



# 泓淋科技集團有限公司\*

HL TECHNOLOGY GROUP LIMITED

(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: 1087



# 2012

## INTERIM REPORT 中期報告

\* For identification purpose only 僅供識別

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# Corporate Profile and Corporate Information

## 公司簡介及公司資料

HL Technology Group Limited (the “Company”, “our” or “we”) is a one-stop provider of signal transmission and connectivity solutions and related products for the global 3Cs (computing, communication and consumer electronics) markets. A majority of our key customers are global top tier players and we have the leading position in market share for several key products including internal and external signal cable assembly, power cord assembly, signal transmission wire and cable, connectors, antennas, automotive wiring harness and other products in the world. Our shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 November 2010.

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Chi Shaolin (*Chairman and Chief Executive (“CE”)*)  
Mr. Jiang Taike (*Vice CE*)  
Mr. Li Jianming (*Vice CE*)

#### Non-executive Director

Ms. Xu Yiming (*Adviser*)

#### Independent Non-executive Directors

Mr. Shu Wa Tung, Laurence  
Mr. Song Lizhong  
Ms. Zheng Lin

### AUDIT COMMITTEE

Mr. Shu Wa Tung, Laurence (*Chairman*)  
Mr. Song Lizhong  
Ms. Zheng Lin

### COMPENSATION AND BENEFITS COMMITTEE

Ms. Zheng Lin (*Chairman*)  
Mr. Shu Wa Tung, Laurence  
Ms. Xu Yiming

### NOMINATION COMMITTEE

Mr. Chi Shaolin (*Chairman*)  
Mr. Shu Wa Tung, Laurence  
Mr. Song Lizhong

### COMPANY SECRETARY

Ms. Ho Wing Yan, *ACIS, ACS(PE)*

### AUTHORISED REPRESENTATIVES

Mr. Li Jianming  
Ms. Ho Wing Yan, *ACIS, ACS(PE)*

泓淋科技集團有限公司(「本公司」、「我們的」或「我們」)是全球3Cs(計算機、通訊及消費電子)市場的一站式信號傳輸及連接技術解決方案及相關產品的供應商,本公司大多數主要客戶都是全球頂級的客戶,並且本公司的幾種主要產品都在全球擁有領先地位的市場份額,包括:內接及外接信號線組件、電源線組件、信號傳輸線纜、連接器、天線、汽車線束及其他產品。本公司的股份於二零一零年十一月十六日在香港聯合證券交易所有限公司(「聯交所」)主板掛牌上市。

### 董事會

#### 執行董事

遲少林先生(主席兼行政總裁(「總裁」))  
蔣太科先生(副總裁)  
李建明先生(副總裁)

#### 非執行董事

徐藝銘女士(顧問)

#### 獨立非執行董事

舒華東先生  
宋立眾先生  
鄭琳女士

### 審核委員會

舒華東先生(主席)  
宋立眾先生  
鄭琳女士

### 薪酬及福利委員會

鄭琳女士(主席)  
舒華東先生  
徐藝銘女士

### 提名委員會

遲少林先生(主席)  
舒華東先生  
宋立眾先生

### 公司秘書

何詠欣女士, *ACIS, ACS(PE)*

### 授權代表

李建明先生  
何詠欣女士, *ACIS, ACS(PE)*

# Corporate Profile and Corporate Information

## 公司簡介及公司資料

### REGISTERED OFFICE

Offshore Incorporations (Cayman) Limited  
Corporation Scotia Centre, 4th Floor  
P.O. Box 2804, George Town  
Grand Cayman KY1-1112  
Cayman Islands

### HEADQUARTER

Pudong Road, Economic and  
Technological Development Zone  
Weihai  
Shandong Province  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1805, Admiralty Centre Tower Two  
18 Harcourt Road  
Admiralty  
Hong Kong

### PRINCIPAL BANKS

Bank of China (Weihai Branch)  
Agricultural Bank of China (Weihai Branch)  
China Everbright Bank (Changshu Sub-branch)

### LEGAL ADVISERS

Orrick, Herrington & Sutcliffe (as to Hong Kong law)  
Beijing DHH Law Firm\* (as to PRC law)

### AUDITOR

Deloitte Touche Tohmatsu

### SHARE REGISTRAR

**Hong Kong Branch Share Registrar and Transfer Office**  
Computershare Hong Kong Investor Services Limited

### LISTING EXCHANGE INFORMATION

#### Place of Listing

Main Board, The Stock Exchange of Hong Kong Limited

### STOCK CODE

1087

### COMPANY WEBSITE

[www.hong-lin.com.cn](http://www.hong-lin.com.cn)

### 註冊辦事處

Offshore Incorporations (Cayman) Limited  
Corporation Scotia Centre, 4th Floor  
P.O. Box 2804, George Town  
Grand Cayman KY1-1112  
Cayman Islands

### 總部

中國  
山東省  
威海市  
經濟技術開發區  
浦東路

### 香港主要營業地點

香港  
金鐘  
夏慤道18號  
海富中心2座1805室

### 主要往來銀行

中國銀行(威海分行)  
中國農業銀行(威海分行)  
中國光大銀行(常熟支行)

### 法律顧問

香港法律：奧睿律師事務所  
中國法律：德和衡律師所

### 核數師

德勤•關黃陳方會計師行

### 股份登記處

**香港股份過戶登記分處**  
香港中央證券登記有限公司

### 交易所上市資料

#### 上市地點

香港聯合交易所有限公司主板

### 股份代號

1087

### 公司網站

[www.hong-lin.com.cn](http://www.hong-lin.com.cn)

\* The English name is for identification purpose only

\* 英文名稱僅供識別

# Chairman's Statement

## 主席報告

Dear Shareholders,

On behalf of the Company and its subsidiaries (collectively, the "Group"), I am hereby pleased to present to you the unaudited interim results of the Group for the six months ended 30 June 2012.

### PERFORMANCE REVIEW

The operating environment for global 3Cs markets was met with challenges and difficulties during the first half of 2012. The global economic crisis and the downturn of markets continued to intensify. The sovereign debt crisis in Europe had been escalating and unemployment rates hit record high in Europe and the United States (the "U.S."). Consumers became less confident towards markets and consumer demands remained low. Our customers' overall purchasing volume during the second half of 2011 remained stable, however, the first half of 2012 saw a slight decrease along with the downturn in global electronic markets. Notwithstanding the overall weakness in our operating environment, the Company remained prudent in operation, and made all efforts in strengthening customer base as well as capability in research and development. We also continued to reform automation. At the same time, we saw a persistent shift in global purchasing of wire and cable products towards China, especially those top-tier international customers of wire and cable. As a result of the aforementioned reasons, for the six months ended 30 June 2012, the Group's revenue reached approximately Renminbi ("RMB") 1,030.8 million, representing a growth of approximately 16.9% as compared to the corresponding period in 2011.

尊敬的各位股東：

我謹代表本公司及其所有子公司(統稱「本集團」)在此欣然向各位遞呈本集團截至二零一二年六月三十日止六個月未經審計中期業績。

### 業績回顧

二零一二年上半年的經營環境對全球3Cs市場充滿挑戰及艱難。全球經濟危機及低迷的市場環境持續加劇，歐洲主權債務危機持續升級，歐美國家失業率達到歷史新高。消費者對市場的信心越來越低，消費需求持續低走。二零一一年下半年我們客戶整體採購量維持穩定，但是在二零一二年上半年，伴隨著全球消費電子市場的持續低迷出現輕微的惡化狀況。儘管我們的經營環境整體衰弱，本公司始終保持謹慎的運營態度，並盡最大努力增強客戶基礎和研發能力，繼續進行自動化改造；同時我們看到，全球線纜產品的採購持續向中國轉移，尤其是國際頂級線纜客戶。綜合上述原因，本集團截至二零一二年六月三十日止六個月的收入達到約人民幣(「人民幣」)1,030.8百萬元，比二零一一年同期增長了約16.9%。

# Chairman's Statement

## 主席報告



### PERFORMANCE REVIEW (Continued)

Although the Company recorded some growth in revenue, the gross profit margin fell to 15.8% for the six months ended 30 June 2012, as compared to the corresponding period ended 30 June 2011, mainly attributable to: (i) the Company's adoption of more aggressive pricing strategy so as to expand its market share in a depressed market; (ii) an increase of labour costs and outsourcing costs of approximately 49.6% and 80.2% respectively, mainly as a result of an overall increase in employee salaries in line with general inflation for the first half of 2012; and (iii) the lingering effect of two acquisitions in 2011 that dragged down the Company's gross profit margin. At the same time, the Group's net profit dropped from RMB86.8 million as at 30 June 2011 to RMB22.0 million, which was mainly due to: (i) the decrease of gross profit margin for the six months ended 30 June 2012; (ii) the necessary investment to uphold research and development, sales and administration, which would not generate significant return before 2013, for enabling the Group to gain a better position in an ever-competitive market; and (iii) a sharp rise of financial cost due to higher interest rate and an increase in bank borrowings compared to the corresponding period of 2011. Notwithstanding the presence of recession, we believe the set back in gross profit and net profit for the six months ended 30 June 2012 is tentative, our current endeavours will eventually pave as solid basis of the Company's business for a long-term sustainable development.

Overall, we have lost some short-term interests due to a lot of factors in uncertainty and instability affecting the current 3Cs markets. Despite of such circumstances, we have still used our best endeavours to win us more global market share and customer base contributing to the Group's long-term profitability in the near future. In view of the above, our progress in the first half of 2012 are summarized as follows:

#### Strengthening of Customer Base

Notwithstanding the weak market operating environment since the second half of 2011, the Group still demonstrated a strong momentum in consolidating our global customer base. Major customers that have been working with us for a long time are increasing their purchasing volume on our major products. The purchasing volume of several newly engaged customers in Europe and the U.S., such as Dell and HP, was surging rapidly, representing an increasing recognition of the Group in global 3Cs markets. During the first half of 2012, newly engaged customers in Europe and the U.S., such as RIM (BlackBerry) proved our competitiveness, product quality and innovativeness were leading in the industry. At the same time, we saw a persistent shift of global purchasing of wire and cable products to China, partly due to the persistently escalating technical edge of China's suppliers and their competitiveness still remains strong notwithstanding the latest rise in labour cost.

### 業績回顧(續)

儘管本公司於截至二零一二年六月三十日止六個月期內在收益上錄得了一定的增長，但毛利率與截至二零一一年六月三十日止同期比較下降到了15.8%，主要由於：(i) 為在蕭條的市場中佔有更多的市場份額，本公司採取了激進的價格策略；(ii) 勞動力及外包成本分別上升約49.6%及80.2%，主要由於整體員工工資因應二零一二年上半年通脹水平而上升；以及(iii) 二零一一年兩項收購的持續影響拉低了本公司的毛利率。同時，本集團的淨利潤由截至二零一一年六月三十日的人民幣86.8百萬元下降至約人民幣22.0百萬元，主要由於：(i) 截至二零一二年六月三十日止六個月毛利下降；(ii) 集團在研發、銷售及管理等方面進行持續的必要的投資，以使本集團在競爭越來越激烈的市場上佔據更好的位置，而這些投資在二零一三年以前不會產生明顯回報；以及(iii) 與二零一一年同期比較銀行貸款利率上升和銀行貸款規模增加導致財務成本大幅上升。儘管存在衰退，但我們相信截至二零一二年六月三十日止六個月毛利和淨利的下挫只是暫時的，我們現在所做的努力，終將會為本公司業務長期可持續發展打下良好的基礎。

整體上來說，因為很多不確定性及不穩定性因素影響目前的3Cs市場，我們失去了一些短期利益。儘管這樣，我們還是努力獲得了更多的全球市場份額及客戶基礎，這些將在不久的將來為本集團的長期盈利能力做出貢獻。綜上所述，二零一二年上半年我們取得的進步概括如下：

#### 增強客戶基礎

儘管自二零一一年下半年以來市場經營環境疲弱，本集團持續在穩固我們全球客戶基礎方面顯現良好勢頭，與我們一向長期合作良好的主要客戶紛紛增加在我們的主要產品的採購額，新進入的幾個歐美客戶如戴爾及惠普採購量都迅速上升，代表本集團在全球3Cs市場越來越多的得到認可。二零一二年上半年期間又新增歐美客戶如RIM(黑莓)，這也證明了我們行業領先的競爭力、產品品質以及創新能力。同時我們也看到全球線纜產品的採購持續向中國轉移，部分的原因是中國供應商持續提高其技術水平，儘管最近勞動力成本有所上升，但仍然具有很強的競爭力。

# Chairman's Statement

## 主席報告

### PERFORMANCE REVIEW (Continued)

#### Progress of Research and Development

During the first six months in 2012, we have been developing and upgrading the product mix derived from the research and development of high-speed and high-frequency wire and cable, with new inclusion of wire and cable products, halogen-free products and antenna products such as elastomer materials of halogen-free polyphenylene oxide, LSZH (Low Smoke Zero Halogen) polyethylene jacketing materials, ultra thin embedded metal antenna, intelligent antenna and 3D (Three Dimensional) antenna, in particular the notable MHL (Mobile High-definition Link) 2.0 that adds remote control functions on the foundation of MHL1.0 to further demonstrate its intelligent features. This project also enabled us to continuously penetrate into communication and high-end consumer electronics markets.

#### Upgrading of Management System

During the first half of 2012, the Group implemented a series of policies to upgrade management system, including: (i) perfecting the all-round organizational performance appraisal system and the 360° individual performance appraisal system to realize an end-to-end tracking of management by objective and project management for the purpose of securing profit; (ii) perfecting the budget management system and the financial analysis system for the purpose of further strengthening management's control over the Group's cost; (iii) integrating information technology and enterprise management into an information system for the purposes of lowering management cost and enhancing operating effectiveness; and (iv) introducing professional managers with career background of working with internationally renowned enterprise into departments such as purchasing, human resources, research and development and sales for the purposes of applying advanced management concepts and bringing more scientific and systematic methods to the Group's management. These measures served to establish a more effective management team and consolidated the Company's operating basis.

#### Achievements in Quality Management System

As for quality control, we endeavoured to enhance the Company's overall competitiveness in various ways, mainly including: (i) introducing international standards in laboratory management methodology, such as RS17025 for the purpose of better serving our top-tier international customers; (ii) introducing EICC (Electronic Industry Code of Conduct) into the facilities in Weihai, Changshu and Dezhou which mainly endeavours in environmental protection and labour safety protection; and (iii) implementing on-site quality inspection system SPC (Statistical Process Control) for the purposes of enhancing product yield rate and lowering rejection rate. These measures successfully enhanced the Company's capability and effectiveness in quality control.

### 業績回顧(續)

#### 研發進展

二零一二年首六個月期間，我們在高速高頻線纜部分研發出的產品組合持續開發和升級，並新增了線纜產品、無鹵產品和天線產品，如無鹵聚苯醚彈性體材料、低烟無鹵聚烯烴護套材料、隱藏式金屬超薄天線、智能型天線及3D(三維)天線。值得一提的是MHL(移動高清連接)2.0，在原來MHL1.0的基礎上增添了遙控功能，進一步顯現智能化的特徵，這項研發也使我們能夠繼續滲透到通訊及高端消費電子市場。

#### 升級管理系統

二零一二年上半年期間，本集團實施了一系列升級管理系統的策略，包括：(i)完善全方位組織績效評估系統及個人360°績效評估系統，以實現目標管理及計劃管理的全程跟蹤，進而保證利潤的實現；(ii)完善預算管理體系及財務分析體系，以進一步加強管理層對本集團成本的控制；(iii)將信息技術與企業管理集成到一個整合的信息化系統中，用以降低管理成本並提高運營效率；以及(iv)在採購、人力資源、研發及銷售等部門引進一批擁有國際知名企業任職背景的職業經理人，運用先進的管理理念，使本集團的管理更加科學化及系統化。這些措施都使本公司能夠建立一個更有效率的管理團隊及穩固本公司的運營基礎。

#### 質量管理系統取得的成績

在質量控制方面，我們進行了各種努力提高本公司的整體競爭力，主要包括：(i)引進國際標準實驗室管理辦法如RS17025，以更好的服務我們的國際頂級客戶；(ii)在威海、常熟、德州等廠區引進主要致力於環境保護及勞工安全保護的EICC(電子行業行為準則)；以及(iii)實施現場質量監督系統SPC(統計過程控制)用以提高產品良率，降低廢品率。這些措施成功地提高了本公司在品質控制方面的能力及效果。

# Chairman's Statement

## 主席報告



### PERFORMANCE REVIEW (Continued)

#### Outlook

The industry remains prudent towards the business environment of 3Cs industry in the second half of 2012. It is expected that the overall economy will not recover quickly from the recession. Therefore the Company will remain cautious in dealing with the complicated operating environment. We will continue to make necessary investments in high-value areas for better equipping the Group and maintaining the Group at the technological forefront, so as to make profits from economic recovery at any time. The Group will continuously improve our research and development capability, move the labor intensive production processes to bases in the underdeveloped areas and strengthen the automation level to keep our competitiveness in respect of research and development and cost. In order to further enhance our competitiveness, the Company is considering some industrial upgrading by developing downstream supply chain. Furthermore, we will not rule out merger and acquisition as the means to develop the area of communication, such as research and development and manufacture of wireless communication system devices and wireless terminal devices, and the service for wireless network planning and upgrading, etc., which has more room for profitability under appropriate circumstances. In summary, we are confident in securing more renowned customer in the future, and are convinced that the continuous enhancement and development of our business will eventually realise.

#### APPRECIATION

On behalf of the board (the "Board") of the directors (the "Directors") of the Company, I express my earnest gratitude towards our shareholders for demonstrating your support and confidence in our management team at any moment. At the same time I also wish to thank our colleagues on the Board for your persistent contribution in the Company's development and progress. Furthermore, I thank all the staff that have been committed to their duty for and being resilient in the development of the Group's business.

Yours faithfully,

**Chi Shaolin**

*Chairman and CE of HL Technology Group Limited*

15 August 2012

### 業績回顧(續)

#### 前景展望

行業內對全球3Cs行業於二零一二年下半年的經營情況持有謹慎態度，預期整體經濟狀況不會很快從衰退中復甦，因此本公司將繼續以謹慎的態度應對複雜的運營環境。我們將繼續在價值高的領域進行必要的投資，保持本集團有更好的準備以及保持本集團走在技術前沿，隨時從經濟復甦中獲得利潤。本集團將持續提高研發水準，把勞動密集的生產工序向欠發達地區基地轉移，提高自動化水準，保持本集團在研發和成本方面的競爭力。為了進一步提升公司的競爭力，本公司正在考慮進行一些產業升級，向供應鏈的下游發展，此外，亦不排除在合適的機會下，採取兼併或收購的方法向更有盈利空間的通訊領域發展，例如無線通信系統設備、無線終端設備的研發與製造，無線網絡規劃和優化服務等。總之，我們有信心在未來獲得更多的知名客戶認可並確信終將實現產業的不斷升級和發展。

#### 致謝

我謹代表本公司董事會(「董事會」)的董事(「董事」)，向我們的股東表示誠摯的感謝，感謝你們無論何時都表現出對我們管理團隊的支持和信任；同時感謝董事會中的我們同事們，感謝你們持續的致力於本公司的發展和進步；以及感謝所有為本集團的業務發展履行他們的職責並且不斷奮鬥的人士！

此致

**遲少林**

*泓淋科技集團有限公司主席兼總裁*

二零一二年八月十五日

# Financial Summary

## 財務摘要

A summary of unaudited results, selected financial ratio information, assets and liabilities and cash flows is as follows:

未經審核業績、經選定財務比率資料、資產與負債及現金流量的概要如下：

		Six months ended 30 June 截至六月三十日止六個月		
		2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited, restated) (未經審核， 重列)	Change 變動 %百分比
Revenue	收益	1,030,846	881,691	16.9
Gross profit	毛利	162,927	187,932	(13.3)
Profit before taxation	除稅前溢利	19,862	94,156	(78.9)
Profit for the period	期內溢利	22,041	86,773	(74.6)
Profit attributable to:	以下各方應佔溢利：			
— Owners of the Company	— 本公司擁有人	27,876	84,201	(66.9)
— Non-controlling interests	— 少數股東權益	(5,835)	2,572	(326.9)
		22,041	86,773	(74.6)
Earnings per share	每股盈利			
— Basic (RMB cents)	— 基本(人民幣分)	3.9	11.7	(66.7)

### SELECTED FINANCIAL RATIOS

For the six months ended 30 June

### 經選定財務比率

截至六月三十日止六個月

		2012 二零一二年	2011 二零一一年
Gross profit margin	邊際毛利	15.8%	21.3%
Net profit margin	邊際純利	2.1%	9.8%
Current ratio (times)	流動比率(倍)	1.3	1.3
Gearing ratio	資本負債比率	33.5%	35.2%
Return on total assets*	總資產回報*	0.9%	4.0%
Return on total equity*	總權益回報*	2.0%	8.8%

\* The above ratios are calculated by using average balances of total assets and total equity.

