



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)

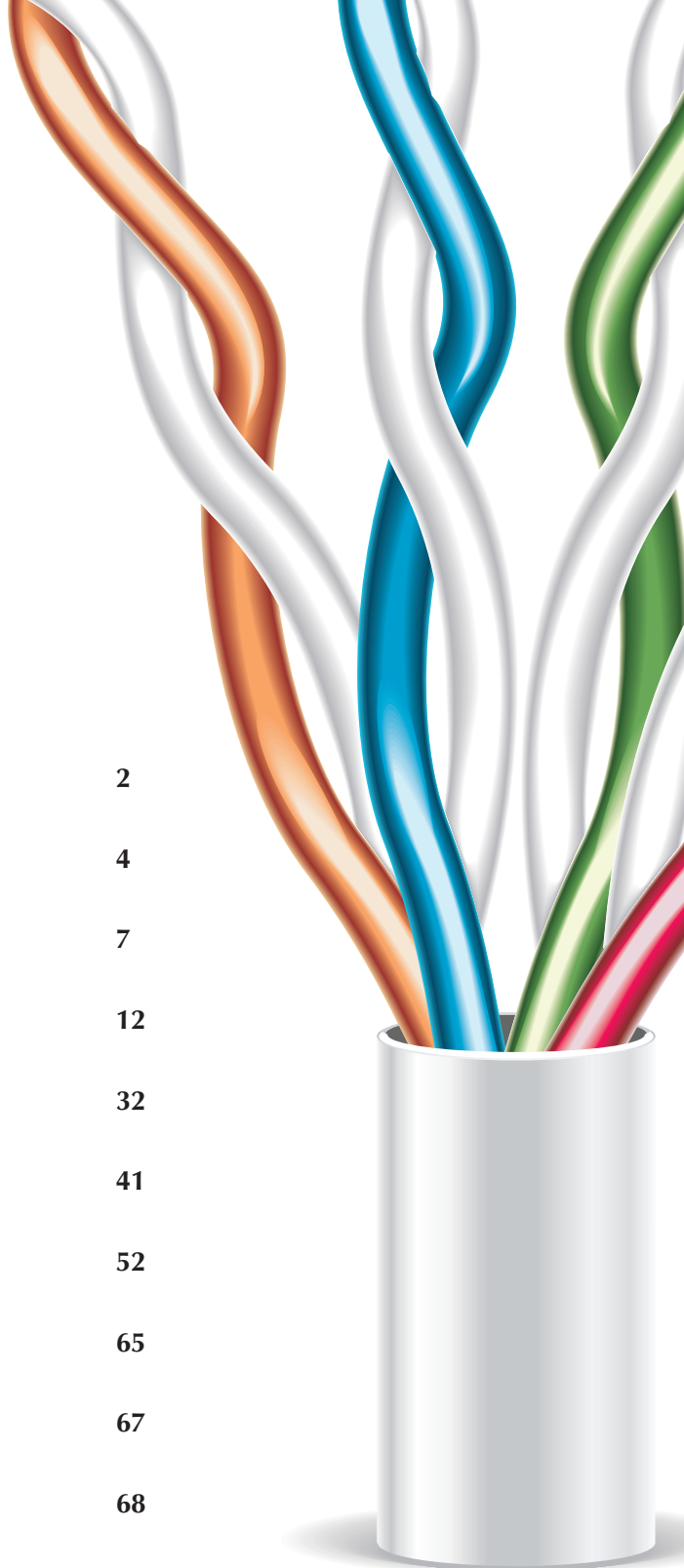
Stock Code 股份代號 : 1087

2011
Annual Report
年報

Contents

目錄

Corporate Profile and Corporate Information 公司簡介及公司資料	2
Chairman's Statement 主席報告	4
Financial Summary 財務摘要	7
Management Discussion & Analysis 管理層討論及分析	12
Biographical Details of Directors and Senior Management 董事及高級管理層履歷	32
Report of the Directors 董事會報告	41
Corporate Governance Report 企業管治報告	52
Independent Auditor's Report 獨立核數師報告	65
Consolidated Statement of Comprehensive Income 綜合全面收益表	67
Consolidated Statement of Financial Position 綜合財務狀況表	68
Consolidated Statement of Changes in Equity 綜合權益變動表	69
Consolidated Statement of Cash Flows 綜合現金流量表	71
Notes to the Consolidated Financial Statements 綜合財務報表附註	73



Corporate Profile and Corporate Information

公司簡介及公司資料

HL Technology Group Limited (the “Company” or “we”) is a one-stop provider of signal transmission and connectivity solutions and related products for the global 3Cs (computing, communication and consumer electronics) markets. Many of our key customers are global top tier players and we have leading market share for several of our key products including signal cable assembly, power cord assembly, wire and cable assembly, connectors, antennas, automotive wiring harness and other products. We have also entered the People’s Republic of China (“PRC”) automotive wiring harness market in 2011.

BOARD OF DIRECTORS

Executive Directors

Mr. Chi Shaolin (*Chairman and Chief Executive Officer (“CEO”)*)
Mr. Jiang Taike (*Vice CEO*)
Mr. Li Jianming (*Vice CEO*)
Mr. Mao Wanjun
Mr. Kang Jin Won

Non-executive Director

Ms. Xu Yiming (*Adviser*)

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

COMPENSATION AND BENEFITS COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

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

AUTHORISED REPRESENTATIVES

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

泓淋科技集團有限公司(「本公司」或「我們」)是針對3C(計算、通訊及消費電子)市場的全球「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。本公司大部份主要客戶為全球頂尖行家，而本公司的若干主要產品擁有領先的市場份額，包括信號線組件、電源線組件、線纜產品、連接器、天線、汽車線束及其它產品。本公司亦已於二零一一年進入中華人民共和國(「中國」)汽車線束市場。

董事會

執行董事

遲少林先生(主席兼總裁(「總裁」))
蔣太科先生(副總裁)
李建明先生(副總裁)
毛萬鈞先生
姜振遠先生

非執行董事

徐藝銘女士(顧問)

獨立非執行董事

舒華東先生
宋立眾先生
鄭琳女士

審核委員會

舒華東先生(主席)
宋立眾先生
鄭琳女士

薪酬及福利委員會

鄭琳女士(主席)
舒華東先生
徐藝銘女士

提名委員會

遲少林先生(主席)
舒華東先生
宋立眾先生

公司秘書

何詠欣女士 · *ACIS, ACS(PE)*

授權代表

李建明先生
何詠欣女士 · *ACIS, ACS(PE)*

Corporate Profile and Corporate Information

公司簡介及公司資料



REGISTERED OFFICE

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

HEADQUARTER

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL BANKS

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

LEGAL ADVISERS

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

COMPLIANCE ADVISER

Piper Jaffray Asia Limited

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

註冊辦事處

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

總部

中國
山東省威海市
經濟技術開發區
浦東路

香港主要營業地點

香港
金鐘
夏慤道18號
海富中心2座1805室

主要往來銀行

中國銀行(威海分行)
中國農業銀行(威海分行)
中國光大銀行(常熟支行)

法律顧問

香港法律：奧睿律師事務所
中國法律：德衡律師集團(北京)事務所

合規顧問

派杰亞洲有限公司

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

Chairman's Statement 主席報告



Dear Shareholders,
On behalf of HL Technology Group Limited, together with its subsidiaries (collectively, the “Group”), I am pleased to present the Group’s annual results for the year ended 31 December 2011.

致各位股東：
本人欣然代表泓淋科技集團有限公司連同其附屬公司（統稱「本集團」）提呈截至二零一一年十二月三十一日止年度的年度業績。

Mr. Chi Shaolin 遲少林

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

Chairman's Statement

主席報告



PERFORMANCE REVIEW

The year 2011, especially the second half of 2011, was overall a challenging and difficult year for most of the global economies, including the global computer and consumer electronics industries. Despite the challenging operating environment affecting sales growth momentum, we managed to record a satisfactory sales growth for the full year and demonstrated stronger resilience to the market downturn than other industry peers as a result of our continued ability to win market share and add new important customers in the global computer and consumer electronics markets, continuous product innovation and our growing presence in new markets such as PRC automobile and communication sector. As a result, the Group recorded revenue amounting to approximately Renminbi ("RMB") 1,865.4 million in 2011, representing an increase of 31.9% as compared to approximately RMB1,414.0 million in 2010.

Due to the slowdown in market demand and our pricing strategy to capture more market share, affecting the average selling price of some of our products, especially in the second half of 2011, coupled with overall increase in raw materials and labor costs and the continued depreciation of US dollar against RMB in 2011, the Group's gross profit margin has decreased to approximately 20.3% as compared to approximately 23.0% in 2010. To position the Group for sustainable long term growth, the Group has also continued to invest heavily in developing new products and new markets and therefore has incurred significantly higher operating expenses in areas including sales and marketing and research and development. As a result, the Group's net profit has decreased to approximately RMB119.4 million as compared to approximately RMB155.0 million in 2010.

Even though such investments affect short term profit, they are necessary to make the Group a more competitive and diversified connectivity solutions provider, and new products we have managed to develop towards the end of 2011 include the SFP+ (Small form-factor pluggable) and MHL (Mobile High-definition Link) cable, which we believe can provide the Group with promising growth opportunities in the communication and high-end consumer electronics markets respectively. We are also on track to provide connectivity products for new markets such as the PRC solar and industrial markets in 2012.

業績回顧

二零一一年，尤其是二零一一年下半年，就全球大部份經濟體系而言，包括全球電腦及消費電子行業，整體上是充滿挑戰及艱難的一年。儘管經營環境充滿挑戰影響銷售增長趨勢，但由於我們持續贏得市場份額及於全球電腦及消費電子市場增添新重要客戶的能力、持續的產品創新及我們於中國汽車及通訊領域等新市場擴展業務，我們成功錄得令人滿意的全年銷售增長，並展示對市場衰退較其他同業更強的抵禦能力。因此，本集團於二零一一年錄得收益約人民幣1,865.4百萬元，與二零一零年約人民幣1,414.0百萬元相比，相當於增長31.9%。

由於市場需求放緩及我們爭取更大市場份額的定價策略影響，我們若干產品的平均售價（尤其於二零一一年下半年）下降，加上原材料及勞工成本總體上升以及於二零一一年美元兌人民幣貶值，本集團的毛利率跌至約20.3%，而二零一零年的毛利率約為23.0%。為本集團日後的可持續發展奠定基礎，本集團亦繼續大額投資於開發新產品及新市場，於銷售及營銷及研發開支等方面產生重大經營開支。因此，本集團的溢利淨額跌至約人民幣119.4百萬元而二零一零的溢利淨額約為人民幣155.0百萬元。

儘管影響短期溢利，該等投資為使本集團成為更富競爭力及更多元化的連接技術解決方案供應商所必需作出，而我們於二零一一年末成功開發的新產品，包括SFP+（小封裝熱插拔）及MHL（移動高清連接技術）纜線，令我們相信該等產品可分別為本集團於通訊及高端消費電子行業提供可觀增長機會。我們亦於二零一二年為中國太陽能及工業市場等新市場提供連接技術產品。

Chairman's Statement

主席報告

OUTLOOK

With a history of almost 15 years, the Group has navigated through different economic crises over such period and has consistently overcome them and become a more competitive and stronger enterprise as a result. Under the current tough environment, we believe that the Group is well positioned to be one of a few winners by delivering value to our customers, improving product mix, and increasing market share. The Group is also proactively addressing the impacts of the uncertain operating environment by implementing appropriate inventory policy, tightening credit and cost control and scaling back capital expenditure in certain areas to better manage our operations. In 2012, the Group will however continue to invest, when necessary, in research and development, staff recruitment, production facilities and marketing efforts in order to strengthen the Group's competitive advantage and to best position ourselves to benefit from market recovery.

APPRECIATION

Finally, on behalf of the Board of Directors, I would like to thank all staff members for their contribution in the past year and at the same time, I would also like to express our gratitude towards our shareholders, customers, suppliers and business partners for your continued confidence in and support to the Group.

Sincerely yours,

Chi Shaolin

Chairman and CEO of HL Technology Group Limited

22 March 2012

前景

在近15年歷史中，本集團經歷及不斷克服期間內各種經濟危機，並成為一間更具競爭力及更強大的企業。在目前艱難環境下，透過向客戶傳達價值、改善產品組合，以及增加市場份額，我們相信本集團已準備好成為行業中較少的勝利者之一。本集團已透過實施適當存貨政策、緊縮信貸及成本控制以及於若干方面調低資本開支以更好管理我們的營運，主動應對不明朗經營環境的影響。於二零一二年，本集團將繼續投資於(如需要)研發、招聘員工、生產設施及市場推廣，以加強本集團的競爭優勢及作充足準備以得益於市場復甦。

致謝

最後，本人代表董事會向全體員工表示感謝，感謝各位於過去一年的貢獻，同時，本人亦對股東、客戶、供應商及商業夥伴對本集團的堅定信心和不懈支持表示感謝。

此致

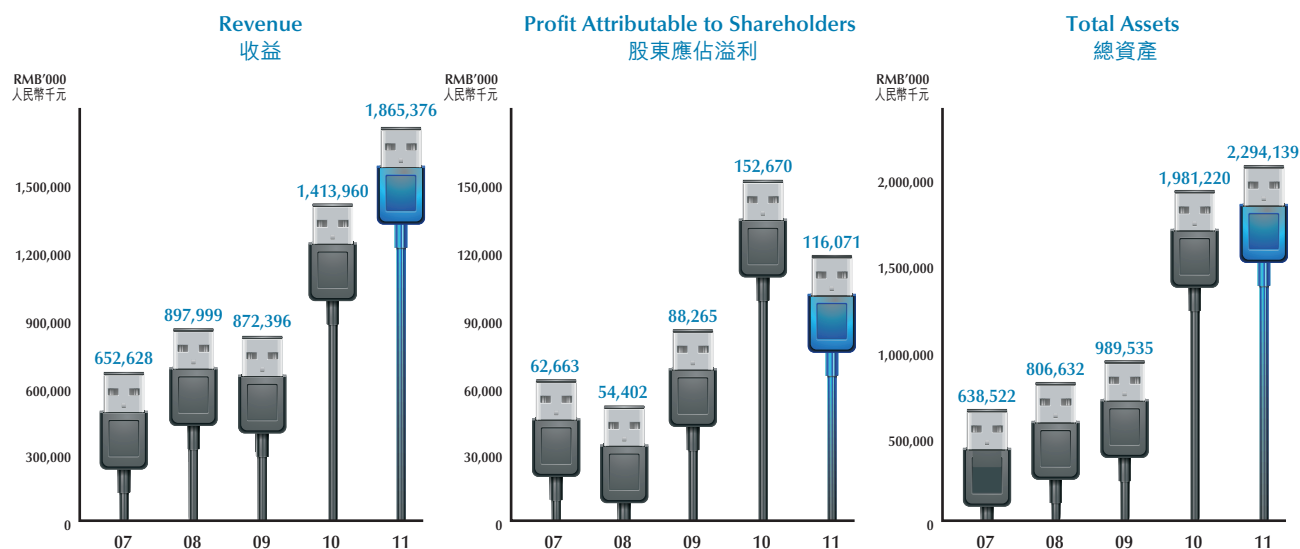
遲少林

泓淋科技集團有限公司主席兼總裁

二零一二年三月二十二日

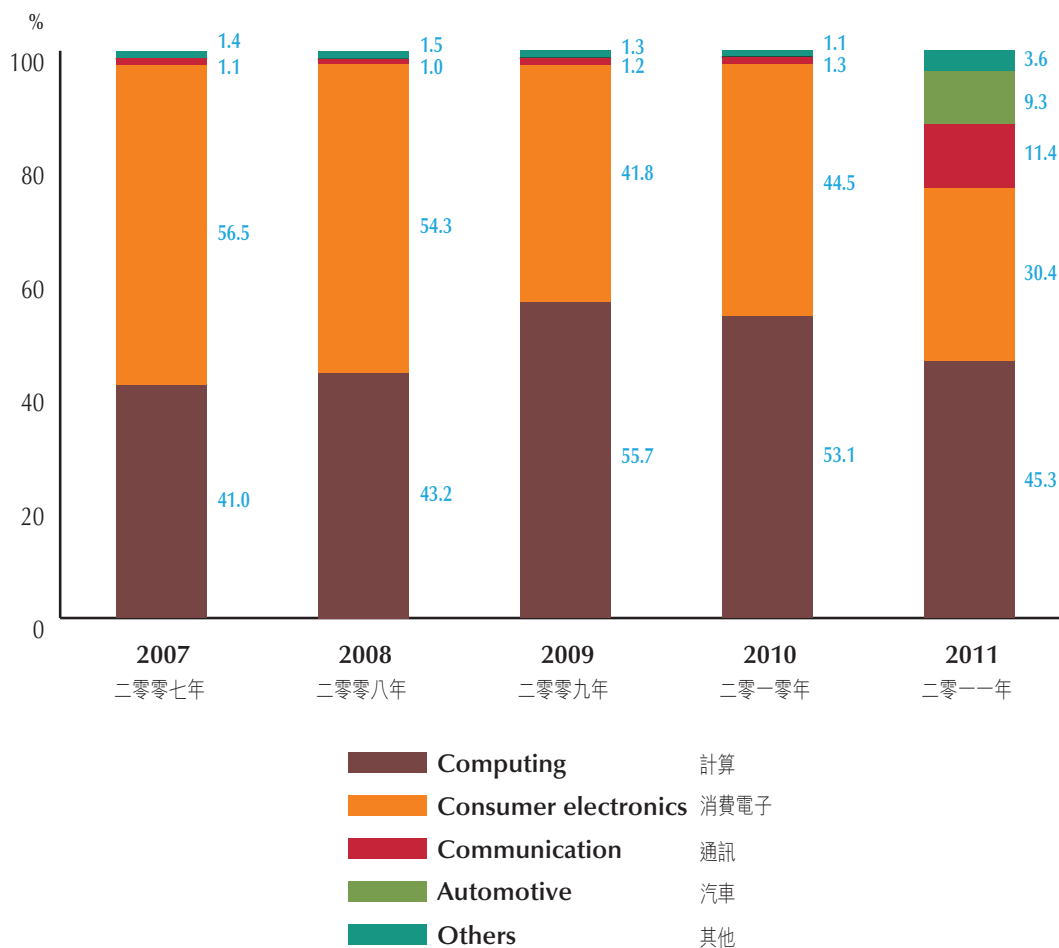
Financial Summary

財務摘要



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

按終端市場劃分的收益概要如下：



Financial Summary

財務摘要

A highlight of results, selected financial ratio information, assets and liabilities and cash flow is as follows:

業績、經選定財務比率資料、資產與負債及現金流量的概要如下：

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度		
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	Change 變動 %
Revenue	收益	1,865,376	1,413,960	+31.9
Gross profit	毛利	378,405	325,614	+16.2
Profit before taxation	除稅前溢利	135,000	173,255	-22.1
Profit for the year	年度溢利	119,360	155,021	-23.0
Profit attributable to:	以下各方應佔溢利：			
— Owners of the Company	— 本公司擁有人	116,071	152,670	-24.0
— Non-controlling interests	— 非控制權益	3,289	2,351	+39.9
Earnings per share — Basic (RMB cents)	每股盈利 — 基本(人民幣分)	16.1	27.5	-41.5

Financial Summary

財務摘要



SELECTED FINANCIAL RATIOS INFORMATION

經選定財務比率資料

		2011 二零一一年	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	20.3%	23.0%	22.7%	19.5%	20.7%
Net profit margin	邊際純利	6.4%	11.0%	10.1%	6.1%	10.0%
Current ratio (times)	流動比率(倍)	1.3	1.4	1.0	0.9	0.9
Gearing ratio ⁽¹⁾	資本負債比率 ⁽¹⁾	28.4%	33.5%	35.7%	30.2%	22.0%
Return on total assets*	總資產回報*	5.6%	10.5%	9.9%	7.5%	12.3%
Return on total equity*	總權益回報*	11.8%	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。

(1) Calculated by using short term borrowings divided by total assets.

(1) 按短期借貸除以總資產計算

Financial Summary

財務摘要

ASSETS AND LIABILITIES INFORMATION

資產與負債資料表

		2011 二零一一年 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	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
				#	#	#
Bank balances and cash (excluding pledged bank deposits)	銀行結餘及現金（不包括已抵押存款）	106,650	160,408	73,744	23,413	19,805
Current assets	流動資產	1,543,252	1,489,849	654,690	512,856	419,880
Non-current assets	非流動資產	750,887	491,371	334,845	293,776	218,642
Current liabilities	流動負債	1,191,894	1,057,749	662,585	582,396	460,972
Non-current liabilities	非流動負債	9,718	—	—	3,090	—
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,031,694	909,888	316,558	221,146	170,081
Non-controlling interests	非控制權益	60,833	13,583	10,392	—	7,469

CASH FLOW INFORMATION

現金流量表資料

		2011 二零一一年 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	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
				#	#	#
Net cash (used in)/from operating activities	經營活動(所用)/所得現金淨額	(167,546)	(114,539)	470	1,743	10,753
Net cash from/(used in) investing activities	投資活動所得/(所用)現金淨額	161,211	(549,936)	70,495	(117,525)	(91,953)
Net cash (used in)/from financing activities	融資活動(所用)/所得現金淨額	(47,423)	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



A summary of consolidated results for the five years ended 31 December 2011 is as follows:

截至二零一一年十二月三十一日止五個年度的綜合業績的概要如下：

		Year ended 31 December 截至十二月三十一日止年度				
		2011 二零一一年 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	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
				#	#	#
Revenue	收益	1,865,376	1,413,960	872,396	897,999	652,628
Cost of sales	銷售成本	(1,486,971)	(1,088,346)	(674,422)	(723,211)	(517,283)
Gross profit	毛利	378,405	325,614	197,974	174,788	135,345
Other income, gains and losses	其他收入、其他收益及虧損	22,080	(2,579)	8,273	(2,506)	10,821
Distribution and selling expenses	分銷及銷售開支	(49,056)	(27,233)	(20,480)	(18,891)	(14,809)
Administrative and general expenses	行政及一般開支	(116,714)	(72,525)	(47,978)	(45,422)	(30,915)
Research and development expenses	研發開支	(62,179)	(30,932)	(27,278)	(26,280)	(23,152)
Finance costs	融資成本	(37,536)	(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	135,000	173,255	96,587	66,064	67,959
Income tax expenses	所得稅開支	(15,640)	(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	119,360	155,021	88,497	54,535	65,510
Other comprehensive income	其他全面收益					
Exchange difference on translating foreign operations	換算外國業務之滙兌差額	(733)	742	—	—	—
Total comprehensive income for the year	年度全面收益總額	118,627	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	116,071	152,670	88,265	54,402	62,663
— Non-controlling interests	— 非控制權益	3,289	2,351	232	133	2,847
		119,360	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	115,338	153,412	88,265	54,402	62,663
— Non-controlling interests	— 非控制權益	3,289	2,351	232	133	2,847
		118,627	155,763	88,497	54,535	65,510
Earnings per share — Basic (RMB cents)	每股盈利 — 基本(人民幣分)	16.1	27.5	16.9	11.2	13.2

The financial information was extracted from the Company's Prospectus.

該財務資料乃節選自第11頁所述本公司之招股章程。

The background image shows a vast industrial facility, likely a wire manufacturing plant. In the foreground, several large spools of wire are visible, mounted on a machine. The spools are white with a blue center and are filled with a shiny, metallic wire. The machine itself is purple and silver. In the background, rows of similar machinery stretch into the distance under a high, industrial ceiling with exposed beams and lighting fixtures. The overall scene is one of a busy, large-scale manufacturing environment.

MANAGEMENT DISCUSSION & ANALYSIS

管理層討論及分析

Management Discussion & Analysis

管理層討論及分析

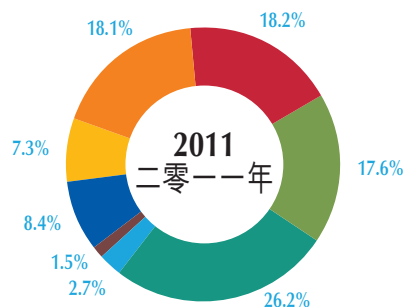


BUSINESS REVIEW

業務回顧

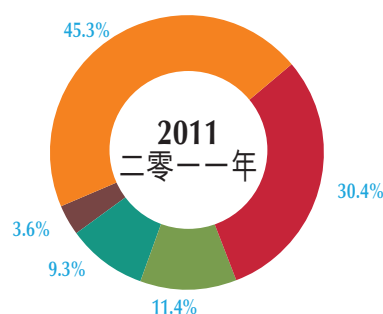
		Year ended 31 December 截至十二月三十一日止年度				
		2011 二零一一年		2010 二零一零年		
		Revenue RMB'000 收益 人民幣千元	% of Revenue 佔收益 百分比	Revenue RMB'000 收益 人民幣千元	% of Revenue 佔收益 百分比	Change in % 變動 百分比
External signal cable assembly	外接信號線組件	337,750	18.1	353,376	25.0	-4.4
Internal signal cable assembly	內接信號線組件	339,859	18.2	307,049	21.7	+10.7
Power cord assembly	電源線組件	329,016	17.6	246,777	17.5	+33.3
Signal transmission wire & cable	信號傳輸線纜	488,422	26.2	348,306	24.6	+40.2
Connectors	連接器	49,928	2.7	46,443	3.3	+7.5
Antennas	天線	28,462	1.5	11,798	0.8	+141.2
Automotive wiring harness	汽車線束	156,678	8.4	—	—	N/A 不適用
Others	其他	135,261	7.3	100,211	7.1	+35.0
Total	總計	1,865,376	100.0	1,413,960	100.0	+31.9

2011 Revenue Breakdown by Products
二零一一年按產品劃分之收益



External signal cable assembly	外接信號線組件	18.1%
Internal signal cable assembly	內接信號線組件	18.2%
Power cord assembly	電源線組件	17.6%
Signal transmission wire & cable	信號傳輸線纜	26.2%
Connectors	連接器	2.7%
Antennas	天線	1.5%
Automotive wiring harness	汽車線束	8.4%
Others	其他	7.3%

2011 Revenue Breakdown by End Markets
二零一一年按終端市場劃分之收益



Computing	計算	45.3%
Consumer electronics	消費電子	30.4%
Communication	通訊	11.4%
Automotive	汽車	9.3%
Others	其他	3.6%

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Total revenue increased by approximately RMB451.4 million or approximately 31.9% as compared to 2010 as we witnessed growth in revenue across most of our key product segments including strong growth in our communication cable segment. The increase was primarily due to (i) our ability to gain market share in our key target markets despite the weak operating environment and (ii) revenue contribution from new products such as wireless antennas and automotive wiring harness that only began to have revenue contribution from the fourth quarter of 2010 and beginning of 2011 respectively. However, our overall revenue was also negatively affected by the depreciating US dollar in 2011 and decrease in average selling price of some of our products because of pricing strategy to increase market share and also due to overall weakness in market demand especially in the second half of 2011.

