecoverable in the current and prior interim periods.

3. 收入及分部資料

(b) 分部收入及業績

以上呈報收入指從外部客戶產生的收入。期內，概無任何分部間銷售額。

附註： 根據按客戶組合所作的可收回性分析，該金額包括分別於OEM及相關市場的貿易應收款項減值虧損人民幣3,745,000元以及於維修市場的貿易應收款項人民幣16,816,000元(截至二零一三年六月三十日止六個月：人民幣7,879,000元及人民幣25,821,000元)。於確定可收回性時，公司定期檢討各債務人之背景、財務實力、銷售、償還能力及過往還款之模式。減值虧損之金額乃基於被認為於當前及過往中期期間不能收回之估計未來現金流量釐定。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

3. REVENUE AND SEGMENT INFORMATION

(c) Segment assets

		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
OEM and related market	OEM 及相關市場	80,188
Aftermarket	維修市場	95,378
Total of all segments	所有分部合計	175,566

Segment assets represent trade receivables.

3. 收入及分部資料(續)

(c) 分部資產

		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
		80,188	83,643
		95,378	93,434
		175,566	177,077

分部資產指貿易應收款項。

4. OTHER INCOME, OTHER GAINS AND LOSSES

		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Bank interest income	銀行利息收入	90
Government grants (note)	政府補貼(附註)	6,420
Net foreign exchange gain	匯兌收益淨額	6
Income from suppliers on defects claim	來自供應商缺陷索償的收入	214
Donation	捐款	-
Gain (loss) on disposal of property, plant and equipment	出售物業、廠房及設備之收益(虧損)	48
Others	其他	3,319
		10,097

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

4. 其他收入、其他收益及虧損

		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
		90	79
		6,420	771
		6	2
		214	2,215
		-	(12)
		48	(89)
		3,319	(4,522)
		10,097	(1,556)

附註：補貼主要指地方機關向本集團實體授出款項，以鼓勵其業務發展。該等授出款項列作即期財務支援，預期未來將不產生相關費用及與任何資產無關。

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5. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

5. 除稅前虧損

除稅前虧損已扣除：

		Six months ended 截至六個月	
		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Employee benefits expenses (including directors' emoluments):	僱員福利開支 (包括董事薪酬)：		
– salaries and other benefits	– 薪金及其他福利	27,975	30,816
– retirement benefit scheme contributions	– 退休福利計劃供款	1,067	2,749
Total staff costs	總員工成本	29,042	33,565
Depreciation of property, plant and equipment	物業、廠房及設備折舊	17,174	18,946
Release of prepaid lease payments	解除預付租賃付款	3,167	3,190
Cost of inventories recognised as expenses, included in – cost of sales	已確認為開支之存貨成本， 包括 – 銷售成本	176,160	184,695

6. TAXATION

6. 稅項

		Six months ended 截至六個月	
		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Tax expense comprises:	稅項開支包括：		
Current tax expense	即期稅項開支	2,340	1,177
Underprovision in prior year	過往年度撥備不足	–	139
Deferred tax expense	遞延稅項開支	(798)	366
		1,542	1,682

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6. TAXATION (CONTINUED)

The income tax expense represents the People's Republic of China ("PRC") Enterprise Income Tax which is calculated at the prevailing tax rate of 25% on the taxable income of the group entities in the PRC for the six months ended 30 June 2014 and 2013 except for the group entities described below.

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

On 15 August 2010 and 29 October 2010, Kaifeng Changfeng Axle Manufacturing Co., Ltd. ("Kaifeng Changfeng") and Longyan Shengfeng Machinery Manufacturing Co., Ltd. ("Longyan Shengfeng"), both are wholly-owned subsidiaries of the Company, obtained "High and New Technology Enterprise" status for 3 years and subject to a preferential tax rate of 15% for the period from 2012 to 2014 according to the PRC Tax Law.

The application for renewal has been granted on 26 June 2013 and 5 September 2013, for Kaifeng Changfeng and Longyan Shengfeng respectively, for the period from 2013 to 2015.