\* 上述比率乃採用平均總資產和總權益餘額計算得出。

# Financial Summary

## 財務摘要



### ASSETS AND LIABILITIES INFORMATION

As at 30 June

### 資產與負債資料表

於六月三十日

		2012 二零一二年 RMB'000 人民幣千元 As at 30 June 於 六月三十日 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 As at 31 December 於 十二月三十一日 (audited) (經審核)
Total assets	資產總值	<b>2,357,477</b>	2,294,139
Total assets less current liabilities	總資產減流動負債	<b>1,131,359</b>	1,102,245
Total equity	權益總值	<b>1,122,044</b>	1,092,527
Bank balances (including bank deposits) and cash equivalent	銀行結餘(包括銀行存款)及現金等價物	<b>135,806</b>	156,224
Bank borrowings	銀行借款	<b>790,667</b>	653,471

### CASH FLOWS INFORMATION

For six months ended 30 June

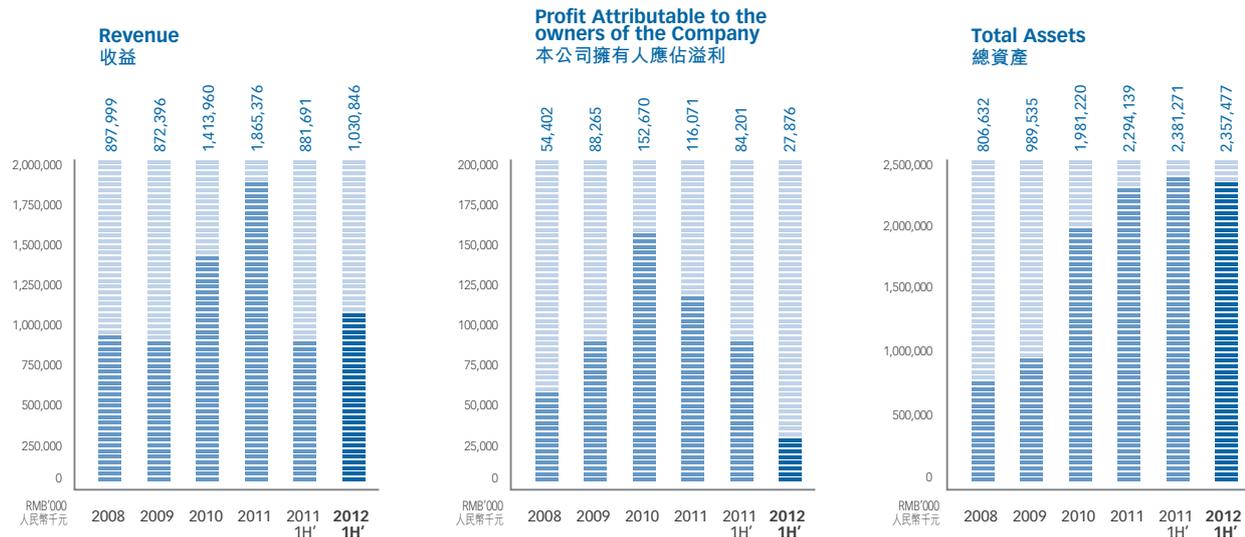
### 現金流量資料表

截至六月三十日止六個月

		2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited, restated) (未經審核, 重列)
Net cash (used in)/from operating activities	經營活動(所用)/所得現金淨額	<b>(46,813)</b>	2,551
Net cash (used in) investing activities	投資活動(所用)現金淨額	<b>(95,057)</b>	(151,635)
Net cash from financing activities	融資活動所得現金淨額	<b>140,313</b>	126,721

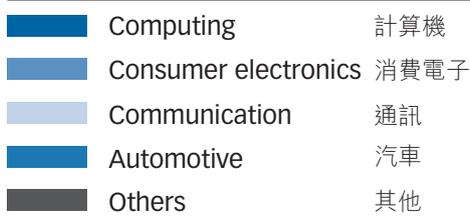
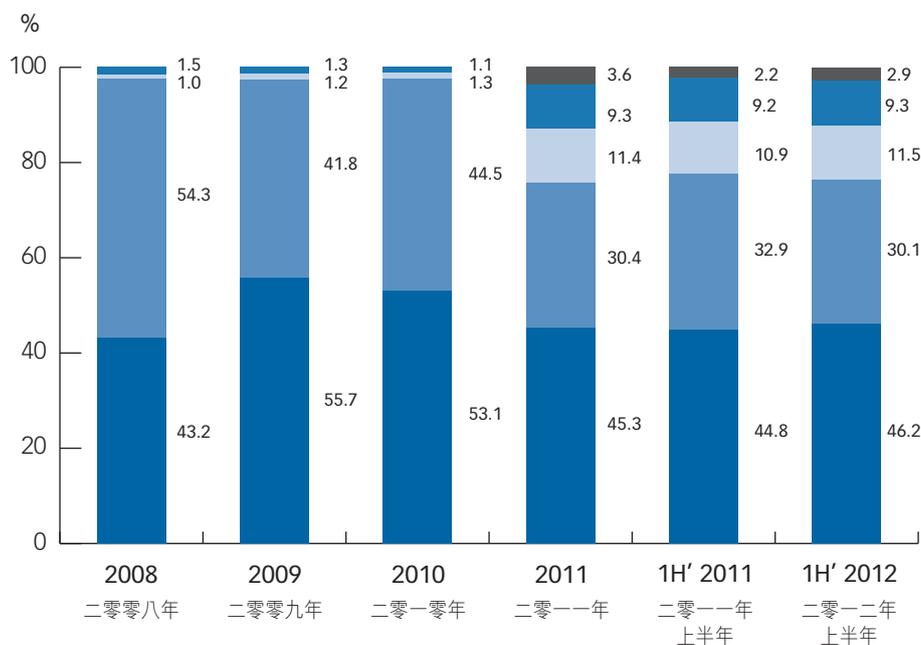
# Financial Summary

## 財務摘要



A summary of revenue breakdown in terms of end markets is as follows:

按終端市場劃分的收益概要如下：



# Management Discussion & Analysis

## 管理層討論及分析



### BUSINESS REVIEW

### 業務回顧

		Six months ended 30 June 截至六月三十日止六個月				
		2012 二零一二年		2011 二零一一年		change %
		Revenue RMB'000 (unaudited) 收益 人民幣千元 (未經審核)	% of Revenue 佔收益 百分比	Revenue RMB'000 (unaudited) 收益 人民幣千元 (未經審核)	% of Revenue 佔收益 百分比	
External signal cable assembly	外接信號線組件	205,404	19.9	181,940	20.6	12.9
Internal signal cable assembly	內接信號線組件	210,575	20.4	169,109	19.2	24.5
Power cord assembly	電源線組件	176,859	17.2	136,434	15.5	29.6
Signal transmission wire and cable	信號傳輸線纜	272,240	26.4	236,449	26.8	15.1
Connectors	連接器	14,499	1.4	28,227	3.2	(48.6)
Antennas	天線	23,489	2.3	18,943	2.1	24.0
Automotive wiring harness	汽車線束	87,463	8.5	68,953	7.8	26.8
Others	其他	40,317	3.9	41,636	4.8	(3.2)
Total	總計	1,030,846	100.0	881,691	100.0	16.9

**1H' 2012 Revenue Breakdown by Products**  
二零一二年上半年按產品劃分之收益



External signal cable assembly	外接信號線組件	19.9%
Internal signal cable assembly	內接信號線組件	20.4%
Power cord assembly	電源線組件	17.2%
Signal transmission wire and cable	信號傳輸線纜	26.4%
Connectors	連接器	1.4%
Antennas	天線	2.3%
Automotive wiring harness	汽車線束	8.5%
Others	其他	3.9%

**1H' 2012 Revenue Breakdown by End Markets**  
二零一二年上半年按終端市場劃分之收益



Computing	計算機	46.2%
Consumer electronics	消費電子	30.1%
Communication	通訊	11.5%
Automotive	汽車	9.3%
Others	其他	2.9%

# Management Discussion & Analysis

## 管理層討論及分析

### BUSINESS REVIEW *(Continued)*

Total revenue increased by approximately RMB149.2 million for the six months ended 30 June 2012 or approximately 16.9%, as compared to the corresponding period in 2011 as we witnessed growth in revenue across most of our key product segments, including strong growth in our power cord assembly and signal transmission wire and cable segments. The increase was primarily due to: (i) our ability to gain market share in our key target markets despite the weak operating environment; (ii) our ability to develop new customers and obtain new orders; and (iii) the success of the aggressive pricing strategy adopted by the Company for acquiring halogen-free product market which brought the substantial revenue increase in power cord assembly and signal transmission wire and cable segment. However, our overall revenue was also negatively affected by the decrease in average selling price because of both the decreasing copper price and the aggressive pricing strategy to increase market share under the overall weak operating environment in the first half of 2012.

While challenges are expected to continue in the global economies and 3Cs industries in general in the second half of 2012, we remain optimistic that the Group is well positioned to continue increasing market share in our target markets. The Group has also proactively been addressing the impacts of the weak operating environment by implementing appropriate inventory policy, tightening credit and cost control and scaling back capital expenditure in certain areas to better manage our operations. In the second half of 2012, the Group will however continue to invest, when necessary, in research and development and marketing efforts in order to strengthen the Group's competitive advantage and to best position ourselves to benefit from a recovery.

### 業務回顧 *(續)*

截至二零一二年六月三十日止六個月，鑒於本集團大部分主要產品分部的收益錄得增長，尤其是電源線組件和信號傳輸線纜分部，故收益較二零一一年同期增加約人民幣149.2百萬元或約16.9%。該增加主要由於：(i) 儘管在經營環境惡劣的情況下本集團於現有主要客戶處增加市場份額的能力；(ii) 開發新客戶和新訂單的能力；及(iii) 本公司之前激進定價搶佔無鹵產品市場的策略奏效，使得電源線組件和信號傳輸線纜分部的收益大幅增加。然而，由於銅價下降及基於疲弱經營環境下為增加市場份額而採取的激進定價策略，二零一二年上半年我們主要產品的平均售價下跌，本集團收益亦受到不利影響。

儘管預期於二零一二年下半年將繼續面臨全球經濟及3Cs行業不景氣的挑戰，我們對本集團處於不斷增加目標市場的市場份額之有利位置保持樂觀。本集團已透過實施適當存貨政策、緊縮信貸及成本控制政策以及於若干方面調低資本開支以更好的管理我們的營運，主動應對不利的經營環境影響。然而，於二零一二年下半年，本集團將繼續投資於(如需要)研發及市場推廣，以加強本集團的競爭優勢及作充足準備以得益於經濟復甦。

# Management Discussion & Analysis

## 管理層討論及分析



### BUSINESS REVIEW (Continued)

### 業務回顧(續)

#### External Signal Cable Assembly

#### 外接信號線組件

		Six months ended 30 June 截至六月三十日止六個月				
		2012 二零一二年		2011 二零一一年		Change %
		Revenue RMB'000 (unaudited) 收益 人民幣千元 (未經審核)	% of Revenue 佔收益 百分比	Revenue RMB'000 (unaudited) 收益 人民幣千元 (未經審核)	% of Revenue 佔收益 百分比	
RGB assembly	RGB 組件	95,476	46.5	88,228	48.5	8.2
DVI assembly	DVI 組件	48,070	23.4	46,306	25.4	3.8
HDMI assembly	HDMI 組件	526	0.3	439	0.2	19.8
USB assembly	USB 組件	47,891	23.3	36,303	20.0	31.9
DC assembly	DC 組件	13,441	6.5	10,664	5.9	26.0
		<b>205,404</b>	<b>100.0</b>	181,940	100.0	12.9

We developed a few new customers and obtained some new orders as well as gained more market share in our key existing markets in the second half of 2011 and the first half of 2012 despite the weak operating environment, all external signal cable assembly product segments recorded increases especially USB assembly. Our external signal cable assembly segment recorded an increase in revenue of approximately RMB23.5 million for the six month ended 30 June 2012, or approximately 12.9%, as compared to the corresponding period in 2011.

儘管經營環境惡劣，我們仍在二零一一年下半年以及二零一二年上半年進入部分新客戶，取得新訂單，且分佔現有客戶市場份額提升，故本集團的外接信號線組件所有分部收益均錄得增長，尤其是USB組件，截至二零一二年六月三十日止六個月本集團外接信號線組件收益較二零一一年同期增長約人民幣23.5百萬元或約12.9%。

#### Internal Signal Cable Assembly

#### 內接信號線組件

		Six months ended 30 June 截至六月三十日止六個月				
		2012 二零一二年		2011 二零一一年		Change %
		Revenue RMB'000 (unaudited) 收益 人民幣千元 (未經審核)	% of Revenue 佔收益 百分比	Revenue RMB'000 (unaudited) 收益 人民幣千元 (未經審核)	% of Revenue 佔收益 百分比	
Low Voltage Differential Signaling (LVDS)	低壓差分信號 (LVDS)	175,522	83.4	129,016	76.3	36.0
Flexible Flat Cable (FFC)	柔性扁平線 (FFC)	35,053	16.6	40,093	23.7	(12.6)
		<b>210,575</b>	<b>100.0</b>	169,109	100.0	24.5

# Management Discussion & Analysis

## 管理層討論及分析

### **BUSINESS REVIEW** (Continued)

#### **Internal Signal Cable Assembly** (Continued)

Our internal signal cable assembly segment recorded an increase in revenue of approximately RMB41.5 million for the six months ended 30 June 2012, or approximately 24.5%, as compared to the corresponding period in 2011, mainly driven by: (i) the growth on the production capacity of LVDS assembly in Chongqing base which started production in the second quarter of 2011, sales of LVDS assembly increased by approximately RMB46.5 million for the six months ended 30 June 2012 or approximately 36.0%, as compared to the corresponding period in 2011; and (ii) negative effects of weak operating environment and the decrease on the purchase from existing customers due to the decrease of their production capacities during their product upgrading. Our FFC assembly recorded a decrease in revenue of approximately RMB5.0 million for the six months ended 30 June 2012 or approximately 12.6%, as compared to the corresponding period in 2011.

#### **Power Cord Assembly**

Sales of power cord assembly increased by approximately RMB40.4 million for the six months ended 30 June 2012, or approximately 29.6%, as compared to the corresponding period in 2011, mainly due to: (i) strengthening of our customer base, especially the newly obtained customers in the second half of 2011, including DELL and HP, contributed to the revenue growth; (ii) the success of the aggressive pricing strategy adopted by the Group for acquiring halogen-free product market brought the increase in the market share of this segment; and (iii) the completion of integration in the aspects of production and management in Weihai facility enhanced the production capacity of power cord assembly. We believe that in the next few years, increasing proportion of cable jacket for power cord assembly would be manufactured using halogen-free materials instead of conventional plastic materials due to increasing environmental awareness. The Group will continue to increase the research and development investment in this segment and take this as the emphasis of future development.

### **業務回顧** (續)

#### **內接信號線組件** (續)

截至二零一二年六月三十日止六個月，本集團內接信號線組件分部錄得收益較二零一一年同期增加約人民幣41.5百萬元或約24.5%，主要由於：(i)重慶基地自二零一一年第二季度投產後LVDS產品產能有所提升，該產品截至二零一二年六月三十日止六個月收益與二零一一年同期相比增長約人民幣46.5百萬元或約36.0%；及(ii)截至二零一二年六月三十日止六個月，受到市場環境惡化及客戶產品升級期間產能降低而導致的採購量降低的影響，FFC產品收益與二零一一年同期相比降低約人民幣5.0百萬元或約12.6%。

#### **電源線組件**

截至二零一二年六月三十日止六個月，電源線組件的收益與二零一一年同期相比增加約人民幣40.4百萬元，或約29.6%，此乃主要由於：(i)客戶基礎的增強，尤其是二零一一年下半年新獲得的客戶DELL及HP對收益增長的貢獻；(ii)本集團之前採取激進定價搶佔無鹵產品市場的策略奏效，使得該分部的市場份額提升；以及(iii)本集團威海廠區電源線業務單元的生產及管理方面的整合完成，提高了電源線組件的生產能力。我們相信，於未來數年，由於對環保越趨關注，故以無鹵物料而非傳統塑膠物料製造電源線組件的線纜外被的比重將越來越高。本集團將繼續加大該分部的研發投入，並以此作為未來發展的重點。

# Management Discussion & Analysis

## 管理層討論及分析



### BUSINESS REVIEW (Continued)

### 業務回顧(續)

#### Signal Transmission Wire and Cable

#### 信號傳輸線纜

		Six months ended 30 June 截至六月三十日止六個月				
		2012 二零一二年		2011 二零一一年		Change %
		Revenue RMB'000 (unaudited) 收益 人民幣千元 (未經審核)	% of Revenue 佔收益 百分比	Revenue RMB'000 (unaudited) 收益 人民幣千元 (未經審核)	% of Revenue 佔收益 百分比	
Communication cable	通訊線纜	74,342	27.3	48,386	20.5	53.6
Consumer electronics cable	消費電子線	135,785	49.9	131,811	55.7	3.0
Automotive cable	汽車線纜	11,738	4.3	11,407	4.8	2.9
Power cable	電源線纜	40,870	15.0	41,272	17.5	(1.0)
Specialty wire and cable	特種線纜	628	0.2	—	—	N/A/ 不適用
Others	其他	8,877	3.3	3,573	1.5	148.4
		<b>272,240</b>	<b>100.0</b>	236,449	100.0	15.1

Our signal transmission wire and cable segment recorded an increase in revenue of approximately RMB35.8 million for the six months ended 30 June 2012, or approximately 15.1%, as compared to the corresponding period in 2011, as we saw a strong increase in sales across products such as communication cable which increased by approximately 53.6% primarily due to increased revenue contribution from the customers, including ZTE and Huawei, of Huizhou Honglin Technology Co., Ltd\* ("Huizhou Technology") which was formerly known as Huizhou Daya Bay Heping Telecommunication Co., Ltd\* post our acquisition in May 2011 and increased procurement volume from our existing customers. Furthermore, revenue generated by our halogen-free wire and cable increased by approximately RMB33.5 million or approximately 124.1% as compared to the corresponding period in 2011. We have also started sale of specialty wire and cable, a kind of cable used in special environment, from February 2012, revenue generated from this segment amounted to approximately RMB0.6 million in the first half of 2012.

截至二零一二年六月三十日止六個月，本集團錄得的信號傳輸線纜分部收益較二零一一年同期增加約人民幣35.8百萬元或約15.1%，此乃由於本集團產品的銷售錄得強勁增長，例如通信線纜的銷售錄得增長約53.6%，主要由於自二零一一年五月增加來自惠州市泓淋科技有限公司（「惠州科技」），之前稱為惠州大亞灣和平通信電纜有限公司，包括中興及華為等客戶的收益貢獻的增長，以及本集團現有客戶的採購量上升所致。此外，本集團無鹵線纜的收益比二零一一年同期增加了約人民幣33.5百萬元，或約124.1%。本集團於二零一二年二月也開始銷售一種於特殊環境中使用的特種線纜，該分部二零一二年上半年的收益達到約人民幣0.6百萬元。

\* The English names are for identification purpose only.

\* 英文名稱僅供識別

# Management Discussion & Analysis

## 管理層討論及分析

### BUSINESS REVIEW *(Continued)*

#### Connectors

The revenue of the Group's connectors segment recorded a revenue of approximately RMB14.5 million for the six months ended 30 June 2012, representing a decrease of approximately 48.6%, as compared to the corresponding period in 2011. The significant drop was primarily due to: (i) the drop of orders from major customers subject to the impact of economic landscape; and (ii) the rise of inventory level in downstream customers due to the slowdown in sales, which in turn weakened demand and suppressed the selling price of the Company's products.

#### Antennas

The sales of the antennas segment recorded an aggregate revenue of approximately RMB23.5 million for the six months ended 30 June 2012, representing an increase of approximately RMB4.5 million, or approximately 24.0%, as compared to the corresponding period in 2011. The main reasons for the increase are: (i) the initial success of the substantial investment in earlier research and development and sales made by the Group to the antennas segment, as well as continuous investment in the first half of 2012, which resulted in an ever-increasing number of customers and a rise in overall revenue; and (ii) the maturing of the Group's antenna business in network communication of Shenzhen base that achieved an increase in sales.

#### Automotive Wiring Harness

Revenue for automotive wiring harness increased by approximately RMB18.5 million for the six months ended 30 June 2012, or approximately 26.8%, as compared to the corresponding period in 2011, mainly due to the increase in the market share in our key customers including JAC and HAIMA.

### 業務回顧 *(續)*

#### 連接器

本集團截至二零一二年六月三十日止六個月的連接器分部錄得收益約人民幣14.5百萬元，較二零一一年同期下降了約48.6%。出現大幅下降的主要原因為：(i) 主要客戶的訂單受整體經濟衰退形勢的影響而下降；以及(ii) 下游客戶因銷售退緩而庫存水平增多，需求減弱，抑制了本公司產品的售價。

#### 天線

截至二零一二年六月三十日止六個月天線分部銷售共錄得收益約人民幣23.5百萬元，比二零一一年同期增加約人民幣4.5百萬元，或約24.0%，主要原因為：(i) 本集團前期在天線分部研發及銷售方面的大量投資，以及在二零一二年上半年的持續投入初見成效，客戶數量不斷增多，使整體收益上漲；以及(ii) 而本集團在深圳基地的網通方面的天線業務也逐漸成熟，並取得銷售增長。

#### 汽車線束

截至二零一二年六月三十日止六個月，汽車線束分部的收益較二零一一年同期增長了約人民幣18.5百萬元，或約26.8%。主要由於其分佔主要客戶份額增長，尤其是江淮及海馬。

# Management Discussion & Analysis

## 管理層討論及分析



### FINANCIAL REVIEW

### 財務回顧

#### Cost of Sales

#### 銷售成本

The following table sets forth a breakdown of our cost of sales for the periods indicated:

下表載列本集團於所示期間的銷售成本明細：

		Six months ended 30 June 截至六月三十日止六個月				
		2012 二零一二年		2011 二零一一年		
		RMB'000 (unaudited)	% of total cost of sales	RMB'000 (unaudited)	% of total cost of sales	Change %
		人民幣千元 (未經審核)	佔總銷售 成本 百分比	人民幣千元 (未經審核)	佔總銷售 成本 百分比	變動 百分比
Raw material costs	原料成本	663,412	76.4	555,124	80.0	19.5
Utilities	公共事業成本	13,121	1.5	10,768	1.6	21.9
Depreciation	折舊	16,460	1.9	15,066	2.2	9.3
Labor costs	勞工成本	105,886	12.2	70,788	10.2	49.6
Outsourcing costs	外包成本	51,681	6.0	28,678	4.1	80.2
Others	其他	17,359	2.0	13,335	1.9	30.2
		<b>867,919</b>	<b>100.0</b>	693,759	100.0	25.1

The following table sets forth a breakdown of our raw material costs for the periods indicated:

下表載列本集團於所示期間的原材料成本明細：

		Six months ended 30 June 截至六月三十日止六個月				
		2012 二零一二年		2011 二零一一年		
		RMB'000 (unaudited)	% of raw material costs	RMB'000 (unaudited)	% of raw material costs	Change %
		人民幣千元 (未經審核)	佔 原材料成本 百分比	人民幣千元 (未經審核)	佔 原材料成本 百分比	變動 百分比
Copper materials	銅材料	346,965	52.3	299,767	54.0	15.7
Plastic materials	塑膠材料	126,716	19.1	99,922	18.0	26.8
Iron materials	鐵材料	12,605	1.9	9,992	1.8	26.2
Others	其他	177,126	26.7	145,443	26.2	21.8
		<b>663,412</b>	<b>100.0</b>	555,124	100.0	19.5

# Management Discussion & Analysis

## 管理層討論及分析

### FINANCIAL REVIEW (Continued)

#### Cost of Sales (Continued)

Cost of sales increased by approximately RMB174.2 million for the six months ended 30 June 2012, or approximately 25.1%, as compared to the corresponding period in 2011. The increase was primarily due to: (i) an increase in raw material costs of approximately 19.5%, mainly as a result of an overall increase in sales volume and the higher plastic material prices in the first half of 2012 as compared to the corresponding period of 2011. For plastic materials, the increase in cost is also due to increased proportion of higher cost halogen-free insulating materials used and increased sales level for internal signal cable assembly and automotive wiring harness products that required more plastic materials for production; and (ii) an increase in labor costs and outsourcing costs of approximately 49.6% and 80.2% respectively, mainly as a result of an overall increase in employee salaries in line with general inflation for the first half of 2012.