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

業務回顧(續)

鑒於本集團大部份主要產品分部的收益均錄得增長，包括通訊線纜分部的強勁增長，故收益總額較二零一零年增加約人民幣451.4百萬元或約31.9%。該增加主要由於(i)儘管在經營環境弱的情況下本集團於主要目標市場增加市場份額的能力及(ii)新產品貢獻收益，如無線天線及汽車線束分部，該等分部分別由二零一零年第四季度及二零一一年年初方開始貢獻收益。然而，由於二零一一年美元貶值及由於為增加市場份額的定價策略以及基於需求整體疲弱(尤其於二零一一年下半年)導致我們部份產品的平均售價下跌，本集團總收益亦受到不利影響。

儘管預期於二零一二年將繼續面臨全球經濟及3C行業普遍的不明朗因素和挑戰，我們對本集團處於不斷增加目標市場的市場份額之有利位置保持樂觀。本集團已透過實施適當存貨政策、緊縮信貸及成本控制政策以及於若干方面調低資本開支以更好的管理我們的營運，主動應對不明朗經營環境的影響。然而，於二零一二年，本集團將繼續投資於(如需要)研發、招聘員工、生產設施及市場推廣，以加強本集團的競爭優勢及作充足準備以得益於經濟復甦。

Management Discussion & Analysis

管理層討論及分析



BUSINESS REVIEW (Continued)

External Signal Cable Assembly

業務回顧(續)

外接信號線組件

		Year ended 31 December 截至十二月三十一日止年度				
		2011 二零一一年		2010 二零一零年		Change in % 變動 百分比
		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	
RGB assembly	RGB 組件	178,773	52.9	174,379	49.3	+2.5
DVI assembly	DVI 組件	92,765	27.5	90,445	25.6	+2.6
HDMI assembly	HDMI 組件	561	0.2	974	0.3	-42.4
USB assembly	USB 組件	49,984	14.8	75,065	21.2	-33.4
DC assembly	DC 組件	15,667	4.6	12,513	3.6	+25.2
		337,750	100.0	353,376	100.0	-4.4

Our external signal cable assembly segment recorded a decrease in revenue of approximately RMB15.6 million or approximately 4.4% as compared to 2010, as increase in revenue for RGB, DVI and DC assembly was offset by the decrease in revenue for USB assembly product due to our decision to exit the supply chain of two customers in 2011 as we re-schedule our production capacity for new customers we target to enter in 2012.

由於為我們於二零一二年進入的新目標客戶，我們重新編排我們對新客戶的產能有選擇性地退出兩個客戶的供應鏈，導致RGB、DVI及DC組件收益增加被USB組件產品收益減少抵銷，故本集團的外接信號線組件分部較二零一零年錄得約人民幣15.6百萬元或約4.4%的收益下跌。

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Internal Signal Cable Assembly

業務回顧(續)

內接信號線組件

		Year ended 31 December 截至十二月三十一日止年度				
		2011 二零一一年		2010 二零一零年		
		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 % 變動 百分比
LVDS	LVDS	270,220	79.5	261,871	85.3	+3.2
Harness	線束	—	—	973	0.3	-100.0
Flexible Flat Cable (FFC)	柔性扁平線 (FFC)	69,639	20.5	44,205	14.4	+57.5
		339,859	100.0	307,049	100.0	+10.7

Our internal signal cable assembly segment recorded an increase in revenue of approximately RMB32.8 million or approximately 10.7% as compared to 2010 mainly driven by the growth in our FFC segment which targets the global flat screen TV and monitor industry.

Revenue for our FFC segment increased by approximately 57.5% as our FFC products which was only launched in the second half of 2009 continued to gain momentum with our customers. As we increased production capacity significantly since the first half of 2010, we were able to ramp up production to meet the increase in demand from our customers in 2011.

本集團內接信號線分部錄得收益較二零一零年增加約人民幣32.8百萬元或約10.7%，主要由於本集團針對全球平面電視及顯示器行業的FFC分部增長。

由於本集團於二零零九年下半年新推出的FFC產品一直受客戶歡迎，故本集團FFC分部的收益增加約57.5%。由於本集團自二零一零年上半年起大幅增加產能，故本集團的產量得以提高，從而於二零一一年滿足客戶不斷上升的需求。

Management Discussion & Analysis

管理層討論及分析



BUSINESS REVIEW (Continued)

Power Cord Assembly

Sales of power cord assembly increased by approximately RMB82.2 million or approximately 33.3% as compared to 2010, mainly driven by increase in sales volume as we continue to increase our market share with increasing order from existing customers. As we strategically seek to increase our market share ahead of ongoing industry landscape change where we believe that in the next few years, increasing proportion of cable jacket for power cord assembly would be manufactured using halogen-free materials instead of conventional plastic materials due to increasing environmental awareness. To better position ourselves to benefit from such trend (and given that we are already capable of producing our own internally generated halogen-free materials), we undertook a more aggressive pricing strategy in 2011 which resulted in an overall decrease in unit selling price. In addition, in the first half of 2011, in order to improve efficiency at our Weihai plant which is mainly used for the manufacturing of our power cord assembly products, we integrated our wire & cable and power cord assembly business unit in terms of production and management team. During such integration process, we sacrificed certain level of production output and therefore sales, which together with a weak operating environment, also negatively impact the profit margin of our power cord assembly segment. Nonetheless, in 2011, we also managed to win orders from important new customers in this segment including Dell, Sharp and Panasonic.

業務回顧(續)

電源線組件

電源線組件的銷售額與二零一零年相比，增加約人民幣82.2百萬元或約33.3%，此主要受到本集團的現有客戶訂單增加令本集團的市場份額持續上升，從而令銷量增加所影響。由於本集團策略性地於行業格局變動前提高市場份額，本集團相信，於未來數年，由於對環保越趨關注，故以無鹵物料而非傳統塑膠物料製造電源線組件的線纜外被的比重將越來越高。為令本集團更能把握此趨勢帶來的利益(加上本集團內部已能夠自主生產無鹵物料)，本集團於二零一一年採取更有競爭力的定價策略，令整體單位售價有所下跌。此外，於二零一一年上半年，為了改善主要用作製造電源線組件產品的威海廠房的效率，本集團於生產及管理團隊方面整合其線纜及電源線組件業務單元。於該整合過程中，本集團選擇放棄若干水平的產量以及有關銷售，加上疲弱經營環境，亦對本集團電源線組件的利潤率構成負面影響。然而，於二零一一年，本集團亦成功在此分部自重要新客戶(包括戴爾、夏普及松下)獲得訂單。

Signal Transmission Wire & Cable

信號傳輸線纜

		Year ended 31 December 截至十二月三十一日止年度					
		2011 二零一一年		2010 二零一零年			
		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 % 變動 百分比	
Communication cable	通訊線纜	134,491	27.5	8,212	2.4	+1,537.7	
Consumer electronics cable	消費電子線	263,863	54.0	254,712	73.1	+3.6	
Automotive cable	汽車線纜	16,342	3.4	18,196	5.2	-10.2	
Power cable	電源線纜	60,043	12.3	59,126	17.0	+1.6	
Others	其他	13,683	2.8	8,060	2.3	+69.8	
		488,422	100.0	348,306	100.0	+40.2	

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Signal Transmission Wire & Cable (Continued)

Our signal transmission wire & cable segment recorded an increase in revenue of approximately RMB140.1 million or approximately 40.2% as compared to 2010, as we saw a strong increase in sales across products such as communication cable which increased by approximately 1,537.7% primarily due to increased revenue contribution from the customers of Huizhou Daya Bay Heping Telecommunication Co., Ltd. ("Huizhou Daya Bay") post our acquisition in May 2011 and increased procurement volume from our existing customers. We have also started sale of wire & cable (primarily consumer electronics cable) manufactured using halogen-free materials towards the end of 2010. Of the total revenue of approximately RMB488.4 million for our signal transmission wire & cable segment, approximately RMB84.8 million or approximately 17.4% of revenue for this segment was generated by our halogen-free wire & cable as compared to approximately RMB25.9 million in 2010.

Connectors

Our connector segment recorded an increase in revenue of approximately RMB3.5 million or approximately 7.5% as compared to 2010, as our existing customers increased their procurement amount from us despite the weak global PC operating environment.

Antennas

Revenue for antennas increased by approximately RMB16.7 million or approximately 141.2% as compared 2010 as we only started to manufacture and sell wireless antenna products in 2010. We continued to add new customers and has 4 customers as at 31 December 2011.

Automotive Wiring Harness

We identified the automotive wiring harness as a new segment market after we made an acquisition of 55% interest in Tianjin Rituo Automotive Electronics Co., Ltd. ("Tianjin Rituo") in February 2011 and primarily supplies to six Chinese automobile manufacturers as at 31 December 2011. Revenue attributable to automotive wiring harness segment for 2011 amounted to approximately RMB156.7 million or represented approximately 8.4% of the total revenue of the Group for the year ended 31 December 2011.

業務回顧(續)

信號傳輸線纜(續)

本集團錄得的信號傳輸線纜分部收益較二零一零年增加約人民幣140.1百萬元或約40.2%，此乃由於本集團產品的銷售錄得強勁增長，例如通信電線的銷售均錄得增長約1,537.7%，主要由於自二零一一年五月增加來自惠州大亞灣和平通信電纜有限公司(「惠州大亞灣」)客戶的貢獻收益，以及本集團現有客戶的採購量上升所致。本集團自二零一零年年底起開始銷售使用無鹵物料製造的線纜(主要為消費電子線纜)。本集團信號傳輸線纜分部的收益總額為人民幣約488.4百萬元，當中本分部收益約人民幣84.8百萬元或約17.4%來自本集團的無鹵線纜，而二零一零年則為約人民幣25.9百萬元。

連接器

本集團的連接器分部錄得收益較二零一零年同期增加約人民幣3.5百萬元或約7.5%，此乃由於儘管全球個人電腦經營環境疲弱，本集團現有客戶增加來自本集團的採購金額。

天線

天線的收益較二零一零年增長了約人民幣16.7百萬元，或約141.2%，主要由於本集團僅於二零一零年開始製造及銷售無線天線產品。本集團不斷開發新客戶，且於二零一一年十二月三十一日擁有四名客戶。

汽車線束

本集團於二零一一年二月收購天津日拓汽車電裝有限公司(「天津日拓」)55%權益後確立汽車線束為新市場分部，於二零一一年十二月三十一日，主要向六名中國汽車製造商供貨。於二零一一年的汽車線束分部收益約為人民幣156.7百萬元，或佔本集團截至二零一一年十二月三十一日止年度的收益總額約8.4%。

Management Discussion & Analysis

管理層討論及分析



FINANCIAL REVIEW

Gross Profit and Margins

As a result of the foregoing, our gross profit increased by approximately RMB52.8 million, or approximately 16.2% in 2011 as compared to 2010. Our gross profit margin decreased from 23.0% in 2010 to 20.3% in 2011. Specifically,

財務回顧

毛利及毛利率

基於上述理由，本集團於二零一一年的毛利較二零一零年同期增加約人民幣52.8百萬元或約16.2%。本集團的毛利率自二零一零年的23.0%下跌至二零一一年的20.3%。具體為，

		Year ended 31 December 截至十二月三十一日止年度				
		2011 二零一一年		2010 二零一零年		
		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 %	Change in % 變動 百分比
External signal cable assembly	外接信號線組件	67,863	20.1	79,867	22.6	-15.0
Internal signal cable assembly	內接信號線組件	92,270	27.1	85,784	27.9	+7.6
Power cord assembly	電源線組件	42,799	13.0	40,276	16.3	+6.3
Signal transmission wire & cable	信號傳輸線纜	101,548	20.8	78,245	22.5	+29.8
Connectors	連接器	13,273	26.6	14,637	31.5	-9.3
Antennas	天線	5,294	18.6	1,233	10.5	+329.4
Automotive wiring harness	汽車線束	35,444	22.6	—	—	N/A 不適用
Others	其他	19,914	14.7	25,572	25.5	-22.1
Total	總計	378,405	20.3	325,614	23.0	+16.2

During the year, the Group recorded gross profit of approximately RMB378.4 million, representing an increase of approximately 16.2% as compared to 2010. Overall gross profit margin has decreased from 23.0% in 2010 to 20.3% in 2011. The decrease in gross profit margin for the year was mainly due to the negative impact of the depreciating US dollar had on our gross profit margin, decrease in average selling price for some of our products especially in external signal cable assembly and power cord assembly due to weakened market demand and that in order to increase our market share ahead of ongoing industry landscape change, we also undertook a more aggressive pricing strategy especially in the second half of 2011 and higher cost pressure in terms of labor and raw material costs in 2011 as compared to 2010.

年內，本集團錄得毛利約人民幣378.4百萬元，相當於較二零一零年增加約16.2%。整體毛利率由二零一零年的23.0%跌至二零一一年的20.3%。本年度毛利率下跌主要由於美元貶值對我們毛利率所造成的負面影響、市場需求疲弱以及我們亦採取較有競爭力的定價政策以於正在變化中的行業增加市場份額（尤其於二零一一年下半年）導致我們部份產品（尤其外接信號線組件及電源線組件）的平均售價下跌及二零一一年的勞工及原材料成本的成本壓力相對較二零一零年高。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Cost of Sales

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

下表載列本集團於所示期間的銷售成本明細：

		Year ended 31 December 截至十二月三十一日止年度				Change in % 變動 百分比
		2011 二零一一年		2010 二零一零年		
		% of total Cost of sales 佔總銷售 成本百分比		% of total Cost of sales 佔總銷售 成本百分比		
		RMB'000		RMB'000		
		人民幣千元		人民幣千元		
Raw material costs	原料成本	1,166,905	78.5	850,696	78.2	+37.2
Utilities	公共事業成本	19,331	1.3	16,451	1.5	+17.5
Depreciation	折舊	25,646	1.7	24,899	2.3	+3.0
Labor costs	勞工成本	166,541	11.2	113,725	10.4	+46.4
Outsourcing costs	外包成本	83,270	5.6	62,209	5.7	+33.9
Others	其他	25,278	1.7	20,366	1.9	+24.1
		1,486,971	100.0	1,088,346	100.0	+36.6

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

下表載列本集團於所示期間的原材料成本明細：

		Year ended 31 December 截至十二月三十一日止年度				
		2011 二零一一年		2010 二零一零年		
		% of raw material costs 佔原材料 成本百分比		% of raw material costs 佔原材料 成本百分比		Change in % 變動 百分比
		RMB'000 人民幣千元		RMB'000 人民幣千元		
Copper materials	銅材料	689,980	59.1	490,851	57.7	+40.6
Plastic materials	塑膠材料	239,216	20.5	147,170	17.3	+62.5
Iron materials	鐵材料	59,173	5.1	48,490	5.7	+22.0
Others	其他	178,536	15.3	164,185	19.3	+8.7
		1,166,905	100.0	850,696	100.0	+37.2

Management Discussion & Analysis

管理層討論及分析



FINANCIAL REVIEW (Continued)

Cost of Sales (Continued)

Cost of sales increased by approximately RMB398.6 million, or approximately 36.6%, as compared to 2010. The increase was primarily due to (i) an increase in raw material costs of approximately 37.2%, mainly as a result of an overall increase in sales volume and the higher raw material prices in 2011 as compared to 2010. For plastic materials, the increase in cost is also due to increased proportion of higher cost halogen-free insulating materials used and increased sales level for internal signal cable assembly and automotive wiring harness products that required more plastic materials for production; and (ii) an increase in labor costs of approximately 46.4%, mainly as a result of an increase in manufacturing staff (including contract workers and interns) from 4,250 as at 31 December 2010 to 8,067 as at 31 December 2011 and an overall increase in employee salaries in line with general inflation and our increase in production level for 2011.

Other Income, Other Gains and Losses

We have other income and gains of approximately RMB22.1 million which was primarily attributable to (i) interest income of approximately RMB10.1 million we generated on our bank balance which increased significantly as compared to the same period in 2010 due to the funds raised from our initial public offering in November 2010; (ii) government grant of approximately RMB8.0 million as incentives for research and development effort of the Group; (iii) gains on disposal of property, plant and equipment and prepaid lease payments of approximately RMB1.7 million; and (iv) net positive changes in fair value of our hedging positions in copper and US dollar of approximately RMB3.6 million as at 31 December 2011.

財務回顧(續)

銷售成本(續)

銷售成本較二零一零年增加約人民幣398.6百萬元或約36.6%，主要是由於(i)原材料成本主要因二零一一年的整體銷量及原材料價格較二零一零年為高而增加約37.2%。就塑膠而言，成本增加亦由於所採用成本較高的無鹵絕緣材料有所增加及生產需要更多塑膠的內接信號線組件及汽車線束產品的銷售水平增加所致；(ii)主要因生產員工(包括合約員工和實習生)自二零一零年十二月三十一日的4,250名增加至二零一一年十二月三十一日的8,067名以及整體僱員薪金因應通脹及於二零一一年的計劃生產水平提升而有所增加，令員工成本增加約46.4%。

其他收入、其他收益及虧損

本集團的其他收益及收入約為人民幣22.1百萬元，主要由於(i)由於本集團自二零一零年十一月的首次公開發售籌集到資金，本集團銀行結餘所產生的利息收入約為人民幣10.1百萬元，較二零一零年同期大幅增加；(ii)政府補助金約人民幣8.0百萬元，作為本集團致力於研發的激勵；(iii)出售物業、廠房及設備及預付租賃款項的收益約人民幣1.7百萬元；及(iv)於二零一一年十二月三十一日本集團在銅及美元對沖狀況的公平值的正面變動淨額約人民幣3.6百萬元。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Distribution and Selling Expenses

Distribution and selling expenses increased by approximately RMB21.8 million, or approximately 80.1% as compared to 2010 primarily as a result of increased level of sales and marketing activities in line with overall increase in revenue, the acquisition of Tianjin Rituo and Huizhou Daya Bay and additional investment we made in strengthening our sales and marketing department particularly in our high frequency cable business and also new markets (such as connectivity products for PRC photovoltaic and industrials market) that the Group will target to gradually enter in 2012. In particular, the increase was due primarily to (i) an increase in transportation expenses of approximately RMB6.2 million or approximately 50.3%, which is generally in line with the increase in revenue and as level of marketing activities increased; (ii) an increase in staff costs of approximately RMB7.3 million or approximately 179.9%, primarily due to the establishment of our Taipei office and Chongqing base in September 2010 and March 2011 respectively, new sales and marketing teams being set up for high frequency cable, solar connector and specialty power cable segments and the additional staff we took on after acquiring Tianjin Rituo and Huizhou Daya Bay. As at 31 December 2011, we have a total of 204 sales and marketing staff as compared to 126 as at 31 December 2010; and (iii) an increase in entertainment expenses of approximately RMB3.2 million or approximately 64.0%, primarily due to an increase in sales and marketing activities.

財務回顧(續)

分銷及銷售開支

分銷及銷售開支較二零一零年增加約人民幣21.8百萬元或約80.1%，主要由於銷售及營銷活動水平隨收益整體增加而增加，收購天津日拓及惠州大亞灣，且本集團加大投資，增強銷售及營銷部，尤其對本集團高頻線業務以及本集團將於二零一二年計劃逐漸進入的新市場（例如中國光伏及工業市場的連接技術產品）。尤其是，該增長主要是由於(i)運輸費增加約人民幣6.2百萬元或約50.3%，大致符合收益增加及營銷活動水平增加；(ii)員工成本增加約人民幣7.3百萬元或約179.9%主要由於本集團於二零一零年九月及二零一一年三月成立台北辦事處及重慶基地、為高頻線、太陽能連接器及特種電源線分部建立新銷售及營銷團隊以及本集團收購天津日拓及惠州大亞灣後接管額外員工。於二零一一年十二月三十一日，本集團僱有204名銷售及營銷員工，而二零一零年則為126名；及(iii)應酬開支增加約人民幣3.2百萬元或約64.0%，主要由於銷售及營銷活動增加。

Management Discussion & Analysis

管理層討論及分析



FINANCIAL REVIEW (Continued)

Administrative and General Expenses

Administrative and general expenses increased by approximately RMB44.2 million, or approximately 60.9% as compared to 2010. This increase was primarily due to (i) an increase in salary expenses of approximately RMB24.9 million or approximately 108.3%, attributable to the increase in general and administrative personnel and their corresponding salary as a result of the acquisition of Tianjin Rituo and Huizhou Daya Bay, the establishment of our Taipei office and Chongqing base in September 2010 and March 2011 respectively and also as overall, we recruited additional general and administrative personnel in line with the expansion of our Group. The number of general and administrative personnel was 678 as at 31 December 2011 as compared to 661 as at 31 December 2010; (ii) an increase in depreciation expenses and office expenses of approximately RMB1.8 million or approximately 34.2% and approximately RMB1.6 million or approximately 22.9% respectively, mainly as a result of office expansion and additional office related purchase in general as we increased our business scale, the completion of a new office block in the fourth quarter of 2010 at our Changshu, Suzhou facility and the additional depreciation expenses as a result of the acquisition of Tianjin Rituo and Huizhou Daya Bay; (iii) an increase in transportation expenses of approximately RMB2.5 million or approximately 83.8%, in line with increased business operations and as a result of the acquisition of Tianjin Rituo and Huizhou Daya Bay; and (iv) an increase in rental expenses of approximately RMB3.5 million or approximately 428.9%, primarily as a result of the new Taipei and Hong Kong office that was established in September 2010 and June 2011 respectively and also due to the acquisition of Tianjin Rituo and Huizhou Daya Bay.

財務回顧(續)

行政及一般開支

行政及一般開支較二零一零年增加約人民幣44.2百萬元或約60.9%，該增加是由於(i)薪金開支增加約人民幣24.9百萬元或約108.3%，主要由於收購天津日拓及惠州大亞灣、本集團分別於二零一零年九月及於二零一一年三月成立台北辦事處及重慶基地以及亦作為整體而言，本集團為應付擴充而招聘額外一般及行政人員，導致一般及行政人員數目以及其相應薪金有所增加。一般及行政人員數目於二零一一年十二月三十一日為678名，而二零一零年十二月三十一日則為661名；(ii)折舊開支及辦公室開支分別增加約人民幣1.8百萬元或約34.2%，以及約人民幣1.6百萬元或約22.9%，主要是由於因業務規模擴大而擴充辦公室及作出額外辦公室相關的一般採購、本集團蘇州常熟廠區於二零一零年第四季有新辦公大樓落成以及因收購天津日拓及惠州大亞灣產生的額外折舊開支；(iii)運輸費開支增加約人民幣2.5百萬元或約83.8%，符合業務增長，此乃由於收購天津日拓及惠州大亞灣所致；及(iv)租金開支增加約人民幣3.5百萬元或約428.9%，主要由於新台北及香港辦事處分別於二零一零年九月及二零一一年六月成立以及收購天津日拓及惠州大亞灣所致。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Research and Development Expenses

Research and development expenses increased by approximately RMB31.2 million, or approximately 101.0% as compared to 2010. This significant increase was primarily due to an increase in salary expenses for research and development personnel of approximately RMB8.8 million, or approximately 85.7%, as we increased the number of R&D staff to 288 as at 31 December 2011 as compared to 181 as at 31 December 2010. Research and development is important to the continued growth and development of our Group and as we continue to invest in constant refinement of existing products, production process including automation and development of new products such as high frequency cable, automotive wiring harness, specialty power cable and solar connectors, we will continue to allocate resources as relevant in terms of manpower and capital. Our newly set up Taipei office in September 2010 is also a key R&D center focusing on the research of products such as antenna and connector for the 3Cs markets. As a result of our expanded research and development scope and scale, our use of raw materials also increased by approximately RMB15.6 million, or approximately 107.2%.

Finance Costs

Finance costs increased by approximately RMB18.4 million, or approximately 96.6%, as compared to 2010, due to an increase in bank interest expenses as a result of increased bank borrowings in line with the expansion in size and scale of our business operations. In addition, the average interest rate for our short term loans (both in RMB and US dollar) for 2011 is higher than the average rate for the same period in 2010 and thereby increased the interest cost for our borrowings.

Income Tax Expenses

Our income tax expenses reduced by approximately RMB2.6 million, or approximately 14.2% as compared to 2010, primarily due to the effect of negative deferred tax of approximately RMB3.0 million in the year of 2011. We registered such negative deferred tax because of deductible tax losses carried forward for some of our subsidiaries including the newly acquired Huizhou Daya Bay. Excluding the effect of deferred tax and adjustment for over provision of enterprise income tax ("EIT") in prior years, our PRC EIT decreased by approximately RMB0.5 million, or approximately 2.8% as a result of decrease in our profit before taxation. Overall, for 2011, our effective tax rate was 11.6% as compared to 10.5% in 2010.

財務回顧(續)

研發開支

研發開支與二零一零年比較增加約人民幣31.2百萬元(或約101.0%)。有關大幅增加乃主要由於研發人員數目由二零一零年十二月三十一日的181名增至二零一一年十二月三十一日的288名，故研發人員薪金開支上升約人民幣8.8百萬元(或約85.7%)。研發對本集團的持續增長及發展而言十分重要，且由於本集團繼續就定期完善現有產品，包括自動化的生產程序及發展新產品(例如高頻線、汽車線束產品、特種電源線及太陽能連接器)作出投資，本集團將繼續適當地分配人力及資本資源。本集團於二零一零年九月新成立的台北辦事處亦是主要的研發中心，專注於產品研究，例如3C市場的天線及連接器。由於本集團擴充後的研發範圍及規模，本集團的原材料使用亦增加約人民幣15.6百萬元(或約107.2%)。

融資成本

與二零一零年相比，融資成本增加約人民幣18.4百萬元(或約96.6%)，此乃由於銀行利息開支因業務營運規模擴充令銀行借貸增加而有所增加所致。此外，中國二零一一年本集團短期貸款(人民幣及美元)的平均利率高於二零一零年同期的平均利率，故借貸的利息成本有所上升。

所得稅開支

本集團所得稅開支與二零一零年相比減少約人民幣2.6百萬元(或約14.2%)，此乃主要由於二零一一年約人民幣3.0百萬元的遞延稅項負面影響所致。本集團取得有關負遞延稅項乃因為本集團部分附屬公司(包括最近收購的惠州大亞灣)已結轉可扣減稅項虧損。不計及遞延稅項的及於過往年度企業所得稅(「企業所得稅」)撥備過剩調整影響，本集團中國企業所得稅因除稅前溢利有所下跌而減少約人民幣0.5百萬元(或約2.8%)。整體而言，本集團於二零一一年的實際稅率為11.6%，而二零一零年則為10.5%。

Management Discussion & Analysis

管理層討論及分析



FINANCIAL REVIEW (Continued)

Profit for the Year

As a result of the foregoing, profit for year ended 31 December 2011 decreased by approximately RMB35.7 million, or approximately 23.0% as compared to RMB155.0 million 2010. Our net profit margin was approximately 6.4% in 2011 as compared to approximately 11.0% in 2010. The decrease in net profit margin was primarily due to (i) impact of decrease in gross profit margin; (ii) the significant increase in operating expenses, including selling and distribution expenses, administrative and general expenses and research and development expenses, as the Group continues to invest in new products and markets that did not yet have revenue contribution in 2011; and (iii) the acquisition of Tianjin Rituo and Huizhou Daya Bay where both these newly acquired entities' profitability is relatively lower than that of our Group's existing business as a whole.

Liquidity and Financial Resources

The Group will continue to implement prudent financial management policy and maintain a reasonable gearing ratio during expansion. As at 31 December 2011, the Group's gearing ratio (measured by total short term borrowings as a percentage of total assets of the Company) was approximately 28.4% (31 December 2010: approximately 33.5%).