6. 稅項(續)

所得稅開支指中華人民共和國(「中國」)企業所得稅，該稅項乃就於截至二零一四年及二零一三年六月三十日止六個月於中國的集團實體的應課稅收入按現行稅率25%計算，惟下述集團實體除外。

本公司在開曼群島註冊成立及不須繳付任何所得稅。

於二零一零年八月十五日及二零一零年十月二十九日，本公司兩間全資附屬公司開封暢豐車橋有限公司(「開封暢豐」)及龍岩盛豐機械製造有限公司(「龍岩盛豐」)分別獲得「高新技術企業」證書，為期三年，根據中國稅法可自二零一二年至二零一四年止期間享受15%的優惠稅率。

開封暢豐及龍岩盛豐就二零一三年至二零一五年期間之續期申請分別於二零一三年六月二十六日及二零一三年九月五日獲批准。

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7. LOSS PER SHARE

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

		Six months ended 截至六個月	
		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Losses	虧損		
Losses for the purpose of basic loss per share (Loss for the period attributable to owners of the Company)	虧損－每股基本虧損 (本公司擁有人應佔期內虧損)	(51,539)	(67,683)

7. 每股虧損

本公司擁有人應佔每股基本虧損乃根據以下數據計算：

		Six months ended 截至六個月	
		30.6.2014 二零一四年六月三十日	30.6.2013 二零一三年六月三十日
Number of shares	股份數目		
Number of ordinary shares for the purposes of basic loss per share	普通股數目 －每股基本虧損		800,000,000

No diluted loss per share is presented as the Company did not have any potential ordinary shares in issue during the six months ended 30 June 2014 and 2013 or at the end of each reporting period.

由於於截至二零一四年及二零一三年六月三十日止六個月或於各報告期末本公司並無任何潛在已發行普通股，故並無呈列每股攤薄虧損。

8. DIVIDENDS

No dividends were paid, declared or proposed during the interim reporting period. The directors of the Company do not recommend the payment of an interim dividend (six months ended 30 June 2013: nil).

8. 股息

本公司於中報期內概無支付、宣派或建議宣派任何股息。本公司董事不建議派付中期股息(截至二零一三年六月三十日止六個月：無)。

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9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment amounting to approximately RMB2,212,000 with estimated useful lives ranging from 5 to 10 years (six months ended 30 June 2013: approximately RMB33,648,000) for the purpose of maintaining the Group's train and railway business.

The Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB12,408,000 (six months ended 30 June 2013: RMB12,347,000) for cash proceeds of RMB12,456,000 (six months ended 30 June 2013: RMB12,258,000), resulting in a gain on disposal of RMB48,000 (six months ended 30 June 2013: loss on disposal of RMB89,000).

For the six months ended 30 June 2014, the directors of the Company conducted an impairment assessment on the Group's property, plant and equipment and prepaid lease payments by assessing on the expected recoverable amount based on the higher of value in use and fair value less cost of disposal. For the CGU engaged in manufacturing and selling of axle components and axle assemblies to heavy duty and medium duty truck ("Truck CGU"), and the CGU engaged in manufacturing and selling of train and railway component ("Railway CGU") the recoverable amounts of the relevant assets have been determined on the basis of the value in use calculation using a pre-tax discount rate of 11.51% (31 December 2013: 12.1%). This calculation uses cash flow projections based on financial forecasts approved by management of the Group covering five years with the cash flows beyond such period are extrapolated using a steady growth rate till the end of useful lives of the relevant assets. Key assumptions for the value in use calculations relate to the estimation of cash inflow/outflows which include budgeted sales and gross margin, such estimation is based on the management's expectations for the prospective market and market development. The value-in-use calculation of the relevant assets exceeds their carrying amounts as at 30 June 2014 and hence no further impairment loss is recognised for the six months ended 30 June 2014 (six months ended 30 June 2013: nil). The directors of the Company made reference to the recent market prices of the leasehold land located in the similar location as the Group's leasehold land on which the property, plant and equipment is situated and concluded no impairment on prepaid lease payments is required.

9. 物業、廠房及設備之變動

於本期間，本集團購置約人民幣2,212,000元(截至二零一三年六月三十日止六個月：約人民幣33,648,000元)估計可使用年期為5至10年的物業、廠房及設備，以維持本集團列車及鐵路業務。

本集團已出售總賬面值為人民幣12,408,000元(截至二零一三年六月三十日止六個月：人民幣12,347,000元)之若干物業、廠房及設備換取現金所得款項人民幣12,456,000元(截至二零一三年六月三十日止六個月：人民幣12,258,000元)，導致出售收益為人民幣48,000元(截至二零一三年六月三十日止六個月：出售虧損人民幣89,000元)。

