



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



Annual Report 2010
年報

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Corporation Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Chi Shaolin (*Chairman and Chief Executive Officer*)
Mr. Jiang Taike (*Vice Chief Executive Officer*)
Mr. Li Jianming (*Chief Financial Officer*)
Mr. Tseng Chih-ming
Mr. Sui Shikai
Mr. Mao Wanjun
Mr. Kang Jin Won

Non-executive Directors

Ms. Xu Yiming (*Adviser*)
Mr. Du Li
Mr. Wu Kezhong

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

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

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

COMPANY SECRETARY

Ms. Ho Wing Yan, *ACIS, ACS*

董事會

執行董事

遲少林先生 (*主席兼總裁*)
蔣太科先生 (*副總裁*)
李建明先生 (*財務總監*)
曾志銘先生
隋世凱先生
毛萬鈞先生
姜振遠先生

非執行董事

徐藝銘女士 (*顧問*)
杜力先生
吳克忠先生

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

提名及企業管治委員會

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*

Corporation Information 公司資料

AUTHORISED REPRESENTATIVES

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

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

Suites 06-12, 33/F
Shui On Centre
Nos. 6-8 Harbour Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

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

LEGAL ADVISER

Orrick, Herrington & Sutcliffe (as to Hong Kong law)
Deheng Law Firm (as to PRC law)

COMPLIANCE ADVISER

Piper Jaffray Asia Limited

授權代表

李建明先生
何詠欣女士，*ACIS, ACS*

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
灣仔
港灣道6-8號
瑞安中心
33樓06-12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：德衡律師集團(北京)事務所

合規顧問

派杰亞洲有限公司

Corporation Information

公司資料

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

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

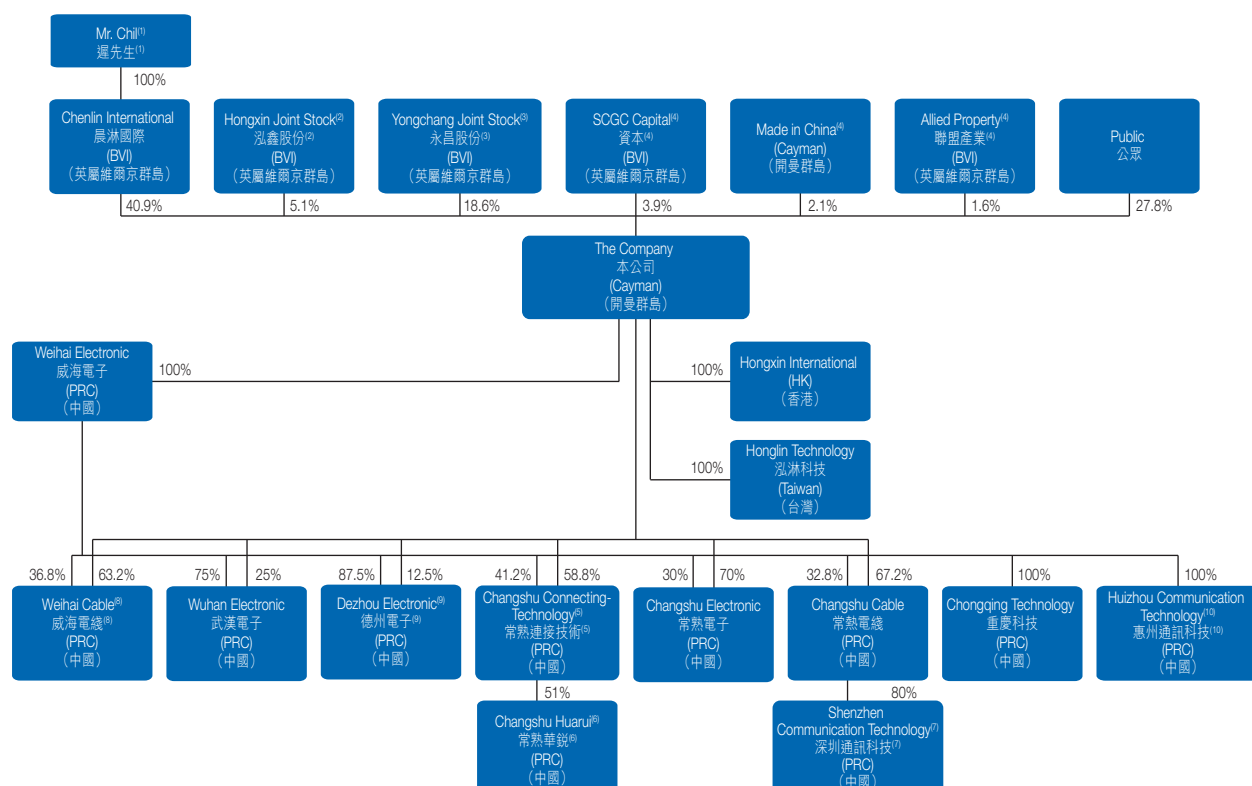
Corporate Profile 公司簡介

We are a “one-stop” provider of a broad line of cable assembly and connector related products with a leading market share for external signal cable assembly, notebook internal signal cable assembly, power cord assembly and signal transmission wire & cable products for the global high-end consumer electronics industry. We focus on the design, research and development, manufacture and sale of our own “Hong-lin” brand name products and have developed an extensive product portfolio covering signal cable assembly, power cord assembly, wire & cable (primarily for signal transmission purpose) and connector products which are mainly used in (i) personal computers and notebooks, (ii) LCD and LED TV, (iii) mobile handsets and (iv) digital cameras. In addition, we offer a comprehensive range of products of different specifications and varieties within each key product type and are therefore able to provide our target customers with a “one-stop” total solution for their needs of signal cable assembly, power cord assembly, wire & cable and connector products. We have also developed and started manufacturing of environmentally friendly low smoke halogen-free insulating products and wireless antenna products for signal transmission used in notebooks, routers and mobile handsets in 2010.

As at 31 December 2010, the corporate structure of HL Technology Group Limited (the “Company”) and its subsidiaries (the “Group”) was as follows:

本集團為全球高端消費電子行業提供全面線纜組件及連接器相關產品的「一站式」供應商，在外接信號線組件、手提電腦內接信號線組件、電源線組件及信號傳輸線纜產品方面擁有領先的市場份額。本集團專注於設計、研發、製造及銷售自家品牌「泓淋」的產品以及發展廣泛的產品組合，包括信號線組件、電源線組件、線纜（主要用作信號傳輸）及連接器產品，該等產品主要用於(i)個人電腦及手提電腦、(ii)LCD及LED電視、(iii)手機及(iv)數碼相機。此外，本集團為各主要產品類型提供全面不同規格及種類的產品。因此，本集團可為目標客戶的信號線組件、電源線組件、線纜及連接器產品需求提供「一站式」整體解決方案。本集團亦已開發並於二零一零年開始生產環保低煙無鹵絕緣產品及用於手提電腦、路由器及手機信號傳輸的無綫天線產品。

於二零一零年十二月三十一日，泓淋科技集團有限公司（「本公司」）及其附屬公司（「本集團」）之企業架構如下：



Corporate Profile

公司簡介

Notes:

- (1) Mr. Chi Shaolin is the beneficial owner of 294,283,839 shares of the Company (the "Shares"), representing approximately 40.9% of the issued share capital of the Company upon completion of the global offering and will be subject to lock-up arrangement as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").
- (2) Hongxin Joint Stock Company Limited held a total of 36,791,039 Shares in trust for each of the employee shareholders, including three directors of the Company (the "Directors"), namely Mr. Li Jianming who is interested in 1,030,431 Shares, Mr. Mao Wanjun who is interested in 1,486,471 Shares and Mr. Sui Shikai who is interested in 1,026,889 Shares.
- (3) Yongchang Joint Stock Company Limited held a total of 133,849,094 Shares in trust for the following minority shareholders:

附註：

- (1) 遲少林先生實益擁有本公司294,283,839股股份(「股份」)，佔全球發售完成後本公司已發行股本約40.9%，且須遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)所規定的禁售安排。
- (2) 泓鑫股份有限公司代表各僱員股東(包括三位本公司董事(「董事」)，即持有1,030,431股股份的李建明先生、持有1,486,471股股份的毛萬鈞先生及持有1,026,889股股份的隋世凱先生)信託持有合共36,791,039股股份。
- (3) 永昌股份有限公司代表以下少數股東信託持有合共133,849,094股股份：

Name	姓名	Position in the Company 於本公司的職務	Number of Shares 股份數目	Approximate Percentage 概約百分比
Mr. Chi Rongjie (father of Mr. Chi Shaolin)	遲榮傑先生(遲少林先生的父親)	N/A 不適用	40,144,347	5.6%
Mr. Chi Zhongmin (brother of Mr. Chi Shaolin)	遲忠民先生(遲少林先生的兄弟)	N/A 不適用	3,674,118	0.5%
Ms. Xu Yiming (mother-in-law of Mr. Chi Shaolin)	徐藝銘女士(遲少林先生的岳母)	Director 董事	17,126,918	2.4%
Mr. Jiang Taike	蔣太科先生	Director 董事	16,248,857	2.2%
36 other minority shareholders	36名其他少數股東	N/A 不適用	56,654,854	7.9%
Total	總計		133,849,094	18.6%

- (4) Each of SCGC Capital Holding Company, Made in China Ltd., Allied Property Capital Limited and their respective ultimate beneficial owners are independent third parties of the Group and their shares were counted into the percentage of securities held by the public. In December 2010, Samford Management Limited transferred its shares to HKSCC, which counted into the percentage of the public.
- (5) Following the increase in the registered capital of Changshu Connecting-Technology Co., Ltd. in October 2010, Changshu Connecting-Technology Co., Ltd. became owned as to approximately 58.8% by the Company and approximately 41.2% by Weihai Honglin Electronic Co., Ltd.

- (4) SCGC Capital Holding Company、Made in China Ltd.、聯盟產業資本有限公司及彼等各自的最終實益擁有人均為本集團的獨立第三方，且彼等所持股份將計入公眾所持證券的百分比。於二零一零年十二月，森福管理有限公司將其股份轉讓至香港結算，該等股份將計入公眾的百分比。
- (5) 常熟連接技術有限公司於二零一零年十月增加註冊資本後，由本公司及威海市泓淋電子有限公司分別擁有其約58.8%及約41.2%權益。

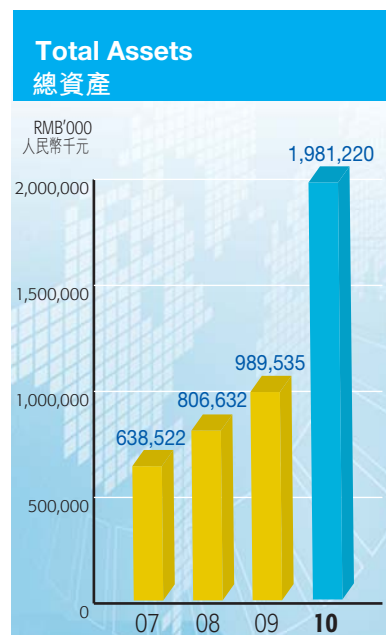
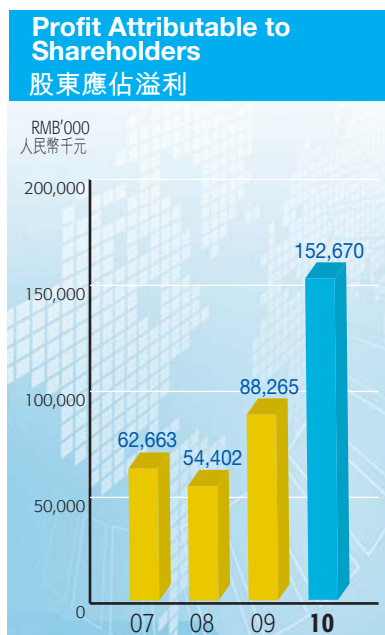
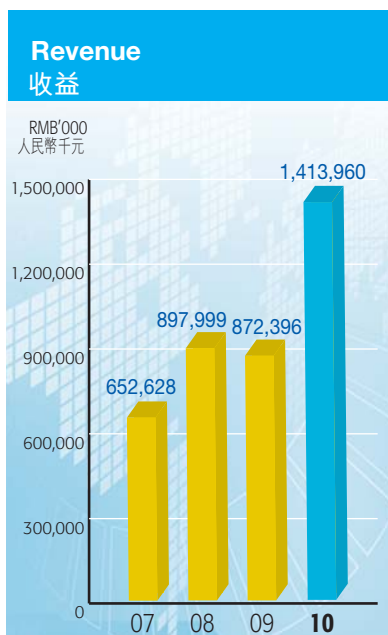
Corporate Profile

公司簡介

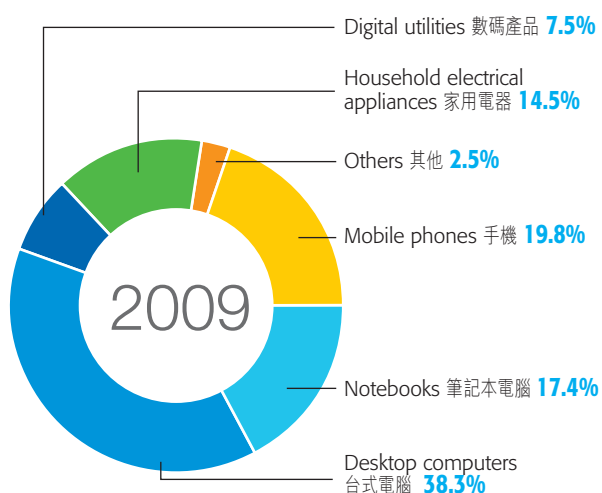
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| <p>(6) The remaining 49% interest was owned by Mr. Cheng Guanghua.</p> <p>(7) The remaining 20% interest was owned by Ms. Yang Huahua.</p> <p>(8) Following the increase in the registered capital of Weihai Honglin Wire & Cable Co.,Ltd. in December 2010, Weihai Honglin Wire & Cable Co.,Ltd. became owned as to approximately 63.2% by the company and approximately 36.8% by Weihai Honglin Electronic Co., Ltd.</p> <p>(9) Following the increase in the registered capital of Dezhou Honglin Electronic Co., Ltd. in December 2010, Dezhou Honglin Electronic Co., Ltd. became owned as to approximately 87.5% by the company and approximately 12.5% by Weihai Honglin Electronic Co.,Ltd.</p> <p>(10) In November 2010, Weihai Honglin Electronic Co., Ltd. established Huizhou Honglin Communication Technology Co., Ltd. (Huizhou Communication Technology).</p> | <p>(6) 餘下49%權益由程光華先生擁有。</p> <p>(7) 餘下20%權益由楊華華女士擁有。</p> <p>(8) 威海市泓淋電綫電纜有限公司於二零一零年十二月增加註冊資本後，威海市泓淋電綫電纜有限公司由本公司及威海市泓淋電子有限公司分別擁有其約63.2%及約36.8%權益。</p> <p>(9) 德州泓淋電子有限公司於二零一零年十二月增加註冊資本後，德州泓淋電子有限公司由本公司及威海市泓淋電子有限公司分別擁有其約87.5%及約12.5%權益。</p> <p>(10) 於二零一零年十一月，威海市泓淋電子有限公司成立惠州市泓淋通訊科技有限公司(惠州通訊科技)。</p> |
|--|---|

Financial Summary

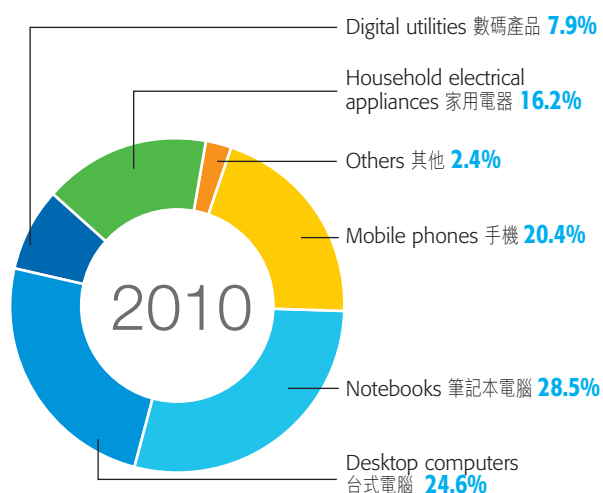
財務摘要



2009 Revenue Breakdown by Businesses
二零零九年按業務劃分之收益



2010 Revenue Breakdown by Businesses
二零一零年按業務劃分之收益



Financial Summary

財務摘要

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

業績、資產與負債、現金流及主要財務比率資料的概要如下：

		Year ended 31 December 截至十二月三十一日止年度			
		2010 二零一零年 RMB'000 千港元	2009 二零零九年 RMB'000 千港元 [#]	2008 二零零八年 RMB'000 千港元 [#]	2007 二零零七年 RMB'000 千港元 [#]
Revenue	收益	1,413,960	872,396	897,999	652,628
Cost of sales	銷售成本	(1,088,346)	(674,422)	(723,211)	(517,283)
Gross profit	毛利	325,614	197,974	174,788	135,345
Other gains and losses	其他收益及虧損	(2,579)	8,273	(2,506)	10,821
Distribution and selling expenses	分銷及銷售開支	(27,233)	(20,480)	(18,891)	(14,809)
Administrative and general expenses	行政及一般開支	(72,525)	(47,978)	(45,422)	(30,915)
Research and development expenses	研發開支	(30,932)	(27,278)	(26,280)	(23,152)
Finance costs	融資成本	(19,090)	(13,924)	(15,625)	(9,117)
Share of loss of an associate	應佔一間聯繫公司虧損	—	—	—	(214)
Profit before taxation	除稅前溢利	173,255	96,587	66,064	67,959
Income tax expenses	所得稅開支	(18,234)	(8,090)	(11,529)	(2,449)
Profit and total comprehensive income for the year	年度溢利及全面收益總額	155,021	88,497	54,535	65,510
Other comprehensive income, net of income tax	其他全面收益，扣除所得稅				
Exchange difference on translating foreign operations	換算外國業務之滙兌差額	742	—	—	—
Total comprehensive income for the year	年度全面收益總額	155,763	88,497	54,535	65,510
Profit attributable to:	以下各方應佔溢利：				
— Owners of the Company	— 本公司擁有人	152,670	88,265	54,402	62,663
— Non-controlling interests	— 非控制權益	2,351	232	133	2,847
		155,021	88,497	54,535	65,510
Total comprehensive income attributable to:	以下各方應佔全面收益總額：				
— Owners of the Company	— 本公司擁有人	153,412	88,265	54,402	62,663
— Non-controlling interests	— 非控制權益	2,351	232	133	2,847
		155,763	88,497	54,535	65,510
Earnings per share — Basic (RMB cents)	每股盈利 — 基本(人民幣分)	27.5	16.9	11.2	13.2

[#] The financial information was extracted from the Company's prospectus dated 3 November 2010.

[#] 該財務資料乃節選自本公司日期為二零一零年十一月三日之招股章程。

Financial Summary

財務摘要

ASSETS AND LIABILITIES INFORMATION

資產與負債資料表

		2010	2009	2008	2007
		二零一零年	二零零九年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
			#	#	#
Bank balances and cash	銀行結餘及現金	160,408	73,744	23,413	19,805
Current assets	流動資產	1,489,849	654,690	512,856	419,880
Non-current assets	非流動資產	491,371	334,845	293,776	218,642
Current liabilities	流動負債	1,057,749	662,585	582,396	460,972
Non-current liabilities	非流動負債	—	—	3,090	—
Equity attributable to owners of the company	本公司擁有人應佔權益	909,888	316,558	221,146	170,081
Non-controlling interests	非控股權益	13,583	10,392	—	7,469

CASH FLOWS INFORMATION

現金流量表資料

		2010	2009	2008	2007
		二零一零年	二零零九年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
			#	#	#
Net (used in) cash from operating activities	經營活動所用(所得)現金淨額	(114,539)	470	1,743	10,753
Net cash used in investing activities	投資活動所用現金淨額	(549,936)	70,495	(117,525)	(91,953)
Net cash from financing activities	融資活動所得現金淨額	751,139	120,356	119,390	90,904

The financial information was extracted from the Company's prospectus dated 3 November 2010. (the "Prospectus")

該財務資料乃摘錄自本公司二零一零年十一月三日的招股章程(「招股章程」)。

Financial Summary

財務摘要

Selected Financial Ratios

經選定財務比率

		2010 二零一零年	2009 二零零九年	2008 二零零八年	2007 二零零七年
Gross profit margin	邊際毛利	23.0%	22.7%	19.5%	20.7%
Net profit margin	邊際純利	11.0%	10.1%	6.1%	10.0%
Current ratio (times)	流動比率(倍)	1.4	1.0	0.9	0.9
Gearing ratio	資本負債比率	33.5%	35.7%	30.2%	22.0%
Return on total assets*	總資產回報*	10.5%	9.9%	7.5%	12.3%
Return on total equity*	總權益回報*	24.9%	32.3%	27.4%	47.5%

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

* 上述回報率乃採用平均總資產和總權益餘額計算得出。

Chairman's Statement 主席報告



Mr. Chi Shaolin 遲少林

Chairman, Executive Director and Chief Executive Officer
(主席、執行董事兼總裁)

Chairman's Statement 主席報告

To shareholders of our Company (the "Shareholders"),

I would like to extend my sincere thanks to all of you for supporting our Company. On behalf of the board of our Company (the "Board"), I am pleased to present to you the audited results for the year ended 31 December 2010.

Our core engine of growth and business, which is the provision of one-stop signal transmission and connectivity solutions and related products to our target customers, is running strong. Riding on the recovery of the consumer electronics industry globally, strong R&D capabilities, cost advantages and stable and high calibre customer base, our Company has made great strides forward.

We ended the recent financial year stronger than before, and this positive improvement is a clear demonstration of our commitment to growing our business and enhancing values for our shareholders.

MILESTONE

Our Company was successfully listed on the Stock Exchange on 16 November 2010 (the "Listing Date"), realizing the goal of stepping into the international capital market. I, on behalf of the management of our Company, would like to extend my gratitude to the Shareholders again for trusting us and choosing to invest in our company amidst continued turbulent and volatile market conditions.

We are confident the successful listing would provide us with a strong platform to further grow our business. I am happy to report that for the year ended 31 December 2010, our Company's revenue was approximately RMB1,414 million (2009: approximately RMB872 million), representing an increase of 62.1% as compared to last year. Profit attributable to owners of our Company for the year ended 31 December 2010 amounted to approximately RMB153 million (2009: approximately RMB88 million), which represented a 72.9% increase as compared to last year. Earnings per share for the year ended 31 December 2010 amounted to approximately RMB27.5 cents (2009: approximately RMB16.9 cents), representing a 62.7% increase as compared to last year.

致本公司股東(「股東」):

衷心感謝各位對本公司的支持，本人欣然代表本公司董事會(「董事會」)向各位提呈截至二零一零年十二月三十一日止年度的經審核業績。

本公司發展及業務的核心動力(即向我們的目標客戶提供信號傳輸及連接及相關產品的一站式解決方案)正日趨強勁。憑藉全球消費電子行業的復蘇機遇，強大的研發能力、成本優勢和穩固優質的客戶基礎，本公司已取得長足發展。

於最近財政年度結束時，我們較過去取得更為驕人的成績，此累累碩果表明我們不遺餘力地發展業務，並為股東增值。

里程碑

本公司於二零一零年十一月十六日(「上市日期」)在聯交所成功上市，實現了邁進國際資本市場的目標。本人謹代表本公司管理層向各位股東再次致謝，感謝大家在驚濤駭浪、動蕩不穩的市況下，仍對我們充滿信心並選擇投資於本公司。

我們確信，成功上市可為我們提供強大的平台，以進一步發展我們的業務。本人欣然報告，截至二零一零年十二月三十一日止年度，本公司的收益約為人民幣1,414百萬元(二零零九年：約人民幣872百萬元)，較去年增長62.1%。截至二零一零年十二月三十一日止年度歸屬於本公司擁有人的溢利約達人民幣153百萬元(二零零九年：約人民幣88百萬元)，較去年增加72.9%。截至二零一零年十二月三十一日止年度每股收益約達人民幣27.5分(二零零九年：約人民幣16.9分)，較去年增加62.7%。

Chairman's Statement

主席報告

REVIEWING OUR PAST TRACK RECORD

Due to the ever-evolving nature of the global customers electronic industry, our Group has always focused and strived to improve our R&D capabilities in order to maintain our core competitive advantage. Presently we have established R&D centres in Weihai, Suzhou and Taipei which comprises of more than 180 professional R&D personnel. They are responsible for new products innovation as well as production efficiency process and productivity improvement. Our Group currently has 49 patents in China with another 42 patents in the process of registration. In Taiwan, our Group has 3 patents with another 1 patent in the process of registration. Leveraging on years of hard works and investment, I believe that our Group's R&D capabilities have reached a market leading standard in the industry. In 2010, we have successfully researched and made innovations to antennas used in notebooks, environmentally friendly low smoke halogen-free insulating products, fully automated Coaxial cable production line and fully automated Teflon wire production line. The 7-channel high speed cable MINI-DP which was developed at the end of 2010 commands 70Gbit per second transmission speed and can supports 3D movie image transfer and transmission. This new innovation has been viewed upon as the world high-end data transmission cable's future development trend. Our strong R&D ability has enabled us to become the strategic partners to many of our international top notch customers when it comes to new products design and development.

Since 2003, our Group has been implementing a vertically integrated business model. Currently, we have an integrated complete production capability which comprises of plastics, drawn copper, wires and cables, precision molds, stamping, injection molding, connectors, signal cable assembly, power cord assembly and wireless antennas. Our vertically integrated business model is one of our core competencies as it allows us to sync and control both our R&D activities and production process, allowing us to improve, our products' quality control our manufacturing costs, products innovative new products and establish production system standards.

回顧過去

鑒於全球消費電子行業不斷演變的性質，本集團一直致力於研發實力的提升，以維持我們的核心競爭優勢，現已在威海、蘇州及台北設立研發中心，專業研發人員超過180名，主要負責新產品的研發以及生產工藝流程和生產效率的提升。集團目前在中國地區擁有49項專利，另有42項專利正在申請中。在台灣地區擁有3項專利，另有1項正在辦理註冊手續。通過近年來的不懈努力及投資，本人相信，集團的研發實力已躍居業內領先水準。二零一零年，我們成功的研發了筆記本天線、低煙無鹵環保產品、全自動Coaxial cable生產線和全自動Teflon wire生產線。年底開發的7通道高速線纜MINI-DP可以實現每秒70Gbit的傳輸速度，支援3D影像的轉換和傳輸。該項新的創新被視為全球高端數據傳輸線纜的未來發展方向。憑藉強大的研發實力，我們現已成為多位國際一流客戶設計及開發新產品設計時的戰略合作夥伴。

集團自二零零三年開始推行垂直整合業務模式。目前已經擁有包括塑膠、抽銅、電纜電纜、精密模具、衝壓、注塑、連接器、信號線組件、電源線組件、無線天線在內的完整配套生產實力。作為核心競爭力的垂直整合業務模式之一，其能讓集團監控我們的研發活動及生產流程，令我們能提高產品質量、控制製造成本、生產全新的創新產品及監理生產體系。

Chairman's Statement 主席報告

Our key manufacturing facilities are strategically located in (i) Weihai, Shandong Province; (ii) Suzhou, Jiangsu Province; (iii) Wuhan, Hubei Province; and (iv) Shenzhen, Guangdong Province, which are major consumer electronics manufacturing and/or distribution hubs in China. In addition, we have also established production processing base in Dezhou, Shandong province where most of an labour intensive produces process are now based and also set up an international sales & marketing center in Taiwan, is to strengthen our Company's ability to expand international market. Our Group believes that our proximity to our key customers' bases will enable our Group to provide a more timely response to our customers' demand and through regular communication, provide us advantages in better understanding our customers' latest product strategy and provide instant technical assistance. This will foster stronger co-operation with the customers. The production processing base in Dezhou allows us to leverage on the abundant labor resources in that area to solve the problems of China's current critical labor shortage and rising labor costs.

As a core strategic supplier to many international first-class electronics firms, our Company has maintained long term stable working relationship with our customers, including Samsung, LG, Amphenol, Haier, Hisense, Midea, Gree, ZTE, Quanta, Compal, Qisda, TPV Technology, Wistron, Innolux, Inventec etc. In the second half of 2010, we have also officially established qualified supplier status with several Japanese customers such as Canon, Panasonic and Sharp. We believe these new customers will contribute positively to our future overall sales growth. At the same time, our comprehensive product portfolio, allows us to provide a one-stop solutions services to our existing customers and increase our cross selling capability, while swiftly expanding our Group's market share in different product segments.

本集團戰略性選擇於(i)山東省威海市；(ii)江蘇省蘇州市；(iii)湖北省武漢市；及(iv)廣東省深圳市設立主要生產設施，該等地區均為中國主要消費電子產品製造及／或分銷中心。此外，我們還在山東省德州（即我們的多數勞動密集型產品流程目前所在地）設立生產加工基地，於台灣建立國際行銷中心，以加強公司拓展至國際市場的能力。本集團相信，毗鄰主要客戶的戰略佈局令本集團能更及時地回應客戶要求並透過溝通，向我們提供優勢，以更好地了解客戶的最新產品策略，提供即時技術支援，並與該等客戶保持更密切的合作。位於德州的生產加工基地，令我們可以充分利用當地豐富的勞動力資源，解決中國當前嚴重的勞工緊缺及勞動力成本上漲等問題。

作為眾多國際一流電子企業的戰略核心供應商，本公司與客戶維持長期穩定的合作關係，如三星、LG、安費諾、海爾、海信、美的、格力、中興通訊、廣達、仁寶、佳士達、冠捷科技、緯創、新奇美光電、英業達等。二零一零年下半年，我們又與數家日本客戶（例如佳能、松下及夏普）建立正式的供貨關係。我們相信，該等新客戶將為我們未來的整體銷售增長做出積極貢獻。同時，由於我們擁有全面的產品組合，可令我們向現有客戶提供一站式解決方案服務，不斷增加交叉銷售能力，從而快速擴大集團各產品的市場份額。

Chairman's Statement

主席報告

LOOKING FORWARD

Business Outlook

Frost & Sullivan forecasts the global consumer electronics market will grow from roughly \$681 billion in 2009 to more than \$1,061 billion in 2013, reflecting a CAGR of 11.7% from 2009 to 2013, and the Chinese consumer electronics market will grow even faster, from roughly \$78 billion in 2009 to more than \$127 billion in 2013, reflecting a CAGR of 13.2% from 2009 to 2013. The markets for our Group's key products are also expected to experience positive growth from 2009 to 2013 with a CAGR ranging of 16.9% to 33.5%.

Our Company is a professional technology company providing our customers with "one-stop" signal transmission and connectivity complete solutions. Relying on our strong R&D capabilities, our pricing competition, solid and stable customer base and a rapidly expanding international sales & marketing network, we are increasingly able to demonstrate our "one-stop" service advantage to expand our market share and win new customers.

Products Development

Leveraging on our existing indepth R&D experience in providing signal transmission and connectivity solution to the consumer electronics sector, our Group has gained valuable experience in the R&D fields of polymer materials and cables & wire technology market development. As a result, our Company is expanding its R&D as well as sales and marketing activities in order to strengthen the existing customers' base and accelerate penetration of our products into new industry segments. (including automotive harness, specialty power cables and photovoltaic connectors).

There are new products at different stages of development in our pipeline within our Company which includes automotive wiring harness, specialty power cables and photovoltaic connectors. These new products are expected to be launched in 2011 and represents a natural extension to our existing product lines.

展望未來

業務展望

Frost & Sullivan預計，全球消費電子市場規模大概將從二零零九年6,810億美元增長至二零一三年超過10,610億美元，相當於從二零零九年至二零一三年11.7%之複合年增長率，而中國消費電子市場增長將更迅速，大概從二零零九年780億美元增長至二零一三年超過1,270億美元，相當於從二零零九年至二零一三年13.2%之複合年增長率。本集團主要產品所在市場預期亦錄得正增長，從二零零九年至二零一三年之複合年增長率更是達到16.9%至33.5%。

本公司為向客戶提供一站式數據傳輸及連接整體解決方案的專業化科技公司。依靠強大的研發實力、價格競爭能力、穩固優質的客戶基礎以及迅速擴大的國際行銷網路，我們能夠日益發揮「一站式」服務優勢以擴大市場份額並贏得新客戶。

產品開發

向消費電子行業提供信號傳輸及連接解決方案所取得的現有研發經驗，本集團在聚合物材料及線纜技術以及市場發展的研發領域。因此，本公司擬進一步擴展其研發及銷售和營銷活動，以增強其現有客戶基礎，並加快將我們的產品滲透至新行業分部的速度（包括汽車線束、特種電纜及光伏連接器）。

本公司擁有已在不同開發階段的新產品，包括汽車線束、特種電纜及光伏連接器。新產品預計將於二零一一年推出，是我們現有產品線的自然延伸部分。

Chairman's Statement

主席報告

Strategic Planning

Besides expanding our current industrial facilities' production capacity and improving our production efficiency, our Group will be building new industrial facilities in Huizhou, Wuhan and Chongqing. Such expansion of production capacity would form a solid base for our Group's growth and development.

By expanding our product range its application and production capacity, our Group is committed to expand its market share for an existing products as well as gradually penetrate into new markets such as the automotive and new energy sectors. We target to achieve breakthrough in such new markets and believe the new markets and new products will be one of our Group's key growth drivers within the next 1 to 3 years.

Our Focus

Finally, on behalf of the Board, I would like to take this opportunity to express my gratitude to our employees for their continuous support and dedication to our Company. We also thank our Shareholders, customers and business partners for their continuous support and we shall continue to work hard to deliver consistent and sustainable growth for our Company and shareholders. We shall always remind ourselves to focus on what we do best and strive to do better every year.

Chi Shaolin

Chairman, Executive Director and Chief Executive Officer

11 March 2011

戰略規劃

除進一步擴充目前產業基地的生產能力，不斷提高生產效率外，本集團還將在惠州、武漢、重慶等地建設新的產業基地。擴充產能會為本集團的增長及發展打下堅實基礎。

透過擴展我們的產品範圍、產品應用及產能，本集團致力於擴充我們現有產品的市場份額，並逐步進入新的市場，例如汽車和新能源領域。我們旨在該等新市場取得突破，且我們相信，在未來一至三年內，該等新市場和新產品將成為本公司巨大發展的主要推動力。

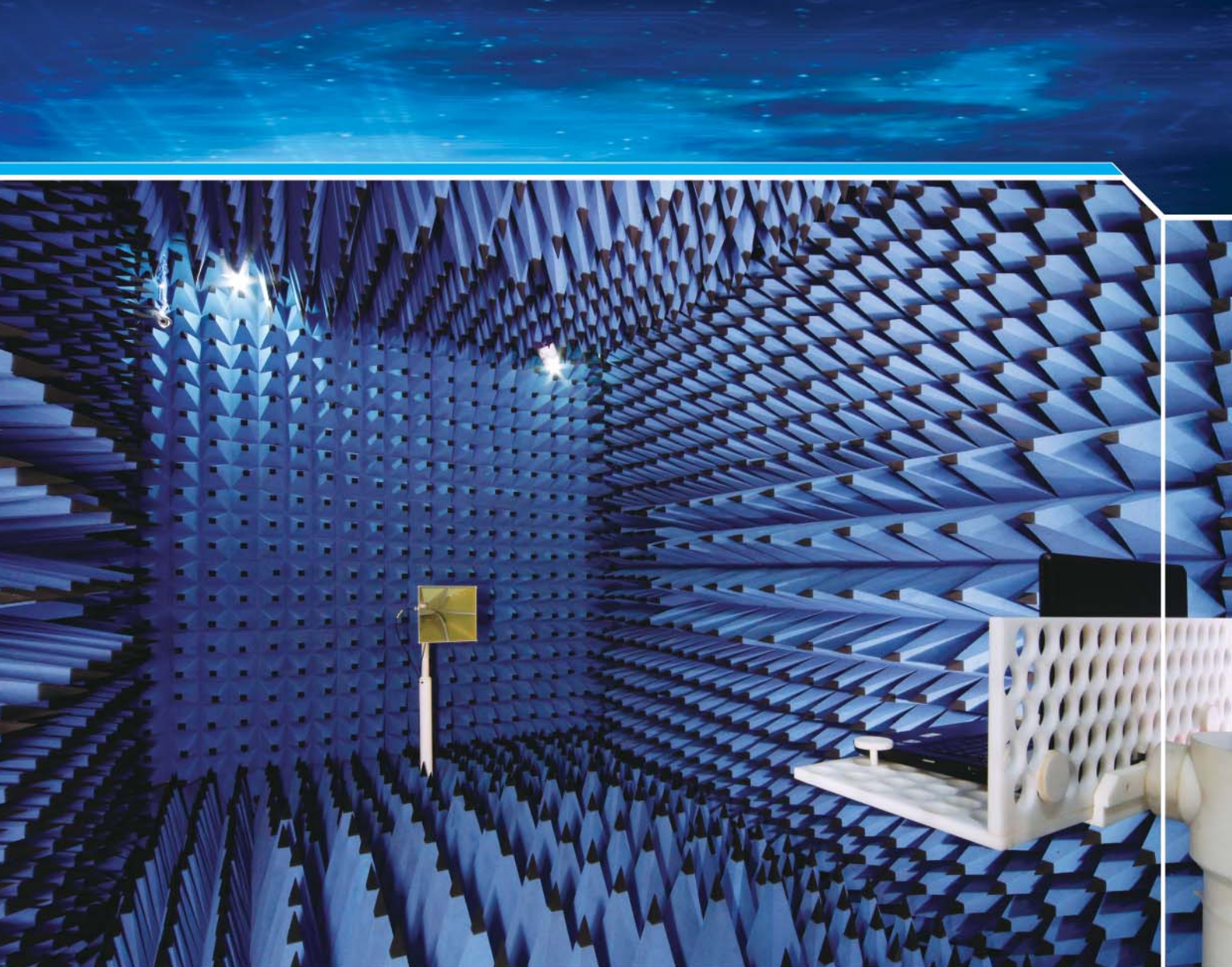
我們的工作重心

最後，本人藉此機會代表董事會向全體員工表示感謝，感謝各位一直以來對本公司的支持與貢獻。同時，我們亦對股東、客戶及商業夥伴的不懈支持表示感謝，且我們將繼續勤勉工作，從而不斷為本公司及股東取得重大發展。我們將時刻提醒自己，致力專注我們的努力並爭取連年創造佳績。

遲少林

主席、執行董事兼總裁

二零一一年三月十一日



MANAGEMENT DISCUSSION & ANALYSIS

管理層討論及分析

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW

Overview

We are one of the world's leading "one-stop" providers of signal transmission and connectivity solutions and related products. We design, manufacture and sell a broad and comprehensive range of external and internal signal cable assembly, power cord assembly, connectors, wireless antennas and related products for use mainly in the 3Cs (Computing, Communication and Consumer) industries such as (i) personal computers and notebooks, (ii) LCD and LED TV, (iii) mobile handsets and (iv) digital cameras. We have leading market share in the global high-end consumer electronics industry for several of our key products including external signal cable assembly, notebook internal signal cable assembly, power cord assembly and signal transmission wire & cable products.

Product Types

Our existing products are divided into six major types: external signal cable assembly, internal signal cable assembly, power cord assembly, wire & cable, connectors and antennas.

External Signal Cable Assembly

External signal cable assembly for the consumer electronics market is used for transmitting signals to a display, TV and digital products and is widely used in mobile handsets, digital cameras, DVD players, personal computers, notebooks and tablet computers. Our external signal cable assembly products include five product types, namely, RGB assembly, DVI assembly, HDMI assembly, USB assembly and DC assembly. Frost & Sullivan forecasts, riding on the recovery of global economy, total sales of the global external signal cable assembly market for the consumer electronics market will grow at a CAGR of 16.9% from 2009 to 2013. Our Group is the second largest manufacturer of external signal cable assembly products in the world in terms of revenue for the first half of 2010 with market share of 21.8%.

In recent years, the external signal cable assembly manufacturers have increasingly focused on technological innovation with almost every version of products been continuously upgraded to a higher standard. For example, the USB assembly has been developed from the initial USB1.0 to USB2.0 and more lately, USB3.0 products; HDMI assembly has also been developed from the initial HDMI1.1 to HDMI1.4. As one of the leading companies in the industry with dedicated research for high frequency signal transmission, we have succeeded in development and sale of the most advanced external signal transmission products such as USB3.0 and HDMI1.4 products.

業務回顧

概述

本公司是全球領先「一站式」信號傳輸與連接技術解決方案及相關產品的供應商之一。本公司設計、製造及銷售廣泛全面的外接與內接信號線組件、電源線組件、連接器、無線天線及相關產品，主要應用於3C（計算、通訊及消費）行業，例如(i)個人電腦及手提電腦、(ii)LCD及LED電視、(iii)手機及(iv)數碼相機。本公司的若干主要產品在全球高端消費電子行業擁有領先市場份額，該等產品包括外接信號線組件、筆記本電腦內接信號線組件、電源線組件及信號傳輸線纜產品。

產品分類

本公司現有產品共分為六大類：外接信號線組件、內接信號線組件、電源線組件、線纜、連接器及天線。

外接信號線組件

外接信號線組件產品為主要用於手機、數碼相機、DVD播放機、個人電腦、手提電腦機平板電腦的外接信號連接線。本集團的外接信號線組件產品包括RGB組件、DVI組件、HDMI組件、USB組件及DC組件五種產品。Frost & Sullivan預計，隨著全球經濟的復蘇，二零零九年至二零一三年，消費電子市場中的全球外接信號線組件市場的總資產將按16.9%的複合年增長率增長。按二零一零年上半年收入計算，本集團為全球第二大外接信號線組件生產商，市場份額為21.8%。

近年來，外接信號線製造商日益注重技術創新，幾乎每款產品持續向更高標準升級。例如，USB組件已由最初的USB1.0發展到USB2.0，最近已出現USB3.0產品，HDMI組件亦已由最初的HDMI1.1發展至HDMI1.4。作為該行業致力於高頻信號傳輸的研發的領先公司之一，本公司成功研發並銷售最先進的外部信號傳輸產品，如USB3.0和HDMI1.4產品。

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Internal Signal Cable Assembly

Internal signal cable assembly products are signal connecting cables mainly used internally between the main board and LCD monitor in notebooks, mobile handsets and digital cameras and can transmit audio-frequency and video signals. The main product types include LVDS mini-coaxial cable assembly, slim-wire harness assembly and flexible flat cable (FFC) assembly. The global market of internal signal cable assembly is in a stage of rapid development, and it is expected to maintain a CAGR of 17.0% from 2009 to 2013. According to the statistics of Frost & Sullivan, our Group is the third largest manufacturer of notebook internal signal cable assembly products in the world in terms of revenue for the first half of 2010 with a market share of 19.0%.

Prior to our Group entry into notebook signal cable assembly market in 2008, Taiwan manufacturers have traditionally occupied a significant part of market shares of this market. Over the past few years, our Group has gradually become the industry leader through continuously strengthening our technological innovation and taking advantages of cost control. In 2010, the Company developed its own automatic Coaxial cable production line and automatic Teflon wire production line, and improved its technical know-how, production efficiency and its capacity of quality control.

Power Cord Assembly

Power cord assembly is assembled with power supply connector and power cable and is used to supply electricity to consumer electronic equipment products. It is used widely and is required to be strictly in compliance with the safety rules of various countries. According to Frost & Sullivan, it is estimated that the compound annual growth rate will be remained at 18.2% from 2009 to 2013, our Group is the five largest manufacturer of power cord assembly in terms of revenue for the first half of 2010 with market share of 5.6%.

Our power cord assembly products have so far received safety certifications in 29 countries and territories including CCC (China), C-UL (US & Canada), BSI (UK), BSMI (Taiwan), KC (Korea), PSE (Japan), SAA (Australia), CE (EU), IRAM (Argentina) and SABS (South Africa). Our power cord assembly products are able to satisfy the requirements of customers from across all the major continents of the world. Leveraging on the strong capabilities of research and development, production and product quality assurance, the sales volume and market shares of such products have been continuously increased.

業務回顧(續)

內接信號線組件

內接信號線組件產品用於連接手提電腦、手機、數碼相機的主板與顯示屏的信號連接線纜，可傳送音頻及視頻信號。主要產品類型包括LVDS極細同軸線組件、極細電子線組件和扁平軟排線FFC組件。全球內接信號線組件市場正處於快速發展階段，預計二零零九年至二零一三年將保持17.0%的年複合增長率。根據Frost & Sullivan的統計，按二零一零年上半年收入計算，本集團為全球第三大筆記本內接信號線組件生產商，市場份額為19.0%。

在本集團於二零零八年進入筆記本信號線組件市場前，台灣製造商一直佔據該市場的大部分市場份額，在過去幾年，本集團通過不斷加強技術創新和成本控制優勢，逐漸成為行業領軍人物。二零一零年，本公司自行開發全自動Coaxial cable生產線和全自動Teflon wire生產線，並提升工藝技術、生產效率和品質管控能力。

電源線組件

電源線組件由電源連接器與電源線組裝而成，用於向消費類電子設備產品提供電力。其應用廣泛，並須嚴格符合各國安規協定規則。根據Frost & Sullivan的統計，預計二零零九年至二零一三年將保持18.2%的年複合增長率，按二零一零年上半年收入計算，本集團為全球第五大電源線組件生產商，市場份額為5.6%。

到目前為止，本集團的電源線組件已獲得包括CCC(中國)、C-UL(美國&加拿大)、BSI(英國)、BSMI(台灣)、KC(韓國)、PSE(日本)、SAA(澳洲)、CE(歐盟)、IRAM(阿根廷)、SABS(南非)等29個國家及地區的安全認證。本集團的電源線組件產品可滿足全球各大洲客戶的要求。本公司憑藉強大的研發、生產及品質保證能力，該產品的銷量及市場份額不斷提升。

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Wire & Cable

Wire & Cable are the intermediate products to be assembled with connector for the production of the cable assembly products. The main product types include communication cable, consumer electronic cable, automotive cable and power cord. According to the statistics of Frost & Sullivan, the CAGR of global signal transmission wire & cable is expected to reach 33.5% from 2009 to 2013, and the high frequency data communication cable will keep strong growth in the next few years. Based on the revenue for the first half of 2010, our Group is the third largest manufacturer of global signal transmission wire & cable in the world in terms of revenue for the first half of 2010 with a market share of 7.3%.