#### Gross Profit and Margin

As a result of the foregoing, our gross profit decreased by approximately RMB25.0 million or approximately 13.3% in the first half of 2012 as compared to the corresponding period in 2011. Our gross profit margin decreased from 21.3% in the first half of 2011 to 15.8% in the first half of 2012. Specifically:

### 財務回顧(續)

#### 銷售成本(續)

截至二零一二年六月三十日止六個月，銷售成本較二零一一年同期增加約人民幣174.2百萬元或約25.1%。該增長主要是由於：(i) 原材料成本上升主要因二零一二年上半年的整體銷量及塑膠材料價格較二零一一年同期為高而增加約19.5%。就塑膠而言，成本增加亦由於所採用成本較高的無鹵絕緣材料有所增加及生產需要更多塑膠的內接信號線組件及汽車線束產品的銷售水準增加所致；及(ii) 勞動力及外包成本主要由於二零一二年上半年整體員工工資上升及因應通漲而分別上升約49.6%及80.2%。

#### 毛利及毛利率

基於上述理由，本集團於二零一二年上半年的毛利較二零一一年同期減少約人民幣25.0百萬元或約13.3%。本集團的毛利率自二零一一年上半年的21.3%下跌至二零一二年上半年的15.8%。具體為：

		Six months ended 30 June 截至六月三十日止六個月				
		2012 二零一二年		2011 二零一一年		Change %
		Gross profit RMB'000 (unaudited) 毛利 人民幣千元 (未經審核)	Gross profit margin %	Gross profit RMB'000 (unaudited) 毛利 人民幣千元 (未經審核)	Gross profit margin %	
External signal cable assembly	外接信號線組件	29,584	14.4	36,859	20.3	(19.7)
Internal signal cable assembly	內接信號線組件	47,415	22.5	48,982	29.0	(3.2)
Power cord assembly	電源線組件	26,507	15.0	18,555	13.6	42.9
Signal transmission wire and cable	信號傳輸線纜	43,767	16.1	48,223	20.4	(9.2)
Connectors	連接器	1,104	7.6	8,913	31.6	(87.6)
Antennas	天線	4,454	19.0	4,203	22.2	6.0
Automotive wiring harness	汽車線束	6,859	7.8	14,042	20.4	(51.2)
Others	其他	3,237	8.0	8,155	19.6	(60.3)
Total	總計	162,927	15.8	187,932	21.3	(13.3)

# Management Discussion & Analysis

## 管理層討論及分析



### FINANCIAL REVIEW (Continued)

#### Gross Profit and Margin (Continued)

During the period, the Group recorded gross profit of approximately RMB162.9 million for the six months ended 30 June 2012, representing a decrease of approximately 13.3%, as compared to the corresponding period in 2011. Overall gross profit margin has decreased from 21.3% in the first half of 2011 to 15.8% in the first half of 2012. The sharp decrease in gross profit margin for the period was mainly due to the decrease in average selling price for most of our products resulted from weakened market demand and that in order to increase our market share in weak operating environment, we also undertook a more aggressive pricing strategy and higher cost pressure in terms of labor and raw material costs in the first half of 2012 as compared to the corresponding period in 2011. The lingering effect of two acquisitions in 2011 dragged down the Company's gross profit margin as well.

#### Other Income

We have other income of approximately RMB4.4 million for the six months ended 30 June 2012, which was primarily attributable to interest income of approximately RMB0.6 million and government grant of approximately RMB3.8 million as incentives for research and development effort of the Group.

#### Other Gains and Losses

We have other gains and losses of approximately RMB9.8 million for the six months ended 30 June 2012, which was primarily attributable to: (i) net positive changes in fair value of our commodity derivative contract on copper and convertible foreign currency forwards swaps contract of approximately RMB9.9 million; (ii) during the six months period ended 30 June 2012, the Group recognized impairment loss of RMB10.8 million in relating to goodwill, property, plant and equipment and intangible assets of customer relationships and technology knowhow of automotive wiring harness cash generating unit ("CGU"), as the recoverable amount of the unit is less than the carrying amount of net assets; and (iii) changes in fair value of the contingent consideration in respect of acquisition of Tianjin Rituo Automotive Electronics Co., Ltd\* ("Tianjin Rituo") (the "Tianjin Rituo Acquisition") of approximately RMB10.4 million.

\* The English names are for identification purpose only.

### 財務回顧(續)

#### 毛利及毛利率(續)

期內，截至二零一二年六月三十日止六個月，本集團錄得毛利約人民幣162.9百萬元，較二零一一年同期降低約13.3%。整體毛利率由二零一一年上半年的21.3%跌至二零一二年上半年的15.8%。本期毛利率大幅下跌主要由於市場需求疲弱以及我們亦採取較有競爭力的定價政策以便在蕭條的市場環境中增加市場份額導致我們大部份產品的平均售價下跌，二零一二年上半年的勞工及原材料成本的成本壓力相對較二零一一年同期高。二零一一年兩項收購的持續影響亦拉低了本公司的毛利率。

#### 其他收入

截至二零一二年六月三十日止六個月，本集團的其他收入約人民幣4.4百萬元，主要包含利息收入約人民幣0.6百萬元及政府補助金約人民幣3.8百萬元，作為本集團致力於研發的激勵。

#### 其他收益及虧損

截至二零一二年六月三十日止六個月，本集團其他收益及虧損約為人民幣9.8百萬元，主要由於：(i)本集團在有關銅的商品衍生合約及可轉換外匯遠期掉期合約的公平值的正面變動淨額約人民幣9.9百萬元；(ii)截至二零一二年六月三十日止六個月期間，本集團就汽車線束現金產生單位(「現金產生單位」)商譽、物業、廠房及設備、無形資產之客戶關係以及專有技術確認減值損失約人民幣10.8百萬元，主要由於該部分的可收回金額低於其帳面價值；以及(iii)有關收購天津日拓汽車電裝有限公司(「天津日拓」)(「天津日拓收購」)或然代價的公允價值正面變動約為人民幣10.4百萬元。

\* 英文名稱僅供識別

# Management Discussion & Analysis

## 管理層討論及分析

### FINANCIAL REVIEW (Continued)

#### Distribution and Selling Expenses

Distribution and selling expenses increased by approximately RMB10.3 million for the six months ended 30 June 2012, or approximately 46.6%, as compared to the corresponding period in 2011, primarily as a result of increased level of sales and marketing activities in line with overall increase in revenue. This increase was primarily due to: (i) transportation expenses increased by approximately RMB3.2 million for the six months ended 30 June 2012, or approximately 37.0%, as compared to the corresponding period in 2011, which was attributable to the increase in revenue and marketing activities and the surging fuel price; (ii) labor cost increased by approximately RMB4.5 million for the six months ended 30 June 2012, or approximately 86.2%, as compared to the corresponding period in 2011 mainly due to the Group's number of staff in distribution and selling department increased from 175 as at 30 June 2011 to 253 as at 30 June 2012, out of which 43 staff employed by the Group are professional market developers with a background of working with internationally renowned enterprises. These people mainly served in the areas of antenna and high-speed wire and cable segment; and (iii) an increase in entertainment expenses of approximately RMB1.3 million for the six months ended 30 June 2012, or approximately 35.2%, as compared to the corresponding period in 2011, primarily due to an increase in sales and marketing activities.

#### Administrative and General Expenses

Administrative and general expenses increased by approximately RMB14.2 million for the six months ended 30 June 2012, or approximately 29.0%, as compared to the corresponding period in 2011. The major factors attributable to such increase were: (i) an increase in salary expenses of approximately RMB7.9 million for the six months ended 30 June 2012, or approximately 37.1%, as compared to the corresponding period of 2011, which was mainly attributable to the number of administrative staff of the Group increasing from 655 as at 30 June 2011 to 805 as at 30 June 2012 as a result of the expansion in Chongqing base and a new Weihai special plastic materials production base; (ii) depreciation and amortization increased by approximately RMB1.7 million for the six months ended 30 June 2012, or approximately 35.0%, as compared to the corresponding period of 2011 mainly as a result from office expansion and additional office related purchase in general as we increased our business scale; (iii) rental increase of approximately RMB1.5 million for the six months ended 30 June 2012, or approximately 129.1%, as compared to the corresponding period in 2011 was primarily due to the relocation to new and bigger plants of Tianjin Rituo and 蘇州華淳精密電子有限公司 (Suzhou Huachun Precision Electronics Co., Ltd\*); and (iv) consumable expense increased by approximately RMB0.5 million for the six months ended 30 June 2012, or approximately 51.8%, as compared to the corresponding period in 2011, which was also primarily due to the increase in the number of administrative staff.

\* The English name is for identification purpose only.

### 財務回顧(續)

#### 分銷及銷售開支

截至二零一二年六月三十日止六個月，分銷及銷售開支較二零一一年同期增加約人民幣10.3百萬元或約46.6%，主要由於銷售及營銷活動水準隨收益整體增加而增加，該增加主要是因為：(i)截至二零一二年六月三十日止六個月，運輸費用相比二零一一年同期增加約人民幣3.2百萬元，或約37.0%，此乃主要由於收益及營銷活動增長以及燃料費用上升所致；(ii)截至二零一二年六月三十日止六個月，員工成本較二零一一年上半年增加約人民幣4.5百萬元或約86.2%，主要由於本集團分銷及銷售部門的員工自截至二零一一年六月三十日的175名，增長至截至二零一二年六月三十日的253名，其中本集團聘請43名擁有國際知名企業任職背景的專業市場開發人員，他們主要服務於天線及高速線纜分部；以及(iii)截至二零一二年六月三十日止六個月，應酬開支相比二零一一年同期增加約人民幣1.3百萬元或約35.2%，主要由於銷售及營銷活動增加。

#### 行政及一般開支

截至二零一二年六月三十日止六個月，行政及一般開支較二零一一年同期增加約人民幣14.2百萬元或約29.0%，該增加的主要原因為：(i)截至二零一二年六月三十日止六個月，薪金開支較二零一一年同期增加約人民幣7.9百萬元，或約37.1%，主要由於本集團的行政人員的數量自截至二零一一年六月三十日的655名增加至截至二零一二年六月三十日的805名，主要體現在重慶基地及威海特種塑膠新生產基地的擴充；(ii)截至二零一二年六月三十日止六個月，折舊及攤銷與二零一一年同期比較增長了約人民幣1.7百萬元，或約35.0%，主要是由於因業務規模擴大而擴充辦公室及作出額外辦公室相關的一般採購所致；(iii)截至二零一二年六月三十日止六個月，租金上漲約人民幣1.5百萬元或約129.1%，主要原因是天津日拓及蘇州華淳精密電子有限公司搬遷至新的更大的廠房所致；以及(iv)截至二零一二年六月三十日止六個月，消耗品開支較二零一一年同期增長約人民幣0.5百萬元，或約51.8%，主要是由於行政人員數量增長而導致的。

\* 英文名稱僅供識別

# Management Discussion & Analysis

## 管理層討論及分析



### FINANCIAL REVIEW (Continued)

#### Research and Development Expenses

Research and development expenses increased by approximately RMB14.2 million for the six months ended 30 June 2012, or approximately 56.5%, as compared to the corresponding period in 2011. This increase was primarily attributed to: (i) the number of research and development staff increased from 274 as at 30 June 2011 to 393 as at 30 June 2012 which caused an increase of RMB1.8 million or 19.8% in labor cost. The increase of these staff mainly concentrated in the high-speed wire business department, antenna business department, polymer R&D center and specialty wire and cable team; and (ii) material cost and depreciation increased by approximately RMB8.8 million and approximately RMB2.0 million for the six months ended 30 June 2012, or approximately 77.1% and 140.2%, respectively, as compared to the corresponding period in 2011, primarily as a result of our expanded research and development scope and scale.

#### Finance Cost

Finance cost increased by approximately RMB11.4 million for the six months ended 30 June 2012, or approximately 103.6%, as compared to the corresponding period in 2011, due to an increase in bank borrowings in line with the expansion in size and scale of our business operations. In addition, the average interest rate for our short-term loans for the first six months in 2012 was higher than the average interest rate for the corresponding period in 2011 and thereby increased the interest cost for our borrowings.

#### Income Tax (Credit) Expenses

We received income tax credit for the six months ended 30 June 2012 primarily due to the effect of deferred tax credit of approximately RMB8.5 million in the first half of 2012. We registered such deferred tax credit because of deductible tax losses carried forward for some of our subsidiaries. Excluding the effect of deferred tax and adjustment for over provision of enterprise income tax ("EIT") in prior years, our current period PRC EIT tax expenses decreased by approximately RMB5.3 million for the six months ended 30 June 2012, or approximately 45.1%, as compared to the corresponding period in 2011 as a result of decrease in our profit before taxation.

### 財務回顧(續)

#### 研發開支

截至二零一二年六月三十日止六個月，研發開支與二零一一年同期比較增加約人民幣14.2百萬元，或約56.5%，增長主要是由於：(i)研發人員數量自截至二零一一年六月三十日的274人增加到截至二零一二年六月三十日的393人，導致員工成本增長約人民幣1.8百萬元，或約19.8%。這些人員的增長主要集中在高速線事業部，天線事業部，高分子研發中心以及特種線纜項目組；及(ii)截至二零一二年六月三十日止六個月，物料成本和折舊較二零一一年同期分別增長約人民幣8.8百萬元和約人民幣2.0百萬元，或約77.1%和140.2%，主要是由於本集團擴充研發範圍及規模所致。

#### 融資成本

與二零一一年同期相比，截至二零一二年六月三十日止六個月的融資成本增長約人民幣11.4百萬元，或約103.6%，此乃由於銀行開支因業務營運規模擴充令銀行借貸增加所致。此外，二零一二年首六個月短期貸款的平均利率高於二零一一年同期的平均利率，所以貸款的利息成本有所上升。

#### 所得稅(抵扣)開支

本集團已於截至二零一二年六月三十日止六個月獲得所得稅抵扣，此乃主要由於二零一二年上半年約人民幣8.5百萬元之遞延稅項抵扣的影響所致。本集團取得有關遞延稅項抵扣乃因為本集團部分附屬公司已結轉可扣減稅項虧損。不計及遞延稅項的及於過往年度企業所得稅(「企業所得稅」)撥備過剩調整影響，相比二零一一年同期，本集團即期中國企業所得稅費用截至二零一二年六月三十日止六個月因除稅前溢利有所下跌而減少約人民幣5.3百萬元或約45.1%。

# Management Discussion & Analysis

## 管理層討論及分析

### FINANCIAL REVIEW (Continued)

#### Profit for the Period

As a result of the foregoing, profit for the period decreased by approximately RMB64.7 million for the six months ended 30 June 2012, or approximately 74.6%, as compared to RMB86.8 million for the corresponding period in 2011. Our net profit margin was approximately 2.1% in the first half of 2012 as compared to approximately 9.8% in the first half of 2011. The sharp decrease in net profit margin was primarily due to: (i) impact of decrease in gross profit margin; (ii) the necessary investment to uphold research and development, sales and administration, which would not generate significant return before 2013, for enabling the Group to gain a better position in an ever-competitive market; and (iii) a sharp rise of financial cost due to higher interest rate and an increase in bank borrowings compared to the corresponding period in 2011.

#### Liquidity and Financial Resources

The Group will continue to implement prudent financial management policies and maintain a reasonable gearing ratio during its expansion. As at 30 June 2012, the Group's gearing ratio (measured by total short term borrowings as a percentage of total assets of the Group) was approximately 33.5% (30 June 2011: 35.2%).

As at 30 June 2012, the total bank borrowings of the Group amounted to approximately RMB790.7 million (31 December 2011: RMB653.5 million). These loans carried interests at floating or fixed rates. For the total short-term borrowings of approximately RMB790.7 million, approximately RMB487.5 million was secured loans.

### 財務回顧(續)

#### 期內溢利

鑑於上述原因，截至二零一二年六月三十日止六個月溢利與二零一一年同期的人民幣86.8百萬元相比減少約人民幣64.7百萬元或約74.6%。於二零一二年上半年，本集團淨利潤率約為2.1%，而於二零一一年上半年則約為9.8%。淨利潤率極速下跌乃主要由於：(i)毛利減少的影響；(ii)集團在研發、銷售及管理等方面進行持續的必要的投資，以使本集團在競爭越來越激烈的市場上佔據更好的位置，而這些投資在二零一三年以前不會產生明顯回報；及(iii)相比二零一一年同期銀行貸款利率上升和貸款規模增加導致財務成本大幅上升。

#### 流動資金及財務資源

本集團將於擴充過程中繼續執行審慎的財務管理政策並維持合理的資本負債比率。於二零一二年六月三十日，本集團的資本負債比率（按總銀行借貸佔本集團總資產的百分比計算）為33.5%（二零一一年六月三十日：35.2%）。

於二零一二年六月三十日，本集團的銀行總借貸達約人民幣790.7百萬元（二零一一年十二月三十一日：人民幣653.5百萬元）。該等貸款附帶浮動或固定利息。於總金額約為人民幣790.7百萬元的短期借貸中金額約為人民幣487.5百萬元的部分為已抵押貸款。

# Management Discussion & Analysis

## 管理層討論及分析



### FINANCIAL REVIEW (Continued)

#### Liquidity and Financial Resources (Continued)

Breakdown of our short-term borrowings is as follows:

		As at 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade financing	貿易融資	<b>289,944</b>	207,240
Note receivable discounted	應收票據貼現	<b>2,300</b>	5,096
Bank borrowings	銀行借貸	<b>498,423</b>	441,135
<b>Total</b>	<b>總計</b>	<b>790,667</b>	653,471

The increase in bank borrowings was mainly attributable to investments in new factories and production facilities in our Weihai, Dezhou and Huizhou base, working capital requirements and also the outstanding borrowing at our two newly acquired entities.

Save as aforesaid or as otherwise disclosed herein, and apart from intragroup liabilities, the Group did not have outstanding at the close of business on 30 June 2012, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that, there has been no material change in the indebtedness and contingent liabilities of the Company and its subsidiaries since 30 June 2012.

#### Foreign Currency Risk

As certain of our trade and other receivables, trade and other payables and bank borrowings of the Group are denominated in foreign currencies, hence exposure to exchange rate fluctuation arises. The Group had entered into certain foreign exchange forward contracts to mitigate its foreign currency exposure.

### 財務回顧(續)

#### 流動資金及財務資源(續)

我們的短期借貸明細如下：

銀行借貸增加主要由於本集團於威海、德州及惠州基地的新廠房及生產設施的營運資本需求及新收購兩間實體產生的未償還借貸所致。

除上述或本報告另有披露者及集團內公司間之負債外，於二零一二年六月三十日營業時間結束時，本集團並無任何已發行及未清償或同意發行之借貸資本、銀行透支、貸款或其他類似債務、承兌負債或承兌信貸、債券、按揭、質押、租購承擔、擔保或其他重大或然負債。

董事已確認，自二零一二年六月三十日起，本公司及其附屬公司的債務及或然負債概無重大變動。

#### 外幣風險

由於本集團的若干貿易及其他應收款項、貿易及其他應付款項及銀行借貸以外幣列值，故會出現面臨匯率波動之風險。本集團已訂立若干外匯遠期合約，以減低其外幣風險。

# Management Discussion & Analysis

## 管理層討論及分析

### FINANCIAL REVIEW (Continued)

#### Working Capital

Inventory balance as at 30 June 2012 was approximately RMB306.0 million (31 December 2011: approximately RMB319.5 million). The decrease in inventory was primarily due to the proper inventory control during the economic depression. The average turnover days for inventory stood at 65 days as at 30 June 2012 as compared to 66 days as at 30 June 2011, which was negatively affected by the increase of inventories from Tianjin Rituo due to special strategic preparation for its customers. Excluding the effect of Tianjin Rituo's special strategic preparation, our average turnover days for inventory stood at 51 days as at 30 June 2012.

Trade and bill receivables balance as at 30 June 2012 was approximately RMB936.4 million (31 December 2011: approximately RMB946.9 million). The decrease in trade and bill receivables balance was mainly due to the Company speeded up the recovery of the trade and bill receivables. The average turnover days for trade and bill receivables stood at 165 days as at 30 June 2012 as compared to 141 days as at 30 June 2011 as we have extended the credit period of some significant customers with good credit records to gain more market share at the end of 2011 and in the period for the six months ended 30 June 2012. As at 30 June 2012, approximately 76.7% of our trade and bill receivables were due within three months.

Trade and bill payables balance as at 30 June 2012 was approximately RMB369.0 million (31 December 2011: approximately RMB462.0 million). The decrease in trade and bill payables balance was mainly due to our procurement control as well as raw material control. The average turnover days for trade and bill payables stand at 87 days as at 30 June 2012 as compared to 89 days as at 30 June 2011.