截至二零一四年六月三十日止六個月，本公司董事透過基於使用價值與公平值減出售成本之較高值評估預計可收回金額對本集團物業、廠房及設備及預付租賃款項進行減值評估。就從事製造及銷售重型及中型卡車車橋零部件及橋總成的現金產生單位(「卡車現金產生單位」)及從事製造及銷售列車及鐵路零部件的現金產生單位(「鐵路現金產生單位」)而言，相關資產之可收回金額已按使用稅前折現率11.51%(二零一三年十二月三十一日：12.1%)計算的使用價值釐定。該計算方法乃使用本集團管理層批准涵蓋五年財務預測之現金流預測，而超過該期間之現金流乃使用直至相關資產可使用年期結束時之穩定增長率推測。使用價值計算之主要假設與現金流入／流出估計有關，包括預算銷售額及毛利，該估計乃基於管理層就未來市場及市場發展之預期。相關資產的使用價值計算超出其於二零一四年六月三十日之賬面值，因此截至二零一四年六月三十日止六個月並無進一步確認減值虧損(截至二零一三年六月三十日止六個月：無)。本公司董事經參考與物業、廠房及設備所處本集團租賃土地處於相同地點之租賃土地之近期市價後得出結論，預付租賃款項無須減值。

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10. TRADE RECEIVABLES

Trade receivables comprise the following:

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

10. 貿易應收款項

貿易應收款項包括以下各項：

30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
479,162	460,112
(303,596)	(283,035)
175,566	177,077

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

本集團向其貿易客戶提供90至120天的平均信貸期。貿易應收款項的賬齡分析根據於報告期末的發票日期呈列。

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10. TRADE RECEIVABLES (CONTINUED)

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

		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
0 to 90 days	0至90日	78,748	81,660
91 to 120 days	91至120日	14,390	18,148
121 to 180 days	121至180日	18,904	33,238
181 to 365 days	181日至365日	47,411	41,463
Over 365 days	365日以上	16,113	2,568
		175,566	177,077

11. BILLS RECEIVABLE

At the end of the reporting period, bills receivable amounting to RMB19,000,000 (2013: RMB65,114,000) have been endorsed to certain creditors. The Group continues to present the endorsed bills as bills receivable until maturity.

The following is an aging analysis of bills receivable:

		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
0 to 90 days	0至90日	25,665	73,507
91 to 120 days	91至120日	6,200	7,070
121 to 180 days	121至180日	6,500	6,872
181 to 365 days	181至365日	122	-
		38,487	87,449

10. 貿易應收款項(續)

以下為於報告期末貿易應收款項(扣除貿易應收款項減值虧損)(按發票日期(與各自收入確認日期相若)呈列)的賬齡分析:

11. 應收票據

於本報告期末,應收票據金額為人民幣19,000,000元(二零一三年:人民幣65,114,000元)已背書予若干債權人。本集團繼續呈列已背書票據為應收票據,直至到期。

應收票據的賬齡分析如下:

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12. OTHER RECEIVABLES

Other receivables comprise the following:

Other receivables	其他應收款項
Advances to suppliers	向供應商墊款
Prepaid expenses	預付開支
VAT-in recoverable	增值稅—可收回

12. 其他應收款項

其他應收款項包括以下各項：

30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
6,906	7,580
109,892	94,711
4,590	1,942
17,846	36,275
139,234	140,508

13. ASSETS CLASSIFIED AS HELD FOR SALE

On 16 December 2013, the Group entered into a conditional agreement with an independent third party in respect of disposal of its entire equity interest in Fujian Changfeng in an aggregate cash consideration of RMB56,000,000. Fujian Changfeng is established in the PRC and is engaged in manufacture and sale of axle and related business, and remained inactive as of the date of the agreement. Deposit of RMB28,000,000 had been received as of 30 June 2014 and the remaining balance to be settled by September 2014.

On 27 June 2014, the Group entered into a conditional agreement with an independent third party in respect of disposal of its entire equity interest in Changfeng Gear in an aggregate cash consideration of RMB35,000,000. Changfeng Gear is established in the PRC and is engaged in manufacture and sale of gear, and remained inactive as of the date of the agreement. Deposit of RMB22,100,000 had been received as of 30 June 2014 and the remaining balance to be settled by November 2014.