Our Group adopts a vertically integrated production process, comprising the production of plastic materials, drawing of copper, bunching of copper, cabling and braiding. Such vertically integrated business model allows us to highly coordinate research and development and production activities, lower our overheads and production costs, control the product quality and enhance the competitiveness of enterprises.

Our Group will also continue to strengthen the research and development of products and increase such investment, and maintain a leading level in the industry. The transmission rate of high frequency data communication cable can reach or even exceed 10 Gigabit Ethernet and it also has a lower frequency for attenuation and skew delay. We have patented solution for surge at a high frequency. High speed cable with seven channels (MINI-DP) which was developed towards the end of 2010 could realize the transmission rate of 70Gbit per second, support the conversion and the transmission of 3D images, which is widely viewed in the industry as the future development trend of global high-end data transmission cable. To capture the business opportunities as a result of greater emphasis on environmental protection, our Group also successfully developed low smoke halogen-free insulating materials used for wire & cable insulating and jacketing in October 2010, enabling us to become one of the few manufacturers who are capable of producing such products in the world and successfully driving the sales and growth of other products of our Group.

業務回顧(續)

線纜

線纜為與連接器組裝成線纜組件產品的中間產品。主要產品類型包括通訊線纜、消費電子線纜、汽車線纜和電源線。根據 Frost & Sullivan 的統計，預計二零零九年至二零一三年全球信號傳輸線纜的年複合增長率將達33.5%，且高頻數據通訊線纜將在未來數年強勁增長。按二零一零年上半年收入計算，本集團為全球第三大信號傳輸線纜生產商，市場份額為7.3%。

本集團採用垂直整合生產工序，涵蓋生產塑膠料、銅杆拉絲、絞銅、集合及編織。此垂直整合業務模式可令本公司高度協調研發及生產活動，降低營運開支及生產成本，控制產品品質，提高企業競爭力。

本集團亦不斷加強產品的研發及增加有關投資，並居於行業領先水平。高頻通訊線纜的傳輸速率可達甚至超過10千兆以太網，亦有較低的衰減度和偏離延遲，並已為高頻脈衝的解決方案申請多項專利。二零一零年年底開發的7通道高速線纜 MINI-DP 可以實現每秒 70Gbit 的傳輸速度，支持3D影像的轉換和傳輸，業內普遍認為該產品是全球高端數據傳輸線纜的未來發展方向。為抓住對環保日益重視所帶來的商機，本集團於二零一零年十月亦成功研發用於線纜絕緣和護套的低煙無鹵料，成為世界上少數能生產該產品的生產商。並成功帶動集團其他產品的銷售及增長。



Management Discussion & Analysis

管理層討論及分析



BUSINESS REVIEW *(Continued)*

Connectors

Connectors are adopted to connect two electronic ports to transmit power or signals, which mainly include board-side connectors and terminal connectors. All of our connectors for external sale are board-side connectors while we use terminal connectors for internal production of our own signal cable assembly with wire & cable. The main board-side connectors produced by the Company include D SUB connectors, DVI connectors, USB connectors and HDMI connectors. According to Frost & Sullivan, it is estimated that the compound annual growth rate will be remained at 21.9% from 2009 to 2013.

For production of our connectors, we are able to conduct a vertically integrated production process in-house starting from product development, mold design, mold manufacture, metal stamping, plastic injection, automation development and product assembly. This vertically integrated strategy enables us to, among others, conduct highly coordinated research and development and production activities, reduce our operation expense and production cost, as well as better control over the quality of our products, and thereby increase our overall competitiveness.

業務回顧 *(續)*

連接器

連接器用於連接兩個電子端口以傳送電源或信號，主要分為板端連接器和線端連接器。本集團所有外銷連接器均為板端連接器，而將線端連接器與線纜用於內部生產信號線組件。本公司生產的主要板端連接器包括D SUB連接器、DVI連接器、USB連接器和HDMI連接器等。根據Frost & Sullivan的統計，預計二零零九年至二零一三年將保持21.9%的複合年增長率。

本集團連接器可自主完成從產品開發、模具設計、模具製造、五金衝壓、塑料注塑、自動化開發、產品組裝的垂直整合生產工序。此種垂直整合的業務模式可以(其中包括)高度協調研發及生產活動，降低營運開支及生產成本，以及更好地控制產品品質，提高本集團整體競爭力。

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Connectors (Continued)

Our Group has committed substantial research and development resources for connectors; we conduct our own design using various instruments such as 3D design software and analogy analysis software and contraction structure analogy. Our Group owns state-level experimental facilities and full installations that could satisfy each functional requirement of connector. We established a dedicated connector research and development centre in Taipei in July 2010, focusing on the research and development on the world's leading connecting technology. For production process, we improve efficiency through mold forming and automation process, and to reduce cost and enhance our production efficiency by introducing advanced technology such as mechanical arms.

Antennas

Our Group mainly produces small wireless antennas, principally used in notebook and tablet computer, router, GPS and mobile handsets. The rapid development of various wireless communication technologies boosts the vigorous growth of antenna market. According to Frost & Sullivan, the compound annual growth rate will be 6.8% from 2009 to 2013. Antenna is our Group's newly developed product in 2010, which has been adapted to many products, such as notebook internal antenna, wireless router antenna, GPS navigation antenna and mobile handsets antenna. The antenna products of our Group extend from high-end consumer electronic field into communication electronic field, and marked our ability to extend our "one-stop" solutions to wireless transmission and connection, in addition to our wired solutions.

The Group established antennas research and development and production facilities in Taipei, Shenzhen and Suzhou. We have established a dedicated research and development centre in Taipei focusing on antenna technology for use in mobile handsets, notebook, tablet computer, GPS and router. While our research and development centers in Shenzhen and Suzhou focus on antenna products development. Such research and development and production facilities could enable our Group rapidly enter into market leading edge of the product.

業務回顧(續)

連接器(續)

本集團在連接器方面已投入大量研發資源，產品設計運用3D設計軟件及模擬分析軟件、收縮結構模擬等工具進行自主設計，並擁有國家級的實驗設備，配套完整，能滿足連接器的各項性能要求。二零一零年七月，本公司於台北成立專門的連接器研發中心，專注於世界領先連接技術的研發。在生產工序上，通過模內成型、自動化工藝提升效率，並引進機械手臂等先進工藝，降低成本，提高生產效率。

天線

本集團生產的天線主要為小型無線天線，主要用於筆記本電腦及平板電腦、路由器、GPS系統及手機等。隨着各種無線通訊技術的迅速發展，推動天線市場的快速增長。根據 Frost & Sullivan 的統計，二零零九年至二零一三年的複合年增長率為6.8%。天線為本集團二零一零年新開發產品，已投產筆記本電腦內置天線、無線路由器天線、GPS導航天線及手機天線等多種產品。本集團的天線產品從高端消費電子領域擴大到通訊電子領域，標誌著除有線解決方案外，本集團有能力將「一站式」解決方案延伸至無線傳輸與連接。

本集團在台北、深圳、蘇州兩岸三地設立天線研發生產設施，在台北成立專門的研發中心，專注手機、筆記本電腦及平板電腦、GPS系統及路由器天線的技術，而本集團在深圳及蘇州設立的研發中心則專注天線產品的開發。此研發及生產設施可以使集團快速進入該產品市場前沿。

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW *(Continued)*

Future Outlook

The global consumer electronics market has rebounded strongly in 2010 and is expected to record healthy and sustainable growth in the foreseeable future. That bodes well for the development of our Group and besides participating in the growth of the industry, we will also continue to strive to increase market share of our products in our target markets.

Our Group has in place a comprehensive “one-stop” high-speed transmission and connecting solutions and product portfolio. We will continue to increase our leading position in current market by leveraging on strong R&D advantage, price competitive advantage as well as stable and high quality customer base.

Going forward, we will continue to strengthen our international marketing network to expand our customer base particularly in Japan, Europe and United States; we will also through our wireless antenna products, extend our reach into the communications electronics, and establish a wireless communications research center in Shenzhen.

For new products and markets, (i) we have towards the end of 2010 started sale of our low smoke halogen-free insulating materials which we believe will be widely adopted in the future for cable insulating and jacketing; (ii) we will continue to leverage on our internal R&D capabilities to develop photovoltaic connectors for use in solar energy products; (iii) we have also entered into the automobile wiring harness market for the PRC automobile industry by signing an agreement to invest in a domestic automobile wiring harness manufacturer in February 2011; and (iv) we are in the final stages of our research and development project of a range of specialty power cables which are tailored to be applied in many specialized fields, such as transportation, wind power and solar generation.

業務回顧(續)

未來展望

全球消費電子市場於二零一零年強勁反彈，預期於可預見的未來錄得健康及穩定增長。此預示著本集團更好的發展，除參與行業增長外，本集團亦將繼續致力於擴大我們產品於目標市場的市場份額。

本集團已配備「一站式」高速傳輸及連接解決方案和產品組合。憑藉強大的研發優勢、產品價格競爭優勢和穩固優質的客戶基礎，本集團將持續增強於當前市場的領先地位。

展望未來，我們將繼續鞏固國際營銷網絡，擴大本集團於日本、歐洲及美國的客戶基礎；我們亦將透過無線天線產品擴展至通訊電子領域，並在深圳建立無線通訊研究中心。

就新產品及市場而言，(i)本公司已於二零一零年年底開始銷售環保低煙無鹵絕緣材料，我們相信其將於日後廣泛用於線纜絕緣和護套；(ii)本公司將持續憑藉內部研發能力，開發用於太陽能產品的光伏連接器；(iii)透過於二零一一年二月訂立一份協議，投資於一家國內汽車線束製造商，本公司亦已進軍中國汽車行業汽車線束市場；及(iv)本公司特種電纜產品的研發項目處於最後階段，該等產品適合應用於運輸、風力發電及太陽能發電等特定領域。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

Revenue represents the net amounts received and receivable for sales of our signal cable assembly, wire & cable and connector products to our customers. We mainly derive our revenue from the manufacture and sale of a broad line of cable and connector products that are used mainly by our customers in the consumer electronics industry. Our products consist primarily of six product groups, namely, external signal cable assembly, internal signal cable assembly, power cord assembly, wire & cable (primarily for signal transmission purpose), connectors and antennas. We plan to expand our product offerings to include automotive wiring harness, specialty power cables and solar connectors.

The following table sets forth a breakdown of our revenue by product type for the periods indicated:

財務回顧

收益

收益指本集團向客戶銷售信號線組件、線纜及連接器產品的已收及應收款項淨額。本集團收益主要來自生產及銷售主要由本集團消費電子行業客戶使用的各類線纜及連接器產品。本集團產品主要包括六類產品，即外接信號線組件、內接信號線組件、電源線組件、線纜（主要用作信號傳輸）、連接器及天線。本集團計劃擴展產品種類，包括汽車線束、特種電纜和光伏連接器。

下表載列所示期間本集團按產品類型劃分的收益詳情：

		2010 二零一零年		2009 二零零九年		
		Revenue RMB'000 收益 人民幣千元	% of Revenue 佔收益 百分比	Revenue RMB'000 收益 人民幣千元	% of Revenue 佔收益 百分比	Change in % 百分比變動
External signal cable assembly	外接信號線組件	353,376	25.0	322,490	37.1	9.6
Internal signal cable assembly	內接信號線組件	307,049	21.7	126,630	14.5	142.5
Power cord assembly	電源線組件	246,777	17.5	170,156	19.5	45.0
Wire & cable	線纜	348,306	24.6	172,069	19.7	102.4
Connectors	連接器	46,443	3.3	36,145	4.1	28.5
Antennas	天線	11,798	0.8	—	—	—
Others	其他	100,211	7.1	44,906	5.1	123.2
Total	總計	1,413,960	100.0	872,396	100.0	62.1

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Revenue (Continued)

Revenue increased by approximately RMB541.6 million, or approximately 62.1%, from approximately RMB872.4 million for the year ended 31 December 2009 to approximately RMB1,414.0 million for the year ended 31 December 2010. The increase was primarily due to overall increase in customer demands, growing customer base and our expansion in production capacity as the general economy grew at a relatively faster pace during 2010 as compared to 2009, during which customer demands were lower as the economy just started to recover from the economic downturn and the growth of the consumer electronics industry was relatively slower. Specifically,

財務回顧(續)

收益(續)

收益由截至二零零九年十二月三十一日止年度約人民幣872.4百萬元增加約人民幣541.6百萬元或約62.1%至截至二零一零年十二月三十一日止年度約人民幣1,414.0百萬元，主要是由於相較二零零九年，二零一零年整體經濟增長步伐相對更快，帶動整體客戶需求增加、客戶基礎不斷擴大以及擴充產能所致，而二零零九年則因經濟剛開始從衰退中復甦，加上消費電子行業增長相對緩慢，故客戶需求減少。具體而言，

		2010 二零一零年		2009 二零零九年		
		Revenue RMB'000 收益 人民幣千元	% of Revenue 佔收益 百分比	Revenue RMB'000 收益 人民幣千元	% of Revenue 佔收益 百分比	Change in % 百分比變動
RGB assembly	RGB組件	174,379	49.3	156,223	48.4	11.6
DVI assembly	DVI組件	90,445	25.6	76,313	23.7	18.5
HDMI assembly	HDMI組件	974	0.3	854	0.3	14.1
USB assembly	USB組件	75,065	21.2	64,622	20.0	16.2
DC assembly	DC組件	12,513	3.6	24,478	7.6	-48.9
		353,376	100.0	322,490	100.0	9.6

- Sales of external signal cable assembly products increased by RMB30.9 million from RMB322.5 million for the year ended 31 December 2009 to RMB353.4 million for the year ended 31 December 2010, primarily due to an approximately 10.9% increase in sales volume of our external signal cable assembly products in 2010 as customer demands for our RGB, DVI and USB assembly products grew, which was partially offset by a decrease in average unit selling price mainly as a result of the reduction in the average length of assembly products that we sold in 2010 pursuant to product requirements as requested by our customers in general. Sales of
- 外接信號線組件產品的銷售額由截至二零零九年十二月三十一日止年度的人民幣322.5百萬元增加人民幣30.9百萬元至截至二零一零年十二月三十一日止年度的人民幣353.4百萬元，主要是由於二零一零年外接信號線組件產品的銷量因客戶對RGB、DVI及USB組件產品的需求增長而上升約10.9%，惟部分被平均單位售價下降抵銷。平均單位售價下降主要由於二零一零年本集團根據客戶普遍要求的產品規格縮減所銷售的USB組件產品平均長度所致。RGB組件的銷售

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Revenue (Continued)

RGB assembly increased by RMB18.2 million, or 11.6%, from RMB156.2 million for the year ended 31 December 2009 to RMB174.4 million for the year ended 31 December 2010, primarily due to an increase of 7.9% in sales volume mainly because the purchase orders from our existing customers increased and we continued to develop customer base for our RGB assembly with customers for such products increasing from 13 in 2009 to 16 in 2010. Sales of DVI assembly increased by RMB14.1 million, or 18.5%, from RMB76.3 million for the year ended 31 December 2009 to RMB90.4 million for the year ended 31 December 2010, primarily due to an increase of 15.2% in sales volume mainly because the purchase orders from our existing customers increased and we continued to develop customer base for our DVI assembly with customers for such products increasing from 13 in 2009 to 15 in 2010. And sales of USB assembly increased by RMB10.5 million, or 16.2%, from RMB64.6 million for the year ended 31 December 2009 to RMB75.1 million for the year ended 31 December 2010, primarily due to an increase of 33.6% in sales volume mainly because the purchase orders from our existing customers increased and we continued to develop customer base for our USB assembly with customers for such products increasing from 10 in 2009 to 18 in 2010, which was partially offset by a decrease in average unit selling price in line with general reduction in the average length of our USB assembly products and as we priced our USB assembly products more competitively to gain market share, whereas sales of DC assembly decreased by RMB12.0 million, or 48.9%, from RMB24.5 million for the year ended 31 December 2009 to RMB12.5 million for the year ended 31 December 2010, primarily because we transferred the production of DC assembly products, which is relatively labor intensive, from our production facilities in Weihai to those in Dezhou where we can have more stable supply of a large number of production personnel and consequently, we experienced reduced level of production during the initial phase of such transfer as we gradually ramped up the production of our DC assembly products in Dezhou;

財務回顧(續)

收益(續)

額由截至二零零九年十二月三十一日止年度的人民幣156.2百萬元增加人民幣18.2百萬元或11.6%至截至二零一零年十二月三十一日止年度的人民幣174.4百萬元，主要是由於現有客戶採購訂單增加，加上本集團持續發展RGB組件的客戶基礎(該產品的客戶由二零零九年的13名增至二零一零年的16名)，令銷量增加7.9%。DVI組件的銷售額由截至二零零九年十二月三十一日止年度的人民幣76.3百萬元增加人民幣14.1百萬元或18.5%至截至二零一零年十二月三十一日止年度的人民幣90.4百萬元，主要是由於現有客戶採購訂單增加，加上本集團持續發展DVI組件的客戶基礎(該產品的客戶由二零零九年的13名增至二零一零年的15名)，令銷量增加15.2%。USB組件的銷售額由截至二零零九年十二月三十一日止年度的人民幣64.6百萬元增加人民幣10.5百萬元或16.2%至截至二零一零年十二月三十一日止年度的人民幣75.1百萬元，主要是由於因現有客戶採購訂單增加，加上本集團持續發展USB組件的客戶基礎(該產品的客戶由二零零九年的10名增至二零一零年的18名)，令銷量增加33.6%，惟部分被平均單位售價因USB組件產品平均長度整體縮短而下降，加上本集團為佔據市場份額而為USB組件產品制定更具競爭力的價格所抵銷，而DC組件的銷售額由截至二零零九年十二月三十一日止年度的人民幣24.5百萬元減少人民幣12.0百萬元或48.9%至截至二零一零年十二月三十一日止年度的人民幣12.5百萬元，主要是由於本集團將相對勞動密集型的DC組件產品生產由威海生產設施轉移至本集團可獲大量生產人員穩定供應的德州的生產設施，因此，由於本集團逐漸增加在德州的DC組件產品生產，令轉移初期的生產水平降低；

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管理層討論及分析

FINANCIAL REVIEW (Continued)

Revenue (Continued)

財務回顧(續)

收益(續)

		2010 二零一零年		2009 二零零九年		Change in % 百分比變動
		Revenue RMB'000 收益 人民幣千元	% of Revenue 佔收益 百分比	Revenue RMB'000 收益 人民幣千元	% of Revenue 佔收益 百分比	
LVDS	LVDS	261,871	85.3	115,587	91.3	126.6
Harness	線束	973	0.3	4,983	3.9	-80.5
Flexible Flat Cable (FFC)	軟性扁平線纜 (FFC)	44,205	14.4	6,060	4.8	629.5
		307,049	100.0	126,630	100.0	142.5

- Sales of internal signal cable assembly products increased by RMB180.4 million, or 142.5%, from RMB126.6 million for the year ended 31 December 2009 to RMB307.0 million for the year ended 31 December 2010, primarily due to (i) an increase of approximately 70.2% sales volume of our internal signal cable assembly products as the purchase orders for our LVDS products increased and we continued to develop customer base for our LVDS products with customers for such products increasing from 9 in 2009 to 13 in 2010; (ii) the revenue contribution of FFC products for a whole year in 2010 as compared to seven month in 2009 as we started the commercial production of FFC products late in 2009; and (iii) an overall increase in the average unit selling prices of our internal signal cable products as we continued to reduce the production and sales of harness products with lower selling price and also the average copper price increased in 2010 as compared to 2009;
- 內接信號線組件產品的銷售額由截至二零零九年十二月三十一日止年度的人民幣126.6百萬元增加人民幣180.4百萬元或142.5%至截至二零一零年十二月三十一日止年度的人民幣307.0百萬元，主要是由於(i)本集團LVDS產品的採購訂單增加，加上本集團持續發展LVDS產品的客戶基礎(該產品的客戶由二零零九年的9名增至二零一零年的13名)，令內接信號線組件產品的銷量增加約70.2%；(ii)本集團於二零零九年年底方開始投產的FFC產品於二零一零年貢獻十二個月收益，二零零九年則貢獻七個月收益；及(iii)因本集團繼續減少較低售價的線束產品的產量，加上二零一零年的平均銅價較二零零九年上升，令內接信號線產品的整體平均單位售價上漲；

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Revenue (Continued)

- Sales of power cord assembly products increased by RMB76.6 million, or 45.0%, from RMB170.2 million for the year ended 31 December 2009 to RMB246.8 million for the year ended 31 December 2010, primarily due to an approximately 67.5% increase in sales volume as customer purchase orders increased and we continued to develop customer base for our power cord assembly products with customer for such products increasing from 16 in 2009 to 23 in 2010, which was partially offset by a decrease in average unit selling price mainly in line with the general reduction in the average length of our power cord assembly products sold pursuant to product requirements as requested by our customers;

財務回顧(續)

收益(續)

- 電源線組件產品的銷售額由截至二零零九年十二月三十一日止年度的人民幣170.2百萬元增加人民幣76.6百萬元或45.0%至截至二零一零年十二月三十一日止年度的人民幣246.8百萬元，主要是由於客戶採購訂單增加，加上本集團持續發展電源線組件產品的客戶基礎(該產品的客戶由二零零九年的16名增至二零一零年的23名)，令銷量增加約67.5%，惟部分被平均單位售價下降抵銷所致，而平均單位售價下降主要是由於本集團根據客戶要求的產品規格整體縮減所銷售的電源線組件產品平均長度所致；

		2010 二零一零年		2009 二零零九年		Change in % 百分比變動
		Revenue RMB'000 收益 人民幣千元	% of Revenue 佔收益 百分比	Revenue RMB'000 收益 人民幣千元	% of Revenue 佔收益 百分比	
Communication cable	通訊線纜	8,212	2.4	2,952	1.7	178.2
Consumer electronic cable	消費電子線纜	254,712	73.1	119,776	69.6	112.7
Automotive cable	汽車線纜	18,196	5.2	3,613	2.1	403.6
Power cable	電源線纜	59,126	17.0	35,472	20.6	66.7
Others	其他	8,060	2.3	10,256	6.0	-21.4
		348,306	100.0	172,069	100.0	102.4

- Sales of wire & cable products increased by RMB176.2 million, or 102.4%, from RMB172.1 million for the year ended 31 December 2009 to RMB348.3 million for the year ended 31 December 2010, primarily due to (i) an increase in sales volume of our wire & cable products as we increased production in response to the increased customer demands and expanded customer base for our wire & cable products with customers for such products
- 線纜產品的銷售額由截至二零零九年十二月三十一日止年度的人民幣172.1百萬元增加人民幣176.2百萬元或102.4%至截至二零一零年十二月三十一日止年度的人民幣348.3百萬元，主要是由於(i)本集團因應客戶需求上升增加產量，並擴充線纜產品的客戶基礎(該產品的客戶由二零零九年的25名增至二零一零年的46名)，令線纜產品的銷量增加；及(ii)

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管理層討論及分析

FINANCIAL REVIEW (Continued)

Revenue (Continued)

increasing from 25 in 2009 to 46 in 2010, and (ii) increased average unit selling price of such products mainly as a result of the higher average copper price in 2010. As a major contributor to the sales of our wire & cable products, sales of consumer electronic cables increased by RMB134.9 million, or 112.7%, from RMB119.8 million for the year ended 31 December 2009 to RMB254.7 million for the year ended 31 December 2010, primarily due to (i) an increase of 87.2% in sales volume due to increased customer demands and our efforts in expanding customer base for such products with customers for such products increasing from 13 in 2009 to 23 in 2010, (ii) increased average unit selling price mainly as a result of the higher average copper price in 2010, and (iii) we began to sell a newly developed product, environmentally friendly low smoke halogen-free insulating products, from the fourth quarter of 2010. In addition, sales of power cable increased by RMB23.7 million, or 66.7%, from RMB35.4 million for the year ended 31 December 2009 to RMB59.1 million for the year ended 31 December 2010, primarily due to an increase of 48.1% in sales volume due to increased customer demand and increased average unit selling prices mainly as a result of the higher average copper price in 2010;

- Sales of connectors increased by RMB10.3 million, or 28.5%, from RMB36.1 million for the year ended 31 December 2009 to RMB46.4 million for the year ended 31 December 2010, notwithstanding an approximately 37.2% decrease in sales volume during the period primarily because we were able to increase the average selling price of our connector products as we increased the production and sales of connectors with higher selling price and margin, such as D SUB connectors, in 2010 as compared to a higher proportion of DVI and USB connector products with lower selling price and margin in 2009;
- We started to manufacture and sell antenna products from 2010 and have 7 customers as of 31 December 2010. Sales of antenna products are RMB11.8 million for the year ended 31 December 2010; and

財務回顧(續)

收益(續)

該產品平均單位售價主要因二零一零年的平均銅價上升而增加。作為本集團線纜產品銷售額的主要貢獻因素，消費電子線纜的銷售額由截至二零零九年十二月三十一日止年度的人民幣119.8百萬元增加人民幣134.9百萬元或112.7%至截至二零一零年十二月三十一日止年度的人民幣254.7百萬元，主要是由於(i)客戶需求上升，加上本集團擴充該產品的客戶基礎(該產品的客戶由二零零九年的13名增至二零一零年的23名)，令銷量增加87.2%；(ii)該產品平均單位售價主要因二零一零年的平均銅價上升而增加；及(iii)本集團自二零一零年第四季度起銷售新開發的環保低煙無鹵產品。此外，電源線纜的銷售額由截至二零零九年十二月三十一日止年度的人民幣35.4百萬元增加人民幣23.7百萬元或66.7%至截至二零一零年十二月三十一日止年度的人民幣59.1百萬元，主要是由於客戶需求上升，加上二零一零年平均銅價上升導致平均單位售價增加令銷量增加48.1%；

- 雖然期內連接器的銷量下降約37.2%，但連接器的銷售額由截至二零零九年十二月三十一日止年度的人民幣36.1百萬元增加人民幣10.3百萬元或28.5%至截至二零一零年十二月三十一日止年度的人民幣46.4百萬元，主要是由於本集團二零一零年增加D SUB連接器等售價及利潤率均較高的連接器的生產及銷售，令本集團可提高連接器產品的平均售價，而二零零九年大部分DVI及USB連接器產品的售價及利潤率均較低；
- 本集團自二零一零年起開始生產及銷售天線產品，及截至二零一零年十二月三十一日有7家客戶。截至二零一零年十二月三十一日止年度，天線產品的銷售額為人民幣11.8百萬元；及



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FINANCIAL REVIEW (Continued)

Revenue (Continued)

- others consist of sales of various products, including customized wiring products for a home appliance producer customer, keyboard assembly, components for integrated personal computers and other materials. Sales of our other products increased significantly in 2010 primarily due to the revenue contribution by a number of miscellaneous products, including aluminum and iron plates for computer keyboard which we started to manufacture and sell from the second half of 2009, but the amount of revenue contribution of such was limited in 2009.

Most of our customers are international leading brand name and non-brand name equipment manufacturers in the global consumer electronics industry, including Samsung, LG, Eastman Kodak, Amphenol, Haier, Hisense, Quanta, Compal, Qisda, TPV Technology, Wistron, Innolux, ZTE and Inventec. Most of our customers have their procurement units and/or manufacturing facilities based in China and depending on our customers' preferences and requirements, we would enter into sales contract with their Chinese subsidiaries and deliver our products to their manufacturing facilities based in China. The following table sets forth, for the periods indicated, an analysis of our revenue by geographical location of the entities to which we issued invoices, irrespective of the headquarter of our end customers or the final destination of the goods:

		2010 二零一零年		2009 二零零九年		
		Revenue RMB'000 收益 人民幣千元	% of Revenue 佔收益 百分比	Revenue RMB'000 收益 人民幣千元	% of Revenue 佔收益 百分比	Change in % 百分比變動
China, not including Hong Kong and Taiwan	中國， 不包括香港及 台灣	929,603	65.7	643,096	73.7	44.6
Korea	韓國	210,913	14.9	115,827	13.3	82.1
Taiwan	台灣	178,883	12.7	4,704	0.5	3,702.8
Hong Kong	香港	25,664	1.8	53,924	6.2	-52.4
Other countries and areas	其他國家和 地區	68,897	4.9	54,845	6.3	25.6
		1,413,960	100.0	872,396	100.0	62.1

財務回顧(續)

收益(續)

- 其他銷售額來自為一種家用電器生產商客戶訂製的電線產品、鍵盤組件、集成個人電腦零件及其他物料。二零一零年本集團其他產品的銷售額大幅增加主要是由於眾多雜項產品的收益貢獻，包括本集團於二零零九年下半年開始生產及銷售的電腦鍵盤的鋁板及鐵板，但二零零九年該等收益貢獻金額有限。

本集團大部分客戶為全球消費電子業的國際領先品牌及非品牌設備製造商，如三星、LG、伊士曼柯達、安費諾、海爾、海信、廣達、仁寶、佳世達、冠捷科技、緯創、新奇美光電、中興及英業達。本集團客戶大部分均在中國設有採購部門及／或生產設施，本集團會因應客戶的選擇及要求而與彼等的中國附屬公司訂立銷售合約，並將產品付運至彼等在中國的生產設施。下表載列於所示期間按獲本集團出具發票的訂約公司所在地點(不論本集團終端客戶的總部或貨品最終目的地)劃分的收益分析：

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管理層討論及分析

FINANCIAL REVIEW (Continued)

Cost of sales

Cost of sales includes primarily raw material costs, labor costs, depreciation, utilities, outsourcing costs and others.

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

財務回顧(續)

銷售成本

銷售成本主要包括原料成本、勞工成本、折舊、公用事業成本、外包成本及其他費用。

下表載列所示期間本集團產品組合銷售成本詳情：

		2010 二零一零年		2009 二零零九年		Change in %
		Cost of sales RMB'000	% of total Cost of sales 佔總 銷售成本 百分比	Cost of sales RMB'000	% of total Cost of sales 佔總 銷售成本 百分比	
External signal cable assembly	外接信號線組件	273,509	25.1	248,261	36.8	10.2
Internal signal cable assembly	內接信號線組件	221,265	20.3	94,322	14.0	134.6
Power cord assembly	電源線組件	206,501	19.0	138,387	20.5	49.2
Wire & cable	線纜	270,061	24.8	126,013	18.7	114.3
Connectors	連接器	31,806	2.9	26,274	3.9	21.1
Antennas	天線	10,565	1.0	—	—	100.0
Others	其他	74,639	6.9	41,165	6.1	81.3
Total	總計	1,088,346	100.0	674,422	100.0	61.4

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管理層討論及分析

FINANCIAL REVIEW (Continued)

Cost of sales (Continued)

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

財務回顧(續)

銷售成本(續)

下表載列所示期間本集團銷售成本詳情：

		2010 二零一零年		2009 二零零九年		Change in % 百分比變動
		RMB'000 人民幣千元	% of total Cost of sales 佔總 銷售成本 百分比	RMB'000 人民幣千元	% of total Cost of sales 佔總 銷售成本 百分比	
Raw material costs	原料成本	850,696	78.2	529,909	78.6	60.5
Utilities	公共事業成本	16,451	1.5	11,228	1.7	46.5
Depreciation	折舊	24,899	2.3	20,574	3.1	21.0
Labor costs	勞工成本	113,725	10.4	68,833	10.2	65.2
Outsourcing costs	外包成本	62,209	5.7	33,227	4.9	87.2
Others	其他	20,366	1.9	10,651	1.5	91.2
		1,088,346	100.0	674,422	100.0	61.4

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

下表載列所示期間的勞工成本詳情：

		2010 二零一零年		2009 二零零九年		Change in % 百分比變動
		RMB'000 人民幣千元	% of total labor costs 佔總 勞工成本 百分比	RMB'000 人民幣千元	% of total labor costs 佔總 勞工成本 百分比	
Employees	僱員	46,461	40.9	47,005	68.3	-1.2
Contract workers	合同工人	67,264	59.1	21,828	31.7	208.2
		113,725	100.0	68,833	100.0	65.2

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Cost of sales (Continued)

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

財務回顧(續)

銷售成本(續)

下表載列所示期間本集團原材料成本詳情：

		2010 二零一零年		2009 二零零九年		Change in % 百分比變動
		RMB'000	% of raw material costs	RMB'000	% of raw material costs	
		估原材料 成本	百分比	估原材料 成本	百分比	
		人民幣千元	百分比	人民幣千元	百分比	
Copper materials	銅材料	490,851	57.7	306,287	57.8	60.3
Plastic materials	塑膠材料	147,170	17.3	86,375	16.3	70.4
Iron materials	鐵材料	48,490	5.7	28,085	5.3	72.7
Others	其他	164,185	19.3	109,162	20.6	50.4
		850,696	100.0	529,909	100.0	60.5

Cost of sales increased by approximately RMB413.9 million, or approximately 61.4%, from approximately RMB674.4 million for the year ended 31 December 2009 to approximately RMB1,088.3 million for the year ended 31 December 2010. The increase was primarily due to (i) an increase in raw material costs from RMB529.9 million in 2009 to RMB850.7 million in 2010, mainly as a result of an overall increase in sales volume and the higher average copper prices in 2010 as compared to 2009 (with our average purchase prices for copper materials amounting to approximately RMB55,160 per tonne in 2010, representing an increase of 102.8% from approximately RMB27,200 per tonne in 2009); (ii) an increase in labor costs from RMB68.8 million in 2009 to RMB113.7 million in 2010, mainly as a result of an increase in manufacturing staff and an increase in employee salaries in line with our increased sales and production in 2010; (iii) an increase in outsourcing costs from RMB33.2 million in 2009 to RMB62.2 million in 2010 mainly as a result of increased outsourcing of non-essential production work to third party contract manufacturers as we

銷售成本由截至二零零九年十二月三十一日止年度約人民幣674.4百萬元增加約人民幣413.9百萬元或約61.4%至截至二零一零年十二月三十一日止年度約人民幣1,088.3百萬元，主要是由於(i)主要因整體銷量增長加上二零一零年的平均銅價高於二零零九年(二零一零年本集團銅材料的平均採購價約為每噸人民幣55,160元，較二零零九年約每噸人民幣27,200元上升102.8%)，原材料成本由二零零九年的人民幣529.9百萬元增至二零一零年的人民幣850.7百萬元；(ii)勞工成本由二零零九年的人民幣68.8百萬元增至二零一零年的人民幣113.7百萬元，主要因二零一零年生產員工及僱員薪金隨銷售及產量上升而增加；(iii)外判成本由二零零九年的人民幣33.2百萬元增至二零一零年的人民幣62.2百萬元，主要因本集團繼續日益注重發展研發實力及擴展銷售及市場推廣工作，同時加強操作關鍵生產工序的能力，故增加向第三方承包生產商外判非重要生產工作；(iv)主要因本集團產品的銷量整體增加導致生產相應增加，

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Cost of sales (Continued)

continued to increasingly focus on developing our research and development capabilities and expanding our sales and marketing efforts while strengthening our ability to conduct essential production processes; (iv) an increase in utility costs from RMB11.2 million in 2009 to RMB16.5 million in 2010, mainly as a result of increased production in line with the overall increase in sales volume of our products; and (v) an increase in depreciation from RMB20.6 million in 2009 to RMB24.9 million in 2010 mainly as a result of the expansion in production facilities and increased procurement of equipment in line with the expanded business operations. Cost of sales, as a percentage of total revenue, reduced from 77.3% for 2009 to 77.0% for 2010.

RMB46.5 million (or 40.9%) and RMB67.3 million (or 59.1%) of our total labor cost were attributable to our employees and contract workers in 2010, respectively, while RMB47.0 million (or 68.3%) and RMB21.8 million (or 31.7%) were attributable to our employees and contract workers in 2009, respectively. The proportion of labor cost attributable to contract workers increased from 31.7% in 2009 to 59.1% in 2010 mainly due to the increase in the number of contract workers in 2010 (3,870 as of 31 December 2010) as compared to 2009 (1,965 as of 31 December 2009) as (i) we significantly expanded our production capacities, including adding a number of production lines for our internal signal cable assembly, RGB assembly, DVI assembly and other products in 2010; and (ii) we took on additional contract workers in 2010 in order to provide them training in advance as for the planned expansion of production capacity in 2011.

財務回顧(續)

銷售成本(續)

使公用事業成本由二零零九年的人民幣11.2百萬元增至二零一零年的人民幣16.5百萬元；及(v)隨着業務營運擴展，本集團擴充生產設施及增加設備採購使折舊由二零零九年的人民幣20.6百萬元增至二零一零年的人民幣24.9百萬元。銷售成本佔總收益的百分比由二零零九年的77.3%下降至二零一零年的77.0%。

二零一零年，本集團僱員與合同工人分別應佔勞工成本總額人民幣46.5百萬元(或40.9%)與人民幣67.3百萬元(或59.1%)，而二零零九年，本集團僱員與合同工人分別應佔勞工成本總額人民幣47.0百萬元(或68.3%)與人民幣21.8百萬元(或31.7%)。合同工人所佔勞工成本比例由二零零九年的31.7%增至二零一零年的59.1%，主要是由於(i)本集團大幅提高產能，包括增加內接信號線、RGB組件、DVI組件及其他產品的產能；及(ii)基於為配合二零一零年的產能擴充計劃，故本集團於二零一零年招聘額外合同工人，提早培訓，因此，二零一零年合同工人數目(截至二零一零年十二月三十一日為3,870人)較二零零九年(截至二零零九年十二月三十一日為1,965人)增加。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Gross profit

As a result of the foregoing, our gross profit increased by approximately RMB127.6 million, or approximately 64.4%, from approximately RMB198.0 million for the year ended 31 December 2009 to approximately RMB325.6 million for the year ended 31 December 2010. Our gross profit margin increased slightly from 22.7% in 2009 to 23.0% in 2010. Specifically,

財務回顧(續)

毛利

基於上述原因，本集團的毛利由截至二零零九年十二月三十一日止年度約人民幣198.0百萬元增加約人民幣127.6百萬元或約64.4%至截至二零一零年十二月三十一日止年度約人民幣325.6百萬元。與二零零九年相比，本集團於二零一零年的毛利率略有提高，從22.7%升至23.0%。具體而言，

		2010 二零一零年		2009 二零零九年		Change in % 百分比變動
		Gross profit RMB'000 毛利 人民幣千元	Gross profit margin 毛利率 %	Gross profit RMB'000 毛利 人民幣千元	Gross profit margin 毛利率 %	
External signal cable assembly	外接信號線組件	79,867	22.6	74,229	23.0	7.6
Internal signal cable assembly	內接信號線組件	85,784	27.9	32,308	25.5	165.5
Power cord assembly	電源線組件	40,276	16.3	31,769	18.7	26.8
Wire & cable	線纜	78,245	22.5	46,056	26.8	69.9
Connectors	連接器	14,637	31.5	9,871	27.3	48.3
Antennas	天線	1,233	10.5	—	—	100.0
Others	其他	25,572	25.5	3,741	8.3	583.6
Total	合計	325,614	23.0	197,974	22.7	64.5

Gross profit margin of our external signal cable assembly products decreased from 23.0% in 2009 to 22.6% in 2010, primarily due to the decrease in profit margins of our DVI, HDMI, USB and DC assembly as we priced our external signal cable assembly products more competitively as part of our pricing and marketing strategies in order to gain more market share as the global economy, in particular, the consumer electronics industry, continued to recover while the profit margin of our RGB assembly increased slightly due to the efficiency achieved from increased production scale and enhancements in manufacturing processing techniques.

本集團外接信號線組件產品的毛利率由二零零九年的23.0%降至二零一零年的22.6%，主要是由於全球經濟（尤其是消費電子行業）持續復甦，為佔據更多市場份額，根據本集團的定價及市場推廣策略，本集團為外接信號線組件產品制定更具競爭力的價格，令本集團DVI、HDMI、USB及DC組件的毛利率下降，而本集團RGB組件利潤率因生產規模擴大及製造加工技術提高所實現的效率而輕微上升。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Gross profit (Continued)

Gross profit margin of our internal signal cable assembly products increased from 25.5% in 2009 to 27.9% in 2010, primarily due to the efficiency achieved from increased production scale and enhancements in manufacturing processing techniques as well as the increased proportion of LVDS and FFC, gross profit margin of which are relatively higher.

Gross profit margin of power cord assembly products decreased from 18.7% in 2009 to 16.3% in 2010 as we priced our power cord assembly products more competitively with a view to capture greater market share and increased safety certifications and spent in making additional molding machines for our power cord assembly products for the purposes of becoming a leader in our target power cord assembly market, which resulted in higher fixed costs.

Gross profit margin of wire & cable products decreased from 26.8% in 2009 to 22.5% in 2010 as we focused on increasing market share and expanding customer base by pricing our wire & cable products more competitive in 2010.

Gross profit margin of connector products increased from 27.3% in 2009 to 31.5% in 2010 primarily because we increased the production and sales of connectors with higher selling price and margin, such as D SUB connectors, in 2010.

Gross profit of antenna products for the year ended 31 December 2010 is 10.5% as we have only started to manufacture and sell antennas since 2010 and the economy of scale of such production scale has not been reached. Gross profit of antennas should increase in line with the expansion of scales of production and sales.

財務回顧(續)

毛利(續)

內接信號線組件產品的毛利率自二零零九年的25.5%升至二零一零年的27.9%，主要是由於生產規模擴大及製造加工技術提高所實現的效率，以及毛利較高的LVDS和FFC在產品組合中的比例升高。

電源線組件產品的毛利率由二零零九年的18.7%降至二零一零年的16.3%，是由於本集團為佔據更多市場份額而為電源線組件產品制定更具競爭力的價格，且已獲得更多安全認證，加上為成為目標電源線組件市場龍頭企業而動用資金增加電源線組件產品的成型機器，導致固定成本增加所致。

線纜產品的毛利率由二零零九年的26.8%降至二零一零年的22.5%，是由於二零一零年本集團專注增加市場份額及透過線纜產品更具競爭力的定價擴展客戶基礎。

連接器產品的毛利率由二零零九年的27.3%增至二零一零年的31.5%，主要是由於二零一零年本集團增加D SUB連接器等售價及利潤率均較高的連接器的生產及銷售。

天線產品的毛利率於截至二零一零年十二月三十一日止年度為10.5%，是由於本集團自二零一零年方開始生產及銷售天線，生產規模尚未達到規模經濟。隨着生產及銷售規模的擴大，天線的毛利率將上升。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Other gains and losses

Other gains and losses consisted primarily of government grants, investment loss or gain in respect of derivative financial instruments, interest income, gain on disposal of a patent, gains on disposals of subsidiaries, foreign exchange losses or gains, and loss on disposal of property, plant and equipment.

The following table sets forth the breakdown of our other gains and losses for the periods indicated:

財務回顧(續)

其他收益及虧損

其他收益及虧損主要包括政府補助、衍生金融工具投資虧損或收益、利息收入、出售一項專利之收益、出售附屬公司收益、外匯虧損或收益以及出售物業、廠房及設備之虧損。

下表載列所示期間本集團其他收益及虧損詳情：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	Change in % 百分比變動
Interest income	利息收入	436	455	-4.2
Government grants	政府補助	5,267	1,360	287.3
Losses on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	355	(614)	-157.8
Net foreign exchange gains (losses)	外匯收益(虧損)淨額	(2,832)	(457)	519.7
Gain on disposal of technical know-how	出售專業技術的收益	—	4,500	-100.0
Changes in fair value of derivative financial instruments	衍生金融工具公平值變動	(5,805)	3,029	-291.6
Total	總計	(2,579)	8,273	-131.2

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Other income and losses (Continued)

We incurred other losses of RMB2.6 million for the year ended 31 December 2010 while we had other gains of RMB8.3 million for the year ended 31 December 2009. The losses for the year ended 31 December 2010 were primarily attributable to (i) investment loss in respect of derivative financial instrument of approximately RMB5.8 million in relation to our copper hedging transactions while we had a corresponding gain or reduced cost with respect to the costs of our copper materials subject to such hedging transactions, and loss resulted from change on fair value of foreign currency exchange forward contracts, and (ii) net foreign exchange losses of RMB2.8 million as we held more US dollar and other foreign currency-denominated assets than liabilities and thus incurred a loss in RMB terms on such assets and liabilities mainly due to the depreciation of US dollar against RMB, partially offset by government grants of RMB5.3 million. The gains for the year ended 31 December 2009 were primarily attributable to investment gain in respect of derivative financial instrument of approximately RMB3.0 million in relation to our copper hedging transactions, gain on disposal of technical know-how of RMB4.5 million and government grants of RMB1.4 million, partially offset by losses on disposal of property, plant and equipment of RMB0.6 million.

Distribution and selling expenses

Our distribution and selling expenses consist primarily of salary expenses paid to our sales and marketing employees, customs registration expenses and business development, business entertainment, transportation expenses, travel and other expenses. Transportation expenses were primarily related to the expenses incurred for transporting our products to a destination pursuant to our customers' delivery requirements. Customs registration expenses were primarily related to the expenses we incurred for customs registration and clearance for products to be exported to an overseas destinations.

財務回顧(續)

其他收益及虧損(續)

截至二零一零年十二月三十一日止年度，本集團產生其他虧損人民幣2.6百萬元，而二零零九年十二月三十一日止年度本集團錄得其他收益人民幣8.3百萬元。截至二零一零年十二月三十一日止年度的虧損主要來自(i)與銅對沖交易相關的衍生金融工具投資虧損約人民幣5.8百萬元，惟該等對沖交易所涉的銅材料則有相應收益或成本減少，另有源自遠期外匯合同公允價值變動的虧損；及(ii)滙兌虧損淨額人民幣2.8百萬元，乃因本集團持有的美元及其他外幣計值資產多於負債，因而美元兌人民幣貶值導致有關資產及負債產生人民幣虧損，惟部分被政府補助人民幣5.3百萬元所抵銷。截至二零零九年十二月三十一日止年度的收益主要是由於與銅對沖交易相關的衍生金融工具投資收益約人民幣3.0百萬元，出售技術專利的收益人民幣4.5百萬元及政府補助人民幣1.4百萬元，惟部分被出售物業、廠房及設備之虧損人民幣0.6百萬元所抵銷。

分銷及銷售開支

本集團分銷及銷售開支主要包括向本集團銷售及市場推廣僱員支付的薪金開支、海關備案費用及業務開發、商業應酬、運輸費用、差旅及其他費用。運輸費用主要指根據本集團客戶付運要求運送本集團產品至目的地所產生的費用，而海關備案費用主要指出口產品至海外目的地所產生的海關備案及清關費用。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Distribution and selling expenses (Continued)

Distribution and selling expenses increased by approximately RMB6.8 million, or approximately 33.0%, from approximately RMB20.5 million for the year ended 31 December 2009 to approximately RMB27.2 million for the year ended 31 December 2010. This increase was due primarily to (i) an increase in transportation expenses from RMB8.3 million in 2009 to RMB12.4 million in 2010 in line with increased revenue; (ii) an increase in salary expenses from RMB3.1 million in 2009 to RMB4.0 million in 2010, primarily due to an increase in sales and marketing personnel and increased salaries and other compensation for sales and marketing personnel in line with the increase in our revenue; and (iii) an increase in entertainment expenses from RMB3.9 million in 2009 to RMB5.0 million in 2010, primarily due to an increase in sales and marketing activities in line with the increase in our revenue.