Our cash conversion cycle for the six months ended 30 June 2012 was approximately 143 days as compared to 118 days as at 30 June 2011.

### 財務回顧(續)

#### 運營資本

於二零一二年六月三十日，存貨結餘約為人民幣306.0百萬元(二零一一年十二月三十一日：約人民幣319.5百萬元)。存貨降低的主要原因為本公司在經濟衰退的形勢下執行了良好的存貨控制。二零一二年六月三十日的存貨平均周轉周期為65日，此乃受到天津日拓為其客戶採取特別戰略備貨的負面影響所致，而二零一一年六月三十日為66日，去除天津日拓特別戰略備貨的影響，我們於二零一二年六月三十日庫存的平均周轉周期為51日。

於二零一二年六月三十日，貿易及票據應收款結餘為約人民幣936.4百萬元(二零一一年十二月三十一日：約人民幣946.9百萬元)。貿易及票據應收款的降低主要是因為本公司加速了貿易及票據應收款的回收速度。於二零一二年六月三十日貿易及票據應收款平均周轉周期為165日，而二零一一年六月三十日為141日，此乃由於我們在二零一一年末及截至二零一二年六月三十日的六個月期內，為獲得更多的市場份額，對某些信用記錄良好的重要客戶延長了信用期。於二零一二年六月三十日，約76.7%的貿易及票據應收款於三個月內到期。

於二零一二年六月三十日，貿易及票據應付款結餘為約人民幣369.0百萬元(二零一一年十二月三十一日：約人民幣462.0百萬元)。貿易及票據應付款結餘的降低主要由於我們的採購控制及原料控制。於二零一二年六月三十日貿易及票據應付款的平均周轉日數為87日而二零一一年六月三十日為89日。

截至二零一二年六月三十日止六個月，我們的現金周轉周期約為143日，而二零一一年六月三十日則為118日。

# Management Discussion & Analysis

## 管理層討論及分析



### FINANCIAL REVIEW (Continued)

### 財務回顧(續)

#### Cash Flow

#### 現金流量

		Six months ended 30 June	
		截至六月三十日止六個月	
		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
		(unaudited)	(unaudited, restated)
		(未經審核)	(未經審核，重列)
Net cash (used in)/from operating activities	經營活動(所用)／所得現金淨額	<b>(46,813)</b>	2,551
Net cash (used in) investing activities	投資活動(所用)現金淨額	<b>(95,057)</b>	(151,635)
Net cash from financing activities	融資活動所得現金淨額	<b>140,313</b>	126,721

Net cash used in operating activities for the six months ended 30 June 2012 was approximately RMB46.8 million, which was primarily due to decrease in trade and other payables.

截至二零一二年六月三十日止六個月，經營活動所用現金淨額約為人民幣46.8百萬元，主要由於貿易及其他應付款項的減少。

Net cash used in investing activities for the six months ended 30 June 2012 of approximately RMB95.1 million was primarily attributable to: (i) new plants was built in Weihai, Dezhou and Huizhou; (ii) purchase of machine and equipment for specialty wire and cable; and (iii) other purchase for property, plant and equipment as we increase our production capacities.

截至二零一二年六月三十日止六個月，投資活動所用現金淨額約人民幣95.1百萬元主要由於：(i)在威海、德州及惠州興建新廠房；(ii)購買特種線纜的機器及設備；及(iii)其他購買物業、廠房及設備以應對我們擴大產能所致。

Net cash from financing activities for the six months ended 30 June 2012 amounted to approximately RMB140.3 million, which was primarily attributable to the increase in net borrowings.

截至二零一二年六月三十日止六個月，融資活動所得現金淨額為約人民幣140.3百萬元，主要來自借款淨額的增加。

#### Capital Expenditures

#### 資本開支

For the six months ended 30 June 2012, the Group incurred total capital expenditures of approximately RMB106.2 million in construction of new factories and office buildings, the purchase of plant and machinery, equipment and computer systems.

截至二零一二年六月三十日止六個月，本集團就興建新廠房及辦公室大樓，以及購買廠房、機器、設備及計算機系統而招致總資本開支約人民幣106.2百萬元。

#### Capital Commitments

#### 資本承擔

As at 30 June 2012, the Group had total capital commitments of approximately RMB44.6 million (31 December 2011: RMB71.3 million), which were mainly used in respect of acquisition of property, plant and manufacturing facilities.

於二零一二年六月三十日，本集團的資本承諾總額約為人民幣44.6百萬元(二零一一年十二月三十一日：人民幣71.3百萬元)，主要用於有關收購物業、廠房及生產設施。

# Management Discussion & Analysis

## 管理層討論及分析

### FINANCIAL REVIEW (Continued)

#### Employees

As at 30 June 2012, the Group had a total of 10,860 full time staff, of which 3,626 were our direct employees (30 June 2011: 2,497) and 5,960 were our contract workers (30 June 2011: 6,897). As at 30 June 2012, we also had 1,274 part time interns (30 June 2011: 836). All our contract workers and part time interns were mainly deployed in production whereas in terms of our direct employees, the breakdown of direct employees as at 30 June 2012 is as follows:

		As at 30 June 2012 於二零一二年 六月三十日	As at 30 June 2011 於二零一一年 六月三十日
Manufacturing	製造	1,558	1,038
Sales and marketing	銷售及市場推廣	253	175
General and administration	一般及行政	809	655
Research and development	研發	393	274
Quality control	品質控制	613	355
Total	總計	3,626	2,497

#### Use of Proceeds Raised from the Global Offering

The net proceeds from the global offering of the Company (the "Global Offering"), after deducting the relevant cost were approximately Hong Kong dollar ("HKD") 470.3 million (equivalent to approximately RMB400.7 million). As at 30 June 2012, the Company utilized the proceeds of approximately RMB278.2 million to the Group's new development projects, research and development and working capital in line with the disclosure in the prospectus of the Company. The Directors do not anticipate any changes to its plan on the use of proceeds as stated in the prospectus of the Company.

At present, the utilization of proceeds from the Global Offering is basically the same with the intended use of proceeds as disclosed in the prospectus of the Company.

### 財務回顧(續)

#### 僱員

於二零一二年六月三十日，本集團合共有10,860名全職員工，其中3,626名為本集團直接僱員(二零一一年六月三十日：2,497名)及5,960名為本集團合約員工(二零一一年六月三十日：6,897名)。於二零一二年六月三十日，本集團亦有1,274名兼職實習員工(二零一一年六月三十日：836名)。所有合約員工及兼職實習員工均主要負責生產，而直接僱員於二零一二年六月三十日的明細如下：

#### 來自全球發售的所得款項的用途

經扣除有關成本後，本公司全球發售(「全球發售」)所得款項淨額約為470.3百萬港元(「港元」)(相當於約人民幣400.7百萬元)。於二零一二年六月三十日，本公司已將約人民幣278.2百萬元用作本集團新開發項目、研發及營運資本，與本公司招股章程所披露一致。董事預期所得款項用途計劃(誠如本公司招股章程所呈列)並不會出現任何變動。

目前，全球發售所得款項的用途基本上與本公司招股章程所披露的所得款項擬定用途相同。

# Management Discussion & Analysis

## 管理層討論及分析



### FINANCIAL REVIEW (Continued)

### 財務回顧(續)

#### Use of Proceeds Raised from the Global Offering (Continued)

#### 來自全球發售的所得款項的用途(續)

As at 30 June 2012, proceeds used on projects are generally analyzed as follows:

於二零一二年六月三十日，所得款項用於項目乃大致分析如下：

Projects 項目	Accumulated use of proceeds 累計所得款項用途	
	Estimated amount 預計金額 RMB (million) 人民幣百萬元	Accumulated expenses 累計開支 RMB (million) 人民幣百萬元
(1) Expanding production capacity of existing products 擴大現有產品的產能	160.3	75.3
(2) Development and production of new products 開發及製造新產品	176.3	138.8
(3) Research and development investment 研發投資	24.0	24.0
(4) General working capital and other general corporate purposes 一般營運資本及其他一般公司用途	40.1	40.1
Total 合共	400.7	278.2

#### Capital Injection in Huizhou Technology

#### 惠州科技的注資

Apart from August and December 2011, on 10 February 2012, Weihai Electronic injected capital of approximately RMB1,992,000 to Huizhou Technology for a third time to acquire the remaining 2.73% non-control interest. As such, Weihai Electronic completed all the acquisitions of Huizhou Technology with a 100% holding of its interest.

除二零一一年八月及十二月外，於二零一二年二月十日，威海電子第三次向惠州科技注資約人民幣1,992,000元，收購餘下2.73%少數股東權益。至此威海電子完成對惠州科技的全部收購，持有其100%的權益。

Huizhou Technology is principally engaged in the design, research and development, manufacture and sale of communication wire and cable and related products catering to the telecommunication industry in the PRC.

惠州科技主要從事設計、研發、製造及銷售符合中國通信業需求之通信線纜及相關產品。

# Management Discussion & Analysis

## 管理層討論及分析

### FINANCIAL REVIEW (Continued)

#### Connected Transaction

On 27 April 2012, the Board has approved the establishment of Weihai Dongchen Plastics New Materials Limited\* (威海市東晨塑膠新材料有限公司) (the "JV Company") by Weihai Electronic, a wholly-owned subsidiary of the Company, and Mr. Chi Zhongmin (the "JV Partner 1") and Mr. Zhang Fengji (the "JV Partner 2") (collectively the "JV Partners") pursuant to the terms of the articles of the JV Company signed by Weihai Electronic and the JV Partners in relation to the establishment of the JV Company (the "JV Articles"). According to the JV Articles, the JV Company is to be owned by Weihai Electronic as to 60%, JV Partner 1 as to 30% and JV Partner 2 as to 10%. Weihai Electronic shall contribute an aggregate of RMB6.0 million (equivalent to HKD7.2 million) to the capital of the JV Company, representing 60% of the equity capital in the JV Company and has control of the JV Company.

The business scope of the JV Company will be the manufacture and sale of plastic materials and products used for cable jacketing, focusing on the production of halogen-free insulating plastic materials.

### 財務回顧(續)

#### 關連交易

於二零一二年四月二十七日，董事會批准由本公司的全資附屬公司威海電子，以及合資人遲忠民先生(「合資人甲」)及張鳳吉先生(「合資人乙」)(合稱「合資人」)，根據威海電子及合資人就有關成立合資公司簽訂的合資公司章程(「合資公司章程」)的條款，共同成立威海市東晨塑膠新材料有限公司(「合資公司」)。按照合資公司章程，威海電子、合資人甲及合資人乙分別持有合資公司60%、30%以及10%的股權。威海電子須向合資公司的註冊資本合共投入人民幣6.0百萬元(相當於7.2百萬港元)(即代表合資公司60%的股權)並且控制合資公司。

合資公司的經營範圍為生產及銷售用做線纜外被的塑膠材料和產品，主要生產無鹵絕緣塑膠材料。

\* The English name is for identification purpose only.

\* 英文名稱僅供識別

# Report of the Directors

## 董事會報告



### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2012, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in the Appendix 10 of the Rules Governing the Listing of securities on the Stock Exchange (the "Listing Rules") as follows:

### 董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

於二零一二年六月三十日，董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）股份、相關股份及債權證中所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聯交所的權益或淡倉（包括根據該證券及期貨條例之規定視作或視為擁有的權益或淡倉），或記錄於根據證券及期貨條例第352條規定須存置之登記冊內的權益或淡倉，或根據聯交所證券上市規則附錄十規定所載（「上市規則」）上市發行人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或淡倉如下：

Name of Directors 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
Mr. Chi Shaolin <sup>(1)</sup> 遲少林先生 <sup>(1)</sup>	Interest of controlled corporation 受控法團權益	294,283,839 (L)	40.9%
Ms. Xu Yiming <sup>(2)</sup> 徐藝銘女士 <sup>(2)</sup>	Beneficial owner 實益擁有人	17,126,918 (L)	2.4%
Mr. Jiang Taike <sup>(2)</sup> 蔣太科先生 <sup>(2)</sup>	Beneficial owner 實益擁有人	16,248,857 (L)	2.3%
Mr. Li Jianming <sup>(3)</sup> 李建明先生 <sup>(3)</sup>	Beneficial owner 實益擁有人	1,030,431 (L)	0.1%

(L): Long position

(L): 好倉

Note 1: Mr. Chi Shaolin is deemed to be interested in 294,283,839 Shares held by Chenlin International Joint Stock Company Limited by virtue of it being wholly-owned by Mr. Chi Shaolin.

附註1：因晨淋國際股份有限公司由遲少林先生全資擁有，故遲少林先生被視為於晨淋國際股份有限公司所持有的294,283,839股股份中擁有權益。

Note 2: Yongchang Joint Stock Company Limited held a total of 133,849,094 Shares in trust for each of the 40 minority Shareholders, including Ms. Xu Yiming who is interested in 17,126,918 Shares and Mr. Jiang Taike who is interested in 16,248,857 Shares.

附註2：永昌股份有限公司代40名少數股東（包括持有17,126,918股股份的徐藝銘女士及持有16,248,857股股份的蔣太科先生）以信託形式持有合共133,849,094股股份。

Note 3: Hongxin Joint Stock Company Limited held a total of 36,791,039 Shares in trust for each of the 136 employees, including Mr. Li Jianming who is interested in 1,030,431 Shares.

附註3：泓鑫股份有限公司代136名僱員（包括持有1,030,431股股份的李建明先生）以信託形式持有合共36,791,039股股份。

# Report of the Directors

## 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(Continued)

Save as disclosed above, as at 30 June 2012, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

### DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed above, at no time during the six months ended 30 June 2012 was the Company, its holding companies, or any of its subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (with the meaning of Part XV of the SFO).

### SHARE OPTION SCHEME

The Company adopted a Share Option Scheme on 25 October 2010 (the "Share Option Scheme") for the purpose of enabling the Company to grant options to selected eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high caliber employees and attract human resources that are valuable to the Group and any invested entity.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issued as at the Listing date, i.e. 72,000,000 Shares. No option may be granted to any participant of the Share Option Scheme such that the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised.

### 董事及主要行政人員於股份、相關股份及債權證的權益及淡倉(續)

除上文所披露者外，於二零一二年六月三十日，董事或本公司主要行政人員概無於本公司及其相聯法團(定義見證券及期貨條例第XV部)股份、相關股份或債券中擁有或視為擁有已記錄於根據證券及期貨條例第352條規定由本公司存置之登記冊的權益或淡倉，或根據標準守則已知會本公司及聯交所的權益或淡倉。

### 董事購買股份的權利

除上文所披露者外，本公司、其控股公司、或其任何附屬公司於截至二零一二年六月三十日止六個月期間任何時間概無訂立任何安排致使董事及本公司主要行政人員(包括彼等的配偶及18歲以下子女)持有本公司或其相聯法團(定義見證券及期貨條例第XV部)任何股份、相關股份或債權證的權益或淡倉。

### 購股權計劃

本公司於二零一零年十月二十五日採納購股權計劃(「購股權計劃」)，目的是令本公司向選定合資格參與人士授出購股權作為彼等對本集團所作貢獻之鼓勵或獎勵，及/或令本集團能聘用及挽留優秀僱員以及吸引對本集團及任何投資實體具有價值的人力資源。

根據購股權計劃及本集團任何其他計劃將予授出的所有購股權獲行使而可能發行的最高股份總數不得超過上市日期已發行股份總數的10%(即72,000,000股股份)。倘行使向該合資格參與人士授出及將授出的購股權會導致截至最近授出之日止任何十二個月期間內發行及將發行的股份總數超過本公司不時已發行股份的1%，則不得向任何購股權計劃的參與人士授出購股權。

購股權可於董事會所釐定的期間內任何時間按購股權計劃的條款行使，惟不得超過授出當日起計10年。購股權於行使前並無最短持有期限。

# Report of the Directors

## 董事會報告



### SHARE OPTION SCHEME (Continued)

Participants of the Share Option Scheme are required to pay the Company HKD1.00 upon acceptance of the grant on the offer date. The exercise price of the options is determined by the board in its absolute discretion and shall not be less than which ever is the highest of:

- (1) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of the grant, which must be a Business Day;
- (2) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five (5) trading days immediately preceding the date of the grant; and
- (3) the nominal value of a Share.

The Share Option Scheme shall be valid and effective for a period of 10 years from 25 October 2010 after which no further options will be granted or offered.

There is no options outstanding, granted, exercised, cancelled and lapsed during the six months ended 30 June 2012.

### 購股權計劃(續)

購股權的參與人士須於授出日接納購股權時向本公司支付 1.00 港元。購股權的行使價將由董事會全權酌情釐定，惟不得低於下列最高者：

- (1) 授出購股權當日(必須為營業日)聯交所每日報價表所列的股份收市價；
- (2) 緊接授出購股權當日前五(5)個交易日聯交所每日報價表所列的股份平均收市價；及
- (3) 股份面值。

購股權計劃將於二零一零年十月二十五日起計 10 年期間有效，期滿後不得再授出或授予購股權。

於截至二零一二年六月三十日止六個月內，概無購股權未獲行使、已授出、已獲行使、註銷及失效。

# Report of the Directors

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as is known to any Directors or chief executives of the Company, as at 30 June 2012, the persons or corporations (other than Directors or chief executives of the Company) who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

### 主要股東於股份、相關股份及債權證的權益及淡倉

就任何董事或本公司主要行政人員所知，於二零一二年六月三十日，於本公司股份及相關股份中擁有權益或淡倉而須根據證券及期貨條例第XV部第2及3分部條文予以披露，或已記錄於根據證券及期貨條例第336條須存置之登記冊內的人士或法團(本公司董事或主要行政人員除外)如下：

Name of Substantial Shareholders 主要股東姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
Chenlin International Joint Stock Company Limited 晨淋國際股份有限公司	Beneficial owner <sup>(1)</sup> 實益擁有人 <sup>(1)</sup>	294,283,839 (L)	40.9%
Yongchang Joint Stock Company Limited 永昌股份有限公司	Trustee <sup>(2)</sup> 受託人 <sup>(2)</sup>	133,849,094 (L)	18.6%
Hongxin Joint Stock Company Limited 泓鑫股份有限公司	Trustee <sup>(3)</sup> 受託人 <sup>(3)</sup>	36,791,039 (L)	5.1%

(L): Long position

(L): 好倉

Notes:

附註：

- (1) Chenlin International Joint Stock Company Limited held 40.9% interest in the Company, which entire issued share capital is owned by Mr. Chi Shaolin.
- (2) Yongchang Joint Stock Company Limited held 18.6% interest in the Company in trust for 40 minority shareholders, including Mr. Jiang Taike, executive Director, Ms. Xu Yiming, non-executive Director, and who are interested in 16,248,857 Shares and 17,126,918 Shares, respectively.
- (3) Hongxin Joint Stock Company Limited held 5.1% interest in the Company in trust for 136 employee shareholders, including one Director, Mr. Li Jianming who is interested in 1,030,431 Shares.

- (1) 晨淋國際股份有限公司持有本公司40.9%權益，而本公司全部已發行股本則由遲少林先生所擁有。
- (2) 永昌股份有限公司代40名少數股東(包括持有16,248,857股股份的執行董事蔣太科先生及持有17,126,918股股份的非執行董事徐藝銘女士)以信託形式持有本公司18.6%權益。
- (3) 泓鑫股份有限公司代136名僱員股東(包括一位董事，即持有1,030,431股股份的李建明先生)以信託形式持有本公司5.1%權益。

# Report of the Directors

## 董事會報告



### **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

*(Continued)*

Save as disclosed above, as at 30 June 2012, the Directors are not aware of any other person or corporation (other than Directors or chief executives of the Company) having an interest or short position in the shares, underlying shares and debentures of the Company which would require to be recorded in the register to be kept by the Company under section 336 of the SFO.

### **INTERIM DIVIDEND**

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

By order of the Board  
**Chi Shaolin**  
*Chairman and CE*

15 August 2012

### **主要股東於股份、相關股份及債權證的權益及淡倉(續)**

除上文所披露者外，於二零一二年六月三十日，董事並不知悉有任何其他人士或法團(董事或本公司主要行政人員除外)於本公司股份、相關股份或債權證中擁有而記錄於本公司按證券及期貨條例第336條須置存之登記冊內的權益或淡倉。

### **中期股息**

董事會不建議於截至二零一二年六月三十日止六個月派付任何中期股息(截至二零一一年六月三十日止六個月：無)。

承董事會命  
主席兼總裁  
遲少林

二零一二年八月十五日

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE CODE

The Directors recognize the importance of incorporating the elements of good corporate governance into the management structures and internal control procedures of the Group so as to achieve effective accountability to the shareholders of the Company as a whole. The Board strived to uphold good corporate governance and adopt sound corporate governance practices continuously in the interest of shareholders of the Company to enhance the overall performance of the Company. The principles and the code provisions of the Code on Corporate Governance Practices during the period from 25 October 2010 to 31 March 2012 and the Corporate Governance Code (together the "CG Code") during the period from 1 April 2012 to 30 June 2012 contained in Appendix 14 of the Listing Rules have been adopted by the Group. The Company has also complied with the CG Code throughout the six months ended 30 June 2012 except for the following deviation.

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separated and should not be performed by the same individual. The Group does not at present separate the roles of the chairman and CE. For the six months ended 30 June 2012, Mr. Chi Shaolin is both the chairman of the Board and the CE of the Group. The Board considers that vesting the roles of chairman and CE in the same individual is beneficial to the business prospects and management of the Group. The Board will review the need of appointing suitable candidate to assume the role of the CE when necessary.

### MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. On specific enquiries made, all Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors' securities transactions during the six months ended 30 June 2012.