13. 分類為持作出售資產

於二零一三年十二月十六日，本集團與獨立第三方就出售本集團於福建暢豐之全部權益訂立有條件協議，總現金代價為人民幣56,000,000元。福建暢豐於中國註冊成立，從事製造及銷售車橋及相關業務，於協議日期暫無業務。截至二零一四年六月三十日已收取按金人民幣28,000,000元，且餘下結餘將於二零一四年九月前結清。

於二零一四年六月二十七日，本集團與獨立第三方就出售本集團於暢豐齒輪之全部權益訂立有條件協議，總現金代價為人民幣35,000,000元。暢豐齒輪於中國註冊成立，從事製造及銷售齒輪，於協議日期暫無業務。截至二零一四年六月三十日已收取按金人民幣22,100,000元，且餘下結餘將於二零一四年十一月前結清。

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13. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

The assets attributable to Fujian Changfeng and Changfeng Gear, which are expected to be sold within twelve months from the end of the reporting period, have been classified as “assets classified as held for sale” and are presented separately in the consolidated statement of financial position.

The net proceeds of the disposal of Fujian Changfeng exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

As the carrying amount of the relevant assets of the disposal of Changfeng Gear is higher than the net proceeds of disposal, therefore RMB3,951,000 impairment loss has been recognised in profit and loss.

The major classes of assets classified as held for sale are as follows:

13. 分類為持作出售資產(續)

福建暢豐及暢豐齒輪應佔資產(預期將於報告期完結後十二個月內出售)已分類為「分類為持作出售資產」,並於綜合財務狀況表內單獨呈列。

出售福建暢豐所得款項淨額超出相關資產及負債之賬面淨值,因此並無確認減值虧損。

由於出售暢豐齒輪相關資產賬面值高於出售所得款項淨額,因此,於損益中確認減值虧損人民幣3,951,000元。

分類為持作出售資產之主要類別如下:

		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Property, plant and equipment	物業、廠房及設備	59,277	74,808
Prepaid lease payments	預付租賃款項	14,814	5,783
Assets classified as held for sale	分類為持作出售資產	74,091	80,591

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14. TRADE AND BILLS PAYABLES

Trade and bills payables comprise the following:

		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade payables	貿易應付款項	51,953	58,880
Bills payable	應付票據	9,400	65,115
		61,353	123,995

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

		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 30 days	30日內	2,566	19,888
31 to 60 days	31至60日	15,623	8,657
61 to 90 days	61至90日	14,301	8,072
91 to 180 days	91至180日	16,157	10,628
181 to 365 days	181至365日	3,248	11,635
Over 365 days	365日以上	58	-
		51,953	58,880

14. 貿易應付款項及應付票據

貿易應付款項及應付票據包括以下各項：

以下為於各自報告期末應付貿易款項(按發票日期呈列)之賬齡分析：

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14. TRADE AND BILLS PAYABLES (CONTINUED)

The following is an aging analysis of bills payable:

	30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 30 days	30日內	16,204
31 to 60 days	31至60日	13,754
61 to 90 days	61至90日	22,555
91 to 180 days	91至180日	12,602
	9,400	65,115

14. 貿易應付款項及應付票據(續)

應付票據之賬齡分析如下：

	30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 30 days	30日內	16,204
31 to 60 days	31至60日	13,754
61 to 90 days	61至90日	22,555
91 to 180 days	91至180日	12,602
	9,400	65,115

15. OTHER PAYABLES

Other payables comprise the following:

	30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Advances from customers	來自客戶的墊款	13,772
Payables and accruals for property, plant and equipment	物業、廠房及設備 應付款項及應計款項	40,752
Payroll and welfare payables	應付工資及福利	7,262
Warranty accrual	保修應計款項	1,071
Other accruals	其他應計款項	14,762
Other tax payable	其他應付稅項	5,295
Other payables	其他應付款項	8,807
Payable for acquisition of additional interest in a subsidiary	收購一間附屬公司額外權益 之應付款項	-
Deposit receipt for disposal of subsidiaries	出售附屬公司收取按金	28,000
	50,100	119,721
	127,864	119,721

15. 其他應付款項

其他應付款項包括以下各項：

	30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Advances from customers	來自客戶的墊款	13,772
Payables and accruals for property, plant and equipment	物業、廠房及設備 應付款項及應計款項	40,752
Payroll and welfare payables	應付工資及福利	7,262
Warranty accrual	保修應計款項	1,071
Other accruals	其他應計款項	14,762
Other tax payable	其他應付稅項	5,295
Other payables	其他應付款項	8,807
Payable for acquisition of additional interest in a subsidiary	收購一間附屬公司額外權益 之應付款項	-
Deposit receipt for disposal of subsidiaries	出售附屬公司收取按金	28,000
	50,100	119,721
	127,864	119,721

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簡明綜合財務報表附註

for the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

16. BORROWINGS

During the period, the Group obtained new bank borrowings amounting to approximately RMB194,393,000 (six months ended 30 June 2013: approximately RMB251,167,000) and repaid bank borrowings amounting to approximately RMB273,350,000 (six months ended 30 June 2013: approximately RMB264,610,000). The Group also obtained other borrowings amounted to approximately RMB48,271,000 (six months ended 30 June 2013: nil). The bank borrowings carry interest at variable market rates ranging from 5.50% to 8.61% per annum (six months ended 30 June 2013: 5.88% to 7.87%) and are repayable in one year from the end of the reporting period. The other borrowings carry interest at variable market rates ranging from 0-10.48% per annum (six months ended 30 June 2013: nil) and are repayable in one year from the end of the reporting period.