Administrative and general expenses

Our administrative and general expenses consist primarily of salary expenses paid to our management and administrative personnel, amortization of employee share grants, maintenance of our administrative office, travel, depreciation of fixed assets and amortization of intangible assets, social welfare obligations, provision for doubtful debts, provision for impairment of inventories, audit and professional fees. Amortization of employee share grants was related to the shares granted to our employees pursuant our employee share scheme. Provision for doubtful debts was primarily related to the provision made for impairment of trade and other receivables. Provision for impairment of inventories was primarily related to the provision made for impairment of inventories.

財務回顧(續)

分銷及銷售開支(續)

分銷及銷售開支由截至二零零九年十二月三十一日止年度約人民幣20.5百萬元增加約人民幣6.8百萬元或約33.0%至截至二零一零年十二月三十一日止年度約人民幣27.2百萬元，主要是由於(i)運輸費用由二零零九年的人民幣8.3百萬元增至二零一零年的人民幣12.4百萬元，與收益增長一致；(ii)薪金開支由於銷售及市場推廣人員數目增加以及銷售及市場推廣人員的薪金及其他補償增加而由二零零九年的人民幣3.1百萬元增至二零一零年的人民幣4.0百萬元，與收益增長一致；及(iii)應酬費用由於市場開發活動的增加而由二零零九年的人民幣3.9百萬元增至二零一零年的人民幣5.0百萬元，與收益增長一致。

行政及一般開支

本集團行政及一般開支主要包括向本集團管理及行政人員支付的薪金開支、僱員股份獎勵攤銷、本集團行政辦事處的保養費、差旅、固定資產折舊及無形資產攤銷、社會福利責任、呆賬撥備、存貨減值撥備和核數及專業費用。僱員股份獎勵攤銷是指根據本集團的僱員股份計劃向僱員授出股份。呆賬撥備主要指貿易及其他應收款項減值的撥備。存貨減值撥備主要是指就存貨減值作出的撥備。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Administrative and general expenses (Continued)

Administrative and general expenses increased by approximately RMB24.5 million, or approximately 51.2%, from approximately RMB48.0 million for the year ended 31 December 2009 to approximately RMB72.5 million for the year ended 31 December 2010. This increase was due primarily to (i) an increase in salary expenses from RMB14.9 million in 2009 to RMB23.0 million in 2010, primarily due to an increase in general and administrative personnel and increased employee salaries and compensation; (ii) an increase in office expenses from RMB3.6 million in 2009 to RMB6.8 million in 2010, primarily due to increased business operations; (iii) an increase in transportation expenses from RMB3.1 million in 2009 to RMB5.4 million in 2010 in line with increased business operations; and (iv) an increase in bank charges from RMB2.1 million in 2009 to RMB4.4 million in 2010 primarily due to increased bill purchases in relation to the exports of our products and uses of letters of credit primarily in relation to payment for purchases of equipment and materials.

Research and development expenses

Our research and development expenses consist primarily of salary for our research and development personnel, expenses for raw materials and depreciation of research, development, testing equipment and testing fee.

財務回顧(續)

行政及一般開支(續)

行政及一般開支由截至二零零九年十二月三十一日止年度約人民幣48.0百萬元增加約人民幣24.5百萬元或約51.2%至截至二零一零年十二月三十一日止年度約人民幣72.5百萬元，主要是由於(i)主要由於一般及行政人員數目增加及僱員薪金及補償增加使薪金開支由二零零九年的人民幣14.9百萬元增至二零一零年的人民幣23.0百萬元；(ii)辦公室開支主要因業務營運增長而由二零零九年的人民幣3.6百萬元增至二零一零年的人民幣6.8百萬元；(iii)運輸費用隨業務營運增長而由二零零九年的人民幣3.1百萬元增至二零一零年的人民幣5.4百萬元；及(iv)銀行手續費由二零零九年的人民幣2.1百萬元增至二零一零年的人民幣4.4百萬元，主要因有關本集團出口押匯業務增加及採購設備及物料的付款所使用的信用證增加。

研發開支

本集團研發開支主要包括本集團研發人員的薪金、原料開支、研發及測試設備的折舊及測試費。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW *(Continued)*

Research and Development Expenses *(Continued)*

Research and development expenses increased by approximately RMB3.7 million, or approximately 13.4%, from approximately RMB27.3 million for the year ended 31 December 2009 to approximately RMB30.9 million for the year ended 31 December 2010. This increase was due primarily to an increase in salary expenses for research and development personnel from RMB6.4 million in 2009 to RMB10.3 million in 2010, primarily due to an increase in research and development personnel as the number of research and development projects (including Mini Displayport, HDMI type of computer specialty data cable and SATA 3.0 type of computer high speed data cable) increased in 2010.

Finance costs

Finance costs increased by approximately RMB5.2 million, or approximately 37.1%, from approximately RMB13.9 million for the year ended 31 December 2009 to approximately RMB19.1 million for the year ended 31 December 2010, primarily due to an increase in bank interest expenses mainly as a result of increased bank borrowings in 2010.

財務回顧 *(續)*

研發開支 *(續)*

研發開支由截至二零零九年十二月三十一日止年度約人民幣27.3百萬元增加約人民幣3.7百萬元或約13.4%至截至二零一零年十二月三十一日止年度約人民幣30.9百萬元，主要由於研發人員薪金開支由二零零九年的人民幣6.4百萬元增至二零一零年的人民幣10.3百萬元，主要是由於二零一零年研發人員數目因研發項目（包括Mini Displayport、HDMI電腦專用數據線及SATA 3.0電腦高速數據線）增加而上升。

融資成本

融資成本由截至二零零九年十二月三十一日止年度約人民幣13.9百萬元增加約人民幣5.2百萬元或約37.1%至截至二零一零年十二月三十一日止年度約人民幣19.1百萬元，主要是由於二零一零年銀行借貸增加導致銀行利息費用上升所致。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Income tax expenses

Income tax expenses represent the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the relevant period. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in our consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

The following table sets forth the breakdown of our income tax expenses for the periods indicated:

財務回顧(續)

所得稅開支

所得稅開支指即期應付稅項與遞延稅項的總和。即期應付稅項乃基於有關期間的應課稅溢利計算。就本集團綜合財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基之間的暫時差額確認遞延稅項。

下表載列所示期間本集團所得稅開支詳情：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	Change in % 百分比變動
Current tax	即期稅項			
— PRC Enterprise Income Tax ("EIT")	— 中國企業所得稅 (「企業所得稅」)	19,268	7,559	154.9
— Overprovision of EIT in prior years	— 過往年度企業所得稅超額撥備	(2,222)	—	-100.0
— Withholding tax paid	— 已付預提稅項	—	3,090	-100.0
		17,046	10,649	60.1
Deferred tax	遞延稅項			
— Current year	— 本年度	1,014	(2,559)	-139.6
— Attributable to a change in tax rate	— 因稅率變動	174	—	100.0
		1,188	(2,559)	-146.4
		18,234	8,090	125.4

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Income tax expenses (Continued)

Our income tax expenses increased by approximately RMB10.1 million, or approximately 125.4%, from approximately RMB8.1 million for the year ended 31 December 2009 to approximately RMB18.2 million for the year ended 31 December 2010, in line with the increased profits before taxation. Our effective tax rates calculated from the tax charged to the consolidated statements of comprehensive income over the profit before tax were approximately 8.4% and 10.5% for the year ended 31 December 2009 and 2010, respectively. The increase in effective tax rate for the year ended 31 December 2010 was primarily due to the increased statutory tax rates in 2010 as compared to 2009 for certain of our subsidiaries, including primarily Weihai Cable, Changshu Electronic and Changshu Connecting-Technology.

Profit and total comprehensive income for the year

As a result of the foregoing, profit and total comprehensive income for the period increased by approximately RMB66.5 million, or approximately 76.0%, from approximately RMB88.5 million for the year ended 31 December 2009 to approximately RMB155.8 million for the year ended 31 December 2010. Our net profit margin was approximately 11.0% for the year ended 31 December 2010 as compared to approximately 10.1% for the year ended 31 December 2009. The increase in net profit margin was primarily attributable to a decrease in operating expenses as a percentage of total revenue as we focused on cost control and achieved cost savings on our administrative and general expenses and distribution and selling expenses, resulting in a decrease of such expenses as a percentage of total revenue in 2010 as compared to 2009.

Analysis of financial position

The following table sets forth a summary of our consolidated statements of financial position. Such selected consolidated statements of financial position information is extracted from the Accountants' Report included in Appendix I to this annual report and you should read the entire financial statements included therein, including the notes thereto, for more details.

財務回顧(續)

所得稅開支(續)

本集團所得稅開支由截至二零零九年十二月三十一日止年度約人民幣8.1百萬元增加約人民幣10.1百萬元或約125.4%至截至二零一零年十二月三十一日止年度約人民幣18.2百萬元，與除稅前溢利增長一致。本集團於截至二零零九年及二零一零年十二月三十一日止年度按於綜合全面收益表扣除的稅項及除稅前溢利計算的實際稅率分別約為8.4%及10.5%。截至二零一零年十二月三十一日止年度，實際稅率增加主要是由於本集團若干附屬公司(主要包括威海電線、常熟電子及常熟連接技術)二零一零年的法定稅率較二零零九年有所增加。

年度溢利及全面收益總額

基於上述原因，期內溢利及全面收益總額由截至二零零九年十二月三十一日止年度約人民幣88.5百萬元增加約人民幣66.5百萬元或約76.0%至截至二零一零年十二月三十一日止年度約人民幣155.8百萬元。截至二零一零年十二月三十一日止年度，本集團的淨邊際利潤率約為11.0%，而截至二零零九年十二月三十一日止年度約為10.1%。淨邊際利潤率增加主要是由於因本集團專注於行政及一般開支及分銷及銷售開支的成本控制並實現成本節省，令二零一零年的經營費用佔總收益的百分比較二零零九年有所減少。

財務狀況分析

下表載列本集團的綜合財務狀況表概要。該綜合財務狀況表摘要乃摘錄自本年報附錄一會計師報告，閣下應參閱會計師報告所載全部財務報表(包括相關附註)，以獲取更多詳情。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Analysis of financial position (Continued)

財務回顧(續)

財務狀況分析(續)

		Year ended 31 December 截至十二月三十一日止年度	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	448,875	308,576
Prepaid lease payments	預付租金	30,108	16,544
Intangible assets	無形資產	9,672	5,821
Deferred tax assets	遞延稅項資產	2,716	3,904
		491,371	334,845
CURRENT ASSETS	流動資產		
Inventories	存貨	178,541	115,594
Trade and other receivables	貿易及其他應收款項	725,544	423,521
Prepaid lease payments	預付租金	642	360
Restricted bank balances	受限制銀行結餘	424,714	41,471
Bank balances and cash	銀行結餘及現金	160,408	73,744
		1,489,849	654,690
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	384,569	302,007
Other financial liabilities	其他金融負債	1,879	—
Income tax liabilities	所得稅負債	8,195	7,139
Bank borrowings	銀行借貸	663,106	353,439
		1,057,749	662,585
NET CURRENT ASSETS (LIABILITIES)	流動資產(負債)淨額	432,100	(7,895)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	923,471	326,950
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	97,401	60,943
Reserves	儲備	812,487	255,615
Equity attributable to owners of the Company	本公司擁有人應佔權益	909,888	316,558
Non-controlling interests	非控制權益	13,583	10,392
TOTAL EQUITY	總權益	923,471	326,950

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Property, Plant and Equipment

Property, plant and equipment consist of buildings, plants, equipment and other facilities, motor vehicles and construction-in-progress. As of 31 December 2009 and 2010, property, plant and equipment amounted to approximately RMB308.6 million and RMB448.9 million, respectively. The increases were due primarily to the construction of plants and office buildings and acquisition of equipment and machineries in line with the growth in our business and operational scale.

Intangible Assets

Intangible assets consist primarily of software, trademarks and licenses. As of 31 December 2009 and 2010, the carrying value of our intangible assets amounted to approximately RMB5.8 million and RMB9.7 million, respectively. The increases were due primarily to the development of our information systems, the development and acquisition of technologies as we expanded our business operations and increasingly focused on improving our technological capabilities, and the obtaining of an increasing number of safety certifications for our products.

Inventories

Our inventories consist of raw materials and consumables, work in progress and finished goods. The following table sets forth a summary of our inventory balances at the end of each reporting period indicated.

財務回顧(續)

物業、廠房及設備

物業、廠房及設備包括樓宇、廠房、設備及其他設施、汽車及在建工程。於二零零九年十二月三十一日以及二零一零年十二月三十一日，物業、廠房及設備分別約為人民幣308.6百萬元及人民幣448.9百萬元。該增加主要是由於隨著業務及營運規模增長而興建廠房及辦公大樓及添置設備和機器所致。

無形資產

無形資產主要包括軟件、商標及許可證。本集團於二零零九年十二月三十一日及二零一零年十二月三十一日的無形資產的賬面值分別約為人民幣5.8百萬元及人民幣9.7百萬元。該增加主要是由於本集團信息系統的發展及因擴大業務經營及日益注重提高科技實力而開發及收購技術，以及獲取更多產品安全認證所致。

存貨

本集團的存貨包括原料及消耗品、在製品及製成品。下表載列本集團於所示各報告期間的存貨結餘概要。

		Year ended 31 December 2010 截至 二零一零年 十二月 三十一日 止年度 RMB'000 人民幣千元	Year ended 31 December 2009 截至 二零零九年 十二月 三十一日 止年度 RMB'000 人民幣千元
Raw materials and consumables	原料及消耗品	83,505	34,046
Work in progress	在製品	30,786	20,015
Finished goods	製成品	64,250	61,533
Total	總計	178,541	115,594

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Inventories (Continued)

The following table sets forth the average turnover days of our inventory for the periods indicated:

財務回顧(續)

存貨(續)

下表載列所示期間的存貨平均週轉日數：

	Year ended 31 December 2010 截至 二零一零年 十二月 三十一日 止年度	Year ended 31 December 2009 截至 二零零九年 十二月 三十一日 止年度
Average inventory turnover days	60	63
存貨平均週轉日數	60	63

Our inventory balance increased by approximately RMB62.9 million, or approximately 54.5%, from approximately RMB115.6 million as of 31 December 2009 to approximately RMB178.5 million as of 31 December 2010, primarily due to (i) an increase in raw materials and consumables from RMB34.0 million as of 31 December 2009 to RMB83.5 million as of 31 December 2010, mainly attributable to an increase in purchase of copper materials at the end of 2010 in anticipation of the increased production in the early stage of 2011 and also after considering the trend of copper price increase since the mid-2010; and (ii) increases in work in progress and finished goods from RMB20.0 million and RMB61.5 million, respectively, as of 31 December 2009 to RMB30.8 million and RMB64.3 million, respectively, as of 31 December 2010, as we expanded production in the early stage of 2011 in response to increased customer demands and also in preparation for the anticipated increase in customer orders in the second half of the year due to business seasonality.

The decrease in inventory average turnover days from 63 days in 2009 to 60 days in 2010 was attributable primarily to our efficient control of inventories reserved.

本集團的存貨結餘由二零零九年十二月三十一日約人民幣115.6百萬元增加約人民幣62.9百萬元或約54.5%至二零一零年十二月三十一日約人民幣178.5百萬元，主要是由於(i)主要因本集團預計二零一一年初生產增加並考慮自二零一零年中以來的銅價上升走勢後增加二零一零年末的銅原料採購，令原料及消耗品由二零零九年十二月三十一日的人民幣34.0百萬元增加至二零一零年十二月三十一日的人民幣83.5百萬元；及(ii)由於預計二零一一年初擴張生產，為應付客戶需求提高並因業務季節因素而為預計下半年客戶訂單增加作準備，在製品及製成品由二零零九年十二月三十一日的人民幣20.0百萬元及人民幣61.5百萬元分別增至二零一零年十二月三十一日的人民幣30.8百萬元及人民幣64.3百萬元。

存貨平均週轉日數由二零零九年的63日下降至二零一零年的60日，主要是由於本集團對預留庫存量的有效控制。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Trade and Other Receivables

Our trade receivables represent receivables primarily from the sales of our cable, connectors and other products. Bill receivables principally represent bank acceptance notes provided to us by our customers for payment of the purchase of our products. We generally give our customers 60 to 180 days' credit upon the issuance of invoice, although credit terms may vary based on our historical relationships with, and assessment of creditworthiness of each customer. We continuously monitor the status of the outstanding accounts receivables due to us from each customer. As our key customers are mostly large brand and non-brand equipment manufacturers in the consumer electronics industry, we generally consider the credit risks relating to our trade receivables are relatively insignificant. The following table sets forth the ageing analysis of our trade and bills receivables (net of allowances for doubtful debts) as at the end of each reporting period indicated:

財務回顧(續)

貿易及其他應收款

本集團貿易應收款項主要指銷售綫纜、連接器及其他產品的應收款項。應收票據主要指客戶向本集團所提供用以支付採購本集團產品款項的銀行承兌票據。雖然本集團基於與各客戶的過往關係及信譽評估而可能給予客戶不同的信貸期，但本集團一般於出具發票後給予客戶60至180日的信貸期。本集團持續監督各客戶應付本集團的未償還應收款項狀況。由於本集團大部分主要客戶為消費電子行業的大型品牌及非品牌設備製造商，故本集團一般認為貿易應收款項的信貸風險相對較小。下表載列所示各報告期末本集團貿易應收款項及應收票據(扣除呆賬撥備)的賬齡分析：

		Year ended 31 December 2010 截至 二零一零年 十二月 三十一日 止年度	Year ended 31 December 2009 截至 二零零九年 十二月 三十一日 止年度
Within 3 months	三個月內	525,854	305,986
Over 3 months but within 6 months	三個月至六個月	142,793	61,601
Over 6 months but within 1 year	六個月至一年	1,372	569
Over 1 year but within 2 years	一年至兩年	—	10
		670,019	368,166

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Trade and Other Receivables (Continued)

The following table sets forth the average turnover days of our trade and bills receivables for the periods indicated:

	Year ended 31 December 2010 截至 二零一零年 十二月 三十一日 止年度	Year ended 31 December 2009 截至 二零零九年 十二月 三十一日 止年度
Average trade and bills receivable turnover days	134	138
貿易應收款項及應收票據 平均週轉期(日數)		

The increase in trade receivables as of 31 December 2010 as compared to 31 December 2009 was primarily due to: (i) increased sales to major Taiwan customers for which our normal credit term is 120–180 days upon the issuance of invoices whereas for other customers which accounted for the relatively large portion of our sales in prior periods, we typically offer a credit term of 60–90 days upon the issuance of invoices; and (ii) a rapid increase in customer purchaser orders in 2010.

The increase in bills receivable from RMB77.4 million as of 31 December 2009 to RMB137.1 million as of 31 December 2010 was primarily due to increased sales.

Substantially most of our trade and bills receivables at the end of the relevant reporting periods were due within one year. Of our trade and bills receivables (net of allowances for doubtful debts) outstanding as of 31 December 2009 and 2010, those due within three months accounted for approximately 83.1% and 78.5% of total trade and bills receivables (net of allowances for doubtful debts), respectively.

財務回顧(續)

貿易及其他應收款(續)

下表載列所示期間本集團貿易應收款項及應收票據的平均週轉期：

於二零一零年十二月三十一日的貿易應收賬項較二零零九年十二月三十一日有所增加，主要是由於：(i)向台灣客戶進行銷售的銷售額增加（本集團一般給予台灣客戶的信貸期為出具發票後的120日至180日，而一般給予過往期間佔本集團銷售額較大部分的其他客戶的信貸期則為出具發票後的60日至90日）；及(ii)二零一零年的客戶採購訂單迅速增加。

應收票據由二零零九年十二月三十一日的人民幣77.4百萬元增至二零一零年十二月三十一日的人民幣137.1百萬元，主要是由於銷售增加所致。

於各相關報告期末，絕大部分貿易應收款項及應收票據均於一年內到期。截至二零零九年十二月三十一日以及二零一零年十二月三十一日，三個月內到期之貿易應收款項及應收票據（已扣減呆賬撥備）佔貿易應收款項及應收票據總額（已扣減呆賬撥備）分別約83.1%及78.5%。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Trade and Other Receivables (Continued)

The decrease in trade and bills receivables average turnover days from 138 days in 2009 to 134 days in 2010 was attributable primarily to our efficient control of collection.

In addition to trade and bills receivables, our receivables also consist of the following:

財務回顧(續)

貿易及其他應收款(續)

貿易應收款項及應收票據平均週轉期自二零零九年的138日減至二零一零年的134日，主要由於本集團對收款有效控制。

除貿易應收款項及應收票據外，本集團應收款項亦包括以下各項：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Advance to suppliers	應付供應商墊款	33,848	21,943
Value added tax ("VAT") receivable	增值稅(「增值稅」)應收款項	7,445	9,352
Consideration receivables in respect of disposal of Dongguan Electronic	出售東莞電子的應收代價	—	10,000
Deposits and prepayments	按金及預付款項	11,981	5,052
Advances to third parties	應付第三方墊款	10	2,300
Advances to staff	應付員工墊款	1,271	—
Other receivables	其他應收款	970	6,708
		55,525	55,355

Advances to suppliers mainly comprised deposits for purchase of raw materials and equipment. Advance to suppliers increased significantly to RMB33.8 million as of 31 December 2010 from RMB21.9 million as of 31 December 2009, primarily due to the increased prepayments to our equipment suppliers as we increased purchases of equipment mainly to build our specialty power cable production pipelines.

應付供應商墊款主要包括採購原材料及設備的按金。應付供應商墊款自截至二零零九年十二月三十一日的人民幣21.9百萬元大幅增至截至二零一零年十二月三十一日的人民幣31.9百萬元，主要因本集團增加採購主要用於建設特種電纜生產管道的設備而令應付設備供應商的預付款項增多。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Trade and Other Receivables (Continued)

Deposits and prepayments increased from RMB5.1 million as of 31 December 2009 to RMB12.0 million as of 31 December 2010, primarily due to the outstanding deposits and prepayments of RMB10.0 million in relation to the copper futures contracts that we entered into for the purposes of hedging risks associated with copper price fluctuations.

Consideration receivables in respect of disposal of Dongguan Electronic were related to the transfer of our 100% equity interests in Dongguan Electronic to third parties in July 2008. The consideration had been settled at the end of 2010.

Trade and other payables

Our trade payables represent amounts payable for purchases of raw materials and components from various suppliers. Our suppliers typically offer us credit terms up to 90 days from the time when the supplies are received by us from the suppliers. Bill payables principally represent the bank acceptance notes provided by us to our suppliers for payment of purchase of raw materials and other supplies.

The following table sets forth the ageing analysis of our trade and bills payables as at the end of each reporting period indicated:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 3 months	三個月內	248,665	174,271
Over 3 months but within 1 year	三個月至一年	74,837	50,061
Over 1 year but within 2 year	一年至兩年	310	549
Over 2 years	兩年以上	363	—
		324,175	224,881

財務回顧(續)

貿易及其他應收款(續)

按金及預付款項自截至二零零九年十二月三十一日的人民幣5.1百萬元增至截至二零一零年十二月三十一日的人民幣12.0百萬元，主要由於本集團為對沖銅價波動相關的風險而訂立銅期貨合約的未償還按金及預付款項人民幣10.0百萬元。

出售東莞電子的應收代價與於二零零八年七月轉讓本集團於東莞電子的100%權益予第三方有關。代價已於二零一零年年底結清。

貿易及其他應付款

本集團的貿易應付款項指自若干供應商採購原材料及部件的應付款項。本公司供應商通常為本集團提供自本集團從供應商收到供應品後起至多90日的信貸期。應付票據主要指本集團向供應商就支付採購原材料及其他供應品的款項而提供的銀行承兌票據。

下表載列於所示各報告期末本集團貿易應付款項及應付票據的賬齡分析：

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Trade and other payables (Continued)

The following table sets forth the average turnover days of our trade and bills payables for the periods indicated:

		2010 二零一零年	2009 二零零九年
Trade and bills payable turnover days	貿易應付款項及應付票據週轉期	93	118

Our trade payables increased from RMB136.1 million as of 31 December 2009 to RMB204.4 million as of 31 December 2010, primarily due to the increased purchase of supplies in line with increased sales.

The increase in bills payable from RMB88.8 million as of 31 December 2009 to RMB120.0 million as of 31 December 2010 was primarily due to the increased use of bank acceptance notes by us to settle the purchases of our supplies.

Substantially all of our trade and bills payables at the end of the relevant reporting periods were due within one year. Of our trade and bills payables outstanding as of 31 December 2009 and 2010, those due within three months accounted for approximately 77.5% and 76.7% of total trade and bills payables, respectively.

The decrease in trade and bills payable average turnover days from 118 days in 2009 to 93 days in 2010 was primarily due to the increased cash purchases to get discount from our suppliers as our working capital.

財務回顧(續)

貿易及其他應付款(續)

下表載列於所示期間本集團貿易應付款項及應付票據的平均週轉期：

本集團的貿易應付款項自截至二零零九年十二月三十一日的人民幣136.1百萬元增至截至二零一零年十二月三十一日的人民幣204.4百萬元，主要由於隨著銷量增加而採購供應品增加所致。

應付票據自截至二零零九年十二月三十一日的人民幣88.8百萬元增至截至二零一零年十二月三十一日的人民幣120.0百萬元，主要由於本集團使用的用於結算採購供應品的銀行承兌票據增加所致。

於相關報告期末，絕大部份貿易應付款項及應付票據均於一年內到期。截至二零零九年十二月三十一日以及二零一零年十二月三十一日，三個月到期之貿易應付款項及應付票據佔貿易應付款項及應付票據總額分別約77.5%及76.7%。

貿易應付款項及應付票據平均週轉期自二零零九年的118日減至二零一零年的93日，主要由於在資本充足的情況下，我們增加現金採購可以從供應商處獲得折扣。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Trade and other payables (Continued)

In addition to our trade and bills payable, our payables also consist of the following:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Receipts in advance from customers	預收客戶款項	2,299	1,068
Other tax payables	其他應付稅項	4,075	3,935
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備的應付款項	30,589	12,629
Payrolls and staff cost payables	應付工資及員工成本	12,054	10,989
Accrued expenses	應計開支	6,787	7,682
Other payables	其他應付款	4,590	40,823
		60,394	77,126

Payables for acquisition of property, plant and equipment increased from RMB12.6 million as of 31 December 2009 to RMB30.6 million as of 31 December 2010, which was primarily due to the increased of equipment mainly to expand our production capacity of internal signal cable assembly and wire & cable products.

Other payables decreased from RMB40.8 million as of 31 December 2009 to RMB4.6 million as of 31 December 2010 since the RMB25.1 million of payables to employees for purchasing our shares under our Employee Share Scheme had been settled in 2010.

Cash flow

We have funded our operations and capital requirements from cash generated from our operations, trade credit from our suppliers, proceeds from IPO and short-term bank borrowings. Our primary uses of cash have been for our increased working capital requirements, capital expenditures on purchases of production equipment, setting up plants and acquisition of land use rights.

財務回顧(續)

貿易及其他應付款(續)

除本集團的貿易應付款項及應付票據外，本集團的應付款項亦包括以下各項：

收購物業、廠房及設備的應付款項自截至二零零九年十二月三十一日的人民幣12.6百萬元增至截至二零一零年十二月三十一日的人民幣30.6百萬元，此乃主要因本集團擴充內接信號線組件及線纜產品的產能而令設備採購增加所致。

其他應付款自截至二零零九年十二月三十一日的人民幣40.8百萬元減至截至二零一零年十二月三十一日的人民幣4.6百萬元，減少乃因根據僱員股份計劃就購買本集團股份應付僱員人民幣25.1百萬元已於二零一零年結清。

現金流量

本集團已自營運產生的現金、供應商的貿易信貸、首次公開發售的所得款及短期銀行借款為本集團營運及資本需求融資。本集團現金主要用於滿足營運資本增加的需求、採購生產設備的資本開支、開辦廠房及收購土地使用權。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Cash flow (Continued)

The following table sets forth a condensed summary of our consolidated cash flow statements. Such summary of our consolidated statements of cash flow is extracted from the Accountants' Report included in Appendix I to this annual report and you should read the entire financial statements included therein, including the notes thereto, for more details.

		RMB'000 人民幣千元	RMB'000 人民幣千元
Net (used in) cash from operating activities	經營活動(所用)所得現金淨額	(114,539)	470
Net cash used in investing activities	投資活動所用現金淨額	(549,936)	(70,495)
Net cash from financing activities	融資活動所得現金淨額	751,139	120,350
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	86,664	50,331
Cash and cash equivalents at beginning of the year/period	年初／期初現金及現金等價物	73,744	23,413
Cash and cash equivalents at the end of the year/period represented by bank balances and cash	年末／期末現金及現金等價物(指銀行結餘及現金)	160,408	73,744

Net cash used in operating activities for the year ended 31 December 2010 was RMB114.5 million. This amount was primarily attributable to profit before tax of RMB173.2 million, as mainly adjusted for an increase of RMB311.8 million in trade and other receivables and an increase of RMB59.1 million in inventories, which were partially offset by depreciation of property, plant and equipment of RMB35.3 million in relation to our plants, office buildings and equipment and finance costs of RMB19.1 million (consisting primarily of interest on our bank borrowings). Trade and other receivables increased in 2010 in line with the increased sales. Inventories increased in 2010 as we expanded production in response to increased customer demands and also in preparation for the anticipated increase in customer orders in 2011.

Considering the cash generated from discounting of trade and bills receivable, which has been regarded as cash generated from investing activities in accounting treatment, instead of cash from operating activities. We believe a more accurate picture of cash generated from operating activities in 2010 should be RMB52.4 million (2009: RMB102.6 million).

財務回顧(續)

現金流量(續)

下表載列本集團綜合現金流量表簡明概要。該綜合現金流量表概要乃摘錄自附錄一會計師報告以供載入本年報，且閣下應閱覽本年報所載全部財務報表，包括其附註，以獲取更多詳情：

截至二零一零年十二月三十一日止年度經營活動所用現金淨額為人民幣114.5百萬元。該款項主要歸屬於除稅前溢利人民幣173.2百萬元，主要作為貿易及其他應收款增加人民幣311.8百萬元及存貨增加人民幣59.1百萬元的調整，部分經抵銷本集團廠房、辦公大樓和設備有關的物業、廠房及設備折舊人民幣35.3百萬元及融資成本人民幣19.1百萬元(主要包括本集團銀行借款的利息)。貿易及其他應收款於二零一零年隨着銷售額增長而增加。存貨於二零一零年增加乃因本公司為回應客戶需求的增加及亦為預期客戶訂單於二零一一年增加籌備而擴充生產所致。

會計處理上，貿易應收款和應收票據貼現所獲得的現金未被視作投資活動產生的現金，而非經營活動產生的現金，若考慮貿易應收款和應收票據貼現所獲得的現金，我們認為經營活動產生的更為準確的現金淨流量於二零一零年應為人民幣52.4百萬元(2009: 人民幣102.6百萬元)。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Cash flow (Continued)

Net cash used in investing activities for the year ended 31 December 2010 was RMB549.9 million. This amount was primarily attributable to the restricted bank balances of RMB383.2 million, payment for acquisition of property, plant and equipment of RMB171.4 million and prepaid lease payments of RMB15.5 million, partially offset by proceeds on disposals of property, plant and equipment and prepaid lease payments of RMB10.1 million as we disposed of the old plants and related land in Weihai while starting to use the new and expanded plants for production in the same area, and the consideration receivables in respect of disposal of Dongguan Electronic were settled at the end of 2010.

Net cash inflow from financing activities for the year ended 31 December 2010 was RMB751.1 million. This amount was primarily attributable to new bank borrowings of RMB1,216.0 million, proceeds of RMB34.1 million from issue of shares to Samford and proceeds of RMB429.4 million from IPO, partially offset by repayment of bank borrowings of RMB898.4 million.

Cash generated from discounting of trade and bills receivable has not been treated as cash generated from investing activities. Without considering above accounting treatment, cash generated from financing activities in 2010 should be RMB584.2 million (2009: RMB18.3 million).

Capital expenditures

We incurred capital expenditures for the acquisition of land, intangible assets, property, plant and equipment.

Foreign currency risk

As certain of our trade and other receivables, restricted bank balances, bank balances and cash, 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)

現金流量(續)

截至二零一零年十二月三十一日止年度投資活動所用現金淨額為人民幣549.9百萬元。該款項主要歸屬於受限銀行結餘人民幣383.2百萬元，支付收購物業、廠房及設備的款項人民幣171.4百萬元及預付租賃款項15.5百萬元，由於本集團於開始使用威海的新擴建廠房生產時出售位於同一地區的舊廠房及相關土地，部分抵銷出售物業、廠房及設備的所得款項以及預付租賃款人民幣10.1百萬元，且有關出售東莞電子的應收代價已於二零一零年年底結清。

截至二零一零年十二月三十一日止年度融資活動產生的現金流量淨額為人民幣751.1百萬元。該款項主要歸屬於新銀行借款人民幣1,216.0百萬元，發行股份予森福的所得款項人民幣34.1百萬元及首次公開發售的所得款人民幣429.4百萬元，部分抵銷償還銀行借款人民幣898.4百萬元。

貿易應收款和應收票據貼現所獲得的現金未被視作投資活動產生的現金，若不考慮上述會計處理，融資活動產生的現金淨流量於二零一零年應為人民幣584.2百萬元(2009：人民幣18.3百萬元)。

資本支出

資本性支出主要用於購買土地、無形資產、物業、廠房及設備。

外幣風險

由於若干本集團貿易及其他應收款、受限銀行結餘、銀行結餘及現金、貿易及其他應付款、銀行借貸乃以外幣計值，因此面臨匯率變動風險。本集團已訂立若干外幣匯兌承前合約以降低其外幣匯兌風險。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Capital expenditures (Continued)

The following table sets forth the capital expenditures of the Group:

財務回顧(續)

資本支出(續)

下表載列所示期間本集團資本開支：

	Year ended 31 December 2010 截至 二零一零年 十二月 三十一日 止年度 RMB'000 人民幣千元	Year ended 31 December 2009 截至 二零零九年 十二月 三十一日 止年度 RMB'000 人民幣千元
Capital expenditure		
Purchase of land, intangible assets, property, plant and equipment	資本開支 購買土地、無形資產、物業、 廠房及設備 211,010	72,175

Indebtedness

Bank Borrowings

The following table sets forth information of the Group's bank and other borrowings:

債務

銀行借款

下表載列本集團的銀行及其他借貸：

	Year ended 31 December 2010 截至 二零一零年 十二月 三十一日 止年度 RMB'000 人民幣千元	Year ended 31 December 2009 截至 二零零九年 十二月 三十一日 止年度 RMB'000 人民幣千元
Bank borrowings due within one year:	一年內到期的銀行借款	
— Secured	— 擔保 602,903	240,833
— Unsecured	— 未擔保 60,203	112,606
	663,106	353,439

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Indebtedness (Continued)

Bank Borrowings (Continued)

Our short-term bank borrowings as of the relevant balance sheet dates increased significantly primarily to address our growing working capital needs as we expanded our operations by establishing new subsidiaries, installing new production lines and acquiring additional equipment and also because we from time to time were required to increase the production of certain of our products in response to increased orders from our customers.

As of 31 December 2009 and 2010, our foreign currency bank borrowings were all denominated in US dollars and amounted to approximately RMB57.7 million and RMB503.5 million, respectively.

As of 31 December 2010, we had banking facilities in the total amount of RMB1,678.8 million, of which approximately RMB663.1 million had been used.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 31 December 2010 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 31 December 2010.

財務回顧(續)

債務(續)

銀行借款(續)

本集團截至各相關結算日的短期銀行借貸大幅增加，主要是由於本集團通過成立新附屬公司、安裝新生產線及增購新設備拓展業務，導致營運資金需求增加，加上本集團須不時因應客戶訂單的增加而提高若干產品的產量所致。

於二零零九年十二月三十一日以及二零一零年十二月三十一日，本集團外幣銀行借貸全部以美元計值，分別約人民幣57.7百萬元及人民幣503.5百萬元。

截至二零一零年十二月三十一日，本集團銀行信貸總值為人民幣1,678.8百萬元，當中約人民幣663.1百萬元已動用。

除上述或本年報另行披露者外，並且除集團內公司間的負債外，於二零一零年十二月三十一日營業時間結束時，本集團並無任何已發行及未贖回或同意發行的貸款資本、未償還的銀行透支、借貸或其他同類負債、承兌負債或承兌信貸、債券、按揭、抵押、租購承擔、擔保或其他重大或有負債。

董事已確認，除上文所披露者外，自二零一零年十二月三十一日以來，本公司及其附屬公司的債務及或然負債概無重大變動。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Indebtedness (Continued)

Bank Borrowings (Continued)

Our short-term bank borrowings are arranged at fixed rates or variable rates. The following table sets forth our fixed rate and variable rate bank borrowings and the range of the effective interest rates of such bank borrowings as of the dates indicated:

		Effective interest rate per annum 實際年利率	
		2010 二零一零年 %	2009 二零零九年 %
Effective interest rates:	實際利率：		
Fixed interest rate borrowings	固定利率	0.32%–6.48%	0.43%–6.12%
Variable interest rate borrowings	浮動利率	2.82%–5.59%	1.35%–5.31%

Contingent liabilities

As of 31 December 2009 and 2010, we had no material contingent liabilities.

Dividends

The Directors do not recommend a payment of dividends for the year ended 31 December 2010 (2009: Nil).

財務回顧(續)

債務(續)

銀行借款(續)

本集團短期銀行借貸按固定或浮動利率計息。下表載列所示日期本集團的定息及浮息銀行借貸以及該等銀行借貸的實際利率：

或有負債

截至二零零九年十二月三十一日及二零一零年十二月三十一日，本集團無重大或有負債。

股息

本公司董事未建議派發截至二零一零年十二月三十一日止年度股息(二零零九年：無)。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Chi Shaolin (遲少林) (“Mr. Chi”), aged 39, is the Chairman, executive Director and chief executive officer of the Company, and is in charge of overall strategic planning, business planning and responsible for decision making in all material matters of the Group. Mr. Chi was appointed as Director on 16 November 2007.

Mr. Chi joined the Group in November 1997 and is a founder of the Group. Mr. Chi is also a director of all the subsidiaries of the Company.

Mr. Chi has over 15 years of experience in the electronics industry gained in the Group and in his previous employment. He is a Chinese national and has not been a full time government official nor a full time employee of a state-owned/operated entity. Prior to joining the Group, Mr. Chi worked as the production manager of Shengshan Electronics (Weihai) Company Limited (勝山電子(威海)有限公司) from March 1995 to October 1997.

Mr. Chi is a representative to the 11th Session of Weihai Committee of the Chinese People's Political Consultative Conference Committee and has been awarded many awards or recognitions by the government of Weihai City, Shandong Province, China Commerce Association (中國商業協會) and certain other organizations, including “Outstanding Young Entrepreneur of Weihai City” (威海市優秀青年企業家), “Self-innovation Award for the Most Influential Person of Weihai City for the Economic Year” (威海市最具影響力經濟年度人物自主創新獎), “Award for Entrepreneur Operating a Key Enterprise in the Weihai Economic and Technology Development Area” (威海經濟技術開發區骨幹企業經營者創業獎), “Model for the Labor of Weihai Economic and Technology Development Zone” (威海經濟技術開發區勞動模範) during the period of April 2008 to May 2010. In 2010, Mr. Chi was also awarded the “Outstanding Entrepreneurs of Shandong Province (the 18th Series)” (第十八屆山東省優秀企業家).

董事及高級管理層

執行董事

遲少林先生(「遲先生」)，39歲，現任本公司主席、執行董事兼總裁，負責整體策略規劃、業務規劃及本集團所有重大事宜的決策。遲先生於二零零七年十一月十六日獲委任為董事。

遲先生於一九九七年十一月加入本集團，為本集團創辦人。遲先生亦為本公司所有附屬公司之董事。

遲先生於本集團及過往職位中累積逾15年電子行業經驗。彼為中國公民，並無擔任全職政府官員或全職國有／國營實體僱員。加入本集團前，遲先生於一九九五年三月至一九九七年十月擔任勝山電子(威海)有限公司的生產經理。

遲先生為中國人民政治協商會議威海市第十一屆委員會代表，並於二零零八年四月至二零一零年五月期間獲山東省威海市政府、中國商業協會及其他機構頒發多項獎項及認證，包括「威海市優秀青年企業家」、「威海市最具影響力經濟年度人物自主創新獎」、「威海經濟技術開發區骨幹企業經營者創業獎」及「威海經濟技術開發區勞動模範」獎項。二零一零年遲先生亦榮獲「第十八屆山東省優秀企業家」稱號。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Mr. Chi is the son-in-law of Ms. Xu Yiming, non-executive Director and adviser of the Company.

Mr. Jiang Taike (蔣太科) (“Mr. Jiang”), aged 36, is an executive Director and vice chief executive officer of the Company and the general manager of the wire & cable department of the Group. Mr. Jiang is in charge of implementation of strategy, operational planning and overall management of the wire & cable department of the Group and has been involved in decision making for material matters of the Group. Mr. Jiang joined the Group in July 2003 as the general manager of Weihai Honglin Wire & Cable Co., Ltd. (“Weihai Cable”) and was appointed as a Director on 16 March 2010. Mr. Jiang is also a director of the subsidiaries of the Company.

Mr. Jiang has over 14 years of experience in the wire and cable industry gained in the Group and in his previous employment. Before joining the Group, Mr. Jiang worked for many companies in the electronics and technology industries, including as an engineer of Wantai Group (萬泰集團) from August 1996 to March 1999 in charge of the product design, research and development, a deputy manager of Dongguan Licheng Wires Factory (東莞立成電線廠) from March 1999 to August 1999 responsible for the production and technology, a deputy manager of Fengyuan Wires and Cables Co., Ltd. (豐源電線電纜有限公司) from August 1999 to June 2001 responsible for overall management and operations, and the general manager of Shenzhen Pengding Holdings Co., Ltd. (深圳朋鼎實業有限公司) from July 2001 to May 2003. Mr. Jiang graduated from Shenzhen University with a college diploma in management in 1996.

Mr. Jiang is a brother-in-law of Mr. Mao Wanjun, an executive Director.

遲先生為本公司非執行董事兼顧問徐藝銘女士之女婿。

蔣太科先生(「蔣先生」)，36歲，現任本公司執行董事兼副總裁以及本集團纜纜事業部總經理，負責本集團纜纜事業部策略執行、經營規劃及整體管理，亦負責本集團的重大事宜的決策。蔣先生於二零零三年七月加入本集團，出任威海市泓淋電纜有限公司(「威海電纜」)的總經理，並於二零一零年三月十六日獲委任為董事。蔣先生為本公司附屬公司的董事。

蔣先生於本集團及過往職位中累積逾14年纜纜行業經驗。加入本集團前，蔣先生就職於電子及技術行業多家公司，包括分別於一九九六年八月至一九九九年三月、一九九九年三月至一九九九年八月、一九九九年八月至二零零一年六月及二零零一年七月至二零零三年五月出任萬泰集團工程師(負責產品設計及研發)、東莞立成電線廠副廠長(負責生產及技術)、豐源電線電纜有限公司副廠長(負責整體管理及營運)以及深圳朋鼎實業有限公司總經理。蔣先生於一九九六年畢業於深圳大學管理專業，取得大專文憑。

蔣先生為本公司執行董事毛萬鈞先生的妻子之弟弟。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

Mr. Li Jianming (李健明) (“Mr. Li”), aged 38, is an executive Director and chief financial officer of the Company. Mr. Li joined the Group in May 2005 as chief financial officer of the Company and was appointed as a Director on 16 March 2010. He has participated in decision making for material matters of the Group since joining the Group and is responsible for the financial management, capital investment and financing decisions of the Group. Mr. Li is also in charge of the promotion and improvement of the information system, internal supervision and control and other related matters of the Group. Mr. Li is also a director of the subsidiaries of the Company.

Mr. Li has over 16 years of experience in financial management gained in the Group and in his previous employment. Prior to joining the Group, Mr. Li was the chief accountant of the PRC office of The Timken Company, one of the Fortune 500 Companies, for financial management matters from July 1994 to June 2001. Mr. Li was the chief financial officer of Qingdao Jinling Electrical Appliances Co., Ltd. (青島金嶺電器有限公司), a sino-foreign joint venture enterprise, from June 2001 to May 2004, responsible for its financial management, financial process optimization, internal supervision and control and other related matters, and was the head of Technology of Qingdao Branch of Zhuhai Master Service Software Technology Co., Ltd., (珠海天思軟件技術有限公司青島分公司) from May 2004 to May 2005 in charge of promoting and implementing the development of information system.

Mr. Li graduated from Shandong Economic University with a bachelor's degree in accounting in 1994. He is a senior accountant (高級會計師) and obtained the ICPA certificate in April 2009 and the SIFM certificate in June 2010. Senior accountant qualification (高級會計師資格) is the highest accounting qualification awarded by such PRC government bodies, namely, the Ministry of Human Resources and Social Security (人力資源和社會保障部) and the Ministry of Finance (財政部), based on the academic level, practical capability and working experience of the relevant accounting professionals. He has extensive experience in enterprise finance, financial management, enterprise taxation planning and Enterprise Resource Planning information management

李健明先生(「李先生」)，38歲，現任本公司執行董事兼財務總監。李先生於二零零五年五月加入本集團出任本公司財務總監一職，並於二零一零年三月十六日獲委任為董事。自加入本集團起，彼參與本集團重大事宜的決策，並負責本集團財務管理、資本投資與融資決策。李先生亦負責提升及改善本集團的資訊系統、內部控制及其他相關事宜。李先生亦為本公司若干附屬公司之董事。

李先生於本集團及過往職位中累積逾16年財務管理經驗。加入本集團前，李先生於一九九四年七月至二零零一年六月擔任財富500強之一The Timken Company的中國公司總會計師，負責財務管理事宜。李先生於二零零一年六月至二零零四年五月擔任中外合資企業青島金嶺電器有限公司的財務總監，負責財務管理、財務程序改善、內部控制及其他相關事宜，亦於二零零四年五月至二零零五年五月擔任珠海天思軟件技術有限公司青島分公司的科技部主管，負責提升及進行資訊系統的開發。

李先生於一九九四年畢業於山東經濟學院，取得會計學士學位，並於二零零九年四月成為高級會計師，取得國際註冊會計師資格及於二零一零年六月取得高級國際財務管理師證書。高級會計師資格為人力資源和社會保障部及財政部等中國政府機構基於學歷、實踐能力及相關會計專業的工作經驗頒發的最高級別會計資格。彼在企業融資、財務管理、企業稅務規劃及企業資源規劃信息管理方面經驗豐富，二零

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

and published various articles in journals from 2007 to 2009 in respect of financial management.