### 企業管治守則

董事認同，為達致向本公司整體股東的有效問責，在本集團管理架構及內部監控程序引進良好的企業管治元素非常重要。董事會一直努力貫徹良好企業管治，並繼續以本公司股東利益為依據，採用健全的企業管治常規，以提高本公司的整體表現。本集團已採納上市規則附錄十四所載於二零一零年十月二十五日至二零一二年三月三十一日期間之企業管治常規則守則及於二零一二年四月一日至二零一二年六月三十日期間之企業管治守則（統稱「企業管治守則」）的原則及守則條文。本公司於截至二零一二年六月三十日止六個月亦一直遵守企業管治守則，惟以下偏離除外。

根據企業管治守則的守則條文第A.2.1條，主席及行政總裁的角色應區分，不應由同一人擔任。目前，本集團尚未區分主席及總裁角色。於截至二零一二年六月三十日止六個月，遲少林先生兼任本集團之董事會主席及總裁。董事會認為，主席及總裁職位由同一人兼任有利於本集團的業務前景及管理。董事會將於必要時檢討委派合適人選出任總裁的需要。

### 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之標準守則，作為董事進行證券交易的行為準則。於作出具體查詢後，全體董事已確認彼等於截至二零一二年六月三十日止六個月內一直遵守標準守則所載的規定標準及有關董事進行證券交易的操守準則。

# Corporate Governance Report

## 企業管治報告



### AUDIT COMMITTEE

The primary responsibilities of the audit committee (the "Audit Committee") are to make recommendation to the Board on the appointment and removal of external auditors, review the financial statements and material advice in respect of financial reporting, and overseeing the internal control procedures of the Company. The Audit Committee consists of three members, namely, Mr. Shu Wa Tung, Laurence, Mr. Song Lizhong and Ms. Zheng Lin, all of whom are independent non-executive Directors. Mr. Shu Wa Tung, Laurence currently serves as the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the CG Code.

During the period under review, the Audit Committee has convened one meeting with an attendance of 100%. The Audit Committee has reviewed the Group's unaudited financial statements for the six months ended 30 June 2012, reviewed the internal control system and its execution.

### REVIEW OF ACCOUNTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed about the auditing, internal controls, and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 30 June 2012. The external auditor, Deloitte Touche Tohmatsu, has reviewed the consolidated interim financial statements for the six months ended 30 June 2012 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Equity" issued by the Hong Kong Institute of Certified Public Accountants.

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

During the six months ended 30 June 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### 審核委員會

審核委員會（「審核委員會」）的主要職責乃就委聘及辭退外聘核數師向董事會作出推薦建議、審閱財務報表及有關財務報告的重要意見，以及監控本公司的內部監控程序。審核委員會目前由三名成員組成，包括舒華東先生、宋立眾先生及鄭琳女士（均為獨立非執行董事），而舒華東先生目前擔任審核委員會主席。審核委員會已採納與企業管治守則所載條文一致的職權範圍。

於審閱期間，審核委員會已召開一次會議，出席率達100%。審核委員會已審閱本集團截至二零一二年六月三十日止六個月的未經審核財務報表，審閱內部監控制度及其執行情況。

### 賬目審閱

審核委員會已審閱本集團所採納之會計原則及慣例，並討論審核、內部監控及財務申報事宜，當中包括審閱截至二零一二年六月三十日止六個月之未經審核中期財務報表。外聘核數師德勤•關黃陳方會計師行已根據香港會計師公會頒佈之香港審閱委聘准則第2410號「由實體獨立核數師審閱中期財務資料」審閱截至二零一二年六月三十日止六個月之中期綜合財務報表。

### 購買、出售或贖回本公司的上市證券

於截至二零一二年六月三十日止六個月，本公司或其任何附屬公司概無購買、出售或購回本公司的任何上市證券。

# Report on Review of Interim Financial Information

## 中期財務資料的審閱報告

**TO THE BOARD OF DIRECTORS OF HL TECHNOLOGY GROUP LIMITED**  
(Incorporated in the Cayman Islands with limited liability)

### INTRODUCTION

We have reviewed the condensed consolidated financial statements of HL Technology Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 76, which comprises the condensed consolidated statement of financial position as of 30 June 2012 and the related condensed consolidated statement of 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 information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 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.

### 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 Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants

Hong Kong  
15 August 2012

**致泓淋科技集團有限公司董事會**  
(於開曼群島註冊成立的有限公司)

### 引言

本核數師已審閱第36至76所載泓淋科技集團有限公司(「貴公司」)及其附屬公司(以下統稱為「貴集團」)的簡明綜合財務報表，當中包括截至二零一二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全面收益表、簡明綜合權益變動表、簡明綜合現金流量表及若干解釋性附註。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製之報告必須符合當中有關條文以及國際會計準則理事會頒佈之國際會計準則第34號(「國際會計準則第34號」)「中期財務報告」。貴公司董事負責根據國際會計準則第34號編製及呈報此等簡明綜合財務報表。本核數師之責任是根據審閱對此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。本核數師不會就本報告之內容向任何其他人士負上或承擔任何責任。

### 審閱範圍

本核數師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。審閱此等簡明綜合財務報表包括主要向負責財務和會計事務之人員作出查詢，並應用分析性和其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核之範圍，故不能令本核數師保證本核數師將知悉在審核中可能發現之所有重大事項。因此，本核數師不會發表審核意見。

### 結論

按照本核數師之審閱，本核數師並無發現任何事項，令本核數師相信簡明綜合財務報表在各重大方面未有根據國際會計準則第34號編製。

**德勤•關黃陳方會計師行**  
執業會計師

香港  
二零一二年八月十五日

# Condensed Consolidated Statement of Comprehensive Income

## 簡明綜合全面收益表

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

		NOTES	Six months ended 30 June	
		附註	截至六月三十日止六個月	
			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
			(unaudited)	(unaudited, restated)
			(未經審核)	(未經審核· 重列)
Revenue	收益	4	<b>1,030,846</b>	881,691
Cost of sales	銷售成本		<b>(867,919)</b>	(693,759)
Gross profit	毛利		<b>162,927</b>	187,932
Other income	其他收入	5	<b>4,380</b>	5,652
Other gains and losses	其他收益及虧損	6	<b>9,764</b>	7,710
Distribution and selling expenses	分銷及銷售開支		<b>(32,346)</b>	(22,061)
Administrative and general expenses	行政及一般開支		<b>(63,041)</b>	(48,878)
Research and development expenses	研發開支		<b>(39,427)</b>	(25,201)
Finance costs	融資成本	7	<b>(22,395)</b>	(10,998)
Profit before taxation	除稅前溢利	8	<b>19,862</b>	94,156
Income tax credit (expenses)	所得稅抵扣(開支)	9	<b>2,179</b>	(7,383)
Profit for the period	期內溢利		<b>22,041</b>	86,773
<b>Other comprehensive income</b>	<b>其他全面收益</b>			
Exchange difference on translating of foreign operations	換算外國業務之滙兌差額		<b>294</b>	(111)
Total comprehensive income for the period	期內全面收益總額		<b>22,335</b>	86,662
Profit (loss) for the period attributable to:	以下各方應佔溢利(虧損):			
— Owners of the Company	— 本公司擁有人		<b>27,876</b>	84,201
— Non-controlling interests	— 少數股東權益		<b>(5,835)</b>	2,572
			<b>22,041</b>	86,773
Total comprehensive income for the period attributable to:	以下各方期內應佔全面收益總額:			
— Owners of the Company	— 本公司擁有人		<b>28,170</b>	84,090
— Non-controlling interests	— 少數股東權益		<b>(5,835)</b>	2,572
			<b>22,335</b>	86,662
Earnings per share	每股盈利			
— Basic (RMB cents)	— 基本(人民幣分)	11	<b>3.9</b>	11.7

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

As at 30 June 2012  
於二零一二年六月三十日

		NOTES	As at 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2011 於二零一一年 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	12	723,530	655,398
Prepaid lease payments	預付租賃款項		47,032	47,539
Intangible assets	無形資產	13	29,061	35,431
Goodwill	商譽	14	5,923	7,746
Deferred tax assets	遞延稅項資產	16	12,914	4,773
			<b>818,460</b>	750,887
CURRENT ASSETS				
	流動資產			
Inventories	存貨		305,981	319,518
Trade and other receivables	貿易及其他應收款項	17	1,079,214	1,061,267
Prepaid lease payments	預付租賃款項		1,014	1,014
Pledged bank deposits	已抵押銀行存款	18	30,713	49,574
Other financial assets	其他金融資產	19	17,002	5,229
Bank balances and cash	銀行結餘及現金		105,093	106,650
			<b>1,539,017</b>	1,543,252
CURRENT LIABILITIES				
	流動負債			
Trade and other payables	貿易及其他應付款項	20	421,642	524,347
Other financial liabilities	其他金融負債	19	4,699	6,311
Income tax liabilities	所得稅負債		9,110	7,765
Bank borrowings	銀行借貸	21	790,667	653,471
			<b>1,226,118</b>	1,191,894
NET CURRENT ASSETS	流動資產淨額		<b>312,899</b>	351,358
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		<b>1,131,359</b>	1,102,245

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

As at 30 June 2012  
於二零一二年六月三十日

		NOTES	As at 30 June 2012	As at 31 December 2011
		附註	於二零一二年 六月三十日	於二零一一年 十二月三十一日
			RMB'000	RMB'000
			(unaudited)	(audited)
			(未經審核)	(經審核)
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	22	97,401	97,401
Reserves	儲備		965,044	934,293
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,062,445	1,031,694
Non-controlling interests	少數股東權益		59,599	60,833
<b>TOTAL EQUITY</b>	<b>總權益</b>		<b>1,122,044</b>	1,092,527
NON-CURRENT LIABILITY	非流動負債			
Deferred tax liabilities	遞延稅項負債	16	9,315	9,718
			9,315	9,718
			<b>1,131,359</b>	1,102,245

The condensed consolidated financial statements on page 36 to 76 were approved and authorized for issue by the board of directors on 15 August 2012 and are signed on its behalf by:

第36頁至第76頁的簡明綜合財務報表乃經董事會於二零一二年八月十五日批准及授權刊發，並由以下人士代表簽署：

**Chi Shaolin**  
遲少林  
DIRECTOR  
董事

**Li Jianming**  
李建明  
DIRECTOR  
董事

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the six months ended 30 June 2012  
截至二零一二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	Share premium	Special reserve	Share awards reserve	Other reserves	Statutory surplus reserve	Foreign currency translation reserve	Retained profits	Total	Non-controlling interests	Total
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
				(note (a) below) (下文附註(a))			(note (b) below) (下文附註(b))					
As at 1 January 2011 (audited)	於二零一一年一月一日 (經審核)	97,401	429,549	74,394	(9,039)	4,466	44,224	742	268,151	909,888	13,583	923,471
Profit for the period (originally stated)	期內溢利(原列)	—	—	—	—	—	—	—	88,189	88,189	2,565	90,754
Adjustment arising from valuation regarding acquisition of subsidiaries (note 3)	有關附屬公司收購估值所產生的調整(附註3)	—	—	—	—	—	—	—	(3,988)	(3,988)	7	(3,981)
Profit for the period (restated)	期內溢利(重列)	—	—	—	—	—	—	—	84,201	84,201	2,572	86,773
Other comprehensive income for the period	期內其他全面收入	—	—	—	—	—	—	(111)	—	(111)	—	(111)
Total comprehensive income for the period (restated)	期內全面收益總額(重列)	—	—	—	—	—	—	(111)	84,201	84,090	2,572	86,662
Recognition of equity-settled share-based payments (note 23)	確認以權益結算的股份支付的款項(附註23)	—	—	—	3,574	—	—	—	—	3,574	—	3,574
Non-controlling interests arising from business combinations (originally stated)	業務合併所產生的少數股東權益(原列)	—	—	—	—	—	—	—	—	—	44,771	44,771
Adjustment arising from valuation regarding acquisition of subsidiaries (note 3)	有關附屬公司收購估值所產生的調整(附註3)	—	—	—	—	—	—	—	—	—	(1,488)	(1,488)
Non-controlling interests arising from business combinations (restated)	業務合併所產生的少數股東權益(重列)	—	—	—	—	—	—	—	—	—	43,283	43,283
As at 30 June 2011 (unaudited, restated)	於二零一一年六月三十日 (未經審核, 重列)	97,401	429,549	74,394	(5,465)	4,466	44,224	631	352,352	997,552	59,438	1,056,990
As at 1 January 2012 (audited)	於二零一二年一月一日 (經審核)	97,401	429,549	74,394	(1,892)	3,787	55,506	9	372,940	1,031,694	60,833	1,092,527
Profit (loss) for the period	期內溢利(虧損)	—	—	—	—	—	—	—	27,876	27,876	(5,835)	22,041
Other comprehensive income for the period	期內其他全面收益	—	—	—	—	—	—	294	—	294	—	294
Total comprehensive income for the period	期內全面收益總額	—	—	—	—	—	—	294	27,876	28,170	(5,835)	22,335
Recognition of equity-settled share-based payments (note 23)	確認以權益結算的股份支付的款項(附註23)	—	—	—	3,574	—	—	—	—	3,574	—	3,574
Capital contributions from non-controlling interests of subsidiaries (note (c) below)	附屬公司少數股東權益注資(見下文附註(c))	—	—	—	—	—	—	—	—	—	5,600	5,600
Acquisition of non-controlling interests (note (d) below)	收購少數股東權益(見下文附註(d))	—	—	—	—	(993)	—	—	—	(993)	(999)	(1,992)
As at 30 June 2012 (unaudited)	於二零一二年六月三十日 (未經審核)	97,401	429,549	74,394	1,682	2,794	55,506	303	400,816	1,062,445	59,599	1,122,044

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

Notes:

### (a) Special reserve

Special reserve of the Group represents the difference between the nominal amount of the shares issued by the Company and the aggregate amount of paid-in capital of the subsidiaries acquired pursuant to the group reorganization of the Company in 2008.

### (b) Statutory surplus reserve

As stipulated by the relevant laws and regulations for enterprises in the People's Republic of China (the "PRC"), the Company's PRC subsidiaries are required to maintain a statutory surplus reserve fund which is non-distributable. The appropriations to such reserve are made out of net profit after taxation of the statutory financial statements of the relevant PRC subsidiaries. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalization issue.

### (c) Capital contributions from non-controlling interests of subsidiaries

The amounts represented:

- (i) The capital contribution of RMB4,000,000 from the non-controlling interests of 威海市東晨塑膠新材料有限公司 (Weihai Dongchen Plastic New Materials Limited\*), a newly established subsidiary of the Company in which the Company owns 60% equity interest in this entity; and
- (ii) The capital contribution of RMB1,600,000 from the non-controlling interests of 深圳市泓淋通訊科技有限公司 (Shenzhen Honglin Communication Technology Co., Ltd.\*), representing the additional capital injection from the non-controlling interests in which the Company owns 72% equity interest in this entity.

### (d) Acquisition of non-controlling interests

The amount represented the acquisition of the remaining 2.73% equity interest in 惠州市泓淋科技有限公司 (Huizhou Honglin Technology Co., Ltd.\*, "Huizhou Technology") from the non-controlling interests for a total consideration of RMB1,992,000 during the period ended 30 June 2012. Subsequently, Huizhou Technology became a wholly owned subsidiary of the Company. Huizhou Technology was formerly known as 惠州大亞灣和平通信電纜有限公司 (Huizhou Daya Bay Heping Telecommunication Co., Ltd.\*).

\* The English names are for identification purpose only.

附註：

### (a) 特別儲備

本集團的特別儲備指本公司所發行股份的面值與根據本公司於二零零八年進行的集團重組所收購附屬公司實繳資本總金額的差額。

### (b) 法定盈餘儲備

中華人民共和國(「中國」)企業的相關法律及法規規定，本公司中國附屬公司須保存不可分派的法定盈餘儲備基金。該等儲備的撥款來自中國相關附屬公司法定財務報表的除稅後純利。法定盈餘儲備基金可用於彌補過往年度虧損(如有)，並可以資本化發行的方式轉換為資本。

### (c) 少數股東權益注資

該款額乃指：

- (i) 來自新成立附屬公司威海市東晨塑膠新材料有限公司的少數股東權益注資人民幣4,000,000元，當中本公司擁有該實體60%股權權益；及
- (ii) 來自深圳市泓淋通訊科技有限公司的少數股東權益注資人民幣1,600,000元，乃少數股東權益的額外注資，當中本公司擁有該實體72%股權權益。

### (d) 收購少數股東權益

該款額乃指於截至二零一二年六月三十日止期間內由少數股東權益中收購惠州市泓淋科技有限公司(「惠州科技」)餘下的2.73%股權權益，總代價為人民幣1,992,000元。其後，惠州科技成為本公司的全資附屬公司。惠州科技前稱為惠州大亞灣和平通信電纜有限公司。

\* 英文名稱僅供識別

# Condensed Consolidated Statement of Cash Flows

## 簡明綜合現金流量表

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited, restated) (未經審核， 重列)
OPERATING ACTIVITIES	經營活動		
Profit before taxation	除稅前溢利	19,862	94,156
Adjustments for:	就下列各項之調整：		
Finance costs recognized in profit or loss	確認於損益的融資成本	22,395	10,998
Interest income recognized in profit or loss	確認於損益的利息收入	(616)	(1,963)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	27,601	22,441
Amortization of intangible assets	無形資產攤銷	2,273	1,870
Release of prepaid lease payments	預付租賃款項解除	507	332
Losses (gains) on disposals of property, plant and equipment	出售物業、廠房及設備虧損(收益)	654	(1,851)
Gains on disposals of prepaid lease payments	出售預付租賃款項收益	—	(175)
Changes in fair values of derivative financial instruments	衍生金融工具公平值變動	(9,877)	446
Changes in fair values of the contingent consideration in respect of Tianjin Rituo Acquisition (as defined in note 24(a))	就天津日拓收購之或然代價公平值變動(附註24(a)所界定者)	(10,438)	—
Allowance for trade and other receivables — net	貿易及其他應收款項備抵—淨值	93	13
Exchange losses (gains) relating to bank borrowings	有關銀行借貸的滙兌虧損(收益)	785	(12,231)
Recognition of share-based payments (note 23)	已確認以股份支付的款項(附註23)	3,574	3,574
Impairment loss recognized in respect of goodwill	就商譽確認的減值虧損	1,823	—
Impairment loss recognized in respect of intangible assets	就無形資產確認的減值虧損	5,822	—
Impairment loss recognized in respect of property, plant and equipment	就物業、廠房及設備確認的減值虧損	3,124	—
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	67,582	117,610
(Increase) decrease in trade and other receivables	貿易及其他應收款項(增加)減少	(7,157)	68,114
Decrease (increase) in inventories	存貨減少(增加)	13,537	(92,966)
Decrease in trade and other payables	貿易及其他應付款項減少	(95,376)	(64,738)
Settlement of derivative financial instruments	衍生金融工具結算	6,930	(1,851)
Cash (used in) from operations	經營(所用)所得現金	(14,484)	26,169
Income taxes paid	已付所得稅	(5,020)	(10,270)
Interest paid	已付利息	(27,309)	(13,348)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營活動(所用)所得現金淨額	(46,813)	2,551

# Condensed Consolidated Statement of Cash Flows

## 簡明綜合現金流量表

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited, restated) (未經審核， 重列)
<b>INVESTING ACTIVITIES</b>		<b>投資活動</b>	
Purchase of property, plant and equipment	購買物業、廠房及設備	<b>(106,938)</b>	(148,303)
Purchase of land use rights	購買土地使用權	—	(18,839)
Net cash outflow in respect of Huizhou Technology Acquisition (as defined in note 24(b))	關於收購惠州科技的現金流出淨額(附註24(b)所界定者)	—	(8,033)
Placement of pledged bank deposits	已抵押銀行存款存放	<b>(66,003)</b>	(47,743)
Release of pledged bank deposits	已抵押銀行存款解除	<b>84,864</b>	43,759
Purchase of intangible assets	購買無形資產	<b>(1,725)</b>	(1,940)
Proceeds on disposals of property, plant and equipment	出售物業、廠房及設備所得款項	<b>560</b>	19,842
Proceeds on disposals of prepaid lease payments for land use rights	出售土地使用權預付租賃款項	—	899
Net cash inflow in respect of the Tianjin Rituo Acquisition (as defined in note 24(a))	有關收購天津日拓的現金流入淨額(附註24(a)所界定者)	—	6,750
Interest received	已收利息	<b>616</b>	1,963
Advances to third parties	向第三方拆借	<b>(6,431)</b>	10
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>投資活動(所用)的現金淨額</b>	<b>(95,057)</b>	(151,635)
<b>FINANCING ACTIVITIES</b>		<b>融資活動</b>	
New borrowings raised	所募集的新借貸	<b>777,380</b>	564,029
Repayments of borrowings	償還借貸	<b>(640,675)</b>	(437,308)
Acquisition of non-controlling interests	收購少數股東權益	<b>(1,992)</b>	—
Capital contribution from non-controlling interests of subsidiaries	附屬公司少數股東權益注資	<b>5,600</b>	—
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>融資活動所得現金淨額</b>	<b>140,313</b>	126,721
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物減少淨值</b>	<b>(1,557)</b>	(22,363)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>期初現金及現金等價物</b>	<b>106,650</b>	160,408
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash</b>	<b>期末現金及現金等價物，以銀行結餘及現金列示</b>	<b>105,093</b>	138,045

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 1. GENERAL

The condensed consolidated financial statements have been prepared in accordance 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 "Stock Exchange") and with the International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB").

The Group is mainly engaged in the manufacture and sales of signal cable assembly, power cord assembly, signal transmission wire and cable products, connectors, antennas, automotive wiring harness and other products.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company and the principal subsidiaries.

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values.