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

16. 借款

於本期間，本集團取得新增銀行借款約人民幣194,393,000元(截至二零一三年六月三十日止六個月：約人民幣251,167,000元)並已償還銀行借款約人民幣273,350,000元(截至二零一三年六月三十日止六個月：約人民幣264,610,000元)。本集團亦取得其他借款約為人民幣48,271,000元(截至二零一三年六月三十日止六個月：無)。銀行借款按浮動市場年利率介乎5.50厘至8.61厘(截至二零一三年六月三十日止六個月：5.88厘至7.87厘)計息，並須於報告期末起一年內償還。其他借款按浮動市場年利率介乎零厘至10.48厘(截至二零一三年六月三十日止六個月：無)計息，並須於報告期末起一年內償還。

本集團已抵押若干資產以作為向本集團授出的銀行融資的擔保。已抵押資產的帳面值如下：

		30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Property, plant and equipment	物業、廠房及設備	89,891	129,138
Land use rights	土地使用權	247,592	52,010
Trade receivables	貿易應收款項	65,159	29,409
		402,642	210,557

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17. SHARE CAPITAL

17. 股本

		Number of shares 股份數目	Amount 金額 US\$'000 千美元
Ordinary shares of the United States dollars ("US\$") 0.01 each	每股面值0.01美元(「美元」)的普通股		
<i>Issued & fully paid:</i>	<i>已發行及繳足：</i>		
At 1 January 2013, 30 June 2013, 1 January 2014 and 30 June 2014	於二零一三年一月一日、二零一三年六月三十日、二零一四年一月一日及二零一四年六月三十日	800,000,000	8,000
			30.6.2014 & 31.12.2013 二零一四年六月三十日 及 二零一三年十二月三十一日 RMB'000 人民幣千元
Shown on the condensed consolidated statement of financial position	於簡明綜合財務狀況表列示		53,560

18. ACQUISITION OF ADDITIONAL INTEREST IN A SUBSIDIARY

18. 收購於一間附屬公司之額外權益

On 27 December 2013, the Group had entered into an equity transfer agreement with Lonking (Jiangxi) Machinery Co., Ltd. ("Lonking Machinery") to acquire an additional 40% interest in the Changfeng Gear Manufacturing Co. Ltd ("Changfeng Gear") at a cash consideration of RMB30,000,000.

於二零一三年十二月二十七日，本集團與龍工(江西)機械有限公司(「龍工機械」)訂立股權轉讓協議，以現金代價人民幣30,000,000元收購於福建暢豐齒輪有限公司(「暢豐齒輪」)之額外40%權益。

A loss of RMB8,525,000 had been recognised in reserve, which represents the difference between the consideration paid of RMB30,000,000 and the carrying amount of the 40% non-controlling interest being acquired of.

虧損人民幣8,525,000元已於儲備中確認，乃已付代價人民幣30,000,000元與所收購40%非控股權益賬面值間之差額。

The transaction has completed during the period and Changfeng Gear become a wholly owned subsidiary of the Group thereafter.

交易已於期內完成，且暢豐齒輪隨後成為本集團全資附屬公司。

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簡明綜合財務報表附註

for the six months ended 30 June 2014

截至二零一四年六月三十日止六個月

19. CAPITAL COMMITMENTS

19. 資本承擔

	30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Capital expenditure in respect of acquisition of plant and machinery – contracted for but not provided for in the condensed consolidated financial statements	1,838	2,010

20. RELATED PARTY DISCLOSURES

20. 關連人士披露

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

於期內，本集團已與關連人士訂立下列交易：

Compensation of key management personnel

主要管理人員報酬

The remuneration of directors and other members of key management during the six months ended 30 June 2014 and 2013 was as follows:

於截至二零一四年及二零一三年六月三十日止六個月，董事及其他主要管理人員的薪酬如下：

	Six months ended 截至六個月	
	30.6.2014 二零一四年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	30.6.2013 二零一三年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)
Short-term benefits	2,017	2,137
Post-employment benefits	44	53
	2,061	2,190

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簡明綜合財務報表附註

for the six months ended 30 June 2014

截至二零一四年六月三十日止六個月

21. EVENT AFTER REPORTING PERIOD

On 30 July 2014, the Group entered into a conditional agreement with an independent third party in respect of disposal of land in Sichuan Changfeng Axle Co., Ltd. ("Sichuan Changfeng") in an aggregate cash consideration of RMB71,084,000.