Mr. Tseng Chih-ming (曾志銘) (“Mr. Tseng”), aged 47, is an executive Director. He is also the director and the vice general manager of Changshu Connecting-Technology responsible for the technology research and development, marketing strategies and operational planning for its connector business and the overall management of Changshu Honglin Connecting-Technology Co., Ltd. (“Changshu Connecting-Technology”), and has led Changshu Connecting-Technology to obtain six patents in the connector related areas.

Mr. Tseng joined the Group in August 2009 as the vice manager of the connector business department of Changshu Connecting-Technology and was appointed as a Director on 16 March 2010.

Mr. Tseng has over 22 years of experience in the electronic connector industry gained in the Group and in his previous employment. Before joining the Group, Mr. Tseng worked as the head of the laboratory of Tenlung Industrial Shares Co., Ltd. (騰龍工業股份有限公司) in charge of the experimental projects and testing analysis from March 1988 to July 1991 and was in charge of the management of Plastron Electronics (Shenzhen) Co., Ltd. (普樂創電子(深圳)有限公司) from August 1991 to July 2009. He has 18 years’ experience in the research and development, production and sale of connectors, whereby he created various new inventions relating to production of connectors, leading to the grant of various patents.

Mr. Sui Shikai (隋世凱) (“Mr. Sui”), aged 35, is an executive Director and the vice general manager of the external signal cable assembly and power cord assembly department of the Group responsible for the overall operation and management of the department. Mr. Sui has over 13 years of experience in the electronic industry gained in the Group. Mr. Sui joined the Company in November 1997 and served as the head of production division of Weihai Honglin Electronic Co., Ltd. (“Weihai Electronic”) in December 1997 responsible for the

零七年至二零零九年期間在不同刊物上發表多份財務管理論文。

曾志銘先生(「曾先生」)，47歲，現任本公司執行董事。彼亦為常熟連接技術的董事及副總經理，負責常熟泓淋連接技術有限公司(「常熟連接技術」)連接器業務的技術研發、市場策略及營運規劃，以及整體管理，並帶領常熟連接技術取得連接器相關領域的六項專利。

曾先生於二零零九年八月加入本集團擔任常熟連接技術連接器事業部副經理，並於二零一零年三月十六日獲委任為董事。

曾先生於本集團及過往職位中累積逾22年電子連接器行業經驗。加入本集團前，曾先生於一九八八年三月至一九九一年七月擔任騰龍工業股份有限公司實驗部主任(負責實驗計劃及測試分析)，並於一九九一年八月至二零零九年七月在普樂創電子(深圳)有限公司負責管理工作。彼在連接器的研發、生產與銷售方面有18年的經驗，並發明多項有關生產連接器的新發明，擁有多項生產專利。

隋世凱先生(「隋先生」)，35歲，現任執行董事兼本集團外接信號綫組件及電源綫組件事業部副總經理，負責該部門的整體營運及管理。隋先生自本集團獲得逾13年電子行業經驗。隋先生於一九九七年十一月加入本公司，一九九七年十二月擔任威海市泓淋電子有限公司(「威海電子」)生產科長，負責一號生產科的生產管理。彼亦曾於二零零零年三月晉升為威海電子生產經理，負責該公司的生產管理、產品加工及產品成本控制。隋先生自二零零五年十二月

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董事及高級管理層履歷

production management of No. 1 production division, and was promoted to be the production manager of Weihai Electronic in March 2000 responsible for the production management, product processing and production cost control of the company. Mr. Sui has been the director of Changshu Honglin Electronic Co., Ltd. since December 2005. He was appointed as the vice general manager of the external signal cable assembly and power cord assembly department of the Group in July 2009 and has acted as the director of Weihai Electronic and Wuhan Honglin Electronic Co., Ltd. since 31 December 2009 and 18 January 2010, respectively. He has been a Director since 16 March 2010. Mr. Sui is also a director of the subsidiaries of the Company.

Mr. Sui has more than 10 years' experience in cost control and enterprise management and has the expertise in product processing and development. He was in charge of the research and development projects that improved the soldering method and technology in 2007 and transformed the DVI and RGB series products from double-plate format to integrated format in 2008, thereby significantly optimizing the product design and improving the product quality of the Group.

Mr. Mao Wanjun (毛萬鈞) ("Mr. Mao"), aged 43, is an executive Director. He is also the director and the vice general manager of Weihai Honglin Wire & Cable Co., Ltd. ("Weihai Cable"), mainly responsible for the overall operation and management of Weihai Cable.

Mr. Mao joined the Group in April 2004 as a manager of Weihai Cable. He was promoted as the vice general manager of Weihai Cable in January 2007 and has been an executive director of the Group since 16 March 2010. Since joining the Group, Mr. Mao has played a leading role in establishing the human resources management system and management information system of Weihai Cable, improving its target management system and other related areas, and enhancing its overall management.

Mr. Mao has over 18 years of experience in the electronic cable industry gained in the Group and in his previous employment. Before joining the Group, Mr. Mao was a

起出任常熟泓淋電子有限公司的董事。彼於二零零九年七月獲委任為本集團外接信號線組件及電源線組件事業部副總經理，並先後自二零零九年十二月三十一日及二零一零年一月十八日起出任威海電子及武漢泓淋電子有限公司的董事，並自二零一零年三月十六日開始擔任董事。隋先生亦為本公司若干附屬公司之董事。

隋先生擁有逾10年的成本控制及企業管理經驗，亦擁有產品加工及開發的專門技術。彼於二零零七年負責本集團的研發項目，改良焊接方式及技術，並於二零零八年將DVI及RGB系列的產品由兩片式改為一體式，大大改善本集團產品設計及品質。

毛萬鈞先生(「毛先生」)，43歲，現任執行董事。彼亦為威海市泓淋電纜電線有限公司(「威海電纜」)的董事及副總經理，主要負責威海電纜的整體營運及管理。

毛先生於二零零四年四月加入本集團，擔任威海電纜經理，於二零零七年一月晉升為威海電纜的副總經理，並自二零一零年三月十六日擔任本集團執行董事。加入本集團以來，毛先生主導建設威海電纜的人力資源管理體系及管理資訊系統，改良該公司的目標管理系統及其他有關範疇，以及提升整體管理。

毛先生於本集團及過往職位中累積逾18年纜纜行業經驗。加入本集團前，毛先生於一九九二年至二零零四年擔任東莞萬泰電纜廠部門主

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

department head of Dongguan Wantai Wire Factory (東莞萬泰電線廠) from 1992 to 2004, mainly responsible for the production, quality control, environmental protection and, professional health and safety systems. He has extensive experience in enterprise management and in the implementation of various systems including ISO9001, TS16949 and ISO14001.

Mr. Mao is a brother-in-law of Mr. Jiang Taike, an executive Director.

Mr. Kang Jin Won (姜振遠) (“Mr. Kang”), aged 48, is an executive Director and the general manager of the FFC business department of Changshu Honglin Connecting-Technology Co., Ltd. (“Changshu Connecting-Technology”).

He joined the Group in August 2009 as the general manager of the FFC business department of Changshu Connecting-Technology and was appointed as an executive Director on 16 March 2010.

Mr. Kang has over 18 years of experience in the electronic and technology industry gained in the Group and in his previous employment. Prior to joining the Group, Mr. Kang worked in LG Co., Ltd. in Gunpo, Korea from 1990 to 1994, Seoul Wires Co., Ltd. in Korea from 1994 to 1997, New Korean S&T Daewoo Co., Ltd. from 1997 to 1999 and in KFC Electronics of Korea from 1999 to 2001 responsible for FFC conductor research and development. Mr. Kang worked in Lianyungang Zhongzhen Precision Co., Ltd. (連雲港中振精密有限公司) in September 2001 and was responsible for its overall management and development. He is one of the first professional technicians in the Korean FFC industry, and has more than 18 years’ experience in such area.

Mr. Kang has been involved in the development of the Chinese FFC industry for over 10 years and provided technology advice and services to P-TWO Industries Inc., one of the largest FFC factories in China, and introduced into China the Korean FFC related processing technology, raw material technology, and equipment and machinery technology.

管，主要負責生產、品質監控、環保及職業健康與安全系統。彼具備豐富的企業管理經驗，亦擅於執行ISO9001、TS16949、ISO14001等多個體系。

毛先生為本公司執行董事蔣太科先生的姐夫。

姜振遠先生(「姜先生」)，48歲，現任執行董事以及常熟泓淋連接技術有限公司(「常熟連接技術」)FFC事業部總經理。

姜先生於二零零九年八月加入本集團，擔任常熟連接技術FFC事業部總經理，並自二零一零年三月十六日獲委任為執行董事。

姜先生於本集團及過往職位中累積逾18年電子技術行業經驗。加入本集團前，姜先生曾於一九九零年至一九九四年任職於韓國軍浦LG株式會社、一九九四年至一九九七年任職於韓國漢城電纜株式會社、一九九七年至一九九九年任職於韓國新大宇精密電子株式會社、一九九九年至二零零一年任職於韓國KFC電子(負責FFC連接器的研發)。姜先生於二零零一年九月任職於連雲港中振精密有限公司，負責整體管理及開發。彼在韓國FFC行業屬於首批專業技術師，在該範疇擁有逾18年經驗。

姜先生參與中國FFC行業發展超過10年，並為中國最大的FFC工廠P-TWO Industries Inc.提供技術意見及服務，並將韓國FFC相關加工技術、原材料技術及設備機器技術引入中國。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

Non-executive Directors

Ms. Xu Yiming (徐藝銘) (“Ms. Xu”), aged 59, is a non-executive Director and adviser of the Company. Ms. Xu joined the Company in November 1997 as one of the senior management officers. Ms. Xu was the vice general manager of Weihai Honglin Electronic Co., Ltd. and the vice general manager of Dezhou Honglin Electronic Co., Ltd., responsible for the daily administration in such companies from November 1997 to March 2006 and from March 2006 to March 2009, respectively. Ms. Xu has been an adviser of the Group since 2009 and the non-executive Director since 16 March 2010.

Since becoming the adviser of the Company in 2009, Ms. Xu has, utilizing her past experience in the Group and in the industry, provided on-going general advice on quality control management systems and processes.

Ms. Xu has over 24 years of experience in the electronics industry gained in the Group and in her previous employment. Prior to joining the Group, Ms. Xu was the head of the production division of Weihai City Beiyang Optical Instrument Factory (威海市北洋光學儀器廠) from 1986 to 1993, and the vice general manager of Xingdi Electronic Company Limited (星地電子有限公司), a subsidiary of Weihai City Beiyang Electric Appliances Group (威海市北洋電器集團), from May 1994 to April 1997.

Ms. Xu is the mother-in-law of Mr. Chi Shaolin.

Mr. Du Li (杜力) (“Mr. Du”), aged 52, has been a non-executive Director since 16 March 2010.

He is currently the senior investment manager and the general manager of the business operation in Shandong and a member of the investment committee of Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) and the general manager of Shenzhen Kangwo Chuangxin Investment Management Co., Ltd. (深圳市康沃創新投資管理有限公司). Mr. Du received a doctorate degree in Optics from Xi'an Institute of Optics and Precision Mechanics of the Chinese Academy of Sciences in December 1997, and was a tutor at the Faculty of Optical Physics of

非執行董事

徐藝銘女士(「徐女士」)，59歲，現任本公司非執行董事兼顧問。徐女士於一九九七年十一月加入本公司，為資深高級管理人員之一。徐女士於一九九七年十一月至二零零六年三月以及二零零六年三月至二零零九年三月先後擔任威海市泓淋電子有限公司的副總經理及德州泓淋電子有限公司的副總經理，負責相關公司的日常行政工作。徐女士自二零零九年起一直擔任本集團的顧問，並自二零一零年三月十六日開始擔任非執行董事。

自二零零九年擔任本公司顧問起，徐女士憑藉過往在本集團及本行業的經驗持續提供有關質量控制管理體系及程序的一般意見。

徐女士於本集團及過往職位中累積逾24年電子行業經驗。加入本集團前，徐女士曾於一九八六年至一九九三年擔任威海市北洋光學儀器廠生產科長，並於一九九四年五月至一九九七年四月間在威海市北洋電器集團附屬公司星地電子有限公司擔任副總經理。

徐女士為遲少林先生的岳母。

杜力先生(「杜先生」)，52歲，自二零一零年三月十六日以來擔任本公司非執行董事。

杜先生現任深圳市創新投資集團有限公司高級投資經理、山東區業務總經理兼投資委員會成員以及深圳市康沃創新投資管理有限公司總經理。杜先生於一九九七年十二月獲得中國科學院西安光學精密機械研究所光學博士學位，於一九八二年一月至一九八四年八月擔任長春光學精密機械學院光學院助教，於一九八七年十二月至一九九八年四月擔任中國科學院西安光學精密機械研究所副研究員，期間於一九九三年在德國柏林工業大學進修並獲得

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

Changchun Institute of Optics and Fine Mechanics (長春光學精密機械學院) from January 1982 to August 1984, and a deputy researcher of Xi'an Institute of Optics and Precision Mechanics of the Chinese Academy of Sciences from December 1987 to April 1998 during which he studied at Technische Universitaet Berlin in Germany and received a certificate of advanced professional training in semiconductor physics and optoelectronics in 1993. From April 1998 to September 1999, he worked as the technology market manager of Shenzhen Anke High Technology Shares Co., Ltd. (深圳安科高技術股份有限公司). Since 1999, he has been working in Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司). Mr. Du was awarded the first prize of technology advancement of the Chinese Academy of Sciences for the period from 1993 to 1994. Mr. Du has been non-executive director of Anhui Fengyuan Pharmaceutical Co., Ltd. (安徽豐原藥業股份有限公司) (Shenzhen Stock Exchange Code: 000153) since November 2007.

Mr. Wu Kezhong (吳克忠) ("Mr. Wu"), aged 46, has been a non-executive Director since 16 March 2010.

Mr. Wu was a lecturer at the Faculty of Securities in Shanghai Jiao Tong University from July 1987 to January 1990. He was engaged in securities investment consultation for investment banks since 1992. Mr. Wu was engaged in investment business on Wall Street in the United States from 1995 to 2002. In 2002, Mr. Wu relocated from the United States to China and has since then been participating in various venture capital projects in industries such as financial services, media, telecommunications, electronic commerce, consumer products and new materials. In 2007, he led the investment in the listing of Guangzhou King Teller Technology Co., Ltd., a leading automatic teller machines (ATMs) manufacturer and ATM network operator in China on the Small and Medium Enterprises Board of the Shenzhen Stock Exchange. Mr. Wu received a degree in engineering as well as a degree in law from Shanghai Jiao Tong University in July 1985 and July 1987, respectively. He received a master of science degree in engineering management from the University of Southwestern Louisiana in December 1994.

半導體物理及光電高級專業培訓證書。杜先生於一九九八年四月至一九九九年九月擔任深圳安科高技術股份有限公司技術市場經理。自一九九九年以來，彼任職於深圳市創新投資集團有限公司。杜先生於一九九三年至一九九四年榮獲中國科學院技術創新一等獎。杜先生自二零零七年十一月起擔任安徽豐原藥業股份有限公司(深圳證券交易所股份代號：000153)非執行董事。

吳克忠先生(「吳先生」)，46歲，自二零一零年三月十六日起擔任非執行董事。

吳先生於一九八七年七月至一九九零年一月擔任上海交通大學證券學講師。自一九九二年起從事投資銀行的證券投資諮詢，一九九五年至二零零二年在美國華爾街從事投資業務。吳先生於二零零二年自美國回國以來，一直參與金融服務、傳媒、電訊、電子商貿、消費品、新型材料等行業的多個風險資本項目。二零零七年，彼主持廣州禦銀科技股份有限公司(中國領先的自動提款機(ATM)製造商及ATM網絡營運商)在深圳證券交易所中小企業板的上市投資。吳先生分別於一九八五年七月及一九八七年七月獲上海交通大學工程學及法律雙學位。吳先生於一九九四年十二月獲得西南路易斯安那大學工程管理理學碩士。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

Independent non-executive Directors

Mr. Shu Wa Tung, Laurence (舒華東) (“Mr. Shu”), aged 38, is an independent non-executive Director.

Mr. Shu was appointed as an independent non-executive Director on 25 October 2010. He is currently an independent non-executive director of Perception Digital Holdings Limited (Hong Kong Stock Exchange Stock Code: 8248) and Greater China Holdings Limited (Hong Kong Stock Exchange Stock Code: 431).

Mr. Shu has over 15 years of experience in audit, corporate finance and corporate financial management. Mr. Shu started to work with Deloitte Touche Tohmatsu since March 1994, and was a Manager of the Reorganization Services Group when he left Deloitte Touche Tohmatsu in October 2000. Mr. Shu was subsequently employed by ICEA Capital Limited (工商東亞融資有限公司) as a manager in the Equity Capital Market of the corporate finance division from November 2000 to June 2001, responsible for the daily management of listing application projects and advising on merger and acquisition transactions. He then worked in Deloitte & Touche Corporate Finance Limited as a manager from July 2001 to November 2002. From November 2002 to April 2005, Mr. Shu held the position of associate director in Goldbond Capital (Asia) Limited (金榜融資(亞洲)有限公司). He served as the chief financial officer and the company secretary of Texhong Textile Group Limited (天虹紡織集團有限公司) (Stock Code: 2678) for the period from May 2005 to July 2008 overseeing the company's financial management function. From July 2008 to June 2010, Mr. Shu worked as the chief financial officer of Rongsheng Heavy Industries Holdings Limited (熔盛重工控股有限公司), and oversaw the financial management of the company and its subsidiaries. Mr. Shu is currently the chief financial officer of Petro-king International Company Limited (百勤國際有限公司), overseeing the financial strategies and daily financial management function of the company and its subsidiaries. Mr. Shu graduated from Deakin University in Australia with a bachelor degree in business majoring in accounting in 1994. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountant and a Certified Practicing Accountant of CPA Australia.

獨立非執行董事

舒華東先生(「舒先生」)，38歲，現任獨立非執行董事。

舒先生於二零一零年十月二十五日獲委任為獨立非執行董事。舒先生現為幻音數碼控股有限公司(香港聯交所股份代號：8248)及大中華實業控股有限公司(香港聯交所股份代號：431)的獨立非執行董事。

舒先生有逾15年核數、企業融資及企業財務管理經驗。自一九九四年三月起，舒先生開始任職德勤•關黃陳方會計師行，於二零零零年十月離開德勤•關黃陳方會計師行時為重組服務部經理。舒先生其後於二零零零年十一月至二零零一年六月受僱於工商東亞融資有限公司，擔任企業融資部股本市場經理，負責上市申請項目的日常管理，並就併購交易提供意見。二零零一年七月至二零零二年十一月，舒先生擔任Deloitte & Touche Corporate Finance Limited經理。二零零二年十一月至二零零五年四月，舒先生曾任金榜融資(亞洲)有限公司聯席董事。二零零五年五月至二零零八年七月期間，舒先生為天虹紡織集團有限公司(股份代號：2678)的財務總監兼公司秘書，負責監督該公司財務管理事宜。二零零八年七月至二零一零年六月，舒先生為熔盛重工控股有限公司的首席財務官，負責監督該公司及其附屬公司的財務管理事宜。舒先生現任百勤國際有限公司首席財務官，負責監督該公司及其附屬公司的財務策略及日常財務管理事宜。舒先生於一九九四年在澳洲Deakin University畢業，持有商業學士學位，主修會計學。舒先生為香港會計師公會及澳洲特許會計師公會的執業會計師。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

Mr. Song Lizhong (宋立眾) (“Mr. Song”), aged 35, is an independent non-executive Director.

Mr. Song was appointed as an independent non-executive Director on 25 October 2010. Mr. Song is currently an associate professor and instructor of master degree courses in the School of Information Science and Engineering of Harbin Institute of Technology in Weihai, focusing on research on radar signal processing, antenna technology, electromagnetic field and microwave technology. He has published more than 20 academic papers.

Mr. Song graduated from Harbin Institute of Technology with a master's degree in electromagnetic field and microwave technology in July 2001 and a doctorate degree in communication and information system in July 2005. He is engaged in research at the Mobile Station of post doctoral researches for electronic science and technology subjects (電子科學與技術學科博士後科研流動站) of Harbin Institute of Technology.

Ms. Zheng Lin (鄭琳) (“Ms. Zheng”), aged 40, is an independent non-executive Director.

Ms. Zheng was appointed as an independent non-executive Director on 25 October 2010. Ms. Zheng is a practicing PRC lawyer and has been working with Beijing Huatang Law Firm since April 2008. Prior to that, she worked at Welfare Electronics Company located in the Economic and Technical Development Zone of Weihai City in Shandong Province from October 1992 to May 1995, the Weihai Airlines Services Company Limited from June 1995 to June 2001 and Shandong Ying Liang Tai Ye Law Firm from August 2004 to March 2008. She graduated from Shandong University in July 2004 after completing the online program in law and is qualified to practice law in China having passed the Chinese national judicial examination in 2004. Ms. Zheng passed the National Securities Qualifications Examination (國家證券業資格考試) in 2006 and is also qualified to serve as an independent non-executive director of companies listed in China.

宋立眾先生(「宋先生」)，35歲，現任獨立非執行董事。

宋先生於二零一零年十月二十五日獲委任為獨立非執行董事。宋先生現為哈爾濱工業大學(威海)信息科學與工程學院的副教授、碩士導師，主要研究雷達信號處理、天線技術、電磁場與微波技術。彼已發表學術論文20餘篇。

宋先生畢業於哈爾濱工業大學，於二零零一年七月獲電磁場與微波技術專業碩士學位，並於二零零五年七月獲通信與信息系統學科博士學位。彼曾在哈爾濱工業大學電子科學與技術學科博士後科研流動站從事研究工作。

鄭琳女士(「鄭女士」)，40歲，現任獨立非執行董事。

鄭女士於二零一零年十月二十五日獲委任為獨立非執行董事。鄭女士為中國執業律師，自二零零八年四月起一直任職於北京華堂律師事務所。在此之前，彼於一九九二年十月至一九九五年五月任職位於山東省威海市經濟技術開發區的為爾福電子公司，於一九九五年六月至二零零一年六月任職於山東威海聯合航空總公司，並於二零零四年八月至二零零八年三月曾任職於山東英良泰業律師事務所。彼於二零零四年七月完成法律遠程課程後自山東大學畢業，並於同年通過國家司法考試，取得中國律師執業資格。二零零六年，鄭女士通過國家證券業資格考試，取得中國境內上市公司獨立非執行董事任職資格。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Ms. Zheng is a member of China Zhi Gong Party (中國致公黨) and a member of Weihai Committee of the Chinese People's Political Consultative Conference Committee. She has provided legal services to various government departments, listed companies, state-owned enterprises and other entities, including Shandong Zhengda Medical Equipment Shares Co., Ltd. (山東正大醫療器械股份有限公司), Shandong Lianqiao New Materials Shares Co., Ltd. (山東聯橋新材料股份有限公司), Shandong Shuanglun Group Co., Ltd. (山東雙輪集團公司), Yantai Wanhua Polyurethanes Co., Ltd., (煙臺萬華聚氨酯股份有限公司) and Dongfang Electronics Co., Ltd. (東方電子股份有限公司).

Senior Management

Mr. Tan Zhen (譚震) (“Mr. Tan”), aged 33, is a director and the Vice General Manager of Changshu Electronic responsible for the production, research and development, sale of products of internal signal cable assembly products. Mr. Tan joined the Group in December 2008 as the Manager of Changshu Electronic and has acted as the director of Changshu Electronic since July 2009. Mr. Tan was also appointed as the vice general manager of internal signal cable department of the Group since July 2010.

Mr. Tan has over 11 years of experience in the electronics industry gained in our Group and in his previous employment. Before joining the Group, Mr. Tan was the section head in the quality control department of High Tek Harness Enterprises (Zhongshan) Co., Ltd. responsible for the product quality control from July 1999 to February 2003; the coaxial cable project manager of Tyco Electronics (Kunshan) Co., Ltd. responsible for the research and development and production of coaxial cables from March 2003 to April 2004; the manager of the engineering department of High Tek Harness Enterprises (Zhongshan) Co., Ltd. responsible for research and development from May 2004 to February 2008; the manager of Hesi Electronic Technology Co., Ltd. (河思電子科技有限公司) responsible for overall operation from March 2008 to December 2008. Mr. Tan is an expert in the research and development, design of production process and on-site management of

鄭女士現為中國致公黨黨員及中國人民政治協商會議委員會威海市政協委員。鄭女士向多家政府機構、上市公司、國營企業及其他實體提供法律意見，包括山東正大醫療器械股份有限公司、山東聯橋新材料股份有限公司、山東雙輪集團公司、煙臺萬華聚氨酯股份有限公司及東方電子股份有限公司。

高級管理層

譚震先生(「譚先生」)，33歲，常熟電子董事兼副總經理，負責內接信號線組件產品的生產、研發、及銷售，於二零零八年十二月加入本集團擔任常熟電子經理，自二零零九年七月起擔任常熟電子董事，亦自二零一零年七月起獲委任為本集團內接信號線事業部副總經理。

譚先生於本集團及過往職位中累積逾11年電子行業經驗。加入本集團前，彼於一九九九年七月至二零零三年二月擔任樺晟電子(中山)有限公司品質監控部主管，負責產品質素監控；二零零三年三月至二零零四年四月，彼為泰科電子(昆山)有限公司同軸纜項目經理，負責同軸纜的研發及生產；二零零四年五月至二零零八年二月，彼為樺晟電子(中山)有限公司機械部經理，負責前期研發；二零零八年三月至二零零八十二月，彼為河思電子科技有限公司經理，負責整體營運。譚先生為極細電子線

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

slim-wire harness wires and coaxial cable products, and has 11 years' experience in internal signal cable assembly products. He graduated from the Faculty of Electrical Engineering of Nanyang Polytechnic with a diploma in electrical technology in July 1999.

Ms. Chen Jing (陳晶) ("Ms. Chen"), aged 33, is the manager of the finance department of our Company, responsible for financial management of the Group, including formulation of various financial management rules, financial income and expenditure plan, cost planning and budgets, and compilation of the financial report and analysis of the Group. Ms. Chen has over 7 years of experience in accounts management gained in our Group and in her previous employment. Before joining the Group in April 2010, Ms. Chen worked at Deloitte Touche Tohmatsu CPA Ltd. from August 2003 to March 2010 and was the assistant auditing manager from July 2008 to March 2010. She has extensive experience in financial management. She graduated from Dalian University of Technology with a bachelor's degree in Economics and a master's degree in Accounting in 2000 and 2003, respectively.

及同軸纜產品研發、生產工序設計及現場管理的專家，從事內接信號纜組件產品工作已11年。彼於一九九九年七月畢業於南洋理工大學電機系，電氣技術專業。

陳晶女士(「陳女士」)，33歲，本公司財務部經理，負責本集團財務管理，包括制定多項財務管理守則、財務收支計劃、成本規劃及財政預算，及編製本集團財務報告及分析。陳女士於本集團及過往職位中累積逾七年賬目管理經驗。於二零一零年四月加入本集團前，彼於二零零三年八月至二零一零年三月任職於德勤華永會計師事務所有限公司，於二零零八年七月至二零一零年三月擔任助理核數經理，在財務管理方面的經驗豐富。彼畢業於大連理工大學，分別於二零零零年及二零零三年獲得經濟系學士學位及會計系碩士學位。

Report of the Directors

董事會報告

The Directors have pleasure in submitting herewith their annual report together with the audited financial statements for the year ended 31 December 2010.

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Company is a limited liability company incorporated in the Cayman Islands and its principal place of business in Hong Kong is Suites 06–12, 33/F, Shui On Centre, Nos. 6–8 Harbour Road, Wanchai, Hong Kong.

PRINCIPAL ACTIVITIES

The Company and its subsidiaries are principally engaged in the provision of one-stop signal transmission and connectivity solutions and related products. The Group designs, develops, manufactures and sells a comprehensive range of products including external and internal signal cable assembly, signal transmission wire and cable, power cord assembly, connectors and wireless antennas.

CORPORATE REORGANIZATION

The Company was incorporated in the Cayman Islands on 16 November 2007 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to a group reorganization to rationalize the structure of the Group in preparation for the public listing of the Company's shares on the Main Board of the Stock Exchange (the "Listing"), the Company became the holding company of the companies now comprising the Group on 30 January 2008.

Details of the corporate reorganization are set out in the section headed "History, Reorganization and Group Structure" and in Appendix VI "Statutory and General Information" to the Company's prospectus for the Listing (the "Prospectus"). The shares of the Company have been listed on the Stock Exchange since 16 November 2010.

董事欣然提呈截至二零一零年十二月三十一日止年度的年報及經審核財務報表。

香港主要營業地點

本公司在開曼群島註冊成立為有限公司，其於香港的主要營業地點位於香港灣仔港灣道6–8號瑞安中心33樓06–12室。

主要業務

本公司及其附屬公司主要從事提供一站式信號傳輸及連接解決方案及相關產品。本集團設計、開發、製造及銷售全面的產品組合，包括外接及內接信號綫組件、信號傳輸綫纜、電源綫組件、連接器及無線天綫。

公司重組

本公司於二零零七年十一月十六日根據開曼群島公司法第22章(1961年第3號法例，經綜合及修訂)在開曼群島註冊成立為一家獲豁免有限責任公司。根據一項為理順本集團架構，以籌備本公司股份於聯交所主板公開上市(「上市」)而進行的公司重組，本公司於二零零八年一月三十日成為現時組成本集團之公司的控股公司。

有關公司重組的詳情載於本公司有關上市的招股章程(「招股章程」)中「歷史、重組及集團架構」一節及附錄六「法定及一般資料」。本公司的股份已自二零一零年十一月十六日起於聯交所上市。

Report of the Directors

董事會報告

SUBSIDIARIES

Details of the subsidiaries of the Group are set out in note 34 to the financial statements.

DIVIDEND AND APPROPRIATION

The Company was successfully listed on the Stock Exchange on 16 November 2010. The Directors considered that the declaration, payment and amount of the dividend shall be subject to the status of the Group's future development. The Directors do not recommend the payment of any dividend for the financial year ended 31 December 2010 (2009: nil) and will consider to formulate a dividend policy at an appropriate time in the future.

RESERVES

Details of movements in reserves of the Group are set out in the section headed consolidated statement of changes in equity.

DISTRIBUTABLE RESERVE

The Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately RMB584.4 million as at 31 December 2010. Such amount includes the Company's share premium account of approximately RMB536.3 million and retained profits approximately RMB48.1 million in aggregate as at 31 December 2010.

CLOSURE OF TRANSFER BOOKS AND REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from 21 April 2011 to 28 April 2011 (both dates inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the annual general meeting of the Company, all transfers of Shares accompanied by the relevant share certificates must be lodged with

附屬公司

有關本集團附屬公司的詳情載於財務報表附註34。

股息及撥款

本公司於二零一零年十一月十六日於聯交所成功上市。董事認為，股息的派付及金額須受本集團未來發展狀況之規限。董事並未建議於截至二零一零年十二月三十一日止財政年度支付任何股息(二零零九年：無)，且將考慮於日後適當時機制訂股息政策。

儲備

有關本集團儲備之變動詳情載於綜合權益變動表一節。

可供分派儲備

於二零一零年十二月三十一日，按開曼群島公司法第22章(1961年第3號法例，經綜合及修訂)計算，本公司的可供分派儲備為約人民幣584.4百萬元。該金額包括本公司於二零一零年十二月三十一日股份溢價賬約人民幣536.3百萬元及保留溢利約人民幣48.1百萬元。

暫停辦理股份過戶登記手續

本公司將由二零一一年四月二十一日至二零一一年四月二十八日(包括首尾兩天)暫停辦理股份過戶登記，期間將不會辦理股份過戶手續。為符合資格出席本公司股東週年大會並於會上投票，所有股份過戶文件連同有關股票必須最遲於二零一一年四月二十日下午四時三十分前遞交至本公司的香港股份過戶登記分處

Report of the Directors

董事會報告

CLOSURE OF TRANSFER BOOKS AND REGISTER OF MEMBERS *(Continued)*

the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 20 April 2011.

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the aggregate sales attributable to the Group's top five largest customers comprised approximately 43.6% (2009: 41.5%) of the Group's total sales and the sales attributable to the Group's largest customer were approximately 12.1% of the Group's total sales. The aggregate purchases attributable to the Group's top five largest suppliers comprised approximately 30.0% (2009: 32.4%) of the total purchases for the year.

So far as is known to the Directors, none of the Directors, their associates or substantial Shareholders owns more than 5% of the Company's issued share capital nor had any interest in the share capital of any of the top five largest customers and suppliers of the Group.

FINANCIAL STATEMENTS

The result of the Group for the year ended 31 December 2010 and the state of the Group's and the Company's affairs as at 31 December 2010 are set out in the consolidated financial statements on pages 103, 104 and 196 of this report.

OPERATING RESULTS

The Group's results for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on page 103.

The Group's profit attributable to Shareholders for the year ended 31 December 2010 was approximately RMB152.7 million, being approximately 1.8% higher than the profit forecast as set out in the Prospectus.

暫停辦理股份過戶登記手續(續)

香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17M樓)，以進行登記。

主要客戶及供應商

於回顧年度，本集團五大客戶應佔之總銷售額約佔本集團總銷售額的43.6%(二零零九年：41.5%)，及本集團最大客戶應佔之銷售額約佔本集團總銷售額的12.1%。本集團五大供應商應佔之總採購額約佔年內總採購額的30.0%(二零零九年：32.4%)。

就董事所知，概無董事、彼等的聯繫人士或主要股東持有本公司已發行股本的5%以上，且概無於本集團任何五大客戶及供應商的股本中擁有任何權益。

財務報表

本集團截至二零一零年十二月三十一日止年度的業績與本集團及本公司於二零一零年十二月三十一日的財務狀況載於本報告綜合財務報表第103，104至196頁。

經營業績

本集團截至二零一零年十二月三十一日止年度的業績載於第103頁綜合全面收益表。

截至二零一零年十二月三十一日止年度，本集團股東應佔溢利約為人民幣152.7百萬元，較招股章程中所載的溢利預測高約1.8%。

Report of the Directors

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group for the year ended 31 December 2010 are set out in note 15 to the financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 December 2010 are set out in note 27 to the financial statements.

DIRECTORS

The Directors during the financial year and up to the date of this report include:

Executive Directors

Mr. Chi Shaolin (*Chairman and Chief Executive Officer*)
(appointed on 16 November 2007)

Mr. Jiang Taikē (*Vice Chief Executive Officer*)
(appointed on 16 March 2010)

Mr. Li Jianming (*Chief Financial Officer*)
(appointed on 16 March 2010)

Mr. Tseng Chih-ming (appointed on 16 March 2010)

Mr. Sui Shikai (appointed on 16 March 2010)

Mr. Mao Wanjun (appointed on 16 March 2010)

Mr. Kang Jin Won (appointed on 16 March 2010)

Non-executive Directors

Ms. Xu Yiming (appointed on 16 March 2010)

Mr. Du Li (appointed on 16 March 2010)

Mr. Wu Kezhong (appointed on 16 March 2010)

物業、廠房及設備

本集團於截至二零一零年十二月三十一日止年度的物業、廠房及設備的變動詳情載於財務報表附註15。

股本

本公司於截至二零一零年十二月三十一日止年度的股本變動詳情載於財務報表附註27。

董事

於財政年度及截至本報告日期，董事包括：

執行董事

遲少林先生(主席兼總裁)

(於二零零七年十一月十六日獲委任)

蔣太科先生(副總裁)

(於二零一零年三月十六日獲委任)

李建明先生(財務總監)

(於二零一零年三月十六日獲委任)

曾志銘先生(於二零一零年三月十六日獲委任)

隋世凱先生(於二零一零年三月十六日獲委任)

毛萬鈞先生(於二零一零年三月十六日獲委任)

姜振遠先生(於二零一零年三月十六日獲委任)

非執行董事

徐藝銘女士(於二零一零年三月十六日獲委任)

杜力先生(於二零一零年三月十六日獲委任)

吳克忠先生(於二零一零年三月十六日獲委任)

Report of the Directors

董事會報告

DIRECTORS (Continued)

Independent non-executive Directors

Mr. Shu Wa Tung, Laurence

(appointed on 25 October 2010)

Mr. Song Lizhong

(appointed on 25 October 2010)

Ms. Zheng Lin (appointed on 25 October 2010)

The Company has received, from each of the independent non-executive Directors, an annual confirmation of independent in accordance with Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent in accordance with the Listing Rules.

Each of the executive and non-executive Directors has entered into a service contract with the Company for an initial term of three years commencing from the date of listing of the Company, i.e. 16 November 2010 (the "Listing Date") on the Stock Exchange and each of the independent non-executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 25 October 2010, and thereafter may be terminated by either party giving the other not less than three months' prior written notice.

Pursuant to article 84(1) of the articles of association of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Mr. Li Jianming (executive Director), Mr. Tseng Chih-ming (executive Director), Mr. Sui Shikai (executive Director), Mr. Du Li (non-executive Director) and Mr. Wu Kezhong (non-executive Director) shall retire by rotation at the conclusion of the AGM and be eligible for re-election at the AGM. Mr. Tseng Chih-ming (executive Director), Mr. Sui Shikai (executive Director), Mr. Du Li (non-executive Director) and Mr. Wu Kezhong (non-executive Director) have informed the Company that they will not offer themselves for re-election due to the reason that Mr. Tseng Chih-ming and Mr. Sui Shikai would like to devote more time to focus on their other duties relating to the operations of the Group, while Mr. Du Li and Mr. Wu Kezhong would like to devote more time to pursue their other business interests.

董事 (續)

獨立非執行董事

舒華東先生

(於二零一零年十月二十五日獲委任)

宋立眾先生

(於二零一零年十月二十五日獲委任)

鄭琳女士 (於二零一零年十月二十五日獲委任)

本公司已收到各獨立非執行董事根據上市規則第3.13條就其獨立性發出的年度確認函。本公司認為，所有獨立非執行董事根據上市規則均屬獨立人士。

各執行董事及非執行董事已與本公司訂立服務合約，初步任期自本公司於聯交所上市日期（即二零一零年十一月十六日，「上市日期」）起計為期三年，及各獨立非執行董事已與本公司訂立服務合約，初步任期自二零一零年十月二十五日起計為期三年，其後可由任何一方發出不少於三個月的事先書面通知而終止。

根據本公司組織章程細則第84(1)條，在每屆股東週年大會上，當時在任的三分之一董事（或若其人數並非三(3)的倍數，則以最接近但不少於三分之一的人數）須輪值告退，惟每名董事須最少每三年於股東週年大會上退任一次。李建明先生（執行董事）、曾志銘先生（執行董事）、隋世凱先生（執行董事）、杜力先生（非執行董事）及吳克忠先生（非執行董事）應於股東週年大會結束時輪值退任，並合資格於股東週年大會上膺選連任。曾志銘先生（執行董事）、隋世凱先生（執行董事）、杜力先生（非執行董事）及吳克忠先生（非執行董事）已知會本公司，由於曾志銘先生及隋世凱先生擬投入更多時間專注於有關本集團經營業務的其他職務；且杜力先生及吳克忠先生擬投入更多時間以獲取其他商業利益，故彼等不會膺選連任。

Report of the Directors

董事會報告

DIRECTORS *(Continued)*

No Director proposed for re-election at the AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The compensation and benefits committee of the Company considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors. The remuneration of all Directors is subject to regular monitoring by the compensation and benefits committee of the Company to ensure that the levels of their remuneration and compensation are appropriate. Details of Directors' remuneration are set out in note 11 to the financial statements.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management are set out on pages 60 to 71 of this report.

DIRECTORS' INTEREST IN CONTRACTS

Save as disclosed below, there was no contract of significance to which the Company, its holding company, or any of its subsidiaries was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year ended 31 December 2010.

董事 *(續)*

擬於股東週年大會上膺選連任的董事概無訂立本公司或其任何附屬公司不可於一年內不付賠償(法定賠償除外)而終止之服務合約。

董事酬金

本公司薪酬及福利委員會考慮並建議董事會由本公司向董事支付酬金及其他福利。所有董事的酬金須由本公司薪酬及福利委員會定期檢討，以確保彼等的薪酬水平乃屬適當。有關董事酬金的詳情載於財務報表附註11。

董事及高級管理層的履歷

有關董事及高級管理層的履歷詳情載於本報告第60至71頁。

董事之合約權益

除下文所披露者外，本公司、其控股公司或任何附屬公司於截至二零一零年十二月三十一日止年度期間或年終並無訂立本公司任何董事於其中直接或間接擁有重大權益之其他重要合約。

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 31 December 2010, 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 follows:

董事及主要行政人員於股份、相關股份及債券的權益及淡倉

於二零一零年十二月三十一日，本公司董事或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、相關股份及債券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），或須記錄於根據證券及期貨條例第352條規定存置之登記冊的權益或淡倉，或根據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 ⁽¹⁾ 遲少林先生 ⁽¹⁾	Beneficial owner 實益擁有人	294,283,839 (L)	40.9%
Ms. Xu Yiming ⁽²⁾ 徐藝銘女士 ⁽²⁾	Beneficial owner 實益擁有人	17,126,918 (L)	2.4%
Mr. Jiang Taike ⁽²⁾ 蔣太科先生 ⁽²⁾	Beneficial owner 實益擁有人	16,248,857 (L)	2.3%
Mr. Li Jianming ⁽³⁾ 李建明先生 ⁽³⁾	Beneficial owner 實益擁有人	1,030,431 (L)	0.1%
Mr. Mao Wanjun ⁽³⁾ 毛萬鈞先生 ⁽³⁾	Beneficial owner 實益擁有人	1,486,471 (L)	0.2%
Mr. Sui Shikai ⁽³⁾ 隋世凱先生 ⁽³⁾	Beneficial owner 實益擁有人	1,026,889 (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。

Report of the Directors

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

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.

Note 3: Hongxin Joint Stock Company Limited held a total of 36,79,039 Shares in trust for each of the 136 employees, including Mr. Li Jianming who is interested in 1,030,431 Shares, Mr. Mao Wanjun who is interested in 1,486,471 Shares and Mr. Sui Shikai who is interested in 1,026,889 Shares.

Save as disclosed above, as at 31 December 2010, 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 year 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.

董事及主要行政人員於股份、相關股份及債券的權益及淡倉(續)

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。

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、持有1,486,471股股份的毛萬鈞先生及持有1,026,889股股份的隋世凱先生)以信託形式持有合共36,791,039股股份。

除上文所披露者外，於二零一零年十二月三十一日，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年內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(包括彼等的配偶及未成年子女)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、相關股份或債券的權益或淡倉。

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。

Report of the Directors

董事會報告

SHARE OPTION SCHEME (Continued)

The maximum number of Share 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. 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:

- (a) 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;
- (b) 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
- (c) the nominal value of a Share.

The Share Option Scheme shall be valid and effective for a period of 10 years from 15 November 2010 after which no further options will be granted or offered.

There is no options outstanding, granted, exercised, cancelled and lapsed during the year ended 31 December 2010.

購股權計劃(續)

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。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。任何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：

- (a) 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；
- (b) 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
- (c) 股份面值。

購股權計劃將於二零一零年十一月十五日起計10年期間有效，期滿後不得再授出購股權。

於截至二零一零年十二月三十一日止年度期間，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 executive of the Company, as at 31 December 2010, 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、相關股份及債券的權益及淡倉

就本公司任何董事或主要行政人員所知，於二零一零年十二月三十一日，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 Company Limited 晨淋國際有限公司	Security interest in shares of the corporation ⁽¹⁾ 於法團股份的證券權益 ⁽¹⁾	294,283,839 (L)	40.9%
Yongchang Joint Stock Company Limited 永昌股份有限公司	Security interest in shares of the corporation ⁽²⁾ 於法團股份的證券權益 ⁽²⁾	133,849,094 (L)	18.6%
Hongxin Joint Stock Company Limited 泓鑫股份有限公司	Security interest in shares of the corporation ⁽³⁾ 於法團股份的證券權益 ⁽³⁾	36,791,039 (L)	5.1%

(L): Long position

(L): 好倉

Notes:

附註：

- (1) Chenlin International Company Limited held 40.9% interest in the Company, which entire issue 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, Mr. Xu Yiming, non-executive Director, and who are interested in 16,248,857 Shares and 17,126,918 Shares, respectively.
- (3) Hongxin Joint Stock held 5.1% interest in our Company in trust for 136 employee shareholders, including three Directors, namely Mr. Li Jianming who is interested in 1,030,431 Shares, Mr. Mao Wanjun who is interested in 1,486,471 Shares and Mr. Sui Shikai who is interested in 1,026,889 Shares.

- (1) 晨淋國際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（包括三位董事，即持有1,030,431股股份的李建明先生、持有1,486,471股股份的毛萬鈞先生及持有1,026,889股股份的隋世凱先生）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 31 December 2010, 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 required to be kept by the Company under section 336 of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained sufficient public float required under the Listing Rules for the period from the Listing Date to 31 December 2010.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders of the Company or any of their subsidiaries, at any time during the year. No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholders of the Company or any of their subsidiaries.

NON-COMPETITION UNDERTAKINGS

Each of the controlling shareholders has confirmed to the Company of his/her compliance with the non-compete undertakings provided to the company under the Deed of Non-competition (as defined in the Prospectus). The independent non-executive Directors of the Company have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-competition have been complied with by the controlling shareholders.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2010 and up to and including the date of this annual report.