As at 31 December 2011, the total short-term borrowings of the Group amounted to approximately RMB653.5 million (31 December 2010: approximately RMB663.1 million). Out of this amount, approximately RMB185.3 million was denominated in US dollar and approximately RMB468.2 million in Renminbi. These loans carried interests at floating or fixed rates. For the total short-term borrowings of approximately RMB653.5 million, approximately RMB317.3 million was secured loans.

Breakdown of our short-term borrowings is as follows:

		As at 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元	As at 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元
Trade financing	貿易融資	207,240	115,854
Note receivable discounted	應收票據貼現	5,096	92,821
Bank borrowings	銀行借貸	441,135	454,431
Total	總計	653,471	663,106

財務回顧(續)

年度溢利

鑑於上述原因，截至二零一一年十二月三十一日止年度溢利與二零一零年的人民幣155.0百萬元相比減少約人民幣35.7百萬元或約23.0%。於二零一一年，本集團淨利潤率約為6.4%，而於二零一零年則約為11.0%。淨利潤率下跌乃主要由於(i)毛利減少的影響(ii)經營開支大幅增加，包括銷售及分銷開支、行政及一般開支及研發開支，原因為本集團繼續投資於在二零一一年尚未帶來收益的新產品及市場；及(iii)收購天津日拓及惠州大亞灣，此等新收購實體的盈利能力同樣相對本集團現有業務整體上較低。

流動資金及財務資源

本集團將於擴充過程中繼續執行審慎的財務管理政策並維持合理的資本負債比率。於二零一一年十二月三十一日，本集團的資本負債比率(按短期借貸總額佔本公司總資產的百分比計算)約為28.4%(二零一零年十二月三十一日：約33.5%)。

於二零一一年十二月三十一日，本集團的總短期借貸達約人民幣653.5百萬元(二零一零年十二月三十一日：人民幣約663.1百萬元)。當中約人民幣185.3百萬元以美元列值及約人民幣468.2百萬元以人民幣列值。該等貸款附帶浮動或固定利息。於總金額約為人民幣653.5百萬元的銀行借貸中金額約為人民幣317.3百萬元部分為已抵押貸款。

我們的短期借貸明細如下：

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Liquidity and Financial Resources (Continued)

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

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 31 December 2011, 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 2011.

Foreign Currency Risk

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

Working Capital

Inventory balance as at 31 December 2011 was approximately RMB319.5 million (31 December 2010: approximately RMB178.5 million). The increase in inventory was primarily as a result of the our newly acquired entities, namely Tianjin Rituo and Huizhou Daya Bay, in 2011 which increased our overall inventory level, contributing approximately RMB104.0 million increase in our inventory as at 31 December 2011. The average turnover days for inventory stood at 61 days as compared to 60 days in 2010.

財務回顧(續)

流動資金及財務資源(續)

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

除上述或本報告另有披露者及集團內公司間之負債外，於二零一一年十二月三十一日營業時間結束時，本公司並無任何已發行及未清償或同意發行之借貸資本、銀行透支、貸款或其他類似債務、承兌負債或承兌信貸、債券、按揭、質押、租購承擔、擔保或其他重大或然負債。

董事已確認，自二零一一年十二月三十一日起，本公司及其附屬公司的債務及或然負債概無重大變動。

外幣風險

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

營運資本

於二零一一年十二月三十一日，存貨結餘約為人民幣319.5百萬元(二零一零年十二月三十一日：約人民幣178.5百萬元)。存貨增加的主要由於我們於二零一一年新收購實體天津日拓及惠州大亞灣增加我們的整體存貨水平，令我們於二零一一年十二月三十一日的存貨增加約人民幣104.0百萬元。存貨的平均週轉日數維持在61日，二零一零年為60日。

Management Discussion & Analysis

管理層討論及分析



FINANCIAL REVIEW (Continued)

Working Capital (Continued)

Trade and bill receivables balance as at 31 December 2011 was approximately RMB946.9 million (31 December 2010: approximately RMB670.0 million). The increase in trade and bill receivables balance was mainly due to our overall increase in revenue and the trade and bill receivables balance attributable to the two acquisitions we made in the first half of 2011. The average turnover days for trade and bill receivables stood at 158 days as compared to 134 days in 2010, primarily due to the relatively longer credit terms for customers of our newly acquired entities, namely Tianjin Rituo and Huizhou Daya Bay. As at 31 December 2011, approximately 79.4% of our trade and bill receivables were due within three months.

Trade and bill payables balance as at 31 December 2011 was approximately RMB462.0 million (31 December 2010: approximately RMB324.2 million). The increase in trade and bill payables balance was generally in line with the increased scale of our business operations in 2011. The average turnover days for trade and bill payables was 97 days as at 31 December 2011 as compared to 93 days in 2010.

Our cash conversion cycle for the year ended 31 December 2011 was approximately 122 days as compared to 101 days for 2010.

Cash Flow

		For the year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Net cash used in operating activities	經營活動所用現金淨額	(167,546)	(114,539)
Net cash from/(used in) investing activities	投資活動所得(所用)現金淨額	161,211	(549,936)
Net cash (used in)/from financing activities	融資活動(所用)所得現金淨額	(47,423)	751,139

Net cash used in operating activities for the year ended 31 December 2011 was approximately RMB167.5 million primarily due to higher trade and bills receivables balance as at 31 December 2011 as a result of sales generated in the second half of 2011 of which most receivables is still outstanding according to our standard credit policy and also due to the additional trade and bills receivables balance that only arisen as at 31 December 2011 for our newly acquired entities.

財務回顧(續)

營運資本(續)

於二零一一年十二月三十一日，貿易應收款及應收票據結餘為人民幣約946.9百萬元(二零一零年十二月三十一日：人民幣約670.0百萬元)。貿易應收款及應收票據結餘增加乃主要由於本集團收益的整體增加及貿易應收款及應收票據結餘歸於本集團於二零一一年上半年作出的兩項收購所致。貿易應收款及應收票據的平均週轉日數維持在158日，而二零一零年則為134日，此乃主要由於本集團最近收購的實體(即天津日拓及惠州大亞灣)擁有相對較長的客戶信貸期。於二零一一年十二月三十一日，約79.4%的貿易應收款及應收票據於三個月內到期。

於二零一一年十二月三十一日，貿易應付款及應付票據結餘為約人民幣462.0百萬元(二零一零年十二月三十一日：約人民幣324.2百萬元)。貿易應付款及應付票據結餘增加大致上與二零一一年本集團業務經營規模擴大相符。於二零一一年十二月三十一日，貿易應付款及應付票據的平均週轉日數為97日，而二零一零年則為93日。

截至二零一一年十二月三十一日止年度的現金周轉週期約為122日，而二零一零年則為101日。

現金流量

截至二零一一年十二月三十一日止年度，經營活動所用現金淨額約為人民幣167.5百萬元，主要由於貿易及其他應收款項及存貨增加。於二零一一年下半年產生的銷售(根據本公司的標準信貸政策，其中大部分應收款項仍未償付)導致於二零一一年十二月三十一日較高貿易應收款項及應收票據，亦由於僅於二零一一年十二月三十一日產生，為我們新收購實體的額外貿易應收款及應收票據結餘。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Cash Flow (Continued)

Net cash from investing activities for the year ended 31 December 2011 of approximately RMB161.2 million was primarily attributable to the release of pledged bank deposits of approximately RMB468.8 million netted against the payment for prepaid lease payments and purchase for property, plant and equipment as we increase our business operations and scale.

Net cash used in financing activities for the year ended 31 December 2011 of approximately RMB47.4 million was primarily attributable to decrease in net borrowings.

Capital Expenditures

For the year ended 31 December 2011, we incurred total capital expenditures of approximately RMB234.7 million in construction of new factories and office buildings, the purchase of plant and machinery, equipment, computer systems and approximately RMB71.9 million for making acquisitions.

Capital Commitments

As of 31 December 2011, the Group had total capital commitments of RMB71.3 million (31 December 2010: RMB56.5 million), mainly used in respect of acquisition of property, plant and manufacturing facilities.

Employees

As at 31 December 2011, we have a total of 9,566 full time staff, of which 3,042 were our direct employees (31 December 2010: 1,638) and 5,437 were our contract workers (31 December 2010: 3,870). As at 31 December 2011, we also have 1,087 part time interns. All our contract workers and part time interns are mainly used for production whereas in terms of our direct employees, the breakdown as at 31 December 2011 is as follows:

財務回顧(續)

現金流量(續)

截至二零一一年十二月三十一日止年度，投資活動所用現金淨額約人民幣161.2百萬元主要因解除已抵押銀行存款約人民幣468.8百萬元以應對擴大業務經營及規模而支付預付租賃款項及購買物業、廠房及設備所致。

截至二零一一年十二月三十一日止年度，融資活動所用現金淨額為約人民幣47.4百萬元，主要來自借款淨額的減少。

資本開支

截至二零一一年十二月三十一日止年度，本集團就興建新廠房及辦公室大樓，以及購買廠房、機器、設備及電腦系統而招致總資本開支約人民幣234.7百萬元及就收購作出投資約人民幣71.9百萬元。

資本承擔

於二零一一年十二月三十一日，本集團的資本承諾總額為人民幣71.3百萬元(二零一零年十二月三十一日：人民幣56.5百萬元)，主要用於有關收購物業、廠房及生產設施。

僱員

於二零一一年十二月三十一日，本集團合共有9,566名全職員工，其中3,042名為本集團直接僱員(二零一零年十二月三十一日：1,638名)及5,437名為本集團合約員工(二零一零年十二月三十一日：3,870名)。於二零一一年十二月三十一日，本集團亦有1,087名兼職實習員工。所有合約員工及兼職實習員工均主要負責生產，而直接僱員於二零一一年十二月三十一日的明細如下：

		As at 31 December 2011 於二零一一年 十二月三十一日	As at 31 December 2010 於二零一零年 十二月三十一日
Manufacturing	製造	1,543	380
Sales and marketing	銷售及市場推廣	204	126
General and administration	一般及行政	678	661
Research and development	研發	288	181
Quality control	品質控制	329	290
Total	總計	3,042	1,638

Management Discussion & Analysis

管理層討論及分析



FINANCIAL REVIEW (Continued)

Use of Proceeds Raised from the Global Offering

The net proceeds from the Global Offering, after deducting the relevant cost were approximately HKD470.3 million (equivalent to approximately RMB400.7 million). As at 31 December 2011, the Company utilized the proceeds of approximately RMB265.9 million to the Group's new development projects, research and development and working capital. The Directors do not anticipate any changes to its plan on the use of proceeds as stated in the Prospectus.

At present, the utilization of proceeds from the Global Offering is basically the same with the intended use of proceeds as disclosed in the Prospectus. As at 31 December 2011, proceeds used on projects are generally analyzed as follows:

財務回顧(續)

來自全球發售的所得款項的用途

經扣除有關成本後，全球發售所得款項淨額約為470.3百萬港元(相當於約人民幣400.7百萬元)。於二零一一年十二月三十一日，本公司已將約人民幣265.9百萬元用作本集團新開發項目、研發及營運資本。董事預期所得款項用途計劃(誠如招股章程所呈列)並不會出現任何變動。

目前，全球發售所得款項的用途基本上與本公司招股章程所披露的所得款項擬定用途相同。於二零一一年十二月三十一日，所得款項用於項目乃大致分析如下：

Projects 項目		Accumulated use of proceeds 累計所得款項用途		
		Estimated amount	Accumulated expenses	
		預計金額	累計開支	
		RMB (million)	RMB (million)	
		人民幣(百萬元)	人民幣(百萬元)	
(1)	Expanding production capacity of existing products	擴大現有產品的產能	160.3	65.6
(2)	Development and production of new products	開發及製造新產品	176.3	136.2
(3)	Research and development investment	研發投資	24.0	24.0
(4)	General working capital and other general corporate purposes	一般營運資本及其他一般公司用途	40.1	40.1
Total		合共	400.7	265.9

Dividends

The Directors do not recommend a payment of any dividends for the year ended 31 December 2011 (2010: Nil).

股息

本公司董事未建議派發截至二零一一年十二月三十一日止年度的任何股息(二零一零年：無)。

Management Discussion & Analysis

管理層討論及分析

CAPITAL INCREASE AGREEMENT FOR TIANJIN RITUO

On 21 February 2011 Weihai Honglin Electronic Co., Ltd. (“Weihai Electronic”), a wholly-owned subsidiary of the Company, has entered into the Capital Increase Agreement between Tianjin Rituo, Wang Xiang (the existing shareholder of Tianjin Rituo, who holds as to 70% of Tianjin Rituo before the Agreement) and Wang Weiguo (the existing shareholder of Tianjin Rituo, who holds as to 30% of Tianjin Rituo before the Agreement), pursuant to which Weihai Electronic has agreed to make Capital Contribution of RMB58.60 million (equivalent to approximately HKD69.15 million) in aggregate to Tianjin Rituo, of which, (i) RMB6,111,111 (equivalent to approximately HKD7,211,111) will be used to increase the registered capital of Tianjin Rituo from RMB5.00 million (equivalent to approximately HKD5.90 million) to RMB11,111,111 (equivalent to approximately HKD13,111,111), and (ii) RMB52,488,889 (equivalent to approximately HKD61,936,889) will be treated as capital reserve of Tianjin Rituo. Prior to the Capital Increase, Tianjin Rituo was owned as to 70% and 30% by Wang Xiang and Wang Weiguo respectively, and upon completion of the Capital Increase, Tianjin Rituo will be held as to 31.5% by Wang Xiang, 13.5% by Wang Weiguo and 55.0% by Weihai Electronic.

Tianjin Rituo is principally engaged in the design, research and development, manufacture and sale of automotive wiring harness products catering to automobile industry in PRC.

天津日拓增資協議

於二零一一年二月二十一日，本公司全資附屬公司威海市泓淋電子有限公司（「威海電子」）已與天津日拓、天津日拓的現有股東王祥（其於該協議前持有天津日拓70%的權益）及天津日拓的現有股東王衛國（其於該協議前持有天津日拓30%的權益）訂立增資協議，據此，威海電子已同意向天津日拓注資合共人民幣58.60百萬元（約相當於69.15百萬港元），其中(i)人民幣6,111,111元（約相當於7,211,111港元）將用於將天津日拓的註冊資本由人民幣5.00百萬元（約相當於5.90百萬港元）增至人民幣11,111,111元（約相當於13,111,111港元），及(ii)人民幣52,488,889元（約相當於61,936,889港元）將被視為天津日拓的資本儲備。於增資進行前，天津日拓由王祥及王衛國分別持有70%及30%之權益，而於增資完成後，天津日拓將由王祥、王衛國及威海電子分別持有31.5%、13.5%及55.0%之權益。

天津日拓主要從事設計、研發、生產及銷售符合中國的汽車行業之汽車線束產品。

Management Discussion & Analysis

管理層討論及分析



ACQUISITION OF HUIZHOU DAYA BAY AND CAPITAL INJECTION

On 4 May 2011, Weihai Electronic, a wholly-owned subsidiary of the Company (as Purchaser) entered into the Acquisition and Capital Injection Agreement with Tian Hong Zhen, Zhou Shao Hua, Yuan Huo You, Wang Jia Zhan and Wu Yue Long (as Vendors), pursuant to which the Vendors agreed to sell and the Purchaser agreed to acquire an aggregate total of 87% equity interest in Huizhou Daya Bay for a total consideration of RMB13.3 million (equivalent to approximately HKD15.8 million) which will be settled entirely by cash funded by internal resources of the Group. Upon the completion of the Acquisition, Yuan Huo You, Zhou Shao Hua and Weihai Electronic also agreed to make capital injection of RMB63.2 million (equivalent to approximately HKD75.2 million) in aggregate to Huizhou Daya Bay in proportion to their respective shareholding in Huizhou Daya Bay immediately after the completion of the Acquisition. Upon the completion of the capital injection, Huizhou Daya Bay would continue to be held as to 87% by Weihai Electronic and 13% in aggregate by Yuan Huo You and Zhou Shao Hua.

In August and December 2011, Weihai Electronic as part of capital injection, further injected RMB20,000,000 and RMB43,200,000 into Huizhou Daya, and the percentage of equity interest of Huizhou Daya hold by the Group increased to 97.27% at the end of 31 December 2011. In March 2012, Weihai Electronic acquired the remaining 2.73% non-control interest with the consideration amount of approximately RMB1,992,000.

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

有關收購惠州大亞灣及注資

於二零一一年五月四日，本公司全資附屬公司威海電子（作為買方）已與田洪鎮、周紹華、袁火有、王家沾及武月龍（作為賣方）訂立收購及注資協議，據此，賣方同意出售且買方同意收購惠州大亞灣合共87%的股權，代價總額為人民幣13.3百萬元（相當於約15.8百萬港元），將以本集團透過內部資源撥付的現金全數支付。待收購事項完成後，袁火有、周紹華及威海電子亦已同意按彼等各自於緊隨收購事項完成後佔惠州大亞灣的股權比例向惠州大亞灣合共注資人民幣63.2百萬元（相當於約75.2百萬港元）。於注資完成後，惠州大亞灣將繼續由威海電子持有87%的權益，並由袁火有及周紹華合共持有13%的權益。

於二零一一年八月及十二月，作為注資一部分，威海電子進一步向惠州大亞注資人民幣20,000,000元及人民幣43,200,000元，而本集團所持惠州大亞的股權百分比於二零一一年十二月三十一日底增加至97.27%。於二零一二年三月，威海電子收購餘下2.73%非控制權益，代價約為人民幣1,992,000元。

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

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 40, 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 16 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).

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

董事及高級管理層

執行董事

遲少林先生(「遲先生」)，40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16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。

遲先生為本公司非執行董事兼顧問徐藝銘女士之女婿。



DIRECTORS AND SENIOR MANAGEMENT (Continued)

Executive Directors (Continued)

Mr. Jiang Taike (蔣太科) (“Mr. Jiang”), aged 37, 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 15 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.

Mr. Li Jianming (李建明) (“Mr. Li”), aged 39, is an executive Director and vice chief executive 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 and vice chief executive officer on 1 July 2011. Besides leading the financial management, capital investment and financing functions of the Group, Mr. Li has also regularly participated in key business and strategic decision matters of the Group. Mr. Li is involved in assisting the chief executive officer of the Company on corporate planning, internal management and control, as well as developing business strategies and overall direction of the Company. Mr. Li is also involved in overseeing the Group’s investment and finance related functions. Mr. Li is also a director of the subsidiaries of the Company.

董事及高級管理層(續)

執行董事(續)

蔣太科先生(「蔣先生」)，37歲，現任本公司執行董事兼副總裁以及本集團線纜事業部總經理，負責本集團線纜事業部策略執行、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15年線纜行業經驗。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。

李建明先生(「李先生」)，39歲，現任本公司執行董事兼副總裁。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，以及於二零一一年七月一日獲委任為副總裁。除帶領本集團財務管理、資本投資與融資功能外，李先生亦定期參與本集團主要業務及策略決策事宜。李先生負責於企業計劃、內部管理及控制及發展業務策略與本公司整體方向方面協助本公司總裁。李先生亦負責監督本集團的投資及融資相關功能。李先生亦為本公司若干附屬公司之董事。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

DIRECTORS AND SENIOR MANAGEMENT (Continued)

Executive Directors (Continued)

Mr. Li has over 17 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 and published various articles in journals from 2007 to 2009 in respect of financial management.

Mr. Mao Wanjun (毛萬鈞) ("Mr. Mao"), aged 44, is an executive Director. He is also a director of a subsidiary of the Company and the vice general manager of Weihai Electronic, mainly responsible for the overall operation and management of wire & cable business.

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.

董事及高級管理層 (續)

執行董事 (續)

李先生於本集團及過往職位中累積逾17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。

毛萬鈞先生 (「毛先生」)，44歲，現任執行董事。彼亦為本公司一間附屬公司的董事及威海市泓淋電子的副總經理，主要負責威海電線電纜業務的整體營運及管理。

毛先生於二零零四年四月加入本集團，擔任威海電線經理，於二零零七年一月晉升為威海電線的副總經理，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線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。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷



DIRECTORS AND SENIOR MANAGEMENT (Continued)

Executive Directors (Continued)

Mr. Mao has over 19 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 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 49, 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 19 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 19 years’ experience in such area.

Mr. Kang has been involved in the development of the Chinese FFC industry for over 11 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.

董事及高級管理層 (續)

執行董事 (續)

毛先生於本集團及過往職位中累積逾19年線纜行業經驗。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線廠部門主管，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」)，49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19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線株式會社、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19年經驗。

姜先生參與中國FFC行業發展超過11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

DIRECTORS AND SENIOR MANAGEMENT (Continued)

Non-executive Director

Ms. Xu Yiming (徐藝銘) (“Ms. Xu”), aged 60, 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 25 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, an executive Director.

Independent Non-executive Directors

Mr. Shu Wa Tung, Laurence (舒華東) (“Mr. Shu”), aged 39, 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: 1822) and Greater China Holdings Limited (Hong Kong Stock Exchange Stock Code: 431).

董事及高級管理層 (續)

非執行董事

徐藝銘女士 (「徐女士」)，60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九月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25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。

徐女士為執行董事遲少林先生的岳母。

獨立非執行董事

舒華東先生 (「舒先生」)，39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：1822）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。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷



DIRECTORS AND SENIOR MANAGEMENT (Continued)

Independent Non-executive Directors (Continued)

Mr. Shu has over 16 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 Petroking 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.

Mr. Song Lizhong (宋立眾) ("Mr. Song"), aged 36, 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.

董事及高級管理層(續)

獨立非執行董事(續)

舒先生有逾16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。

宋立眾先生(「宋先生」)，36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。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

DIRECTORS AND SENIOR MANAGEMENT (Continued)

Independent Non-executive Directors (Continued)

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 41, 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.

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. (煙臺萬華聚氨基酯股份有限公司) and Dongfang Electronics Co., Ltd. (東方電子股份有限公司).

董事及高級管理層 (續)

獨立非執行董事 (續)

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」)，41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。

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、煙臺萬華聚氨基酯股份有限公司及東方電子股份有限公司。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷



DIRECTORS AND SENIOR MANAGEMENT (Continued)

Senior Management

Mr. Michael Y. C. Chew (“Mr. Michael Chew”), aged 54, is our general manager and head of High Speed Interconnect cable business, in care of overall business and product development for our range of high frequency/speed cable products. Mr. Michael Chew joined the Group in August 2011 and is an industry veteran in the interconnect cable business. Prior to joining the Group, he served as Director of Global Supply Chain and Sourcing at Volex Group Plc, a leading global provider of electrical and optical interconnect solutions listed on the London Stock Exchange. Mr. Michael Chew graduated from University of Detroit with a Bachelor degree (with distinction) in Architecture in 1982.

Mr. Toney Y.T. Chew (“Mr. Toney Chew”), aged 52, is our Chief Technology Officer and is primarily in charge of the research and development of the Group. Mr. Toney Chew joined the Group in August 2011 and is an industry veteran in the interconnect cable business. Prior to joining the Group, he has worked in leading global interconnect companies including Volex Group Plc as a high-speed business development manager from 2005 to 2011 and Amphenol Corporation as a regional manager from 2002 to 2005. Mr. Toney Chew graduated from University of North Texas with a Bachelor of Science degree in 1987.

Mr. Tan Zhen (譚震), aged 34, 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 Zhen 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 Zhen was also appointed as the vice general manager of internal signal cable department of the Group since July 2010.

Mr. Tan Zhen has over 12 years of experience in the electronics industry gained in our Group and in his previous employment. Before joining the Group, Mr. Tan Zhen 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 Zhen is an expert in the research and development, design of production process and on-site management of slim-wire harness wires and coaxial cable products, and has 12 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.

董事及高級管理層 (續)

高級管理層

Michael Y. C. Chew先生(「Michael Chew先生」)，54歲，本公司總經理兼高速互連線纜業務主管，負責我們高頻／速線纜產品範圍的整體業務及產品開發，於二零一一年八月加入本集團及為互連線纜業務業內資深人士。加入本集團前，彼擔任Global Supply Chain and Sourcing at Volex Group Plc（一間於倫敦證券交易所上市的電氣和光纖互連解決方案領先全球提供商）的董事。Michael Chew先生於一九八二年畢業於University of Detroit，持有建築學學士學位（優異）。

Toney Y.T. Chew先生(「Toney Chew先生」)52歲，本公司首席技術官及主要負責本集團的研發。Toney先生於二零一一年八月加入本集團及為互連線纜業務業內資深人士。加入本集團前，彼曾於領先全球互連公司工作，包括由二零零五年至二零一一年擔任Volex Group Plc的高速業務發展經理及由二零零二年至二零零五年擔任Amphenol Corporation的區域經理。Toney Chew先生於一九八七年畢業於University of North Texas，持有理學士學位。

譚震先生，34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。

譚震先生於本集團及過往職位中累積逾12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，負責產品質量監控；二零零三年三月至二零零四年四月，彼為泰科電子(昆山)有限公司同軸線纜項目經理，負責同軸線纜的研發及生產；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。譚震先生為極細電子線及同軸線纜產品研發、生產工序設計及現場管理的專家，從事內接信號線組件產品工作已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。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

DIRECTORS AND SENIOR MANAGEMENT (Continued)

Senior Management (Continued)

Mr. Tan Soon Hoe (陳順和), aged 34, is the chief financial officer of the Company. Mr. Tan Soon Hoe joined the Group on 1 July 2011 and he is responsible for the financial management, capital investment and financing decisions of the Group. Prior to joining the Company, Mr. Tan Soon Hoe was a vice president in the investment banking division of Piper Jaffray Asia Limited where he handled corporate finance transactions including new listings, mergers & acquisitions and corporate restructurings. Mr. Tan Soon Hoe has also worked in the investment banking division of N M Rothschild & Sons (Hong Kong) Ltd and the financial services group of PricewaterhouseCoopers Hong Kong.

Mr. Tan Soon Hoe holds a master degree from the London School of Economics and Political Science where he was awarded the LSE External Scholarship. He is also qualified as a chartered accountant in London and currently a member of the Institute of Chartered Accountants in England and Wales (ICAEW) and Hong Kong Institute of Certified Public Accountants (HKICPA).

Ms. Chen Jing (陳晶) (“Ms. Chen”), aged 34, is the investment director of the 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 8 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.

董事及高級管理層 (續)

高級管理層 (續)

陳順和先生，34歲，現任本公司財務總監。陳順和先生於二零一一年七月一日加入本集團，而彼負責本集團財務管理、資本投資與融資決策。陳順和先生在加入本公司以前擔任派傑亞洲有限公司投資銀行部副總裁，負責企業融資交易，包括公司新上市、併購和企業重組。陳順和先生亦曾任職於洛希爾父子(香港)有限公司的投資銀行部門及香港羅兵咸永道會計師事務所的金融服務部門。

陳順和先生持有倫敦經濟政治學院的碩士學位，並獲得該等學院的外部獎學金。彼亦為一位合資格倫敦註冊會計師，現為英格蘭及威爾斯特許會計師公會及香港會計師公會成員。

陳晶女士(「陳女士」)，34歲，本公司投資總監，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8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 2011.

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 Unit 1805, Admiralty Centre Tower Two, 18 Harcourt Road, Admiralty, 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, wireless antennas, automotive wiring harness and other products.

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, Cap. 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 shares of the Company have been listed on the Stock Exchange since 16 November 2010.

SUBSIDIARIES

Details of the subsidiaries of the Group are set out in note 35 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 dividends for the financial year ended 31 December 2011 (2010: Nil) and will consider to formulate a dividend policy at an appropriate time in the future.