The reason of disposal is to reallocate the resources currently occupied by Sichuan Changfeng, and to improve the Group's cash flow position and financial strength.

It was estimated that there would be a gain in the amount of approximately RMB1,892,000 on the disposal which is calculated by reference to the net proceeds from the disposal less the net book value of the land and the factory building erected on the land as at 30 June 2014.

21. 報告期後事項

於二零一四年七月三十日，本集團與一名獨立第三方訂立一份有條件協議，內容有關以總現金代價人民幣71,084,000元出售四川暢豐車橋有限公司（「四川暢豐」）之一幅土地。

出售原因為重新配置四川暢豐現擁有的資源，並改善本集團現金流狀況及財力。

於二零一四年六月三十日，預計出售將產生收益約人民幣1,892,000元，乃參考出售所得款項淨額減土地及於該地塊所建工廠賬面淨值計算。

Other Information

其他資料

RESULTS AND APPROPRIATIONS

The results of the Group for the six months ended 30 June 2014 are set out in the condensed consolidated statement of comprehensive income on page 15.

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

As at 30 June 2014, the interests or short positions of each director of the Company (the “Director”) and chief executive of the Company in the shares, underlying shares or debentures of the Company or its any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are being taken or deemed to have taken under such provision of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of the Company (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) to be notified to the Company and the Stock Exchange were as follows:

業績及分配

本集團於截至二零一四年六月三十日止六個月的業績載於第 15 頁的簡明綜合全面收益表。

本公司董事及最高行政人員於股份、相關股份及債券中的權益及淡倉

於二零一四年六月三十日，本公司董事（「董事」）及本公司最高行政人員於本公司或其相聯法團（定義見香港法例第 571 章證券及期貨條例（「證券及期貨條例」）第 XV 部）的股份、相關股份及債券中擁有根據證券及期貨條例第 XV 部第 7 及 8 分部須知會本公司及香港聯合交易所有限公司（「聯交所」）的權益或淡倉（包括根據證券及期貨條例的有關條文被當作或視為擁有的權益及淡倉）；或根據證券及期貨條例第 352 條須記錄於該條所述登記冊的權益或淡倉；或根據聯交所證券上市規則（「上市規則」）附錄十所載本公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉如下：

Other Information

其他資料

(i) Interest in our Company

Name of Director 董事名稱	Nature of Interest 權益性質	Number of Securities 證券數目	Approximate percentage of shareholding 概約股權百分比
Wu Ching (Note) 胡靜 (附註)	Interest of a controlled corporation 受控法團權益	404,762,592	50.60%
Wong Kwai Mo (Note) 王桂模 (附註)	Interest of a controlled corporation 受控法團權益	404,762,592	50.60%

Note: Each of Wu Ching and Wong Kwai Mo holds 50% of the issued share capital of Changfeng Axle Holdings Ltd. ("Changfeng BVI").

(i) 於本公司的權益

附註：胡靜及王桂模各自持有50% Changfeng Axle Holdings Ltd. (「暢豐BVI」)已發行股本。

(ii) Interest in associated corporations

Name of Director 董事名稱	Name of associated corporation 相聯法團名稱	Number of shares 股份數目	Percentage Shareholding 股權百分比
Wu Ching 胡靜	Changfeng BVI 暢豐BVI	25,000	50%
Wong Kwai Mo 王桂模	Changfeng BVI 暢豐BVI	25,000	50%

(ii) 於相聯法團的權益

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2014, to the best of the Director's knowledge, the following persons (other than the Directors and chief executives of the Company) had or deemed or taken to have interests and short positions of 5% or more in the shares of the Company which would fall to be disclosed under provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under Section 336 of the SFO:

主要股東

於二零一四年六月三十日，據董事所深知，於本公司股份中擁有或被視作擁有根據證券及期貨條例第XV部第2及3分部之條文須予披露或根據證券及期貨條例第336條須存置之登記冊內記錄之5%或以上權益及短倉的人士(不包括本公司董事及最高行政人員)如下：

