

Welling

WELLING HOLDING LIMITED
威靈控股有限公司

Stock Code 股份代號 : 382

INTERIM REPORT 2011 中期報告



CONTENTS

目錄

	Page		頁次
Corporate Information	2	公司資料	2
Condensed Consolidated Interim Income Statement	4	簡明綜合中期收益表	4
Condensed Consolidated Interim Statement of Comprehensive Income	6	簡明綜合中期全面收益表	6
Condensed Consolidated Interim Statement of Financial Position	7	簡明綜合中期財務狀況表	7
Condensed Consolidated Interim Statement of Changes in Equity	9	簡明綜合中期權益變動表	9
Condensed Consolidated Interim Statement of Cash Flows	10	簡明綜合中期現金流量表	10
Notes to Condensed Consolidated Interim Financial Information	11	簡明綜合中期財務資料附註	11
Management Discussion and Analysis	49	管理層討論與分析	49
Other Information	62	其他資料	62

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. CAI Qiwu (*Chairman*)
Mr. JIANG Deqing (*Chief Executive Officer*)
Mr. QU Fei
Mr. CHEN Jianhong (*Appointed on 15 March 2011*)
Ms. YUAN Liqun
Mr. LI Jianwei
Mr. ZHENG Weikang

Independent Non-executive Directors

Mr. TAN Jinsong
Mr. LAM Ming Yung
Ms. CHEN Chunhua

AUDIT COMMITTEE

Mr. TAN Jinsong (*Chairman*)
Mr. LAM Ming Yung
Ms. CHEN Chunhua

REMUNERATION COMMITTEE

Ms. CHEN Chunhua (*Chairman*)
Mr. TAN Jinsong
Mr. LAM Ming Yung
Mr. CAI Qiwu
Mr. ZHENG Weikang

EXECUTIVE COMMITTEE

Mr. CAI Qiwu
Mr. JIANG Deqing
Mr. QU Fei
Mr. CHEN Jianhong (*Appointed on 15 March 2011*)
Ms. YUAN Liqun
Mr. LI Jianwei
Mr. ZHENG Weikang

COMPANY SECRETARY

Ms. TANG Wai Ying, Tracy *CPA FCCA*

公司資料

董事

執行董事

蔡其武先生(*主席*)
姜德清先生(*首席執行官*)
瞿飛先生
陳建紅先生(*於二零一一年三月十五日獲委任*)
袁利群女士
栗建偉先生
鄭偉康先生

獨立非執行董事

譚勁松先生
林明勇先生
陳春花女士

審核委員會

譚勁松先生(*主席*)
林明勇先生
陳春花女士

薪酬委員會

陳春花女士(*主席*)
譚勁松先生
林明勇先生
蔡其武先生
鄭偉康先生

行政委員會

蔡其武先生
姜德清先生
瞿飛先生
陳建紅先生(*於二零一一年三月十五日獲委任*)
袁利群女士
栗建偉先生
鄭偉康先生

公司秘書

鄧惠英女士 *CPA FCCA*

CORPORATE INFORMATION (Continued)

REGISTERED OFFICE

Suite 3904, 39/F, Tower 6
The Gateway, Harbour City
9 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong

LEGAL ADVISERS

Paul, Hastings, Janofsky & Walker
21-22/F, Bank of China Tower
1 Garden Road
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor Prince's Building
Central
Hong Kong

PRINCIPAL BANKERS

Bank of China Ltd.
Agricultural Bank of China Limited
Industrial and Commercial Bank of China Ltd.
Foshan Shunde Rural Credit Union
China Merchants Bank Co., Ltd.
Bank of Communications Co., Ltd.

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

WEBSITE ADDRESS

<http://www.welling.com.cn>

STOCK CODE

382

公司資料(續)

註冊辦事處

香港
九龍
尖沙咀
廣東道9號
海港城港威大廈
第6座39樓3904室

法律顧問

普衡律師事務所
香港
花園道1號
中銀大廈21-22樓

核數師

羅兵咸永道會計師事務所
執業會計師
香港
中環
太子大廈二十二樓

主要銀行

中國銀行股份有限公司
中國農業銀行股份有限公司
中國工商銀行股份有限公司
佛山市順德區農村信用合作聯社
招商銀行股份有限公司
交通銀行股份有限公司

股份過戶登記處

香港中央證券登記有限公司
香港
灣仔皇后大道東183號
合和中心17M樓

公司網址

<http://www.welling.com.cn>

股份代號

382

INTERIM RESULTS

The directors (the "Directors") of Welling Holding Limited (the "Company") hereby present the unaudited consolidated results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 June 2011, together with the comparative figures for 2010. These condensed consolidated interim financial information have not been audited, but have been reviewed by the Company's audit committee ("Audit Committee").

中期業績

威靈控股有限公司(「本公司」)董事(「董事」)謹此提呈本公司及其附屬公司(統稱「本集團」)截至二零一一年六月三十日止六個月之未經審核綜合業績，連同二零一零年之比較數字。該等簡明綜合中期財務資料未經審核，但已由本公司之審核委員會(「審核委員會」)審閱。

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

簡明綜合中期收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2011

截至二零一一年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
	Note 附註		
Continuing operations			
Revenue			
Cost of goods sold	4	6,081,965 (5,369,665)	3,915,834 (3,390,707)
Gross profit		712,300	525,127
Other (losses)/gains — net	5	(759)	24,017
Selling and marketing costs		(73,427)	(55,360)
Administrative expenses		(171,907)	(128,058)
Operating profit		466,207	365,726
Finance costs		(21,920)	(18,766)
Finance income		3,242	2,315
Finance costs — net	7	(18,678)	(16,451)
Share of profit of associates		19,963	7,059
Profit before income tax		467,492	356,334
Income tax expense	8	(88,780)	(68,850)
Profit for the period from continuing operations		378,712	287,484
Discontinued operations			
Profit from discontinued operations	20	12,445	11,426
Profit for the period		391,157	298,910

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (Continued)

簡明綜合中期收益表(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2011

截至二零一一年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
	Note 附註	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Profit attributable to:	以下人士應佔利潤:		
Owners of the Company	本公司擁有人		
— Continuing operations	— 持續經營業務	378,712	287,106
— Discontinued operations	— 終止經營業務	12,445	11,426
		391,157	298,532
Non-controlling interests	非控股權益		
— Continuing operations	— 持續經營業務	—	378
Profit for the period	期間利潤	391,157	298,910
Earnings per share from continuing and discontinued operations attributable to the owners of the Company, expressed in HK cents per share	本公司擁有人應佔持續經營業務及終止經營業務之每股盈利，以每股港仙列示		
Basic earnings per share	每股基本盈利		
From continuing operations	來自持續經營業務	9	10.44
From discontinued operations	來自終止經營業務	9	0.41
		13.88	10.85
Diluted earnings per share	每股攤薄盈利		
From continuing operations	來自持續經營業務	9	10.32
From discontinued operations	來自終止經營業務	9	0.41
		13.66	10.73
Dividends	股息	10	—

The notes on pages 11 to 48 form an integral part of this condensed consolidated interim financial information.

於第11至48頁之附註為此簡明綜合中期財務資料之一部分。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME 簡明綜合中期全面收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2011

截至二零一一年六月三十日止六個月

Unaudited
未經審核
Six months ended 30 June
截至六月三十日止六個月

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Profit for the period	期間利潤	391,157	298,910
Other comprehensive income	其他全面收益		
Currency translation differences	貨幣匯兌差異	46,556	14,221
Other comprehensive income for the period	期間其他全面收益	46,556	14,221
Total comprehensive income for the period	期間全面收益總額	437,713	313,131
Total comprehensive income for the period attributable to:	以下人士應佔期間全面收益總額：		
Owners of the Company	本公司擁有人	437,713	312,152
Non-controlling interests	非控股權益	—	979
		437,713	313,131
Total comprehensive income attributable to the owners of the Company arisen from:	本公司擁有人應佔全面收益總額：		
Continuing operations	來自持續經營業務	425,177	300,668
Discontinued operations	來自終止經營業務	12,536	11,484
		437,713	312,152

The notes on pages 11 to 48 form an integral part of this condensed consolidated interim financial information.

於第11至48頁之附註為此簡明綜合中期財務資料之一部分。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION 簡明綜合中期財務狀況表

AS AT 30 JUNE 2011
於二零一一年六月三十日

		Note	Unaudited 未經審核 30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	Unaudited 未經審核 31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)
ASSETS	資產			
Non-current assets	非流動資產			
Leasehold land and land use rights	租賃土地及土地使用權	11	158,200	125,509
Property, plant and equipment	物業、廠房及設備	11	993,669	883,435
Goodwill	商譽		23,726	23,188
Investments in associates	聯營公司投資		248,980	223,651
Deferred income tax assets	遞延所得稅資產		28,568	32,254
Available-for-sale financial assets	可供出售金融資產		30,063	29,381
Prepayment for property, plant and equipment	預付物業、廠房及設備款項	13	16,275	18,335
			1,499,481	1,335,753
Current assets	流動資產			
Inventories	存貨	12	1,014,694	1,943,750
Trade and other receivables	貿易及其他應收款	13	1,833,711	1,720,623
Due from related companies	應收關聯公司款項	21(c)	1,480,367	382,549
Derivative financial instruments	衍生金融工具		1,848	25,922
Pledged bank deposits	已抵押銀行存款		197,522	118,000
Cash and cash equivalents	現金及現金等價物		700,540	805,079
			5,228,682	4,995,923
Total assets	總資產		6,728,163	6,331,676
EQUITY	權益			
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔股本及儲備			
Share capital	股本	14	1,409,056	1,409,056
Other reserves	其他儲備	15	610,540	583,999
Retained earnings/(Accumulated losses)	保留盈利/(累計虧損)			
Proposed final dividend	建議末期股息		—	112,725
Others	其他		193,213	(184,780)
			2,212,809	1,921,000
Non-controlling interests	非控股權益		—	54,304
Total equity	權益總額		2,212,809	1,975,304

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (Continued) 簡明綜合中期財務狀況表(續)

AS AT 30 JUNE 2011
於二零一一年六月三十日

		Note 附註	Unaudited 未經審核 30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	Unaudited 未經審核 31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借款	16	169,792	104,364
Deferred income tax liabilities	遞延所得稅負債		52,727	50,773
			222,519	155,137
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款	17	3,816,744	3,421,344
Due to related companies	應付關聯公司款項	21(c)	203,342	481,476
Derivative financial instruments	衍生金融工具		810	—
Current income tax liabilities	即期所得稅負債		74,622	56,969
Borrowings	借款	16	197,317	241,446
			4,292,835	4,201,235
Total liabilities	總負債		4,515,354	4,356,372
Total equity and liabilities	權益及負債總額		6,728,163	6,331,676
Net current assets	流動資產淨額		935,847	794,688
Total assets less current liabilities	總資產減流動負債		2,435,328	2,130,441

The notes on pages 11 to 48 form an integral part of this condensed consolidated interim financial information.