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 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards ("IFRS") issued by the IASB:

Amendments to IFRS 7	Financial Instruments disclosure — Transfers of Financial Assets
Amendments to IAS 12	Deferred tax: Recovery of Underlying Assets

While the application of the above amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements, the directors of the Company considers that the application of amendments to IFRS 7 may increase the disclosure requirements for transactions involving transfers of financial assets in its 2012 annual financial statements. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

### 1. 一般資料

簡明綜合財務報表乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則附錄十六的適用的披露規定及國際會計準則理事會(「國際會計準則理事會」)頒佈的國際會計準則第34號「中期財務報告」而編製。

本集團主要從事信號線組件、電源線組件、信號傳輸線纜產品、連接器、天線及汽車線束及其他產品的製造及銷售。

簡明綜合財務報表以人民幣呈列。人民幣(「人民幣」)為本公司及主要附屬公司的功能貨幣。

### 2. 主要會計政策

除若干金融工具以公平值計量外，簡明綜合財務報表按歷史成本編製。

除下文所述者外，截至二零一二年六月三十日止六個月之簡明綜合財務報表所採用的會計政策及計算方法與編製本集團截至二零一一年十二月三十一日止年度財務報表所採用的會計政策一致。

於本中期期間，本集團首次採納了下列由國際會計準則理事會頒佈的國際財務報告準則修(「國際財務報告準則」)訂本：

國際財務報告準則第7號的修訂本	金融工具披露 — 金融資產轉換
國際會計準則第12號的修訂本	遞延稅項：收回相關資產

儘管於本中期期間應用上述國際財務報告準則修訂本對該等於簡明綜合財務報表所報的金額及/或該等於簡明綜合財務報表所載的披露並無重大影響，本公司董事認為應用國際財務報告準則第7號或會增加對於二零一二年年度財務報表中金融資產轉讓所涉及的交易之披露規定。該等修訂旨在就於金融資產被轉讓但轉讓人保留該資產一定程度之持續風險承擔時，提高風險承擔之透明度。該等修訂亦要求於該期間內金融資產之轉讓並非均衡分佈時作出披露。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 3. RESTATEMENT ARISING FROM VALUATION REGARDING ACQUISITION OF SUBSIDIARIES

As explained in note 24 (b), the fair values of the identifiable assets and liabilities relating to Huizhou Technology Acquisition (as defined in note 24 (b)) were determined on provisional basis in the preparation of the condensed consolidated financial statements of the Group for the six months ended 30 June 2011. The amounts were subsequently revised upon obtaining a valuation report, resulting in recognition of a goodwill of RMB5,923,000, compared with the excess over the cost of business combination of RMB4,036,000 as previously included in the condensed consolidated financial statements of the Group for the six months ended 30 June 2011.

Also, the fair values of the property, plant and equipment and intangible assets obtained in Huizhou Technology Acquisition (as defined in note (24 (b))) were determined to be RMB2,538,000 and RMB210,000 lower than the respective provisional amounts, resulting in lower depreciation charge of RMB54,000 and amortization charge of RMB1,000, respectively being recognized in the condensed consolidated financial statements of the Group for the six months ended 30 June 2011 as previously reported.

Accordingly, the comparative condensed consolidated financial statements of the Group for the six months ended 30 June 2011 have been restated.

### 3. 重列有關收購附屬公司的估值

如附註24(b)所述，於編製本集團截至二零一一年六月三十日止六個月的簡明綜合財務報表時，有關惠州科技收購（於附註24 (b)所界定者）的可識別資產及負債的公平值，乃按臨時基準釐定。其後於取得估值報告時修訂有關款項，與超逾業務合併成本的部份人民幣4,036,000元（之前列入本集團截至二零一一年六月三十日止六個月的簡明綜合財務報表），產生商譽人民幣5,923,000元。

此外，從惠州科技收購（附註24(b)所界定者）獲得的物業、廠房、設備及無形資產公平值分別被釐定為人民幣2,538,000元及人民幣210,000元，較之前於本集團截至二零一一年六月三十日止六個月的簡明綜合財務報表所報告的臨時金額相應減少，導致上年同期報表分別確認了較高的折舊費用人民幣54,000元和較高的攤銷費用人民幣1,000元。

因此，本集團截至二零一一年六月三十日止六個月的比較簡明綜合財務報表已予重列。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 3. RESTATEMENT ARISING FROM VALUATION REGARDING ACQUISITION OF SUBSIDIARIES (Continued)

The effects of the changes as described above on the results for the six months ended 30 June 2011 by line items are as follows:

### 3. 重列有關收購附屬公司的估值 (續)

就分項而言，上述變動對截至二零一一年六月三十日止六個月的業績影響如下：

		Six months ended 30 June 2011 截至二零一一年 六月三十日止 六個月 RMB'000 人民幣千元
Decrease in excess over the cost of a business combination, provisional	超逾業務合併成本減少(臨時)	(4,036)
Decrease in the depreciation of property, plant and equipment and the amortization of intangible assets	物業、廠房及設備折舊及無形資產攤銷減少	55
Decrease in profit for the period		(3,981)
Decrease in profit for the period attributable to:	可供分配利益的減少：	
— Owners of the Company	— 本公司擁有人	(3,988)
— Non-controlling interests	— 少數股東權益	7
		(3,981)

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 4. SEGMENT INFORMATION

#### Information about reportable and operating segment revenues and results

The following table sets forth a breakdown of the Group's revenue and results by reportable and operating segments during the period under review:

		External signal cable assembly 外接信號 線組件 RMB'000 人民幣千元	Internal signal cable assembly 內接信號 線組件 RMB'000 人民幣千元	Power transmission cord assembly 電源 線組件 RMB'000 人民幣千元	Signal transmission Wire and cable 信號傳輸 線纜 RMB'000 人民幣千元	Connectors 連接器 RMB'000 人民幣千元	Antennas 天線 RMB'000 人民幣千元	Automotive wiring harness 汽車線束 RMB'000 人民幣千元	Other products 其他產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Six months ended 30 June 2012 (unaudited)	截至二零一二年 六月三十日止 六個月(未經審核)									
Segment revenue	分部收益	205,404	210,575	176,859	272,240	14,499	23,489	87,463	40,317	1,030,846
Segment results	分部業績	29,584	47,415	26,507	43,767	1,104	4,454	6,859	3,237	162,927
Six months ended 30 June 2011 (unaudited)	截至二零一一年 六月三十日止 六個月(未經審核)									
Segment revenue	分部收益	181,940	169,109	136,434	236,449	28,227	18,943	68,953	41,636	881,691
Segment results	分部業績	36,859	48,982	18,555	48,223	8,913	4,203	14,042	8,155	187,932

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

The segment results represent segment revenue less segment cost of sales determined on a standard cost basis, which represents the internally generated financial information regularly reviewed by the Group's chief operating decision maker. However, the other income, other gains and losses, distribution and selling expenses, administrative and general expenses, research and development expenses, finance costs and taxation are not allocated to each reportable segment.

### 4. 分部資料

#### 可報告及經營分部收益及業績的資料

下表列示本集團根據審閱期內按可報告及經營及經分部劃分的收益及業績明細：

以上呈報的收益來自外界客戶的收益。於審閱期內概無任何分部間銷售。

分部業績指分部收益減按標準成本基準釐定的分部銷售成本，為本集團主要經營決策人定期審閱的內部財務資料。然而，其他收入、其他收益及虧損、分銷及銷售開支、行政及一般開支、研發開支、融資成本及所得稅費用並沒有分配至各可報告分部。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 4. SEGMENT INFORMATION (Continued)

#### Information about reportable and operating segment revenues and results (Continued)

The reportable and operating segment results are reconciled to profit after taxation of the Group as follows:

### 4. 分部資料(續)

#### 可報告及經營分部收益及業績的資料(續)

可報告及經營分部業績與本集團的除稅後溢利對賬如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited, restated) (未經審核， 重列)
Reportable segment results	可報告分部業績	<b>162,927</b>	187,932
Unallocated income and expenses:	未分配收入及開支：		
— Other income	— 其他收入	<b>4,380</b>	5,652
— Other gains and losses	— 其他收益及虧損	<b>9,764</b>	7,710
— Distribution and selling expenses	— 分銷及銷售開支	<b>(32,346)</b>	(22,061)
— Administrative and general expenses	— 行政及一般開支	<b>(63,041)</b>	(48,878)
— Research and development expenses	— 研發開支	<b>(39,427)</b>	(25,201)
— Finance costs	— 融資成本	<b>(22,395)</b>	(10,998)
Profit before taxation	除稅前溢利	<b>19,862</b>	94,156
Income tax credit (expenses)	所得稅抵扣(開支)	<b>2,179</b>	(7,383)
Profit for the period	期內溢利	<b>22,041</b>	86,773

### 5. OTHER INCOME

### 5. 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)
Government grants	政府補助	<b>3,764</b>	3,689
Interest income	利息收入	<b>616</b>	1,963
		<b>4,380</b>	5,652

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 6. OTHER GAINS AND LOSSES

### 6. 其他收益及虧損

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核， 重列)
Net foreign exchange gains	外匯收益淨額	872	6,130
(Losses) gains on disposals of property, plant and equipment	出售物業、廠房及設備(虧損)收益	(654)	1,851
Gains on disposals of prepaid lease payments	出售預付租賃款項收益	—	175
Changes in fair value of derivative financial instruments in respect of commodity derivative contracts and cancellable foreign currency forwards swaps contract	有關商品衍生合約及可註銷外匯遠期掉期合約的衍生金融工具公平值變動	9,877	(446)
Changes in fair value of the contingent consideration in respect of Tianjin Rituo Acquisition (as defined in note 24(a))	有關收購天津日拓收購(附註24(a)所界定者)的或然代價公平值變動	10,438	—
Impairment loss recognized in respect of property, plant and equipment (note 15)	就物業、廠房及設備確認減值虧損(附註15)	(3,124)	—
Impairment loss recognized in respect of intangible assets (note 15)	就無形資產確認減值虧損(附註15)	(5,822)	—
Impairment loss recognized in respect of goodwill (note 15)	就商譽確認減值虧損(附註15)	(1,823)	—
		9,764	7,710

### 7. FINANCE COSTS

### 7. 融資成本

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)
Interest on borrowings wholly repayable within five years	須於五年內悉數償還的借貸利息	27,309	13,348
Less: Amount capitalized in respect of cost of qualifying assets	減：有關合資格資產成本的資本化金額	(4,914)	(2,350)
		22,395	10,998

Borrowing costs capitalized during the six months ended 30 June 2012 arose on the general borrowing pool and are calculated by applying capitalization rates ranging from 6.99% to 7.75% per annum (six months period ended 30 June 2011: 5.21% to 6.11% per annum) to expenditure on qualifying assets.

截至二零一二年六月三十日止六個月期間之資本化借貸成本乃於一般借貸中產生，並就合資格資產開支應用資本化年利率介乎6.99%至7.75%（截至二零一一年六月三十日止六個月：年利率5.21%至6.11%）計算得出。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 8. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging the following items:

### 8. 除稅前溢利

除稅前溢利已扣除以下各項：

		<b>Six months ended 30 June</b>	
		截至六月三十日止六個月	
		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
		<b>(unaudited)</b>	(unaudited, restated)
		(未經審核)	(未經審核， 重列)
Staff cost (including directors' emoluments)	員工成本(包括董事薪酬)		
— Salaries and other benefits	— 薪金及其他福利	<b>158,175</b>	102,148
— Retirement benefit scheme contributions	— 退休福利計劃供款	<b>5,770</b>	4,056
— Share-based payments (note 23)	— 以股份支付的款項 (附註23)	<b>3,574</b>	3,574
		<b>167,519</b>	109,778
Depreciation and amortization:	折舊及攤銷：		
— Property, plant and equipment	— 物業、廠房及設備	<b>27,601</b>	22,441
— Intangible assets	— 無形資產	<b>2,273</b>	1,870
		<b>29,874</b>	24,311
Release of prepaid lease payments	預付租賃款項解除	<b>507</b>	332
Cost of inventories recognized as an expense included in	確認為開支的存貨成本 包括		
— Cost of sales	— 銷售成本	<b>867,919</b>	693,759
— Research and development expenses	— 研發開支	<b>20,131</b>	11,369
		<b>888,050</b>	705,128
Allowance for doubtful debts relating to trade receivables	與貿易應收款項有關的 呆賬撥備	<b>93</b>	13

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## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 9. INCOME TAX CREDIT (EXPENSES)

### 9. 所得稅抵扣(開支)

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)
PRC Enterprise Income Tax ("EIT")	中國企業所得稅 (「企業所得稅」)		
— Current period	— 即期	<b>6,478</b>	11,810
— Overprovision of PRC EIT in prior periods	— 過往期間中國企業 所得稅超額撥備	<b>(113)</b>	(679)
		<b>6,365</b>	11,131
Deferred tax	遞延稅項		
— Current period	— 即期	<b>(8,544)</b>	(3,748)
Income tax (credit) expenses	所得稅(抵扣)開支	<b>(2,179)</b>	7,383

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profit arising in Hong Kong during the period under review.

因本集團於審閱期間在香港並未產生應課稅溢利，故並無就香港利得稅作出撥備。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 9. INCOME TAX CREDIT (EXPENSES) (Continued)

Except of the following companies, the subsidiaries of the Company incorporated in the PRC are subject to the PRC EIT of 25% for the period under review:

### 9. 所得稅抵扣(開支)(續)

除以下公司外，於審閱期內本公司於中國註冊成立的附屬公司的須按中國企業所得稅25%繳稅：

Name of the subsidiary 附屬公司名稱	Six months ended 30 June 截至六月三十日止六個月	
	2012 二零一二年 % 百分比	2011 二零一一年 % 百分比
威海市泓淋電子有限公司(「威海電子」) (Weihai Honglin Electronic Co., Ltd.#, "Weihai Electronic")	15.0	15.0
威海市泓淋電線電纜有限公司(「威海電纜」)(下文附註) (Weihai Honglin Wire & Cable Co., Ltd.#, "Weihai Cable") (note below)	N/A 不適用	15.0
常熟泓淋電子有限公司 (Changshu Honglin Electronic Co., Ltd.#)	12.5	12.5
常熟泓淋電線電纜有限公司 (Changshu Honglin Wire & Cable Co., Ltd.#)	15.0	12.5
常熟泓淋連接技術有限公司 (Changshu Honglin Connecting-Technology Co., Ltd.#)	12.5	12.5
德州泓淋電子有限公司 (Dezhou Honglin Electronic Co., Ltd.#)	15.0	12.5
武漢市泓淋電子有限公司 (Wuhan Honglin Electronic Co., Ltd.#)	25.0	12.0

Note:

Both Weihai Electronic and Weihai Cable are wholly owned subsidiaries of the Company. During the six months ended 30 June 2012, Weihai Cable merged its business and operations to Weihai Electronic and accordingly, the income of Weihai Cable was included in the taxable income of Weihai Electronic.

# The English names are for identification purpose only.

附註：

威海電子及威海電纜均為本公司的全資附屬公司。於截至二零一二年六月三十日止六個月期間，威海電纜將其業務及營運與威海電子合併，據此，威海電纜的收入包含於威海電子的應課稅收入內。

# 英文名稱僅供識別

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 10. DIVIDENDS

No dividend has been paid or proposed by the Company during the six months ended 30 June 2012, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2011: nil).

### 11. EARNINGS PER SHARE

The calculation of the basic earnings per share for the period under review is based on the following data:

### 10. 股息

於截至二零一二年六月三十日止六個月，本公司概無派付或建議派付股息，自報告期末起亦無擬派付任何股息（截至二零一一年六月三十日止六個月：無）。

### 11. 每股盈利

於審閱期內，每股基本盈利基於以下數據計算：

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited, restated) (未經審核， 重列)
Profit attributable to owners of the Company	本公司擁有人應佔溢利	<b>27,876</b>	84,201
		Weighted average number of shares Six months ended 30 June 股份加權平均數 截至六月三十日止六個月	
		2012 二零一二年	2011 二零一一年
Number of shares in issue for the purposes of basic earnings per share	用作計算每股基本盈利的 已發行股份	<b>720,000,000</b>	720,000,000

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 11. EARNINGS PER SHARE (Continued)

The following table summarizes the impact on basic earnings per share for the six months ended 30 June 2011 as a result of changes of fair values on tangible and intangible assets relating the acquisition of Huizhou Technology and consideration of Tianjin Rituo (as defined in note 24(a)):

		Profit attributable to owners of the Company 本公司擁有人 應佔溢利 RMB'000 人民幣千元	Earnings per share 每股盈利 RMB (cents) 人民幣(分)
Before adjustment	調整前	<b>88,189</b>	12.2
Adjustment arising from valuation regarding acquisition of subsidiaries (note 3)	有關附屬公司收購估值所產生的調整(附註3)	<b>(3,988)</b>	(0.5)
After adjustment	調整後	<b>84,201</b>	11.7

There were no potential dilutive shares in existence during the period under review and therefore, no diluted earnings per share amounts have been presented.

### 12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2012, the Group spent RMB104,521,000 (six months ended 30 June 2011: RMB143,672,000) on the acquisition of property, plant and equipment to upgrade its manufacturing capabilities.

In addition, during the six months ended 30 June 2012, the Group disposed of certain plant and machinery with a carrying amount of RMB5,664,000 for sale proceeds of RMB5,010,000, resulting in losses on disposals of RMB654,000 (six months ended 30 June 2011: carrying amount of RMB29,892,000, sale proceeds of RMB31,743,000 and resulting in gains on disposals of RMB1,851,000).

### 11. 每股盈利(續)

有關惠州科技收購及天津日拓代價(於附註24(a)所界定)其後,因有形及無形資產的公平值變動對截至二零一一年六月三十日止六個月每股基本盈利的影響,於下表概列:

於審閱期內並無潛在攤薄股份,故此並無呈列每股攤薄盈利的金額。

### 12. 物業、廠房及設備

於截至二零一二年六月三十日止六個月,本集團收購物業、廠房及設備花費人民幣104,521,000元(截至二零一一年六月三十日止六個月:人民幣143,672,000元)。

此外,於截至二零一二年六月三十日止六個月,本集團出售若干廠房及機器,其賬面值為人民幣5,664,000元,出售所得款項為人民幣5,010,000元,產生出售虧損為人民幣654,000元(截至二零一一年六月三十日止六個月:賬面值為人民幣29,892,000元,出售所得款項為人民幣31,743,000元,產生出售收益為人民幣1,851,000元)。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 12. PROPERTY, PLANT AND EQUIPMENT

(Continued)

During the six months ended 30 June 2012, the directors of the Company conducted a review on the Group's plant and equipment, having regard to the losses of the operation of an automotive wiring harness cash generating unit (the "CGU"). Accordingly, an impairment loss of RMB3,124,000 has been recognized in respect of such plant and machinery of the Group to the extent that the carrying amounts exceeded their recoverable amounts based on the best estimate by the directors of the Company. The impairment loss has been included in the line item of other gains and losses in the condensed consolidated statements of comprehensive income for the six months ended 30 June 2012 and particulars regarding impairment testing on property, plant and equipment are set out in note 15.

### 13. INTANGIBLE ASSETS

During the six months ended 30 June 2012, the Group spent RMB1,725,000 (six months ended 30 June 2011: RMB1,940,000) on the acquisition of intangible assets of licenses.

During the six months ended 30 June 2012, the directors of the Company conducted a review on the Group's customer relationships and technology knowhow, having regard to the losses of the operation of automotive wiring harness CGU. Accordingly, an impairment loss of RMB5,822,000 has been recognized in respect of such intangible assets of the Group to the extent that the carrying amounts exceeded their recoverable amounts based on the best estimate by the directors of the Company. The impairment loss has been included in the line item of other gains and losses in the condensed consolidated statements of comprehensive income for the six months ended 30 June 2012 and particulars regarding impairment testing on intangible assets are set out in note 15.

### 12. 物業、廠房及設備(續)

於二零一二年六月三十日止六個月期內，本公司董事就有關汽車線束營運的現金產生單位(「現金產生單位」)虧損對本集團物業及設備進行審核。據此，基於本公司董事對賬面價值超過其可收回金額的範圍的最佳估計，就本集團該等廠房及機器確認人民幣3,124,000元的減值虧損。減值虧損於截至二零一二年六月三十日止六個月的簡明綜合報表綜合收益的其他收益及虧損分項已包括在內。有關物業、廠房及設備減值測試的細節，載於附註15中。

### 13. 無形資產

於截至二零一二年六月三十日止六個月，本集團於收購無形資產花費人民幣1,725,000元(截至二零一一年六月三十日止六個月：人民幣1,940,000元)。

於二零一二年六月三十日止六個月期內，本公司董事就有關汽車線束現金產生單位營運的虧損對本集團的客戶關係及技術知識進行審核。據此，基於本公司董事對賬面價值超過其可收回金額的範圍的最佳估計，就本集團該等無形資產確認人民幣5,822,000元的減值虧損。減值虧損於截至二零一二年六月三十日止六個月的簡明綜合報表綜合收益的其他收益及虧損分項已包括在內。有關無形資產減值測試載於附註15中。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 14. GOODWILL

### 14. 商譽

		As at 30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Goodwill attributable to the following CGUs:	以下產生現金單位的應佔商譽：		
— Automotive wiring harness	— 汽車線束	1,823	1,823
— Signal transmission wire and cable	— 信號傳輸線纜	5,923	5,923
		<b>7,746</b>	7,746
Less: Impairment recognized	減：減值確認	<b>(1,823)</b>	—
		<b>5,923</b>	7,746

Particulars regarding impairment testing goodwill are set out in note 15.

有關商譽減值的測試，載於附註15中。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 15. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENTS, INTANGIBLE ASSETS AND GOODWILL

For the purpose of impairment testing on the Group's property, plant and equipment, intangible assets of customer relationships and technology knowhow and goodwill, those assets have been allocated to two individual CGUs included in the automotive wiring harness segment and signal transmission wire and cable segment, respectively. The carrying amounts of property, plant and equipment, intangible assets and goodwill, before impairment consideration for the period, allocated to these units are as follows:

		Automotive wiring harness 汽車線束 RMB'000 人民幣千元	Signal transmission wire and cable 信號傳輸線纜 RMB'000 人民幣千元
As at 30 June 2012	於二零一二年六月三十日		
Property, plant and equipment	物業、廠房及設備	<b>12,813</b>	38,550
Intangible assets	無形資產		
— Customer relationships	— 客戶關係	<b>10,889</b>	1,965
— Technology knowhow	— 專有技術	<b>8,899</b>	—
Goodwill	商譽	<b>1,823</b>	5,923
		<b>34,424</b>	46,438

During the six months period ended 30 June 2012, the Group recognized impairment loss of RMB10,769,000 in relation to property, plant and equipment, intangible assets of customer relationships and technology knowhow and goodwill of automotive wiring harness CGU, as the recoverable amount of this unit is less than the carrying amount of net assets. It included impairment loss of RMB3,124,000 in relation to property, plant and equipment, impairment loss of RMB5,822,000 in relation to intangible assets of customer relationships and technology knowhow impairment loss of RMB1,823,000 in relation to goodwill arising on Tianjin Rituo Acquisition (as defined in note 24(a)), respectively.