Long positions in the Shares and underlying Shares of the Company

本公司股份及相關股份的好倉

Name of shareholder 股東名稱	Nature of interest 權益性質	Interests in Shares 股份權益	Approximate percentage shareholding 概約股權百分比	Notes 附註
Changfeng BVI 暢豐BVI	Beneficial owner 實益擁有人	404,762,592	50.60%	1
Wu Ching 胡靜	Interest of a controlled corporation 受控法團權益	404,762,592	50.60%	1
Wong Kwai Mo 王桂模	Interest of a controlled corporation 受控法團權益	404,762,592	50.60%	1
Starr International Foundation	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2

Other Information 其他資料

Name of shareholder 股東名稱	Nature of interest 權益性質	Interests in Shares 股份權益	Approximate percentage shareholding 概約股權百分比	Notes 附註
Starr International AG	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2
Starr International	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2
Starr International Investments Ltd	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2
Starr Insurance and Reinsurance Ltd	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2
Starr International Cayman, Inc.	Interest of a controlled corporation 受控法團權益	114,801,600	14.35%	2
Starr Investments Cayman II, Inc.	Beneficial owner 實益擁有人	114,801,600	14.35%	2

Notes:

- (1) Changfeng BVI is owned as to 50% by Wu Ching and as to 50% by Wong Kwai Mo. Both Wu Ching and Wong Kwai Mo are deemed to be interested in the Shares held by Changfeng BVI for the purpose of the SFO.
- (2) Starr Investments is wholly-owned by Starr International Cayman, Inc., which is in turn wholly-owned by Starr Insurance and Reinsurance Ltd.. Starr Insurance and Reinsurance Ltd. is a wholly-owned subsidiary of Starr International Investments Ltd., which is in turn wholly-owned by Starr International Company Inc. ("Starr International"). Starr International is wholly-owned by Starr International AG, which is wholly-owned by Starr International Foundation, a charitable foundation established in Switzerland. Each of Starr International Foundation, Starr International AG, Starr International, Starr International Investments Ltd., Starr Insurance and Reinsurance Ltd. and Starr International Cayman, Inc. is deemed to be interested in the Shares held by Starr Investments for the purpose of the SFO.
- (3) Save as Wu Ching and Wong Kwai Mo being the directors of the Changfeng BVI and Dong Ying Dorothy being the director of Starr Investments Cayman II, Inc., none of the Directors is a director or employee of the companies or trust foundation disclosed in this paragraph.

附註：

- (1) 暢豐BVI由胡靜擁有50%權益及由王桂模擁有50%權益。根據證券及期貨條例，胡靜與王桂模均被視為擁有暢豐BVI所持有股份的權益。
- (2) Starr Investments由Starr International Cayman, Inc.全資擁有，Starr International Cayman, Inc.由Starr Insurance and Reinsurance Ltd.全資擁有。Starr Insurance and Reinsurance Ltd.為Starr International Investments Ltd.的全資附屬公司，Starr International Investments Ltd.由Starr International Company Inc. (「Starr International」)全資擁有。Starr International由Starr International AG全資擁有，Starr International AG由Starr International Foundation (於瑞士成立的慈善基金)全資擁有。根據證券及期貨條例，Starr International Foundation、Starr International AG、Starr International、Starr International Investments Ltd.、Starr Insurance and Reinsurance Ltd.及Starr International Cayman, Inc.各自被視為擁有Starr Investments所持有股份的權益。
- (3) 除胡靜及王桂模為暢豐BVI的董事及董穎為Starr Investments Cayman II, Inc.的董事外，概無董事為本段所披露的該等公司或信託基金的董事或僱員。

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the shareholders of the Company. These can be achieved by an effective Board, segregation of duties with clear accountability, sound internal control, appropriate risk assessment procedures and transparency of the Company. The Board will continue to review and improve the corporate governance practices from time to time to ensure the Group is led by an effective Board in order to optimize returns for the shareholders of the Company. During the six months ended 30 June 2014, the Company has applied the principles of and has complied with all code provisions as set forth in the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, save for the deviation as set forth below:

Code Provision A.6.7

Code Provision A.6.7 of the CG Code provides that independent non-executive directors and non-executive directors should attend general meetings of the Company. Due to prior business engagements external to the Company and personal commitments, the non-executive Director, Ms. Dong Ying, Dorothy and the independent non-executive Director, Dr. Li Xiuqing were not able to attend the annual general meeting of the Company held on 23 May 2014.