於第11至48頁之附註為此簡明綜合中期財務資料之一部分。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY 簡明綜合中期權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2011

截至二零一一年六月三十日止六個月

		Unaudited 未經審核					Total 合計	Non- controlling interests 非控股權益	Total equity 權益總額
		Attributable to the owners of the Company 本公司擁有人應佔							
		Share capital 股本	Other reserves 其他儲備	Retained earnings/ (Accumulated losses) 保留盈利/ (累計虧損)					
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
Balance at 1 January 2010, as restated	於二零一零年一月一日之結餘(重列)	1,347,931	278,519	(485,660)	1,140,790	58,363	1,199,153		
Comprehensive income:	全面收益:								
Profit for the period	期間利潤	—	—	298,532	298,532	378	298,910		
Other comprehensive income:	其他全面收益:								
Currency translation differences	貨幣匯兌差異	—	14,221	—	14,221	—	14,221		
Total comprehensive income	全面收益總額	—	14,221	298,532	312,753	378	313,131		
Transactions with owners:	與擁有人進行之交易:								
Issue of ordinary shares	發行普通股份								
— proceeds from shares issued	— 發行股份所得款項	60,000	192,000	—	252,000	—	252,000		
— shares issuance expenses	— 發行股份開支	—	(6,557)	—	(6,557)	—	(6,557)		
Transfer to statutory reserves	轉撥至法定儲備	—	127	(127)	—	—	—		
Employee share option scheme	僱員購股權計劃								
— value of services provided	— 所提供服務之價值	—	3,228	—	3,228	—	3,228		
— proceeds from shares issued	— 發行股份所得款項	864	476	—	1,340	—	1,340		
Deemed contribution arising from acquisition of non-controlling interests by ultimate holding company	最終控股公司收購非控股權益所產生的視作貢獻	—	2,049	—	2,049	(2,049)	—		
Dividend relating to 2009	二零零九年度股息	—	—	(70,422)	(70,422)	—	(70,422)		
Total transactions with owners	與擁有人進行之交易總額	60,864	191,323	(70,549)	181,638	(2,049)	179,589		
Balance at 30 June 2010, as restated	於二零一零年六月三十日之結餘(重列)	1,408,795	484,063	(257,677)	1,635,181	56,692	1,691,873		
Balance at 1 January 2011, as restated	於二零一一年一月一日之結餘(重列)	1,409,056	583,999	(72,055)	1,921,000	54,304	1,975,304		
Comprehensive income:	全面收益:								
Profit for the period	期間利潤	—	—	391,157	391,157	—	391,157		
Other comprehensive income:	其他全面收益:								
Currency translation differences	貨幣匯兌差異	—	46,556	—	46,556	—	46,556		
Total comprehensive income	全面收益總額	—	46,556	391,157	437,713	—	437,713		
Transactions with owners:	與擁有人進行之交易:								
Transfer to statutory reserves	轉撥至法定儲備	—	13,164	(13,164)	—	—	—		
Employee share option scheme	僱員購股權計劃								
— value of services provided	— 所提供服務之價值	—	1,211	—	1,211	—	1,211		
Consideration paid for acquisition of a subsidiary under common control	收購共同控制下之附屬公司已付代價	—	(88,694)	—	(88,694)	—	(88,694)		
Deemed contribution arising from acquisition of non-controlling interests by ultimate holding company	最終控股公司收購非控股權益所產生的視作貢獻	—	54,304	—	54,304	(54,304)	—		
Dividend relating to 2010	二零一零年度股息	—	—	(112,725)	(112,725)	—	(112,725)		
Total transactions with owners	與擁有人進行之交易總額	—	(20,015)	(125,889)	(145,904)	(54,304)	(200,208)		
Balance at 30 June 2011	於二零一一年六月三十日之結餘	1,409,056	610,540	193,213	2,212,809	—	2,212,809		

The notes on pages 11 to 48 form an integral part of this condensed consolidated interim financial information.

於第11至48頁之附註為此簡明綜合中期財務資料之一部分。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

簡明綜合中期現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2011

截至二零一一年六月三十日止六個月

Unaudited
未經審核
Six months ended 30 June
截至六月三十日止六個月

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Net cash inflow from operating activities	經營活動之現金流入淨額	317,660	249,230
Cash flows from investing activities	投資活動之現金流量		
Purchases of property, plant and equipment	購置物業、廠房及設備	(156,440)	(69,856)
Increase in construction-in-progress	在建工程增加	(54,979)	(48,756)
Decrease/(increase) in prepayment for property, plant and equipment	預付物業、廠房及設備款項減少/(增加)	2,060	(2,778)
Consideration paid for acquisition of a subsidiary under common control	收購共同控制下之附屬公司已付代價	(88,694)	—
Purchases of leasehold land and land use rights	購置租賃土地及土地使用權	(31,194)	—
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	36,973	9,831
Proceeds from disposals of property, plant and equipment for discontinued operations	出售終止經營業務之物業、廠房及設備所得款項	26,208	—
Net cash used in investing activities	投資活動所用之現金淨額	(266,066)	(111,559)
Cash flows from financing activities	融資活動之現金流量		
Proceeds from borrowings	借款所得款項	211,912	139,771
Repayment of borrowings	償還借款	(190,613)	(75,445)
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少	(79,522)	5,016
Dividends paid to the owners of the Company	派付本公司擁有人之股息	(112,725)	(70,422)
Proceeds from issuance of ordinary shares	發行普通股所得款項	—	253,340
Shares issuance expenses	股份發行開支	—	(6,557)
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額	(170,948)	245,703
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(119,354)	383,374
Cash and cash equivalents at beginning of the period	期初之現金及現金等價物	805,079	267,607
Exchange gain on cash and cash equivalents	現金及現金等價物匯兌收益	14,815	2,066
Cash and cash equivalents at end of the period	期末之現金及現金等價物	700,540	653,047

The notes on pages 11 to 48 form an integral part of this condensed consolidated interim financial information.

於第11至48頁之附註為此簡明綜合中期財務資料之一部分。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION 簡明綜合中期財務資料附註

1. GENERAL INFORMATION

Welling Holding Limited (the “Company”) and its subsidiaries (together, the “Group”) manufacture, distribute and sell motors and electronic and electric components for electrical household appliances and trade raw materials in the People’s Republic of China (the “PRC”) and overseas.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is at Suite 3904, 39/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information for the six months ended 30 June 2011 are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Directors on 31 August 2011.

Key events

(a) Business combination under common control

On 15 December 2010, Foshan Welling Washer Motor Manufacturing Co., Ltd. (“Welling Washer”, an indirect wholly-owned subsidiary of the Company) entered into the equity transfer agreement with 無錫小天鵝股份有限公司 (“Wuxi Little Swan Co., Ltd.”) for the acquisition of 100% equity interest in 無錫小天鵝華印電器有限公司 (Wuxi Little Swan Huayin Electrical Appliances Co., Ltd.) (“Huayin”) at a cash consideration of RMB75 million (equivalent to approximately HK\$88.7 million) (the “Acquisition”). Completion of the Acquisition took place on 17 January 2011. Given that the Company and Wuxi Little Swan Co., Ltd. both are indirect subsidiaries of Midea Group Co., Ltd. (“Midea”) and under common control of Midea before and after the Acquisition, the Company applied the principles of merger accounting, as prescribed in Hong Kong Accounting Guideline 5 “Merger Accounting for Common Control Combinations” (“HKAG 5”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) in preparing the financial statement of the Group.

1. 一般資料

威靈控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)在中華人民共和國(「中國」)及海外製造、分銷及出售家用電器之電機及電子電器產品，以及買賣原材料。

本公司為於香港註冊成立之有限責任公司，註冊辦事處地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室。

本公司股份於香港聯合交易所有限公司主板上市。

除另有指明外，截至二零一一年六月三十日止六個月之簡明綜合中期財務資料以港幣(「港幣」)呈列。此簡明綜合中期財務資料已於二零一一年八月三十一日獲董事會批准刊發。

重要事件

(a) 共同控制下的業務合併

於二零一零年十二月十五日，佛山市威靈洗滌電機製造有限公司(「威靈洗滌」，為本公司間接全資附屬公司)與無錫小天鵝股份有限公司訂立股份轉讓協議，以現金代價人民幣75,000,000元(相等於約港幣88,700,000元)收購無錫小天鵝華印電器有限公司(「華印」)100%股權(「收購」)。該項收購已於二零一一年一月十七日完成。由於本公司及無錫小天鵝股份有限公司均為美的集團有限公司(「美的」)之間接附屬公司，於收購前後均受美的的共同控制，本公司於編製本集團之財務報表時已應用香港會計師公會(「香港會計師公會」)頒佈之香港會計指引第5號「共同控制合併之合併會計法」(「香港會計指引第5號」)規定之合併會計原則。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

1. GENERAL INFORMATION (Continued)

Key events (Continued)

(b) Discontinued operations

On 15 April 2011, Foshan Welling Electronic and Electric Co., Ltd. ("Welling Electronic and Electric", an indirect wholly-owned subsidiary of the Company) as the vendor and 佛山市順德區美的微波電器製造有限公司 (Foshan Shunde Midea Microwave Electrical Appliances Manufacturing Co., Ltd.) ("Midea Microwave", a fellow subsidiary of Midea) as the purchaser entered into the assets transfer agreement ("Assets Transfer Agreement"), pursuant to which, Welling Electronic and Electric agreed to dispose of certain machinery equipment and molds, testing equipment and office equipment owned by Welling Electronic and Electric to Midea Microwave at a cash consideration of RMB22,078,100 (equivalent to approximately HK\$26,208,000) ("Disposal"). Details of the Assets Transfer Agreement and the Disposal have been set out in the circular of the Company sent to shareholders on 11 May 2011. The Disposal was approved by independent shareholders of the Company passing an ordinary resolution at an extraordinary general meeting of the Company held on 26 May 2011. Upon completion of the Disposal, the Company disposed of the Assets used for the business of transformer and shaded pole motor of Welling Electronic and Electric and ceased the relevant business.