董事欣然提呈截至二零一一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金鐘夏慤道18號海富中心2座1805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線組件、信號傳輸線纜、電源線組件、連接器、無線天線、汽車線束及其他產品。

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。

附屬公司

有關本集團附屬公司的詳情載於財務報表附註35。

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二零一一年十二月三十一日止財政年度支付任何股息(二零一零年：無)，且將考慮於日後適當時機制訂股息政策。

Report of the Directors

董事會報告

RESERVES

Details of movements in reserves of the Group during the year ended 31 December 2011 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, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately RMB586.5 million as at 31 December 2011. Such amount includes the Company's share premium account of approximately RMB536.3 million and retained profits approximately RMB50.2 million in aggregate as at 31 December 2011.

CLOSURE OF TRANSFER BOOKS AND REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from 22 May 2012 to 29 May 2012 (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 the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 21 May 2012.

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the aggregate sales attributable to the Group's top five largest customers comprised approximately 48.2% (2010: 43.6%) of the Group's total sales and the sales attributable to the Group's largest customer were approximately 13.4% of the Group's total sales. The aggregate purchases attributable to the Group's top five largest suppliers comprised approximately 44.7% (2010: 30.0%) 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 2011 and the state of the Group's and the Company's affairs as at 31 December 2011 are set out in the consolidated financial statements on pages 67, 68 and 159 of this report.

儲備

有關本集團截至二零一一年十二月三十一日止年度儲備之變動詳情載於綜合權益變動表一節。

可供分派儲備

於二零一一年十二月三十一日，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586.5百萬元。該金額包括本公司於二零一一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50.2百萬元。

暫停辦理股份過戶登記手續

本公司將由二零一二年五月二十二日至二零一二年五月二十九日(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二零一二年五月二十一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17樓1712–1716室)，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48.2%(二零一零年：43.6%)，及本集團最大客戶應佔之銷售額約佔本集團總銷售額的13.4%。本集團五大供應商應佔之總採購額約佔年內總採購額的44.7%(二零一零年：30.0%)。

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

本集團截至二零一一年十二月三十一日止年度的業績與本集團及本公司於二零一一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67、68及159頁。

Report of the Directors

董事會報告



OPERATING RESULTS

The Group's results for the year ended 31 December 2011 are set out in the consolidated statement of comprehensive income on page 67.

The Group's profit attributable to Shareholders for the year ended 31 December 2011 was approximately RMB116.1 million, being approximately 24.0% lower as compared to 2010.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group for the year ended 31 December 2011 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 2011 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 CEO*)
Mr. Jiang Taikē (*Vice CEO*)
Mr. Li Jianming (*Vice CEO*)
Mr. Mao Wanjūn
Mr. Kang Jin Won
Mr. Tseng Chih-ming (retired on 28 April 2011)
Mr. Sui Shikai (retired on 28 April 2011)

Non-executive Directors

Ms. Xu Yiming
Mr. Du Li (retired on 28 April 2011)
Mr. Wu Kezhong (retired on 28 April 2011)

Independent Non-executive Directors

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

經營業績

本集團截至二零一一年十二月三十一日止年度的業績載於第67頁綜合全面收益表。

截至二零一一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116.1百萬元，相比二零一零年的溢利預測低約24.0%。

物業、廠房及設備

本集團於截至二零一一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

本公司於截至二零一一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)
蔣太科先生(副總裁)
李建明先生(副總裁)
毛萬鈞先生
姜振遠先生
曾志銘先生(於二零一一年四月二十八日退任)
隋世凱先生(於二零一一年四月二十八日退任)

非執行董事

徐藝銘女士
杜力先生(於二零一一年四月二十八日退任)
吳克忠先生(於二零一一年四月二十八日退任)

獨立非執行董事

舒華東先生
宋立眾先生
鄭琳女士

Report of the Directors

董事會報告

DIRECTORS (Continued)

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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. Mao Wanjun (executive Director), Mr. Kang Jin Won (executive Director) and Ms. Xu Yiming (non-executive Director) shall retire by rotation at the conclusion of the AGM and be eligible for re-election at the AGM.

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.

董事(續)

本公司已收到各獨立非執行董事根據香港聯合交易所有限公司證券上市規則(「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。毛萬鈞先生(執行董事)、姜振遠先生(執行董事)及徐藝銘女士(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。

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。

Report of the Directors

董事會報告



DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management are set out on pages 32 to 40 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 2011.

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

As at 31 December 2011, 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32至40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二零一一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。

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

於二零一一年十二月三十一日，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 普通股數目 所持已發行	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 Taikē ⁽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%

Report of the Directors

董事會報告

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

(Continued)

(L): Long position

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.

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 36,791,039 Shares in trust for each of the 136 employees, including Mr. Li Jianming who is interested in 1,030,431 Shares and Mr. Mao Wanjun who is interested in 1,486,471 Shares.

Save as disclosed above, as at 31 December 2011, 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)

(L): 好倉

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。

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及持有1,486,471股股份的毛萬鈞先生)以信託形式持有合共36,791,039股股份。

除上文所披露者外，於二零一一年十二月三十一日，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

本公司於二零一一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)

Eligible participants include the Directors, any employee (whether full-time or part-time) or shareholder of the Group, and any customer, supplier, agent, business or joint venture business partner, consultant, distributor, promoter, service provider, adviser or contractor to any member of the Group.

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 2011.

購股權計劃(續)

合資格參與人士包括本集團董事、任何僱員(不論全職或兼職)或股東,以及本集團任何成員公司的任何客戶、供應商、代理、業務或聯營公司業務夥伴、顧問、分銷商、中介人、服務提供商、顧問或承包商。

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。

於截至二零一一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 2011, 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，於二零一一年十二月三十一日，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 普通股數目 所持已發行	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Chenlin International Joint Stock Company Limited 晨淋國際股份有限公司	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 Joint Stock 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 two Directors, namely Mr. Li Jianming who is interested in 1,030,431 Shares and Mr. Mao Wanjun who is interested in 1,486,471 Shares.

- (1) 晨淋國際股份有限公司持有本公司40.9%權益，而本公司全部已發行股本則由遲少林先生所擁有。
- (2) 永昌股份有限公司代40名少數股東（包括持有16,248,857股股份的執行董事蔣太科先生及持有17,126,918股股份的非執行董事徐藝銘女士）以信託形式持有本公司18.6%權益。
- (3) 泓鑫股份有限公司代136名僱員股東（包括兩位董事，即持有1,030,431股股份的李建明先生及持有1,486,471股股份的毛萬鈞先生）以信託形式持有本公司5.1%權益。

Save as disclosed above, as at 31 December 2011, 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.

除上文所披露者外，於二零一一年十二月三十一日，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。

Report of the Directors

董事會報告



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 2011.

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 2011 and up to and including the date of this annual report.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2011, bank balances and cash of the Group amounted to approximately RMB106.7 million (2010: approximately RMB160.4 million). Details of such are set out in note 23 to the consolidated financial statements.

As at 31 December 2011, the Group had bank loans and other borrowings of approximately RMB653.5 million (2010: approximately RMB663.1 million), among which approximately RMB317.3 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 notes 15, 16, 21 and 22 to the consolidated financial statements.

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二零一一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

於截至二零一一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。

流動資金及財務資源

於二零一一年十二月三十一日，本集團的現金及銀行結餘約為人民幣106.7百萬元（二零一零年：約人民幣160.4百萬元），有關詳情載於綜合財務報表附註23。

於二零一一年十二月三十一日，本集團的銀行貸款及其他借款約為人民幣653.5百萬元（二零一零年：人民幣663.1百萬元），其中人民幣317.3百萬元由本集團的物業、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。有關詳情載於綜合財務報表附註15、16、21及22。

Report of the Directors

董事會報告

CHARGES AND CONTINGENT LIABILITIES

Other than the secured bank borrowings mentioned above, as at 31 December 2011, the Group had no other charges on its assets nor any material contingent liabilities.

HUMAN RESOURCES

As at 31 December 2011, the Group employed 3,042 employees (2010: 1,638). 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 2011, the total staff costs (including directors' emoluments) amounted to approximately RMB241.2 million (2010: approximately RMB158.1 million, including approximately 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 five financial years is set out in the financial highlight section on pages 7 to 11 to this report.

RETIREMENT SCHEMES

Particulars of employee retirement schemes of the Group are set out in note 28 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 2011.

None of the related party transactions set out in note 33 to the financial statements falls under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules.

抵押及或然負債

除上述已抵押銀行借款外，於二零一一年十二月三十一日，本集團並無其他資產抵押或任何重大或然負債。

人力資源

於二零一一年十二月三十一日，本集團擁有3,042名僱員（二零一零年：1,638名）。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。

於二零一一年十二月三十一日，員工總成本（包括董事酬金）約為人民幣241.2百萬元（二零一零年：人民幣158.1百萬元，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

本集團過往五個財政年度的業績及資產與負債的摘要載於本報告第7頁至第11頁財務摘要一節。

退休計劃

本集團的僱員退休計劃詳情載於財務報表附註28。

持續關連交易

於二零一一年十二月三十一日，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33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。

Report of the Directors

董事會報告



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 2011. 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 2011.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Tuesday, 29 May 2012 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, 22 March 2012

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

於截至二零一一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。於截至二零一一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。

股東週年大會

本公司的股東週年大會將於二零一二年五月二十九日(星期二)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，二零一二年三月二十二日

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. For the purpose of complying with the new code of corporate governance practice as set out in the Appendix 14 of the Listing Rules, which has been in effect since 1 April 2012, the Board has adopted a revised CG Code (the “New CG Code”) on 22 March 2012. The Company has also complied with the CG Code throughout the year 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 2011, 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 as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. On specific enquiries made, all Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors’ securities transactions during the year ended 31 December 2011.

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。本集團已採納香港聯合交易所有限公司證券上市規則（「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。為遵守二零一二年四月一日起生效的上市規則附錄14所載的新企業管治常規守則，董事會已於二零一二年三月二十二日採納經修訂的守則（「新守則」）。本公司於本年度內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。於截至二零一一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，彼等於截至二零一一年十二月三十一日止年度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 2011, the Board comprises five executive Directors, one non-executive Director and three independent non-executive Directors. The composition of the Board during the year ended 31 December 2011 was as follows:

Executive Directors

Mr. Chi Shaolin (*Chairman and CEO*)
Mr. Jiang Taike (*Vice CEO*)
Mr. Li Jianming (*Vice CEO*)
Mr. Mao Wanjun
Mr. Kang Jin Won
Mr. Tseng Chih-ming (retired on 28 April 2011)
Mr. Sui Shikai (retired on 28 April 2011)

Non-executive Directors

Ms. Xu Yiming (*Adviser*)
Mr. Du Li (retired on 28 April 2011)
Mr. Wu Kezhong (retired on 28 April 2011)

Independent Non-executive Directors

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

The biographical details of all Directors are set out in pages 32 to 40 of this report. Among members of the Board, Mr. Chi Shaolin is the son-in-law of Ms. Xu Yiming, and Mr. Jiang Taike is the brother-in-law of Mr. Mao Wanjun. 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

董事會的組成

於二零一一年十二月三十一日，董事會由五名執行董事、一名非執行董事及三名獨立非執行董事組成。於截至二零一一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*)
蔣太科先生 (*副總裁*)
李建明先生 (*副總裁*)
毛萬鈞先生
姜振遠先生
曾志銘先生 (於二零一一年四月二十八日退任)
隋世凱先生 (於二零一一年四月二十八日退任)

非執行董事

徐藝銘女士 (*顧問*)
杜力先生 (於二零一一年四月二十八日退任)
吳克忠先生 (於二零一一年四月二十八日退任)

獨立非執行董事

舒華東先生
宋立眾先生
鄭琳女士

全體董事的詳細履歷載於本年報第32至40頁。董事會成員中，遲少林先生為徐藝銘女士之女婿，而蔣太科先生為毛萬鈞先生之姊夫。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 2011, the Board held 7 meetings and 4 of the meetings were regular Board meetings. 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.

The number of the Board meetings held and the attendance of each Director at the Board meetings for the year ended 31 December 2011 have been set out as follows:

董事會(續)

董事會會議及董事會常規

截至二零一一年十二月三十一日止年度，董事會召開了7次會議，而當中4次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。

截至二零一一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：	7
Name of the Director	董事姓名		
Executive Directors	執行董事		
Mr. Chi Shaolin	遲少林先生		7/7
Mr. Jiang Taike	蔣太科先生		6/7
Mr. Li Jianming	李建明先生		6/7
Mr. Mao Wanjun	毛萬鈞先生		7/7
Mr. Kang Jin Won	姜振遠先生		7/7
Mr. Tseng Chih-ming (retired on 28 April 2011)	曾志銘先生(於二零一一年四月二十八日退任)		3/3
Mr. Sui Shikai (retired on 28 April 2011)	隋世凱先生(於二零一一年四月二十八日退任)		3/3
Non-executive Directors	非執行董事		
Ms. Xu Yiming	徐藝銘女士		5/7
Mr. Du Li (retired on 28 April 2011)	杜力先生(於二零一一年四月二十八日退任)		3/3
Mr. Wu Kezhong (retired on 28 April 2011)	吳克忠先生(於二零一一年四月二十八日退任)		3/3
Independent Non-executive Directors	獨立非執行董事		
Mr. Shu Wa Tung, Laurence	舒華東先生		6/7
Mr. Song Lizhong	宋立眾先生		6/7
Ms. Zheng Lin	鄭琳女士		6/7

Corporate Governance Report

企業管治報告



BOARD OF DIRECTORS (Continued)

General Meetings

The number of general meetings held and the attendance of each Director at the general meetings for the year ended 31 December 2011 have been set out as follows:

Attendance at general meeting:	參與股東大會的次數：	1
Name of the Director	董事姓名	
Executive Directors	執行董事	
Mr. Chi Shaolin	遲少林先生	1/1
Mr. Jiang Taike	蔣太科先生	1/1
Mr. Li Jianming	李建明先生	1/1
Mr. Mao Wanjun	毛萬鈞先生	1/1
Mr. Kang Jin Won	姜振遠先生	1/1
Mr. Tseng Chih-ming (retired on 28 April 2011)	曾志銘先生(於二零一一年四月二十八日退任)	1/1
Mr. Sui Shikai (retired on 28 April 2011)	隋世凱先生(於二零一一年四月二十八日退任)	1/1
Non-executive Directors	非執行董事	
Ms. Xu Yiming	徐藝銘女士	1/1
Mr. Du Li (retired on 28 April 2011)	杜力先生(於二零一一年四月二十八日退任)	1/1
Mr. Wu Kezhong (retired on 28 April 2011)	吳克忠先生(於二零一一年四月二十八日退任)	1/1
Independent Non-executive Directors	獨立非執行董事	
Mr. Shu Wa Tung, Laurence	舒華東先生	1/1
Mr. Song Lizhong	宋立眾先生	1/1
Ms. Zheng Lin	鄭琳女士	1/1

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.

董事會(續)

股東大會

截至二零一一年十二月三十一日止年度，已召開之股東大會次數及各董事出席股東大會之情況如下：

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。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS *(Continued)*

Directors' Appointment, Re-election and Removal *(Continued)*

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.

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 Rules 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 the 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)

委任、重選及罷免董事(續)

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。

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 CEO

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the CEO 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 CEO. For the year ended 31 December 2011, Mr. Chi Shaolin is both the chairman of the Board and the CEO 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 CEO 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 (i) Mr. Jiang Taikang (the vice CEO and an executive Director) has been appointed as a director of Tianjin Rituo (a subsidiary of the Company) in February 2011 and (ii) Mr. Jiang Taikang and Mr. Mao Wanjun (an executive Director) have each been appointed as a director of Huizhou Daya Bay (a subsidiary of the Company) in May 2011.

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.

董事會(續)

主席兼總裁

根據企業管治守則的守則條文第A.2.1條，主席兼總裁的角色應區分，不應由同一人擔任。目前，本集團尚未區分主席兼總裁角色。於截至二零一一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兼總裁。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。董事會認為主席兼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(i) 蔣太科先生(副總裁兼執行董事)已於二零一一年二月獲委任為天津日拓(本公司附屬公司)的董事，而(ii) 蔣太科先生及毛萬鈞先生(執行董事)已於二零一一年五月獲委任為惠州大亞灣(本公司附屬公司)的董事。

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。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS *(Continued)*

Liability Insurance for Directors

The Company has subscribed appropriate and sufficient insurance coverage on directors' liabilities in respect of legal actions taken against Directors arising out of corporate activities since 31 March 2012.

BOARD COMMITTEES

The Board has established (i) an audit committee; (ii) a compensation and benefits committee; and (iii) a nomination 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 on the website of the Stock Exchange and the Company. 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.

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. For the purpose of complying with the New CG Code adopted by the Company on 22 March 2012, the Board has adopted revised terms of reference for the Audit Committee on 22 March 2012.

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2011.

董事會(續)

董事責任保險

本公司已自二零一二年三月三十一日起購買適合及充足保險，以覆蓋董事就企業活動期間產生對董事所提出法律訴訟的責任。

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聯交所及本公司網站查詢，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。

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。為遵守本公司於二零一二年三月二十二日採納的新守則，董事會已於二零一二年三月二十二日採納經修訂的審核委員會職權範圍。

審核委員會已審閱本集團截至二零一一年十二月三十一日止年度的綜合財務報表。

Corporate Governance Report

企業管治報告



BOARD COMMITTEES (Continued)

Audit Committee (Continued)

Composition (Continued)

During the year ended 31 December 2011, the Audit Committee held 2 meetings to make recommendation on the re-appointment of external auditor, review financial statements, financial reporting system and internal control procedures of the Company. And the attendance of each Audit Committee member at the meetings for the year have been set out as follows:

No. of Audit Committee meetings held:	已召開審核委員會會議次數：	2
Name of the Audit Committee members	審核委員會成員姓名	
Mr. Shu Wa Tung, Laurence	舒華東先生	2/2
Mr. Song Lizhong	宋立眾先生	2/2
Ms. Zheng Lin	鄭琳女士	2/2

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. For the purpose of complying with the New CG Code adopted by the Company on 22 March 2012, the Board has adopted revised terms of reference for the C&B Committee on 22 March 2012. 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, 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.

董事委員會 (續)

審核委員會 (續)

組成 (續)

截至二零一一年十二月三十一日止年度，審核委員會召開2次會議以建議重選外聘核數師、審閱財務報表、財務報告系統及本公司的內部監控程序。本年度各審核委員會成員出席會議之情況如下：

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，為遵守本公司於二零一二年三月二十二日採納的新守則，董事會已於二零一二年三月二十二日採納經修訂的薪酬及福利委員會職權範圍。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（二人均為獨立非執行董事）及徐藝銘女士（非執行董事），而鄭琳女士目前擔任薪酬及福利委員會主席。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (Continued)

Compensation and Benefits Committee (Continued)

Composition (Continued)

During the year ended 31 December 2011, the C&B Committee held 2 meetings to review and make recommendation on the remuneration policy and structure relating to Directors and senior management of the Company. And the attendance of each C&B Committee member at the meetings for the year have been set out as follows:

No. of C&B Committee meetings held:		已召開薪酬及福利委員會會議次數：	2
Name of C&B Committee members		薪酬及福利委員會成員姓名	
Ms. Xu Yiming		徐藝銘女士	1/2
Mr. Shu Wa Tung, Laurence		舒華東先生	2/2
Ms. Zheng Lin		鄭琳女士	2/2

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)

截至二零一一年十二月三十一日止年度，薪酬及福利委員會召開2次會議以審閱及建議有關本公司董事及高級管理層的薪酬政策及架構。本年度各薪酬及福利委員會成員出席會議之情況如下：

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)

Nomination Committee

Composition

The Company established a nominating and corporate governance committee on 25 October 2010 (which was renamed as Nomination Committee on 22 March 2012, the "Nomination Committee") with written terms of reference. For the purpose of complying with the New CG Code adopted by the Company on 22 March 2012, the Board has adopted revised terms of reference for the Nomination Committee on 22 March 2012. The primary duties of the Nomination 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. The Nomination 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 Nomination Committee.

During the year ended 31 December 2011, the Nomination Committee held 2 meetings to review the structure, size and composition of the Board. And the attendance of each Nomination Committee member at the meetings for the year have been set out as follows:

No. of Nomination Committee meeting held:	已召開提名委員會會議次數：	2
Name of the Nomination Committee members	提名委員會成員姓名	
Mr. Chi Shaolin	遲少林先生	2/2
Mr. Shu Wa Tung, Laurence	舒華東先生	2/2
Mr. Song Lizhong	宋立眾先生	2/2

Corporate Governance Function

The Company's corporate governance function is carried out by the Board pursuant to a set of written terms of reference adopted by the Board in compliance with Code Provision D.3.1 of the CG Code, which include (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the board; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report. Details of the work of the Board in relation to the corporate governance function for the year ending 31 December 2012 will be disclosed in the corporate governance report in the Company's 2012 annual report.

董事委員會 (續)

提名委員會

組成

本公司的提名委員會(於二零一二年三月二十二日重新命名為提名委員會(「提名委員會」))乃於二零一零年十月二十五日成立，並設有書面職權範圍。為遵守本公司於二零一二年三月二十二日採納的新守則，董事會已於二零一二年三月二十二日採納經修訂的提名委員會職權範圍。提名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。提名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委員會主席。

截至二零一一年十二月三十一日止年度，提名委員會召開2次會議以檢討董事會的架構、規模及組成，並監督本公司進行企業管治。本年度各提名委員會成員出席會議之情況如下：

企業管治職能

董事會根據董事會為符合企業管治守則的守則條文第D.3.1條而採納的書面職權範圍履行本公司的企業管治職能，包括(a)制定及審閱本公司的企業管治政策及慣例，並向董事會提出推薦意見；(b)檢討及監察本公司董事及高級管理層的培訓及持續專業發展；(c)檢討及監察本公司的政策及慣例是否符合法律及監管規定；(d)制定、檢討及監察適用於本集團僱員及董事的行為守則及合規手冊(如有)；及(e)檢討本公司是否遵守企業管治守則及企業管治報告中作出的披露。有關董事會截至二零一二年十二月三十一日止年度在企業管治職能方面的工作詳情將於本公司二零一二年年報的企業管治報告中披露。

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 2011, 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 2011, the fees paid or payable to the Company's external auditor, 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
Non-audit services	非核數服務	190
Statutory audit services	法定核數服務	2,532
Total	總計	2,722

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 2011. 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 2011.

Continuous Professional Development

The Directors have been informed of the requirement under Code Provision A.6.5 of the CG Code regarding continuous professional development. Details of how each Director complies with such requirement for the year ending 31 December 2012 will be set out in the corporate governance report in the Company's 2012 annual report.

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。編製截至二零一一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

於截至二零一一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的費用如下：

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。本公司已於截至二零一一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。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，且於截至二零一一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。

持續專業發展

董事會已獲悉企業管治守則的守則條文第A.6.5條有關持續專業發展的規定。有關每名董事截至二零一二年十二月三十一日止年度如何遵守有關規定的詳情將載於本公司二零一二年年報的企業管治報告。

Corporate Governance Report

企業管治報告



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.

Shareholders' Right

In accordance with the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all votes of the Shareholders at general meetings shall 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.

How Shareholders can convene an extraordinary general meeting and putting forward proposals at Shareholders' meetings

Pursuant to the Articles, any one or more Shareholder holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company by mail at Unit 1805, Admiralty Centre Tower Two, 18 Harcourt Road, Admiralty, Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

During the year ended 31 December 2011, there has been no significant change in the Company's constitutional documents.

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。

股東權利

根據上市規則，除主席以誠實信用的原則做出決定，容許純粹有關程序或行政事宜的決議案以舉手方式表決外，於股東大會上任何股東必須以投票方式表決。因此，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。

股東如何召開股東特別大會及於股東大會上提出建議

根據細則，任何於發出要求當日持有有權於本公司股東大會上投票的本公司繳足股本不少於十分之一的股東，有權透過郵寄至香港金鐘夏慤道18號海富中心2座1805室向董事會或本公司秘書致函要求董事會召開特別股東大會，以處理該等要求列明的任何事項，而該等會議需在發出要求當日後兩個月內召開。如董事會在發出要求當日後21天內未能召開有關會議，則提出該要求的股東可自行召開會議，且因董事會未能召開會議而產生的所有合理的費用均須由本公司承擔。

於截至二零一一年十二月三十一日止年度，本公司的組織章程文件並無重大變更。

Corporate Governance Report

企業管治報告

INVESTORS AND SHAREHOLDERS RELATIONS

(Continued)

Communication with Shareholders

The Board recognizes the importance of maintaining a clear, timely and effective communication with the Shareholders and investors of the Company. The Board also recognizes that effective communication with its investors is critical in establishing investor confidence and to attract new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure the investors of the Company and the Shareholders will receive accurate, clear, comprehensive and timely information of the Group through the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all corporate communications on the Company's website at <http://www.hong-lin.com.cn>. The Board maintains 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 members of various board committees will attend the annual general meeting of the Company to answer questions raised by the Shareholders. The resolution of every important proposal will be proposed at general meetings separately.

Voting at general meetings of the Company are conducted by way of poll in accordance with the Listing Rules. The poll results will be announced at general meetings and published on the websites of the Stock Exchange and the Company, respectively. In addition, the Company regularly meets with institutional investors, financial analysts and financial media, and promptly releases information related to any significant progress of the Company, so as to promote the development of the Company through mutual and efficient communications.

Procedures by which enquiries may be put to the Board

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.