主要股東於股份、相關股份及債券的權益及淡倉 *(續)*

除上文所披露者外，於二零一零年十二月三十一日，董事概不知悉任何其他人士或法團（本公司董事或主要行政人員除外）於本公司股份、相關股份或債券中擁有而須記載於本公司按證券及期貨條例第336條置存之登記冊內的權益或淡倉。

公眾持股量的充足度

根據本公司所獲資料及就董事所知，截至本年報日期，本公司自上市日期至二零一零年十二月三十一日期間已維持上市規則規定的充足公眾持股量。

與控股股東訂立的合約

於年內任何時間，本公司或其任何附屬公司概無與本公司控股股東或任何其附屬公司訂立重大合約。本公司控股股東或任何其附屬公司概無向本公司或其任何附屬公司提供服務的重大合約。

不競爭承諾

各控股股東已向本公司確認，彼已遵守不競爭契約（如招股章程所界定）項下向本公司提供的不競爭承諾。本公司獨立非執行董事已審閱有關遵守情況，並確認控股股東已遵守不競爭契約項下的所有承諾。

董事於競爭業務中的權益

於截至二零一零年十二月三十一日止年度直至及包括本年報日期內的任何時間，概無董事在與本集團業務直接或間接存在或很可能存在競爭的任何業務（本集團業務除外）中擁有或曾擁有任何權益。

Report of the Directors

董事會報告

LIQUIDITY AND FINANCIAL RESOURCES

As of 31 December 2010, bank balances and cash of the Group amounted to approximately RMB160.4 million (2009: approximately RMB73.7 million). Details of such are set out in note 23 to the financial statements.

As of 31 December 2010, the Group had bank loans and other borrowings of approximately RMB663.1 million (2009: RMB353.4 million), among which RMB602.9 million was secured by the Group's property, plant and equipment trade and bill receivables, bank deposit and land use rights. Details of such are set out in note 26 to the financial statements.

CHARGES AND CONTINGENT LIABILITIES

Other than the secured bank borrowings mentioned above, as at 31 December 2010, the Group had no other charges on its assets nor any material contingent liabilities.

HUMAN RESOURCES

As at 31 December 2010, the Group employed 1,638 employees. The emolument policy of the employees of the Group is determined on the basis of their merit, qualifications and competence. The Company adopted the Share Option Scheme to provide incentive to its senior management and employees. Please refer to the paragraphs headed "Share Option Scheme" in this report for details of such scheme.

As at 31 December 2010, the total staff costs (including directors' emoluments) amounted to approximately RMB158.1 million (2009: RMB81.5 million), the amount including RMB7.1 million related to the equity-settled share-based payments. The Company maintains a Share Option Scheme for the purpose of providing incentives and rewards to the eligible participants for their contributions to the Group.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past four financial years is set out in the financial highlight section on page 9 to 10 to this report.

流動資金及財務資源

於二零一零年十二月三十一日，本集團的現金及銀行結餘約為人民幣160.4百萬元（二零零九年：約人民幣73.7百萬元），有關詳情載於財務報表附註23。

於二零一零年十二月三十一日，本集團的銀行貸款及其他借款約為人民幣663.1百萬元（二零零九年：人民幣353.4百萬元），其中人民幣602.9百萬元由本集團的物業、廠房及設備貿易應收款及應收票據、銀行存款以及土地使用權作抵押。有關詳情載於財務報表附註26。

抵押及或然負債

除上述已抵押銀行借款外，於二零一零年十二月三十一日，本集團並無其他資產抵押或任何重大或然負債。

人力資源

於二零一零年十二月三十一日，本集團擁有1,638名僱員。本集團僱員的薪酬政策乃根據彼等的表現、資歷及能力釐定。本公司採納購股權計劃，為高級管理層及僱員提供獎勵。有關計劃的詳情請參閱本報告「購股權計劃」一段。

於二零一零年十二月三十一日，員工總成本（包括董事酬金）約為人民幣158.1百萬元（二零零九年：人民幣81.5百萬元），該款項包括有關按股權結算並以股份付款之款項人民幣7.1百萬元。本公司設有購股權計劃，令本公司向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。

財務摘要

本集團過往四個財政年度的業績及資產與負債的摘要載於本報告第9頁至第10頁財務摘要一節。

Report of the Directors

董事會報告

RETIREMENT SCHEMES

Particulars of employee retirement schemes of the Group are set out in note 31 to the financial statements.

CONTINUING CONNECTED TRANSACTION

There are no continuing connected transactions between the Group and its connected persons (as defined under the Listing Rules) which are subject to the reporting, announcement and the independent shareholders' approval requirement under the Listing Rules as at 31 December 2010.

None of the related party transactions set out in note 32 to the financial statements falls under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares to existing Shareholders on a pro-rata basis.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its listed shares during the year ended 31 December 2010. Neither the Company nor any of its subsidiaries has purchased, sold or repurchased any of the Company's listed securities during the year ended 31 December 2010.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds from the Global Offering, after deducting the relevant costs of the Global Offering, were of approximately HKD470.3 million (equivalent to approximately RMB400.7 million). As at 31 December 2010, the Company utilized the proceeds of approximately RMB56.0 million to the Group's new development projects,

退休計劃

本集團的僱員退休計劃詳情載於財務報表附註31。

持續關連交易

於二零一零年十二月三十一日，本集團與其關連人士（定義見上市規則）概無訂立根據上市規則而須予呈報、公佈及獲獨立股東批准之持續關連交易。

概無財務報表附註32所載關連人士交易屬上市規則第14A章「關連交易」或「持續關連交易」所界定者。

優先購股權

根據本公司之組織章程細則及開曼群島（本公司註冊成立的司法權區）之法例概無有關優先購股權之規定，此將導致本公司須按比例向現有股東發行新股。

購買、出售或贖回本公司的上市證券

於截至二零一零年十二月三十一日止年度，本公司或其任何附屬公司概無贖回其任何上市股份。於截至二零一零年十二月三十一日止年度內，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。

全球發售所得款項用途

經扣除全球發售的有關成本後，全球發售所得款項淨額為人民幣約470.3百萬元（相當於約人民幣400.7百萬元）。於二零一零年十二月三十一日，本公司已將約人民幣56.0百萬元用作本集團新開發項目、研發及營運資本。本公

Report of the Directors 董事會報告

research and development and working capital. The Directors do not anticipate any change to its plan on the use of proceeds as stated in the Prospectus dated 3 November 2010.

EVENT AFTER THE REPORTING PERIOD

Investment in 天津日拓汽車電裝有限公司 (Tianjin Rituo Automotive Electronics Co., Ltd., "Tianjin Rituo")

On 21 February 2011, the Directors announced that, Weihai Electronic, a wholly-owned subsidiary of the Company, has entered into the capital increase agreement on 21 February 2011, pursuant to which Weihai Electronic has agreed to make capital contribution of approximately RMB58.60 million (equivalent to approximately HKD69.15 million) in aggregate to Tianjin Rituo. Subsequently, Tianjin Rituo was owned as to 55.0% by Weihai Electronic, 31.5% by Mr. Wang Xiang and 15.5% by Mr. Wang Weiguo, respectively.

Such capital contribution by Weihai Electronic represents the Group's entry into the provision of automotive wiring harness used for signal transmission in the PRC automobile industry.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Thursday, 28 April 2011 and the notice of annual general meeting will be published and despatched to shareholders of the Company in due course.

AUDITOR

Deloitte Touche Tohmatsu will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

By order of the Board
Chi Shaolin
Chairman

Hong Kong, 11 March 2011

司董事預計不會對誠如本公司日期為二零一零年十一月三日之招股章程所呈列之所得款項用途計劃作出任何變動。

報告期後事項

投資於天津日拓汽車電裝有限公司(「天津日拓」)

於二零一一年二月二十一日，董事宣佈，本公司的全資擁有附屬公司威海電子於二零一一年二月二十一日訂立增資協議，據此威海電子已同意向天津日拓合共出資約人民幣58.60百萬元(相當於約69.15百萬港元)。因此，天津日拓分別由威海電子、王祥先生及王衛國先生擁有55.0%、31.5%及15.5%的權益。

威海電子的此次出資表示本集團將進入中國汽車行業，供應用於信號傳輸的汽車線束產品。

股東週年大會

本公司的股東週年大會將於二零一一年四月二十八日(星期四)舉行，有關股東週年大會的通知將於適當時候公佈並派發予本公司股東。

核數師

德勤•關黃陳方會計師行將告退，並符合資格及願意重新獲委任。於本公司應屆股東週年大會上，本公司將提呈重新委任德勤•關黃陳方會計師行為本公司核數師的決議案。

承董事會命
主席
遲少林

香港，二零一一年三月十一日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

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 (the “CG Code”) contained in Appendix 14 to the Listing Rules have been adopted by the Group. The Company has also complied with the CG Code since the listing of the shares of the Company on the Main Board of the Stock Exchange on 16 November 2010 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 officer 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 chief executive officer. For the year ended 31 December 2010, Mr. Chi Shaolin is both the chairman of the Board and the chief executive officer of the Group. The Board considers that vesting the roles of chairman and chief executive officer 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 chief executive officer when necessary.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors (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 from the Listing to 31 December 2010.

企業管治常規

董事認同，為達致向本公司整體股東有效的問責性，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列之企業管治常規守則（「企業管治守則」）的原則及守則條文。本公司自二零一零年十一月十六日本公司股份在聯交所主板上市以來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行政總裁角色。於截至二零一零年十二月三十一日止年度，遲少林先生兼任本集團之董事會主席及行政總裁。董事會認為，主席及行政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行政總裁的需要。

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董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易的行為準則。於作出具體查詢時，全體董事已確認，彼等於上市日期至二零一零年十二月三十一日期間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

BOARD OF DIRECTORS

Composition of the Board of Directors

As at 31 December 2010, the Board comprises seven executive Directors, three non-executive Directors and three independent non-executive Directors. The composition of the Board during the year ended 31 December 2010 was as follows:

Executive Directors

Mr. Chi Shaolin (*Chairman and Chief Executive Officer*)
(appointed on 16 November 2007)

Mr. Jiang Taiké (*Vice Chief Executive Officer*)
(appointed on 16 March 2010)

Mr. Li Jianming (*Chief Financial Officer*)
(appointed on 16 March 2010)

Mr. Tseng Chih-ming
(appointed on 16 March 2010
and shall retire at the forthcoming AGM)

Mr. Sui Shikai
(appointed on 16 March 2010
and shall retire at the forthcoming AGM)

Mr. Mao Wanjun
(appointed on 16 March 2010)

Mr. Kang Jin Won
(appointed on 16 March 2010)

Non-executive Directors

Ms. Xu Yiming
(appointed on 16 March 2010)

Mr. Du Li
(appointed on 16 March 2010
and shall retire at the forthcoming AGM)

Mr. Wu Kezhong
(appointed on 16 March 2010
and shall retire at the forthcoming AGM)

董事會

董事會的組成

於二零一零年十二月三十一日，董事會由七名執行董事、三名非執行董事及三名獨立非執行董事組成。於截至二零一零年十二月三十一日止年度期間，董事會成員為：

執行董事

遲少林先生(主席兼總裁)
(於二零零七年十一月十六日獲委任)

蔣太科先生(副總裁)
(於二零一零年三月十六日獲委任)

李建明先生(財務總監)
(於二零一零年三月十六日獲委任)

曾志銘先生
(於二零一零年三月十六日獲委任
並將於下屆股東週年大會輪值退任)

隋世凱先生
(於二零一零年三月十六日獲委任
並將於下屆股東週年大會輪值退任)

毛萬鈞先生
(於二零一零年三月十六日獲委任)

姜振遠先生
(於二零一零年三月十六日獲委任)

非執行董事

徐藝銘女士(顧問)
(於二零一零年三月十六日獲委任)

杜力先生
(於二零一零年三月十六日獲委任
並將於下屆股東週年大會輪值退任)

吳克忠先生
(於二零一零年三月十六日獲委任
並將於下屆股東週年大會輪值退任)

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS *(Continued)*

Composition of the Board of Directors

(Continued)

Independent non-executive Directors

Mr. Shu Wa Tung, Laurence
(appointed on 25 October 2010)
Mr. Song Lizhong
(appointed on 25 October 2010)
Ms. Zheng Lin
(appointed on 25 October 2010)

The biographical details of all Directors are set out in pages 60 to 71 of this report. Among members of the Board, Mr. Chi Shaolin is the son-in-law of Ms. Xu Yiming. Save as disclosed herein, to the best knowledge of the Company, there is no other financial, business, family or other material or relevant relationships among the members of the Board.

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The Board brings a variety of experiences and expertise to the Company.

Functions of the Board

The Board takes overall responsibility to oversee all major matters of the Group, including the formulation and approval of all policy matters, considering and approving overall development strategies, financial objectives, annual budget, investment proposals, monitoring and controlling the operation and financial performance, internal control and risk management systems of the Group and to assume the responsibilities of corporate governance of the Group.

董事會 *(續)*

董事會的組成 *(續)*

獨立非執行董事

舒華東先生
(於二零一零年十月二十五日獲委任)
宋立眾先生
(於二零一零年十月二十五日獲委任)
鄭琳女士
(於二零一零年十月二十五日獲委任)

全體董事的詳細履歷載於本年報第60至71頁。董事會成員中，遲少林先生為徐藝銘女士之女婿。除本年報所披露者外，就本公司所深悉，董事會成員之間並無任何其他財務、業務、親屬或其他重大或相關關係。

董事會結構平衡，每名董事均具備與本集團業務有關之深厚行業知識、豐富企業及策略規劃經驗及／或專業知識。董事會為本公司帶來各種各樣的經驗及專業知識。

董事會的職能

董事會負責監管本集團的所有重大事項，包括制定及審批所有政策事宜、考慮及批核本集團的整體發展策略、財務目標、年度預算、投資建議、監管及控制營運及財務表現、內部控制及風險管理體系，以及承擔本集團企業管治的責任。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS *(Continued)*

Board Meetings and Board Practices

During the year ended 31 December 2010, the Board held 11 meetings and none of the meetings was regular Board meeting because the Company was listed on the Main Board of the Stock Exchange on 16 November 2010. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association. The company secretary of the Company (the "Company Secretary") will assist the Chairman to prepare the agenda of the meeting and all Directors have the opportunity to include matters in the agenda for Board meetings. Notices of at least 14 days of Board meetings are given to the Directors and Board procedures complied with the articles of association of the Company, as well as relevant rules and regulations. The Directors are provided with relevant materials relating to the matters brought before the meetings. All Directors have separate and independent access to the senior management and the Company Secretary at all time and will be able to seek independent professional advice at the Company's expense. The Company Secretary is also responsible for ensuring the procedures of the Board meetings are observed and providing the Board with opinions on matters in relation to the compliance with the procedures of the Board meetings. All minutes of Board meetings were recorded in sufficient detail the matters considered by the Board and the decisions reached.

董事會(續)

董事會會議及董事會常規

截至二零一零年十二月三十一日止年度，董事會召開了11次會議。由於本公司於二零一零年十一月十六日在聯交所主板上市，概無會議為定期董事會會議。根據本公司組織章程細則，董事可親身或透過其他電子通訊方式出席會議。本公司的公司秘書(「公司秘書」)將協助主席預備會議議程，所有董事均有機會將任何事宜加入董事會會議議程之內。本公司至少提前14日向董事發出董事會會議通告，而董事會程序均遵守本公司之公司章程及相關規則及條例。董事將於大會召開之前獲提供與相關事項有關之材料。所有董事均可隨時單獨與高級管理層及公司秘書聯繫，並可尋求獨立專業意見，費用由本公司承擔。公司秘書亦負責確保各董事遵守董事會會議程序，並就遵守董事會會議程序的事宜向董事會提供意見。所有董事會會議的紀錄均需足夠詳細地記錄董事會已考慮的事項及作出的決定。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS *(Continued)*

Board Meetings and Board Practices *(Continued)*

The number of the Board meetings held and the attendance of each Director at the Board meetings for the year ended 31 December 2010 have been set out as follows:

董事會 *(續)*

董事會會議及董事會常規 *(續)*

截至二零一零年十二月三十一日止年度，已召開之董事會會議次數及各董事出席董事會會議之情況如下：

No. of Board meeting held:		已召開董事會會議次數：	11
Name of the Director	董事姓名		
Executive Directors	執行董事		
Mr. Chi Shaolin	遲少林先生		11/11
Mr. Jiang Taike	蔣太科先生		9/9
Mr. Li Jianming	李建明先生		9/9
Mr. Tseng Chih-ming	曾志銘先生		9/9
Mr. Sui Shikai	隋世凱先生		9/9
Mr. Mao Wanjun	毛萬鈞先生		9/9
Mr. Kang Jin Won	姜振遠先生		9/9
Non-executive Directors	非執行董事		
Ms. Xu Yiming	徐藝銘女士		9/9
Mr. Du Li	杜力先生		9/9
Mr. Wu Kezhong	吳克忠先生		9/9
Independent non-executive Directors	獨立非執行董事		
Mr. Shu Wa Tung, Laurence	舒華東先生		0/0
Mr. Song Lizhong	宋立眾先生		0/0
Ms. Zheng Lin	鄭琳女士		0/0

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS *(Continued)*

Directors' Appointment, Re-election and Removal

Each of the executive and non-executive Directors has entered into a service contract with the Company for an initial term of three years commencing from the Listing Date, i.e. 16 November 2010, and each of the independent non-executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 25 October 2010, all are subject to termination in accordance with the provisions of the service contract or by either party giving the other not less than three months' prior written notice.

By virtue of article 83(3) of the articles of association of the Company, Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy of the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In compliance with the code provision in A.4.2 of the CG Code all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to the article 84(1) of the articles of association of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

董事會(續)

委任、重選及罷免董事

各執行董事及非執行董事已與本公司訂立服務合約，初步任期自上市日期(二零一零年十一月十六日)起計為期三年，各獨立非執行董事已與本公司訂立服務合約，初步任期自二零一零年十月二十五日起計為期三年，根據服務合約的條文，所有服務合約均可終止，或其中一方可向對方發出至少三個月的事先書面通知而終止。

根據本公司組織章程細則第83(3)條，董事有權不時及隨時委任任何人士為董事以填補董事會的臨時空缺或增添現時董事會人數。任何獲董事會委任以填補臨時空缺的董事的任期將直至其獲委任後的首個股東大會為止，惟可於該大會上膺選連任。任何獲董事會委任以增添現時董事會人數的董事的任期僅直至本公司下屆股東週年大會為止，屆時將合資格膺選連任。

根據企業管治守則條文第A.4.2條，全體董事均須最少每三年退任一次。此外，根據本公司組織章程細則第84(1)條，在每屆股東週年大會上，當時在任的三分之一董事(或若其人數並非三(3)的倍數，則以最接近但不少於三分之一的人數)將輪席告退，惟每名董事須最少每三年於股東週年大會上退任一次。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS *(Continued)*

Independent non-executive Directors

Independent non-executive Directors have played a crucial role in the Board by providing their independent judgment at the Board meeting and scrutinizing the Group's performance. Their views carry significant weight in the Board's decision, in particular, they bring an impartial view to bear on issues of the Group's strategy, performance and control. All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advices to the Board. The independent non-executive Directors provide independent advice on the Group's business strategy, results and management so that all interests of the Shareholders will be taken into account, and the interests of the Company and its Shareholders can be protected.

In compliance with Rule 3.10(1) of the Listing Rules, the Board consists of three independent non-executive Directors with one of them, Mr. Shu Wa Tung, Laurence, possessing appropriate professional qualification in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Company has received from an annual written confirmations of independence from each of its independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. The Company, based on such confirmation, considers that all the independent non-executive Directors, namely, Mr. Shu Wa Tung, Laurence, Mr. Song Lizhong and Ms. Zheng Lin, are independent and they all meet the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

董事會 (續)

獨立非執行董事

獨立非執行董事於董事會內擔當重要角色，於董事會會議上提供獨立判斷並詳查本集團的表現，其意見對董事會的決定起重要作用，特別是，他們就本集團的策略事項、表現及控制提供公正意見。全體獨立非執行董事擁有廣泛的學術、專業及行業專長及管理經驗，及向董事會提供專業意見。獨立非執行董事會考慮股東的全部利益，亦會保障本公司及其股東的利益，就本集團的業務策略、業績及管理提供獨立意見。

遵照上市規則第3.10(1)條的規定，董事會包括三名獨立非執行董事，根據上市規則第3.10(2)條的規定，其中一名(舒華東先生)擁有合適的會計專業資格或相關財務管理專業知識。

本公司已收到各獨立非執行董事根據上市規則第3.13條發出的年度獨立性確認書。本公司按照有關確認，認為所有獨立非執行董事(舒華東先生、宋立眾先生及鄭琳女士)均為獨立人士，且彼等均符合上市規則第3.13條所列之特定獨立指引。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS *(Continued)*

Chairman and Chief Executive Officer

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. The Group does not at present separate the roles of the chairman and chief executive officer. For the year ended 31 December 2010, Mr. Chi Shaolin is both the chairman of the Board and the chief executive officer of the Group. He has extensive experience and in-depth knowledge in the electronics industry and is responsible for the overall strategic planning, business planning and decision making in all material matters in the Group. The Board considers that vesting the roles of chairman and chief executive officer in the same individual is beneficial to the business prospects and management of the Group. The balance of power and authorities is ensured by the operation of the Board and the senior management, which comprise experienced and high caliber individuals. Notwithstanding the above, the Board will review the current structure from time to time. When at the appropriate time and if a candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make necessary arrangements.

Pursuant to Rule 13.51B(1) of the Listing Rules, the Company advises that Mr. Chi Shaolin (the chairman and an executive Director of the Company), Mr. Jiang Taike (the vice chief executive officer and an executive Director of the Company) and Mr. Li Jianming (the chief financial officer and an executive Director of the Company), have each been appointed as a director of Huizhou Honglin Communication Technology Co., Ltd., a wholly-owned subsidiary of the Company.

董事會(續)

主席及行政總裁

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行政總裁角色。於截至二零一零年十二月三十一日止年度，遲少林先生兼任本集團之董事會主席及行政總裁。彼在電子行業擁有豐富經驗及深入知識，並負責本集團的整體策略規劃、業務規劃及所有重大事項之決策。董事會認為主席及行政總裁職位由同一人兼任有利於本集團的業務前景及管理。董事會及由經驗豐富且幹練人才組成的高級管理層須確保權力及授權的平衡。儘管如此，董事會將不時審閱現行架構。倘於適當時機集團內部或集團外出現具備相關領導才能、知識、技能及經驗之合適人選，本公司或會作出適當安排。

根據上市規則第13.51B(1)條，本公司建議遲少林先生(本公司之主席兼執行董事)、蔣太科先生(本公司之行政副總裁兼執行董事)及李建明先生(本公司之財務總監兼執行董事)已分別獲委任為本公司全資附屬公司惠州市泓淋通訊科技有限公司之董事。

* For identification purpose only.

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS *(Continued)*

Delegation of Powers

The Board delegates the authority and responsibility for implementing day-to-day operations, administration and management of the Group's businesses to the chief executive officer, the executive Directors, the senior management and certain specific responsibilities to the Board committees of the Company. When the Board delegates aspects of its management and administration functions to members of the management team, it gives clear directions as to the powers of management, in particular, with respect to the circumstances where the management team needs to report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. The delegated functions and work tasks are regularly reviewed.

BOARD COMMITTEES

The Board has established (i) an audit committee; (ii) a compensation and benefits committee; and (iii) a nominating and corporate governance committee, with defined terms of reference. The terms of reference of the Board committees which explain their respective role and the authority delegated to them by the Board are available upon request. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice and other assistance in appropriate circumstances, at the Company's expenses.

董事會 *(續)*

授權

董事會授權執行董事負責本集團的日常營運，亦授權負責不同的業務／職責的高級管理層負責本公司的行政及管理，惟若干重大事項的策略決定仍須經董事會批准。董事會授權管理層負責管理及行政職務時會對管理層的權力作出明確指示，特別是代表本公司作出決定或訂立任何承擔前須向董事會報告並獲董事會事先批准。所授權的功能及工作任務會定期進行檢討。

董事委員會

董事會已成立(i)審核委員會；(ii)薪酬及福利委員會；及(iii)提名及企業管治委員會，其已界定的職權範圍與企業管治守則的守則條文相符。董事委員會的職權範圍可於查詢時提供，當中說明他們各自的職務及獲董事會授權的權限。董事委員會獲提供足夠的資源履行其責任，及於合理要求時可在適當情況下尋求獨立專業意見及其他援助，費用概由本公司支付。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES *(Continued)*

Audit Committee

Composition

The Company established an audit committee (the “Audit Committee”) pursuant to a resolution of Directors passed on 25 October 2010 in compliance with Rule 3.21 of the Listing Rules. The primary responsibilities of 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.

The Audit Committee has reviewed the Group’s consolidated financial statements for the year ended 31 December 2010.

As the Company was listed on 16 November 2010, the Audit Committee did not conduct any meeting during the year ended 31 December 2010.

Compensation and Benefits Committee

Composition

The Company established a compensation and benefits committee (the “C&B Committee”) on 25 October 2010 with written terms of reference. The primary duties of the C&B Committee are to review and make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Company. The compensation and remuneration of all Directors and senior management of the Company is subject to regular review by the C&B Committee to ensure that the levels of their remuneration and compensation are appropriate and none of the Directors determine their own remuneration. The C&B Committee consists of three members, namely, Ms. Zheng Lin, Mr. Shu Wa Tung,

董事委員會 *(續)*

審核委員會

組成

根據上市規則第3.21條，本公司按於二零一零年十月二十五日通過的一項董事決議案成立審核委員會(「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(三名成員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。

審核委員會已審閱本集團截至二零一零年十二月三十一日止年度的綜合財務報表。

由於本公司於二零一零年十一月十六日上市，故審核委員會於截至二零一零年十二月三十一日止年度並無召開任何會議。

薪酬及福利委員會

組成

本公司的薪酬及福利委員會(「薪酬及福利委員會」)乃於二零一零年十月二十五日成立，並設有書面職權範圍。薪酬及福利委員會的主要職責是就整體薪酬政策及有關本公司所有董事及高級管理層之架構向董事會提供建議。本公司的所有董事及高級管理層的酬金及薪酬均由薪酬及福利委員會定期監察，以確保彼等的薪酬及酬金保持適當水平，且確保概無董事自行擬定自己的薪酬。薪酬及福利委員會目前由三名成員組成，包括鄭琳女士、舒華東先生(二人

Corporate Governance Report

企業管治報告

BOARD COMMITTEES *(Continued)*

Compensation and Benefits Committee

(Continued)

Composition *(Continued)*

Laurence (both are independent non-executive Directors) and Ms. Xu Yiming, a non-executive Director. Ms. Zheng Lin currently serves as the chairman of the C&B Committee.

As the Company was listed on 16 November 2010, the C&B Committee did not conduct any meeting during the year ended 31 December 2010.

Remuneration Policy for Directors and Senior Management

The emolument policy of the employees of the Group is determined on the basis of their merit, qualifications and competence.

The emoluments of the Directors are recommended by the C&B Committee, having regard to the Company's operating results, individual performance, experience, responsibility, workload and time devoted to the Company and comparable market statistics. Each of the executive Directors is entitled to a basic salary which is reviewed annually. In addition, each of the executive Directors may receive a discretionary bonus as the Board may recommend. Such amount has to be approved by the C&B Committee.

The Company has adopted a Share Option Scheme on 25 October 2010. The purpose of the Share Option Scheme is to enable 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.

董事委員會 *(續)*

薪酬及福利委員會 *(續)*

組成 *(續)*

均為獨立非執行董事)及徐藝銘女士(非執行董事)，而鄭林女士目前擔任薪酬及福利委員會主席。

由於本公司於二零一零年十一月十六日上市，薪酬及福利委員會於截至二零一零年十二月三十一日止年度並無召開任何會議。

董事及高級管理層的薪酬政策

本集團的僱員薪酬政策按彼等的價值、資歷及能力而釐定。

董事酬金乃經考慮本公司經營業績、個人表現、經驗、職責、工作量及投入本公司的時間，以及可資比較的市場統計資料後，由薪酬及福利委員會建議。各執行董事均可享底薪，底薪會按年檢討。另外，各執行董事可按董事會的建議收取酌定花紅，酌定花紅須經薪酬及福利委員會審批。

本公司已於二零一零年十月二十五日採納購股權計劃。購股權計劃旨在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出貢獻之鼓勵或獎勵，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。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES *(Continued)*

Nominating and Corporate Governance Committee

Composition

The Company established a nominating and corporate governance committee (the “Nominating & CG Committee”) on 25 October 2010 with written terms of reference. The primary duties of the nominating & CG Committee are to review the structure, size and composition of the Board on a regular basis and to recommend to the Board the suitable candidates for Directors after consideration of the nominees’ independence and quality in order to ensure fairness and transparency of all nominations, and to monitor the conduct of corporate governance by the Company in compliance with the CG Code. The Nominating & CG Committee consists of three members, namely Mr. Chi Shaolin, an executive Director Mr. Shu Wa Tung, Laurence and Mr. Song Lizhong (both an independent non-executive Director). Mr. Chi Shaolin currently serves as the chairman of the Nominating & CG Committee.

As the Company was listed on 16 November 2010, the Nominating & CG Committee did not conduct any meeting during the year ended 31 December 2010.

董事委員會 *(續)*

提名及企業管治委員會

組成

本公司的提名及企業管治委員會(「提名及企業管治委員會」)乃於二零一零年十月二十五日成立，並設有書面職權範圍。提名及企業管治委員會的主要職責乃定期檢討董事會的架構、規模及組成，並在考慮提名人的獨立性及質素後向董事會推薦合適的董事候選人，以確保所有提名公平及具透明度，並監督本公司遵照企業管治守則進行企業管治。提名及企業管治委員會由三名成員組成，包括遲少林先生(執行董事)、舒華東先生及宋立眾先生(二人均為獨立非執行董事)組成，而遲少林先生目前擔任提名及企業管治委員會主席。

由於本公司於二零一零年十一月十六日上市，故提名及企業管治委員會於截至二零一零年十二月三十一日止年度並無召開任何會議。

Corporate Governance Report

企業管治報告

FINANCIAL REPORTING

The Board, supported by the chief financial officer and the finance department, is responsible for the preparation of the Group's financial statements for each financial year which shall give a true and fair view of the financial position, performance and cash flow of the Group for that period. In preparing the financial statements for the year ended 31 December 2010, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The responsibilities of Deloitte Touche Tohmatsu, the Company's external auditors, on the financial statements are set out in the section headed "Independent Auditors' Report" in this report.

External Auditor's Remuneration

During the year ended 31 December 2010, the fees paid or payable to the Company's external auditor, Deloitte Touche Tohmatsu, in respect of their audit and non-audit services were as follows:

Type of Services	服務類別	RMB'000 人民幣千元
Initial public offering	首次公開發售	4.583
Statutory audit services	法定核數服務	1.850
Total	總計	6.433

財務呈報

董事會在財務總監及財務部門的支持下負責編製本集團每個財政年度的財務報表，該等財務報表公平及公正地反映本集團於該期間的財務狀況、表現及現金流量。編製截至二零一零年十二月三十一日止年度的財務報表時，董事會已選取適用會計政策並貫徹使用，並審慎、公允而合理地作出判斷及估計，以及按持續經營基準編製財務報表。董事有責任作出一切合理而必須的步驟，保護本集團的資產，並且防止及偵查欺詐及其他不正常情況。董事會並不知悉任何有關可能對本集團按持續基準繼續經營的能力構成重大疑問的事件或情況的任何重大不明朗因素。

本公司的外聘核數師德勤•關黃陳方會計師行就財務報表之責任載於本報告「獨立核數師報告」一節。

外聘核數師酬金

於截至二零一零年十二月三十一日止年度，就核數及非核數服務已付或應付本公司外聘核數師德勤•關黃陳方會計師行的費用如下：

Corporate Governance Report

企業管治報告

INTERNAL CONTROLS

The Board acknowledges its responsibility for ensuring the reliabilities and effectiveness of the Group's internal control systems on, among other things, financial, operational and compliance controls. The Company has prepared an internal control report, covering all material controls, including financial and operation for the year ended 31 December 2010. Subsequent to the date of this report, the Company will engage an independent professional body to conduct an annual review of the effectiveness of the internal control systems of the Group. The said internal control report compiled by the Company has to be brought to the attention of the Board and the Audit Committee and concluded that the Group operate satisfactorily and has fully complied with provisions of the CG Code regarding internal control systems in general for the year ended 31 December 2010.

INVESTORS AND SHAREHOLDERS RELATIONS

The Board recognizes the importance of maintaining clear, timely and effective communication with Shareholders and investors. The Board also recognizes that effective communication with investors is the key to establish investor confidence and to attract new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure that the investors and the Shareholders receiving accurate, clear, comprehensive and timely information of the Group by the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all corporate correspondence on the Company's website at <http://www.hong-lin.com.cn>. The Board continues to maintain regular dialogues with institutional investors and analysts from time to time to keep them informed of the Group's strategy, operations, management and plans. The Directors and the members of the Board committees would attend and are available to answer questions at annual general meetings of the Company. Separate resolutions would be proposed at general meetings of the Company on each substantially separate issue.

內部監控

董事會知悉其須對確保本集團對財務、營運及合規控制的內部監控制度的可信性及成效負責。本公司已於截至二零一零年十二月三十一日止年度制定內部監控報告，當中涉及一切重大監控環節，包括財務及營運。本年報日期後，本公司將委聘獨立專業機構對本集團內部監控制度的成效進行年度檢討。上述由本公司制定的內部監控報告須呈交董事會及審核委員會。該報告指出本集團營運理想，且於截至二零一零年十二月三十一日止年度，就內部控制系統而言，本公司整體上已全面遵守企業管治守則之條文。

投資者及股東關係

董事會認同與股東及投資者保持清晰、及時而有效的溝通的重要性。董事會亦認同與投資者進行有效溝通是建立投資者信心及吸引新投資者的關鍵所在。因此，本集團致力保持高透明度，確保投資者及股東通過刊發年報、中期報告、公告及通函得到準確、清晰、完整而及時的本集團資料，而本公司亦在公司網站 <http://www.hong-lin.com.cn> 刊發全部企業文件。董事會持續與機構投資者及分析員保持定期溝通，不時讓彼等得悉本集團的策略、營運、管理及計劃。董事及董事委員會成員應出席並在本公司的股東週年大會解答問題。各重大議題須以獨立決議案方式於本公司股東大會上提呈。

Corporate Governance Report

企業管治報告

Shareholders' Right

The Company shall adhere to the amendments to the Listing Rules effective from 1 January 2009 such that all votes of the Shareholders at general meetings will be taken by poll. The results of voting by poll will be declared at the meeting and published on the websites of the Stock Exchange and the Company respectively.

Shareholders may put forward their proposals or inquiries to the Board by sending their written request to the Company's correspondence address in Hong Kong.

股東權利

本公司須遵守二零零九年一月一日起生效的上市規則修訂，股東於股東大會的所有投票須以點票方式表決。投票結果將於大會上宣佈，並將分別在聯交所及本公司的網站上公佈。

股東可將書面要求發送至本公司在香港的通訊地址，藉此向董事會提交建議或諮詢。

Independent Auditor's Report

獨立核數師報告

TO THE MEMBERS OF HL TECHNOLOGY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of HL Technology Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 103 to 200, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

致泓淋科技集團有限公司各股東

(於開曼群島註冊成立之有限公司)

吾等已審核第103至200頁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」)的綜合財務報表，當中載有於二零一零年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合全面收益表、綜合權益變動表、綜合現金流量變動表，以及主要會計政策概要及其他說明資料。

董事就綜合財務報表之責任

貴公司董事須負責根據國際會計準則理事會所頒佈的國際財務報告準則及香港公司條例披露規定編製及真實而公平地呈列此等綜合財務報表，且有關內部監控對董事編製綜合財務報表而言乃屬必要，以確保其並無由於欺詐或錯誤而導致的重大錯誤陳述。

核數師之責任

吾等之責任是作為一個團體根據雙方協定的聘用條款，基於吾等審核之結果，就該等綜合財務報表發表意見，並僅向閣下提供意見，且並無其他目的。吾等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。吾等已根據香港會計師公會頒佈之香港審計準則進行審核。該等準則要求吾等遵守道德規範，計劃及執行審核工作，以合理確定該等綜合財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the Group's state of affairs as at 31 December 2010, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

11 March 2011

審核涉及執执行程序以獲取有關財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估或由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。於作出該等風險評估時，核數師考慮公司編製真實而公平地反映之綜合財務報表相關之內部監控，以設計適當之審核程序，但並非旨在就公司之內部監控之效能發表意見。審核亦包括評估所採用之會計政策之合適性及董事所作出之會計估計之合理性，以及就綜合財務報表之整體呈列方式作出評估。

吾等相信，吾等所獲得之審核憑證是充足及恰當地為吾等之審核意見提供基礎。

意見

吾等認為，該等財務報表已根據國際財務報告準則真實而公平地反映 貴集團於二零一零年十二月三十一日的財務狀況，及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零一一年三月十一日

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		NOTES 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Revenue	收益	7	1,413,960	872,396
Cost of sales	銷售成本		(1,088,346)	(674,422)
Gross profit	毛利		325,614	197,974
Other gains and losses	其他收益及虧損	8	(2,579)	8,273
Distribution and selling expenses	分銷及銷售開支		(27,233)	(20,480)
Administrative and general expenses	行政及一般開支		(72,525)	(47,978)
Research and development expenses	研發開支		(30,932)	(27,278)
Finance costs	融資成本	9	(19,090)	(13,924)
Profit before taxation	除稅前溢利	10	173,255	96,587
Income tax expenses	所得稅開支	12	(18,234)	(8,090)
Profit for the year	年度溢利		155,021	88,497
Other comprehensive income, net of income tax	其他全面收益， 扣除所得稅			
Exchange difference on translating foreign operations	換算外國業務之 匯兌差額		742	—
Total comprehensive income for the year	年度全面收益總額		155,763	88,497
Profit attributable to:	以下各方應佔溢利：			
— Owners of the Company	— 本公司擁有人		152,670	88,265
— Non-controlling interests	— 非控制權益		2,351	232
			155,021	88,497
Total comprehensive income attributable to:	以下各方應佔 全面收益總額：			
— Owners of the Company	— 本公司擁有人		153,412	88,265
— Non-controlling interests	— 非控制權益		2,351	232
			155,763	88,497
Earnings per share	每股盈利			
— Basic (RMB cents)	— 基本（人民幣分）	14	27.5	16.9

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2010
於二零一零年十二月三十一日

		NOTES 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	448,875	308,576
Prepaid lease payments	預付租金	16	30,108	16,544
Intangible assets	無形資產	17	9,672	5,821
Deferred tax assets	遞延稅項資產	18	2,716	3,904
Interest in an associate	於聯營公司的權益	19	—	—
			491,371	334,845
CURRENT ASSETS	流動資產			
Inventories	存貨	20	178,541	115,594
Trade and other receivables	貿易及其他應收款項	21	725,544	423,521
Prepaid lease payments	預付租金	16	642	360
Restricted bank balances	受限制銀行結餘	22	424,714	41,471
Bank balances and cash	銀行結餘及現金	23	160,408	73,744
			1,489,849	654,690
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	24	384,569	302,007
Other financial liabilities	其他金融負債	25	1,879	—
Income tax liabilities	所得稅負債		8,195	7,139
Bank borrowings	銀行借貸	26	663,106	353,439
			1,057,749	662,585
NET CURRENT ASSETS (LIABILITIES)	流動資產（負債）淨額		432,100	(7,895)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		923,471	326,950
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	27	97,401	60,943
Reserves	儲備		812,487	255,615
Equity attributable to owners of the Company	本公司擁有人應佔權益		909,888	316,558
Non-controlling interests	非控制權益		13,583	10,392
TOTAL EQUITY	總權益		923,471	326,950

The consolidated financial statements on page 103 to 200 were approved and authorized for issue by the board of directors on 11 March 2011 and are signed on its behalf by:

Chi Shaolin
遲少林
DIRECTOR
董事

第103頁至第200頁的綜合財務報表乃經董事會於二零一一年三月十一日批准及授權刊發，並由以下人士代表簽署：

Li Jianming
李建明
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

Attributable to owners of the Company
本公司擁有人應佔

		Share capital	Share premium	Special reserve	Share awards reserve	Other reserve	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 2009	於二零零九年一月一日	60,943	33,236	74,394	(23,333)	4,466	20,656	—	50,784	221,146	—	221,146
Profit and total comprehensive income for the year	年度溢利及全面收益總額	—	—	—	—	—	—	—	88,265	88,265	232	88,497
Capital contribution from non-controlling interests of subsidiaries	附屬公司非控制權益注資	—	—	—	—	—	—	—	—	—	10,160	10,160
Recognition of equity-settled share-based payments (see note 28)	確認以權益結算的股份支付的款項 (見附註 28)	—	—	—	7,147	—	—	—	—	7,147	—	7,147
Transfer	轉撥	—	—	—	—	—	12,389	—	(12,389)	—	—	—
As at 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日	60,943	33,236	74,394	(16,186)	4,466	33,045	—	126,660	316,558	10,392	326,950
Profit for the year	年度溢利	—	—	—	—	—	—	—	152,670	152,670	2,351	155,021
Other comprehensive income for the year	年度其他全面收益	—	—	—	—	—	—	742	—	742	—	742
Total comprehensive income for the year	年度全面收益總額	—	—	—	—	—	—	742	152,670	153,412	2,351	155,763
Capital contribution from owners of the Company	本公司擁有人注資	1,951	32,189	—	—	—	—	—	—	34,140	—	34,140
Capital contribution from non-controlling interests of subsidiaries	附屬公司非控制權益注資	—	—	—	—	—	—	—	—	—	840	840
Recognition of equity-settled share-based payments (see note 28)	確認以權益結算的股份支付的款項 (見附註28)	—	—	—	7,147	—	—	—	—	7,147	—	7,147
Capitalization Issue (as defined in note 27 (b) (ii))	資本化發行 (定義見附註27(b)(ii))	10,588	(10,588)	—	—	—	—	—	—	—	—	—
Issue of new shares upon the listing of the Company's shares	本公司股份上市時發行新股	23,919	405,505	—	—	—	—	—	—	429,424	—	429,424
Transaction costs attributable to issue of new shares	發行新股應佔交易成本	—	(30,793)	—	—	—	—	—	—	(30,793)	—	(30,793)
Transfer	轉撥	—	—	—	—	—	11,179	—	(11,179)	—	—	—
As at 31 December 2010	於二零一零年十二月三十一日	97,401	429,549	74,394	(9,039)	4,466	44,224	742	268,151	909,888	13,583	923,471

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 (as defined in note 1).

(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.

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集團重組所收購附屬公司實繳資本總金額的差額(定義見附註1)。

(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。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前溢利	173,255	96,587
Adjustments for:	就下列各項之調整：		
Finance costs	融資成本	19,090	13,924
Interest income	利息收入	(436)	(455)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	35,748	28,192
Amortization of intangible assets	無形資產攤銷	1,563	674
Release of prepaid lease payments	預付租金轉撥	537	360
(Gains) losses on disposals of property, plant and equipment and prepaid lease payments	出售物業、廠房及設備及預付租金(收益)虧損	(355)	614
Changes in fair value of derivative financial instruments	衍生金融工具公平值變動	5,805	(3,029)
Gain on disposal of technology know-how	出售專業技術的收益	—	(4,500)
(Reversal of) allowances for trade and other receivables — net	貿易及其他應收款項(撥回)撥備 — 淨額	(193)	7
(Reversal of) write-down of inventories	存貨(撥回)撇減	(3,893)	1,334
Exchange gains relating to bank borrowings	有關銀行貸款的匯兌收益	(7,119)	(33)
Share-based payments	以股份支付的費用	7,147	7,147
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	231,149	140,822
Increase in trade and other receivables	貿易及其他應收款項增加	(312,230)	(92,070)
Increase in inventories	存貨增加	(59,054)	(1,619)
Increase (decrease) in trade and other payables	貿易及其他應付款項增加(減少)	65,588	(28,384)
Settlement of derivative financial instruments	衍生金融工具結算	(3,926)	2,109
Cash (used in) generated from operations	經營(所用)所得現金	(78,473)	20,858
Income taxes paid	已付所得稅	(15,990)	(6,369)
Interest paid	已付利息	(20,076)	(14,019)
NET (USED IN) CASH FROM OPERATING ACTIVITIES	經營活動(所用)所得現金淨額	(114,539)	470

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Increase in restricted bank balances	受限制銀行結餘增加	(383,243)	(6,495)
Purchase of property, plant and equipment	購買物業、廠房及設備	(171,432)	(74,564)
Purchase of prepaid lease payments	購買預付租金	(15,480)	—
Purchase of intangible assets	購買無形資產	(6,735)	(2,466)
Proceeds on disposals of property, plant and equipment and prepaid lease payments	出售物業、廠房及設備所得款項及預付租金	15,197	756
Proceeds on disposal of Dongguan Electronic (as defined in note 21)	出售東莞電子所得款項(定義見附註21)	10,000	7,319
Interest received	已收利息	436	455
Proceeds from disposals of intangible assets	出售無形資產所得款項	1,321	—
Proceeds on disposal of technology know-how	出售專業技術所得款項	—	4,500
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(549,936)	(70,495)
FINANCING ACTIVITIES	融資活動		
New borrowings raised	所募集的新借貸	1,215,971	544,359
Issue of new shares upon the listing of the Company's shares	本公司股份上市時發行新股	429,424	—
Capital contribution from owners of the Company	本公司擁有人的注資	34,140	—
Capital contribution of subsidiaries	附屬公司的注資	840	10,160
Repayments of borrowings	償還借貸	(898,443)	(434,163)
Transaction costs attributable to issue of new shares	發行新股應佔交易成本	(30,793)	—
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	751,139	120,356
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨值	86,664	50,331
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	73,744	23,413
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	年終現金及現金等價物，(指銀行結餘及現金)	160,408	73,744

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL AND BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

HL Technology Group Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 16 November 2007.

The address of the registered office of the Company is Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman KY1-1112, Cayman Islands. The principal place of business of the Company is Suite 06-12, 33/F., Shui On Centre, Nos. 6-8 Harbour Road, Wanchai, Hong Kong.

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

The Company acts as an investment holding company and is also engaged in the sales of signal cable assembly, power cord assembly, wire and cable products and connectors. The Group is mainly engaged in the manufacture and sales of signal cable assembly, power cord assembly, wire and cable products and connectors. The principal activities of the subsidiaries of the Company are set out in note 34.

Pursuant to the group reorganization (the “Group Reorganization”) to rationalize the structure of the Group in preparation for the listing of the Company’s shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Company became the holding company of the Group on 30 January 2008 and details of which are set out in the prospectus dated 3 November 2010 issued by the Company (the “Prospectus”).