1. 一般資料(續)

重要事件(續)

(b) 終止經營業務

於二零一一年四月十五日，佛山市威靈電子電器有限公司(「威靈電子電器」，為本公司間接全資附屬公司)(以賣方身份)與佛山市順德區美的微波電器製造有限公司(「美的微波電器」，為美的之同系附屬公司)(以買方身份)訂立資產轉讓協議(「資產轉讓協議」)。據此，威靈電子電器同意以現金代價人民幣22,078,100元(相等於約港幣26,208,000元)向美的微波電器出售威靈電子電器擁有的若干機器設備及模具、檢測設備及辦公室設備(「出售」)。資產轉讓協議及出售之詳情載於二零一一年五月十一日寄發予股東之本公司通函內。該項出售於二零一一年五月二十六日舉行的本公司股東特別大會上獲本公司獨立股東批准通過為普通決議案。出售完成後，本公司出售威靈電子電器的變壓器和罩極電機業務相關的資產，並終止有關業務。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

1. GENERAL INFORMATION (Continued)

Key events (Continued)

(c) Establishment of a subsidiary

On 17 May 2011, Welling International Hong Kong Ltd. ("Welling HK", an indirect wholly-owned subsidiary of the Company) entered into an agreement with two other third parties independent of the Company and its connected persons for the establishment of a sino-foreign joint venture company in the name of 常州威靈電機製造有限公司 (Changzhou Welling Motor Manufacturing Co., Ltd.) ("Changzhou Welling"). Changzhou Welling will be owned as to 70%, 18% and 12% by each of Welling HK and the other two independent third parties and therefore the registered capital of Changzhou Welling in amount of USD25,650,000 shall be contributed by Welling HK and the other two independent third parties in the proportion of 70%, 18% and 12% accordingly. According to the terms of the agreement, the capital contribution to be made by Welling HK shall be in cash and the capital contribution to be made by the said two independent third parties shall be the 100% equity interests owned by them in a PRC company. As at 30 June 2011, Welling HK has fully paid its responsible part of capital contribution to Changzhou Welling for USD17,955,000 in cash, however, the two independent third parties have not yet finished their part of capital contribution by completing the transfer of 100% equity interest in the PRC company to Changzhou Welling. As at 30 June 2011, Changzhou Welling has not yet commenced operations.

1. 一般資料(續)

重要事件(續)

(c) 成立附屬公司

於二零一一年五月十七日，威靈國際香港有限公司(「威靈香港」，為本公司間接全資附屬公司)與其他兩名獨立於本公司及其關連人士之第三方訂立協議，以成立名為常州威靈電機製造有限公司(「常州威靈」)之中外合資公司。威靈香港及其他兩名獨立第三方分別擁有常州威靈之70%、18%及12%權益，故常州威靈25,650,000美元之註冊資本由威靈香港及其他兩名獨立第三方相應地按70%、18%及12%之比例出資。根據協議條款，威靈香港須以現金出資，而上述兩名獨立第三方須以彼等於一家中國公司擁有之100%股權出資。於二零一一年六月三十日，威靈香港已以現金17,955,000美元悉數支付其負責資本出資部分予常州威靈，然而，該兩名獨立第三方尚未透過將該中國公司之100%股權轉讓予常州威靈而完成彼等之資本出資部分。於二零一一年六月三十日，常州威靈尚未開始營運。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared in accordance with Hong Kong Accounting Standard 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

These consolidated financial statements have also been prepared using the principles of merger accounting, as prescribed in HKAG 5. These consolidated financial statements include the financial position, results and cash flows of Huayin as if Huayin had been in existence throughout the period, or since its date of incorporation. Comparative figures as at 31 December 2010 and for the period ended 30 June 2010 have been presented on the same basis. Before the Group gained control of Huayin's 100% equity interest on 17 January 2011, the non-controlling interests of Huayin from the view of Midea has been presented in the consolidated financial statements of the Group. Midea's acquisition of the then non-controlling interests of Huayin has been regarded as Midea's contribution to the Group.

The following are reconciliations of the effects arising from the common control combination on the consolidated statement of financial positions as at 31 December 2010, consolidated income statement and consolidated cash flow statement for the period ended 30 June 2010:

2. 編製基準

截至二零一一年六月三十日止六個月之簡明綜合中期財務資料乃根據香港會計準則第34號「中期財務報告」編製。簡明綜合中期財務資料須與截至二零一零年十二月三十一日止年度之年度財務報表一併閱讀，該年度財務報表是根據香港財務報告準則（「香港財務報告準則」）編製。

本綜合財務報表亦已採用香港會計指引第5號所規定之合併會計原則編製。本綜合財務報表包括華印之財務狀況、業績及現金流量，猶如華印已於期內一直存在或自其自註冊成立日期起一直存在。於二零一零年十二月三十一日及截至二零一零年六月三十日止期間之比較數字按相同基準呈列。本集團於二零一一年一月十七日取得華印100%股權之控制權前，從美的觀點計算的華印非控股權益已於本集團綜合財務報表內呈列。美的收購華印當時的非控股權益被視為美的向本集團所作的貢獻。

以下為二零一零年十二月三十一日之綜合財務狀況表，截至二零一零年六月三十日止期間之綜合收益表及綜合現金流量表，考慮到共同控制合併後之調整如下：

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

2. BASIS OF PREPARATION (Continued)

(a) The consolidated statement of financial positions as at 31 December 2010:

2. 編製基準(續)

(a) 於二零一零年十二月三十一日之綜合財務狀況表:

		As previously reported (Audited) 之前報告 (經審核) HK\$'000 港幣千元 (i)	Merger of Huayin 與華印 合併 HK\$'000 港幣千元 (iii)	Elimination of the intercompany balance 公司間結餘 對銷 HK\$'000 港幣千元 (iv)	As restated (Unaudited) 重列 (未經審核) HK\$'000 港幣千元
Non-current assets	非流動資產	1,326,604	9,149	—	1,335,753
Current assets	流動資產	4,929,041	70,426	(3,544)	4,995,923
Total assets	總資產	6,255,645	79,575	(3,544)	6,331,676
Current liabilities	流動負債	4,192,742	12,037	(3,544)	4,201,235
Non-current liabilities	非流動負債	155,137	—	—	155,137
Total liabilities	總負債	4,347,879	12,037	(3,544)	4,356,372
Total equity and liabilities	權益及負債總額	6,255,645	79,575	(3,544)	6,331,676
Net current assets	流動資產淨額	736,299	58,389	—	794,688
Total assets less current liabilities	總資產減流動負債	2,062,903	67,538	—	2,130,441

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

2. BASIS OF PREPARATION (Continued)

(b) The consolidated income statement for the period ended 30 June 2010:

		As previously reported (Unaudited) 之前報告 (未經審核) HK\$'000 港幣千元 (ii)	Elimination of the Merger of intercompany Huayin transactions 與華印公司間交易 合併對銷 HK\$'000 港幣千元 (iii)	Discontinued operations 終止經營業務 HK\$'000 港幣千元 (iv)	Change in accounting policy — Derecognition of bank accepted bills 會計政策的變動 — 終止確認銀行 承兌票據 HK\$'000 港幣千元 (vi)	As restated (Unaudited) 重列 (未經審核) HK\$'000 港幣千元 (v)
Continuing operations:	持續經營業務：					
Revenue	收入	4,109,908	92,071	(1,407)	(284,738)	3,915,834
Profit for the period from continuing operations	持續經營業務之 期間利潤	298,479	431	—	(11,426)	287,484
Discontinued operations:	已終止經營業務：					
Profit from discontinued operations	終止經營業務之利潤	—	—	—	11,426	11,426
Profit for the period	期間利潤	298,479	431	—	—	298,910

2. 編製基準(續)

(b) 截至二零一零年六月三十日止期間之綜合收益表：

(c) The consolidated cash flow statement for the period ended 30 June 2010:

		As previously reported (Unaudited) 之前報告 (未經審核) HK\$'000 港幣千元 (ii)	Merger of Huayin 與華印 合併 HK\$'000 港幣千元 (iii)	Change in accounting policy — Derecognition of bank accepted bills 會計政策的變動 — 終止確認銀行 承兌票據 HK\$'000 港幣千元 (vi)	As restated (Unaudited) 重列 (未經審核) HK\$'000 港幣千元 (v)
Net cash generated from operating activities	經營活動產生之 現金淨額	43,741	15,043	190,446	249,230
Net cash used in investing activities	投資活動所用之 現金淨額	(108,020)	(3,539)	—	(111,559)
Net cash generated from financing activities	融資活動產生之 現金淨額	436,149	—	(190,446)	245,703

(c) 截至二零一零年六月三十日止期間之綜合現金流量表：

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

2. BASIS OF PREPARATION (Continued)

(c) (Continued)

- (i) The amount previously reported by the Group are the same as those published in the Group's audited financial statements as at 31 December 2010.
- (ii) The amount previously reported by the Group are the same as those published in the Group's unaudited financial statements as at 30 June 2010.
- (iii) The financial information of Huayin as at 31 December 2010 and for the period ended 30 June 2010 were included by using the principles of merger accounting as prescribed in HKAG 5 as stated above.

The financial statements of Huayin originally stated in Renminbi ("RMB") were retranslated into HK\$ with the following exchange rates:

- Assets and liabilities are translated at the closing rate as at 31 December 2010 of HK\$1=RMB0.8509;
 - Income and expenses are translated at average exchange rate for the period ended 30 June 2010 of HK\$1=RMB0.8775 (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
 - Movements of equity are translated at the rate prevailing on the transaction dates.
- (iv) The intercompany transactions, receivable and payable balances between the Group and Huayin were eliminated.
- (v) The unaudited revenue and profit related to the operating result of the discontinued operations for the period ended 30 June 2010 were presented under "profit from discontinued operations".

2. 編製基準(續)

(c) (續)

- (i) 本集團之前報告的數額與其於二零一零年十二月三十一日之經審核財務報表所公佈之數額相同。
- (ii) 本集團之前報告的數額與其於二零一零年六月三十日之未經審核財務報表所公佈之數額相同。
- (iii) 華印於二零一零年十二月三十一日及截至二零一零年六月三十日止期間之財務資料，乃採用上述香港會計指引第5號所規定之合併會計原則處理。

華印原以人民幣(「人民幣」)列值之財務報表，現以下列匯率重新換算為港幣列值：

- 資產與負債按二零一零年十二月三十一日之收市匯率港幣1元兌人民幣0.8509元換算；
 - 收入及開支按截至二零一零年六月三十日止期間之平均匯率港幣1元兌人民幣0.8775元換算(除非該平均匯率並非合理反映按交易日期之通行匯率計算之累計結果，在此情況下，則按交易日期之匯率換算收入及開支)；及
 - 權益變動按交易日期之通行匯率換算。
- (iv) 本集團及華印間交易、應收款及應付款之結餘已予對銷。
- (v) 截至二零一零年六月三十日止期間與終止經營業務業績有關的未經審核收入及利潤已計入「已終止經營業務之利潤」。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

2. BASIS OF PREPARATION (Continued)

(c) (Continued)

- (vi) As disclosed in the note 2.1.2 (d) to the Group's consolidated financial statements for the year ended 31 December 2010, the accounting policy for the derecognition of bank accepted bills has been changed. This change in accounting policy has been applied retrospectively. Certain adjustments have been made to the comparative information to reflect this change in accounting policy.