Compliance

The Company has appointed a compliance adviser on an ongoing basis for a two year period as per the direction of the Listing Committee of the Stock Exchange, details of which are set out in the announcement of the Stock Exchange dated 9 July 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its listed shares during the six months ended 30 June 2014. Neither the Company nor any of its subsidiaries had purchased, sold or repurchased any of the listed shares of the Company during the six months ended 30 June 2014.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of conduct for securities transactions. Specific enquiries have been made with all Directors, who have confirmed and declared that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2014.

企業管治常規

本公司致力維持高水平的企業管治常規及程序，務求成為一家具透明度及負責任的企業，以開放態度向本公司股東負責。此目標可透過本公司有效的董事會、分明的職責劃分、良好的內部監控、恰當的風險評估程序及透明度來實現。董事會將繼續不時檢討及改善本集團的企業管治常規，確保本集團在董事會的有效領導下，為本公司股東取得理想回報。於截至二零一四年六月三十日止六個月內，本公司一直應用香港聯合交易所有限公司證券上市規則附錄十四所載企業管治守則（「企業管治守則」）的原則，並遵守企業管治守則所載列的所有守則條文，惟以下偏離除外：

守則條文第A.6.7條

企業管治守則之守則條文第A.6.7條規定獨立非執行董事及非執行董事須出席本公司股東大會。由於公司之前的外部業務活動及個人事務，非執行董事董穎女士及獨立非執行董事李秀清博士並無參加本公司於二零一四年五月二十三日舉行之股東週年大會。

合規事宜

按照聯交所上市委員會的指令，本公司已持續委任合規顧問，為期兩年，詳情載於聯交所日期為二零一四年七月九日之公告。

購買、出售或贖回本公司股份

本公司於截至二零一四年六月三十日止六個月並無贖回其任何上市股份。本公司或其任何附屬公司概無於截至二零一四年六月三十日止六個月內購買、出售或贖回本公司任何上市股份。

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）作為其進行證券交易的行為守則。全體董事作出具體查詢後確認及聲明，彼等於截至二零一四年六月三十日止六個月內已遵守標準守則所載的規定條文準則。

Other Information

其他資料

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and to provide advice and comments to the Board. The members meet regularly with the external auditors and the Company’s senior management for the review, supervision and discussion of the Company’s financial reporting and internal control procedures and ensure that management has discharged its duty to have an effective internal control system. The Audit Committee consists of three members, namely Mr. Chong Ching Hei, Mr. Zhu Weizhou and Dr. Li Xiuqing, all of whom are independent non-executive Directors. Mr. Chong Ching Hei, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting principles, practices and treatments adopted by the Group and the report with the management and the auditors of the Company.

QUALIFIED CONCLUSION AND EMPHASIS OF MATTER OF REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Board will continue to monitor the matters as described under the headings of “Basis for qualified conclusion” and “Emphasis of matter” on page 14 and 15 of the report and keep the shareholders and potential investors informed by way of an announcement as necessary.

APPRECIATION

On behalf of the Board, I would like to express my gratitude to our management and staff for their dedication and contribution to the Group throughout the six months ended 30 June 2014.

By Order of the Board
Wong Kwai Mo
Chairman

Hong Kong, 28 August 2014

審核委員會

本公司審核委員會(「**審核委員會**」)按照上市規則第3.21及3.22條成立，並備有按照企業管治守則的規定書面職權範圍。審核委員會的主要職責為審核及監督本集團的財務申報程序及內部監控系統，並向董事會提供建議及意見。成員定期與外部核數師及本公司高級管理人員進行會晤，以審核、監督及討論本公司的財務申報及內部控制程序，並確保管理層履行其職責建立有效的內部監控系統。審核委員會由三名成員，即莊清喜先生、朱偉洲先生及李秀清博士(均為獨立非執行董事)組成。莊清喜先生具備適當的專業資格及會計事宜經驗，故獲委任為審核委員會主席。

審核委員會已與本公司管理層及核數師審閱本集團採納的會計原則、實務及處理方法及本報告。

簡明綜合財務報表審閱報告之保留結論及強調事項

董事會將繼續監察本報告第14及15頁「保留結論基準」及「強調事項」下所載事宜，並在必需時以公佈方式令股東及潛在投資者知悉最新情況。

致謝

截至二零一四年六月三十日止六個月期間，本集團的管理層及員工專心致志，貢獻良多，本人謹代表董事會向他們致以衷心謝意。

承董事會命
董事長
王桂模

香港，二零一四年八月二十八日