投資者及股東關係(續)

與股東的溝通

董事會深明與股東及本公司投資者保持明確、及時和有效的溝通的重要性。董事會亦深知與投資者的有效溝通，乃建立投資者信心及吸引新投資者的關鍵。因此，本集團致力於保持高透明度、確保股東及本公司投資者通過刊發年報、中期報告、公佈及通函，得到準確、清晰、完整而及時的集團資料。本公司亦在公司網站 www.hong-lin.com.cn 刊登全部企業通訊。董事會與機構投資者及分析員不時保持溝通，讓彼等得悉本集團的策略、營運、管理及計劃。董事及各董事會委員會成員均將出席本公司的股東週年大會及解答股東提出的問題。在股東大會上，各項重要議案須以獨立決議案方式提呈。

本公司股東大會表決按照上市規則以投票方式進行。投票的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。此外，本公司定期與機構投資者、財務分析師及財務媒體會晤，並即時發佈有關本公司任何重大進程的資料，從而透過雙向及高效的聯繫促進本公司的發展。

股東可向董事會提出查詢的程序

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 67 to 164, which comprise the consolidated statement of financial position as at 31 December 2011, 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 International Standards on Auditing issued by the International Federation of 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67至164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，當中載有於二零一一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。吾等已根據國際會計師公會頒佈之國際審計準則進行審核。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 state of affairs of the Group as at 31 December 2011, and of its 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
22 March 2012

審核涉及執程序以獲取有關財務報表所載金額及披露資料之審核憑證。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 貴集團於二零一一年十二月三十一日的財務狀況，及其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
二零一二年三月二十二日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度



			2011	2010
			二零一一年	二零一零年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
	Notes			
	附註			
Revenue	7	收益	1,865,376	1,413,960
Cost of sales		銷售成本	(1,486,971)	(1,088,346)
Gross profit		毛利	378,405	325,614
Other income, other gains and losses	8	其他收入、其他收益及虧損	22,080	(2,579)
Distribution and selling expenses		分銷及銷售開支	(49,056)	(27,233)
Administrative and general expenses		行政及一般開支	(116,714)	(72,525)
Research and development expenses		研發開支	(62,179)	(30,932)
Finance costs	9	融資成本	(37,536)	(19,090)
Profit before taxation	10	除稅前溢利	135,000	173,255
Income tax expenses	12	所得稅開支	(15,640)	(18,234)
Profit for the year		年度溢利	119,360	155,021
Other comprehensive income		其他全面收益		
Exchange difference on translating foreign operations		換算外國業務之匯兌差額	(733)	742
Total comprehensive income for the year		年度全面收益總額	118,627	155,763
Profit attributable to:		以下各方應佔溢利：		
— Owners of the Company		— 本公司擁有人	116,071	152,670
— Non-controlling interests		— 非控制權益	3,289	2,351
			119,360	155,021
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	115,338	153,412
— Non-controlling interests		— 非控制權益	3,289	2,351
			118,627	155,763
Earnings per share — Basic (RMB cents)	14	每股盈利 — 基本(人民幣分)	16.1	27.5

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2011

於二零一一年十二月三十一日

		Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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	655,398	448,875
Prepaid lease payments	預付租金	16	47,539	30,108
Intangible assets	無形資產	17	35,431	9,672
Goodwill	商譽	18	7,746	—
Deferred tax assets	遞延稅項資產	19	4,773	2,716
			750,887	491,371
CURRENT ASSETS	流動資產			
Inventories	存貨	20	319,518	178,541
Trade and other receivables	貿易及其他應收款項	21	1,061,267	725,544
Prepaid lease payments	預付租金	16	1,014	642
Other financial assets	其他金融資產	25	5,229	—
Pledged bank deposits	已抵押銀行存款	22	49,574	424,714
Bank balances and cash	銀行結餘及現金	23	106,650	160,408
			1,543,252	1,489,849
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	24	524,347	384,569
Other financial liabilities	其他金融負債	25	6,311	1,879
Income tax liabilities	所得稅負債		7,765	8,195
Bank borrowings	銀行借貸	26	653,471	663,106
			1,191,894	1,057,749
NET CURRENT ASSETS	流動資產淨額		351,358	432,100
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,102,245	923,471
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	27	97,401	97,401
Share premium and reserves	股份溢價及儲備		934,293	812,487
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,031,694	909,888
Non-controlling interests	非控制權益		60,833	13,583
TOTAL EQUITY	總權益		1,092,527	923,471
NON-CURRENT LIABILITY	非流動負債			
Deferred tax liabilities	遞延稅項負債	19	9,718	—
			1,102,245	923,471

The consolidated financial statements on page 67 to 164 were approved and authorized for issue by the board of directors on 22 March 2012 and are signed on its behalf by:

第67頁至第164頁的綜合財務報表乃經董事會於二零一二年三月二十二日批准及授權刊發，並由以下人士代表簽署：

Chi Shaolin
遲少林
DIRECTOR
董事

Li Jianming
李建明
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2011

截至二零一一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	
		股本	股份溢價	特別儲備	股份獎勵儲備	其他儲備	法定盈餘儲備	匯兌儲備	保留溢利	總計	非控制權益	總計	
		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))	(note (c) below) (下文附註(c))						
As at 1 January 2010	於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(iii))	資本化發行(定義見附註27(iii))	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 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日	97,401	429,549	74,394	(9,039)	4,466	44,224	742	268,151	909,888	13,583	923,471	
Profit for the year	年度溢利	—	—	—	—	—	—	—	116,071	116,071	3,289	119,360	
Other comprehensive income for the year	年度其他全面收益	—	—	—	—	—	—	(733)	—	(733)	—	(733)	
Total comprehensive income for the year	年度全面收益總額	—	—	—	—	—	—	(733)	116,071	115,538	3,289	118,627	
Non-controlling interests from business combinations (see note 32)	業務合併的非控制權益(見附註32)	—	—	—	—	—	—	—	—	—	43,282	43,282	
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	—	—	—	—	—	11,282	—	(11,282)	—	—	—	
Acquisition of non-controlling interest	收購非控制權益	—	—	—	—	(679)	—	—	—	(679)	679	—	
As at 31 December 2011	於二零一一年十二月三十一日	97,401	429,549	74,394	(1,892)	3,787	55,506	9	372,940	1,031,694	60,833	1,092,527	

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

Notes:

(a) Special reserve

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

(b) Other reserve

Other reserve arose from acquisition of non-controlling interests in subsidiaries.

(c) 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本公司於二零零八年進行集團重組所收購附屬公司實繳資本總金額的差額。

(b) 其他儲備

其他儲備來自收購附屬公司的非控制權益。

(c) 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 2011

截至二零一一年十二月三十一日止年度



	Note	2011	2010
	附註	二零一一年 RMB'000 人民幣千元	二零一零年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	來自經營活動現金流量		
Profit before taxation	除稅前溢利	135,000	173,255
Adjustments for:	就下列各項之調整：		
Finance costs recognized in profit or loss	確認於損益的融資成本	37,536	19,090
Interest income recognized in profit or loss	確認於損益的利息收入	(10,149)	(436)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	36,812	35,748
Amortization of intangible assets	無形資產攤銷	4,051	1,563
Release of prepaid lease payments	預付租金轉撥	815	537
Gains on disposals of property, plant and equipment	出售物業、廠房及設備收益	(1,688)	(355)
Gains on disposals of land use rights	出售土地使用權收益	(175)	—
Changes in fair value of derivative financial instruments	衍生金融工具公平值變動	(3,594)	5,805
Allowances recognized (reversed) in respect of trade receivables — net	貿易應收款項確認(撥回)撥備 — 淨額	16	(193)
Reversal of write-down of inventories	撥回存貨撇減	—	(3,893)
Exchange gains relating to bank borrowings	有關銀行貸款的匯兌收益	(24,709)	(7,119)
Recognition of share-based payments	確認以股份支付的費用	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	181,062	231,149
Increase in trade and other receivables	貿易及其他應收款項增加	(199,545)	(312,230)
Increase in inventories	存貨增加	(91,641)	(59,054)
Increase (decrease) in trade and other payables	貿易及其他應付款項增加(減少)	(2,210)	65,588
Settlement of derivative financial instruments	衍生金融工具結算	8,026	(3,926)
Cash used in operations	經營所用現金	(104,308)	(78,473)
Interest paid	已付利息	(44,152)	(20,076)
Income taxes paid	已付所得稅	(19,086)	(15,990)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額	(167,546)	(114,539)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

	Note	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES			
來自投資活動現金流量			
Placement of pledged bank deposits		(93,655)	(479,195)
Release of pledged bank deposits		468,795	95,952
Purchase of property, plant and equipment		(211,450)	(171,432)
Purchase of prepaid lease payments for land use rights		(19,342)	(15,480)
Purchase of intangible assets		(3,910)	(6,735)
Proceeds on disposals of property, plant and equipment		11,008	14,100
Proceeds on disposals of prepaid lease payments for land use rights		899	1,097
Proceeds from disposals of intangible assets		—	1,321
Proceeds on disposals of a former subsidiary		—	10,000
Net cash outflow on acquisition of subsidiaries	32	(1,283)	—
Interest received		10,149	436
NET CASH FROM (USED IN) INVESTING ACTIVITIES		161,211	(549,936)
CASH FLOWS FROM FINANCING ACTIVITIES			
來自融資活動現金流量			
Proceeds from borrowings		1,150,096	1,215,971
Repayments of borrowings		(1,197,519)	(898,443)
Proceeds from issue of new shares upon the listing of the Company's shares		—	429,424
Capital contribution from owners of the Company		—	34,140
Capital contribution of subsidiaries		—	840
Transaction costs attributable to issue of new shares		—	(30,793)
NET CASH (USED IN) FROM FINANCING ACTIVITIES		(47,423)	751,139
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(53,758)	86,664
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		160,408	73,744
CASH AND CASH EQUIVALENTS AT END OF YEAR, representing by bank balances and cash		106,650	160,408

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度



1. GENERAL INFORMATION

HL Technology Group Limited (the “Company”) was incorporated in the Cayman Islands on 16 November 2007 as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. Its parent and ultimate holding company is Chenlin International Joint Stock Company Limited (“Chenlin International”). Its ultimate controlling party is Mr. Chi Shaolin (“Mr. Chi”).

The addresses of the registered office and principal place of business of the Company are disclosed in the corporate profile and corporate information section of the annual report.

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, connectors, antennas, automotive wiring harness and other products. The Group is mainly engaged in the manufacture and sales of signal cable assembly, power cord assembly, wire and cable products, connectors, antennas, automotive wiring harness and other products. The principal activities of the subsidiaries of the Company are set out in note 35.

The consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

In the current year, the Group has applied the following new and revised IFRSs issued by the International Accounting Standards Board (“IASB”):

Amendments to IFRSs	Improvements to IFRSs issued in 2010
IAS 24 (as revised in 2009)	Related Party Disclosures
Amendments to IAS 32	Classifications of Rights Issues
Amendments to IFRIC Int 14	Prepayments of a Minimum Funding Requirement
IFRIC Int 19	Extinguishing Financial Liabilities with Equity Instruments

1. 一般資料

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，其股份於香港聯合交易所有限公司上市。本公司的母公司及最終控股公司為晨淋國際股份有限公司(「晨淋國際」)。本公司的最終控股方為遲少林先生(「遲先生」)。

本公司註冊辦事處及主要營業地點的地址於年報的公司簡介及公司資料一節中披露。

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、連接器、天線及汽車線束及其他產品的銷售。本集團主要從事信號線組件、電源線組件、線纜產品、連接器、天線及汽車線束及其他產品的製造及銷售。本公司附屬公司的主要業務載於附註35。

綜合財務報表以人民幣(「人民幣」)呈列。人民幣為本公司功能性貨幣。

2. 應用新訂及經修訂國際財務報告準則(「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：

國際財務報告準則的修訂	二零一零年頒佈的國際財務報告準則的改進
國際會計準則第24號(二零零九年經修訂)	關連人士披露
國際會計準則第32號的修訂	供股的分類
國際財務報告詮釋委員會—詮釋第14號的修訂	最低資金規定的預付款項
國際財務報告詮釋委員會—詮釋第19號	以股本工具抵銷金融負債

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

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

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

The Group has not early adopted the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets ¹
IFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities ²
IFRS 9	Financial Instruments ³
IFRS 9 and IFRS 7 (Amendments)	Mandatory Effective Date of IFRS 9 and Transition Disclosures ³
IFRS 10	Consolidated Financial Statements ²
IFRS 11	Joint Arrangements ²
IFRS 12	Disclosure of Interests in Other Entities ²
IFRS 13	Fair Value Measurement ²
IAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ⁵
IAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ⁴
IAS 19 (Revised 2011)	Employee Benefits ²
IAS 27 (Revised 2011)	Separate Financial Statements ²
IAS 28 (Revised 2011)	Investments in Associates and Joint Ventures ²
IAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities ⁶
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine ²

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

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2015

⁴ Effective for annual periods beginning on or after 1 January 2012

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

⁶ Effective for annual periods beginning on or after 1 January 2014

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

本年度應用上述新訂及經修訂國際財務報告準則並無對綜合財務報表呈報的金額及／或綜合財務報表所載披露資料產生重大影響。

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國際財務報告準則：

國際財務報告準則第7號(修訂)	披露 — 轉讓金融資產 ¹
國際財務報告準則第7號(修訂)	披露 — 抵銷金融資產及金融負債 ²
國際財務報告準則第9號	金融工具 ³
國際財務報告準則第9號及國際財務報告準則第7號(修訂)	國際財務報告準則第9號的強制性生效日期及過渡披露 ³
國際財務報告準則第10號	綜合財務報表 ²
國際財務報告準則第11號	合營安排 ²
國際財務報告準則第12號	於其他實體所持權益的披露 ²
國際財務報告準則第13號	公平值計量 ²
國際會計準則第1號(修訂)	其他全面收入項目的呈列 ⁵
國際會計準則第12號(修訂)	遞延稅項：收回相關資產 ⁴
國際會計準則第19號(二零一一年經修訂)	僱員福利 ²
國際會計準則第27號(二零一一年經修訂)	獨立財務報表 ²
國際會計準則第28號(二零一一年經修訂)	於聯營公司及合營企業的投資 ²
國際會計準則第32號(修訂)	抵銷金融資產及金融負債 ⁶
國際財務報告詮釋委員會第20號	露天採礦場生產階段的剝採成本 ²

¹ 於二零一一年七月一日或以後開始的年度期間生效

² 於二零一三年一月一日或以後開始的年度期間生效

³ 於二零一五年一月一日或以後開始的年度期間生效

⁴ 於二零一二年一月一日或以後開始的年度期間生效

⁵ 於二零一二年七月一日或以後開始的年度期間生效

⁶ 於二零一四年一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 2011

截至二零一一年十二月三十一日止年度



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

IFRS 9 “Financial Instruments” introduces new requirements for the classification and measurement of financial assets will be effective from 1 January 2015, 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.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

IFRS 12 is effective for the Group’s financial statements for the year beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards, including IFRS 10, IFRS 11, IAS 27 (Revised 2011) and IAS 28 (Revised 2011) are applied early at the same time.

The directors of the Company anticipate that these five standards will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013. The application of this standard may have significant impact on amounts reported in the consolidated financial statements. However, the directors of the Company have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

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

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則第9號「金融工具」為金融資產的分類及計量引入新規定，並將於二零一五年一月一日生效，並允許提前採用。準則規定在國際會計準則第39號「金融工具：確認及計量」內的所有確認金融資產，將以攤銷成本或公平值計量。尤其是債權投資(i)在以取得合約現金流量為目標的業務模式而持有；及(ii)有現金流量僅得支付本金或未償還本金的利息一般以攤銷成本計量。所有其他債務投資及股本投資均以公平值計量。

國際財務報告準則第12號為一項披露準則，適用於在附屬公司、共同安排、聯營公司及／或未綜合結構實體擁有權益的實體。整體而言，國際財務報告準則第12號所載的披露規定較現行準則所規定者更為全面。

國際財務報告準則第12號於本集團截至二零一三年一月一日或之後開始的年度期間的財務報表生效，並可提早應用，惟全部五項準則(包括國際財務報告準則第10號、國際財務報告準則第11號、國際會計準則第27號(二零一一年經修訂)及國際會計準則第28號(二零一一年經修訂))須同時提早應用。

本公司董事預期，本集團的綜合財務報表將於二零一三年一月一日開始的年度期間採納此五項準則。應用此項準則可能對綜合財務報表所呈報的金額造成重大影響。然而，本公司董事尚未對應用此等準則之影響進行詳盡分析，故未能量化影響程度。

國際財務報告準則第13號設立有關公平值計量及公平值計量的披露的單一指引。該準則界定公平值、設立計量公平值的框架以及有關公平值計量的披露規定。國際財務報告準則第13號的範圍廣泛，其應用於其他國際財務報告準則規定或允許公平值計量及有關公平值計量披露的金融工具項目及非金融工具項目，惟特定情況除外。整體而言，國際財務報告準則第13號所載的披露規定較現行準則所規定者更為全面。例如，現時僅規限國際財務報告準則第7號金融工具：披露項下的金融工具的三級公平值等級的量化及定性披露將藉國際財務報告準則第13號加以擴展，以涵蓋該範圍內的所有資產及負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

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

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

The directors of the Company anticipate that IFRS 13 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may not affect the amounts reported in the consolidated financial statements but may and result in more extensive disclosures in the consolidated financial statements.

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to IAS 1 are effective for Group’s annual periods beginning on or after 1 January 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

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. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則第13號於二零一三年一月一日或之後開始的年度期間生效，並可提早應用。

本公司董事預期，本集團的綜合財務報表將於二零一三年一月一日開始的年度期間採納國際財務報告準則第13號，而應用新準則不可能對財務報表所呈報的金額造成影響，並可能導致綜合財務報表的披露更為全面。

國際會計準則第1號修訂本保留選擇權，可於單一報表或兩份獨立但連貫的報表呈列損益及其他綜合收入。然而，國際會計準則第1號修訂本規定於其他綜合收入部分作出額外披露，致使其他綜合收入之項目歸納成兩類：(a)其後不會重新分類至損益之項目；及(b)當符合特定條件時可於其後重新分類之損益之項目。其他綜合收入之項目涉及之所得稅須按同一基準分配。

國際會計準則第1號修訂本集團於二零一三年一月一日或之後開始之年度期間生效。當修訂於往後之會計期間應用時，其他綜合收入項目之呈列方式相應更改。

本公司董事預期採用其他新頒布或經修訂的準則及詮釋，不會對本集團業績及財務狀況構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度



3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with 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.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out below. Historical cost basis is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below:

Basis of consolidation

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

3. 重大會計政策概要

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。歷史成本一般按照就換取資產所付出代價的公平值釐定。

主要會計政策載列如下：

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其於本集團的權益分開呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. 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.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance (effective from 1 January 2010 onwards).

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

3. 重大會計政策概要(續)

本集團於現有附屬公司之擁有權權益之變動

倘本集團於附屬公司之擁有權權益之變動並無導致本集團失去附屬公司之控制權，有關變動會入賬列作權益交易。本集團之權益與非控制權益之賬面值會作出調整，以反映彼等於附屬公司之相關權益之變動。非控制權益之調整金額與已付或已收代價公平值之差額乃直接於權益中確認及歸屬於本公司擁有人。

將全面收益總額分配至非控制權益

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(自二零一零年一月一日起生效)。

業務合併

業務收購乃採用收購法入賬。於業務合併轉撥之代價按公平值計量，而計算方法為本集團所轉撥資產、本集團對被收購方原擁有人產生之負債及本集團就交換被收購方之控制權發行之股權於收購日期之公平值總和。與收購事項有關之成本於產生時在損益賬中確認。

於收購日期，已收購之可識別資產及已承擔負債於收購日期按其公平值予以確認，惟下列各項除外：

- 遞延稅項資產或負債及與僱員福利安排有關之負債或資產分別根據國際會計準則第12號「所得稅」及國際會計準則第19號「僱員福利」確認及計量；

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations (Continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or when applicable on the basis specified in another standard.

3. 重大會計政策概要(續)

業務合併(續)

- 與被收購方以股份為基礎付款安排有關或以本集團以股份為基礎付款安排取代被收購方以股份為基礎付款安排之負債或股本工具乃根據國際財務報告準則第2號「以股份為基礎付款」於收購日期計量(見下文會計政策);及
- 根據國際財務報告準則第5號「持作出售之非流動資產及已終止經營業務」劃分為持作出售之資產(或出售組合)根據該項準則計量。

所轉撥代價、與被收購方之任何非控制股東權益及收購方先前持有被收購方股權(如有)之公平值合計,倘超出所收購可識別資產及所承擔負債於收購日期之淨額,超出之部分確認為商譽。倘(經評估後)已收購之可識別資產及承擔之負債於收購日之淨額超出所轉撥代價、於被收購方任何非控制股東權益之金額及收購方先前持有被收購方權益(如有)之公平值總和,超出部分即時於損益賬中確認為議價收購收益。

屬現時擁有權權益且於清盤時賦予其持有人按比例分佔實體資產淨值之非控制股東權益可初步按公平值或非控制股東權益應佔被收購方可識別資產淨值之已確認金額比例計量。計量基準之選擇乃按每次交易為基礎。其他類型之非控制股東權益乃按其公平值或按另一項準則要求之適用基準計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations (Continued)

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39 or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

The policy described above is applied to all business combinations that take place on or after 1 January 2010.

Goodwill

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

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

3. 重大會計政策概要(續)

業務合併(續)

本集團於一項業務合併轉移的代價包括或然收購代價安排所產生資產或負債，或然代價乃按收購日之公平值計算，被視為合資格作計算期間調整代價之一部分，合資格作計算期間調整的或然代價公平值變動可作追溯調整，亦可就商譽作出相應調整。計算期之調整是於「計算期間」因取得截至收購日出現之事件及環境的額外資訊所作調整。計算期於收購日起計不可超過一年。

其後之或然代價公平值變動之會計賬目於計算期之調整是否符合資格，須視乎或然代價之分類。或然代價被分類為股權時於其後之報告日期不會重新計量，及後之支付則視作於股本之內。或然代價被分類為資產或負債時於其後之報告日期須根據國際會計準則第39號或國際會計準則第37號撥備。或然負債及或然資產(視適用情況而定)重新計量，相關收益或虧損則於損益確認。

上述政策適用於二零一零年一月一日或之後進行之所有業務合併。

商譽

收購業務產生之商譽按成本減任何累計減值虧損(如有)列賬，並於合併財務狀況表單獨呈列。

就減值測試目的而言，商譽會分配至預期將自合併協同效益獲益之各現金產生單位(「現金產生單位」)(或多個現金產生單位)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度



3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Goodwill (Continued)

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

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowance.

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

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

3. 重大會計政策概要(續)

商譽(續)

獲分配商譽之現金產生單位將每年及或更頻密，於有跡象顯示單位可能出現減值時進行測試。就於報告期間內收購產生商譽而言，所獲分配商譽之現金產生單位於報告期間結束前進行減值測試。倘現金產生單位之可收回價值少於其賬面值，則分配減值虧損，首先調低分配至該單位之任何商譽賬面值，然後根據單位內各資產之賬面值按比例分配至單位其他資產。任何商譽減值虧損均直接於合併收入表損益賬內確認。商譽確認之減值虧損不會於其後期間撥回。

就出售相關現金產生單位而言，商譽應佔款額會於釐定出售盈虧時考慮。

收益確認

收益按已收或應收代價的公平值計量。收益已就估計客戶退貨、回扣及其他類似津貼作出扣減。

銷售貨品之收益於達成以下條件時(即交付貨物及所有權轉移之時)予以確認：

- 本集團已將貨品所有權上之絕大部份風險及回報轉移予買方；
- 本集團並無參與一般與該物業有關的持續管理，亦無保留有關物業的實際控制權；
- 收益金額可以可靠地計量；
- 與交易相關之經濟利益很可能流入該實體；及
- 有關交易所產生或將予產生之成本可以可靠地計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (Continued)

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

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy below.

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.

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.

3. 重大會計政策概要(續)

收益確認(續)

金融資產的利息收入乃於本集團可取得有關經濟利益及能可靠地計算收入金額時確認。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。

本集團確認經營租約收益的會計政策詳載於下文會計政策。

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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度



3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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.

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

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。

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 2011

截至二零一一年十二月三十一日止年度

3. 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.

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.

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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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.

Government grants

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

Government grants are 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. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are 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.

3. 重大會計政策概要 (續)

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。

政府補貼

政府補貼於直至合理確定本集團將會符合政府補貼所附的條件及將會收取補貼時始會確認。

政府補貼乃於本集團確認補貼擬補償的相關成本開支期間，有系統於損益內確認。具體而言，政府補貼的首要條件為，本集團應購置、興建或以其他方式獲得非流動資產，並在綜合財務狀況表內確認為遞延收入及於有關資產的使用年期轉撥至損益。

政府補貼作為彌補已產生開支或損失，以及向本集團提供並無未來相關成本的即時財務援助，於收取期內於損益確認。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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.

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.

3. 重大會計政策概要(續)

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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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).

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; and
- 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

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)。

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；及
- 可於開發期間可靠計算無形資產應佔開支的能力。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

3. 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.

Intangible assets acquired in a business combination

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

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment loss. The intangible asset will be amortized on a straight-line basis over its useful lives.

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

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。

業務合併所收購的無形資產

業務合併所收購的無形資產與商譽分開識別及確認，並初步按收購日期的公平值(視為其成本)確認。

於初步確認後，具備有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損列賬。無形資產將按其可使用年期以直線法計提攤銷。

於解除確認無形資產時所產生的收益或虧損(以出售所得款項淨額與該資產的賬面值的差額計算)將計入解除確認資產時的損益內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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.

Inventories

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

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.

3. 重大會計政策概要(續)

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。

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。可變現淨值指存貨估計售價減直至完工的全部估計成本及銷售活動所需成本。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

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.

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 are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminated or significant reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

3. 重大會計政策概要(續)

金融工具(續)

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。

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

當金額資產為持作買賣或指定為按公平值計入損益之金融資產，則會分類為按公平值計入損益之金融資產。

滿足下述條件的金融資產(持作買賣的金融資產除外)可在初始確認時被指定為按公平值計入損益：

- 該指定消除或大幅減少了可能出現的計量或確認方面的一致性；或
- 該金融資產是一組金融資產或金融負債或金融資產和金融負債組合的一部分，而根據本集團制定的風險管理或投資策略，該項資產的管理和績效評估是以公平值為基礎進行，並且有關分組的信息是按此基礎向內部提供；或

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss (Continued)

- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

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.

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, pledged bank deposits 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
- breach of contract, such as a default or delinquency in interest or principal payments; or

3. 重大會計政策概要(續)

金融工具(續)

金融資產(續)

按公平值計入損益的金融資產(續)

- 其構成包含一項或多項嵌入衍生工具的合同的一部分，而國際會計準則第39號金融工具：確認及計量允許將整個組合合同(資產或負債)指定為按公平值計入損益。

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。

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、已抵押銀行存款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
- 違反合約如逾期交付或拖欠利息或本金；或

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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.

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.

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)

- 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。

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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

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.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminated or significant reduces a measurement or recognition inconsistency that would otherwise arise; or

3. 重大會計政策概要(續)

金融工具(續)

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。

按公平值計入損益的金融負債

當金額資產於初始確認時為持作買賣或指定為按公平值計入損益之金融負債，則會分類為按公平值計入損益之金融負債。

滿足下述條件的金融負債(持作買賣的金融負債除外)可在初始確認時被指定為按公平值計入損益：

- 該指定消除或大幅減少了可能出現的計量或確認方面的一致性；或

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at fair value through profit or loss (Continued)

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

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.

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.

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(續)

- 該金融負債是一組金融資產或金融負債或金融資產和金融負債組合的一部分，而根據本集團制定的風險管理或投資策略，該項資產的管理和績效評估是以公平值為基礎進行，並且有關分組的信息是按此基礎向內部提供；或
- 其構成包含一項或多項嵌入衍生工具的合同的一部分，而國際會計準則第39號金融工具：確認及計量允許將整個組合合同（資產或負債）指定為按公平值計入損益。

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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Derecognition

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognize the asset to the extent of its continuing involvement and recognizes an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

The Group derecognizes financial liability when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

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 a corresponding adjustment to share awards reserve.

3. 重大會計政策概要(續)

金融工具(續)

終止確認

只有當資產現金流的合約權利屆滿時，或將其金融資產或該等資產所有權之絕大部份風險及回報轉移予另一實體時，本集團方會不再確認金融資產。倘本集團並未轉移亦未保留所有權之絕大部份風險及回報，並繼續控制已轉移資產，則本集團會確認其於資產之保留權益及可能需要支付之相關負債款項。倘本集團保留已轉讓金融資產所有權之絕大部份風險及回報，本集團繼續確認金融資產及同時亦就已收取之所得款項確認有抵押借貸。

於不再全面確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收益確認及於權益累計之累計盈虧之總和之差額，將於損益賬中確認。

本集團於及僅於有關合約所訂明責任解除、取消或屆滿時終止確認金融負債。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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

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.

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 2011, the directors of the Company are satisfied that this risk is minimal and no allowance for obsolete and slow moving inventories was recognized (2010: reversal of allowance of RMB3,893,000). As at 31 December 2011, the carrying amount of the inventories is RMB319,518,000 (2010: RMB178,541,000).