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

In 2011, the Group has adopted the following revised standards and amendments to standards issued by HKICPA, which are mandatory for accounting periods beginning on or after 1 January 2011. The adoption of these revised standards and amendments to standards does not have any significant impact on the Group's results and financial position.

HKAS 24 (Revised)	Related party disclosure
Amendment to HKAS 34	Interim financial reporting

2. 編製基準(續)

(c) (續)

- (vi) 誠如本集團截至二零一零年十二月三十一日止年度綜合財務報表附註2.1.2(d)所披露，終止確認銀行承兌票據之會計政策已作變動。該等會計政策的變動已被追溯應用。比較資料已作出若干調整以反映該等會計政策的變動。

3. 會計政策

除詳述如下，所採用之會計政策與截至二零一零年十二月三十一日止年度之年度財務報表所採用者(如有關之年度財務報表所述)一致。

本中期期間之所得稅按照預期年度總盈利適用之稅率計提。

(a) 本集團採納的新訂及經修訂準則

於二零一一年，本集團已採納香港會計師公會頒佈以下經修訂準則及準則修訂本，此等經修訂準則及準則修訂本務必於二零一一年一月一日或之後開始的會計期間採納。採納此等經修訂準則及準則修訂本並無對本集團的業績及財務狀況構成重大影響。

香港會計準則 第24號(經修訂)	關聯方之披露
香港會計準則 第34號之修訂本	中期財務報告

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

3. ACCOUNTING POLICIES (Continued)

(b) Standards, amendments and interpretations to existing standards effective in 2011 but not relevant to the Group

Amendment to HKAS 32	Classification of rights issues
Amendment to HK (IFRIC) – Int 14	Prepayments of a minimum funding requirement
HK (IFRIC) – Int 19	Extinguishing financial liabilities with equity instruments
HKFRSs (Amendments)	Third annual improvements project published in May 2010 by HKICPA

4. SEGMENT INFORMATION

The principal activities of the Group are manufacturing, distributing and selling motors and electronic and electric components for electrical household appliances and trading of raw materials in the PRC and overseas.

In accordance with the Group's internal financial reporting provided to chief operating decision-maker, the Board of Directors, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the management considers the business from both business and geographical perspective.

3. 會計政策(續)

(b) 於二零一一年生效但與本集團無關的準則、對現有準則的修改及詮釋

香港會計準則第32號之修訂本	供股之分類
香港(國際財務報告詮釋委員會) – 詮釋第14號之修訂本	預付最低撥款規定
香港(國際財務報告詮釋委員會) – 詮釋第19號	以權益工具償還金融負債
香港財務報告準則(修訂本)	香港會計師公會於二零一零年五月公佈第三次年度改進項目

4. 分部資料

本集團之主要業務為在中國及海外製造、分銷及出售家用電器之電機及電子電器產品，以及從事買賣原材料。

根據本集團提交予負責分配資源、評估營運分部表現及作出策略性決定之主要經營決策的董事會之內部財務報告，管理層認為可從業務及地域兩方面考慮業務狀況。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

4. SEGMENT INFORMATION (Continued)

From business perspective, the Group organised into the following main business segments:

Micro motors business	— manufacture and distribution of motors mainly for air-conditioner and refrigerator compressor
Washing motors business	— manufacture and distribution of motors mainly for washing machine, dish washer and food processing machines
Raw material business	— trading of raw materials
Others	— manufacture and distribution of reactors and other businesses, subsequent to the disposal of the assets as disclosed in note 20, the remaining assets and liabilities of this business have been transferred to micro motors business
Discontinued operations	— manufacture and distribution of transformers and shaded pole motors

The chief operating decision-maker assesses the performance of the operating segments based on the profit before income tax for the period.

4. 分部資料(續)

從業務方面劃分，本集團經營以下主要業務分部：

微電機業務	— 主要製造及分銷空調及冰箱壓縮機之電機
洗滌電機業務	— 主要製造及分銷洗衣機、洗碗碟機及食品加工器之電機
原材料業務	— 買賣原材料
其他業務	— 製造及分銷電抗器及其他業務，經出售附註20所披露之資產後，此項業務餘下的資產及負債已轉至微電機業務
終止經營業務	— 製造及分銷變壓器及罩極電機

主要經營決策者根據期內扣除所得稅前利潤評估營運分部之表現。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

4. SEGMENT INFORMATION (Continued)

Primary reporting format – business segments

The segment information for the six months ended 30 June 2011 are as follows:

4. 分部資料(續)

主要報告形式 – 業務分部

截至二零一一年六月三十日止六個月之分部資料如下:

		Micro motors business	Washing motors business	Raw material business	Corporate function	Total Continuing operations	Discontinued operations	Total Group
		微電機業務 HK\$'000 港幣千元	洗滌電機業務 HK\$'000 港幣千元	原材料業務 HK\$'000 港幣千元	總部職能 HK\$'000 港幣千元	持續經營業務 總額 HK\$'000 港幣千元	終止經營業務 HK\$'000 港幣千元	合計 本集團 HK\$'000 港幣千元
Gross segment revenue	總分部收入	4,427,015	1,665,564	2,037,522	—	8,130,101	426,413	8,556,514
Inter-segment revenue	分部間收入	(2,185)	(11,486)	(2,034,465)	—	(2,048,136)	(111)	(2,048,247)
Revenue (from external customers)	收入(來自外來客戶)	4,424,830	1,654,078	3,057	—	6,081,965	426,302	6,508,267
Operating profit/(loss)	經營利潤/(虧損)	361,397	89,523	17,917	(2,630)	466,207	17,376	483,583
Interest expense (Note (a))	利息開支(附註(a))	(18,334)	(2,376)	(21,510)	(2,511)	(44,731)	—	(44,731)
Interest income (Note (a))	利息收入(附註(a))	21,226	181	102	11	21,520	132	21,652
Exchange gain/(loss)	匯兌收益/(虧損)	735	4,119	—	(321)	4,533	—	4,533
Finance (cost)/income – net	融資(成本)/收入 – 淨額	3,627	1,924	(21,408)	(2,821)	(18,678)	132	(18,546)
Share of profit of associates	佔聯營公司利潤	—	—	—	19,963	19,963	—	19,963
Profit/(loss) before income tax	扣除所得稅前利潤/(虧損)	365,024	91,447	(3,491)	14,512	467,492	17,508	485,000
Income tax expense	所得稅開支	(54,116)	(16,810)	—	(17,854)	(88,780)	(5,063)	(93,843)
Profit/(loss) for the period	期間利潤/(虧損)	310,908	74,637	(3,491)	(3,342)	378,712	12,445	391,157
Segment assets	分部資產	4,166,451	1,810,702	352,088	121,374	6,450,615	—	6,450,615
Deferred income tax assets	遞延所得稅資產	—	—	—	—	28,568	—	28,568
Investments in associates	聯營公司投資	—	—	—	—	248,980	—	248,980
Total assets	總資產	—	—	—	—	6,728,163	—	6,728,163
Segment liabilities	分部負債	2,845,848	1,133,651	310,450	172,678	4,462,627	—	4,462,627
Deferred income tax liabilities	遞延所得稅負債	—	—	—	—	52,727	—	52,727
Total liabilities	總負債	—	—	—	—	4,515,354	—	4,515,354
Capital expenditure	資本開支	111,714	130,225	—	—	241,939	674	242,613
Material non-cash expenses	重大非現金開支							
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	881	793	—	—	1,674	—	1,674
Depreciation of property, plant and equipment	物業、廠房及設備折舊	31,978	24,770	—	11	56,759	1,126	57,885

Note:

(a) Inter-segment interest income and inter-segment interest expense amounted to HK\$18,278,000 were included in the amount presented.

附註:

(a) 分部間利息收入及分部間利息開支港幣18,278,000元已包括在呈列金額內。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

4. SEGMENT INFORMATION (Continued)

Primary reporting format – business segments (Continued)

The restated segment results for the six months ended 30 June 2010, segment assets and liabilities as at 31 December 2010 and other segment items for the six months ended 30 June 2010 are as follows:

4. 分部資料(續)

主要報告形式 – 業務分部(續)

截至二零一零年六月三十日止六個月之重列分部業績、於二零一零年十二月三十一日之分部資產及負債，以及截至二零一零年六月三十日止六個月之其他分部項目如下：

		Micro motors business	Washing motors business	Raw material business	Others	Corporate function	Total Continuing operations	Discontinued operations	Total Group
		微電機業務	洗滌 電機業務	原材料業務	其他	總部職能	持續經營 業務總額	終止經營 業務	合計 本集團
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Gross segment revenue	總分部收入	2,612,825	1,246,161	1,531,459	54,146	—	5,444,591	285,450	5,730,041
Inter-segment revenue	分部間收入	(947)	(311)	(1,527,499)	—	—	(1,528,757)	(712)	(1,529,469)
Revenue (from external customers)	收入(來自外來客戶)	2,611,878	1,245,850	3,960	54,146	—	3,915,834	284,738	4,200,572
Operating profit/(loss)	經營利潤/(虧損)	216,122	137,659	14,970	2,575	(5,600)	365,726	15,145	380,871
Interest expense (Note (a))	利息開支(附註(a))	(13,675)	(1,647)	(16,146)	—	(3,443)	(34,911)	—	(34,911)
Interest income (Note (a))	利息收入(附註(a))	17,813	530	66	2	49	18,460	14	18,474
Finance income/(cost) — net	融資收入/(成本) — 淨額	4,138	(1,117)	(16,080)	2	(3,394)	(16,451)	14	(16,437)
Share of profit of associates	佔聯營公司利潤	—	—	—	—	7,059	7,059	—	7,059
Profit/(loss) before income tax	扣除所得稅前利潤/(虧損)	220,260	136,542	(1,110)	2,577	(1,935)	356,334	15,159	371,493
Income tax expense	所得稅開支	(31,155)	(23,660)	—	(704)	(13,331)	(68,850)	(3,733)	(72,583)
Profit/(loss) for the period	期間利潤/(虧損)	189,105	112,882	(1,110)	1,873	(15,266)	287,484	11,426	298,910
Segment assets	分部資產	3,455,536	1,807,612	461,129	320,750	3,011	6,048,038	27,733	6,075,771
Deferred income tax assets	遞延所得稅資產	—	—	—	—	—	32,254	—	32,254
Investments in associates	聯營公司投資	—	—	—	—	—	223,651	—	223,651
Total assets	總資產						6,303,943	27,733	6,331,676
Segment liabilities	分部負債	2,588,400	1,099,168	430,099	185,747	2,185	4,305,599	—	4,305,599
Deferred income tax liabilities	遞延所得稅負債	—	—	—	—	—	50,773	—	50,773
Total liabilities	總負債						4,356,372	—	4,356,372
Capital expenditure	資本開支	70,423	44,804	—	546	17	115,790	2,822	118,612
Material non-cash expenses	重大非現金開支								
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	697	659	—	112	—	1,468	—	1,468
Depreciation of property, plant and equipment	物業、廠房及設備折舊	24,432	15,479	—	1,835	28	41,774	1,501	43,275

Note:

(a) Inter-segment interest income and inter-segment interest expense amounted to HK\$16,146,000 were included in the amount presented.