### 15. 物業、廠房及設備、無形資產及商譽減值測試

為進行減值測試，本集團物業、廠房及設備、客戶關係及專有技術的無形資產及商譽等資產已分別分配至包括汽車線束分部及信號傳輸線纜分部兩項個別現金產生單位。物業、廠房及設備、無形資產及商譽的賬面值(作出即期減值考慮前)如下分配至該等單位：

於二零一二年六月三十日止六個月，由於該現金產生單位的可收回金額低於其賬面淨值，故本集團已確認有關汽車線束現金產生單位的物業、廠房及設備、客戶關係及專有技術的無形資產及商譽的減值虧損人民幣10,769,000元，分別包括有關物業、廠房及設備的減值虧損人民幣3,124,000元、有關客戶關係及專有技術的無形資產的減值虧損人民幣5,822,000元，以及有關人民幣天津日拓收購所產生的商譽減值虧損人民幣1,823,000元(附註24(a)所界定者)。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 15. IMPAIRMENT TESTING ON PORPERTY, PLANT AND EQUIPMENTS, INTANGIBLE ASSETS AND GOODWILL (Continued)

The recoverable amounts of the CGUs are both determined based on a value in use calculation. The calculation included the discount rate of 19% per annum. Cash flows beyond the four and a half-year budgeted period have been extrapolated using a steady 3% per annum growth rate to reflect the long-term industry growth rate.

### 16. DEFERRED TAXATION

The following are the Group's major deferred tax assets (liabilities) recognized and the movements thereon, during the reporting period.

### 15. 物業、廠房及設備、商譽及無形資產減值測試(續)

兩項現金產生單位的可收回金額均根據使用價值計算法釐定，當中包含每年19%之折現率。超過四年半財務預算期的現金流量，以每年穩定3%的增長率推算，以反映長期行業增長率。

### 16. 遞延稅項

以下為本集團於報告期間所確認的主要遞延稅項資產(負債)及相關變動：

		Deferred tax assets 遞延稅項資產					Deferred tax liabilities 遞延稅項負債			Total 總計
		Pre-operating expenses 營運前開支	Impairment loss of assets 減值虧損 資產	Tax losses 稅項虧損	Others 其他	Total 總計	Fair value adjustments on acquisition 公平值調整 收購	Fair value adjustments on financial assets 公平值調整 金融資產	Total 總計	
		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	
As at 1 January 2011 (audited)	於二零一一年一月一日 (經審核)	108	365	2,219	24	2,716	—	—	—	
Additions relating to the acquisition of Tianjin Rituo and Huizhou Technology	有關天津日拓及惠州科技收購事項添置	—	—	—	—	—	(10,677)	—	(10,677)	
(Charge) credit to profit or loss	於損益(扣除)計入	(108)	4	2,160	1	2,057	959	—	959	
As at 31 December 2011 (audited)	於二零一一年十二月三十一日(經審核)	—	369	4,379	25	4,773	(9,718)	—	(9,718)	
(Charge) credit to profit or loss	於損益(扣除)計入	—	788	7,316	37	8,141	1,969	(1,566)	403	
As at 30 June 2012 (unaudited)	於二零一二年六月三十日 (未經審核)	—	1,157	11,695	62	12,914	(7,749)	(1,566)	(9,315)	

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## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 17. TRADE AND OTHER RECEIVABLES

### 17. 貿易及其他應收款項

			As at 30 June 2012 於 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2011 於 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade receivables	貿易應收款項	(a)	<b>898,744</b>	888,812
Less: Allowance for doubtful debts	減：呆賬撥備		<b>(1,336)</b>	(1,239)
			<b>897,408</b>	887,573
Bills receivable	應收票據	(b)	<b>38,981</b>	59,327
Advance to suppliers	墊款予供應商		<b>83,014</b>	76,618
Value added tax recoverable	可退回增值稅		<b>20,984</b>	8,608
Deposits and prepayments	保證金及預付款項		<b>17,746</b>	17,450
Consideration receivable from disposals of property, plant and equipment	出售物業、廠房及設備的應收代價		<b>4,450</b>	—
Advances to non-control interest shareholders	墊款予非控股股東		—	1,902
Advances to third parties	墊款予第三方		<b>12,730</b>	6,299
Advances to staff	墊款予員工		<b>2,458</b>	2,812
Other receivables	其他應收款項		<b>1,443</b>	678
			<b>1,079,214</b>	1,061,267

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 17. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

#### (a) Trade receivables

The Group's trade receivables at the end of the reporting period comprise amounts receivable from the sales of goods.

The Group generally allows a credit period ranging from 60 days to 180 days to its trade customers.

The aged analysis of the Group's trade receivables (net of allowances for doubtful debts) presented based on the invoice date as at the end of the reporting period are as follows:

		As at 30 June 2012 於 二零一二年 六月三十日 RMB'000 (unaudited) (未經審核)	As at 31 December 2011 於 二零一一年 十二月三十一日 RMB'000 (audited) (經審核)
Within 3 months	三個月內	706,882	724,709
Over 3 months but within 6 months	三個月至六個月	180,586	154,175
Over 6 months but within 1 year	六個月至一年	9,940	8,689
		<b>897,408</b>	887,573

#### (b) Bills receivable

The aged analysis of the Group's bills receivable presented based on the received date as at the end of the reporting period are as follows:

		As at 30 June 2012 於 二零一二年 六月三十日 RMB'000 (unaudited) (未經審核)	As at 31 December 2011 於 二零一一年 十二月三十一日 RMB'000 (audited) (經審核)
Within 3 months	三個月內	11,414	27,267
Over 3 months but within 6 months	三個月至六個月	27,567	32,060
		<b>38,981</b>	59,327

### 17. 貿易及其他應收款項(續)

附註：

#### (a) 貿易應收款項

本集團於本報告期末的貿易應收款項包括銷售貨物的應收款項。

本集團一般給予貿易客戶介乎60日至180日的信貸期。

於報告期末，根據發票日期呈列的本集團應收款項賬齡分析(已扣除呆賬撥備)如下：

#### (b) 應收票據

於報告期末，根據收款日期呈列的本集團應收票據賬齡分析如下：

### 18. PLEDGED BANK DEPOSITS

As at 30 June 2012, the Group's pledged bank deposits carry fixed interest rates ranging from 0.10% to 3.08% per annum (31 December 2011: 1.20% to 3.50% per annum).

The Group's pledged bank deposits were pledged as securities for the Group's short-term bank borrowings, bills payable and the letter of credit.

### 18. 已抵押銀行存款

於二零一二年六月三十日，本集團已抵押銀行存款的固定年利率介乎0.10%至3.08%(二零一一年十二月三十一日：年利率介乎1.20%至3.50%)。

本集團已抵押銀行存款已抵押作本集團短期銀行借貸、應付票據及信用證擔保。

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## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 19. OTHER FINANCIAL ASSETS AND LIABILITIES

### 19. 其他金融資產及負債

			As at 30 June 2012 於 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2011 於 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Other financial assets	其他金融資產			
— Contingent consideration (note 24(a))	— 或然代價 (附註24(a))		15,667	5,229
— Commodity derivative contracts	— 商品衍生合約	(a)	1,335	—
			<b>17,002</b>	5,229
Other financial liabilities	其他金融負債			
— Foreign currency exchange contracts	— 外匯合約	(b)	—	368
— Commodity derivative contracts	— 商品衍生合約	(a)	—	1
— Cancellable foreign currency forwards swaps contract	— 可撤銷外幣遠期掉期合約	(c)	4,699	5,942
			<b>4,699</b>	6,311

Notes:

**(a) Commodity derivative contracts**

The Group uses commodity derivative contracts (standard copper forward contracts in London Metal Exchange) to manage its exposure against copper price fluctuations. This arrangement is designated to address significant fluctuations in the price of copper concentrate and copper related products which move in line with the price of copper. However, this arrangement is not considered as an effective hedge and is not accounted for under hedge accounting according to the Group's accounting policies.

附註:

**(a) 商品衍生合約**

本集團使用商品衍生合約(倫敦金屬交易所標準銅遠期合約)以管理因銅價波動而面對的風險。此安排是為管理隨著銅價波動而可能引起的銅精礦及銅相關產品價格重大波動的風險。然而，根據本集團的會計政策，此安排不會視為實際對沖且不會根據對沖會計處理入賬。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
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### 19. OTHER FINANCIAL ASSETS AND LIABILITIES (Continued)

Notes: (Continued)

#### (a) Commodity derivative contracts (Continued)

Details of the contract value and the related terms are summarized as follows:

		As at 30 June 2012 於 二零一二年 六月三十日 (unaudited) (未經審核)	As at 31 December 2011 於 二零一一年 十二月三十一日 (audited) (經審核)
Commodity derivative sale contracts: — Volume (tons)	商品衍生銷售合約： — 量(噸)	700	5
— Executed contract value (RMB'000)	— 已執行的合約價值 (人民幣千元)	34,075	277
— Fair value of derivative financial assets (liabilities) (RMB'000)	— 衍生金融資產(負債)公平值 (人民幣千元)	1,335	(1)
— Contracts maturity	— 合約到期	July 2012	May 2012

#### (b) Foreign exchange forward contracts

At the end of 30 June 2012, the Group had no outstanding foreign exchange forward contracts.

As at 31 December 2011, the Group had the following foreign exchange forward contracts with certain commercial banks in the PRC to mitigate its foreign currency, mainly United States Dollars ("USD"), exposure:

Notional amount 面值	Maturity 到期日	Exchange rates 匯率
Sell RMB15,942,000 賣出人民幣 15,942,000 元	11 January 2012 二零一二年一月十一日	USD1:RMB6.473 1美元兌人民幣 6.473 元

#### (c) Cancellable foreign currency forwards swaps contracts

During the year 31 December 2011, the Group had entered into a cancellable foreign currency forwards swaps contract (the "Swaps Contract") with a bank (the "Bank") for a notional amount of USD10,000,000 that the Group should pay to the Bank forward exchange of an amount receivable from the Bank in USD equivalent to RMB64,050,000 translated at the spot rate published by Reuters on monthly basis throughout to October 2013. The contract will be settled in net amount.

Pursuant to the Swaps Contract, both of the Group and the Bank have the cancellation options as following:

- The Group is eligible to terminate the Swaps Contract at the 20th day of January, April, July and October each year from January 2012 to September 2013 for the total loss of the entire Swaps Contract not more than USD15,000,000.
- The Bank is eligible to terminate the Swaps Contract at the 20th day of each month of each year commencing 20 October 2012 at discretion at nil cost.

As at 30 June 2012, the fair value of the such Swaps Contract amounted to RMB4,699,000 (31 December 2011: RMB5,942,000).

### 19. 其他金融資產及負債(續)

附註：(續)

#### (a) 商品衍生合約(續)

合約價值及相關條款詳情概述如下：

		As at 30 June 2012 於 二零一二年 六月三十日 (unaudited) (未經審核)	As at 31 December 2011 於 二零一一年 十二月三十一日 (audited) (經審核)
Commodity derivative sale contracts: — Volume (tons)	商品衍生銷售合約： — 量(噸)	700	5
— Executed contract value (RMB'000)	— 已執行的合約價值 (人民幣千元)	34,075	277
— Fair value of derivative financial assets (liabilities) (RMB'000)	— 衍生金融資產(負債)公平值 (人民幣千元)	1,335	(1)
— Contracts maturity	— 合約到期	July 2012	May 2012

#### (b) 外匯遠期合約

於二零一二年六月三十日末，本集團並無未履行的外匯遠期合約。

於二零一一年十二月三十一日，本集團擁有與中國某些商業銀行簽署的以下外匯合約以減輕其外匯(主要為美元(「美元」))風險：

Notional amount 面值	Maturity 到期日	Exchange rates 匯率
Sell RMB15,942,000 賣出人民幣 15,942,000 元	11 January 2012 二零一二年一月十一日	USD1:RMB6.473 1美元兌人民幣 6.473 元

#### (c) 可撤銷外幣遠期掉期合約

於二零一一年十二月三十一日該年期間，本集團已與一間銀行(「該銀行」)就 10,000,000 美元的估算金額訂立可撤銷外幣遠期掉期合約(「掉期合約」)。據此，本集團須每月以美元向該銀行支付該銀行應收根據路透社公佈的即期匯率相等於人民幣 64,050,000 元的外匯款項，直至二零一三年十月為止。該合約將以淨額償付。

根據掉期合約，本集團及該銀行均有撤銷選擇權如下：

- 本集團有權由二零一二年一月至二零一三年九月期間每年的一月、四月、七月及十月第二十日止掉期合約，而全份掉期合約的虧損總額不得超過 15,000,000 美元。
- 該銀行有權自二零一二年十月二十日開始每年的每月第二十日期間及無償終止掉期合約。

於二零一二年六月三十日，該掉期合約的公平值金額為人民幣 4,699,000 元(二零一一年十二月三十一日：人民幣 5,942,000 元)。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 20. TRADE AND OTHER PAYABLES

### 20. 貿易及其他應付款項

			As at 30 June 2012 於 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2011 於 二零一一年 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	(a)	<b>312,968</b>	406,318
Bills payable	應付票據	(b)	<b>55,996</b>	55,691
Receipts in advance from customers	預收客戶款項		<b>1,088</b>	4,781
Other tax payables	其他應付稅款		<b>4,292</b>	4,457
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備 的應付款項		<b>12,659</b>	19,990
Payrolls and staff cost payables	應付工資及員工成本		<b>15,537</b>	15,909
Advances from non-control interest shareholders	來自非控股股東的墊款		<b>3,272</b>	5,737
Accrued expenses	應計開支		<b>10,857</b>	9,127
Other payables	其他應付款項		<b>4,973</b>	2,337
			<b>421,642</b>	524,347

Notes:

**(a) Trade payables**

The Group's trade payables principally comprise amounts outstanding for trade purchases. Payment terms with suppliers are mainly on credit within 90 days from the time when the goods are received.

The aged analysis of the Group's trade payables presented based on the invoice date as at the end of the reporting period are as follows:

附註：

**(a) 貿易應付款項**

本集團的貿易應付款項主要包括貿易採購的未償還款項。與供應商的支付條款主要為信貸形式，信貸期為收取貨品時起計90日內。

於報告期末，根據發票日期呈列的本集團應付款項賬齡分析如下：

			As at 30 June 2012 於 二零一二年 六月三十日 (unaudited) (未經審核)	As at 31 December 2011 於 二零一一年 十二月三十一日 (audited) (經審核)
Within 3 months	三個月內		<b>295,313</b>	380,999
Over 3 months but within 1 year	三個月至一年		<b>16,401</b>	23,782
Over 1 year but within 2 years	一年至兩年		<b>1,153</b>	1,528
Over 2 years	超過兩年		<b>101</b>	9
			<b>312,968</b>	406,318

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 20. TRADE AND OTHER PAYABLES (Continued)

Notes: (Continued)

**(b) Bills payable**

The aged analysis of the Group's bills payable presented based on the issue date as at the end of the reporting period are as follows:

		As at 30 June 2012 於 二零一二年 六月三十日 (unaudited) (未經審核)	As at 31 December 2011 於 二零一一年 十二月三十一日 (audited) (經審核)
Within 3 months	三個月內	26,210	15,504
Over 3 months but within 6 months	三至六個月	29,786	40,187
		<b>55,996</b>	55,691

### 20. 貿易及其他應付款項(續)

附註：(續)

**(b) 應付票據**

於報告期末，根據出具日期呈列的本集團應付票據賬齡分析如下：

### 21. BANK BORROWINGS

### 21. 銀行借款

		As at 30 June 2012 於 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2011 於 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Bank borrowings, due within one year:	銀行借貸(一年內到期)：		
— Secured	— 已擔保	487,491	317,316
— Unsecured	— 未擔保	303,176	336,155
		<b>790,667</b>	653,471

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 21. BANK BORROWINGS (Continued)

### 21. 銀行借款(續)

		As at 30 June 2012 於 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2011 於 二零一一年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
The exposure of bank borrowings:	銀行借貸風險：		
— Fixed interest rates borrowings	— 固定利率借貸	<b>332,509</b>	204,698
— Variable interest rates borrowings	— 浮動利率借貸	<b>458,158</b>	448,773
		<b>790,667</b>	653,471

The range of effective interest rates (which are also equal to contracted interest rates) of the Group's bank borrowings are as follows:

本集團銀行借款的實際利率(亦等於合約利率)範圍如下：

		As at 30 June 2012 於 二零一二年 六月三十日 % per annum 年利率%	As at 31 December 2011 於 二零一一年 十二月三十一日 % per annum 年利率%
Effective interest rates:	實際利率：		
Fixed interest rates borrowings	固定利率借貸	<b>4.87%–11.60%</b>	2.50%–11.60%
Variable interest rates borrowings	浮動利率借貸	<b>3.20%–8.20%</b>	2.50%–8.20%

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 22. SHARE CAPITAL

### 22. 股本

		Number of shares 股份數目	Share capital 股本 USD'000 千美元
Ordinary shares <i>Authorized</i>	普通股 法定		
As at 1 January 2011, 31 December 2011 and 30 June 2012 (USD0.02 each)	於二零一一年一月一日、 二零一一年十二月三十一日 及二零一二年六月三十日 (每股0.02美元)	2,500,000,000	50,000

		Number of shares 股份數目	Share capital 股本 USD'000 千美元	RMB'000 人民幣千元
<i>Issued and fully paid</i>	已發行及繳足			
As at 1 January 2011, 31 December 2011 and 30 June 2012 (USD0.02 each)	於二零一一年一月一日、 二零一一年十二月三十一日 及二零一二年六月三十日 (每股0.02美元)	720,000,000	14,400	97,401

The Company did not have any movements of the share capital during the six months ended 30 June 2012 (six months ended 30 June 2011: nil).

於截至二零一二年六月三十日止六個月期內，本公司並無任何股本轉讓。(截至二零一一年六月三十日止六個月：無)。

### 23. EMPLOYEE SHARE SCHEME

### 23. 僱員股份計劃

On 30 September 2008, an employees' share scheme (the "Employee Share Scheme") was adopted by the Company. Pursuant to the Employee Share Scheme, on 8 October 2008, Chenlin International Joint Stock Company Limited (a company owned by 遲少林, Mr. Chi Shaolin, "Chi Shaolin") transferred a total of 6,280,000 ordinary shares of the Company (the "Employee Shares") to Hongxin Joint Stock Company Limited in respect of 137 employees of the Group, including certain directors of the Company (the "Employee Shareholders") in recognition of their contributions to the growth of the Group at a consideration of RMB6.37 each, of which RMB2.37 each was paid for by each of the Employee Shareholders with their own funds and RMB4.00 each was paid for by Weihai Electronic and Weihai Cable, respectively, as bonus and subsidy to Employee Shareholders. Details of the Employee Share Scheme has been disclosed in 2011 audited financial statements.

於二零零八年九月三十日，本公司採納僱員股份計劃(「僱員股份計劃」)。根據僱員股份計劃，於二零零八年十月八日，鑒於彼等對本集團發展的貢獻，晨淋國際股份有限公司(遲少林先生(「遲少林」)所擁有的公司)就本集團137位僱員(包括若干本公司董事，(「僱員股東」))將總計6,280,000股本公司普通股(「僱員股份」)以代價每股人民幣6.37元轉讓予泓鑫股份有限公司，各僱員股東自行支付每股人民幣2.37元，而另外每股人民幣4.00元分別由威海電子及威海電纜支付，作為僱員股東的花紅及補貼。僱員股份計劃的細節已於二零一一年經審核財務報表中披露。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 23. EMPLOYEE SHARE SCHEME (Continued)

Details of the movements of the Employee Shares awarded and outstanding balances at the end of the reporting period are as follows:

### 23. 僱員股份計劃(續)

於報告期末，獲贈的僱員股份及未償還結餘的變動詳情如下：

		Number of outstanding share options balances 未償還結餘的購股權數目	
		Directors 董事	Employees 僱員
As at 1 January 2011 (audited)	於二零一一年一月一日 (經審核)	3,543,791	33,247,131
Transfer (note)	轉讓(附註)	(1,026,889)	1,026,889
As at 30 June 2011 (unaudited) and 31 December 2011 (audited)	於二零一一年六月三十日 (未經審核)及二零一一年 十二月三十一日(經審核)	2,516,902	34,274,020
Transfer (note)	轉讓(附註)	(1,486,471)	1,486,471
As at 30 June 2012 (unaudited)	於二零一二年六月三十日 (未經審核)	1,030,431	35,760,491

Note: In each of the six months ended 30 June 2011 and 2012, a director of the Company resigned from directorship remains as an employee of the Group.

附註：於截至二零一一年及二零一二年六月三十日止各六個月，仍為本集團僱員的一名本公司董事辭任。

During the six months ended 30 June 2012, the Group recognized share-based payments of RMB3,574,000 (six months ended 30 June 2011: RMB3,574,000) in relation to the Employee Shares.

於截至二零一二年六月三十日止六個月，本集團確認與僱員股份有關的以股份支付的款項為人民幣3,574,000元(截至二零一一年六月三十日止六個月：人民幣3,574,000元)。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 24. ACQUISITION OF SUBSIDIARIES

During the six months ended 30 June 2011, the Group made the following acquisitions:

- (a) **Acquisition of 55% equity interest in 天津日拓汽車電裝有限公司 (Tianjin Rituo Automotive Electronics Co., Ltd.#, "Tianjin Rituo") (the "Tianjin Rituo Acquisition")**

#### **Acquisition of 55% equity interest in Tianjin Rituo**

On 21 February 2011, Weihai Electronic, a wholly-owned subsidiary of the Company, entered into a capital increase agreement (the "Tianjin Rituo Capital Increase Agreement") with two independent third parties, 王祥 (Mr. Wang Xiang) and 王衛國 (Mr. Wang Weiguo) (collectively referred to as the "Tianjin Rituo Founders") and pursuant to which Weihai Electronic made a capital contribution of RMB58,600,000 to Tianjin Rituo, and in return the Group acquired 55% of equity interest in Tianjin Rituo. This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was RMB1,823,000 (see note below). Tianjin Rituo is established in the PRC which principally is engaged in the manufacture and sale of automotive wiring harness products. Tianjin Rituo was acquired so as to continue the expansion of the Group's automotive wiring harness operating segment.