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。

於報告期末，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。於二零一一年十二月三十一日，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（二零一零年：撥回撥備人民幣3,893,000元）。於二零一一年十二月三十一日，存貨的賬面值為人民幣319,518,000元（二零一零年：人民幣178,541,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度



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.

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 year ended 31 December 2011 and 31 December 2010. As at 31 December 2011, the carrying amounts of trade and other receivables are approximately RMB1,061,267,000 net of allowances for doubtful debts of approximately RMB1,239,000 (2010: RMB725,544,000, net of allowances for doubtful debts of approximately RMB1,308,000).

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，本集團會扣減相關貿易及其他應收款項的結餘並作出必要撥備。

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，且已就截至二零一一年十二月三十一止兩個年度期間的呆壞賬計提足夠的撥備。於二零一一年十二月三十一日和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1,061,267,000元（已分別扣除呆賬撥備約人民幣1,239,000元）（二零一零年：貿易及其他應收款項的賬面值約為人民幣725,544,000元（已扣除呆賬撥備約人民幣1,308,000元））。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION (Continued)

(c) 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. As at 31 December 2011, the carrying amount of property, plant and equipment of the Group is approximately RMB655,398,000 (2010: RMB448,875,000).

(d) Impairment of goodwill and intangible assets arising from business combination

Determining whether goodwill and intangible assets arising from business combination, such as customers relationship, technology knowhow and other intangible assets, are impaired requires an estimation of the value in use of respective CGU to which goodwill and intangible assets have been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGU involving various assumptions as detailed in note 18. Where the actual future cash flows are less than expected, impair loss may arise.

As at 31 December 2011, the carrying amount of goodwill was RMB7,746,000 (2010: nil), and the carrying amount of the intangible assets arising from combination was RMB23,179,000 (2010: nil).

(e) Valuation of financial instruments

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments as detailed in note 25 and 32.

4. 估計之主要來源 (續)

(c) 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。於二零一一年十二月三十一日，本集團物業、廠房及設備的賬面值約為人民幣655,398,000元(二零一零年：人民幣448,875,000元)。

(d) 業務合併產生的商譽及無形資產減值

釐定業務合併產生的商譽及無形資產(如客戶關係、專有技術及其他無形資產)是否減值須對獲分派商譽及無形資產的各現金產生單位的使用價值作出估計。計算使用價值時，管理層須估計預期產生自現金產生單位的未來現金流量，涉及附註18所載的多項假設。倘實際未來現金流量少於預期，則可能產生減值虧損。

於二零一一年十二月三十一日，商譽的賬面值為人民幣7,746,000元(二零一零年：零)，而合併產生的無形資產的賬面值為人民幣23,179,000元(二零一零年：零)。

(e) 金融工具的估值

於估計若干類別金融工具的公平值時，本集團採用包括並非根據可見市場數據的資料的估值技術，詳情載於附註25及32。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度



4. KEY SOURCES OF ESTIMATION (Continued)

(e) Valuation of financial instruments (Continued)

Where the actual inputs underlying the valuation are less favourable to the expectation, further fair value loss may arise.

(f) Deferred tax assets

Deferred tax assets in relation to the impairment loss of assets, tax losses and other temporary differences have been recognized in the consolidated statements of financial position. The realisability of the deferred tax assets mainly depends on whether sufficient profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place. As at 31 December 2011, the carrying amount of deferred tax assets of the Group is approximately RMB4,773,000 (2010: RMB2,716,000).

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.

4. 估計之主要來源(續)

(e) 金融工具的估值(續)

倘估值相關的實際資料未如預期有利，則可能產生公平值虧損。

(f) 遞延稅項資產

與稅項減值虧損、稅務虧損及其他暫時差額有關的遞延稅項資產已於綜合財務狀況表中確認。遞延稅項資產是否能夠變現主要取決於未來是否有足夠可動用溢利或應課稅暫時差額。倘所產生的實際未來溢利少於預期，則可能產生遞延稅項資產重大撥回，並將於撥回期間的損益中確認。於二零一一年十二月三十一日，本集團遞延稅項資產的賬面值約為人民幣4,773,000元(二零一零年：人民幣2,716,000元)。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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)	(i)	1,114,815	1,257,392
— Financial assets at FVTPL (note 25)	— 按公平值計入損益的金融資產(附註25)		5,229	—
			1,120,044	1,257,392
Financial liabilities	金融負債			
— Liabilities measured at amortized cost	— 按攤銷成本計算的負債	(ii)	1,159,453	1,034,514
— Other financial liabilities (note 25)	— 其他金融負債(附註25)		6,311	1,879
			1,165,764	1,036,393

Notes:

- Includes trade receivables, bill receivable, advance to third parties, advance to staff, advance to non-control interest shareholder, other receivables, pledged bank deposits and bank balances and cash.
- Includes trade payables, bill payable, payable for acquisition of property, plant and equipment, payrolls and staff cost payables, advance from non-control interest shareholder, other payables and bank borrowings.

附註：

- 包括貿易應收款項、應收票據、墊款予第三方、墊款予員工、墊款予非控制權益股東、其他應收款項、已抵押銀行存款及銀行結餘及現金。
- 包括貿易應付款項、應付票據、收購物業、廠房及設備應付款項、工資及員工成本應付款項、來自非控制權益股東的墊款、其他應付款項及銀行借貸。

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, trade and other payables, bank 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.

(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、銀行借貸、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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度



6. FINANCIAL INSTRUMENTS (Continued)

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

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.

(i) Interest rate risk management

The Group's fair value interest rate risk relates primarily to its fixed rates bank borrowings and pledged bank deposits.

The Group is also exposed to cash flow interest rate risk through the impact of rate changes on variable interest bearing financial assets and liabilities, mainly bank balances and variable rate bank borrowings which carried at prevailing market interest rates. 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 variable 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)

(b) 金融風險管理目標及政策(續)

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。

(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銀行存款。

本集團亦因浮動計息金融資產及負債(主要為銀行結餘及浮動利率的銀行借貸)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浮動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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(i) Interest rate risk management (Continued)

If interest rates on bank balances had been 5 basis points higher/lower and all other variables were held constant, the potential effect on post-tax profit is as follows:

	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Increase/decrease in post-tax profit for the year	69	262

If 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:

	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Decrease/increase in post-tax profit for the year	1,984	186

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 monetary assets and liabilities and entering into transactions denominated in foreign currencies which will affect the Group's financial position and performance as a result of a change in foreign currency exchange rates. At the end of the financial period, certain trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables, bank borrowings, exchange contracts and cancellable foreign currency forward swaps contract of the Group are denominated in or linked to foreign currencies, details of which 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，而所有其他變數維持不變，則對稅後溢利的潛在影響如下：

	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Increase/decrease in post-tax profit for the year	69	262

倘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：

	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Decrease/increase in post-tax profit for the year	1,984	186

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

外幣風險為持有貨幣資產及負債，並以外幣計值訂立交易的風險，將因外幣匯率變動影響本集團的財政狀況及表現。於財政期間結束時，本集團因若干貿易及其他應收款項、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項、銀行借貸、外匯合約及可撤銷外幣遠期掉期合約承擔外幣風險，該等項目均以外幣計值或與外幣掛鉤，詳情載於相關附註。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



6. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(ii) Foreign currency risk management (Continued)

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:

		Assets 資產		Liabilities 負債	
		2011 二零一一年	2010 二零一零年	2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
United States Dollars ("USD")	美元(「美元」)	265,785	279,967	258,298	575,747
Hong Kong Dollars ("HKD")	港元(「港元」)	115	8	—	—
		265,900	279,975	258,298	575,747

The Group had entered into certain foreign exchange forward contracts and cancellable foreign currency forward swaps contract to mitigate its foreign currency exposure. However they do not qualify for hedge accounting, therefore, they are deemed as financial assets or financial liabilities held for trading and measured at fair value through profit or loss. The particulars of the outstanding foreign exchange forward contracts and cancellable foreign currency forward swaps contract as at the end of the reporting period are disclosed in note 25.

The Group is mainly exposed to the currency of the USD and HKD.

6. 金融工具(續)

(c) 市場風險(續)

(ii) 外幣風險管理(續)

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：

本集團已訂立若干外匯遠期合約及可撤銷外匯遠期掉期合約以減輕其外幣風險。然而，該等合約並不符合對沖會計的資格，因此視為持作買賣的金融資產或金融負債，並按公平值經損益計量。於報告期末尚未履行的外匯遠期合約及可撤銷外匯遠期掉期合約詳情於附註25披露。

本集團主要面對美元及港元貨幣風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(ii) Foreign currency risk management (Continued)

The following table details the Group's sensitivity to one percent (2010: ten percent) increase in RMB against USD which represents the management's assessment of the reasonable possible change in foreign exchange rates. As the Group's sensitivity to HKD is insignificant and thus, no sensitivity analysis was presented. The sensitivity analysis of the Group's includes:

- (i) outstanding foreign currency denominated monetary items and adjusts their translation for one percent (2010: ten percent) change in foreign currency rates at the end of the reporting period; and
- (ii) outstanding foreign currency forward contracts and adjusts for one percent (2010: ten percent) change in foreign currency rates at the end of the reporting period; and
- (iii) outstanding cancellable foreign currency forward swaps contract and adjusts for one percent change for forward foreign currency rates at the end of the reporting period.

A negative number below indicates a decrease in post-tax profit where RMB strengthen one percent (2010: ten percent) against USD.

	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Post-tax profit would increase (decrease) by	(973)	(1,214)

For one percent (2010: ten percent) weakening of the RMB against USD, there would be an equal and opposite impact on the post-tax profit, 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.

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及匯率升值1%(二零一零年: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。由於本集團對港元的敏感度並不重大,故並無呈列分析。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1%(二零一零年: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1%(二零一零年:10%)變動調整其換算;及
- (iii) 未履行的可撤銷外匯遠期掉期合約,並於報告期末以外幣匯率之1%(二零一零年:10%)變動調整其換算。

以下負數表示倘人民幣兌美元升值1%(二零一零年:10%)稅後溢利減少金額。

倘人民幣兌美元貶值1%(二零一零年:10%),對稅後溢利增加相同金額,而上述結餘亦為正數。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度



6. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(iii) Commodity price risk

The Group's commodity price risk of financial instruments is mainly the exposure to fluctuations in the prevailing market price of copper which are the major raw materials purchased by the Group through the commodity derivative contracts entered and the details of which are set out in note 25(b).

The Group considers that the commodity price risk effect in post-tax profit for the year is insignificant and no sensitivity analysis is presented.

(d) Credit risk management

As at 31 December 2011, 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.

6. 金融工具(續)

(c) 市場風險(續)

(iii) 商品價格風險

本集團金融工具的商品價格風險主要為本集團透過訂立商品衍生工具合約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)。

本集團認為，年內稅後溢利的商品價格風險影響並不重大，故並無呈列敏感度分析。

(d) 信貸風險管理

於二零一一年十二月三十一日，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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(d) Credit risk management (Continued)

As at 31 December 2011, the Group has concentration of credit risk as the Group's trade receivables of approximately RMB236,168,000 (2010: RMB163,773,000), representing 27% (2010: 31%) of total trade receivables, 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.

As at 31 December 2011, the Group's concentration of credit risk by geographical locations is mainly in PRC, which accounted for 88% (2010: 87%) of the total trade receivable.

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 of the Company, 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.

6. 金融工具(續)

(d) 信貸風險管理(續)

於二零一一年十二月三十一日，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236,168,000元(二零一零年：人民幣163,773,000元)(佔貿易應收款項總額的27%(二零一零年：31%)，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。

於二零一一年十二月三十一日，本集團按地理位置分類的信貸風險集中主要位於中國，佔貿易應收款項總額的88%(二零一零年：87%)。

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本公司董事會承擔。本公司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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



6. FINANCIAL INSTRUMENTS (Continued)

(e) Liquidity risk management (Continued)

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)

(e) 流動資金風險管理(續)

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。

		Weighted average interest rate 加權 平均利率 %	On demand or less than 3 months 於通知時或 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	1 to 5 years 1至5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 2011	於二零一一年 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	—	439,536	66,446	—	505,982	505,982
Variable rates borrowings	浮息借貸	5.13	249,627	204,764	—	454,391	448,773
Fixed rates borrowings	定息借貸	6.46	51,767	156,892	—	208,659	204,698
			740,930	428,102	—	1,169,032	1,159,453
<i>Derivative financial instruments</i>	<i>衍生金融工具</i>						
— net settlement	— 淨額結算						
Commodity derivative contracts	商品衍生工具合約	—	1	—	—	1	1
Cancellable foreign currency forward swaps contract	可撤銷外幣遠期掉期合約	—	(2,299)	(1,432)	9,772	6,041	5,942
			(2,298)	(1,432)	9,772	6,042	5,943
<i>Derivative financial instruments</i>	<i>衍生金融工具</i>						
— gross settlement	— 總額結算						
Foreign currency exchange contracts	外匯合約						
— inflow	— 流入量	—	(15,574)	—	—	(15,574)	(15,574)
— outflow	— 流出量	—	15,942	—	—	15,942	15,942
			368	—	—	368	368

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

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 % 百分比	On demand or less than 3 months 於通知時或 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>					
— net settlement	— 淨額結算					
Commodity derivative contracts	商品衍生合約	—	205	—	205	205
<i>Derivative financial instruments</i>	<i>衍生金融工具</i>					
— gross settlement	— 總額結算					
Foreign currency exchange contracts	外匯合約					
— inflow	— 流入量	—	(2,204)	(328,556)	(330,760)	(330,760)
— outflow	— 流出量	—	2,269	330,165	332,434	332,434
			65	1,609	1,674	1,674

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.

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



6. FINANCIAL INSTRUMENTS (Continued)

(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.

(g) Fair value measurements recognized in the consolidated statement 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;
- 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

6. 金融工具(續)

(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內適用的收益曲線，而期權衍生工具則採用期權定價模式。

(g) 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；
- 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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurements recognized in the consolidated statement of financial position (Continued)

- 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 2011, the derivative financial liabilities with carrying values of approximately RMB1,000 (2010: RMB205,000) are Level 1 measurements.

As at 31 December 2011, the derivative financial liabilities with carrying values of approximately RMB368,000 (2010: RMB1,674,000) are Level 2 measurements.

As at 31 December 2011, the derivative financial liabilities with carrying values of approximately RMB5,942,000 (2010: nil) and the financial asset with carrying values of approximately RMB5,229,000 (2010: nil) are Level 3 measurements.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities in the consolidated financial statements approximate to their fair values at the end of the reporting period. During the year ended 31 December 2011, there is no transfer between level 1 and level 2.

6. 金融工具(續)

(g) 綜合財務狀況表內確認的公平 值計量(續)

- 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。

於二零一一年十二月三十一日，賬面值約為人民幣1,000元(二零一零年：人民幣205,000元)的衍生金融負債屬一級計量。

於二零一一年十二月三十一日，賬面值約為人民幣368,000元(二零一零年：人民幣1,674,000元)的衍生金融負債屬二級計量。

於二零一一年十二月三十一日，賬面值約為人民幣5,942,000元(二零一零年：零)的衍生金融負債及賬面值約為人民幣5,229,000元(二零一零年：零)的金融負債屬三級計量。

本公司董事認為綜合財務報表中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。於截至二零一一年十二月三十一日止年度，一級與二級之間並無轉移。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度



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 chief executive officer of the Company has been identified as the Group's chief operating decision maker (the "CODM") who reviews the business based on as the following reportable segments organized by products:

- External signal cable assembly
- Internal signal cable assembly
- Power cord assembly
- Wire and cable
- Connectors
- Antennas
- Automotive wire harness (note below)
- Other products

Note: During the year ended 31 December 2011, a new reportable segment in respect of automotive wiring harness was identified upon the acquisition of 天津日拓汽車電裝有限公司 (Tianjin Rituo Automotive Electronics Co., Ltd., "Tianjin Rituo") (as disclosed in note 32(a)).

The above segments have been identified on the basis of internal management reports prepared and regularly reviewed by the CODM 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

本公司行政總裁已獲確認為本集團主要經營決策人(「主要經營決策人」)，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
- 汽車線束(下見附註)
- 其他產品

*附註：*截至二零一一年十二月三十一日止年度，在收購天津日拓汽車電裝有限公司(「天津日拓」)時識別一項有關汽車線束的新可報告分部(於附註32(a)披露)。

上述分部在主要經營決策人決定資源分配及評估本集團表現時根據所編制及定期審核的內部管理報告予以識別。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

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 (note below) (下見附註)	Automotive wire harness 汽車線束 RMB'000 人民幣千元	Other products 其他產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2011	截至二零一一年 十二月三十一日 止年度									
Segment revenue	分部收益	337,750	339,859	329,016	488,422	49,928	28,462	156,678	135,261	1,865,376
Segment results	分部業績	67,863	92,270	42,799	101,548	13,273	5,294	35,444	19,914	378,405
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

Note: Subsequent to 31 December 2010, an additional segment of antennas was reported to the CODM for review. Segment information for the prior period has been reclassified from segment of other products to conform to the presentation of the internal management report for the year ended 31 December 2010.

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year ended 31 December 2011 and 31 December 2010.

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：

附註：於二零一零年十二月三十一日後，已向主要經營決策人匯報額外的天線分部以供審閱。過往期間的分部資料已從其他產品分部重新分類，以符合呈列截至二零一零年十二月三十一日止年度的內部管理報告。

以上呈報的收益指來自外界客戶的收益。截至二零一一年十二月三十一日及二零一零年十二月三十一日止年度概無任何分部間銷售。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



7. REVENUE AND SEGMENT INFORMATION

(Continued)

(b) Segment information (Continued)

i. Information about reportable segment revenues, results, assets and liabilities (Continued)

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 CODM. However, the other income and other gains and losses, distribution and selling expenses, administrative and general expenses, research and development expenses and finance costs are not allocated to each reportable segment.

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

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Reportable segment results	可報告分部業績	378,405	325,614
Unallocated income and expenses:	未分配收入及開支：		
— Other income, other gains and losses	— 其他收入、其他收益及虧損	22,080	(2,579)
— Distribution and selling expenses	— 分銷及銷售開支	(49,056)	(27,233)
— Administrative and general expenses	— 行政及一般開支	(116,714)	(72,525)
— Research and development expenses	— 研發開支	(62,179)	(30,932)
— Finance costs	— 融資成本	(37,536)	(19,090)
Profit before taxation	稅前溢利	135,000	173,255
Income tax expenses	所得稅開支	(15,640)	(18,234)
Profit for the year	年內溢利	119,360	155,021

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)

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，其他收入及其他收益及虧損、分銷及銷售開支、行政及一般開支、研發開支及融資成本並非分配至各可報告分部。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

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:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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）	1,265,881	929,603
Taiwan	台灣	211,970	178,883
Korea	韓國	163,506	210,913
Hong Kong	香港	40,318	25,664
Other countries and areas	其他國家及地區	183,701	68,897
		1,865,376	1,413,960

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 year ended 31 December 2011 and 31 December 2010:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
— Customer A	— 客戶甲	250,774	164,266
— Customer B	— 客戶乙	*	170,698
— Customer C	— 客戶丙	211,527	*

* The revenue from these customers is not over 10% of the Group's total revenue.

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）：

iii. 主要客戶資料

下表列示本集團於截至二零一一年十二月三十一日及二零一零年十二月三十一日止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：

* 來自此等客戶的收益不超過本集團總收益的10%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



8. OTHER INCOME, OTHER GAINS AND LOSSES 8. 其他收入、其他收益及虧損

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Interest income	利息收入	10,149	436
Government grants (note below)	政府補助(附註如下)	7,987	5,267
Gains (losses) on disposals of property, plant and equipment	出售物業、廠房及設備收益(虧損)	1,688	355
Net foreign exchange losses	滙兌虧損淨額	(1,513)	(2,832)
Gain on disposal of prepaid lease payments for land use rights	出售土地使用權預付租賃付款收益	175	—
Changes in fair value of other financial instruments	其他金融工具公平值變動	3,594	(5,805)
		22,080	(2,579)

Note: The amounts mainly represent government subsidies received from the finance bureau of Weihai Economic Technological Development Zone, finance bureau of Tianjin 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、天津財政局及山東臨邑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。

9. FINANCE COSTS

9. 融資成本

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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	44,152	20,076
Less: Amount capitalized in respect of cost of qualifying assets	減：有關合資格資產成本的資本化金額	(6,616)	(986)
		37,536	19,090

During the year ended 31 December 2011, interest has been capitalized at the rate of interest applicable to general borrowings ranging from 4.20% to 7.57% (2010: 5.10% to 6.84%) per annum.

於截至二零一一年十二月三十一日止年度，利息已按適用於一般借貸介乎每年4.20%至7.57%（二零一零年：5.10%至6.84%）的利率資本化。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

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：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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	226,719	148,040
— Retirement benefit scheme contributions	— 退休福利計劃供款	7,309	2,944
— Share-based payments (see note 28)	— 以股份支付的款項(見附註28)	7,147	7,147
		241,175	158,131
Depreciation and amortization:	折舊及攤銷：		
— Property, plant and equipment	— 物業、廠房及設備	36,812	35,748
— Intangible assets (included in administrative and general expenses)	— 無形資產(計入行政及一般開支)	4,051	1,563
		40,863	37,311
Release of prepaid lease payments	解除預付租金	815	537
Cost of inventories recognized as an expense (note below)	確認為開支的存貨成本(下文附註)	1,517,099	1,102,887
Auditors' remuneration	核數師酬金	2,532	2,409
Allowances recognized (reversed) in respect of trade receivables	就貿易應收款項確認(撥回)撥備	16	(193)

Note: During the year ended 31 December 2011, the cost of inventories recognized as an expenses included inventories for research and development with the amount of RMB30,128,000 (2010: RMB14,541,000) and inventories written-down with the amount of nil (2010: RMB3,893,000).

附註：於截至二零一一年十二月三十一日止年度，確認為開支的存貨成本包括用作研發的存貨達人民幣30,128,000元(二零一零年：人民幣14,541,000元)及已撇銷存貨為零(二零一零年：人民幣3,893,000元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



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 2011 截至二零一一年十二月三十一日止年度					
		Retirement					
		Director fees	Basic salaries and allowances	benefit scheme contributions	Discretionary bonus	Share-based payments	Total
		董事袍金	基本薪金及津貼	退休福利計劃供款	酌情花紅	以股份支付的款項	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	人民幣千元
Executive directors:	執行董事：						
— Mr. Chi	— 遲先生	60	279	8	—	—	347
— Mr. Jiang Taike	— 蔣太科先生	60	296	8	—	—	364
— Mr. Li Jianming	— 李建明先生	60	242	8	—	203	513
— Mr. Mao Wanjun	— 毛萬鈞先生	36	195	8	—	293	532
— Mr. Kang Jin Won	— 姜振遠先生	36	583	—	—	—	619
— Mr. Sui Shikai*	— 隋世凱先生*	12	34	3	—	67	116
— Mr. Tseng Chih-ming*	— 曾志銘先生*	12	146	6	—	—	164
Non-executive directors:	非執行董事：						
— Ms. Xu Yiming	— 徐藝銘女士	36	202	—	—	—	238
— 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	163	—	—	—	—	163
— Mr. Song Lizhong	— 宋立眾先生	41	—	—	—	—	41
— Ms. Zheng Lin	— 鄭琳女士	41	—	—	—	—	41
		557	1,977	41	—	563	3,138

* These directors have resigned as directors of the Company since 28 April 2011.

* 此等董事自二零一一年四月二十八日起已辭任本公司董事職務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

11. 董事及僱員酬金 (續)

(a) Directors' emoluments (Continued)

(a) 董事酬金 (續)

		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	Discretionary bonus	Share-based payments	Total
		董事袍金	基本薪金及津貼	退休福利計劃供款	酌情花紅	以股份支付的款項	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	人民幣千元
Executive directors:	執行董事：						
— Mr. Chi	— 遲先生	—	199	4	—	—	203
— Mr. Jiang Taike	— 蔣太科先生	—	144	4	—	—	148
— Mr. Li Jianming	— 李建明先生	—	165	4	—	197	366
— Mr. Tseng Chih-ming	— 曾志銘先生	—	237	8	—	—	245
— Mr. Sui Shikai	— 隋世凱先生	—	164	4	—	202	370
— Mr. Mao Wanjun	— 毛萬鈞先生	—	192	4	—	293	489
— Mr. Kang Jin Won	— 姜振遠先生	—	380	—	—	—	380
Non-executive directors:	非執行董事：						
— Ms. Xu Yiming	— 徐藝銘女士	—	147	—	—	—	147
— 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	—	28	—	—	—	28
— Mr. Song Lizhong	— 宋立眾先生	—	7	—	—	—	7
— Ms. Zheng Lin	— 鄭琳女士	—	7	—	—	—	7
		—	1,670	28	—	692	2,390

During the years ended 31 December 2011 and 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 of the Company has waived any remuneration during the years ended 31 December 2011 and 31 December 2010.

於截至二零一一年十二月三十一日及二零一零年十二月三十一日止年度，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。於截至二零一一年十二月三十一日及二零一零年十二月三十一日止年度，概無本公司董事放棄任何薪酬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, three (2010: four) were directors of the Company for the year ended 31 December 2011, details of whose emoluments are included in the disclosures in note 11 (a) above.

The emoluments of the remaining two (2010: one) individual(s) during the years ended 31 December 2011 were as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	934	112
Discretionary bonus	酌情花紅	—	—
Retirement benefit scheme contributions	退休福利計劃供款	26	4
Share-based payments	以股份支付的款項	—	246
		960	362

During the year ended 31 December 2011 and 31 December 2010, the emoluments of the five highest paid individuals were within HKD1,000,000.

During the year ended 31 December 2011 and 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

截至二零一一年十二月三十一日止年度，本集團五位最高薪人士中，有三名(二零一零年：四名)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。

截至二零一一年十二月三十一日止年度其餘兩名(二零一零年：一名)個別人士薪酬如下：

於截至二零一一年十二月三十一日及二零一零年十二月三十一日止年度，五位最高薪人士薪酬不超過1,000,000港元。

於截至二零一一年十二月三十一日及二零一零年十二月三十一日止年度，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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

12. INCOME TAX EXPENSES

12. 所得稅開支

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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」)	18,724	19,268
— Overprovision of EIT in prior years	— 過往年度企業所得稅 超額撥備	(68)	(2,222)
		18,656	17,046
Deferred tax (note 19)	遞延稅項(附註19)		
— Current year	— 本年度	(3,016)	1,014
— Attributable to a change in tax rate	— 因稅率變動而產生	—	174
		(3,016)	1,188
		15,640	18,234

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.

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。

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 is subject to 17% for both years. No provision for Taiwan income tax has been made as the company did not have any taxable income for the year.