1. 一般資料及綜合財務報表呈列基準

泓淋科技集團有限公司(「本公司」)為於二零零七年十一月十六日在開曼群島註冊成立的有限責任公司。

本公司註冊辦事處的地址為Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman KY1-1112, Cayman Islands。本公司主要營業地點為香港灣仔港灣道6-8號瑞安中心33樓06-12室。

本集團的綜合財務報表以人民幣(「人民幣」)呈列。人民幣為本公司主要附屬公司經營所在主要經濟環境的貨幣(即本公司及其主要附屬公司的功能貨幣)。

本公司作為一間投資控股公司，亦從事信號線組件、電源線組件、線纜產品及連接器的銷售。本集團主要從事信號線組件、電源線組件、線纜產品及連接器的製造及銷售。本公司附屬公司之主要業務載於附註34。

根據本集團為籌備本公司股份於香港聯合交易所有限公司(「聯交所」)上市而精簡本集團架構所進行的集團重組(「集團重組」)，本公司於二零零八年一月三十日成為本集團的控股公司，有關詳情載於由本公司發行的日期為二零一零年十一月三日的招股章程(「招股章程」)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL AND BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The shares of the Company have been listed on the Main Board of the Stock Exchange since 16 November 2010 (the "Listing").

2. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations issued by the IASB:

IFRSs (Amendments)	Amendments to IFRS 5 as part of Improvements to IFRSs issued in 2008
IFRSs (Amendments)	Improvements to IFRSs issued in 2009
IAS 27 (Revised)	Consolidated and Separate Financial Statements
IAS 39 (Amendment)	Eligible hedged Items
IFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
IFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
IFRS 3 (Revised)	Business Combinations
IFRIC-INT 17	Distributions of Non-cash Assets to Owners

The application of the above new and revised Standards and Interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

1. 一般資料及綜合財務報表呈列基準(續)

本公司股份已自二零一零年十一月十六日起在聯交所主板上市(「上市」)。

2. 應用國際財務報告準則(「國際財務報告準則」)

於本年度，本集團已採用以下由國際會計準則理事會頒佈的新訂及經修訂準則、修訂及詮釋：

國際財務報告準則(修訂本)	國際財務報告準則第5號之修訂為二零零八年頒佈之國際財務報告準則之改進的一部分
國際財務報告準則(修訂本)	二零零九年頒佈之國際財務報告準則之改進
國際會計準則第27號(經修訂)	綜合及獨立財務報表
國際會計準則第39號(修訂本)	合資格對沖項目
國際財務報告準則第1號(修訂本)	首次採納者之額外豁免
國際財務報告準則第2號(修訂本)	集團之現金結算股份付款交易
國際財務報告準則第3號(經修訂)	業務合併
國際財務報告詮釋委員會一詮釋第17號	向所有者分派非現金資產

於本年度應用以上的新訂及經修訂準則及詮釋並未對於該等綜合財務報表內呈報之有關款項及或載於該等綜合財務報表之有關披露造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

The Group has not early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

IFRSs (Amendments)	Improvements to IFRSs 2010 ¹
IFRS 1 (Amendments)	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters ²
IFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ³
IFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets ³
IFRS 9	Financial Instruments ⁴
IAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ⁵
IAS 24 (Revised)	Related Party Disclosures ⁶
IAS 32 (Amendments)	Classification of Rights Issues ⁷
IFRIC 14 (Amendments)	Prepayments of a Minimum Funding Requirement ⁶
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments ²

- ¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
- ² Effective for annual periods beginning on or after 1 July 2010
- ³ Effective for annual periods beginning on or after 1 July 2011
- ⁴ Effective for annual periods beginning on or after 1 January 2013
- ⁵ Effective for annual periods beginning on or after 1 January 2012
- ⁶ Effective for annual periods beginning on or after 1 January 2011
- ⁷ Effective for annual periods beginning on or after 1 February 2010

2. 應用國際財務報告準則 (「國際財務報告準則」) (續)

本集團並無提早採用以下已頒佈但尚未生效的新訂及經修訂準則、修訂或詮釋：

國際財務報告準則(修訂本)	二零一零年國際財務報告準則之改進 ¹
國際財務報告準則第1號(修訂本)	首次採納者就國際財務報告準則第7號披露的比較資料所獲的有限豁免 ²
國際財務報告準則第1號(修訂本)	嚴重高通脹及剔除首次採納者之固定日期 ³
國際財務報告準則第7號(修訂本)	披露 — 轉讓金融資產 ³
國際財務報告準則第9號	金融工具 ⁴
國際會計準則第12號(修訂本)	遞延稅：收回相關資產 ⁵
國際會計準則第24號(經修訂)	關連人士披露 ⁶
國際會計準則第32號(修訂本)	供股的分類 ⁷
國際財務報告詮釋委員會第14號(修訂本)	最低資金要求預付款 ⁶
國際財務報告詮釋委員會第19號	以權益工具抵銷財務負債 ²

- ¹ 於二零一零年七月一日及二零一一年一月一日(如適用)或以後開始的年度期間生效
- ² 於二零一零年七月一日或以後開始的年度期間生效
- ³ 於二零一一年七月一日或以後開始的年度期間生效
- ⁴ 於二零一三年一月一日或以後開始的年度期間生效
- ⁵ 於二零一二年一月一日或以後開始的年度期間生效
- ⁶ 於二零一一年一月一日或以後開始的年度期間生效
- ⁷ 於二零一零年二月一日或以後開始的年度期間生效

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

IFRS 9 “Financial Instruments” introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognized financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” to be measured at either amortized cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows; and (ii) have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are generally measured at amortized cost. All other debt investments and equity investments are measured at fair value.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specially, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liabilities that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of change in the fair value of the financial liability designated as at fair value through profit or loss is presented in profit or loss.

The directors of the Company anticipate that the application of other new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

2. 應用國際財務報告準則 (續)

國際財務報告準則第9號「金融工具」就財務資產的分類及計量引進了新的要求，將自二零一三年一月一日起生效，可提早採納。該準則規定，在國際會計準則第39號「金融工具：確認及計量」範圍內的所有已確認金融資產將按攤銷成本或公平值計量。尤其是，(i)在業務模式（其目的是收取合約現金流）內持有的及(ii)已擁有合約現金流（僅為本金付款及尚未償還本金的利息付款）的債務工具一般按攤銷成本計量。所有其他債務工具及股權投資均按公平值計量。

就金融負債而言，重大變動與按公平值計入損益的金融負債有關。尤其是，根據國際財務報告準則第9號，就按公平值計入損益的金融負債而言，因該等金融負債的信貨風險變動而產生的金融負債的公平值變動金額乃於其他全面收益中呈列，除非於其他全面收益中呈列該負債信貨風險的變動影響會造成或擴大損益中的會計錯配。因金融負債的信貨風險而產生的公平值變動隨後並未重新分類至損益。根據國際會計準則第39號，按公平值計入損益的金融負債的公平值變動總額乃於損益中呈列。

本公司董事預期應用其他新訂或經修訂準則及詮釋將不會對本集團的業績及財務狀況產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

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

All significant intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are presented separately from the equity of the owners of the Company.

3. 重大會計政策概要

綜合財務報表按歷史成本編製(惟若干財務工具以公平值計量除外)，詳情載於以下會計政策。

綜合財務報表已根據國際會計準則理事會頒佈的國際財務報告準則(「國際財務報告準則」)而編製。另外，綜合財務報表包括聯交所證券上市規則及香港公司條例規定的適用披露。

綜合基準

綜合財務報表包括本公司及本公司所控制實體(其附屬公司)的綜合財務報表。當本公司有權支配實體的財務及經營政策並從其業務中獲益時，即視為擁有該實體的控制權。

於年內收購或出售的附屬公司業績自收購生效日期起及直至出售生效日期止(視情況而定)在綜合全面收益表入賬。

附屬公司的財務報表於必要時會作出調整，致令所採用的會計政策與本集團其他成員公司所採用者一致。

所有集團內公司間的重大交易、結餘、收入及開支於綜合賬目時對銷。

於附屬公司的非控制權益與本公司擁有人的權益分開呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocation of total comprehensive income to non-controlling interests

Starting from 1 January 2010, total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control over the subsidiary

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

3. 重大會計政策概要(續)

將全面收益總額分配至非控制權益

自二零一零年一月一日開始，即使會導致非控制權益出現赤字餘額，附屬公司全面收支總額仍歸入本公司擁有人及非控制權益。

二零一零年一月一日之前，非控制權益應佔虧損超出非控制權益於附屬公司所持股權之差額，將對應本集團權益作出分配，惟非控制權益有具約束力責任且有能力作出額外投資以填補虧損則除外。

本集團於現有附屬公司的所有權變動

本集團於附屬公司所有權的變動並無導致本集團失去附屬公司控制權

倘本集團於附屬公司所有權的變動並無導致本集團對附屬公司失去控制權，則會作為股本交易入賬。本集團的權益及非控制權益的賬面值會調整以反映彼等於附屬公司的有關權益變動。經調整的非控股權益金額與已付或已收代價的公平值間的任何差額直接於權益中確認並歸屬於本公司的擁有人。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

Changes in the Group's ownership interest in a subsidiary that result in the Group losing control over the subsidiary

On or after 1 January 2010

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings at the date when control is lost). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Prior to 1 January 2010

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between the consideration received and the carrying amount of the share of net assets disposed of.

3. 重大會計政策概要 (續)

本集團於現有附屬公司的所有權變動 (續)

本集團於附屬公司所有權的變動導致本集團失去附屬公司控制權

二零一零年一月一日或之後

當本集團失去附屬公司控制權時，出售損益按(i)已收代價的公平值及失去控制權之日釐定的任何保留權益公平值的總額與(ii)附屬公司先前的資產(包括商譽)及負債和任何非控制權益賬面值的差額計算。倘附屬公司的若干資產按重估金額或公平值計量，且相關累計損益已於其他全面收益表確認並於權益累計，則之前於其他全面收益表確認並於權益累計的金額猶如本公司已直接出售有關資產(即於失去控制權之日重新分類至損益或直接轉撥至保留盈利)入賬。根據國際會計準則第39號「金融工具：確認及計量」，於失去控制權之日在前附屬公司保留的任何投資公平值視為首次確認公平值或(如適用)聯營公司或共同控制實體投資的首次確認成本，以供日後入賬處理。

二零一零年一月一日之前

當本集團對附屬公司失去控制權，出售損益按已收代價與應佔所售資產淨值賬面值之間的差額計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. An additional share of losses is provided for and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Revenue recognition

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

3. 重大會計政策概要(續)

於聯營公司的權益

聯營公司乃投資者對其有重大影響力之實體，但既非附屬公司亦非合營企業權益。重大影響力指有權參與被投資公司財務及經營政策的決定，但對該等政策並無任何控制權或共同控制權。

聯營公司的業績及資產與負債運用權益會計法納入該等綜合財務報表。根據權益會計法，於聯營公司之投資乃以成本(已就收購後本集團應佔聯營公司資產淨值的變更作出調整)減任何已識別減值虧損計入綜合財務狀況表。倘本集團應佔聯營公司虧損相等或超出其於該聯營公司的權益(包括實質上屬於本集團於聯營公司淨投資一部分之任何長期權益)，則本集團終止確認額外所佔虧損。本集團會就額外所佔虧損作出撥備，惟僅在本集團須承擔已產生的法定或推定責任或須代聯營公司支付有關款項時方會確認為負債。

倘集團實體與本集團聯營公司交易，僅會按本集團佔相關聯營公司權益的程度對銷盈虧。

收益確認

收益按已收或應收代價的公平值計量，乃指於一般業務過程中銷售商品的應收款項，並扣除折扣及相關銷售稅。

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綜合財務報表附註

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截至二零一零年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from sale of goods is recognized when goods are delivered and legal title is passed.

Service income is recognized when the services are provided.

Interest income from a financial asset, other than a financial asset at fair value through profit or loss, is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

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

The Group as lessee

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

3. 重大會計政策概要 (續)

收益確認 (續)

商品銷售收益於商品付運及所有權轉移時確認。

服務收入於提供服務時確認。

金融資產的利息收入(按公平值計入損益的金融資產除外)參照未償還本金額及適用的實際利率按時間基準累計，適用的實際利率指將金融資產於整個預計年期內的估計日後現金收入實際折現至該資產首次確認時之賬面淨值的利率。

租賃

凡租賃條款將所有權的絕大部分風險及回報轉移至承租人的租賃，均列作融資租賃。所有其他租賃則列作經營租賃。

本集團作為承租人

經營租賃的租金乃於有關租賃的租期內按直線法確認為開支。作為訂立經營租賃獎勵的已收及應收利益乃於租期內按直線法確認為租金開支減少。

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截至二零一零年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally classified as finance lease. To the extent the allocation of the lease payments can be made reliably, leasehold land is classified as finance leases if substantially all the risk and rewards incidental to ownership of the land element is transferred to the Group. In other cases, leasehold land is classified as operating leases.

Foreign currencies

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

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

3. 重大會計政策概要(續)

租賃(續)

租賃土地及樓宇

為進行租賃分類，土地及樓宇租賃中的土地及樓宇部分視為相互獨立，除非土地及樓宇部分之間不能可靠分配租金，在此情況下，整個租賃一般分類為融資租賃。在能夠可靠分配租金的情況下，倘土地所有權附帶的絕大部分風險及回報轉移至本集團，則租賃土地分類為融資租賃。在其他情況下，租賃土地分類為經營租賃。

外幣

編製各集團實體的財務報表時，以非該實體功能貨幣(外幣)進行的交易須按交易當日的匯率以各自的功能貨幣(即該實體經營所在主要經濟環境的貨幣)列賬。於各報告期末，以外幣計值的貨幣項目均按結算日當日的匯率重新換算。以外幣計值按歷史成本計量的非貨幣項目則毋須重新換算。

因結算及重新換算貨幣項目而產生的匯兌差額均於產生期間於損益內確認。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

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

Taxation

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

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

3. 重大會計政策概要 (續)

外幣 (續)

為呈列綜合財務報表，本集團國外業務的資產及負債按報告期末的匯率換算成本集團的呈列貨幣（即人民幣），而收支則按期內平均匯率換算。所產生匯兌差額（如有）確認為其他全面收益並於股權累計（換算儲備）。

稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期應付稅項乃根據年內的應課稅溢利計算。由於應課稅溢利不包括須於其他年度應課稅或可扣稅的收入或開支項目，亦不包括毋須課稅或不可扣稅項目，故應課稅溢利與綜合全面收益表內列賬的溢利不同。本集團的即期稅項負債乃採用於各報告期末已實施或實質上已實施的稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

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

3. 重大會計政策概要(續)

稅項(續)

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用的相應稅基之間的暫時差額確認。所有應課稅暫時差額一般均確認為遞延稅項負債。倘可能出現應課稅溢利可用作抵銷所有可扣減暫時差額，則一般確認為遞延稅項資產。若因商譽或首次確認一項交易(業務合併除外)之其他資產與負債而產生並無影響應課稅溢利或會計溢利的暫時差額，則不會確認該等資產與負債。

遞延稅項負債按於附屬公司及聯營公司投資的相關應課稅暫時差額確認，惟本集團可控制有關暫時差額撥回且在可見將來可能不會撥回有關暫時差額除外。與該投資相關的可扣減暫時差額所產生的遞延稅項資產，僅於有足夠應課稅溢利可抵銷暫時差額且預期暫時差額會於可見將來撥回時確認。

於各報告期末均會檢討遞延稅項資產的賬面值，並扣減至不可能再有足夠應課稅溢利以收回全部或部分資產為止。

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綜合財務報表附註

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截至二零一零年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognized in profit or loss, except when it relates to items that are recognized in other comprehensive income or directly to equity, in which case the deferred tax is also recognized in other comprehensive income or directly in equity respectively.

Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

3. 重大會計政策概要 (續)

稅項 (續)

遞延稅項資產及負債基於各報告期末已頒佈或實質上已頒佈的稅率(及稅法)按償還負債或變現資產期間的預期適用稅率計算。遞延稅項負債及資產的計量反映本集團預期於各報告期末收回或結算資產及負債賬面值的方式產生的稅務結果。遞延稅項於損益確認，惟若與其他全面收益或直接於權益確認的項目相關者，則亦分別於其他全面收益表或直接於權益確認。

借貸成本

收購、建造或生產未完成資產(即需要長時間方可作其擬定用途或供銷售的資產)直接應佔的借貸成本，將加入該等資產的成本，直至有關資產大致可用於其擬定用途或可供銷售。

未完成資產有待支銷的特定借貸暫時投資所賺取的投資收入，自符合資本化條件的借貸成本中扣除。

所有其他借貸成本均於其產生期間於損益確認。

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綜合財務報表附註

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截至二零一零年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Government grants not related to depreciable assets are recognized as revenue over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

Retirement benefit costs

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

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment, other than construction in progress, over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

3. 重大會計政策概要(續)

政府補貼

政府補貼於本集團擬使用補貼補償的相關成本確認為開支的期間有系統地在損益確認。與折舊資產無關的政府補貼有系統地於擬補償成本的相關期間確認為收益。作為已產生開支或虧損的補償或作為給予本集團即時財務資助而無日後相關成本的應收政府補貼於可收取期間在損益確認。

退休福利成本

向國家所管理的退休福利計劃支付的款項於僱員提供服務而可享有該等供款時作為開支扣除。

物業、廠房及設備

物業、廠房及設備(在建工程除外)以成本減其後累計折舊及累計減值虧損列賬。

折舊乃經計及估計剩餘價值，於物業、廠房及設備(在建工程除外)的估計可使用年期以直線法撇銷成本。

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綜合財務報表附註

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截至二零一零年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in profit or loss in the period in which the item is derecognized.

Prepaid lease payments

Prepaid lease payments represent payments for leasehold land and are released over the lease terms on a straight-line basis. Prepaid lease payments which are to be released in the next twelve months or less are classified as current assets.

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on non-current assets below).

3. 重大會計政策概要 (續)

物業、廠房及設備 (續)

在建工程包括用於生產或自用的在建物業、廠房及設備。在建工程按成本減任何已確認減值虧損列賬。在建工程於完成及可用作擬定用途時分類為物業、廠房及設備的適當類別。該等資產的折舊基準與其他物業資產相同，即於資產達致擬定用途時開始計提。

於出售物業、廠房及設備項目或預期繼續使用有關資產不會產生未來經濟利益時，終止確認物業、廠房及設備項目。終止確認資產而產生的任何損益（即出售有關項目所得款項淨額與該項目賬面值之間的差額）於終止確認項目期間於損益確認。

預付租金

預付租金指為租賃土地支付的款項，於租期內以直線法轉撥。於未來十二個月或較短期間內轉撥的預付租金分類為流動資產。

無形資產

獨立收購的無形資產

獨立收購且可使用年期有限的無形資產按成本減累計攤銷及任何累計減值虧損列賬。可使用年期有限的無形資產攤銷於其估計可使用年期以直線法計提撥備。相反，無限定可使用年期的無形資產按成本扣除任何其後累計減值虧損列賬（見下文有關非流動資產減值虧損的會計政策）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

Intangible assets acquired separately (Continued)

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposed proceeds and the carrying amount of the asset and are recognized in profit or loss in the period when the asset is derecognized.

Research and development expenditure

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

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

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

3. 重大會計政策概要 (續)

無形資產 (續)

獨立收購的無形資產 (續)

終止確認無形資產所產生的損益按出售所得款項淨額與資產賬面值的差額計量，並於終止確認資產期間於損益確認。

研發開支

研究活動的開支於其產生期間確認為開支。

僅當下列所有事項已獲證實，方會確認開發（或內部項目的開發階段）所產生的內部產生無形資產：

- 在技術上可完成無形資產以供使用或出售。
- 有意完成無形資產及使用或出售資產。
- 有能力使用或出售無形資產。
- 無形資產可能產生未來經濟利益的方式。
- 有足夠技術、財務及其他資源完成開發及使用或出售無形資產。
- 可於開發期間可靠計算無形資產應佔開支的能力。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

Research and development expenditure (Continued)

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Impairment of non-current assets other than financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

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

3. 重大會計政策概要 (續)

無形資產 (續)

研發開支 (續)

就內部產生的無形資產而初步確認的金額指從無形資產首次符合上文所列確認條件日期以來所產生的開支總和。倘並無內部產生的無形資產可確認，則開發開支會於產生期間於損益確認。

初步確認之後，內部產生的無形資產乃按成本減累計攤銷及累計減值虧損（如有），並按與獨立收購的無形資產相同的基準計量。

非流動資產（金融資產除外）的減值

於報告期末，本集團均會審閱非流動資產之賬面值，以釐定此等資產有否出現減值跡象。倘有任何減值虧損跡象出現，將會評估有關資產之可收回金額，藉以釐定減值虧損（如有）之程度。倘若有關資產之可收回金額估計低於其賬面值，則該資產之賬面值會減至可收回金額。減值虧損即時確認為開支。

倘減值虧損其後撥回，則該資產之賬面值會增加至經修訂估計可收回金額，惟增加後的賬面值不得超出倘以往年度並無就該項資產確認減值虧損而應有的賬面值。減值虧損撥回即時確認為收入。

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綜合財務報表附註

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截至二零一零年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average method.

Financial instruments

Financial assets and financial liabilities are recognized in the consolidated statements of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the two categories, including financial assets at fair value through profit or loss ("FVTPL") and loans and receivables.

Effective interest method

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

3. 重大會計政策概要(續)

存貨

存貨按成本及可變現淨值兩者的較低者入賬。成本按加權平均法計算。

金融工具

當集團實體成為工具合約條文的訂約方時，於綜合財務狀況表確認金融資產及金融負債。金融資產及金融負債初步按公平值計量。因收購或發行金融資產及金融負債(按公平值計入損益的金融資產及金融負債除外)而直接產生的交易成本於首次確認時於該項金融資產或金融負債的公平值中計入或扣除(如適用)。收購按公平值計入損益的金融資產或金融負債而直接應佔的交易成本會即時於損益確認。

金融資產

本集團的金融資產分類為按公平值計入損益(「按公平值計入損益」)的金融資產與貸款及應收款項兩類中的一類。

實際利息法

實際利息法為計算金融資產於有關期間已攤銷成本以及分配利息收入之方法。實際利率指將金融資產於整個預計可使用年期或(倘適用)較短期間內的估計未來現金收入(包括屬於實際利率一部分的所有已付或已收費用、交易成本及其他溢價或折讓)實際折算至首次確認之賬面淨值的利率。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method (Continued)

Interest income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in other gains and losses.

Financial assets at fair value through profit or loss

Financial assets at FVTPL of the Group comprise financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial assets.

3. 重大會計政策概要 (續)

金融工具 (續)

金融資產 (續)

實際利息法 (續)

債務工具(分類為按公平值計入損益的金融資產除外)的利息收入按實際利息基準確認，而按公平值計入損益的金融資產的利息收入則計入其他收益及虧損。

按公平值計入損益的金融資產

本集團按公平值計入損益的金融資產包括持作買賣的金融資產。

符合以下條件的金融資產分類為持作買賣：

- 購入之主要目的為於短期內出售；或
- 屬於本集團集中管理的已識別財務工具組合一部分，且近期有短期獲利的實際趨勢；或
- 並非指定及實際作為對沖工具的衍生工具。

按公平值計入損益的金融資產以公平值計量，重新計量產生的公平值變動在產生期間直接在損益確認。於損益確認之盈虧淨額包括該金融資產所賺取之任何股息或利息。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

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

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been impacted.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

3. 重大會計政策概要 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款之非衍生金融資產，該等資產於活躍市場上並無報價。初次確認後，貸款及應收款項(包括貿易及其他應收款項、受限制銀行結餘以及銀行結餘及現金)乃使用實際利息法按攤銷成本減任何已識別減值虧損列賬(見下文有關金融資產減值虧損的會計政策)。

金融資產減值

金融資產(按公平值計入損益的金融資產除外)會於各報告期末評定是否有減值跡象。當有客觀證據顯示金融資產之預期未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時，該金融資產視為已減值。

所有金融資產的減值客觀證據可包括：

- 發行人或對方出現重大財政困難；或
- 未能繳付或延遲償還利息或本金；或
- 借款人有可能破產或進行財務重組。

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截至二零一零年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

For financial assets carried at amortized cost, an impairment loss is recognized in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

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

3. 重大會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

對於若干類別之金融資產(例如貿易及其他應收款項)，並無個別評估為減值之資產其後將一併進行減值評估。應收款項組合減值之客觀證據可包括本集團的收款經驗、組合內超過客戶平均信貸期的延遲還款宗數增加及有關拖欠應收款項之全國或當地經濟情況的顯著變動。

就按攤銷成本計量的金融資產而言，如果有客觀證據表明資產減值，則減值虧損會於損益中確認，並按資產賬面值與按原實際利率對估計未來現金流量貼現後的現值兩者之間的差額計量。

所有金融資產之減值虧損會直接自金融資產之賬面值扣減，惟貿易及其他應收款項則除外，其賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益確認。當貿易及其他應收款項視為不可收回時，其將於撥備賬內撇銷。於其後收回的已撇銷款項將計入損益。

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For the year ended 31 December 2010
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognized on an effective interest basis other than those financial liabilities classified as at FVTPL, of which the interest expense is included in net gains or losses.

3. 重大會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就按攤銷成本計量的金融資產而言，倘於其後期間其減值虧損之金額減少，而該減少可以客觀地與確認減值虧損後發生之一項事件有關，則先前已確認之減值虧損透過損益撥回，惟該資產撥回減值當日之賬面值不得超過該資產於未確認減值時之攤銷成本。

金融負債及股權工具

集團實體發行之金融負債及股權工具乃根據所訂立合約安排之主旨與金融負債及股權工具之定義分類。

股權工具乃證明本集團於扣減其所有負債後之資產中擁有剩餘權益之任何合約。本集團的金融負債一般分為按公平值計入損益的金融負債與其他金融負債。

實際利息法

實際利息法為計算金融負債於有關期間之攤銷成本以及分配利息支出之方法。實際利率指將金融負債於預計可使用年期或（如適用）較短期間內的估計未來現金付款實際折算的利率。

利息開支按實際利息基準確認，而分類為按公平值計入損益的金融負債的利息開支計入損益淨額。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL of the Group comprise financial liabilities held for trading.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss includes any interest paid on the financial liabilities.

Other financial liabilities

Other financial liabilities (including bank borrowings and trade and other payables) are subsequently measured at amortized cost, using the effective interest method.

Equity instruments

Equity instruments issued by a group entity are recorded at the proceeds received, net of direct issue costs.

3. 重大會計政策概要 (續)

金融工具 (續)

金融負債及股權工具 (續)

按公平值計入損益的金融負債

本集團按公平值計入損益的金融負債包括持作買賣的金融負債。

符合以下條件的金融負債分類為持作買賣：

- 產生之主要目的為於短期內購回；或
- 屬於本集團集中管理的已識別金融工具組合的一部分，且近期有短期獲利的實際趨勢；或
- 並非指定及實際作為對沖工具的衍生工具。

按公平值計入損益之金融負債按公平值計量，重新計量時產生的公平值變動在產生期間直接在損益確認。於損益表確認之損益淨額包括該金融負債之任何已付利息。

其他金融負債

其他金融負債（包括銀行借貸與貿易及其他應付款項）隨後使用實際利息法按攤銷成本計量。

股權工具

集團實體發行之股權工具按已收取所得款項（扣除直接發行成本）入賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derivative financial instruments

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. If the Group retains substantially all the risks and rewards of the ownership of a transferred asset, the Group continues to recognize the financial asset and recognize a collateralized borrowing for proceeds received.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amounts of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3. 重大會計政策概要 (續)

金融工具 (續)

衍生金融工具

衍生工具按公平值於衍生工具合約訂立當日首次確認，其後於各報告期末重新計量至其公平值。所引致之盈虧即時於損益確認，除非衍生工具指定及實際作為對沖工具，則於損益確認的時間取決於對沖關係的性質。

終止確認

若從資產收取現金流之權利到期，或金融資產已轉讓且本集團已將所持金融資產所有權之絕大部分風險及回報轉移，則終止確認金融資產。終止確認金融資產時，資產賬面值與已收及應收代價總和之差額於損益確認。倘本集團保留已轉讓資產的絕大部分風險及回報，則本集團將繼續確認金融資產並就已收取款項確認有抵押借貸。

金融負債於有關合約所訂明責任解除、取消或屆滿時終止確認。終止確認的金融負債賬面值與已付及應付代價之差額於損益確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share based payment transactions

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of equity instruments granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share awards reserve).

At the end of the reporting period, the Group revises its estimates of the number of equity instruments that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognized in profit or loss, with at corresponding adjustment to share awards reserve.

4. KEY SOURCES OF ESTIMATION

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3. 重大會計政策概要 (續)

股份支付之交易

以權益結算股份支付之交易

已收取服務之公平值乃經參考於授出日期已授出股權工具之公平值後釐定，乃按直線法於歸屬期內支銷，並會在股權(股份獎勵儲備)中作出相應增加。

於本報告期末，本集團修訂其對預期將最終歸屬之股本工具數目估計。修訂歸屬期間估計之影響(如有)乃於損益確認，並會在股份獎勵儲備中作出相應調整。

4. 估計之主要來源

本公司董事於應用附註3所述之本集團會計政策時須就無法直接通過其他來源獲得之資產及負債賬面值作出判斷、估計及假設。估計及相關假設是基於歷史經驗及視為相關之其他因素。實際結果可能與該等估計存在差異。

本集團持續檢討估計及相關假設。如會計估計之修訂僅對修訂期間產生影響，則其影響僅在修訂期間確認；如會計估計之修訂對當期及未來期間均產生影響，則相關影響將在修訂期間和未來期間進行確認。

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4. KEY SOURCES OF ESTIMATION

(Continued)

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

(a) Estimated impairment of inventories

The Group assesses periodically if the inventories have been suffered from any impairment in accordance with the accounting policy stated in note 3. The amount of the impairment loss is measured as the difference between inventories' cost and net realizable values.

The identification of impairment of inventories requires the use of judgment and estimates of expected net realizable value. Where the actual net realizable value is different from the original estimate, a material impairment loss may arise. As at 31 December 2010, the directors of the Company are satisfied that this risk is minimal and no allowance for obsolete and slow moving inventories was recognized (2009: the carrying amounts of inventories are approximately RMB115,594,000, net of inventory write-down of approximately RMB3,893,000).

4. 估計之主要來源 (續)

於本報告期末，估計不確定性之主要來源（具有相當風險導致下個財政年度之資產及負債賬面值出現重大調整）如下。

(a) 存貨的估計減值

本集團會定時根據附註3所載的會計政策評估存貨是否已經出現任何減值。減值虧損的金額按存貨成本與可變現淨值之間的差額計算。

辨別存貨減值須對預計可變現淨值運用判斷及估計。倘實際可變現淨值有別於原先估計，則可能產生重大減值虧損。於二零一零年十二月三十一日，本公司董事信納該風險甚微，且並未確認有關陳舊及低流動性的存貨撥備（二零零九年：存貨的賬面值約為人民幣115,594,000元，已扣除的存貨撇減約人民幣3,893,000元。）

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4. KEY SOURCES OF ESTIMATION

(Continued)

(b) Estimated impairment of trade and other receivables

As explained in note 3, trade and other receivables are initially measured at fair value, and are subsequently measured at amortized cost using the effective interest method less impairment. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

The Group does not require collateral or other security against its trade and other receivables. The Group performs ongoing evaluation of the financial conditions of the Group's trade and other receivables and when the balances would not be settled as expected, the Group would impair the balances and make necessary provision for such trade and other receivables.

4. 估計之主要來源(續)

(b) 貿易及其他應收款項的估計減值

如附註3所載，貿易及其他應收款項初步按公平值計量，其後按實際利息法以攤銷成本扣除減值計量。倘有客觀證據顯示資產減值，則會對於損益中確認的估計不可收回款項作出適當撥備。減值虧損款項按資產賬面值及按金融資產原實際利率(即首次確認時計算的實際利率)貼現的估計日後現金流量現值(不包括並未涉及的未來信貸虧損)之間的差額計算。

本集團並未就其貿易及其他應收款項要求抵押或其他擔保。本集團持續評估貿易及其他應收款項的財務狀況，且當結餘不能按預期結算時，會扣減相關貿易及其他應收款項的結餘並作出必要撥備。

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4. KEY SOURCES OF ESTIMATION

(Continued)

(c) Estimated impairment of trade and other receivables

The identification of bad and doubtful debts on trade and other receivables requires the use of judgment and estimates of expected future cash flows. Where the actual future cash flows are less than expected, a material impairment loss may arise. The directors of the Company are satisfied that this risk is minimal and adequate allowance for doubtful debts was provided during the two years ended 31 December 2010. As at 31 December 2010, the carrying amounts of trade and other receivables are approximately RMB725,544,000, net of allowances for doubtful debts of approximately RMB1,308,000 (2009: the carrying amounts of trade and other receivables are approximately RMB423,521,000, net of allowances for doubtful debts of approximately RMB3,347,000).

(d) Useful life and residual value of property, plant and equipment

The management determines the residual value, useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual residual value and useful lives of property, plant and equipment of similar nature and functions and may vary significantly as a result of technical innovation and keen competition from competitors, resulting in higher depreciation charge and/or write-off or write-down of technically obsolete assets when residual value or useful lives are less than previously estimated.

4. 估計之主要來源 (續)

(c) 貿易及其他應收款項的估計減值

辨別貿易及其他應收款項的呆壞賬需要對預計未來現金流量運用判斷及估計。倘實際日後現金流量少於預期，則可能產生重大減值虧損。本公司董事信納該風險甚微，且已就截至二零一零年十二月三十一日止兩個年度期間的呆壞賬計提足夠的撥備。於二零一零年十二月三十一日，貿易及其他應收款項的賬面值約為人民幣725,544,000元（已分別扣除呆賬撥備約人民幣1,308,000元）（二零零九年：貿易及其他應收款項的賬面值約為人民幣423,521,000元（已扣除呆賬撥備約人民幣3,347,000元））。

(d) 物業、廠房及設備的可使用年期及剩餘價值

管理層釐定其物業、廠房及設備的剩餘價值、可使用年期及有關折舊費用。有關估計乃根據過往對性質及功能相若的物業、廠房及設備的實際剩餘價值及可使用年期的估計經驗而進行，可能會因技術創新及競爭對手的激烈競爭而出現重大變動，倘剩餘價值或可使用年期低於預先估計，會導致折舊開支增加及／或需撇銷或撇減技術陳舊資產。

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which included borrowings and net of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through new share issues as well as raising of new borrowings or the repayment of existing borrowings.

5. 資本風險管理

本集團管理資本旨在確保集團實體可持續經營，並透過維持債務與股權的最佳平衡而為股東提供最大回報。本集團的整體策略與上一年度保持不變。

本集團的資本架構包括債務淨額（包括借貸扣除現金及現金等價物）和本公司股權持有人應佔股權（包括已發行股本、儲備及保留溢利）。

本公司董事定期檢討資本架構。本集團會考慮資本成本及各類資本相關的風險，亦透過發行新股及舉借新的借貸或償還現有借貸平衡本集團整體資本架構。

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

6. 金融工具

(a) 金融工具類別

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Financial assets	金融資產		
— Loan and receivables (including cash and cash equivalents)	— 貸款及應收款項 (包括現金及現金 等價物)	1,257,392	502,389
Financial liabilities	金融負債		
— Liabilities measured at amortized cost	— 按攤銷成本計算 的負債	1,034,514	642,761
— Other financial liabilities (derivative financial instruments)	— 其他金融負債 (衍生金融工具)	1,879	—
		1,036,393	642,761

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, trade and other payables, borrowings, derivative financial instruments, bank balances and cash. Details of these financial instruments are disclosed in respective notes.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's overall strategy remains unchanged from prior year.

(c) Market risk

The Group's activities expose it primarily to the market risks including interest rate risk (see note 6 (c) (i) below), foreign currency risk (see note 6 (c) (ii) below) and commodity price risk (see note 6 (c) (iii) below).

There has been no change to the Group's exposures to these market risks or the manner in which it manages and measures the risks from prior year.

6. 金融工具 (續)

(b) 金融風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、貿易及其他應付款項、借貸、衍生金融工具、銀行結餘及現金。該等金融工具詳情於相關附註披露。

與該等金融工具有關的風險及關於如何減輕該等風險的政策載於下文。

本公司董事管理及監察該等風險，確保及時且有效地採取適當措施。本集團的整體策略與上一年度保持不變。

(c) 市場風險

本集團業務主要面對的市場風險包括利率風險(見下文附註6(c)(i))、外匯風險(見下文附註6(c)(ii))及商品價格風險(見下文附註6(c)(iii))。

本集團所面臨的該等市場風險或其管理及計量風險的方法與上一年度比較概無任何變動。

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6. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(i) Interest rate risk management

The Group's fair value interest rate risk relates primarily to its fixed rates bank borrowings and pledged deposits. The Group is also exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities, mainly restricted bank balances, bank balances and cash and bank borrowings which carried at prevailing market interest rates. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimize the fair value interest rate risk. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the directors of the Company will consider hedging significant interest rate risk should the need arise.

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing bank balances and variable rates bank borrowings at the end of each reporting period and assumed that the amount of assets and liabilities outstanding at the end of each reporting period was outstanding for the whole year.

6. 金融工具(續)

(c) 市場風險(續)

(i) 利率風險管理

本集團的公平值利率風險主要涉及定息銀行借貸及已抵押存款。本集團亦因計息金融資產及負債(主要為受限制銀行結餘、銀行結餘及現金和按當時市場利率計息的銀行借貸)利率變動的影響而面對現金流量利率風險。本集團政策為持有按浮動利率計息的借貸以盡量減少公平值利率風險。本集團目前並無使用任何衍生合約以對沖其利率風險。然而，本公司董事將於需要時考慮對沖重大利率風險。

以下敏感度分析乃按照各報告期末計息銀行結餘及浮息銀行借貸所面對的利率風險而釐定，並假設於各報告期末未償還資產及負債的金額於整個年度均未償還。

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6. FINANCIAL INSTRUMENTS

(c) Market risk (Continued)

(i) Interest rate risk management (Continued)

If interest rates on bank balances had been 5 basis points higher/lower, interest rates on variable rate bank borrowings had been 50 basis points higher/lower and all other variables were held constant, the potential effect on post-tax profit is as follows:

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Decrease in post-tax profit for the year	(114)	(174)

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposures do not reflect the exposure during the year.

(ii) Foreign currency risk management

Foreign currency risk is the risk that the holding of foreign currency assets and liabilities will affect the Group's position as a result of a change in foreign currency exchanges rates. Certain trade and other receivables, restricted bank balances, bank balances and cash, trade and other payables and bank borrowings of the Group are denominated in foreign currencies, which details are set out in respective notes, expose the Group to foreign currency risk.

6. 金融工具 (續)

(c) 市場風險 (續)

(i) 利率風險管理 (續)

倘銀行結餘適用的利率上升／下降5個基點、浮息銀行借貸的利率上升／下降50個基點而所有其他變數維持不變，則對稅後溢利的潛在影響如下：

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Decrease in post-tax profit for the year	(114)	(174)

本公司董事認為，由於年末風險並不反映年內的風險，故此敏感度分析並不反映內在利率風險。

(ii) 外幣風險管理

外幣風險指由於外幣匯率變動導致持有外幣資產及負債將影響本集團狀況的風險。本集團若干貿易及其他應收款項、受限制銀行結餘、銀行結餘及現金、貿易及其他應付款項及銀行借貸以外幣計值（詳情載於相關附註），使本集團面對外幣風險。

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6. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(ii) Foreign currency risk management (Continued)

The Group currently has entered into foreign currency forward contracts, however they do not qualify for hedge accounting, therefore, they are deemed as financial assets or financial liabilities held for trading. The particulars of the outstanding foreign currency forward contracts as at the end of the reporting period are disclosed in note 25 (a).

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

6. 金融工具(續)

(c) 市場風險(續)

(ii) 外幣風險管理(續)

本集團現已訂立外幣遠期合約，然而，該等合約不合資格用於對沖會計法，因此，該等合約被視為持作買賣的金融資產或金融負債。有關於報告期末尚未履行的外幣遠期合約的詳情於附註25 (a)披露。

本集團於報告期末以外幣計值的貨幣資產及貨幣負債的賬面值如下：

		Assets 資產		Liabilities 負債	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
United States Dollars ("USD")	美元（「美元」）	279,967	220,537	575,747	97,579
Taiwan Dollars ("TWD")	新台幣（「新台幣」）	7,099	—	129	—
Hong Kong Dollars ("HKD")	港元（「港元」）	8	—	—	—
		287,074	220,537	575,876	97,579

The Group is mainly exposed to the currency of the USD, HKD and TWD.

本集團主要面對美元、港元及新台幣貨幣風險。

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For the year ended 31 December 2010
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6. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(ii) Foreign currency risk management (Continued)

The following table details the Group's sensitivity to a 10 percent increase in RMB against USD, HKD and TWD which represents the management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis of the Group's includes:

- (i) outstanding foreign currency denominated monetary items and adjusts their translation for a 10 percent change in foreign currency rates at the end of the reporting period; and
- (ii) outstanding foreign currency forward contracts and adjusts for a 10 percent change in foreign currency rates at the end of the reporting period.

The Group had entered into certain foreign exchange forward contracts to mitigate its foreign currency exposure. The particulars of the outstanding foreign exchange forward contracts as at the end of the reporting period are disclosed in note 25.

6. 金融工具 (續)

(c) 市場風險 (續)

(ii) 外幣風險管理 (續)

下表詳列本集團就人民幣兌美元、港元或新台幣匯率升值10%的敏感度，代表管理層對外匯率的合理潛在變動作出的評估。本集團敏感度分析包括：

- (i) 以外幣計值的尚未支付貨幣項目，並於報告期末以外幣匯率之10%變動調整其換算；及
- (ii) 未履行的外幣遠期合約，並於報告期末以外幣匯率之10%變動調整其換算。

本集團已訂立若干外匯遠期合約以減輕其外幣風險。於報告日末尚未履行的外匯遠期合約詳情於附註25披露。

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6. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(ii) Foreign currency risk management (Continued)

A negative number below indicates a decrease in post-tax profit where RMB strengthen 10% against the relevant foreign currencies.

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Post-tax profit would decrease by 稅後溢利將減少	(1,214)	(11,263)

For a 10% weakening of the RMB against the relevant foreign currencies, there would be an equal and opposite impact on the post-tax profit/loss, and the balances above would be positive.

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposures do not reflect the exposure during the year.

(iii) Commodity price risk

The Group's commodity price risk is mainly the exposure to fluctuations in the prevailing market price of copper which are the major raw materials purchased by the Group and the details of which are set out in note 25 (b).

6. 金融工具(續)

(c) 市場風險(續)

(ii) 外幣風險管理(續)

以下負數表示倘人民幣兌相關外幣升值10%稅後溢利減少金額。

人民幣兌相關外幣貶值10%，則對稅後溢利／虧損有同等的相反影響，上文的結餘將為正數。

本公司董事認為，由於年末的風險並不反映年內風險，故此敏感度分析並不反映內在外匯風險。

(iii) 商品價格風險

本集團商品價格風險主要為本集團所採購主要原料銅的現行市價波動風險，有關詳情載於附註25(b)。

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6. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(ii) Commodity price risk (Continued)

The sensitivity analysis below has been determined based on the Group's exposure to copper price risks arising from derivative financial instruments outstanding at the end of each reporting period. It is based on the assumption that there would be a 5% change in copper forward contract prices with all other variables held constant.

If the copper forward purchase contract price had been 5% higher:

Increase in post-tax profit for the year	年內稅後溢利增加
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If the copper forward contract price had been 5% lower, there would be an equal and opposite impact on the post-tax profit.

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent commodity price risk as the year end exposures do not reflect the exposure during the year.

6. 金融工具 (續)

(c) 市場風險 (續)

(iii) 商品價格風險 (續)

下文敏感度分析乃根據本集團因於各報告期末未償還衍生金融工具而面對的銅價格風險而釐定。分析乃假設銅的遠期合約價格增減5%而所有其他變量維持不變而作出。

倘銅的遠期採購合約價格上升5%：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
10	—

倘銅的遠期合約價格下降5%，則對稅後溢利將有同等的相反影響。

本公司董事認為，由於年末的風險並不反映年內風險，故此敏感度分析並不反映內在商品價格風險。

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6. FINANCIAL INSTRUMENTS (Continued)

(d) Credit risk management

As at 31 December 2010, the Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognized financial assets is the carrying amounts of those assets as stated in the respective consolidated statement of financial position.

In order to minimize the credit risk, the directors of the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the directors of the Company review the recoverability of each trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

As at 31 December 2010, the Group has concentration of credit risk as the Group's trade receivables of approximately RMB163,773,000 (2009: RMB102,238,000), representing 31% (2009: 35%) of total trade receivables, respectively, were derived from five major customers. In order to minimize the credit risk, the directors of the Company continuously monitor the level of exposure to ensure that follow up actions and/or corrective actions are taken promptly to lower exposure or even to recover the overdue debts. The Group has no significant concentration of credit risk on the remaining trade receivables, with exposure spread over a number of counterparties and customers.

6. 金融工具 (續)

(d) 信貸風險管理

於二零一零年十二月三十一日，倘交易對手未能履行其責任，則本集團就各類已確認金融資產而面對的最大信貸風險，為綜合財務狀況表所列該等資產的賬面值。

為盡量降低信貸風險，本公司董事已委派一組人員專責釐定信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期債務。此外，於各報告期末，本公司董事會檢討各貿易債項的可收回性，以確保能就不可收回金額作出足夠的減值虧損。就此而言，本公司董事認為本集團的信貸風險已大大降低。

於二零一零年十二月三十一日，本集團的信貸風險集中，乃因本集團貿易應收款項約人民幣163,773,000元（二零零九年：人民幣102,238,000元）（分別佔貿易應收款項總額的31%（二零零九年：35%），乃來自五大客戶。為盡量減輕信貸風險，本公司董事持續監控風險水平，以確保即時採取跟進及／或矯正措施，以減輕風險甚至收回逾期債務。由於風險分散於多名交易對手及訂約方，故本集團餘下貿易應收款項並無重大的集中信貸風險。

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截至二零一零年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(d) Credit risk management (Continued)

The Group has concentration of credit risk on liquid funds which are deposited mainly with several banks in the PRC. However, the credit risk on bank balances is limited because the majority of the counterparties are banks with good reputation assigned by international credit-rating agencies.