附註：

(a) 分部間利息收入及分部間利息開支港幣16,146,000元已包括在呈列金額內。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

4. SEGMENT INFORMATION (Continued)

Secondary reporting format – geographical segments

The Group is domiciled in the PRC. The Group's revenue from external customers located in the PRC and outside the PRC are presented as follows:

Continuing operations

		Micro motors business 微電機 業務 HK\$'000 港幣千元	Washing motors business 洗滌 電機業務 HK\$'000 港幣千元	Raw material business 原材料 業務 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
For the period ended 30 June 2011	截至二零一一年 六月三十止期間				
Revenue from external customers in PRC	來自中國境內外 來客戶之收入	3,894,873	978,336	3,057	4,876,266
Revenue from external customers outside PRC	來自中國境外外 來客戶之收入	529,957	675,742	—	1,205,699
		4,424,830	1,654,078	3,057	6,081,965

		Micro motors business 微電機 業務 HK\$'000 港幣千元	Washing motors business 洗滌 電機業務 HK\$'000 港幣千元	Raw material business 原材料 業務 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
For the period ended 30 June 2010, as restated	截至二零一零年 六月三十日止期間 (重列)					
Revenue from external customers in PRC	來自中國境內外來 客戶之收入	2,244,241	794,514	3,960	48,936	3,091,651
Revenue from external customers outside PRC	來自中國境外外來 客戶之收入	367,637	451,336	—	5,210	824,183
		2,611,878	1,245,850	3,960	54,146	3,915,834

4. 分部資料(續)

從屬報告形式 – 地區分部

本集團駐於中國。本集團來自中國境內及境外之外來客戶之收入，呈列如下：

持續經營業務

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

4. SEGMENT INFORMATION (Continued)

Continuing operations (Continued)

No geographical segment analysis on non-current assets is prepared as substantially all of the Group's assets were located in the PRC, except for financial instruments and deferred income tax assets.

Turnover represented revenue from external customers and is the same as revenue in the condensed consolidated interim income statement.

Information about a major customer

Revenue of approximately HK\$1,278,597,000 (2010: HK\$687,978,000) is derived from a single customer, contributed to the revenue of the operating segment of micro motors business.

5. OTHER (LOSSES)/GAINS – NET

Continuing operations

Government grants	政府補貼	3,653	3,487
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(2,252)	(1,627)
Penalty income	罰款收入	1,642	1,735
Derivative financial instruments:	衍生金融工具:		
– fair value gain/(loss) on commodity future contracts not qualified for hedge accounting: not settled	– 不符合資格作對沖會計處理之商品期貨合約公平值收益/(虧損): 未結算	517	(22,924)
– fair value gain on commodity future contracts not qualified for hedge accounting: settled	– 不符合資格作對沖會計處理之商品期貨合約公平值收益: 已結算	2,865	16,055
– fair value gain on foreign exchange forward contracts not qualified for hedge accounting: not settled	– 不符合資格作對沖會計處理之遠期外匯合約公平值收益: 未結算	521	23,592
– fair value (loss)/gain on foreign exchange forward contracts not qualified for hedge accounting: settled	– 不符合資格作對沖會計處理之遠期外匯合約公平值(虧損)/收益: 已結算	(5,973)	8,351
Exchange loss	匯兌虧損	(2,108)	(4,346)
Others	其他	376	(306)
		(759)	24,017

4. 分部資料(續)

持續經營業務(續)

由於本集團絕大部份資產(金融工具及遞延所得稅資產除外)皆位於中國,故並無編製非流動資產之地區分部分析。

營業額指來自外來客戶的收入,與簡明綜合中期收益表的收入相同。

有關一名主要客戶之資料

收入中約港幣 1,278,597,000元(二零一零年:港幣687,978,000元)來自一名客戶,列入微電機業務的營運分部的收入。

5. 其他(虧損)/收益 – 淨額

持續經營業務

Six months ended 30 June
截至六月三十日止六個月

2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
3,653	3,487
(2,252)	(1,627)
1,642	1,735
517	(22,924)
2,865	16,055
521	23,592
(5,973)	8,351
(2,108)	(4,346)
376	(306)
(759)	24,017

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

6. EXPENSES BY NATURE

Expenses included in cost of goods sold, selling and marketing costs and administrative expenses are analysed as follows:

Continuing operations

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Depreciation	折舊	56,759	41,774
Amortisation	攤銷	1,674	1,468
Employee benefit expense	僱員福利開支	400,384	256,401
Operating lease rental for land and building	土地及樓宇經營租賃租金	5,599	1,996

6. 按性質分類之開支

包括在銷售貨品成本、銷售及市場推廣成本及行政開支的開支分析如下：

持續經營業務

7. FINANCE COSTS — NET

Continuing operations

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Interest expense	利息開支	(26,453)	(17,202)
Exchange gain/(loss) — net	匯兌收益/(虧損) — 淨額	4,533	(1,564)
Finance cost	融資成本	(21,920)	(18,766)
Finance income — interest income on bank deposit	融資收入 — 銀行存款之利息收入	3,242	2,315
Net finance cost	融資成本淨額	(18,678)	(16,451)

7. 融資成本 — 淨額

持續經營業務

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

8. INCOME TAX EXPENSE

PRC corporate income tax is provided for on 25% of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose, except for certain subsidiaries which were entitled to different preferential tax rate of 15% during both periods.

Profits tax for other locations has not been provided as the Group did not have any assessable profits in those locations.

Continuing operations

8. 所得稅開支

除若干附屬公司於該兩個期間內可享有15%不同程度的優惠稅率外，中國企業所得稅乃按中國法定財務呈報利潤之25%計算，並在對不可就中國企業所得稅目的課稅或扣減之該等項目作出調整後予以撥備。

由於本集團於其他地點並無任何應課稅利潤，故此並無計提該等地點之利得稅撥備。

持續經營業務

Six months ended 30 June 截至六月三十日止六個月

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Current tax	即期稅項		
— PRC corporate income tax	— 中國企業所得稅	78,582	61,654
Deferred income tax	遞延所得稅	10,198	7,196
		88,780	68,850

9. EARNINGS PER SHARE

The weighted average number of ordinary shares for the purposes of calculating the basic and diluted earnings per share for the periods ended 30 June 2011 and 2010 have been retrospectively adjusted for the effect of share consolidation completed on 27 May 2011.

9. 每股盈利

用作計算截至二零一一年及二零一零年六月三十日止期間每股基本及攤薄盈利之普通股加權平均數已追溯調整，以反映於二零一一年五月二十七日完成股份合併的影響。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

9. EARNINGS PER SHARE (Continued)

(a) Basic

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period.

9. 每股盈利(續)

(a) 基本

每股基本盈利乃按期間利潤除以期內已發行普通股之加權平均數計算。

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年	2010 二零一零年 (Restated) (重列)
Continuing operations	持續經營業務		
Profit for the period from continuing operations attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔持續經營業務期間的利潤(港幣千元)	378,712	287,106
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,818,113	2,750,623
Basic earnings per share (HK cents)	每股基本盈利(港仙)	13.44	10.44
Discontinued operations	終止經營業務		
Profit for the period from discontinued operations attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔終止經營業務期間的利潤(港幣千元)	12,445	11,426
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,818,113	2,750,623
Basic earnings per share (HK cents)	每股基本盈利(港仙)	0.44	0.41
Profit for the period attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔期間利潤(港幣千元)	391,157	298,532
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,818,113	2,750,623
Basic earnings per share (HK cents)	每股基本盈利(港仙)	13.88	10.85

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

9. EARNINGS PER SHARE (Continued)

(b) Diluted

For the six months ended 30 June 2011 and 2010, diluted earnings per share were calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are performance-based share options. For the share options, a calculation is done to determine the number of shares that could have been issued based on the attainment of the performance target at the end of the period. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

9. 每股盈利(續)

(b) 攤薄

截至二零一一年及二零一零年六月三十日止六個月，每股攤薄盈利乃透過對已發行普通股之加權平均數作出調整而計算，並假設轉換所有潛在攤薄普通股。本公司之潛在攤薄普通股為以表現掛鈎之購股權。就購股權而言，已作出按照期終達到表現目標以釐定應可發行之股份數目之計算。上文計算之股份數目與假設購股權獲行使而已發行之股份數目已作出比較。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
簡明綜合中期財務資料附註(續)

9. EARNINGS PER SHARE (Continued)

(b) Diluted (Continued)

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年	2010 二零一零年 (Restated) (重列)
Continuing operations	持續經營業務		
Profit for the period from continuing operations attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔持續經營業務期間的利潤(港幣千元)	378,712	287,106
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,818,113	2,750,623
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	44,250	31,022
		2,862,363	2,781,645
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	13.23	10.32
Discontinued operations	終止經營業務		
Profit for the period from discontinued operations attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔終止經營業務期間的利潤(港幣千元)	12,445	11,426
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,818,113	2,750,623
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	44,250	31,022
		2,862,363	2,781,645
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	0.43	0.41
Profit for the period attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔期間利潤(港幣千元)	391,157	298,532
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,818,113	2,750,623
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	44,250	31,022
		2,862,363	2,781,645
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	13.66	10.73

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

10. DIVIDENDS

A 2010 final dividend of HK0.8 cent (2009 final: HK0.5 cent) per ordinary share before share consolidation, totaling approximately HK\$112,725,000 has been declared in the Company's Annual General Meeting on 26 May 2011 and was paid to the owners of the Company on 17 June 2011.

The Directors have resolved not to declare an interim dividend in respect of the six months ended 30 June 2011 (2010: Nil).