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)於兩個年度按法定稅率17%繳稅。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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



12. INCOME TAX EXPENSES (Continued)

The applicable tax rates of the Company's PRC subsidiaries for the years ended 31 December 2011 and 31 December 2010 are as follows:

12. 所得稅開支(續)

於截至二零一一年十二月三十一日及二零一零年十二月三十一日止年度本公司中國附屬公司的適用稅率如下：

Name of the subsidiary 附屬公司名稱	2011 二零一一年 % 百分比	2010 二零一零年 % 百分比
威海市泓淋電子有限公司(「威海電子」) (Weihai Honglin Electronic Co., Ltd. [*] , "Weihai Electronic")	15.0	15.0
威海市泓淋電線電纜有限公司(「威海電纜」) (Weihai Honglin Wire & Cable Co., Ltd. [*] , "Weihai Cable")	15.0	15.0
常熟泓淋電子有限公司 (Changshu Honglin Electronic Co., Ltd. [*])	12.5	12.5
常熟泓淋電線電纜有限公司 (Changshu Honglin Wire & Cable Co. Ltd. [*])	12.5	12.5
常熟泓淋連接技術有限公司 (Changshu Honglin Connecting-Technology Co., Ltd. [*])	12.5	12.5
德州泓淋電子有限公司 (Dezhou Honglin Electronic Co., Ltd. [*])	12.5	12.5
武漢市泓淋電子有限公司 (Wuhan Honglin Electronic Co., Ltd. [*])	12.0	11.0
蘇州華淳精密電子有限公司 (Suzhou Huachun Precision Electronics Co., Ltd. [*])	25.0	25.0
深圳市泓淋通訊科技有限公司 (Shenzhen Honglin Communication Technology Co., Ltd. [*])	25.0	25.0
重慶市泓淋科技有限公司 (Chongqing Honglin Technology Co., Ltd. [*])	25.0	N/A 不適用
惠州市泓淋通訊科技有限公司 (Huizhou Honglin Communication Technology Co., Ltd. [*])	25.0	N/A 不適用
天津日拓汽車電裝有限公司(「天津日拓」) (Tianjin Rituo Automotive Electronics Co., Ltd. [*] , "Tianjin Rituo")	25.0	N/A 不適用
惠州大亞灣和平通信電纜有限公司(「惠州大亞灣」) (Huizhou Daya Bay Heping Telecommunication Co. Ltd. [*] , "Huizhou Daya Bay")	25.0	N/A 不適用
武漢市泓淋科技有限公司 (Wuhan Honglin Technology Co., Ltd. [*])	25.0	N/A 不適用

^{*} The English names are for identification purpose only.

^{*} 英文名稱僅供識別。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

12. INCOME TAX EXPENSES (Continued)

The tax charge can be reconciled to the profit before taxation per the consolidated statement 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除稅前溢利對賬如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	135,000	173,255
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))	33,750	43,314
Overprovision for EIT in respect of prior years	過往年度企業所得稅超額撥備	(68)	(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	24	133
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	(16,794)	(20,861)
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	(1,272)	(1,844)
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)
		15,640	18,234

Notes:

(a) The PRC EIT rate of 25% for the year ended 31 December 2010 and 31 December 2011 represent the statutory tax rate of which the Group's operations conducted substantially in the PRC throughout the years.

(b) 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 1 January 2008 onwards to their "non-resident" investors who do not have an establishment or place of business in the PRC.

As at 31 December 2011, the aggregate amount of temporary differences associated with the undistributed earnings of the PRC subsidiaries of approximately RMB287 million (2010: RMB194 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 for the year ended 31 December 2009, the remaining profits from their operations for the period from 1 January 2008 to 31 December 2011 will be retained and not be distributed in foreseeable future. Therefore, it is probable that such differences will not reverse or subject to withholding income tax in the foreseeable future.

附註：

(a) 截至二零一一年十二月三十一日及二零一零年十二月三十一日止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。

(b) 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。

於二零一一年十二月三十一日，與中國附屬公司未分派溢利(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287百萬元(二零一零年：人民幣194百萬元)。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，除於二零零八年一月一日至二零一一年十二月三十一日止已分派的保留溢利外，於可見未來保留由二零零八年十二月三十一日至二零一一年十二月三十一日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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



13. DIVIDENDS

No dividend has been paid or proposed by the Company during the year ended 31 December 2011 nor has any dividend been proposed since the end of the reporting period (2010: nil).

14. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year ended 31 December 2011 is based on the profit attributable to owners of the Company for the year ended 31 December 2011 and on the weighted average of 720,000,000 shares (2010: 555,438,576 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 2010 has been determined as if the effect of the five-for-one Share Subdivision (as defined in note 27(ii)) and the Capitalization Issue (as defined in note 27(iii)) have been adjusted retrospectively.

There were no potential dilutive shares in existence during the year ended 31 December 2011 and 31 December 2010 and therefore, no diluted earnings per share amounts have been presented.

13. 股息

於截至二零一一年十二月三十一日止年度內，本公司概無派付或建議派付股息，自報告期末起亦無擬派付任何股息（二零一零年：無）。

14. 每股盈利

截至二零一一年十二月三十一日止年度的每股基本盈利乃根據截至二零一一年十二月三十一日止年度本公司擁有人應佔溢利及年內720,000,000股（二零一零年：555,438,576股）已發行股份的加權平均數計算。

釐定用作計算截至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(ii)界定）及資本化發行（按附註27(iii)界定）的影響已追溯調整。

於截至二零一一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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

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	廠房及設備	汽車	其他設施	在建工程	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	人民幣千元
The Group	本集團						
COST	成本						
As at 1 January 2010	於二零一零年一月一日	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
Acquired on acquisition of subsidiaries	收購附屬公司所得	20,759	20,041	1,158	3,218	12	45,188
Additions	添置	1,423	25,715	3,954	6,026	170,349	207,467
Transfer	轉撥	77,832	20,198	—	5,541	(103,571)	—
Disposals	出售	(9,863)	(12,550)	(3,480)	(1,739)	—	(27,632)
As at 31 December 2011	於二零一一年十二月三十一日	238,614	269,340	10,357	61,391	192,002	771,704
DEPRECIATION	折舊						
As at 1 January 2010	於二零一零年一月一日	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
Provided for the year	年內撥備	7,363	17,761	1,883	9,805	—	36,812
Eliminated on disposals	出售時抵銷	(4,865)	(9,226)	(3,093)	(1,128)	—	(18,312)
As at 31 December 2011	於二零一一年十二月三十一日	21,445	70,449	2,271	22,141	—	116,306
CARRYING VALUES	賬面值						
As at 31 December 2011	於二零一一年十二月三十一日	217,169	198,891	8,086	39,250	192,002	655,398
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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



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%
Motor vehicles	18.0%
Electronic and other facilities	18.0% to 45.0%

As at 31 December 2011, the Group has pledged its property, plant and equipment with a carrying value of approximately RMB157,055,000 (2010: RMB151,335,000) to secure for general banking facilities granted to the subsidiaries of 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%
汽車	18.0%
電子及其他設備	18.0%至45.0%

於二零一一年十二月三十一日，本集團抵押賬面值約人民幣157,055,000元(二零一零年：人民幣151,335,000元)的物業、廠房及設備，以作為本集團附屬公司獲授一般銀行信貸的擔保。

16. PREPAID LEASE PAYMENTS

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Analyzed for reporting purposes as:	申報分析：		
— Non-current assets	— 非流動資產	47,539	30,108
— Current assets	— 流動資產	1,014	642
		48,553	30,750

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 2011, the Group has pledged its land use rights with a carrying value of approximately RMB8,460,000 (2010: RMB14,868,000) to banks to secure for banking facilities granted to the subsidiaries of 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。

於二零一一年十二月三十一日，本集團向銀行抵押賬面值約人民幣8,460,000元(二零一零年：人民幣14,868,000元)的土地使用權，以作為本集團附屬公司獲授銀行信貸的擔保。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

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	Customer relationships 客戶關係 RMB'000 人民幣千元	Technology knowhow 專有技術 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST	成本						
As at 1 January 2010	於二零一零年一月一日	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
Acquired on acquisition of subsidiaries (note 32)	收購附屬公司所得 (附註32)	—	—	—	15,430	10,470	25,900
Additions	添置	30	—	3,880	—	—	3,910
As at 31 December 2011	於二零一一年十二月三十一日	2,364	134	13,774	15,430	10,470	42,172
AMORTISATION	攤銷						
As at 1 January 2010	於二零一零年一月一日	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
Charge for the year	年內攤銷	120	13	1,197	1,674	1,047	4,051
As at 31 December 2011	於二零一一年十二月三十一日	1,039	46	2,935	1,674	1,047	6,741
CARRYING VALUES	賬面值						
As at 31 December 2011	於二零一一年十二月三十一日	1,325	88	10,839	13,756	9,423	35,431
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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



17. INTANGIBLE ASSETS (Continued)

The above intangible assets have definite useful lives and are amortized on a straight-line basis over the following estimated useful lives:

Software	5 to 10 years
Trademarks	5 years
Licenses	5 to 10 years
Customer relationships	5 to 10 years
Technology knowhow	10 years

17. 無形資產(續)

上述無形資產的可使用年期有限，並可於以下估計可使用年按直線法攤銷：

軟件	5至10年
商標	5年
許可證	5至10年
客戶關係	5至10年
專有技術	10年

18. GOODWILL

18. 商譽

		2011 二零一一年 RMB'000 人民幣千元
COST	成本	
Additional amounts recognized from business combinations occurring during the year (see note 32)	年內發生業務合併確認的額外金額 (見附註32)	7,746
As at 31 December 2011	於二零一一年十二月三十一日	7,746
ACCUMULATED IMPAIRMENT LOSSES	累計減值虧損	
Impairment losses recognized in the year	年內確認的減值虧損	—
As at 31 December 2011	於二零一一年十二月三十一日	—
CARRYING VALUES	賬面值	
As at 31 December 2011	於二零一一年十二月三十一日	7,746

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

18. GOODWILL (Continued)

Impairment testing on goodwill

For the purpose of impairment testing, goodwill has been allocated to the following individual CGU.

		2011 二零一一年 RMB'000 人民幣千元
Automotive harness	汽車綫束	1,823
Wire and cable	線纜	5,923
		7,746

The goodwill was generated upon acquisition of Tianjin Rituo and Huizhou Daya Bay. Details of which are set out in note 32. The recoverable amounts of the CGU are both determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors of the Company covering a five-year period.

The discount rates are 19% per annum. Other key assumptions for the cash flow projections during the budget period include growth rate, gross margins rate and raw materials price inflation throughout the budget period. The directors of the Company believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the unit to exceed the aggregate recoverable amount of the CGU.

18. 商譽(續)

商譽的減值測試

就減值測試而言，商譽已分配至以下個別現金產生單位。

商譽乃來自收購天津日拓及惠州大亞灣。詳情載於附註32。現金產生單位之可收回金額乃根據使用價值計算法，採用預測現金流量釐定，而預測現金流量乃以本公司董事所批准之五年期財政預算作為基準。

折現率均為每年19%。預算期內現金流量預測之其他主要假設包括預算期內之增長率、毛利率及原材料價格通脹率。本公司董事相信，在計算可收回金額之主要假設所出現之任何合理可能變動，將不會導致現金產生單位之賬面值超出其可收回總額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



18. GOODWILL (Continued)

Impairment testing on goodwill (Continued)

The key assumptions used in the value in use calculations for the CGU are as follows:

Growth rate	Cash flows beyond that five-year period have been extrapolated using a steady 3% per annum growth rate.
Expected gross margin	Average gross margins achieved in the period immediately before the budget period, adjusted for expected efficiency improvements, increase of overhead cost and direct labor cost.
Raw materials price inflation	Forecast consumer price indices during the budget period for the countries from which raw materials are purchased.

18. 商譽(續)

商譽的減值測試(續)

現金產生單位之使用價值計算法所用之主要假設如下：

增長率	超過該五年期的現金流量乃以每年3%之穩定增長率進行推斷。
預計毛利率	緊接預算期前期間所取得之平均毛利率，按預期效率改善調整，增加經營成本及直接工資。
原材料價格通脹	預測消費價格顯示採購原材料的國家的預算期。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

19. DEFERRED TAXATION

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

19. 遞延稅項

以下為本集團於年內的主要遞延稅項資產(負債)及相關變動：

		Deferred assets 遞延資產					Deferred tax liabilities — fair value adjustments on business combinations 遞延稅項負債 — 業務合併的公平值調整
		Pre-operating expenses 營運前開支 RMB'000 人民幣千元	Impairment loss of assets 相關 的暫時差額 RMB'000 人民幣千元	Tax losses 稅項虧損 RMB'000 (see note below) 人民幣千元 (下文附註)	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	
As at 1 January 2010	於二零一零年一月一日	242	1,188	101	2,373	3,904	—
(Charge) credit to profit or loss	於損益(扣除)計入	(134)	(816)	2,118	(2,182)	(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	2,219	24	2,716	—
Additions relating to the acquisition of Tianjin Rituo and Huizhou Daya Bay (disclosed in note 32)	有關收購天津日拓及惠州大亞灣的添置(均披露於附註32)	—	—	—	—	—	(10,677)
(Charge) credit to profit or loss	於損益(扣除)計入	(108)	4	2,160	1	2,057	959
As at 31 December 2011	於二零一一年十二月三十一日	—	369	4,379	25	4,773	(9,718)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



19. DEFERRED TAXATION (Continued)

Note: As at 31 December 2011, the Group has unused tax losses amounting to RMB18,542,000 (31 December 2010: RMB12,941,000) available for offset against future profits, which will expire in the following years set below. As at 31 December 2011, a deferred tax asset with an amount of RMB4,379,000 (31 December 2010: RMB2,219,000) in respect of tax losses has been recognized.

19. 遞延稅項(續)

附註：於二零一一年十二月三十一日，本集團可用於抵銷未來溢利的未動用稅項虧損為人民幣18,542,000元(二零一零年十二月三十一日：人民幣12,941,000元)，將於下列所載年度屆滿。於二零一一年十二月三十一日，已就稅項虧損人民幣4,379,000元(二零一零年十二月三十一日：人民幣2,219,000元)。

		Amount 金額 RMB'000 人民幣千元
Until 31 December 2014	直至二零一四年十二月三十一日	6,242
Until 31 December 2015	直至二零一五年十二月三十一日	5,345
Until 31 December 2016	直至二零一六年十二月三十一日	6,955
		18,542

20. INVENTORIES

20. 存貨

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Raw materials and consumables	原材料及消耗品	120,238	83,505
Work in progress	在製品	65,049	30,786
Finished goods	製成品	134,231	64,250
		319,518	178,541

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

21. TRADE AND OTHER RECEIVABLES

21. 貿易及其他應收款項

			2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
	Notes 附註			
Trade receivables	a	貿易應收款項	888,812	534,258
Less: Allowances for doubtful debts		減：呆賬撥備	(1,239)	(1,308)
			887,573	532,950
Bills receivable	b	應收票據	59,327	137,069
Advance to suppliers	c	墊款予供應商	76,618	33,848
Value added tax ("VAT") receivable		應收增值稅(「增值稅」)	8,608	7,445
Deposits and prepayments		按金及預付款項	17,450	11,981
Advances to third parties	d	墊款予第三方	6,299	10
Advances to staff		墊款予員工	2,812	1,271
Advances to non-control interest shareholders	e	墊款予非控制權益股東	1,902	—
Other receivables	f	其他應收款項	678	970
			1,061,267	725,544

Notes:

(a) Trade receivables

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

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. Also, for certain major customers with good credit, upon maturity of the initial credit period, the Group accepts bank bills arranged by these customers which has the effect of extending the credit term further for up from 60 days to 180 days.

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貸資料，以考慮客戶的信貸質素及釐定該客戶的信貸額度。

本集團一般給予貿易客戶介乎60日至180日的信貸期。此外，就具有良好信譽的若干主要客戶而言，於初步信貸期到期時，本集團接受此等客戶安排的銀行票據，以致將信貸期由60日進一步延長至180日。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度



21. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(a) Trade receivables (Continued)

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:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within 3 months	三個月內	724,709	477,577
Over 3 months but within 6 months	三個月至六個月	154,175	54,001
Over 6 months but within 1 year	六個月至一年	8,689	1,372
		887,573	532,950

Aging of the Group's trade receivables which are past due but not impaired are as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within 3 months	三個月內	12,301	574
Over 3 months but within 6 months	三個月至六個月	39,103	3,862
Over 6 months but within 1 year	六個月至一年	6,564	966
		57,968	5,402

Movements of the Group's allowances for doubtful debts during the two years are as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
As at 1 January	於一月一日	1,308	3,124
Allowances for doubtful debts	呆賬撥備	16	625
Amount written off	已撇銷款項	(85)	(1,623)
Reversal of allowances for doubtful debts	撥回呆賬撥備	—	(818)
As at 31 December	於十二月三十一日	1,239	1,308

21. 貿易及其他應收款項(續)

附註：(續)

(a) 貿易應收款項(續)

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：

本集團逾期但未減值的貿易應收款項的賬齡如下：

本集團於該兩個年度的呆賬撥備變動如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

21. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(a) Trade receivables (Continued)

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.

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, was as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Currency:	貨幣:		
USD	美元	240,217	252,587

As at 31 December 2011, trade receivables amounting to approximately RMB104,178,000 (2010: RMB70,850,000) have been pledged to banks as the security in respect of the Group's bank borrowings.

(b) Bills receivable

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

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within 3 months	三個月內	27,267	48,277
Over 3 months but within 6 months	三個月至六個月	32,060	88,792
		59,327	137,069

(c) Advance to suppliers

The Group's advance to suppliers represents deposits for purchase of raw materials.

21. 貿易及其他應收款項(續)

附註：(續)

(a) 貿易應收款項(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。

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：

於二零一一年十二月三十一日，約人民幣104,178,000元(二零一零年：人民幣70,850,000元)的貿易應收款項已抵押予銀行作為本集團銀行借貸的擔保。

(b) 應收票據

於報告期末，根據收款日期呈列的本集團應收票據賬齡分析如下：

(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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



21. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(d) Advances to third parties

As at 31 December 2011, the amount is mainly representing advances granted to two third parties, which are unsecured, interest-free and repayable within one year.

(e) Advances to non-control interest shareholders

The amounts were unsecured, interest free and were fully settled subsequent to the date of the financial year.

(f) Other receivables

The Group's other receivables have been included the following allowances for doubtful debts during the two years:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
As at 1 January	於一月一日	—	223
Amount written off	已撇銷款項	—	(223)
As at 31 December	於十二月三十一日	—	—

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)

(d) 墊款予第三方

於二零一一年十二月三十一日，該款項主要指授予兩名第三方的墊款，為無抵押、免息及須於一年內償還。

(e) 向非控股權益股東提供的墊款

該等款項乃無抵押、免息及須於後續財政年度內全數償還。

(f) 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：

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，故本集團並無就其他應收款項計提任何撥備。

22. PLEDGED BANK DEPOSITS

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Pledged bank deposits	已抵押銀行存款	49,574	424,714

As at 31 December 2011, the Group's pledged bank deposits carry fixed interest rates ranging from 1.2% to 3.5% (2010: 1.2% to 2.5%) per annum.

22. 已抵押銀行存款

於二零一一年十二月三十一日，本集團已抵押銀行存款的固定年利率介乎1.2%至3.5%（二零一零年：1.2%至2.5%）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

22. PLEDGED BANK DEPOSITS (Continued)

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, bills payable and letter of credit as following:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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	25,800	386,840
— Bills payable	— 應付票據	7,403	20,090
— Letter of credit	— 信用證	16,371	17,784
		49,574	424,714

The pledged bank deposits will be released upon the settlement of relevant bank borrowings, bill payable and letter of credit.

The Group's pledged bank deposits denominated in currencies other than functional currency RMB of the relevant group companies was as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Currency:	貨幣：		
— USD	— 美元	1,556	879

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 2011, the bank balances carry market interest rates ranging from 0.36 % to 0.5% (2010: from 0.15% to 0.36%) per annum.

22. 已抵押銀行存款 (續)

於報告期末，已抵押作本集團短期銀行借貸、應付票據及信用證擔保的本集團已抵押銀行存款如下：

已抵押銀行存款將於償付有關銀行借貸、應付票據及信用證時解除。

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已抵押銀行存款如下：

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。

於二零一一年十二月三十一日，銀行結餘的市場年利率介乎0.36%至0.5%（二零一零年：0.15%至0.36%）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



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:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Currency:	貨幣		
— USD	— 美元	24,012	26,501
— HKD	— 港元	115	8
		24,127	26,509

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：

24. TRADE AND OTHER PAYABLES

			2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
		Notes 附註		
Trade payables	貿易應付款項	(a)	406,318	204,386
Bills payable	應付票據	(b)	55,691	119,789
Receipts in advance from customers	預收客戶款項	(c)	4,781	2,299
Other tax payables	其他應付稅款		4,457	4,075
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備的應付款項		19,990	30,589
Payrolls and staff cost payables	應付工資及員工成本		15,909	12,054
Advances from non-control interests shareholders	非控制權益股東墊款	(d)	5,737	—
Accrued expenses	應計開支		9,127	6,787
Other payables	其他應付款項		2,337	4,590
			524,347	384,569

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

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:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within 3 months	三個月內	380,999	191,276
Over 3 months but within 1 year	三個月至一年	23,782	12,437
Over 1 year but within 2 years	一年至兩年	1,528	310
Over 2 years	超過兩年	9	363
		406,318	204,386

The Group's trade payables denominated in currencies other than functional currency of the relevant group companies were as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Currency:	貨幣:		
— USD	— 美元	66,695	70,413

(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:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within 3 months	三個月內	15,504	57,389
Over 3 months but within 6 months	三個月至六個月	40,187	62,400
		55,691	119,789

(c) Receipts in advance from customers

The Group's receipts in advance from customers represent deposits for supply of goods to customers.

(d) Advances from non-control interest shareholders

The amounts were unsecured, interest-free and were fully settled subsequent to the date of financial period.

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：

(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) 向非控股權益股東提供的墊款

該等款項乃無抵押、免息及須於後續時財政年度全數償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



25. OTHER FINANCIAL ASSETS AND LIABILITIES

25. 其他金融資產及負債

			2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
	Notes 附註			
Other financial assets — Contingent consideration	其他金融資產 — 或然代價	32(a)	5,229	—
			5,229	—
Other financial liabilities — Foreign currency exchange contracts	其他金融負債 — 外匯合約	(a)	368	1,674
— Commodity derivative contracts	— 商品衍生合約	(b)	1	205
— Cancellable foreign currency forward swaps contract	— 可撤銷外幣遠期掉期合約	(c)	5,942	—
			6,311	1,879

(a) Foreign currency exchange contracts

At the end of the reporting period, the Group had the following foreign exchange forward contracts with certain commercial banks in the PRC to mitigate its foreign currency exposure:

Notional amount	Maturity	Exchange rates
As at 31 December 2011		
Sell RMB15,942,000	11 January 2012	US\$1 : RMB6.473
As at 31 December 2010		
Sell RMB1,215,000	7 January 2011	US\$1 : RMB6.800
Sell RMB1,054,000	25 March 2011	US\$1 : RMB6.805
Sell RMB6,277,000	26 October 2011	US\$1 : RMB6.580
Sell RMB323,888,000	7 December 2011	US\$1 : RMB6.509

(a) 外匯合約

於報告期末，本集團擁有與若干中國商業銀行簽署的以下外匯合約以減輕其外匯風險：

名義金額	到期日	匯率
於二零一一年十二月三十一日		
出售人民幣 15,942,000元	二零一二年 一月十一日	1美元兌人民幣 6.473元
於二零一零年十二月三十一日		
出售人民幣 1,215,000元	二零一一年 一月七日	1美元兌人民幣 6.800元
出售人民幣 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
出售人民幣 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
出售人民幣 323,888,000元	二零一一年 十二月七日	1美元兌人民幣 6.509元

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

25. OTHER FINANCIAL ASSETS AND LIABILITIES (Continued)

Notes: (Continued)

(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:

		2011 二零一一年	2010 二零一零年
Commodity derivative sale contracts:	商品衍生銷售合約：		
— Volume (tons)	— 量(噸)	5	50
— Executed contract value (RMB'000)	— 已執行的合約價值(人民幣千元)	277	2,980
— Fair value of derivative financial liabilities (RMB'000)	— 衍生金融負債公平值(人民幣千元)	1	205
Contract maturity date	合約到期日	May 2012 二零一二年五月	March 2011 二零一一年三月

(c) Cancellable foreign currency forward swaps contract

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

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

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

25. 其他金融資產及負債(續)

附註：(續)

(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：

(c) 可撤銷外匯遠期掉期合約

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

根據掉期合約，本集團及該銀行均有撤銷選擇權如下：

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



26. BANK BORROWINGS

26. 銀行借款

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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	317,316	602,903
— Unsecured	— 未擔保	336,155	60,203
		653,471	663,106
The exposure of bank borrowings:	銀行借貸風險：		
— Fixed rates borrowings	— 固定利率借貸	204,698	621,619
— Variable rates borrowings	— 浮動利率借貸	448,773	41,487
		653,471	663,106

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：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Currency:	貨幣：		
USD	美元	185,293	503,455

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

本集團銀行借款的實際利率(亦等於合約利率)範圍如下：

		2011 二零一一年 % per annum 年利率 %	2010 二零一零年 % per annum 年利率 %
Effective interest rates:	實際利率：		
Fixed rates borrowings	固定利率借貸	2.50%–11.60%	0.32%–6.48%
Variable rates borrowings	浮動利率借貸	2.50%–8.20%	2.82%–5.59%

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

27. SHARE CAPITAL

27. 股本

		Number of shares 股份數目	Share capital 股本 US\$'000 千美元	
Ordinary shares	普通股			
Authorized	法定			
As at 1 January 2010 (USD0.10 each)	於二零一零年一月一日 (每股0.10美元)	500,000,000		50,000
Subdivision of shares (note ii)	股份拆細(附註ii)	2,000,000,000		—
As at 31 December 2010 and 2011 (USD0.02 each)	於二零一零年及二零一一年 十二月三十一日 (每股0.02美元)	2,500,000,000		50,000

		Number of shares 股份數目	Share capital 股本 US\$'000 千美元 RMB'000 人民幣千元	
Issued and fully paid	已發行及繳足			
As at 1 January 2010 (USD0.10 each)	於二零一零年一月一日 (每股0.02美元)	89,317,490	8,931	60,943
Issue of shares (note i)	發行股份(附註i)	2,857,422	286	1,951
Subdivision of shares (note ii)	股份拆細(附註ii)	368,699,648	—	—
Issue of shares on Capitalization Issue (note iii)	於資本化發行時發行股份 (附註iii)	79,125,440	1,583	10,588
Issue of shares on Listing (note iv)	於上市時發行股份(附註iv)	180,000,000	3,600	23,919
As at 31 December 2010 and 2011 (USD0.02 each)	於二零一零年及二零一一年 十二月三十一日 (每股0.02美元)	720,000,000	14,400	97,401

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



27. SHARE CAPITAL (Continued)

The movements in the Company's authorized and issued share capital from 1 January 2010 to 31 December 2011 is as follows:

- i. On 8 June 2010, the Company issued and allotted 2,857,422 ordinary shares of USD0.10 each, credited as fully paid, to Stamford Management Limited for a consideration of USD5,000,000 (equivalent to approximately RMB34,140,000) to provide for additional working capital to the Company.

ii. Subdivision of shares (the "Share Subdivision")

On 25 October 2010, each ordinary share of USD0.10 in the that its resultant authorized share capital was authorized and issued share capital of the Company was subdivided into five ordinary shares of USD0.02 each such 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.

iii. 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.

- iv. On 16 November 2010, the Company issued 180,000,000 new shares of USD0.02 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 year rank pari passu with the then existing shares in all respects.