(e) Liquidity risk management

Ultimate responsibility for liquidity risk rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. The liquidity analysis for the Group's derivative financial instruments is prepared based on the contractual maturities as the management considers that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

6. 金融工具 (續)

(d) 信貸風險管理 (續)

本集團主要存放於中國數間銀行的流動資金的信貸風險集中。然而因為大部分交易對手為獲國際信貸評級代理授予良好聲譽的銀行，故銀行結餘的信貸風險屬有限。

(e) 流動資金風險管理

流動資金風險的最終責任由董事會承擔。董事會將為本集團的短期、中長期資金建立適當的流動資金風險管理框架以及流動資金管理規定。本集團透過維持適當儲備及持續監察預測及實際現金流量管理流動資金風險。

下表按協定償還條款詳列本集團非衍生金融負債的餘下合約年期。

該等表格根據本集團可被要求支付金融負債之最早日期當日之未貼現現金流量編製。該等表格包括利息及本金現金流。

此外，下表詳列本集團衍生金融工具的流動資金分析，乃基於以淨值結算的衍生工具未貼現合約現金淨值（流入量）及流出量編製。由於管理層認為合約年期對理解衍生工具現金流的時間至關重要，故本集團衍生金融工具的流動資金分析乃基於合約年期而編製。

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6. FINANCIAL INSTRUMENTS (Continued)

(e) Liquidity risk management (Continued)

6. 金融工具(續)

(e) 流動資金風險管理(續)

		Weighted average interest rate 加權 平均利率 %	Less than 3 months 少於 3個月 RMB'000 人民幣千元	3 months to 1 year 3個月 至1年 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流量總額 RMB'000 人民幣千元	Carrying amounts 賬面值 RMB'000 人民幣千元
As at 31 December 2010	於二零一零年 十二月三十一日					
<i>Non-derivative financial liabilities</i>	<i>非衍生金融負債</i>					
Trade and other payables	貿易及其他應付款項	—	259,239	112,169	371,408	371,408
Variable rates borrowings	浮息借貸	5.22	18,151	23,992	42,143	41,487
Fixed rates borrowings	定息借貸	2.88	124,774	508,884	633,658	621,619
			402,164	645,045	1,047,209	1,034,514
<i>Derivative financial instruments</i>	<i>衍生金融工具</i>					
Foreign currency exchange contracts	外匯合約	—	65	1,609	1,674	1,674
Commodity derivative contracts	商品衍生合約	—	205	—	205	205
			270	1,609	1,879	1,879
As at 31 December 2009	於二零零九年 十二月三十一日					
<i>Non-derivative financial liabilities</i>	<i>非衍生金融負債</i>					
Trade and other payables	貿易及其他應付款項	—	194,554	94,768	289,322	289,322
Variable rates borrowings	浮息借貸	4.57	6,217	40,326	46,543	45,264
Fixed rates borrowings	定息借貸	4.21	131,824	179,433	311,257	308,175
			332,595	314,527	647,122	642,761
<i>Derivative financial instruments</i>	<i>衍生金融工具</i>					
Foreign currency exchange contracts	外匯合約	—	—	—	—	—
Commodity derivative contracts	商品衍生合約	—	—	—	—	—
			—	—	—	—

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6. FINANCIAL INSTRUMENTS (Continued)

(e) Liquidity risk management (Continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(f) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

Fair value measurements recognized in the consolidated statements of financial position

The Group's financial instruments that are measured subsequent to initial recognition at fair value are grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

6. 金融工具 (續)

(e) 流動資金風險管理 (續)

倘浮息利率變動與於報告期末釐定之估計利率出現差異，計入上述非衍生金融負債的浮息工具之金額或會變動。

(f) 金融工具的公平值

金融資產及金融負債的公平值乃按下列方式釐定：

- 附帶標準條款及條件並於活躍流通市場買賣的金融資產及金融負債之公平值分別參考所報市場買入價及索價釐定；
- 其他金融資產及金融負債的公平值(不包括衍生工具)乃根據已貼現現金流分析按公認定價模式釐定；及
- 衍生工具的公平值採用報價計算。倘未獲提供相關報價，則應使用已貼現現金流量分析法，非期權衍生工具採用工具年期內適用的收益曲線，而期權衍生工具則採用期權定價模式。

綜合財務狀況表內確認的公平值計量

本集團於按公平值首次確認後予以計量的金融工具按公平值可觀察程度分為一至三級：

- 一級公平值計量指按同類資產或負債於活躍市場的報價(未經調整)計量；

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6. FINANCIAL INSTRUMENTS (Continued)

(f) Fair value of financial instruments (Continued)

Fair value measurements recognized in the consolidated statements of financial position (Continued)

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2010, the derivative financial liabilities with carrying values of approximately RMB205,000 (2009: nil) are Level 1 measurements.

As at 31 December 2010, the derivative financial liabilities with carrying values of approximately RMB1,674,000 (2009: nil) are Level 2 measurements.

There were no transfers between Level 1 and 2 during the two years ended 31 December 2010.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements approximate to their fair values at the end of the reporting period.

6. 金融工具(續)

(f) 金融工具的公平值(續)

綜合財務狀況表內確認的公平值計量(續)

- 二級公平值計量指按資產或負債的直接(即價格)或間接(即按價格計算者)可觀察參數(一級計量所用報價除外)計量；及
- 三級公平值計量指計入並非根據可觀察市場數據(不可觀察參數)的資產或負債的估值方法計量。

於二零一零年十二月三十一日，賬面值約為人民幣205,000元(二零零九年：無)的衍生金融負債屬一級計量。

於二零一零年十二月三十一日，賬面值約為人民幣1,674,000元(二零零九年：無)的衍生金融負債屬二級計量。

於截至二零一零年十二月三十一日止兩個年度，一級與二級之間並無轉移。

本公司董事認為綜合財務報表中以攤銷成本入賬的金融資產及金融負債賬面值與報告期末的公平值相若。

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7. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue represents the net amounts received and receivable for sales of goods sold to customers during the year.

(b) Segment information

The Group's chief operating decision maker has been identified as the chief executive officer of the Company who reviews the business as the following reportable segments by products:

- External signal cable assembly
- Internal signal cable assembly
- Power cord assembly
- Wire and cable
- Connectors
- Antennas
- Other products

The above segments have been identified on the basis of internal management reports prepared and regularly reviewed by the chief executive officer of the Company when making decisions about allocating resources and assessing performance of the Group.

7. 收益及分部資料

(a) 收益

收益指年內銷售予客戶的貨品之已收及應收款項淨額。

(b) 分部資料

本集團主要經營決策人已獲確認為本公司行政總裁，其根據下列按產品劃分的可報告分部查核業務：

- 外接信號線組件
- 內接信號線組件
- 電源線組件
- 線纜
- 連接器
- 天線
- 其他產品

上述分部由本公司行政總裁根據於決定資源分配及評估本集團表現時所編制及定期審核的內部管理報告予以識別。

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7. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

i. Information about reportable segment revenues, results, assets and liabilities

The following table sets forth a breakdown of the Group's revenue and results by reportable segment during the year:

		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 cord assembly 電源線組件 RMB'000 人民幣千元	Wire and cable 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	Other products 其他產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2010	截至二零一零年 十二月三十一日 止年度								
Segment revenue	分部收益	353,376	307,049	246,777	348,306	46,443	11,798	100,211	1,413,960
Segment results	分部業績	79,867	85,784	40,276	78,245	14,637	1,233	25,572	325,614
Year ended 31 December 2009	截至二零零九年 十二月三十一日 止年度								
Segment revenue	分部收益	322,490	126,630	170,156	172,069	36,145	—	44,906	872,396
Segment results	分部業績	74,229	32,308	31,769	46,056	9,871	—	3,741	197,974

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the two years ended 31 December 2010.

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 chief operating decision maker. However, the other gains and losses, distribution and selling expenses, administrative and general expenses, research and development expenses, finance costs and share of loss of an associate are not entirely allocated to each reportable segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

7. 收益及分部資料(續)

(b) 分部資料(續)

i. 有關可報告分部收益、業績、資產及負債的資料

下表列示本集團於年內按可報告分部劃分的收益及業績明細：

以上呈報的收益指來自外界客戶的收益。截至二零一零年十二月三十一日止兩個年度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，為主要經營決策人定期審閱的內部財務資料。然而，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、融資成本及應佔一間聯營公司虧損並非全部分配至各可報告分部。此乃供主要經營決策人分配資源及評估分部表現而向其報告的計量方法。

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7. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

i. Information about reportable segment revenues, results, assets and liabilities (Continued)

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

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Reportable segment results	可報告分部業績	325,614	197,974
Unallocated income and expenses:	未分配收入及開支：		
— Other gains and losses	— 其他收益及虧損	(2,579)	8,273
— Distribution and selling expenses	— 分銷及銷售開支	(27,233)	(20,480)
— Administrative and general expenses	— 行政及一般開支	(72,525)	(47,978)
— Research and development expenses	— 研發開支	(30,932)	(27,278)
— Finance costs	— 融資成本	(19,090)	(13,924)
Profit before taxation	稅前溢利	173,255	96,587
Income tax expenses	所得稅開支	(18,234)	(8,090)
Profit for the year	年內溢利	155,021	88,497

As no discrete information in respect of segment assets and liabilities and other information is for the assessment of performance and allocation of resources for different reportable segments and thus, other than reportable segment revenue and results as disclosed above, no analysis of segment assets and liabilities is presented.

7. 收益及分部資料(續)

(b) 分部資料(續)

i. 有關可報告分部收益、業績、資產及負債的資料(續)

可報告分部業績與本集團稅後溢利對賬如下：

由於並無有關分部資產及負債的個別資料及其他資料可用以評估於不同可報告分部的表現及資源分配，因此除上文所披露的可報告分部收益及業績外，並無呈列分部資產及負債分析。

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7. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

ii. Geographical information

The Group's products are produced from the production facilities located in the PRC. All of the Group's non-current assets are located in the PRC and thus, no geographical information has been presented.

The following table provides an analysis of the Group's revenue by geographical location of customers, irrespective of the origin of the goods:

7. 收益及分部資料(續)

(b) 分部資料(續)

ii. 地區資料

本集團產品在位於中國的生產設施生產。本集團所有非流動資產均位於中國，因此並無呈列地區資料。

下表為本集團按客戶地理位置劃分的收益分析(無論貨品原產地為何處)：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Analyzed by:	按以下地區劃分：		
China, excluding Hong Kong and Taiwan	中國(不包括香港及台灣)	929,603	643,096
Korea	韓國	210,913	115,827
Taiwan	台灣	178,883	4,704
Hong Kong	香港	25,664	53,924
Other countries and areas	其他國家及地區	68,897	54,845
		1,413,960	872,396

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7. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

iii. Information about major customers

The following table sets forth a breakdown of the Group's major customers individually accounted for over 10% of the Group's total revenue from the external signal cable assembly, internal signal cable assembly, power cord assembly, connectors and other products segments during the two years ended 31 December 2010:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
— Customer A	— 客戶甲	164,266	145,147
— Customer B	— 客戶乙	170,698	96,021

7. 收益及分部資料 (續)

(b) 分部資料 (續)

iii. 主要客戶資料

下表列示本集團於截至二零一零年十二月三十一日止兩個年度個別佔其總收益(來自外接信號線組件、內接信號線組件、電源線組件、連接器及其他產品分部)10%以上的主要客戶分析：

8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Interest income	利息收入	436	455
Government grants (note below)	政府補助 (附註如下)	5,267	1,360
Gains (losses) on disposals of property, plant and equipment	出售物業、廠房及設備收益 (虧損)	355	(614)
Net foreign exchange losses	滙兌虧損淨額	(2,832)	(457)
Gain on disposal of technology know-how	出售技術專利收益	—	4,500
Changes in fair value of derivative financial instruments	衍生金融工具公平值變動	(5,805)	3,029
		(2,579)	8,273

Note: The amounts mainly represent non-recurring government subsidies received from the finance bureau of Weihai Economic and Technological Development Zone and committee of Shandong Linyi Economic and Technological Development Zone as incentives for business and technological development of the Group.

附註：該等金額主要指已收取威海經濟技術開發區財政局及山東臨沂經濟技術開發區委員會作為本集團業務及技術開發獎勵的政府補貼。

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9. FINANCE COSTS

9. 融資成本

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Interest on borrowings wholly repayable within five years	須於五年內悉數償還的 借貸利息	20,076	14,019
Less: Amount capitalized in respect of cost of qualified assets	減：有關限定資產成本的 資本化金額	(986)	(95)
		19,090	13,924

During the year ended 31 December 2010, the capitalization rate on funds borrowed generally was from 5.10% to 6.84% (2009: 6.13%).

於截至二零一零年十二月三十一日止年度，所借貸資金的資本化率一般為5.10%至6.84%（二零零九年：6.13%）。

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10. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging (crediting):

10. 除稅前溢利

除稅前溢利已扣除(計入)以下各項：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
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	148,040	69,647
— Retirement benefit scheme contributions	— 退休福利計劃供款	2,944	4,754
— Share-based payments (see note 28)	— 以股份支付的款項（見附註28）	7,147	7,147
		158,131	81,548
Depreciation and amortization:	折舊及攤銷：		
— Property, plant and equipment	— 物業、廠房及設備	35,748	28,192
— Intangible assets (included in administrative and general expenses)	— 無形資產（計入行政及一般開支）	1,563	674
		37,311	28,866
Release of prepaid lease payments	預付租金釋放	537	360
Cost of inventories recognized as an expense (note below)	確認為開支的存貨成本（下文附註）	1,088,346	674,422
Auditors' remuneration	核數師酬金	2,409	3,726
(Reversal of) allowances for doubtful debts relating to:	與下列各項有關的呆賬撥回（撥備）：		
— trade receivables	— 貿易應收款項	(193)	347
— other receivables	— 其他應收款項	—	(340)
		(193)	7

Note: Included in the cost of inventories recognized as an expense is an amount of approximately RMB3,893,000 for the year ended 31 December 2010 related to the reversal of write-down of closing inventories (2009: write-down of inventories of approximately RMB1,334,000).

附註：確認為開支的存貨成本中包括截至二零一零年十二月三十一日止年度與撥回撇減年末存貨有關的金額約為人民幣3,893,000元（二零零九年：撇減存貨約人民幣1,334,000元）。

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11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

Details of the emoluments paid or payable to the directors of the Company are as follows:

11. 董事及僱員酬金

(a) 董事酬金

已付或應付本公司董事之酬金詳情如下：

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

	Director fees	Basic salaries and allowances	Retirement benefit scheme contributions	Share-based payments	Total
	董事袍金	基本薪金及津貼	退休福利計劃供款	以股份支付的款項	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors:					
— Mr. Chi Shaolin (“Mr. Chi”)	—	199	4	—	203
— Mr. Jiang Taike	—	144	4	—	148
— Mr. Li Jianming	—	165	4	197	366
— Mr. Tseng Chih-ming	—	237	8	—	245
— Mr. Sui Shikai	—	164	4	202	370
— Mr. Mao Wanjun	—	192	4	293	489
— Mr. Kang Jin Won	—	380	—	—	380
Non-executive directors:					
— Ms. Xu Yiming	—	147	—	—	147
— Mr. Du Li	—	—	—	—	—
— Mr. Wu Kezhong	—	—	—	—	—
Independent non-executive directors:					
— Mr. Shu Wa Tung, Laurence	—	28	—	—	28
— Mr. Song Lizhong	—	7	—	—	7
— Ms. Zheng Lin	—	7	—	—	7
	—	1,670	28	692	2,390

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11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

11. 董事及僱員酬金 (續)

(a) 董事酬金 (續)

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度				
		Director fees	Basic salaries and allowances 基本薪金及津貼	Retirement benefit scheme contributions 退休福利計劃供款	Share-based payments 以股份支付的款項	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
Executive directors:	執行董事：					
— Mr. Chi	— 遲先生	—	125	2	—	127
— Mr. Jiang Taike	— 蔣太科先生	—	160	2	—	162
— Mr. Li Jianming	— 李建明先生	—	92	2	191	285
— Mr. Tseng Chih-ming	— 曾志銘先生	—	44	—	—	44
— Mr. Sui Shikai	— 隋世凱先生	—	104	2	202	308
— Mr. Mao Wanjun	— 毛萬鈞先生	—	109	2	293	404
— Mr. Kang Jin Won	— 姜振遠先生	—	35	—	—	35
Non-executive directors:	非執行董事					
— Ms. Xu Yiming	— 徐藝銘女士	—	107	—	—	107
— Mr. Du Li	— 杜力先生	—	—	—	—	—
— Mr. Wu Kezhong	— 吳克忠先生	—	—	—	—	—
Independent non-executive directors:	獨立非執行董事：					
— Mr. Shu Wa Tung, Laurence	— 舒華東先生	—	—	—	—	—
— Mr. Song Lizhong	— 宋立眾先生	—	—	—	—	—
— Ms. Zheng Lin	— 鄭琳女士	—	—	—	—	—
		—	776	10	686	1,472

During the two years ended 31 December 2010, no remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any remuneration during the two years ended 31 December 2010.

於截至二零一零年十二月三十一日止兩個年度，本集團並無向本公司任何董事支付酬金作為吸引彼等加入本集團或於加入本集團時的獎勵或離職補償。於截至二零一零年十二月三十一日止兩個年度，概無董事放棄任何薪酬。

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11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, 4 (2009: 3) were directors of the Company for the year ended 31 December 2010, details of whose emoluments are included in the disclosures in note 11 (a) above.

The emoluments of the remaining individuals during the two years ended 31 December 2010 were as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	112	155
Retirement benefit scheme contributions	退休福利計劃供款	4	2
Share-based payments	以股份支付的款項	246	454
		362	611

During the two years ended 31 December 2010, the emoluments of the five highest paid individuals were within HKD1,000,000.

During the two years ended 31 December 2010, no remuneration was paid by the Group to the five individuals with the highest emoluments in the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

11. 董事及僱員酬金 (續)

(b) 僱員薪酬

截至二零一零年十二月三十一日止年度，本集團五位最高薪人士中，有四名(二零零九年：三名)為本公司董事，該等人士薪酬詳情載於上文附註11(a)中的披露。

截至二零一零年十二月三十一日止兩個年度其餘人士薪酬如下：

於截至二零一零年十二月三十一日止兩個年度，五位最高薪人士薪酬不超過1,000,000港元。

於截至二零一零年十二月三十一日止兩個年度，本集團並無向五位最高薪人士支付任何酬金，作為吸引彼等加入本集團或於加入本集團時的獎勵或離職補償。

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12. INCOME TAX EXPENSES

12. 所得稅開支

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Current tax	即期稅項		
— PRC Enterprise Income Tax ("EIT")	— 中國企業所得稅 (「企業所得稅」)	19,268	7,559
— Overprovision of EIT in prior years	— 過往年度企業所得稅 超額撥備	(2,222)	—
— Withholding tax paid	— 已付預提稅項	—	3,090
		17,046	10,649
Deferred tax	遞延稅項		
— Current year	— 本年度	1,014	(2,559)
— Attributable to a change in tax rate	— 因稅率變動而產生	174	—
		1,188	(2,559)
		18,234	8,090

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 year.

The statutory tax rate of 泓淋科技有限公司 (Honglin Technology Co., Ltd.*, "Honglin Technology"), a company established in Taiwan on 21 July 2010, was 17%. No provision for Taiwan income tax has been made as the company did not have any taxable income for the year.

The statutory tax rate of Hongxin International Limited ("Hongxin International"), a company established in Hong Kong on 22 February 2010, was 16.5%. No provision for Hong Kong Profits Tax as Hongxin International did not have any taxable income for the year.

因本集團於年內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。

泓淋科技有限公司(「泓淋科技」)(一間於二零一零年七月二十一日在台灣成立的公司)的法定稅率為17%。由於該公司於年內概無任何應課稅收入，故未就台灣所得稅作出任何撥備。

Hongxin International Limited(「Hongxin International」)(一間於二零一零年二月二十二日在香港成立的公司)的法定稅率為16.5%。由於Hongxin International於年內概無任何應課稅收入，故未作出任何香港利得稅撥備。

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For the year ended 31 December 2010
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12. INCOME TAX EXPENSES (Continued)

The applicable tax rates of the Company's PRC subsidiaries for the two years ended 31 December 2010 are as follows:

威海市泓淋電子有限公司 (Weihai Honglin Electronic Co., Ltd.*, "Weihai Electronic") is a production-oriented foreign investment enterprise which was established in the economic and technological development zone in Weihai on 27 November 1997.

On 16 March 2007, the National People's Congress promulgated the Law of the People's Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法》)(the "Enterprise Income Tax Law") by order No. 63 of the President of the PRC which is effective from 1 January 2008. On 6 December 2007, the State Council issued Implementation Regulation of the Enterprise Income Tax Law (the "Implementation Regulation"). Pursuant to the Enterprise Income Tax Law and Implementation Regulation, a single income tax rate of 25% was imposed for both domestic and foreign-invested enterprises.

With the implementation of Enterprise Income Tax Law and Implementation Regulation from 2008, a statutory tax rate of 25% was imposed to the company. As Weihai Electronic was recognized as a high technology enterprise and the company was entitled to a preferential tax rate of 15% for the year ended 31 December 2009 and 31 December 2010.

威海市泓淋電線電纜有限公司 (Weihai Honglin Wire & Cable Co., Ltd.*, "Weihai Cable") is a production-oriented foreign investment enterprise which is located in the economic and technological development zone in Weihai. The company was entitled to EIT exemption for years 2005 and 2006, followed by a 50% reduction for years from 2007 to 2009.

12. 所得稅開支(續)

於截至二零一零年十二月三十一日止兩個年度本公司中國附屬公司的適用稅率如下：

威海市泓淋電子有限公司(「威海電子」)為於一九九七年十一月二十七日在威海經濟技術開發區成立的一間生產型外資企業。

二零零七年三月十六日，全國人民代表大會通過中國國家主席令第63號頒佈《中華人民共和國企業所得稅法》(「企業所得稅法」)，該稅法自二零零八年一月一日起生效。二零零七年十二月六日，國務院頒佈新企業所得稅法實施條例(「實施條例」)。根據企業所得稅法及實施條例，國內企業及外資企業均按單一所得稅稅率25%繳稅。

由於企業所得稅法及實施條例於二零零八年實施，該公司按25%的法定稅率納稅。由於威海電子被確認為高科技企業，故該公司於截至二零零九年十二月三十一日及二零一零年十二月三十一日止年度可享受15%的優惠稅率。

威海市泓淋電線電纜有限公司(「威海電線」)是一間位於威海經濟技術開發區的生產型外資企業。該公司於二零零五年及二零零六年可享受企業所得稅豁免，隨後於二零零七年至二零零九年的稅項減半。

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12. INCOME TAX EXPENSES (Continued)

Pursuant to the “Notice on the Implementation of the State Council’s EIT Transitional Preferential Enterprise Income Tax Policies” (Caishui [2008] No. 21) issued by the Ministry of Finance and State Administration of Taxation (the “Circular 21”), as for the enterprises previously enjoying a 15% EIT rate, its applicable EIT rate would be 18%, 20% and 22% for years 2008, 2009 and 2010 respectively. Therefore, Weihai Cable was entitled to 50% reduction of EIT rates for the year ended 31 December 2009, i.e. 10%. As Weihai Cable was recognized as a high technology enterprise and the company was entitled to a preferential tax rate of 15% for the year ended 31 December 2010.

常熟泓淋電子有限公司 (Changshu Honglin Electronic Co., Ltd., “Changshu Electronic”) is a production-oriented foreign investment enterprise and is entitled to enjoy the EIT preferential tax policy of “2-year exemption and 3-year 50% reduction” from its first profit-making year.

Pursuant to the “Notice of the State Council on the Implementation of Transitional Preferential Enterprise Income Tax Policies” (Guofa [2007] No. 39) issued by the Ministry of Finance and State Administration of Taxation (the “Circular 39”), from 1 January 2008, preferential tax policies enjoyed by certain enterprises, such as the “2-year exemption and 3-year 50% reduction” policy and the “5-year exemption and 5-year 50% reduction” policy, shall be continued until expiry. For enterprises that had not yet commenced enjoying such preferential policies due to their not-profit making status, their first tax profit-making year would be deemed to commence from year 2008. Therefore, Changshu Electronic was exempted from EIT in 2008 and 2009 and is entitled to a 50% reduction in EIT from 2010 to 2012 based on the statutory EIT rate of 25%, i.e. nil and 12.5% for the year ended 31 December 2009 and 31 December 2010, respectively.

12. 所得稅開支(續)

根據財政部及國家稅務總局頒佈的「國務院關於實施企業所得稅過渡優惠政策的通知」(財稅[2008]第21號)(「第21號通知」)，過往享受15%企業所得稅率的企業於二零零八年、二零零九年及二零一零年的適用企業所得稅率分別為18%、20%及22%。因此，威海電線於截至二零零九年十二月三十一日止年度可享受50%的企業所得稅減免，即稅率10%。由於威海電線被確認為高科技企業，故於截至二零一零年十二月三十一日止年度可享受15%的優惠稅率。

常熟泓淋電子有限公司(「常熟電子」)為一間生產型外資企業，自其首個盈利年度享有「兩年豁免及三年減半」的企業所得稅優惠稅項政策。

根據財政部及國家稅務總局頒佈的「國務院關於實施企業所得稅過渡優惠政策的通知」(國發[2007]第39號)(「第39號通知」)，自二零零八年一月一日起，若干企業所享受的優惠稅項政策，例如「兩年豁免三年減半」政策及「五年豁免五年減半」政策，將繼續執行直至屆滿。就因仍未盈利而尚未享受該等優惠政策的企業而言，彼等賺取應課稅溢利的首個年度將視為從二零零八年開始。因此，常熟電子於二零零八年及二零零九年豁免繳納企業所得稅，並自二零一零年至二零一二年可在法定企業所得稅率25%的基礎上享受企業所得稅減半，即截至二零零九年十二月三十一日止年度及截至二零一零年十二月三十一日止年度的稅率分別為零及12.5%。

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12. INCOME TAX EXPENSES (Continued)

常熟泓淋電線電纜有限公司 (Changshu Honglin Wire & Cable Co. Ltd.*, “Changshu Cable”) is a production-oriented foreign investment enterprise and is entitled to the EIT preferential tax policy of “2-year exemption and 3-year 50% reduction” from its first profit-making year. Its applicable EIT rate was 33% and 25% respectively before and after 1 January 2008.

Pursuant to the Circular 39, Changshu Cable is entitled to EIT at a reduced rate of 12.5% from 2009 to 2011.

常熟泓淋連接技術有限公司 (Changshu Honglin Connecting-Technology Co., Ltd.*, “Changshu Connecting-Technology”) is a production-oriented foreign investment enterprise and is entitled to enjoy the EIT preferential tax policy of “2-year exemption and 3-year 50% reduction” from its first profit-making year. Its applicable EIT rate was 33% and 25% respectively before and after 1 January 2008.

Pursuant to the Circular 39, the company was exempted from EIT in year 2009 and is entitled to EIT at a reduced rate of 12.5% from 2010 to 2012.

德州泓淋電子有限公司 (Dezhou Honglin Electronic Co., Ltd.*, “Dezhou Electronic”) is a production-oriented foreign investment enterprise and is entitled to enjoy the EIT preferential tax policy of “2-year exemption and 3-year 50% reduction” from its first profit-making year. Its applicable EIT rate was 33% and 25% respectively before and after 1 January 2008.

Pursuant to the Circular 39, Dezhou Electronic is entitled to a 50% reduction in EIT from 2009 to 2011 based on the statutory EIT rate of 25%, i.e. 12.5% for the year ended 31 December 2009 and 31 December 2010.

12. 所得稅開支(續)

常熟泓淋電線電纜有限公司(「常熟電線」)為一間生產型外資企業，有權自其首個獲利年度起享受「兩年豁免三年減半」的企業所得稅優惠稅項政策。於二零零八年一月一日前及其後的適用企業所得稅率分別為33%及25%。

根據第39號通知，常熟電線於二零零九年至二零一一年可享受12.5%的減半稅率。

常熟泓淋連接技術有限公司(「常熟連接技術」)為一間生產型外資企業，並自首個盈利年度起享受「兩年豁免三年減半」的企業所得稅優惠稅項政策。於二零零八年一月一日前及其後的適用企業所得稅率分別為33%及25%。

根據第39號通知，該公司於二零零九年豁免繳納企業所得稅，並於二零一零年至二零一二年可享受12.5%的減半稅率。

德州泓淋電子有限公司(「德州電子」)為一間生產型外資企業，並自首個盈利年度起享受「兩年豁免三年減半」的企業所得稅優惠稅項政策。於二零零八年一月一日前及其後的適用企業所得稅率分別為33%及25%。

根據第39號通知，德州電子自二零零九年至二零一一年可在法定企業所得稅率25%的基礎上享受企業所得稅減半，即截至二零零九年十二月三十一日止年度及截至二零一零年十二月三十一日止年度的稅率均為12.5%。

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12. INCOME TAX EXPENSES (Continued)

武漢市泓淋電子有限公司 (Wuhan Honglin Electronic Co., Ltd.*, “Wuhan Electronic”) is a production-oriented foreign investment enterprise which was located in the economic and technological development zone in Wuhan. The company was subject to a preferential tax rate of 15% before 1 January 2008. It enjoyed the EIT preferential tax policy of “2-year exemption and 3-year 50% reduction” from its first profit-making year and was entitled to 15% preferential EIT rate before 1 January 2008.

Pursuant to Circular 39 and Circular 21, Wuhan Electronic is entitled to a 50% reduction in EIT based on the preferential rate from 2009 to 2011, i.e. the applicable rates are 10%, 11% and 12.5% for the years 2009, 2010 and 2011 respectively.

常熟華銳精密電子有限公司 (Changshu Huarui Precision Electronics Co., Ltd.*, “Changshu Huarui”) and 深圳市泓淋通訊科技有限公司 (Shenzhen Honglin Communication Technology Co., Ltd.*, “Shenzhen Communication Technology”) are domestic enterprises newly established in 2009 and the companies are subject to EIT at 25%.

重慶市泓淋科技有限公司 (Chongqing Honglin Technology Co., Ltd.*, “Chongqing Technology”) and 惠州市泓淋通訊科技有限公司 (Huizhou Honglin Communication Technology Co., Ltd.*, “Huizhou Communication Technology”) are domestic enterprises newly established in 2010 and the companies are subject to EIT at 25%.

* The English names are for identification purpose only.

12. 所得稅開支 (續)

武漢市泓淋電子有限公司(「武漢電子」)為一間位於武漢經濟技術開發區的生產型外資企業。該公司於二零零八年一月一日前按15%的優惠稅率納稅，自其首個盈利年度起享受「兩年豁免三年減半」的企業所得稅優惠稅項政策，並於二零零八年一月一日前按15%的優惠企業所得稅稅率納稅。

根據第39號通知及第21號通知，武漢電子自二零零九年至二零一一年在優惠稅率基礎上享受企業所得稅減半，即二零零九年、二零一零年及二零一一年的適用稅率分別為10%、11%及12.5%。

常熟華銳精密電子有限公司(「常熟華銳」)及深圳市泓淋通訊科技有限公司(「深圳通訊科技」)為二零零九年新成立的境內企業，按25%的企業所得稅稅率納稅。

重慶市泓淋科技有限公司(「重慶科技」)及惠州市泓淋通訊科技有限公司(「惠州通訊科技」)為二零一零年新成立的境內企業，按25%的企業所得稅稅率納稅。

* 英文名稱僅供識別。

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12. INCOME TAX EXPENSES (Continued)

The tax charge can be reconciled to the profit per the consolidated statements of comprehensive income as follows:

12. 所得稅開支(續)

稅項開支與綜合全面收益表的溢利對賬如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	173,255	96,587
Tax at PRC EIT rate of 25% (see note (a) below)	按25%之中國企業所得稅稅率 計算的稅項 (見下文附註(a))	43,314	24,147
Overprovision for EIT in respect of prior years	過往年度企業所得稅超額撥備	(2,222)	—
Attributable to a change in tax rate in respect of deferred tax charge for the year	因年內遞延稅項開支相關的 稅率變動而產生	174	—
Tax effect of expenses that are not deductible for tax purpose	就稅項而言不可扣減開支的 稅務影響	133	821
Effect of tax exemption and concessionary rates for the Group	本集團稅項豁免及優惠稅率的 影響	(20,861)	(15,212)
Tax effect of concession deductions relating to research and development expenses	與研發開支有關的優惠減免的 稅務影響	(1,844)	(1,285)
Effect of different tax rates for calculating deferred tax and current tax	用於計算遞延稅項及即期 稅項的不同稅率的影響	(460)	(381)
		18,234	8,090

Notes:

- The PRC EIT rate of 25% for the two years ended 31 December 2010 represent the statutory tax rate of which the Group's operations conducted substantially in the PRC throughout the years.
- In accordance with the PRC tax circular (Guoshuihan [2008]112) effective from 1 January 2008, PRC withholding income tax at the rate of 10% is applicable to dividends payable by the Company's PRC operating subsidiaries based on their profits generated from 2008 onwards to their "non-resident" investors who do not have an establishment or place of business in the PRC.

附註：

- 截至二零一零年十二月三十一日止兩個年度的中國企業所得稅稅率為25%，為本集團於該兩個年度中國大部分業務的法定稅率。
- 根據中國稅務通知(國稅函[2008]112號)，自二零零八年一月一日起生效，在中國境內未設立機構或營業場所的「非居民」投資者的股息(將由本公司中國營運附屬公司按二零零八年之後所得溢利為基準支付)須按10%的稅率繳付中國預扣所得稅。

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12. INCOME TAX EXPENSES (Continued)

Notes: (Continued)

As at 31 December 2010, the aggregate amount of temporary differences associated with the undistributed earnings of the PRC subsidiaries of approximately RMB194 million (2009: RMB52 million) for which deferred tax liabilities have not been recognized. No liability has been recognized in respect of these temporary differences because the Group is in a position to control the timing of the reversal of the temporary differences and the Company, the shareholder of these PRC subsidiaries, has resolved that, other than those retained profits which were distributed during the three years ended 31 December 2010, the remaining profits from their operations for the three years ended 31 December 2010 will be retained and not be distributed. Therefore, it is probable that such differences will not reverse or subject to withholding income tax in the foreseeable future.

13. DIVIDENDS

No dividend has been paid or proposed by the Company during the two years ended 31 December 2010 nor has any dividend been proposed since the end of the reporting period (2009: nil).

14. EARNING PER SHARE

The calculation of the basic earnings per share for the year ended 31 December 2010 is based on the profit attributable to owners of the Company for the year ended 31 December 2010 and on the weighted average of 555,438,576 shares (2009: 523,260,002 shares) in issue during the year.

The weighted average number of shares for the purpose of calculating the basic earnings per share for the year ended 31 December 2009 and 31 December 2010 has been determined as if the effect of the five-for-one Share Subdivision (as defined in note 27 (b)(i)) and the Capitalization Issue (as defined in note 27 (b)(ii)) have been adjusted retrospectively.

There were no potential dilutive shares in existence during the year ended 31 December 2009 and 31 December 2010 and therefore, no diluted earnings per share amounts have been presented.

12. 所得稅開支(續)

附註：(續)

於二零一零年十二月三十一日，與中國附屬公司未分派盈利(並無就其確認遞延稅項負債)相關的暫時差額總額約為人民幣194百萬元(二零零九年：人民幣52百萬元)。本集團並無就該等暫時差額確認任何負債，此乃因為本集團現時正控制該暫時差額的收回進度，且本公司(該等中國附屬公司的股東)已決議，除於截至二零一零年十二月三十一日止三個年度已分派的保留溢利外，保留截至二零一零年十二月三十一日止三個年度的剩餘經營溢利且不予分派。因此，該等差額很可能於可見未來無法收回或毋須繳納預提所得稅。

13. 股息

於截至二零一零年十二月三十一日止兩個年度內，本公司概無派付或建議派付股息，自報告期間末起亦無擬派付任何股息(二零零九年：無)。

14. 每股盈利

截至二零一零年十二月三十一日止年度的每股基本盈利乃根據截至二零一零年十二月三十一日止年度本公司擁有人應佔溢利及年內555,438,576股(二零零九年：523,260,002股)已發行股份的加權平均數計算。

釐定用作計算截至二零零九年十二月三十一日及二零一零年十二月三十一日止年度每股基本盈利的股份加權平均數，乃假設每一股股份拆細為5股的股份拆細(按附註27(b)(i)界定)及資本化發行(按附註27(b)(ii)界定)的影響已追溯調整。

於截至二零零九年十二月三十一日及二零一零年十二月三十一日止年度並無潛在攤薄股份，故此並無呈列每股攤薄盈利的金額。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings	Plant and equipment	Motor vehicles	Equipment and other facilities	Construction in process	Total
		樓宇 RMB'000 人民幣千元	廠房及設備 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	其他設施 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
The Group	本集團						
COST	成本						
As at 1 January 2009	於二零零九年一月一日	88,851	144,201	5,315	17,575	57,200	313,142
Additions	添置	3,115	34,937	1,791	9,686	20,180	69,709
Transfer	轉撥	67,122	8,453	—	1,006	(76,581)	—
Disposals	出售	(62)	(1,127)	(223)	(670)	—	(2,082)
As at 31 December 2009	於二零零九年十二月三十一日	159,026	186,464	6,883	27,597	799	380,769
Additions	添置	266	17,284	2,580	25,624	143,638	189,392
Transfer	轉撥	902	16,713	—	1,610	(19,225)	—
Disposals	出售	(11,731)	(4,525)	(738)	(6,486)	—	(23,480)
As at 31 December 2010	於二零一零年十二月三十一日	148,463	215,936	8,725	48,345	125,212	546,681
DEPRECIATION	折舊						
As at 1 January 2009	於二零零九年一月一日	9,717	28,862	1,900	4,255	—	44,734
Provided for the year	年內撥備	6,905	14,723	1,067	5,497	—	28,192
Eliminated on disposals	出售時抵銷	(1)	(456)	(129)	(147)	—	(733)
As at 31 December 2009	於二零零九年十二月三十一日	16,621	43,129	2,838	9,605	—	72,193
Provided for the year	年內撥備	7,624	19,203	1,336	7,585	—	35,748
Eliminated on disposals	出售時抵銷	(5,298)	(418)	(693)	(3,726)	—	(10,135)
As at 31 December 2010	於二零一零年十二月三十一日	18,947	61,914	3,481	13,464	—	97,806
CARRYING VALUES	賬面值						
As at 31 December 2010	於二零一零年十二月三十一日	129,516	154,022	5,244	34,881	125,212	448,875
As at 31 December 2009	於二零零九年十二月三十一日	142,405	143,335	4,045	17,992	799	308,576

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15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, other than construction in progress, after taking into account of their estimated residual values, are depreciated on a straight-line basis at the following rate per annum:

Buildings	4.5%
Plant and equipment	9.0%
Electronic and other facilities	18.0% to 45.0%
Motor vehicles	18.0%

As at 31 December 2010, the Group has pledged its property, plant and equipment with a carrying value of approximately RMB151,335,000 (2009: RMB186,520,000) to secure for general banking facilities granted to the Group.

15. 物業、廠房及設備 (續)

上述物業、廠房及設備(在建工程除外)乃經計及其估計剩餘價值後，以直線法按以下年率折舊：

樓宇	4.5%
廠房及設備	9.0%
電子及其他設備	18.0%至45.0%
汽車	18.0%

於二零一零年十二月三十一日，本集團抵押賬面值約人民幣151,335,000元(二零零九年：人民幣186,520,000元)的物業、廠房及設備，以作為本集團獲授一般銀行信貸的擔保。

16. PREPAID LEASE PAYMENTS

16. 預付租金

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Analyzed for reporting purposes as:	申報分析：		
— Non-current assets	— 非流動資產	30,108	16,544
— Current assets	— 流動資產	642	360
		30,750	16,904

The amounts represent land use rights in respect of lands situated in the PRC and held under medium-term leases. Land use rights are released on a straight-line basis over the relevant terms of the land use rights certificate.

As at 31 December 2010, the Group has pledged its land use rights with a carrying value of approximately RMB14,868,000 (2009: RMB16,904,000) to banks to secure for banking facilities granted to the Group.

該等金額乃位於中國及以中期租約持有土地的土地使用權。土地使用權按直線法於土地使用權證的相關年內轉撥。

於二零一零年十二月三十一日，本集團向銀行抵押賬面值約人民幣14,868,000元(二零零九年：人民幣16,904,000元)的土地使用權，以作為本集團獲授銀行信貸的擔保。

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17. INTANGIBLE ASSETS

17. 無形資產

		Software 軟件 RMB'000 人民幣千元	Trademarks 商標 RMB'000 人民幣千元	Licenses 許可證 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST	成本				
As at 1 January 2009	於二零零九年 一月一日	2,370	95	2,384	4,849
Additions	添置	29	26	2,411	2,466
As at 31 December 2009	於二零零九年 十二月三十一日	2,399	121	4,795	7,315
Additions	添置	1,623	13	5,099	6,735
Disposal	出售	(1,688)	—	—	(1,688)
As at 31 December 2010	於二零一零年 十二月三十一日	2,334	134	9,894	12,362
AMORTISATION	攤銷				
As at 1 January 2009	於二零零九年 一月一日	613	7	200	820
Charge for the year	年內攤銷	233	12	429	674
As at 31 December 2009	於二零零九年 十二月三十一日	846	19	629	1,494
Charge for the year	年內攤銷	440	14	1,109	1,563
Disposal	出售	(367)			(367)
As at 31 December 2010	於二零一零年 十二月三十一日	919	33	1,738	2,690
CARRYING VALUES	賬面值				
As at 31 December 2010	於二零一零年 十二月三十一日	1,415	101	8,156	9,672
As at 31 December 2009	於二零零九年 十二月三十一日	1,553	102	4,166	5,821

The above intangible assets have definite useful lives. Such intangible assets are amortized on a straight-line basis over the following periods:

上述無形資產的可使用年期有限。該等無形資產於以下期間按直線法攤銷：

Software	5 to 10 years	軟件	5至10年
Trademarks	5 years	商標	5年
Licenses	5 to 10 years	許可證	5至10年

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18. DEFERRED TAXATION ASSETS

The following are the Group's major deferred tax assets recognized and the movements thereon, during the current or prior year:

18. 遞延稅項資產

以下為本集團於本年度或上一年度的主要遞延稅項資產及相關變動：

	Pre-operating expenses	Temporary difference relating to impairment loss of assets	Temporary difference on expenses recognition	Withholding tax on undistributed retained profits	Deductible tax losses carried forward	Total
	營運前開支	資產減值虧損相關的暫時差額	確認開支的暫時差額	未分派保留盈利的預提稅項	已結轉可扣減稅項虧損	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元 (note below) (下文附註)	人民幣千元
As at 1 January 2009 於二零零九年一月一日	329	1,040	3,066	(3,090)	—	1,345
(Charge) credit to profit or loss 於損益(扣除)計入	(87)	148	(693)	3,090	101	2,559
As at 31 December 2009 於二零零九年十二月三十一日	242	1,188	2,373	—	101	3,904
(Charge) credit to profit or loss 於損益(扣除)計入	(134)	(816)	(2,182)	—	2,118	(1,014)
Attributable to a change in tax rate 因稅率變動而產生	—	(7)	(167)	—	—	(174)
As at 31 December 2010 於二零一零年十二月三十一日	108	365	24	—	2,219	2,716

Note: As at 31 December 2010, the Group has unused tax losses amounting to approximately RMB12,941,000 (2009: RMB403,000) available for offset against future profits, which will expire in 2015 and a deferred tax asset has been recognized in respect of unused tax losses of approximately RMB2,219,000 (2009: RMB101,000) of such losses.

附註：於二零一零年十二月三十一日，本集團可用於抵銷未來溢利的未動用稅項虧損為人民幣12,941,000元(二零零九年：人民幣403,000元)，將於二零一五年屆滿，並已就該等虧損之未動用稅項虧損約人民幣2,219,000元(二零零九年：人民幣101,000元)確認遞延稅項虧損。

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19. INTEREST IN AN ASSOCIATE

19. 於一間聯營公司的權益

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Unlisted investment, at cost	非上市投資（按成本）	—	1,500
Share of post-acquisition results	應佔收購後業績	—	(290)
		—	1,210
Less: Impairment loss recognized	減：已確認減值虧損	—	(1,210)
		—	—

The amount represented the Group's interest of 30% equity interest in Changshu Yujin Packing Material Co., Ltd ("Yujin"), a company established in the PRC and was engaged in the manufacture and sales of packing material for mould. In 2008, Yujin ceased its business and operations and thus, the Group considered the recoverable amount of its interest in Yujin to be nil and recognized impairment loss of approximately RMB1,210,000 in 2008. Yujin was deregistered on 31 August 2010.

該金額指本集團於常熟禹進包裝材料有限公司（「禹進」）（於中國成立從事模型包裝材料製造及銷售的公司）的30%股權。二零零八年，禹進終止其業務及經營，因此本集團認為所持禹進權益的可收回金額為人民幣零元，並於二零零八年確認減值虧損約人民幣1,210,000元。禹進已於二零一零年八月三十一日取消註冊。

20. INVENTORIES

20. 存貨

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Raw materials and consumables	原材料及消耗品	83,505	34,046
Work in progress	在製品	30,786	20,015
Finished goods	製成品	64,250	61,533
		178,541	115,594

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21. TRADE AND OTHER RECEIVABLES

21. 貿易及其他應收款項

		Notes 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	a		
— Related parties	— 關連人士	32(b)(ii)	—	6,756
— Non-related parties	— 非關連人士		534,258	287,178
			534,258	293,934
Less: Allowances	減：撥備		(1,308)	(3,124)
			532,950	290,810
Bills receivable	應收票據	b	137,069	77,356
Advance to suppliers	墊款予供應商	c	33,848	21,943
Value added tax ("VAT") receivable	應收增值稅 (「增值稅」)		7,445	9,352
Consideration receivable in respect of disposal of 東莞泓淋電子有限公司 (Dongguan Honglin Electronic Co., Ltd.*, "Dongguan Electronic")	出售東莞泓淋 電子有限公司* 「東莞電子」的 應收代價	d	—	10,000
Deposits and prepayments	按金及預付款項			
— Related parties	— 關連人士	32(b)(ii)	—	1,600
— Non-related parties	— 非關連人士		11,981	3,452
			11,981	5,052
Advances to third parties	墊款予第三方		10	2,300
Advances to staff	墊款予員工		1,271	—
Other receivables	其他應收款項	e		
— Related parties	— 關連人士	32(b)(iii)	—	6,476
— Non-related parties	— 非關連人士		970	232
			970	6,708
			725,544	423,521

* The English name is for identification purpose only

* 英文名稱僅供識別

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

21. TRADE AND OTHER RECEIVABLES

(Continued)

Notes:

(a) Trade receivables

The Group's trade receivables at the end of each reporting period comprise amounts receivable from the sales of goods during the two years ended 31 December 2010.