10. 股息

本公司於二零一一年五月二十六日舉行的股東週年大會上宣派二零一零年末期股息每股普通股0.8港仙(股份合併前)(二零零九年末期: 0.5港仙), 合共約港幣112,725,000元已於二零一一年六月十七日向本公司擁有人派付。

董事議決不宣派截至二零一一年六月三十日止六個月之中期股息(二零一零年: 無)。

11. CAPITAL EXPENDITURE

11. 資本開支

		Leasehold land and land use rights 租賃土地及 土地使用權 HK\$'000 港幣千元	Property, plant and equipment 物業、廠房 及設備 HK\$'000 港幣千元
Opening net book amount as at 1 January 2010, as restated	於二零一零年一月一日之期初賬 面淨值(重列)	124,496	710,046
Additions	添置	—	118,612
Disposals	出售	—	(11,458)
Amortisation/depreciation charges	攤銷/折舊開支	(1,468)	(43,275)
Exchange difference	匯兌差異	1,147	6,329
Closing net book amount as at 30 June 2010, as restated	於二零一零年六月三十日之期末 賬面淨值(重列)	124,175	780,254
Opening net book amount as at 1 January 2011, as restated	於二零一一年一月一日之期初賬 面淨值(重列)	125,509	883,435
Additions	添置	31,194	211,419
Disposals	出售	—	(39,225)
Disposal for discontinued operations	出售終止經營業務	—	(23,751)
Amortisation/depreciation charges	攤銷/折舊開支	(1,674)	(57,885)
Exchange difference	匯兌差異	3,171	19,676
Closing net book amount as at 30 June 2011	於二零一一年六月三十日之期末賬 面淨值	158,200	993,669

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

11. CAPITAL EXPENDITURE (Continued)

Certain of the property of the Group with net book value of approximately HK\$98,719,000 (31 December 2010: approximately HK\$97,891,000) and leasehold land and land use rights with net book value of approximately HK\$61,060,000 (31 December 2010: approximately HK\$60,429,000) have been pledged as security for the Group's short-term bank borrowings (Note 16).

12. INVENTORIES

11. 資本開支(續)

本集團之短期銀行借款以本集團賬面淨值約港幣 98,719,000元(二零一零年十二月三十一日:約港幣97,891,000元)之若干物業以及賬面淨值約港幣 61,060,000元(二零一零年十二月三十一日:約港幣60,429,000元)之租賃土地及土地使用權作為抵押(附註16)。

12. 存貨

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)
Raw materials	原材料	259,167	313,150
Work-in-progress	在製品	46,388	72,697
Finished goods	製成品	709,139	1,557,903
		1,014,694	1,943,750

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
簡明綜合中期財務資料附註(續)

13. TRADE AND OTHER RECEIVABLES

13. 貿易及其他應收款

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)
Trade receivables (Note (a))	貿易應收款(附註(a))	1,035,672	886,118
Less: provision for impairment	減: 減值撥備	(24,811)	(17,189)
Trade receivables — net	貿易應收款 — 淨額	1,010,861	868,929
Notes receivables (Note (a))	應收票據(附註(a))	543,449	385,601
Prepayments	預付款	167,674	173,305
Other receivables	其他應收款	90,838	195,229
Less: provision for impairment of other receivables	減: 其他應收款 減值撥備	(471)	(461)
Prepaid value-added tax — net	預付增值稅 — 淨額	37,635	116,355
		1,849,986	1,738,958
Less: non-current portion	減: 非即期部分		
Prepayment for property, plant and equipment	預付物業、廠房及設備款項	(16,275)	(18,335)
		1,833,711	1,720,623

(a) The majority of the Group's export sales are on letter of credit or documents against payment, or covered by customers' standby letters of credit or bank guarantees. The remaining amounts with credit terms of 30 days to 90 days. As at 30 June 2011, the ageing analysis of the gross trade receivables and notes receivables are as follows:

(a) 本集團之出口銷售大部分以信用證或付款交單方式進行，或以客戶之備用信用證或銀行擔保作保證。其餘金額之信貸期為30日至90日。於二零一一年六月三十日，貿易應收款及應收票據總額之賬齡分析如下：

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
簡明綜合中期財務資料附註(續)

13. TRADE AND OTHER RECEIVABLES
(Continued)

(a) (Continued)

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)
Gross trade receivables:	貿易應收款總額:		
Within 3 months	三個月以內	949,505	790,596
3 to 6 months	三至六個月	80,516	88,974
Over 6 months	六個月以上	5,651	6,548
		1,035,672	886,118

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)
Notes receivables:	應收票據:		
Within 3 months	三個月以內	301,315	230,007
3 to 6 months	三至六個月	242,134	155,594
		543,449	385,601

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
簡明綜合中期財務資料附註(續)

14. SHARE CAPITAL

14. 股本

		Authorised Ordinary shares 法定股本 之普通股	
		Number of shares (‘000) 股份數目(千股)	HK\$’000 港幣千元
At 1 January 2010, 30 June 2010, 31 December 2010, at HK\$0.1 each	於二零一零年一月一日、 二零一零年六月三十日、 二零一零年十二月三十一日 每股面值港幣0.1元	20,000,000	2,000,000
Share consolidation (iii)	股份合併(iii)	(16,000,000)	—
At 30 June 2011, at HK\$0.5 each	於二零一一年六月三十日 每股面值港幣0.5元	4,000,000	2,000,000

		Issued and fully paid Ordinary shares 已發行及繳足股本 之普通股	
		Number of shares (‘000) 股份數目(千股)	HK\$’000 港幣千元
At 1 January 2010, at HK\$0.1 each	於二零一零年一月一日 每股面值港幣0.1元	13,479,314	1,347,931
Issue of ordinary shares (i)	發行普通股(i)	600,000	60,000
Employee share option scheme — proceeds from shares issued (ii)	僱員購股權計劃 — 股份發行所得款項(ii)	11,250	1,125
At 31 December 2010 and 1 January 2011, at HK\$0.1 each	於二零一零年十二月三十一日及 二零一一年一月一日 每股面值港幣0.1元	14,090,564	1,409,056
Share consolidation (iii)	股份合併(iii)	(11,272,451)	—
At 30 June 2011, at HK\$0.5 each	於二零一一年六月三十日 每股面值港幣0.5元	2,818,113	1,409,056

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

14. SHARE CAPITAL (Continued)

- (i) On 29 March 2010, Midea Holding (Cayman Islands) Limited (“Midea (Cayman Islands)”), the parent company of the Company entered into a placing agreement with a placing agent and the Company, pursuant to which, Midea (Cayman Islands) agreed to place, through the placing agent, 1,200,000,000 existing shares of the Company to not less than six independent investors at a price of HK\$0.42 per share. On the same date, Midea (Cayman Islands) entered into a subscription agreement with the Company, pursuant to which, Midea (Cayman Islands) conditionally agreed to subscribe for 600,000,000 new shares of the Company at a price of HK\$0.42 per share. Such 600,000,000 new shares were issued for the subscription on 9 April 2010 raising net proceeds of approximately HK\$245 million which were intended to be used for the development of motor business of the Group and for general working capital of the Company. The net price raised per share was approximately HK\$0.41. These shares rank pari passu with the then existing issued shares of the Company.
- (ii) The share options exercised by a Director of the Company and certain employees of the Group during the year, resulted in a total of 11,250,000 shares being issued at HK\$0.157 per share, yielding proceeds after transaction costs of approximately HK\$1,740,000. The weighted average closing price of shares of the Company at the time of exercise of share options was HK\$0.39.
- (iii) Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 26 May 2011, every five issued and unissued shares of HK\$0.1 each in the capital of the Company were consolidated into one share of HK\$0.5 each and the share consolidation became effective on 27 May 2011. The weighted average number of ordinary shares for the purposes of calculating the basic and diluted earnings per share for the periods ended 30 June 2011 and 2010 have been retrospectively adjusted for the effect of share consolidation completed on 27 May 2011.

14. 股本(續)

- (i) 於二零一零年三月二十九日，本公司母公司美的控股(開曼群島)有限公司(「美的(開曼群島)」)與配售代理及本公司訂立配售協議，據此，美的(開曼群島)同意通過配售代理按每股股份港幣0.42元，向不少於六名獨立投資者配售1,200,000,000股本公司現有股份。同日，美的(開曼群島)與本公司訂立認購協議，據此，美的(開曼群島)有條件同意按每股股份港幣0.42元認購600,000,000股本公司新股份。600,000,000股新股份已於二零一零年四月九日發行，以供認購，籌集約港幣245,000,000元的所得款項淨額擬訂用作發展本集團的電機業務及本公司一般營運資金。每股淨集資額約為港幣0.41元。此等股份與本公司當時已發行股份的權益相同。
- (ii) 本公司一名董事及本集團部分僱員於年內行使購股權，導致總數11,250,000股股份以每股港幣0.157元的價格發行，扣除交易費後的所得款項約為港幣1,740,000元。購股權獲行使時，本公司股份的加權平均收市價為港幣0.39元。
- (iii) 根據二零一一年五月二十六日通過的本公司股東特別大會普通決議案，每五股每股面值港幣0.1元的本公司股本中已發行及未發行股份合併為一股每股面值港幣0.5元的本公司股份，股份合併於二零一一年五月二十七日生效。用作計算截至二零一一年及二零一零年六月三十日止期間每股基本及攤薄盈利之普通股加權平均數已追溯調整，以反映於二零一一年五月二十七日完成股份合併的影響。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