27. 股本(續)

本公司自二零一零年一月一日至二零一一年十二月三十一日期間法定及已發行股本的變動如下：

- i. 於二零一一年六月八日，本公司以代價5,000,000美元（相當於約人民幣34,140,000元）向Stamford Management Limited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。

ii. 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。

iii. 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。

- iv. 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。

本公司於年內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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

28. EMPLOYEE SHARE SCHEME

On 30 September 2008, an employees' share scheme (the "Employee Share Scheme") was adopted by the Company. Pursuant to the Employee Share Scheme, on 8 October 2008, Chenlin International Joint Stock Company Limited (a company owned by Mr. Chi) transferred a total of 6,280,000 ordinary shares of the Company (the "Employee Shares") to Hongxin Joint Stock Company Limited in respect of 137 employees of the Group, including certain directors of the Company, 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 Company Limited 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 of the Company dated 3 November 2010.

28. 僱員股份計劃

於二零零八年九月三十日，本公司採納僱員股份計劃（「僱員股份計劃」）。根據僱員股份計劃，於二零零八年十月八日，晨淋國際股份有限公司（一間由遲先生擁有的公司）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元轉讓予泓鑫股份有限公司。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」），泓鑫股份有限公司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，詳情概述於本公司日期為二零一零年十一月三日的招股章程附錄六「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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



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:

			Numbers of outstanding share options balances 未償還購股權結餘數目	
			Directors 董事	Employees 僱員
		Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Number of shares outstanding balances	未償還結餘的股份數目			
As at 1 January 2010	於二零一零年一月一日		594,785	5,685,215
Granted during the year	年內授出	(a)	10,113	—
Forfeited during the year	年內沒收	(b)	—	(10,113)
Shares subdivision (note 27(ii))	股份拆細(附註27(ii))		2,419,592	22,700,408
Capitalization issue (note 27(iii))	資本化發行(附註27(iii))		519,301	4,871,621
As at 31 December 2010	於二零一零年十二月三十一日		3,543,791	33,247,131
Transfer	轉撥		(1,026,889)	1,026,889
As at 31 December 2011	於二零一一年十二月三十一日		2,516,902	34,274,020

Notes:

- (a) During the year ended 31 December 2010, an employee resigned and his Employee Shares entitlement was transferred to a director of the Company.
- (b) During the year ended 31 December 2011, a director resigned from directorship remains as an employee of the Group.

附註：

- (a) 截至二零一一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。
- (b) 於截至二零一一年十二月三十一日止年度，一名已辭任董事職務的董事仍為本集團僱員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

28. EMPLOYEE SHARE SCHEME (Continued)

The estimated fair value of the Employee Shares at the date of grant was 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.

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 statement of comprehensive income on a straight-line basis over the service periods of the service contracts for those Employees Shareholders from October 2008 to September 2013.

During the year ended 31 December 2011, the Group recognized share-based payments of approximately RMB7,147,000 (2010: RMB7,147,000) in relation to the Employee Shares.

Up to 31 December 2011, no shares were granted to nor settled by the directors of the Company and employees of the Group under the Employee Share Scheme.

28. 僱員股份計劃(續)

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。

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，將由二零零八年十月至二零一三年九月在該等僱員股東的服務合約服務期間以直線法從綜合全面收益表中扣除。

截至二零一一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（二零一零年：人民幣7,147,000元）。

直至二零一一年十二月三十一日止，概無根據僱員股份計劃向本公司董事及本集團僱員授出股份或由彼等償付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



29. OPERATING LEASES

29. 經營租約

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Minimum lease payments paid under operating leases during the year	年內根據經營租約已付最低租金	3,596	581

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:

於報告期末，本集團根據不可撤銷經營租約擁有日後最低租金之承擔，不可撤銷經營租約到期情況如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within one year	一年內	4,197	402
Over one year but within two years, inclusive	一年至兩年(包括首尾兩年)	5,815	136
		10,012	538

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

30. CAPITAL COMMITMENTS

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

30. 資本承擔

於報告期末，本集團未償還資本承擔如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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	60,355	43,571
— authorized but not contracted for	— 已授權但未簽約	10,922	12,901
		71,277	56,472

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 basic payroll costs up to a rate determined by respective local government authority 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。本集團須按僱員基本工資的指定百分比至各地方政府機關釐定的利率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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



32. ACQUISITION OF SUBSIDIARIES

During the year ended 31 December 2011, the Group made the following acquisitions:

(a) Acquisition of 55% equity interest in Tianjin Rituo (the "Tianjin Rituo Acquisition")

Acquisition of 55% equity interest in Tianjin Rituo

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

Consideration transferred

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

32. 收購附屬公司

於截至二零一一年十二月三十一日止年度，貴集團作出以下收購：

(a) 收購天津日拓55%的權益(「天津日拓收購」)

收購天津日拓55%的權益

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

已轉撥代價

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

32. ACQUISITION OF SUBSIDIARIES (Continued)

(a) Acquisition of 55% equity interest in Tianjin Rituo (the "Tianjin Rituo Acquisition") (Continued)

Acquisition of 55% equity interest in Tianjin Rituo (Continued)

Consideration transferred (Continued)

Note:

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

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

The fair value of the contingent consideration on the date of acquisition and 31 December 2011 are recognized in the consolidated statement of financial position as financial asset at FVTPL of approximately RMB5,229,000.

32. 收購附屬公司 (續)

(a) 收購天津日拓55%的權益(「天津日拓收購」)(續)

收購天津日拓55%的權益 (續)

已轉撥代價 (續)

附註：

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

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

或然代價於收購日期及二零一一年十二月三十一日的公平值分別於綜合財務狀況表中確認為按公平值計入損益的金融資產約人民幣5,229,000元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



32. ACQUISITION OF SUBSIDIARIES (Continued)

(a) Acquisition of 55% equity interest in Tianjin Rituo (the "Tianjin Rituo Acquisition") (Continued)

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

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

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

The receivables acquired, which principally comprised trade receivables, with a fair value of RMB63,741,000, approximated to their gross contractual amounts. There is no contracted amount considered uncollectable.

Goodwill arising on acquisition

		RMB'000 人民幣千元
Consideration transferred	已轉撥代價	53,371
Add: Non-controlling interests	加：非控制權益	42,176
Less: Recognized amount of identified net assets acquired, including Weihai Electronic capital injection of RMB58,600,000 to Tianjin Rituo	減：已收購之可識別資產淨值之已確認金額，包括威海電子向天津日拓注資人民幣58,600,000元	(93,724)
Goodwill arising on acquisition	收購產生的商譽	1,823

32. 收購附屬公司(續)

(a) 收購天津日拓55%的權益(「天津日拓收購」)(續)

收購日期已收購資產及已確認負債如下：

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

所得應收款項主要包括貿易應收款項，其賬面值為人民幣63,741,000元，與其合約淨額相若。並無合約金額被視為不可收回。

收購產生的商譽

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

32. ACQUISITION OF SUBSIDIARIES (Continued)

(a) Acquisition of 55% equity interest in Tianjin Rituo (the "Tianjin Rituo Acquisition") (Continued)

Goodwill arising on acquisition (Continued)

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

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

Net cash inflow arising on acquisition

		RMB'000 人民幣千元
Cash and cash equivalent balances acquired	所得現金及現金等價物結餘	65,350
Less: Cash contributed by Weihai Electronic (note below)	減：威海電子注入現金(附註)	(58,600)
		6,750

Note: Weihai Electronic made a capital injection of RMB58,600,000 to Tianjin Rituo which did not consider as a cash inflow nor outflow of the Group.

Included in the revenue and profit of the Group for the year ended 2011 are RMB138,282,000 and RMB2,759,000, respectively attributable to Tianjin Rituo.

32. 收購附屬公司(續)

(a) 收購天津日拓55%的權益(「天津日拓收購」)(續)

收購產生的商譽(續)

於收購日期確認的天津日拓45%非控制權益參考天津日拓資產淨值所佔比例金額人民幣93,724,000元計量(包括威海電子向天津日拓注資人民幣58,600,000元)為人民幣42,176,000元。天津日拓於收購日期的資產淨值公平值使用收入法估計。

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

收購產生的現金流入淨額

附註：威海電子向天津日拓注資的人民幣58,600,000元不被視為本集團現金流入或流出額。

計入本集團截至二零一一年止年度的收入及溢利分別為天津日拓應佔的人民幣138,282,000元及人民幣2,759,000元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度



32. ACQUISITION OF SUBSIDIARIES (Continued)

(a) Acquisition of 55% equity interest in Tianjin Rituo (the "Tianjin Rituo Acquisition") (Continued)

Net cash inflow arising on acquisition (Continued)

Had the acquisition of Tianjin Rituo been effected on 1 January 2011, the revenue and profit of the Group for the year ended 2011 would have been RMB1,883,819,000 and RMB123,648,000, respectively. The pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2011, nor is intended to be a projection of future results.

In determining the 'pro forma' revenue and profit of the Group had Tianjin Rituo been acquired on 1 January 2011, the directors of the Company calculated depreciation of property, plant and equipment and amortization of intangible assets based on the recognized amounts of property, plant and equipment and intangible assets at the date of acquisition.

(b) Acquisition of 87% equity interest in Huizhou Daya Bay and the capital injection to Huizhou Daya Bay (the "Huizhou Daya Bay Acquisition")

Acquisition of 87% equity interest in Huizhou Daya Bay and the capital injection to Huizhou Daya Bay

On 4 May 2011, Weihai Electronic entered into the acquisition and capital injection agreements (the "Huizhou Daya Bay Acquisition and Capital Injection Agreements") with certain independent third parties, including 田洪鎮 (Mr. Tian Hongzhen), 周紹華 (Mr. Zhou Shaohua, "Zhou Shaohua"), 袁火有 (Mr. Yuan Huoyou, "Yuan Huoyou"), 王家沾 (Mr. Wang Jiazhan) and 武月龍 (Mr. Wu Yuelong) (hereinafter collectively referred to as the "Huizhou Daya Bay Vendors") and pursuant to which, Weihai Electronic acquired an aggregate of 87% equity interest in Huizhou Daya Bay from the Huizhou Daya Bay Vendors for a total consideration of approximately RMB13,300,000, which was paid during the year ended 31 December 2011. Huizhou Daya Bay is a company established in the PRC which is principally engaged in the design, research and development, manufacture and sale of communication wire and cable and related products belonging to the wire and cable segment of the Group. Upon the completion of the acquisition, Huizhou Daya Bay was owned as to 87% by Weihai Electronic, 5% by Zhou Shaohua and 8% by Yuan Huoyou, respectively. The Huizhou Daya Bay Acquisition has been accounted for using acquisition method.

32. 收購附屬公司 (續)

(a) 收購天津日拓55%的權益(「天津日拓收購」)(續)

收購產生的現金流入淨額 (續)

倘收購天津日拓於二零一一年一月一日生效，本集團截至二零一一年止年度的收入及溢利將分別為人民幣1,883,819,000元及人民幣123,648,000元。備考資料僅供說明目的，及並不代表倘收購於二零一一年一月一日結束，本集團的收入及經營業績實際將可能達到，亦不代表預測未來業績。

於釐定假設天津日拓於二零一一年一月一日被收購，本集團的備考收入及溢利時，本公司董事已根據物業、廠房、設備及無形資產於收購日期的已確認金額計算物業、廠房、設備的折舊以及無形資產的攤銷。

(b) 收購惠州大亞灣87%的權益及向惠州大亞灣注資(「惠州大亞灣收購」)

收購惠州大亞灣87%的權益及向惠州大亞灣注資

於二零一一年五月四日，威海電子與若干獨立第三方訂立收購及注資協議(「惠州大亞灣收購及注資協議」)，包括田洪鎮先生、周紹華先生、袁火有先生、王家沾先生及武月龍先生(下文統稱「惠州大亞灣賣方」)，據此，威海電子向惠州大亞灣賣方收購於惠州大亞灣合共87%的權益，總代價約為人民幣13,300,000元，於截至二零一一年十二月三十一日止年度支付。惠州大亞灣為於中國成立的一間公司，主要從事通信線纜及相關產品的設計、研發、製造及銷售系列產品。於收購事項完成後，惠州大亞灣分別由威海電子持有87%的權益、由周紹華持有5%的權益及由袁火有持有8%的權益。惠州大亞灣收購已使用收購法入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

32. ACQUISITION OF SUBSIDIARIES (Continued)

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

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

Consideration transferred

		RMB'000 人民幣千元
Cash	現金	13,328

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

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

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

The receivables acquired, which principally comprised trade receivables, amounts due from related parties and former shareholders with a fair value of RMB72,453,000, approximated to their gross contractual amounts. There is no contracted amount considered uncollectable.

32. 收購附屬公司(續)

(b) 收購惠州大亞灣87%的權益及向惠州大亞灣注資(「惠州大亞灣收購」)(續)

收購惠州大亞灣87%的權益及向惠州大亞灣注資(續)

已轉撥代價

收購日期已收購資產及已確認負債如下：

附註：無形資產指客戶關係約人民幣2,620,000元。

所得應收款項主要包括貿易應收款項、應收關連方及前股東款項，其賬面值為人民幣72,453,000元，與其合約淨額相若。並無合約金額被視為不可收回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



32. ACQUISITION OF SUBSIDIARIES (Continued)

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

Goodwill arising on acquisition

		RMB'000 人民幣千元
Consideration transferred	已轉撥代價	13,328
Add: Non-controlling interests	加：非控制權益	1,106
Less: Recognized amount of identified net assets acquired	減：已收購之可識別資產淨值之已確認金額	(8,511)
Goodwill arising on acquisition	收購產生的商譽	5,923

The 13% non-controlling interest in Huizhou Daya Bay recognized at the acquisition date was measured by reference to the proportionate share of amounts of net assets of Huizhou Daya Bay of RMB8,511,000 amounting to RMB1,106,000. The fair value of net assets of Huizhou Daya Bay was estimated by applying an income approach.

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

32. 收購附屬公司 (續)

(b) 收購惠州大亞灣87%的權益及向惠州大亞灣注資(「惠州大亞灣收購」)(續)

收購產生的商譽

於收購日期確認的惠州大亞灣13%非控制權益參考惠州大亞灣資產淨值按比例所佔金額人民幣8,511,000元計量為人民幣1,106,000元。惠州大亞灣的資產淨值公平值使用收入法估計。

由於收購包括惠州大亞灣的勞力，故商譽於收購惠州大亞灣時產生。該資產不能單獨確認自商譽，由於彼等不能單一或連同任何有關合約獨立於本集團及出售、轉讓、或牌照、出租或交換。該商譽預期不可扣稅。該等收購產生的商譽預期概不可扣稅。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

32. ACQUISITION OF SUBSIDIARIES (Continued)

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

Net cash outflow arising on acquisition

		RMB'000 人民幣千元
Consideration paid in cash	以現金支付的代價	13,328
Less: Cash and cash equivalent balances acquired	減：所得現金及現金等價物結餘	(5,295)
		8,033

Impact of acquisition on the result of the Group

Included in the revenue and profit of the Group for the year ended 2011 are RMB114,588,000 and a loss of RMB1,979,000, respectively attributable to Huizhou Daya Bay.

Had the acquisition of Huizhou Daya Bay been effected on 1 January 2011, the revenue of the Group from continuing operations for the year ended 2011 would have been RMB1,922,411,000, and the profit for the period from continuing operations would have been RMB125,003,000.

The pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2011, nor is intended to be a projection of future results. In determining the 'pro-forma' revenue and profit of the Group had Huizhou Daya Bay been acquired on 1 January 2011, the directors of the Company calculated depreciation of property, plant and equipment and amortization of intangible assets based on the recognized amounts of property, plant and equipment and intangible assets at the date of acquisition.

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

32. 收購附屬公司 (續)

(b) 收購惠州大亞灣87%的權益及向惠州大亞灣注資(「惠州大亞灣收購」)(續)

收購產生的現金流出淨額

收購對本集團業績影響

計入本集團截至二零一一年止年度的收入及溢利分別為惠州大亞灣應佔的人民幣114,588,000元及虧損人民幣1,979,000元。

倘收購惠州大亞灣於二零一一年一月一日生效，本集團截至二零一一年止年度的收入將為人民幣1,922,411,000元，及持續經營期間的溢利將可能為人民幣125,003,000元。

備考資料僅供說明目的，及並不代表倘收購於二零一一年一月一日結束，本集團的收入及經營業績實際將可能達到，亦不代表預測未來業績。於釐定假設惠州大亞灣於二零一一年一月一日被收購，本集團的備考收入及溢利時，本公司董事已根據物業、廠房、設備及無形資產於收購日期的已確認金額計算物業、廠房、設備的折舊以及無形資產的攤銷。

於二零一一年八月及十二月，威海電子進一步向惠州大亞灣注資人民幣20,000,000元及人民幣43,200,000元，乃為非控制權益持有的股權攤薄本質。人民幣679,000元的款項已作出調整，以反映本集團綜合權益變動表所載的非控制權益變動。本集團所持惠州大亞灣的股權百分比於二零一一年十二月三十一日底增加至97.27%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



32. ACQUISITION OF SUBSIDIARIES (Continued)

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

Impact of acquisition on the result of the Group (Continued)

The two acquisition-related costs amounting to RMB110,000 have been excluded from the consideration transferred and have been recognized as an expense in the current year, within the administrative and general expenses in the consolidated statement of comprehensive income.

In March 2012, Wei hai Electronic acquired the 2.73% non-control interest with the consideration amounted to RMB 1,992,000.

32. 收購附屬公司 (續)

(b) 收購惠州大亞灣87%的權益及向惠州大亞灣注資(「惠州大亞灣收購」)(續)

收購對本集團業績影響 (續)

兩項收購有關成本達人民幣110,000元不計入已轉撥代價及已確認入綜合全面收益表行政及一般費用項下的年內支出。

於二零一二年三月，威海電子收購非控制權益的2.73%，代價約為人民幣1,992,000元。

33. 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:

33. 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	Relationship with the Company 與本公司的關係
Mr. Chi 遲先生	The director of the Company 本公司董事
Mr. Chi Zhongmin 遲忠民先生	The brother of Mr. Chi 遲先生兄弟
Ms. Yang Fuwei 楊馥蔚女士	The spouse of Mr. Chi 遲先生配偶
Ms. Yang Huahua 楊華華女士	The director of a subsidiary 附屬公司董事
Chenlin International 晨淋國際	Immediate holding company 直接控股公司
Chenlin International Trading Company ("Chenlin Trading") 晨淋國際貿易公司(「晨淋貿易」)	An entity controlled by Mr. Chi 遲先生控制的實體
(Weihai Yushunrong Plastics Co., Ltd. [*] , "Weihai Yushunrong") 威海裕順榮塑料有限公司(「威海裕順榮」)	An entity controlled by Mr. Chi Zhongmin 遲忠民先生控制的實體
(Weihai Darong Compound Material Co., Ltd. [*] , "Weihai Darong") 威海大榮合成材料有限公司(「威海大榮」)	An entity controlled by Mr. Chi Zhongmin 遲忠民先生控制的實體

^{*} The English names are for identification purpose only.

^{*} 英文名稱僅供識別

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

33. RELATED PARTY TRANSACTIONS (Continued)

(b) Significant related party transactions

The Group has significant transactions with the following related parties during the year ended 31 December 2011:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Purchase of raw materials from:	自以下公司購買原材料：		
— Weihai Yushunrong	— 威海裕順榮	—	2,026
		—	2,026
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

(c) Compensation of key management personnel:

The remuneration of directors of the Company and other members of key management of the Group during the years ended 31 December 2010 and 31 December 2011 were as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Salaries and other benefits	工資及其他福利	3,539	2,680
Discretionary bonus	酌情花紅	—	—
Contributions to retirement benefits schemes	退休福利計劃供款	114	60
Share-based payments	以股份支付的款項	816	1,275
		4,469	4,015

33. 關連人士交易 (續)

(b) 重大關連人士交易

截至二零一一年十二月三十一日年度，本集團與下列關連人士進行重大交易：

(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及二零一一年十二月三十一日止年度，本公司董事及本集團主要管理層其他成員的薪酬如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



34. 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:

34. 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：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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	678,293	662,504
CURRENT ASSETS	流動資產		
Trade and other receivables	貿易及其他應收款項	22,152	9,815
Pledged bank deposits	已抵押銀行存款	16,000	384,620
Bank balances and cash	銀行結餘及現金	2,042	17,415
		40,194	411,850
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	7,342	7,458
Bank borrowings	銀行借貸	15,122	377,494
Other current liabilities	其他流動負債	5,816	5,816
Other financial liabilities	其他金融負債	6,311	1,773
		34,591	392,541
NET CURRENT ASSETS	流動資產淨額	5,603	19,309
		683,896	681,813
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	97,401	97,401
Reserves	儲備	586,495	584,412
		683,896	681,813

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

35. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries as at the end of the reporting period are as follows:

35. 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 2011 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	2011 二零一一年 %	2010 二零一零年 %	Principal activities 主要業務
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	100	Trading of signal cable assembly, power cord assembly, wire and cable products and other products
	香港	1.00 港元	100	100	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	100	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	100	推廣及研發信號線組件、電源線組件、線纜產品及其他產品
Wuhan Technology [‡]	PRC	USD8,000,000	100	N/A	Manufacture and sales of signal cables and wire harness
武漢科技 [‡]	中國	8,000,000 美元	100	不適用	製造及銷售信號線及配線

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



35. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued) 35. 本公司附屬公司的詳情(續)

			Attributable equity interest held by the Company as at 31 December 2011 於 十二月三十一日 本公司應佔股權		
Name of subsidiary	Place of establishment/ incorporation	Fully paid share/ registered capital	2011	2010	Principal activities
附屬公司名稱	成立／註冊 成立地點	已繳足的股份／ 註冊資本	二零一一年 %	二零一零年 %	主要業務
Indirectly held by the Company 本公司間接持有					
Chenhong International 晨紅國際	Hong Kong 香港	HKD0.00 0.00 港元	100 100	100 100	Financing 融資
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配線
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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

35. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

35. 本公司附屬公司的詳情(續)

Attributable equity interest held by the Company as at 31 December 2011 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	2011 二零一一年 %	2010 二零一零年 %	Principal activities 主要業務
Indirectly held by the Company (Continued) 本公司間接持有(續)					
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
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
Suzhou Huachun ^{**}	PRC	RMB20,000,000	51	51	Manufacture and sales of iron panel and aluminum plate useful for computer keyboards
蘇州華淳 ^{**}	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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度



35. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued) 35. 本公司附屬公司的詳情(續)

Attributable equity interest held by the Company as at 31 December 2011 於 十二月三十一日 本公司應佔股權					
Name of subsidiary	Place of establishment/ incorporation	Fully paid share/ registered capital	2011	2010	Principal activities
附屬公司名稱	成立／註冊 成立地點	已繳足的股份／ 註冊資本	二零一一年 %	二零一零年 %	主要業務
Indirectly held by the Company (Continued) 本公司間接持有(續)					
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	100	Manufacture and sales of signal cables and wire harness
重慶科技**	中國	人民幣 10,000,000 元		100	製造及銷售信號線及配線
Huizhou Communication Technology**	PRC	RMB5,000,000	100	100	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	100	製造及銷售路由器天線、無線天線及電話天線
Tianjin Rituo**	PRC	RMB11,111,111	55	N/A	Manufacture and sales of motor wire antennas
天津日拓**	中國	人民幣 11,111,111 元	55	不適用	製造及銷售汽車配線
Huizhou Daya Bay**	PRC	RMB38,600,000	97.27	N/A	Manufacture and sales of communication wire and cable and related products
惠州大亞灣**	中國	人民幣 38,600,000 元	97.27	不適用	製造及銷售信號線相關產品

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

35. 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

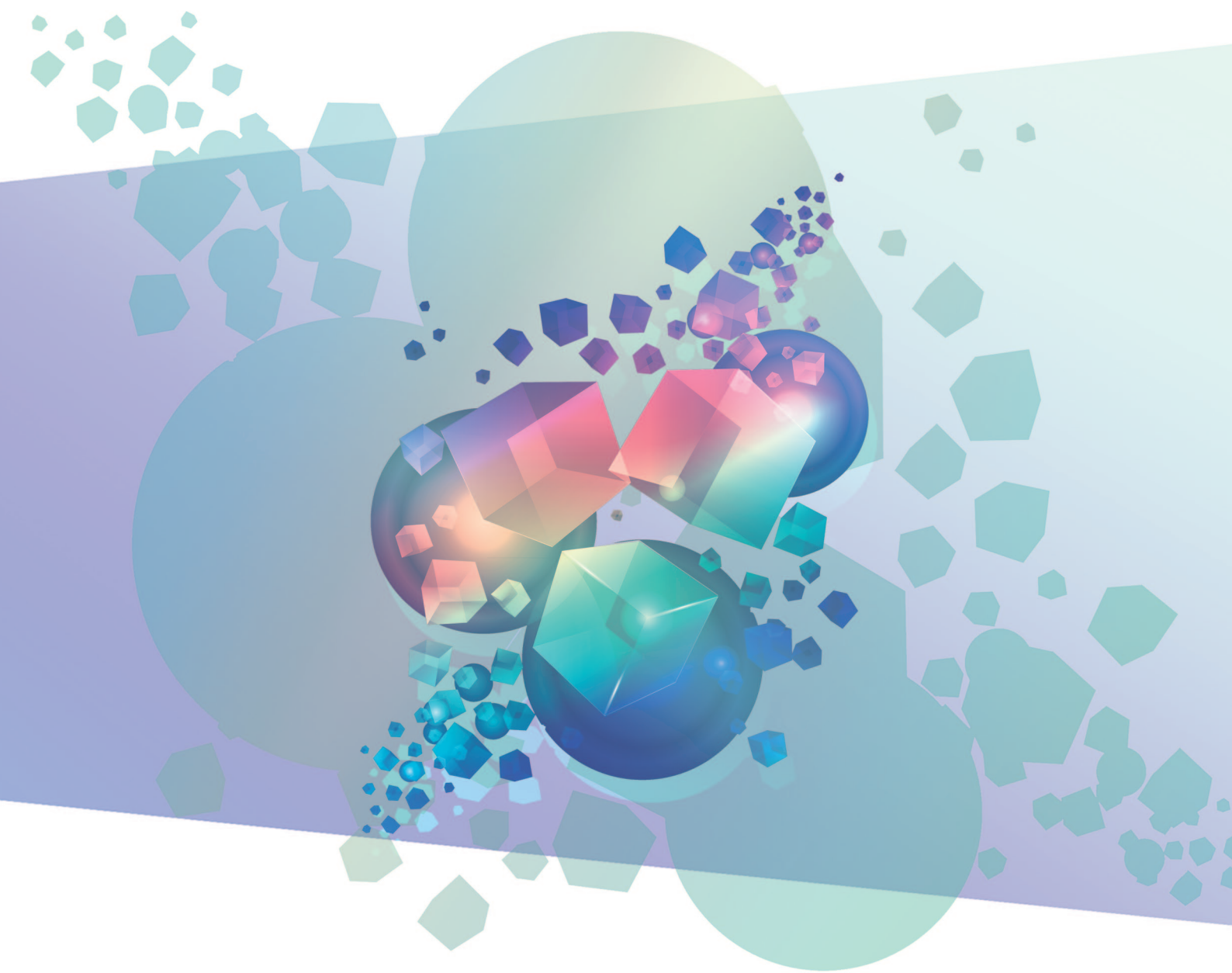
35. 本公司附屬公司的詳情(續)

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

The English names are for identification purpose only.

* 英文名稱僅供識別。



www.hong-lin.com.cn