No interest is charged on the trade receivables.

Before accepting any new customer, the Group gathers and assesses the credit information of the potential customer in considering the customer's quality and determining the credit limits for that customer.

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:

21. 貿易及其他應收款項 (續)

附註：

(a) 貿易應收款項

本集團於各報告期末的貿易應收款項包括截至二零一零年十二月三十一日止兩個年度銷售貨物的應收款項。

貿易應收款項不計息。

在接納任何新客戶前，本集團將收集及評估潛在客戶的信貨資料，以考慮客戶的信貨質素及釐定該客戶的信貨額度。

本集團一般給予貿易客戶介乎60日至180日的信貨期。於報告期末，本集團根據發票日期呈列的貿易應收款項(已扣除呆賬撥備)的賬齡分析如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 3 months	三個月內	477,577	265,813
Over 3 months but within 6 months	三個月至六個月	54,001	24,418
Over 6 months but within 1 year	六個月至一年	1,372	569
Over 1 year but within 2 years	一年至兩年	—	10
		532,950	290,810

Aging of the Group's trade receivables which are past due but not impaired are as follows:

本集團逾期但未減值的貿易應收款項的賬齡如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 3 months	三個月內	574	1,854
Over 3 months but within 6 months	三個月至六個月	3,862	4,272
Over 6 months but within 1 year	六個月至一年	966	496
Over 1 year but within 2 years	一年至兩年	—	10
		5,402	6,632

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21. TRADE AND OTHER RECEIVABLES

(Continued)

Notes: (Continued)

(a) Trade receivables (Continued)

Movements of the Group's allowances for doubtful debts during the two years are as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
As at 1 January	於一月一日	3,124	3,176
Allowances for doubtful debts	呆賬撥備	625	979
Amount written off	已撇銷款項	(1,623)	(399)
Reversal of allowances for doubtful debts	撥回呆賬撥備	(818)	(632)
As at 31 December	於十二月三十一日	1,308	3,124

Other than the above allowances for doubtful debts, the Group did not provide any allowance on the remaining past due receivables as, in the opinion of the directors of the Company, there has not been a significant change in credit quality and the amounts are still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances and these balances had been subsequently received.

Furthermore, in the opinion of the directors of the Company, there has not been a significant change in credit quality of the Group's trade receivables which are neither past due nor impaired and the amounts are still considered recoverable based on the historical experience.

The Group's trade receivables denominated in currencies other than RMB, the functional currency of the relevant group companies, were as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Currency:	貨幣:		
USD	美元	252,587	194,473

At 31 December 2010, trade receivables amounting to approximately RMB70,850,000 (2009: nil) have been pledged to banks as the security in respect of the Group's bills payable.

21. 貿易及其他應收款項(續)

附註：(續)

(a) 貿易應收款項(續)

本集團於該兩個年度的呆賬撥備變動如下：

除上述呆賬撥備外，因本公司董事認為信貸質素未有重大改變，且基於過往經驗該等金額仍視為可收回，故本集團並無就餘下逾期應收款項計提任何撥備。本集團並無就該等結餘持有任何抵押品且其後本集團已收取該等結餘。

此外，本公司董事認為，本集團並無過期亦無減值的貿易應收款項的信貸質素並無重大變化，且根據過往經驗有關金額仍視為可收回。

本集團以相關集團公司功能貨幣人民幣以外貨幣計值的貿易應收款項如下：

於二零一零年十二月三十一日，約人民幣70,850,000元(二零零九年：人民幣零元)的貿易應收款項已抵押予銀行作為本集團應付票據的擔保。

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21. TRADE AND OTHER RECEIVABLES

(Continued)

Notes: (Continued)

(b) Bills receivable

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

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 3 months	三個月內	48,277	40,173
Over 3 months but within 6 months	三個月至六個月	88,792	37,183
		137,069	77,356

(c) Advance to suppliers

The Group's advance to suppliers represents deposits for purchase of raw materials.

(d) Consideration receivable in respect of disposal of Dongguan Electronic

The amount represented the Group's outstanding consideration receivable in respect of the disposal of Dongguan Electronic, a former subsidiary, during the year ended 31 December 2008. The amount was fully settled during the year ended 31 December 2010.

(e) Other receivables

The Group's other receivables have been included the following allowances for doubtful debts during the two years:

21. 貿易及其他應收款項 (續)

附註：(續)

(b) 應收票據

於報告期末，根據發行日期呈列的本集團應收票據賬齡分析如下：

(c) 墊款予供應商

本集團給予供應商的墊款指採購原材料的按金。

(d) 出售東莞電子的應收代價

該筆款項指本集團於截至二零零八年十二月三十一日止年度出售前附屬公司東莞電子有關的應收未償還代價。該筆款項於截至二零一零年十二月三十一日止年度全額結清。

(e) 其他應收款項

本集團於該兩個年度的其他應收款項已計入以下呆賬撥備：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
As at 1 January	於一月一日	223	1,732
Amount written off	已撇銷款項	(223)	(1,169)
Reversal of allowances for doubtful debts	撥回呆賬撥備	—	(340)
As at 31 December	於十二月三十一日	—	223

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21. TRADE AND OTHER RECEIVABLES

(Continued)

Notes: (Continued)

(e) Other receivables (Continued)

Other than the above allowances for doubtful debts, the Group did not provide any allowance on the remaining other receivables as, in the opinion of the directors of the Company, there has not been a significant change in credit quality and the amounts are still considered recoverable based on the historical experience.

21. 貿易及其他應收款項(續)

附註：(續)

(e) 其他應收款項(續)

除上述呆賬撥備外，因本公司董事認為信貸質素未有重大改變，且基於過往經驗該等金額仍視為可收回，故本集團並無就餘下其他應收款項計提任何撥備。

22. RESTRICTED BANK BALANCES

22. 受限制銀行結餘

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Pledged bank deposits	已抵押銀行存款	424,714	41,471

As at 31 December 2010, the Group's pledged bank deposits carry fixed interest rates ranging from 1.2% to 2.5% per annum (2009: 1.98% to 2.25% per annum).

於二零一零年十二月三十一日，本集團已抵押銀行存款的固定年利率介乎1.2%至2.5%（二零零九年：年利率介乎1.98%至2.25%）。

As at the end of the reporting period, the Group's pledged bank deposits have been pledged to secure for the Group's short-term bank borrowings and bills payable as following:

於報告期末，已抵押作本集團短期銀行借貸及應付票據擔保的本集團已抵押銀行存款如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Pledged bank deposits for	以下各項的已抵押銀行存款：		
— Short-term bank borrowings	— 短期銀行借貸	386,840	4,771
— Bills payable	— 應付票據	20,090	36,700
— Letter of credit	— 信用證	17,784	—
		424,714	41,471

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22. RESTRICTED BANK BALANCES

(Continued)

The Group's restricted bank balances denominated in currencies other than functional currency RMB of the relevant group companies were as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Currency:	貨幣：		
— USD	— 美元	879	2,831

The Group's restricted bank balances denominated in RMB are not a freely convertible currency in the international market. The remittance of RMB out of the PRC is subject to exchange restrictions imposed by the Government of the PRC.

22. 受限制銀行結餘(續)

本集團以相關集團公司的功能貨幣人民幣之外的貨幣計值的受限制銀行結餘如下：

本集團以人民幣計值的受限制銀行結餘並非可於國際市場自由兌換的貨幣。將人民幣匯出中國須遵守中國政府施行的外匯管制。

23. BANK BALANCES AND CASH

The Group's bank balances and cash comprise cash and short-term bank deposits with an original maturity of three months or less.

As at 31 December 2010, the bank balances carry market interest rates ranging from 0.15 % to 0.36% per annum (2009: from 0.15% to 0.36% per annum).

23. 銀行結餘及現金

本集團及的銀行結餘及現金包括原屆滿期為三個月或少於三個月的現金及短期銀行存款。

於二零一零年十二月三十一日，銀行結餘的市場年利率介乎0.15%至0.36%（二零零九年：年利率介乎0.15%至0.36%）。

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23. BANK BALANCES AND CASH

(Continued)

The Group's bank balances and cash denominated in currencies other than functional currency of the relevant group companies were as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Currency:	貨幣		
— USD	— 美元	26,501	23,233
— TWD	— 新台幣	7,099	—
— HKD	— 港元	8	—
		33,608	23,233

The Group's bank balances and cash denominated in RMB are not a freely convertible currency in the international market. The remittance of RMB out of the PRC is subject to exchange restrictions imposed by the Government of the PRC.

23. 銀行結餘及現金 (續)

本集團以相關集團公司功能貨幣人民幣以外貨幣計值的銀行結餘及現金如下：

本集團的銀行結餘及現金乃以人民幣計值，而人民幣不可於國際市場自由兌換。人民幣匯出中國須遵守中國政府所實施的兌換限制。

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24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付款項

		Notes 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Trade payables	貿易應付款項	a		
— Related parties	— 關連人士	32(b)(ii)	—	242
— Non-related parties	— 非關連人士		204,386	135,882
			204,386	136,124
Bills payable	應付票據	b	119,789	88,757
Receipts in advance from customers	預收客戶款項	c	2,299	1,068
Other tax payables	其他應付稅款		4,075	3,935
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備的應付款項			
— Related parties	— 關連方	32(b)(ii)	—	388
— Non-related parties	— 非關連方		30,589	12,241
			30,589	12,629
Payrolls and staff cost payables	應付工資及員工成本		12,054	10,989
Accrued expenses	應計開支		6,787	7,682
Other payables	其他應付款項	d	—	
— Related parties	— 關連方	32(b)(iii)	—	34,604
— Non-related parties	— 非關連方		4,590	6,219
			4,590	40,823
			384,569	302,007

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24. TRADE AND OTHER PAYABLES

(Continued)

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 from suppliers.

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:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 3 months	三個月內	191,276	127,173
Over 3 months but within 1 year	三個月至一年	12,437	8,402
Over 1 year but within 2 years	一年至兩年	310	549
Over 2 years	超過兩年	363	—
		204,386	136,124

The Group's trade payables denominated in currencies other than functional currency of the relevant group companies were as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Currency:	貨幣：		
— USD	— 美元	70,413	38,851
— TWD	— 新台幣	129	—
		70,542	38,851

24. 貿易及其他應付款項(續)

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，信貸期為自供應商收取貨品時起計90日內。

於報告期末，本集團按發票日期呈列的貿易應付款項的賬齡分析如下：

本集團以相關集團公司功能貨幣人民幣以外貨幣計值的貿易應付款項如下：

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24. 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:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 3 months	三個月內	57,389	47,098
Over 3 months but within 6 months	三個月至六個月	62,400	41,659
		119,789	88,757

(c) Receipts in advance from customers

The Group's receipts in advance from customers represent deposits for supply of goods to customers.

(d) Other payables — related parties

As at 31 December 2009, the Group had an amount of approximately RMB25,120,000 payable to Chenlin International Joint Stock Company Limited ("Chenlin International") in respect of the Group's Employee Share Scheme (see note 28). The amount was fully settled during the year ended 31 December 2010.

24. 貿易及其他應付款項(續)

附註(續)

(b) 應付票據

於報告期末，本集團按發行日期呈列的應付票據賬齡分析如下：

(c) 預收客戶款項

本集團的預收客戶款項指向客戶供應貨品時所收取的按金。

(d) 其他應付款項 — 關連方

於二零零九年十二月三十一日，本集團就僱員股份計劃(見附註28)應付晨淋國際股份有限公司(「晨淋國際」)的款項約為人民幣25,120,000元。該款項於截至二零一零年十二月三十一日止年度全部結清。

25. OTHER FINANCIAL LIABILITIES

25. 其他金融負債

		Notes 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Foreign currency exchange contracts	外匯合約	a	1,674	—
Commodity derivative contracts	商品衍生合約	b	205	—
			1,879	—

Notes:

a. Foreign currency exchange contracts

As at December 31, 2010, the Group had the following foreign exchange forward contracts with certain established commercial bank in the PRC to mitigate its foreign currency exposure:

附註：

a. 外匯合約

於二零一零年十二月三十一日，本集團擁有與若干在中國建立的商業銀行簽署的以下外匯合約以減輕其外匯風險：

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25. OTHER FINANCIAL LIABILITIES

(Continued)

Notes: (Continued)

Notional amount	Maturity	Exchange rates
Sell RMB1,215,000	7 January 2011	USD1:RMB6.800
Sell RMB1,054,000	25 March 2011	USD1:RMB6.805
Sell RMB6,277,000	26 October 2011	USD1:RMB6.580
Sell RMB323,888,000	7 December 2011	USD1:RMB6.509

As at 31 December 2010, the fair value of the Group's foreign currency forward contracts is estimated to be a financial liability of approximately RMB1,674,000. These amounts are measured using quoted forward exchange rates matching maturities of the contracts at the end of the reporting period (2009: nil).

b. 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.

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

25. 其他金融負債 (續)

附註：(續)

面值	到期日	匯率
賣出人民幣 1,215,000元	二零一一年 一月七日	1美元兌人民幣 6.800元
賣出人民幣 1,054,000元	二零一一年 三月二十五日	1美元兌人民幣 6.805元
賣出人民幣 6,277,000元	二零一一年 十月二十六日	1美元兌人民幣 6.580元
賣出人民幣 323,888,000元	二零一一年 十二月七日	1美元兌人民幣 6.509元

於二零一零年十二月三十一日，本集團的外匯遠期合約的公平值估計為金融負債約人民幣1,674,000元。於報告期末，該等金額乃使用所報遠期匯率（符合合約到期日）而計量（二零零九年：無）。

b. 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。

合約價值及相關條款詳情概述如下：

		2010 二零一零年	2009 二零零九年
Commodity derivative sale contracts:	商品衍生銷售合約：		
— Volume (tons)	— 量（噸）	50	—
— Executed contract value (RMB'000)	— 已執行的合約價值（人民幣千元）	2,980	—
— Fair value of derivative financial liabilities (RMB'000)	— 衍生金融負債公平值（人民幣千元）	205	—
Contract maturity date	合約到期日	二零一一年三月	不適用

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26. BANK BORROWINGS

26. 銀行借款

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Bank borrowings, due within one year:	銀行借貸（一年內到期）：		
— Secured	— 已擔保	602,903	240,833
— Unsecured	— 未擔保	60,203	112,606
		663,106	353,439
The exposure of bank borrowings:	銀行借貸風險：		
— Fixed rates borrowings	— 固定利率借貸	621,619	308,175
— Variable rates borrowings	— 浮動利率借貸	41,487	45,264
		663,106	353,439

The Group's bank borrowings denominated in currencies other than RMB, the functional currency of the relevant group companies, were as follows:

以相關集團公司功能貨幣人民幣以外貨幣計值的本集團銀行借款如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Currency:	貨幣：		
USD	美元	503,455	57,704

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26. BANK BORROWINGS (Continued)

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

26. 銀行借款 (續)

本集團銀行借款的實際利率(亦等於合約利率)範圍如下:

		2010 二零一零年 % per annum 年利率%	2009 二零零九年 % per annum 年利率%
Effective interest rates:	實際利率:		
Fixed rates borrowings	固定利率借貸	0.32%–6.48%	0.43%–6.12%
Variable rates borrowings	浮動利率借貸	2.82%–5.59%	1.35%–5.31%

27. SHARE CAPITAL

27. 股本

		Number of shares 股份數目	Share capital 股本 USD'000 千美元
Ordinary shares Authorized	普通股 法定		
As at 1 January 2009 and 31 December 2009 (USD0.10 each)	於二零零九年一月一日及 二零零九年十二月三十一日 (每股0.10 美元)	500,000,000	50,000
Subdivision of shares on 25 October 2010	於二零一零年十月二十五日 股份拆細	2,000,000,000	—
As at 31 December 2010 (USD0.02 each)	於二零一零年十二月三十一日 (每股0.02美元)	2,500,000,000	50,000

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27. SHARE CAPITAL (Continued)

27. 股本 (續)

		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>	<i>已發行及繳足</i>			
As at 1 January 2009 and 31 December 2009 (USD0.10 each)	於二零零九年一月一日及 二零零九年十二月 三十一日 (每股0.10美元)	89,317,490	8,931	60,943
Issue of shares on 8 June 2010	於二零一零年六月八日 發行股份	2,857,422	286	1,951
Subdivision of shares on 25 October 2010	於二零一零年十月 二十五日股份拆細	368,699,648	—	—
Issue of shares on Capitalization Issue	於資本化發行時發行股份	79,125,440	1,583	10,588
Issue of shares on Listing	於上市時發行股份	180,000,000	3,600	23,919
As at 31 December 2010 (USD0.02 each)	於二零一零年 十二月三十一日 (每股0.02美元)	720,000,000	14,400	97,401

The movements in the Company's authorized and issued share capital from 1 January 2009 to 31 December 2010 are as follows:

本公司自二零零九年一月一日至二零一零年十二月三十一日期間法定及已發行股本的變動如下：

- (a) On 8 June 2010, the Company issued and allotted 2,857,422 ordinary shares of USD0.10 each, credited as fully paid, to Samford Management Limited for a consideration of USD5,000,000 (equivalent to approximately RMB34,140,000) to provide for additional working capital to the Company.

- (a) 於二零一零年六月八日，本公司以代價5,000,000美元(相當於約人民幣34,140,000元)向森福管理有限公司發行及配發2,857,422股每股面值0.10美元入賬列為繳足的普通股，以為本公司提供額外營運資金。

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27. SHARE CAPITAL (Continued)

- (b) Pursuant to the written resolutions of all shareholders entitled to vote at general meetings of the Company, which were passed on 25 October 2010, the following changes in the authorized and issued share capital of the Company took place:

i. Subdivision of shares (the “Share Subdivision”)

On 25 October 2010, each ordinary share of USD0.10 in the authorized and issued share capital of the Company was subdivided into five ordinary shares of USD0.02 each such that its resultant authorized share capital was USD50,000,000 divided into 2,500,000,000 ordinary shares of USD0.02 each and its resultant issued share capital was approximately USD9,218,000 divided into 460,874,560 ordinary shares of USD0.02 each.

ii. Capitalization issue (the “Capitalization Issue”)

Subsequent to the Share Subdivision, an amount of approximately USD1,583,000 standing to the credit of the share premium account of the Company was capitalized and applied to pay up in full at par a total of 79,125,440 new shares for allotment and issue to the shareholders of the Company whose names appeared on the register of members of the Company on 25 October 2010.

- (c) On 16 November 2010, the Company issued 180,000,000 new shares of US0.02 each at issue price of HKD2.8 per share pursuant to the Listing of the Company’s shares.

All of the shares issued by the Company during the period subsequent to the date of incorporation of the Company rank pari passu with the then existing shares in all respects.

27. 股本 (續)

- (b) 根據由可於本公司股東大會投票的全體股東於二零一零年十月二十五日通過的書面決議案，本公司的法定及已發行股本變動如下：

i. 股份拆細 (「股份拆細」)

於二零一零年十月二十五日，本公司將法定及已發行股本中每股面值0.10美元的普通股拆細為5股每股面值0.02美元的普通股，因此法定股本變為50,000,000美元，分為2,500,000,000股每股面值0.02美元的普通股，而已發行股本約為9,218,000美元，分為460,874,560股每股面值0.02美元的普通股。

ii. 資本化發行 (「資本化發行」)

股份拆細後，本公司將股份溢價賬的進賬約1,583,000美元撥充資本，用作按面值繳足向二零一零年十月二十五日名列本公司股東名冊的股東配發及發行的合共79,125,440股新股份。

- (c) 於二零一零年十一月十六日，本公司根據本公司的股份上市以發行價每股2.8港元發行180,000,000股每股面值0.02美元的新股份。

本公司於註冊成立日後期間發行的所有股份均與當時現有股份在各方面享有同等權利。

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28. EMPLOYEE SHARE SCHEME

On 30 September 2008, an employees' share scheme (the "Employee Share Scheme") was adopted by the Company, Mr. Chi and Chenlin International. Pursuant to the Employee Share Scheme, on 8 October 2008, Chenlin International transferred a total of 6,280,000 ordinary shares of the Company (the "Employee Shares") to Hongxin Joint Stock in respect of 137 employees of the Group, including certain directors of the Company, namely Mr. Li Jianming, Mr. Mao Wanjun and Mr. Sui Shikai, (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.

Hongxin Joint Stock holds the Employee Shares in trust for the Employee Shareholders pursuant to a trust deed dated 28 May 2010 (the "Trust Deed").

The Employee Share Scheme and Trust Deed imposed certain restrictions on the Employee Shares and the details are summarized in the paragraphs headed "Employee Shares" under section III "Further Information about Directors, Management and Staff" in Appendix VI "Statutory and General Information" to the Prospectus.

28. 僱員股份計劃

於二零零八年九月三十日，本公司、遲先生及晨淋國際採納僱員股份計劃（「僱員股份計劃」）。根據僱員股份計劃，於二零零八年十月八日，晨淋國際就本集團137位僱員（包括若干本公司董事，即李建明先生、毛萬鈞先生及隋世凱先生（「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。鑒於彼等對本集團發展的貢獻，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線支付，作為僱員股東的花紅及補貼。

根據二零一零年五月二十八日的信託契約（「信託契約」），泓鑫股份以信託方式代僱員股東持有僱員股份。

僱員股份計劃及信託契約對僱員股份有若干限制，詳情概述於本招股章程附錄六「法定及一般資料」第三節「有關董事、管理層及員工的其他資料」「僱員股份」一段：

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28. EMPLOYEE SHARE SCHEME

(Continued)

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

Designated service periods		Number of shares outstanding balances at 1 January 2009, 31 December 2009 and 31 December 2010 於二零零九年一月一日、二零零九年十二月三十一日及二零一零年十二月三十一日，未償還結餘的股份數目	Granted during the year 年內授出 Note 附註	Forfeited during the year 年內沒收 Note 附註	Subdivision of shares 股份拆細	Capitalization issue 資本化發行	Outstanding balances at 31 December 2010 於二零一零年十二月三十一日的未償還結餘
指定服務期間							
Directors — October 2008 to June 2012	董事 — 二零零八年十月至二零一二年六月	594,785	10,113	—	2,419,592	519,301	3,543,791
Employees — October 2008 to September 2013	僱員 — 二零零八年十月至二零一三年九月	5,685,215	—	(10,113)	22,700,408	4,871,621	33,247,131

Note: During the year ended 31 December 2010, an employee resigned and his Employee Shares entitlement was transferred to a director of the Company.

The estimated fair value of the Employee Shares at the date of grant is of approximately RMB42,187,000, or approximately RMB6.72 each. The payment of RMB4.00 each (RMB25,120,000 in total) made by Weihai Electronic and Weihai Cable as bonus and subsidy to Employees Shareholders has been charged to "share awards reserve" in equity during the year ended 31 December 2008 which was settled in 2010.

The difference between the fair value of RMB6.72 each and RMB2.37 each which was paid for by each of the Employee Shareholders, amounting to approximately RMB27,303,000, would be charged to the consolidated statements of comprehensive income on a straight-line basis over the service periods of the Employees Shareholders until September 2013.

28. 僱員股份計劃(續)

於報告期末，已授出及未償還結餘的變動詳情如下：

附註：截至二零一零年十二月三十一日止年度，一名僱員離職，其僱員股份配額轉讓予本公司一名董事。

僱員股份於授出日期的估計公平值約為人民幣42,187,000元，或每股約為人民幣6.72元。威海電子及威海電線向僱員股東支付每股人民幣4.00元（總計人民幣25,120,000元）作為花紅及補貼已於截至二零零八年十二月三十一日止年度自權益的「股份獎勵儲備」中扣除，並已於二零一零年結清。

公平值每股人民幣6.72元與由各僱員股東支付的每股人民幣2.37元之差額約為人民幣27,303,000元，將於二零一三年九月在僱員股東服務期間以直線法從綜合全面收益表中扣除。

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28. EMPLOYEE SHARE SCHEME

(Continued)

The following assumptions were used to calculate the fair value of the Employee Shares of RMB6.72:

— Weighted average cost of capital	20%
— Terminal growth rate	3%
— Lack of marketability discount	24%

The discounted cash flow approach has been used to estimate the fair value of the Employee Shares. The Black-Scholes Option Pricing Model has been used to estimate the lack of marketability discount. The variables and assumptions used in computing the fair value of the Employee Shares are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the Employee Shares.

During the year ended 31 December 2010, the Group recognized share-based payments of approximately RMB7,147,000 (2009: RMB7,147,000) in relation to the Employee Shares.

28. 僱員股份計劃(續)

以下乃假設用於計算人民幣6.72元的僱員股份公平值：

— 資本加權平均成本	20%
— 終端增長率	3%
— 缺乏流通性折價	24%

已使用貼現現金流量方法估計僱員股份的公平值。已使用Black-Scholes 期權定價模式估計缺乏流通性折價。計算僱員股份公平值所使用的變量及假設乃以董事最佳估計為基礎。變量及假設的變動可能會導致僱員股份公平值變動。

截至二零一零年十二月三十一日止年度，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7,147,000元(二零零九年：人民幣7,147,000元)。

29. OPERATING LEASES

29. 經營租約

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Minimum lease payments paid under operating leases during the year	581	708
年內根據經營租約已付最低租金		

Notes to the Consolidated Financial Statements

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29. OPERATING LEASES (Continued)

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within one year	一年內	402	480
Over one year but within two years, inclusive	一年至兩年（包括首尾兩年）	136	100
		538	580

Operating lease payments represent rentals payable by the Group for the Group's plant, warehouse and office premise. Leases are negotiated for lease terms ranging from one to two years at inception.

經營租約付款指本集團應付的廠房、倉庫及辦公室租金。租約經商定的租期介乎一至兩年。

30. CAPITAL COMMITMENTS

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

30. 資本承擔

於各報告期末，本集團未償還資本承擔如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
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	43,571	2,207
— authorized but not contracted for	— 已授權但未簽約	12,901	1,365
		56,472	3,572

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31. RETIREMENT BENEFIT SCHEMES

The employees of the Group in the PRC are members of a state-managed retirement benefits scheme operated by the PRC Government. The Group is required to contribute a specified percentage of its payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

The amounts of contributions made by the Group in respect of the retirement benefit scheme during the two years are disclosed in note 10.

31. 退休福利計劃

本集團中國僱員均為中國政府管理的國家退休福利計劃成員。本集團須按僱員工資的指定百分比向退休福利計劃供款。本集團於退休福利計劃的責任僅為根據計劃作出指定供款。

本集團於兩個年度期間的退休福利計劃供款金額披露於附註10。

32. RELATED PARTY TRANSACTIONS

(a) Related parties of the Company:

The directors of the Company consider that the following entities are related parties of the Group:

32. 關連人士交易

(a) 本公司的關連人士

本公司董事認為，以下實體為本集團的關連人士：

Name of related party

關連人士名稱

Mr. Chi

遲先生

Mr. Chi Zhongmin

遲忠民先生

Mr. Tseng Chih-ming

曾志銘先生

Mr. Kang Jin Won

姜振遠先生

Ms. Yang Fuwei

楊馥蔚女士

Mr. Cheng Guanghua

程光華先生

Ms. Yang Huahua

楊華華女士

Chenlin International

晨淋國際

Chenlin International Trading Company

(“Chenlin Trading”)

晨淋國際貿易公司（「晨淋貿易」）

Relationship with the Company

與本公司的關係

The director of the Company

本公司董事

The brother of Mr. Chi

遲先生兄弟

The director of the Company

本公司董事

The director of the Company

本公司董事

The spouse of Mr. Chi and the director of subsidiaries

遲先生配偶及附屬公司董事

The director of a subsidiary

附屬公司董事

The director of a subsidiary

附屬公司董事

Immediate holding company

直接控股公司

An entity controlled by Mr. Chi

遲先生控制的實體

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32. RELATED PARTY TRANSACTIONS

(Continued)

(a) Related parties of the Company:

(Continued)

Name of related party 關連人士名稱
威海裕順榮塑料有限公司 (Weihai Yushunrong Plastics Co., Ltd.#, "Weihai Yushunrong")
威海裕順榮塑料有限公司 (「威海裕順榮」)
威海大榮合成材料有限公司 (Weihai Darong Compound Material Co., Ltd.#, "Weihai Darong")
威海大榮合成材料有限公司 (「威海大榮」)
深圳光華鑫塑料五金有限公司 (Shenzhen Guanghuaxin Plastic and Hardware Co., Ltd.#, "Shenzhen Guanghuaxin") (see note (a) below)
深圳光華鑫塑料五金有限公司 (「深圳光華鑫」) (見下文附註(a))
吳江市同里鎮華銳精密電子有限公司 (Wujiangshi Tongli Town Huarui Precision Electronics Co., Ltd.#, "Wujiangshi Huarui") (see note (b) below)
吳江市同里鎮華銳精密電子有限公司 (「吳江市華銳」) (見下文附註(b))
連雲港中振精密電子有限公司 (Lianyungang Zhongzhen Precision Electronics Co., Ltd.#, "Lianyungang Zhongzhen")
連雲港中振精密電子有限公司 (「連雲港中振」)

The English names are for identification purpose only.

Notes:

- (a) With effective from 5 November 2009, Ms. Yang Huahua became a director of Shenzhen Communication Technology and her directly controlled company of Shenzhen Guanghuaxin became a related party of the Group. Accordingly, the Group did not disclose the transactions between the Group and Shenzhen Guanghuaxin prior to 5 November 2009.
- (b) With effective from 18 April 2009, Mr. Cheng Guanghua became a director of Changshu Huarui and his directly controlled company of Wujiangshi Huarui became a related party of the Group. Accordingly, the Group did not disclose the transactions between the Group and Wujiangshi Huarui prior to 18 April 2009.

32. 關連人士交易 (續)

(a) 本公司的關連人士 (續)

Relationship with the Company 與本公司的關係
An entity controlled by Mr. Chi Zhongmin
遲忠民先生控制的實體
An entity controlled by Mr. Chi Zhongmin
遲忠民先生控制的實體
An entity controlled by Ms. Yang Huahua
楊華華女士控制的實體
An entity controlled by Mr. Cheng Guanghua
程光華先生控制的實體
An entity controlled by Mr. Kang Jin Won
姜振遠先生控制的實體

英文名稱僅供識別。

附註：

- (a) 自二零零九年十一月五日起，楊華華女士成為深圳通訊科技的董事，且其直接控制的公司深圳光華鑫成為本集團的關連人士。因此，本集團並未披露於二零零九年十一月五日之前與深圳光華鑫的交易。
- (b) 二零零九年四月十八日，程光華先生成為常熟華銳的董事，且其直接控制的公司吳江市華銳成為本集團的關連人士。因此本集團並未披露於二零零九年四月十八日之前與吳江市華銳的交易。

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32. RELATED PARTY TRANSACTIONS

(Continued)

(b) Significant related party transactions

- i. The Group has significant transactions with the following related parties during the two years ended 31 December 2010:

32. 關連人士交易 (續)

(b) 重大關連人士交易

- i. 截至二零一零年十二月三十一日止兩個年度，本集團與下列關連人士進行重大交易：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Sales of goods to:	出售貨品予：		
— Chenlin Trading	— 晨淋貿易	—	18,239
— Shenzhen Guanghuaxin	— 深圳光華鑫	—	22
		—	18,261
Purchase of raw materials from:	自以下公司購買原材料：		
— Weihai Yushunrong	— 威海裕順榮	2,026	3,809
— Shenzhen Guanghuaxin	— 深圳光華鑫	711	—
		2,737	3,809
Purchase of property, plant and equipment from:	自以下公司購買物業、廠房及設備：		
— Wujiangshi Huarui	— 吳江市華銳	—	7,888
— Shenzhen Guanghuaxin	— 深圳光華鑫	272	—
— Lianyungang Zhongzhen	— 連雲港中振	1,200	—
		1,472	7,888
Sales of property, plant and equipment and prepaid lease payments to:	出售物業、廠房及設備及預付租金予：		
— Weihai Darong	— 威海大榮	5,170	—
Purchase of intangible assets:	購買無形資產：		
— Mr. Tseng Chih-ming	— 曾志銘先生	1,600	—

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32. RELATED PARTY TRANSACTIONS

(Continued)

(b) Significant related party transactions

(Continued)

- ii. The Group have significant trade balances with the following related parties as at the end of the reporting period:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Trade receivables:	貿易應收款項：		
— Chenlin Trading	— 晨淋貿易	—	6,730
— Shenzhen Guanghuaxin	— 深圳光華鑫	—	26
		—	6,756
Deposits paid to:	應支付按金予：		
— Mr. Tseng Chih-ming	— 曾志銘先生	—	1,600
Trade payables:	貿易應付款項：		
— Weihai Yushunrong	— 威海裕順榮	—	242
Payables for acquisition of property, plant and equipment:	收購物業、廠房及設備應付款項：		
— Wujiangshi Huarui	— 吳江市華銳	—	388

The above balances in 2009 were interest-free, unsecured and were repayable in accordance with the credit terms agreed with the related companies. The above amounts were fully settled during the year.

32. 關連人士交易 (續)

(b) 重大關連人士交易 (續)

- ii. 於報告期末，本集團與以下關連人士的主要貿易結餘：

以上於二零零九年的結餘為免息、無擔保且須按與有關公司協定的信貸期償還。上述款項已於年內全部結清。

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32. RELATED PARTY TRANSACTIONS

(Continued)

(b) Significant related party transactions

(Continued)

- iii. The Group has significant non-trade balances with the following related parties as at the end of the reporting period:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Other receivables:	其他應收款項		
— Chenlin International	— 晨淋國際	—	4,884
— Shenzhen Guanghuaxin	— 深圳光華鑫	—	1,590
— Ms. Yang Fuwei	— 楊馥蔚女士	—	2
		—	6,476
Other payables:	其他應付款項		
— Chenlin International	— 晨淋國際	—	30,004
— Mr. Cheng Guanghua	— 程光華先生	—	4,600
		—	34,604

Note: The above balances in 2009 were interest-free, unsecured and were repayable on demand. The amounts were fully settled during the year.

32. 關連人士交易 (續)

(b) 重大關連人士交易 (續)

- iii. 於報告期末，本集團與下列關連人士有主要非貿易結餘：

附註：以上於二零零九年的結餘為免息、無擔保及按要求償還的款項。年內該等款項已結清。

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32. RELATED PARTY TRANSACTIONS

(Continued)

(c) Compensation of key management personnel:

The remuneration of directors and other members of key management during the two years ended 31 December 2010 were as follows:

32. 關連人士交易 (續)

(c) 主要管理人員的薪酬：

於截至二零一零年十二月三十一日止兩個年度，董事及主要管理層其他成員的薪酬如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Salaries and other benefits	工資及其他福利	2,680	1,188
Contributions to retirement benefits schemes	退休福利計劃供款	60	21
Share-based payments	以股份支付的款項	1,275	1,331
		4,015	2,540

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33. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

33. 有關本公司財務狀況表資料

於報告期末，有關本公司財務狀況表的資料包括：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Unlisted investments in subsidiaries	附屬公司非上市投資	662,504	268,828
CURRENT ASSETS	流動資產		
Trade and other receivables	貿易及其他應收款項	9,815	7,184
Restricted bank balances	受限制銀行結餘	384,620	—
Bank balances and cash	銀行結餘及現金	17,415	2,375
		411,850	9,559
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	7,458	9,892
Bank borrowings	銀行借貸	377,494	—
Other current liabilities	其他流動負債	7,589	6,200
		392,541	16,092
NET CURRENT ASSETS (LIABILITIES)	流動資產（負債）淨額	19,309	(6,533)
		681,813	262,295
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	97,401	60,943
Reserves	儲備	584,412	201,352
		681,813	262,295

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綜合財務報表附註

For the year ended 31 December 2010
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34. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries as at the end of the reporting period are as follows:

34. 本公司附屬公司的詳情

於報告期末，本公司附屬公司的詳情如下：

			Attributable equity interest held by the Company as at 31 December 2010 於十二月三十一日 本公司應佔股權		
Name of subsidiary	Place of establishment/ incorporation 成立／註冊 成立地點	Fully paid share/ registered capital 已繳足的股份／ 註冊資本	2010 二零一零年 %	2009 二零零九年 %	Principal activities 主要業務
附屬公司名稱					
Directly held by the Company 本公司直接持有					
Weihai Electronic®	PRC	USD47,999,982	100	100	Manufacture and sales of signal power cord assembly, wire and cable products and connectors and investment holding
威海電子®	中國	47,999,982美元	100	100	製造及銷售信號電源線組件、線纜產品及連接器以及投資控股
Hongxin International	Hong Kong	HKD1.00	100	N/A	Trading of signal cable assembly, power cord assembly, wire and Cable products and other products
	香港	1.00港元	100	不適用	買賣信號線組件、電源線組件、線纜產品及其他產品
Honglin Technology	Taiwan	TWD70,000,000	100	N/A	Marketing, research and developments of signal cable assembly, power cord assembly, wire and cable products and other products
泓淋科技®	台灣	70,000,000新台幣	100	不適用	推廣及研發信號線組件、電源線組件、線纜產品及其他產品

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34. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

34. 本公司附屬公司的詳情(續)

			Attributable equity interest held by the Company as at 31 December 2010 於十二月三十一日 本公司應佔股權		
Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation 成立／註冊 成立地點	Fully paid share/ registered capital 已繳足的股份／ 註冊資本	2010 二零一零年 %	2009 二零零九年 %	Principal activities 主要業務
Indirectly held by the Company 本公司間接持有					
Weihai Cable [#]	PRC	USD15,000,000	100	100	Manufacture and sales of signal power cord assembly, wire and cable products and connectors
威海電線 [#]	中國	15,000,000美元	100	100	製造及銷售信號電源線組件、線纜產品及連接器
Changshu Electronic [#]	PRC	USD5,000,000	100	100	Manufacture and sales of signal cables and wire harness
常熟電子 [#]	中國	5,000,000美元	100	100	製造及銷售信號線及扁平線
Changshu Cable [#]	PRC	USD6,500,000	100	100	Manufacture and sales of signal power cord assembly, wire and cable products and connectors
常熟電線 [#]	中國	6,500,000美元	100	100	製造及銷售電源線組件、線纜產品及連接器
Changshu Connecting-Technology [#]	PRC	USD12,500,000	100	100	Manufacture and sales of signal power cord assembly, wire and cable products and connectors
常熟連接技術 [#]	中國	12,500,000美元	100	100	製造及銷售信號電源線組件、線纜產品及連接器
Dezhou Electronic [#]	PRC	USD18,000,000	100	100	Manufacture and sales of signal power cord assembly, wire and cable products and connectors
德州電子 [#]	中國	18,000,000美元	100	100	製造及銷售信號電源線組件、線纜產品及連接器

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34. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

34. 本公司附屬公司的詳情 (續)

			Attributable equity interest held by the Company as at 31 December 2010 於十二月三十一日 本公司應佔股權		
Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation 成立／註冊 成立地點	Fully paid share/ registered capital 已繳足的股份／ 註冊資本	2010 二零一零年 %	2009 二零零九年 %	Principal activities 主要業務
Indirectly held by the Company (Continued) 本公司間接持有（續）					
Wuhan Electronic [#]	PRC	USD1,000,000	100	100	Manufacture and sales of signal power cord assembly, wire and cable products and connectors
武漢市泓淋電子 [#]	中國	1,000,000美元	100	100	製造及銷售信號電源線組件、線纜產品及連接器
Changshu Huarui ^{##}	PRC	RMB20,000,000	51	51	Manufacture and sales of iron panel and aluminum plate useful for computer keyboards
常熟華銳 ^{##}	中國	人民幣20,000,000元	51	51	製造及銷售電腦鍵盤用鐵板及鋁板
Shenzhen Communication Technology ^{##}	PRC	RMB6,000,000	80	80	Manufacture and sales of router antenna, WIFI antenna and telephone antenna
深圳通訊科技 ^{##}	中國	人民幣6,000,000元	80	80	製造及銷售路由器天線、無線天線及電話天線
Chongqing Technology ^{##}	PRC	RMB10,000,000	100	N/A	Manufacture and sales of signal cables and wire harness
重慶科技 ^{##}	中國	人民幣10,000,000元	100	不適用	製造及銷售信號線及扁平線
Huizhou Communication Technology ^{##}	PRC	RMB5,000,000	100	N/A	Manufacture and sales of router antenna, WIFI antenna and telephone antenna
惠州通訊科技 ^{##}	中國	人民幣5,000,000元	100	不適用	製造及銷售路由器天線、無線天線及電話天線

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34. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

Note: With the exception of Hongxin International and Honglin Technology which were incorporated in Hong Kong and Taiwan, respectively with limited liability, the other subsidiaries of the Company were established in the PRC in one of the following legal forms:

- Ⓐ Wholly foreign-owned limited liabilities enterprises
- # Sino-foreign joint ventures
- ## Domestic limited liability enterprises

35. SIGNIFICANT SUBSEQUENT EVENT

On 21 February 2011, the directors of the Company announced that, Weihai Electronic, a wholly-owned subsidiary of the Company, has entered into the capital increase agreement on 21 February 2011, and pursuant to which Weihai Electronic has agreed to make capital contribution of approximately RMB58.60 million (equivalent to approximately HKD69.15 million) to 天津日拓汽車電裝有限公司 (Tianjin Rituo Automotive Electronics Co., Ltd.[#], "Tianjin Rituo"). Subsequently, Tianjin Rituo was owned as to 55.0% by Weihai Electronic, 31.5% by Mr Wang Xiang and 15.5% by Mr Wang Weiguo, respectively.

Details of the above are set out in the Company's announcement dated 21 February 2011.

34. 本公司附屬公司的詳情(續)

附註：除Hongxin International及泓淋科技分別於香港及台灣註冊成立為有限公司外，本公司其他附屬公司均以下列其中一種法律形式在中國成立：

- Ⓐ 外商獨資有限公司
- # 中外合資企業
- ## 境內有限責任公司

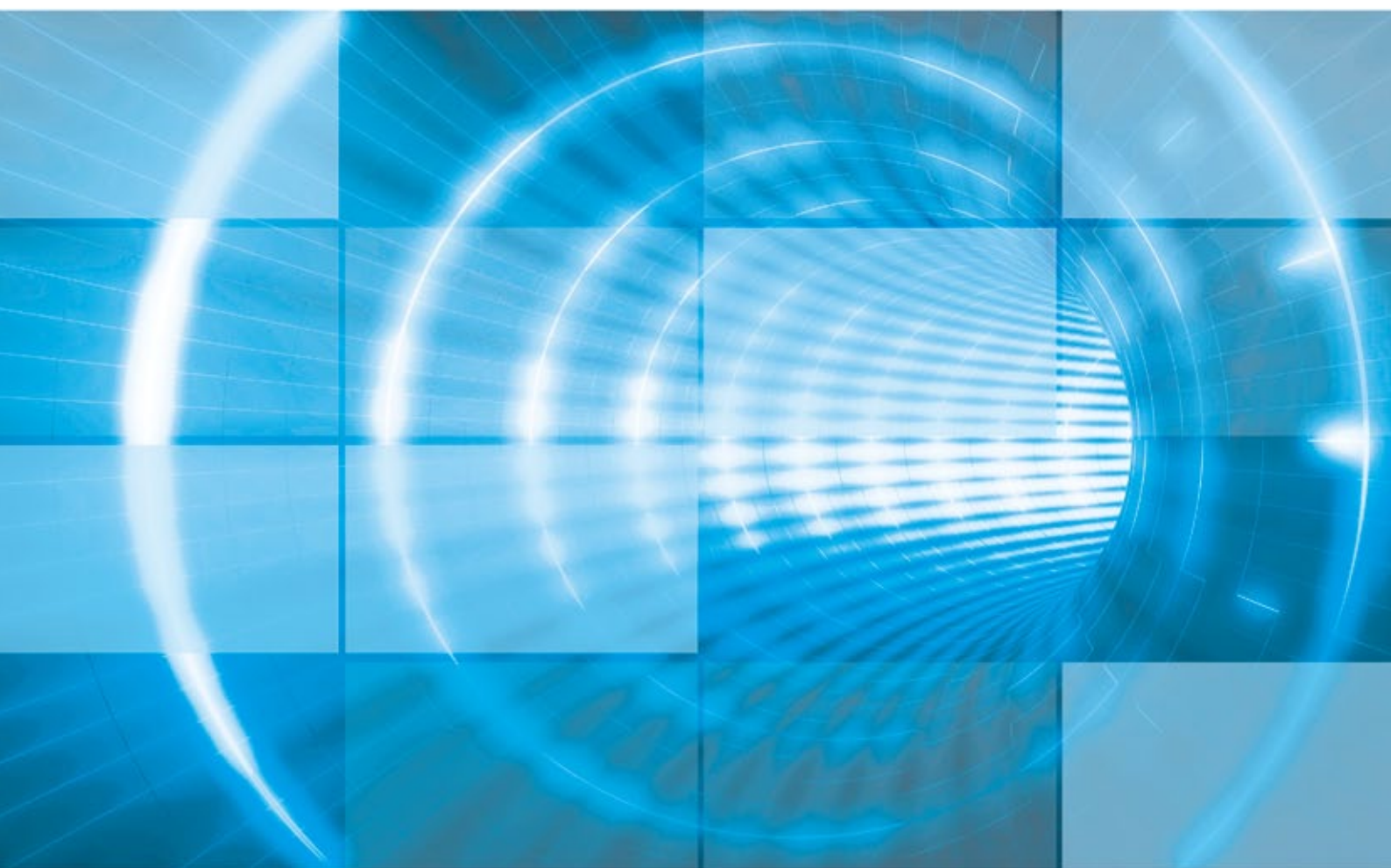
35. 重大日後事項

於二零一一年二月二十一日，本公司董事公佈，本公司全資附屬公司威海電子已於二零一一年二月二十一日簽訂增資協議，據此，威海電子已同意出資約人民幣58.60百萬元（相當於約69.15百萬港元）予天津日拓汽車電裝有限公司（「天津日拓」）。因此，威海電子擁有天津日拓55.0%的權益，王祥先生與王衛國先生各自持有31.5%及15.5%的權益。

上述詳情載於本公司日期為二零一一年二月二十一日的公告。

[#] The English names are for identification purpose only.

^{*} 英文名稱僅供識別。



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