#### **Consideration transferred**

		RMB'000 人民幣千元
Cash	現金	58,600
Contingent consideration arrangement (note below)	或然代價安排(下文附註)	(5,229)
<b>Total</b>	<b>總計</b>	<b>53,371</b>

# The English name is for identification purpose only.

### 24. 收購附屬公司

於截至二零一一年六月三十日止六個月，本集團作出以下收購：

- (a) **收購天津日拓汽車電裝有限公司(「天津日拓」) 55%的權益(「天津日拓收購」)**

#### **收購天津日拓55%的權益**

於二零一一年二月二十一日，本公司的全資附屬公司威海電子與兩名獨立第三方王祥先生及王衛國先生(統稱為「天津日拓創立者」)訂立增資協議(「天津日拓增資協議」)，據此，威海電子向天津日拓注資人民幣58,600,000元，而本集團則收購天津日拓的55%權益。該收購已使用收購法入賬。該收購產生的商譽金額為人民幣1,823,000元(見下文附註)。於中國成立的天津日拓主要從事製造及銷售汽車線束產品。本集團收購天津日拓以繼續拓展汽車線束經營分部。

#### **已轉撥代價**

# 英文名稱僅供識別

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 24. ACQUISITION OF SUBSIDIARIES (Continued)

#### (a) Acquisition of 55% equity interest in 天津日拓汽車電裝有限公司 (Tianjin Rituo Automotive Electronics Co., Ltd., "Tianjin Rituo") (the "Tianjin Rituo Acquisition") (Continued)

##### Consideration transferred (Continued)

Note: The Tianjin Rituo Founders provided guarantee to Weihai Electronic that the aggregate amount of the audited net profit after tax of Tianjin Rituo for the two years ending 31 December 2012 (the "Actual Profit") will not be less than RMB40,000,000 (the "Target Profit"). If the Actual Profit is less than the Target Profit, the Tianjin Rituo Founders shall pay Weihai Electronic 34.4% of the difference between the Actual Profit and the Target Profit, and Weihai Electronic will have to contribute such sum back into Tianjin Rituo through increasing the registered capital of Tianjin Rituo, while the Tianjin Rituo Founders will proportionally contribute capital to Tianjin Rituo according to the sum that Weihai Electronic contributed; or

On the other hand, if the Actual Profit is higher than the Target Profit, Weihai Electronic shall pay the Tianjin Rituo Founders 28.1% of the difference between the Target Profit and the Actual Profit, which is capped at RMB22,500,000. Subsequently, the Tianjin Rituo Founders will have to contribute such sum back into Tianjin Rituo through increasing the registered capital of Tianjin Rituo while Weihai Electronic will proportionally contribute capital to Tianjin Rituo according to the sum that the Tianjin Rituo Founders contributed.

The contingent consideration was determined on a provisional basis in the preparation of the condensed consolidated financial statement of the Group for the six months ended 30 June 2011. At that time, the fair value of the contingent consideration at the date of acquisition and as at 30 June 2011 was considered to be insignificant by the directors of the Company and accordingly, no value had been recognised in the condensed consolidated financial statement of the Group for the six months ended 30 June 2011.

A valuation report relating to the Tianjin Rituo Acquisition (the "Tianjin Rituo Acquisition Valuation") was subsequently received in early 2012 and the fair value of the contingent consideration at the date of acquisition and as of 30 June 2011 was determined to be RMB5,229,000. The comparative figures for the six months ended 30 June 2011 have been restated as if the initial accounting had been completed from the acquisition date.

The valuation of contingent consideration attributable to Tianjin Rituo Acquisition as at 30 June 2011 was increased from nil to RMB5,229,000. There was a corresponding reduction in goodwill in respect of the Tianjin Rituo Acquisition from RMB7,052,000 to RMB1,823,000.

Up to 30 June 2012, based on the best estimate by the directors of the Company, the projected Actual Profit is lower than the Target Profit and thus, the fair value of the contingent consideration attributable to Tianjin Rituo Acquisition as at 30 June 2012 is estimated to be RMB15,667,000, resulting in a fair value gain of RMB10,438,000 recognized in current period.

### 24. 收購附屬公司(續)

#### (a) 收購天津日拓汽車電裝有限公司(「天津日拓」)55%的權益(「天津日拓收購」)(續)

##### 已轉撥代價(續)

附註：天津日拓創立者向威海電子提供擔保，截至二零一二年十二月三十一日止兩個年度，天津日拓經審核除稅後純利總額(「實際溢利」)將不少於人民幣40,000,000元(「目標溢利」)。倘實際溢利少於目標溢利，天津日拓創立者須向威海電子支付實際溢利及目標溢利差額的34.4%，及威海電子將必須透過增加天津日拓已註冊資本向天津日拓注入有關金額，而天津日拓創立者將根據威海電子注資總額按比例向天津日拓注資；或

另一方面，倘實際溢利高於目標溢利，威海電子須向天津日拓創立者支付目標溢利及實際溢利差額的28.1%，最高為人民幣22,500,000元。隨後，天津日拓創立者將必須透過增加天津日拓已註冊資本注入有關金額予天津日拓，而威海電子將根據天津日拓創立者注資總額按比例注資予天津日拓。

於編製本集團截至二零一一年六月三十日止六個月的簡明綜合財務報表時，或然代價以臨時基準釐定。於收購日及於二零一一年六月三十日的或然代價公平值，本公司董事當時認為無關重要，據此，本集團於二零一一年六月三十日止六個月的簡明綜合財務報表中並無確認價值。

有關天津日拓收購的估值報告(「天津日拓收購估值」)，其後於二零一二年年初收到，而或然代價於收購日及截至二零一一年六月三十日的公平值釐定為人民幣5,229,000元。截至二零一一年六月三十日止六個月的比較數字已重列，猶如首次會計處理已於收購日期完成。

天津日拓收購於二零一一年六月三十日應估的或然代價估值已由零增加至人民幣5,229,000元。有關天津日拓收購之商譽相應減少由人民幣7,052,000元減少至人民幣1,823,000元。

截至二零一二年六月三十日止，根據本公司董事之最佳估計，預測實際溢利低於目標溢利，因此，天津日拓收購於二零一二年六月三十日應估的或然代價公平值估計為人民幣15,667,000元，並於即期產生公平值收益人民幣10,438,000元。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
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### 24. ACQUISITION OF SUBSIDIARIES (Continued)

### 24. 收購附屬公司(續)

- (a) Acquisition of 55% equity interest in 天津日拓汽車電裝有限公司 (Tianjin Rituo Automotive Electronics Co., Ltd., "Tianjin Rituo") (the "Tianjin Rituo Acquisition") (Continued)

- (a) 收購天津日拓汽車電裝有限公司(「天津日拓」)55%的權益(「天津日拓收購」)(續)

Assets acquired and liabilities recognized at the date of acquisition are as follows:

收購日期已收購資產及已確認負債如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	8,957
Intangible assets (note below)	無形資產(下文附註)	23,280
Inventories	存貨	28,601
Trade receivables	貿易應收款項	63,741
Bank balances and cash	銀行結餘及現金	65,350
Trade and other payables	貿易及其他應付款項	(81,547)
Bank borrowings	銀行借貸	(8,502)
Deferred taxation liabilities	遞延稅項負債	(6,156)
		93,724

Note: Intangible assets represent customer relationships of approximately RMB12,810,000 and technology knowhow of approximately RMB10,470,000.

附註：無形資產指客戶關係約人民幣12,810,000元及專有技術約人民幣10,470,000元。

#### Goodwill arising on acquisition

#### 收購產生的商譽

Pursuant to the Tianjin Rituo Acquisition Valuation, the following items are restated:

根據天津日拓收購估值，以下項目已經重列：

		Provisional amounts originally stated 原先呈列臨時金額 RMB'000 人民幣千元	Restated 重列 RMB'000 人民幣千元
Consideration transferred	已轉撥代價	58,600	53,371
Add: Non-controlling interests	加：少數股東權益	42,176	42,176
Less: Recognized amount of identified net assets acquired, including Weihai Electronic capital injection of RMB58,600,000 to Tianjin Rituo	減：已收購之可識別資產淨值之已確認金額，包括威海電子向天津日拓注資人民幣58,600,000元	(93,724)	(93,724)
Goodwill arising on acquisition of Tianjin Rituo	收購天津日拓產生的商譽	7,052	1,823

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 24. ACQUISITION OF SUBSIDIARIES (Continued)

- (a) **Acquisition of 55% equity interest in 天津日拓汽車電裝有限公司 (Tianjin Rituo Automotive Electronics Co., Ltd., "Tianjin Rituo") (the "Tianjin Rituo Acquisition") (Continued)**

#### **Goodwill arising on acquisition (Continued)**

The 45% non-controlling interest in Tianjin Rituo recognized at the acquisition date was measured by reference to the proportionate share amounts of net assets of Tianjin Rituo of RMB93,724,000 (including Weihai Electronic capital injection of RMB58,600,000 to Tianjin Rituo) amounting to RMB42,176,000.

Goodwill arose on the acquisition of Tianjin Rituo because the acquisition included the workforce of Tianjin Rituo. This asset could not be separately recognized from goodwill because they are not capable of being separated from the Group and sold, transferred, licensed, rented or exchanged, either individually or together with any related contracts. The goodwill is not expected to be deductible for tax purpose.

During the six months ended 30 June 2012, the directors of the Company conducted a review on the Group's goodwill attributable to Tianjin Rituo Acquisition, having regarding to the losses of the operation of automotive wiring harness. Accordingly, an impairment loss of RMB1,823,000 has been recognized to the extent that the carrying amount exceeded the recoverable amount of the CGUs of automotive wiring harness based on the best estimate by the directors of the Company. The impairment loss has been included in the line item of other gains and losses in the condensed consolidated statements of comprehensive income for the six months ended 30 June 2012 and particulars regarding impairment testing on goodwill are set out in note 15.

### 24. 收購附屬公司(續)

- (a) **收購天津日拓汽車電裝有限公司(「天津日拓」)55%的權益(「天津日拓收購」)(續)**

#### **收購產生的商譽(續)**

於收購日期確認的天津日拓45%少數股東權益參考天津日拓資產淨值所佔比例金額人民幣93,724,000元計量(包括威海電子向天津日拓注資人民幣58,600,000元)為人民幣42,176,000元。

由於收購包括天津日拓的員工，故商譽於收購天津日拓時產生。該資產不能單獨確認自商譽，由於彼等不能單一或連同任何有關合約獨立於本集團及出售、轉讓、或許可、出租或交換。該商譽預期不可扣稅。

截至二零一二年六月三十日止六個月期內，本公司董事考慮到經營汽車線束的虧損，已對天津日拓收購應佔本集團的商譽進行審查。因此，根據本公司董事之最佳估計，減值虧損人民幣1,823,000元已於賬面值超過汽車線束單位產生之現金之可收回金額時確認。減值虧損已於截至二零一二年六月三十日止六個月簡明綜合全面收益表內計入其他收益及虧損項目。有關商譽減值的測試，載於附註15中。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 24. ACQUISITION OF SUBSIDIARIES (Continued)

#### (b) Acquisition of 87% equity interest in Huizhou Technology and the capital injection to Huizhou Technology (the “Huizhou Technology Acquisition”)

##### *Acquisition of 87% equity interest in Huizhou Technology and the capital injection to Huizhou Technology*

On 4 May 2011, Weihai Electronic entered into the acquisition and capital injection agreements (the “Huizhou Technology Acquisition and Capital Injection Agreements”) with certain independent third parties, including 田洪鎮 (Mr. Tian Hongzhen), 周紹華 (Mr. Zhou Shaohua, “Zhou Shaohua”), 袁火有 (Mr. Yuan Huoyou, “Yuan Huoyou”), 王家沾 (Mr. Wang Jiazhan) and 武月龍 (Mr. Wu Yuelong) (hereinafter collectively referred to as the “Huizhou Technology Vendors”) and pursuant to which, Weihai Electronic acquired an aggregate of 87% equity interest in Huizhou Technology from the Huizhou Technology Vendors for a total consideration of approximately RMB13,328,000, which was paid during the year ended 31 December 2011. This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was RMB5,923,000 (see note below). Huizhou Technology is a company established in the PRC which is principally engaged in the designs, research and development, manufacture and sale of communication wire and cable related products catering to the telecommunication industry, belonging to the signal transmission wire and cable segment of the Group. Upon the completion of the acquisition, Huizhou Technology was owned as to 87% by Weihai Electronic, 5% by Zhou Shaohua and 8% by Yuan Huoyou, respectively.

##### *Consideration transferred*

		RMB'000 人民幣千元
Cash	現金	13,328

### 24. 收購附屬公司(續)

#### (b) 收購惠州科技87%的權益及向惠州科技注資(「惠州科技收購」)

##### *收購惠州科技87%的權益及向惠州科技注資*

於二零一一年五月四日，威海電子與若干獨立第三方訂立收購及注資協議(「惠州科技收購及注資協議」)，包括田洪鎮先生、周紹華先生、袁火有先生、王家沾先生及武月龍先生(下文統稱「惠州科技賣方」)，據此，威海電子向惠州科技賣方收購於惠州科技合共87%的權益，總代價約為人民幣13,328,000元，於截至二零一一年十二月三十一日止年度支付。該收購已使用收購法入賬。該收購產生的商譽金額為人民幣5,923,000元(見下文附註)。惠州科技為於中國成立的一間公司，主要從事通信線纜及相關產品的設計、研發、製造及銷售系列產品，歸屬於本集團信號傳輸線纜分部。於收購事項完成後，惠州科技分別由威海電子持有87%的權益、由周紹華持有5%的權益及由袁火有持有8%的權益。

##### *已轉撥代價*

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 24. ACQUISITION OF SUBSIDIARIES (Continued)

#### (b) Acquisition of 87% equity interest in Huizhou Technology and the capital injection to Huizhou Technology (the "Huizhou Technology Acquisition") (Continued)

#### Acquisition of 87% equity interest in Huizhou Technology and the capital injection to Huizhou Technology (Continued)

Note: The fair values of the identifiable assets and liabilities at the date of acquisition were determined on provisional basis in the preparation of the condensed consolidated financial statements of the Group for the six months ended 30 June 2011.

A valuation report relating to the Huizhou Technology Acquisition (the "Huizhou Technology Acquisition Valuation") was subsequently received in early 2012 and the fair value of the identifiable assets and liabilities on the date of acquisition was determined to be RMB8,511,000. The comparative figures for the six months ended 30 June 2011 have been restated as if the initial accounting had been completed from the acquisition date.

The valuation of identifiable assets and liabilities of Huizhou Technology was decreased from the provisional amount of RMB19,959,000 to RMB8,511,000, resulting in a goodwill RMB5,923,000, compared with the excess over the cost of business combination of RMB4,036,000 as previously included in the condensed consolidated financial statements of the Group for the six months ended 30 June 2011.

#### Assets acquired and liabilities recognized at the date of acquisition are as follows:

Pursuant to the Huizhou Technology Acquisition Valuation, the following items are restated:

		Provisional amounts originally stated	Restated
		原先呈列 臨時金額 RMB'000 人民幣千元	重列 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	38,769	36,231
Intangible assets (note below)	無形資產(下文附註)	2,830	2,620
Inventories	存貨	20,735	20,735
Trade receivables	貿易應收款項	72,453	72,453
Bank balances and cash	銀行結餘及現金	5,295	5,295
Trade and other payables	貿易及其他應付款項	(66,653)	(71,040)
Bank borrowings	銀行借貸	(53,262)	(53,262)
Deferred taxation liabilities	遞延稅項負債	(208)	(4,521)
		19,959	8,511

Note: Intangible assets represent customer relationships of approximately RMB2,620,000.

### 24. 收購附屬公司(續)

#### (b) 收購惠州科技87%的權益及向惠州科技注資(「惠州科技收購」)(續)

#### 收購惠州科技87%的權益及向惠州科技注資(續)

附註：於編製本集團截至二零一一年六月三十日止六個月的簡明綜合財務報表時，可識別資產及負債於收購日期的公平值，是按臨時基準釐定。

有關惠州科技收購的估值報告(「惠州科技收購估值」)，其後於二零一二年年初收到，而可辨認資產及負債於收購日的公平值釐定為人民幣8,511,000元。截至二零一一年六月三十日止六個月的比較數字已重列，如首次會計處理已於收購日期完成。

惠州科技的可辨認資產及負債估值，由臨時金額人民幣19,959,000元減至人民幣8,511,000元，導至商譽人民幣5,923,000元，相比之前列入本集團截至二零一一年六月三十日止六個月的簡明綜合財務報表的超出業務合併成本的人民幣4,036,000元。

#### 收購日期已收購資產及已確認負債如下：

根據惠州科技收購估值，以下項目已經重列：

附註：無形資產指客戶關係約人民幣2,620,000元。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 24. ACQUISITION OF SUBSIDIARIES (Continued)

#### (b) Acquisition of 87% equity interest in Huizhou Technology and the capital injection to Huizhou Technology (the "Huizhou Technology Acquisition") (Continued)

##### Goodwill arising on acquisition

Pursuant to the Huizhou Technology Acquisition Valuation, the following items are restated:

		Provisional amounts originally stated 原先呈列臨時金額 RMB'000 人民幣千元	Restated 重列 RMB'000 人民幣千元
Consideration transferred	已轉撥代價	13,328	13,328
Add: Non-controlling interests	加：少數股東權益	2,595	1,106
Less: Recognized amount of identified net assets acquired	減：已收購之可識別資產淨值之已確認金額	(19,959)	(8,511)
(Excess over the cost of business combination of Huizhou Technology) goodwill arising on Huizhou Technology Acquisition	(超逾惠州科技合併成本) 惠州科技收購產生之商譽	(4,036)	5,923

The 13% non-controlling interest in Huizhou Technology recognized at the acquisition date was measured by reference to the proportionate share of amounts of net assets of Huizhou Technology of RMB8,511,000 amounting to RMB1,106,000.

Goodwill arose on the acquisition of Huizhou Technology because the acquisition included the workforce of Huizhou Technology. This asset could not be separately recognized from goodwill because they are not capable of being separated from the Group and sold, transferred, licensed, rented or exchanged, either individually or together with any related contracts. The goodwill is not expected to be deductible for tax purpose.

### 24. 收購附屬公司(續)

#### (b) 收購惠州科技 87% 的權益及向惠州科技注資(「惠州科技收購」)(續)

##### 收購產生的商譽

根據惠州科技收購估值，以下項目已經重列：

於收購日期確認的惠州科技 13% 少數股東權益參考惠州科技資產淨值按比例所佔金額人民幣 8,511,000 元計量為人民幣 1,106,000 元。惠州科技的資產淨值公平值使用收入法估計。

由於收購包括惠州科技的員工，故商譽於收購惠州科技時產生。該資產不能單獨確認自商譽，由於彼等不能單一或連同任何有關合約獨立於本集團及出售、轉讓、或許可、出租或交換。該商譽預期不可扣稅。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 24. ACQUISITION OF SUBSIDIARIES (Continued)

#### (b) Acquisition of 87% equity interest in Huizhou Technology and the capital injection to Huizhou Technology (the "Huizhou Technology Acquisition") (Continued)

##### Goodwill arising on acquisition (Continued)

In August and December 2011, Weihai Electronic further injected RMB20,000,000 and RMB43,200,000 into Huizhou Technology, which have diluted the shareholding held by the non-controlling interests. An amount of RMB679,000 was adjusted to reflect the change in non-controlling interests as shown in the Group's consolidated statement of changes in equity. The percentage of equity interest of Huizhou Technology held by the Group increased to 97.27% at the end of 31 December 2011.

During the six months ended 30 June 2012, the Company acquired the remaining 2.73% equity interest of Huizhou Technology from the non-controlling interest with a cash consideration of approximately RMB1,992,000. Subsequently, Huizhou Technology became a wholly owned subsidiary of the Company.

### 25. RELATED PARTY TRANSACTIONS

#### Compensation of key management personnel

The remuneration of directors and other members of key management during the period under review were as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)
Salaries and other benefits	工資及其他福利	2,253	2,530
Retirement benefit scheme contributions	退休福利計劃供款	62	73
Share-based payments	以股份支付的款項	670	656
		<b>2,985</b>	3,259

### 24. 收購附屬公司(續)

#### (b) 收購惠州科技87%的權益及向惠州科技注資(「惠州科技收購」)(續)

##### 收購產生的商譽(續)

於二零一一年八月及十二月，威海電子進一步向惠州科技注資人民幣20,000,000元及人民幣43,200,000元，乃為少數股東權益持有的股權攤薄本質。人民幣679,000元的款項已作出調整，以反映本集團綜合權益變動表所載的少數股東權益變動。本集團所持惠州科技的股權百分比於二零一一年十二月三十一日未增加至97.27%。

於截至二零一二年六月三十日止六個月，本公司向少數股東股東收購惠州科技餘下的2.73%權益，現金代價約人民幣1,992,000元。其後，惠州科技成為本公司的全資附屬公司。

### 25. 關連人士交易

#### 主要管理人員的薪酬

於審閱期間，董事及其他主要管理人員的薪酬如下：

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2012  
截至二零一二年六月三十日止六個月

### 26. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following outstanding capital commitments:

### 26. 資本承擔

於報告期末，本集團未償還資本承擔如下：

		As at 30 June 2012 於 二零一二年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2011 於 二零一一年 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 property, plant and equipment:	有關收購物業、廠房及設備的資本開支：		
— Contracted for but not provided in the consolidated financial statements	— 已簽約但並未於綜合財務報表中撥備	44,641	60,355
— Authorized but not contracted for	— 已授權但未簽約	—	10,922
		<b>44,641</b>	<b>71,277</b>



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