15. OTHER RESERVES

15. 其他儲備

		Share premium	Statutory reserve fund	General reserve fund	Enterprise expansion fund	Share option reserve	Exchange reserve	Merger reserve	Total
		股份溢價	法定儲備基金	一般儲備基金	企業發展基金	購股權儲備	匯兌儲備	合併儲備	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
			Note (a)	Note (a)	Note (a)			Note (b)	
			附註(a)	附註(a)	附註(a)			附註(b)	
Balance at 1 January 2010, as restated	於二零一零年一月一日之結餘(重列)	3,336,373	2,140	80,464	71,441	17,847	(1,331)	(3,228,415)	278,519
Issue of ordinary shares	發行普通股								
— proceeds from shares issued	— 已發行股份所得款項	192,000	—	—	—	—	—	—	192,000
— shares issuance expenses	— 發行股份開支	(6,557)	—	—	—	—	—	—	(6,557)
Employee share option scheme	僱員購股權計劃								
— value of services provided	— 所提供服務之價值	—	—	—	—	3,228	—	—	3,228
— proceeds from shares issued	— 已發行股份所得款項	476	—	—	—	—	—	—	476
Currency translation differences	貨幣匯兌差異	—	—	—	—	—	14,221	—	14,221
Transfer to statutory reserve	轉撥至法定儲備	—	(955)	1,082	—	—	—	—	127
Deemed contribution arising from acquisition of non-controlling interests by ultimate holding company	最終控股公司收購非控股權益所產生的視作貢獻	—	—	—	—	—	—	2,049	2,049
Balance at 30 June 2010, as restated	於二零一零年六月三十日之結餘(重列)	3,522,292	1,185	81,546	71,441	21,075	12,890	(3,226,366)	484,063
Balance at 1 January 2011, as restated	於二零一一年一月一日之結餘(重列)	3,522,431	2,851	104,329	95,176	23,688	59,147	(3,223,623)	583,999
Employee share option scheme	僱員購股權計劃								
— value of services provided	— 所提供服務之價值	—	—	—	—	1,211	—	—	1,211
Currency translation differences	貨幣匯兌差異	—	—	—	—	—	46,556	—	46,556
Transfer to statutory reserve	轉撥至法定儲備	—	—	6,582	6,582	—	—	—	13,164
Consideration paid for acquisition of a subsidiary under common control	收購共同控制下之附屬公司已付代價	—	—	—	—	—	—	(88,694)	(88,694)
Deemed contribution arising from acquisition of non-controlling interests by ultimate holding company	最終控股公司收購非控股權益所產生的視作貢獻	—	—	—	—	—	—	54,304	54,304
Balance at 30 June 2011	於二零一一年六月三十日之結餘	3,522,431	2,851	110,911	101,758	24,899	105,703	(3,258,013)	610,540

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

15. OTHER RESERVES (Continued)

- (a) The Company's PRC subsidiaries are required to oblige the laws and regulations of the PRC and their own articles of association. These subsidiaries are required to provide for certain statutory funds, namely, general reserve fund and enterprise expansion fund, which are appropriated from net profit after taxation but before dividend distribution based on the local statutory accounts prepared in accordance with the accounting principles and relevant financial regulations applicable to enterprises established in the PRC. These PRC subsidiaries are required to allocate at least 10% of its net profit to the reserve fund until the balance of such fund has reached 50% of its registered capital. Such appropriations are determined at the discretion of the directors of these subsidiaries. The general reserve fund can only be used, upon approval by the relevant authority, to offset accumulated deficit or increase capital.
- (b) Merger reserve represents the difference between the consideration paid for the acquisition under common control, and the aggregate nominal value of share capital/paid-up capital of the subsidiaries comprising the Group contributed by the owners of the Company.

15. 其他儲備(續)

- (a) 本公司在中國之附屬公司須遵守中國法律及法規，以及彼等之組織章程細則。該等附屬公司須提供若干法定基金，分別為一般儲備基金及企業發展基金，均自除稅後但未計股息分派之純利中提取。該純利根據按中國內地企業適用之會計原則及相關財務法規而編製之國內法定賬目計算。此等中國附屬公司須將其純利最少10%分配至儲備基金，直至該儲備基金結餘達至其註冊資本之50%為止。此等撥款由此等附屬公司董事酌情釐定。一般儲備基金僅在有關當局批准後始可用作抵銷累計虧損或增加資本。
- (b) 合併儲備指在共同控制下收購所付之代價與本公司擁有人注入本集團成員附屬公司之股本／繳足股本之面值總額之差額。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
簡明綜合中期財務資料附註(續)

16. BORROWINGS

16. 借款

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)
Non-current	非即期		
Long-term bank borrowings, secured	長期銀行借款 — 有抵押	169,792	104,364
Current	即期		
Short-term bank borrowings, unsecured	短期銀行借款 — 無抵押	130,127	190,346
Short-term bank borrowings, secured	短期銀行借款 — 有抵押	67,190	51,100
		197,317	241,446
		367,109	345,810

The effective interest rates of the above floating rate borrowings at the end of the reporting period were 2.32% per annum (31 December 2010: 1.90% per annum).

Certain of the property of the Group with net book value of approximately HK\$98,719,000 (31 December 2010: approximately HK\$97,891,000) and leasehold land and land use rights with net book value of approximately HK\$61,060,000 (31 December 2010: approximately HK\$60,429,000) have been pledged as security for the Group's short-term bank borrowings (Note 11).

於報告期間結束時，上述浮息借款之實際年利率為2.32% (二零一零年十二月三十一日：年利率1.90%)。

本集團之短期銀行借款以本集團賬面淨值約港幣 98,719,000元(二零一零年十二月三十一日：約港幣97,891,000元)之若干物業以及賬面淨值約港幣 61,060,000元(二零一零年十二月三十一日：約港幣60,429,000元)之租賃土地及土地使用權作為抵押(附註11)。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
簡明綜合中期財務資料附註(續)

17. TRADE AND OTHER PAYABLES

17. 貿易及其他應付款

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)
Trade payables (Note (a))	貿易應付款(附註(a))	1,550,083	1,724,081
Notes payable (Notes (a) & (b))	應付票據(附註(a)及(b))	2,020,569	1,356,659
		3,570,652	3,080,740
Provision for staff welfare and bonus	員工福利及花紅撥備	91,783	136,571
Accruals	預提費用	45,047	26,002
Advances from customers	預收客戶賬款	15,890	10,348
Others	其他	93,372	167,683
		3,816,744	3,421,344

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

17. TRADE AND OTHER PAYABLES (Continued)

- (a) As at 30 June 2011, the ageing analysis of the trade payables and notes payables are as follows:

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)
Within 3 months	三個月以內	2,503,097	2,313,040
3 to 6 months	三至六個月	1,052,324	756,607
Over 6 months	六個月以上	15,231	11,093
		3,570,652	3,080,740

- (b) The balance represents non-interest bearing bank acceptance notes issued by the Group with maturity periods of less than nine months. As at 30 June 2011, certain notes payables were pledged by bank deposits of approximately HK\$310,989,000 (31 December 2010: approximately HK\$232,555,000).

17. 貿易及其他應付款(續)

- (a) 於二零一一年六月三十日，貿易應付款及應付票據之賬齡分析如下：

- (b) 有關結餘為本集團發出不計息銀行承兌票據，原來到期期限少於九個月。於二零一一年六月三十日，若干應付票據以銀行存款約港幣310,989,000元(二零一零年十二月三十一日：約港幣232,555,000元)作為抵押。

18. CONTINGENT LIABILITIES

As at 30 June 2011 and 31 December 2010, the Group and the Company did not have any material contingent liabilities.

18. 或然負債

於二零一一年六月三十日及二零一零年十二月三十一日，本集團及本公司並無任何重大之或然負債。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
簡明綜合中期財務資料附註(續)

19. COMMITMENTS

(a) Capital commitments

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元
Contracted but not provided for	已訂約但未撥備		
— purchase of property, plant and equipment	— 購置物業、廠房及設備	118,772	116,102
— purchase of leasehold land and land use rights	— 購置租賃土地及土地使用權	—	23,655
		118,772	139,757

(b) Operating lease commitments — the Group as the lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元
Not later than one year	不超過一年	3,239	1,974
Later than one year and not later than five years	超過一年但不超過五年	170	403
		3,409	2,377

19. 承擔

(a) 資本承擔

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元
Contracted but not provided for	已訂約但未撥備		
— purchase of property, plant and equipment	— 購置物業、廠房及設備	118,772	116,102
— purchase of leasehold land and land use rights	— 購置租賃土地及土地使用權	—	23,655
		118,772	139,757

(b) 經營租賃承擔 — 本集團作為承租人

根據不可撤銷之經營租賃而於未來應付之最低租賃款項總額如下：

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元
Not later than one year	不超過一年	3,239	1,974
Later than one year and not later than five years	超過一年但不超過五年	170	403
		3,409	2,377

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

20. DISCONTINUED OPERATIONS

On 15 April 2011, Welling Electronic and Electric as the vendor and Midea Microwave as the purchaser entered into the Assets Transfer Agreement, pursuant to which Welling Electronic and Electric agreed to dispose of certain machinery equipment and molds, testing equipment and office equipment (the "Assets") owned by Welling Electronic and Electric to Midea Microwave at a cash consideration of RMB22,078,100 (equivalent to approximately HK\$26,208,000) ("Disposal").

Upon completion of the Disposal, the Company disposed of the Assets used for the business of transformer and shaded pole motor of Welling Electronic and Electric and ceased the relevant business. Accordingly, the consolidated results for the business of transformer and shaded pole motor are presented as discontinued operations in the consolidated financial statements. The presentation of comparative information in respect of the period ended 30 June 2010 has been reclassified to conform to the current period's presentation.

- (a) An analysis of the results of the discontinued operations is as follows:

20. 終止經營業務

於二零一一年四月十五日，威靈電子電器(以賣方身份)及美的微波電器(以買方身份)訂立資產轉讓協議，據此威靈電子電器同意向美的微波電器出售威靈電子電器擁有的若干機器設備及模具、檢測設備及辦公室設備(「資產」)，現金代價為人民幣22,078,100元(相當於約港幣26,208,000元)(「出售」)。

出售完成後，本公司出售威靈電子電器的變壓器和罩極電機業務相關的資產，並終止有關業務。因此，變壓器和罩極電機業務的綜合業績於綜合財務報表內呈列為終止經營業務。截至二零一零年六月三十日止期間比較資料的呈列經重新分類，以符合本期之呈列。

- (a) 終止經營業務業績的分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Revenue	收入	426,302	284,738
Cost of goods sold	銷售貨品成本	(392,403)	(261,360)
Gross profit	毛利	33,899	23,378
Other gains — net	其他收益 — 淨額	2,671	249
Selling and marketing costs	銷售及市場推廣成本	(3,290)	(509)
Administrative expenses	行政開支	(15,904)	(7,973)
Operating profit	經營利潤	17,376	15,145
Finance income	融資收入	132	14
Profit before income tax	扣除所得稅前利潤	17,508	15,159
Income tax expense	所得稅開支	(5,063)	(3,733)
Profit from discontinued operations	終止經營業務的利潤	12,445	11,426

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

20. DISCONTINUED OPERATIONS (Continued)

(b) An analysis of the cash flows of the discontinued operations is as follows:

20. 終止經營業務(續)

(b) 終止經營業務的現金流量分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Net cash inflow from operating activities	經營活動之現金流入淨額	11,114	12,927
Net cash generated from/(used in) investing activities	投資活動產生/(所用)之現金淨額	25,540	(2,805)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	36,654	10,122

21. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the period are summarised below:

21. 關聯方交易

本公司與其附屬公司間之交易已於綜合賬目內對銷。本集團與其他關聯方於期內之交易概述如下：

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
簡明綜合中期財務資料附註(續)

**21. RELATED PARTY TRANSACTIONS
(Continued)**

(a) Transactions with related parties

The following transactions were carried out with related parties in accordance with the terms mutually agreed by the respective parties:

21. 關聯方交易(續)

(a) 與關聯方之交易

以下與關聯方之交易根據各自共同同意的條款進行：

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Sales to related parties:	向關聯方銷售：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	3,593,038	2,056,603
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之主要股東控制	397,148	254,065
		3,990,186	2,310,668
Purchase from related parties:	向關聯方採購：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	4,998	15,836
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之主要股東控制	125,169	114,996
		130,167	130,832
Logistics services received from related parties:	向關聯方獲取物流服務：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	—	27
Rental expenses paid to a related party:	向關聯方支付的租金開支：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	1,992	—

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
簡明綜合中期財務資料附註(續)

21. RELATED PARTY TRANSACTIONS
(Continued)

21. 關聯方交易(續)

(a) Transactions with related parties (Continued)

(a) 與關聯方之交易(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Interest income on deposits received from Midea Group Finance Co., Ltd. ("Finance Company"):	自美的集團財務有限公司(「財務公司」)收取存款利息收入:		
– Controlled by the ultimate holding company	– 由最終控股公司控制	258	—
Interest expense for bills discounted paid to Finance Company:	已付財務公司經貼現票據之利息開支:		
– Controlled by the ultimate holding company	– 由最終控股公司控制	4,836	—
Bank charges paid to Finance Company:	已付財務公司銀行費用:		
– Controlled by the ultimate holding company	– 由最終控股公司控制	86	—
Consideration paid to a related party for the acquisition of Huayin:	收購華印向關聯方支付的代價:		
– Controlled by the ultimate holding company	– 由最終控股公司控制	88,694	—
Consideration received from a related party for the disposal of property, plant and equipments:	出售物業、廠房及設備收取關聯方的代價:		
– Controlled by a substantial shareholder of the ultimate holding company	– 由最終控股公司之主要股東控制	26,208	—

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
簡明綜合中期財務資料附註(續)

**21. RELATED PARTY TRANSACTIONS
(Continued)**

(b) Key management compensation

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Salaries and other employee benefits	薪金及其他員工福利	2,172	3,943
Share-based payments	以股份支付支出	789	2,445
		2,961	6,388

21. 關聯方交易(續)

(b) 主要管理人員酬金

(c) Balances with related companies

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)
(i) Due from related companies:	(i) 應收關聯公司款項:		
— Controlled by the ultimate holding company	— 由最終控股公司控制	1,298,659	345,181
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之主要股東控制	181,708	36,482
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司主要股東之近親控制	—	886
		1,480,367	382,549

(c) 與關聯公司之結餘

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related companies (Continued)

As at 30 June 2011, the amount due from related companies including notes receivables of approximately HK\$792,170,000 (31 December 2010: approximately HK\$216,934,000).

21. 關聯方交易(續)

(c) 與關聯公司之結餘(續)

於二零一一年六月三十日，應收關聯公司款項包括應收票據約港幣792,170,000元(二零一零年十二月三十一日：約港幣216,934,000元)。

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)
(ii) Due to related companies:	(ii)應付關聯公司款項：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	7,324	407,696
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之主要股東控制	195,850	70,389
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司主要股東之近親控制	168	3,391
		203,342	481,476

As at 30 June 2011, the amount due to related companies including notes payables of approximately HK\$34,981,000 (31 December 2010: approximately HK\$12,587,000).

於二零一一年六月三十日，應付關聯公司款項包括應付票據約港幣34,981,000元(二零一零年十二月三十一日：約港幣12,587,000元)。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related companies (Continued)

The balances due from/to related parties are denominated in RMB, unsecured, interest free and are repayable on demand. No balance due from related companies is past due or impaired.

21. 關聯方交易(續)

(c) 與關聯公司之結餘(續)

應收／應付關聯方結餘以人民幣列值，並為無抵押、免息且須於要求時償還。概無應收關聯公司結餘過期或減值。

		As at 於	
		30 June 2011 二零一一年 六月三十日 HK\$'000 港幣千元	31 December 2010 二零一零年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)
(iii) Short-term deposits in the Finance Company: — Controlled by the ultimate holding company	(iii) 存於財務公司短期存款： — 由最終控股公司控制	93,864	136,754

22. ULTIMATE HOLDING COMPANY

The Directors regard Midea, a company incorporated in the PRC, as the ultimate holding company.

22. 最終控股公司

董事視美的(於中國註冊成立之公司)為最終控股公司。

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend in respect of the six months ended 30 June 2011 (2010: Nil)

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's profit attributable to the owners of the Company and earnings per share for the six months ended 30 June 2011 amounted to approximately HK\$391,157,000 (2010: approximately HK\$298,532,000) and HK13.88 cents (2010: HK10.85 cents) respectively. Profit grew by approximately 31% as compared to the same period last year. Increase in profit was mainly attributable to the rapid growth in sales scale of intermediate component products driven by the strong demand for end products.

The Group's turnover for the six months ended 30 June 2011 amounted to approximately HK\$6,081,965,000 (2010: HK\$3,915,834,000), representing an increase of approximately 55% as compared to the same period last year. The Group's gross profit margin was approximately 11.7% (2010: 13.4%). Rise in raw material prices and staff costs was still the main reason for the decrease in gross profit margin. Net asset value per share of the Group as at 30 June 2011 was HK79 cents (31 December 2010: HK68 cents).

中期股息

董事會議決不宣派截至二零一一年六月三十日止六個月之中期股息(二零一零年：無)。

管理層討論與分析

業務回顧

截至二零一一年六月三十日止六個月，本公司擁有人應佔本集團利潤約港幣391,157,000元(二零一零年：約港幣298,532,000元)，及每股盈利為13.88港仙(二零一零年：10.85港仙)，利潤增長約31%。利潤增長繼續受終端產品需求強勁影響帶動中間產品銷售規模的快速發展。

於截至二零一一年六月三十日止六個月，本集團營業額為約港幣6,081,965,000元(二零一零年：約港幣：3,915,834,000元)，同比上升約55%，本集團的毛利率為約11.7%(二零一零年：13.4%)。毛利率下滑主要原因是繼續受原材料價格及人工成本上漲影響。於二零一一年六月三十日，本集團之每股資產淨值為79港仙(二零一零年十二月三十一日：68港仙)。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Analysis of Major Business Operations

In the first half of 2011, economic recovery for the U.S. and Europe slowed down and there were no signs of rapid recovery for external demands. Future growth will be subject to more risks and uncertainties. Moreover, the quantitative easing monetary policy launched by the U.S. put additional pressure on global inflation. To response to the rising inflation and prevent its further deterioration, the PRC government has implemented a stable monetary policy by increasing the deposit-reserve ratio and the deposit and lending interest rate several times, laying a foundation for financial stability of households and expansion of domestic demand, while increasing cost of capital for companies. GDP of China for the first half of 2011 increased by 9.6%, calculated at comparable prices, the economic growth driver continued to shift from initially policy-driven in a moderately rapid manner towards structural adjustments and control over price hikes. As driven by domestic demand as well as the positive impacts of the government policies, such as “Home Appliances Subsidy for Rural Areas”, “Home Appliances Replacement Subsidy” and “Subsidy for Energy Efficient Appliances”, of which the latter one expired on 1 June 2011, the home appliances industry has maintained a strong growth on a high base achieved last year. Air-conditioning products continued to be the key driver of our industry and the sales of washing machines, refrigerators and small size home appliances maintained steady growth.

In the first half of 2011, we continued to seize opportunities arising from government policies and take advantages of the industrial development towards the themes of “energy-saving, eco-friendliness and low carbon discharge”. Consequent to the expiration of the policy of “Subsidy for Energy Efficient Appliances”, the price gap between variable-frequency air-conditioner and fixed-frequency air-conditioner became even closer, enabling us to realize enormous expansion potential of variable-frequency air-conditioner. To accelerate the transformation of development model of each business division which means adjusting product mix to maximize profit and increasing investment in strategic products, such as commercial air-conditioning motors, direct current motors, servo motors and vehicle motors. Notable results were achieved in the development of some products which are enjoying the benefits of economies of scale.

管理層討論與分析(續)

主要業務經營情況分析

二零一一年上半年，歐美經濟復蘇緩慢，外部需求未出現快速復蘇跡象，未來增長不確定、不穩定因素增多。美國推行的量化寬鬆政策令全球性通脹壓力進一步加大，為應對通貨膨脹的不斷攀升，國家實施了穩健的貨幣政策，多次提升法定存款準備金率及存貸款利率，防止了通貨膨脹的進一步惡化，為保證居民收入支出及內需增長奠定了基礎，但同時亦令企業資金成本上升。上半年GDP按可比價格計算同比增長9.6%，經濟增長繼續由前期政策刺激的偏快增長轉向調結構控制物價上漲為主。家電行業受內需及「家電下鄉」、「家電以舊換新」及「節能補貼」等政策驅動影響(其中「節能補貼」政策已於二零一一年六月一日起結束)，在去年高基數運行情況下，行業整體保持了可觀的增長。空調產品依舊保持了行業的高景氣度，洗衣機、冰箱、小家電等產品也實現了穩定的增長。

二零一一年上半年，本集團繼續抓住國家政策機遇，深度把握「節能、環保、低碳」等行業發展趨勢，隨著定頻空調的「節能補貼」政策結束，變頻空調與定頻空調的價格差距進一步拉近，正好讓我們抓緊變頻空調巨大上升潛力的機遇，加快推進各事業部轉變發展模式，即調結構增盈利，大力推進產品結構的調整，加大對戰略產品如商用空調電機、直流電機、伺服電機、汽車電機等資源投入，部分產品拓展效果比較明顯，規模經濟的優勢逐步顯現。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

1. *Micro Motors Business*

Having benefitted from the positive impacts of rising in urbanization rate and disposable income per capita, rising air-conditioner penetration in rural areas, strong demand for air-conditioner replacement in urban areas as well as construction of low-income housing units at accelerated pace, the air-conditioner industry maintained a rapid growth in the first half of 2011 with prosperous future. The sales volume of household air-conditioners in the PRC increased by 30.9% over the same period last year, while that of commercial air-conditioners increased by 29.0%. Growth of refrigerator sector was dampened by over production, the sales volume of refrigerators in the PRC increased by 21.1% over the same period last year, while that of refrigerator compressor motors increased by 10.6% (Source: www.chinalOL.com).

For the micro motors business, the Group recorded approximately 54,218,000 units of domestic sales and 7,428,000 units of export sales of micro motors for the six months ended 30 June 2011. The aggregate sales volume increased by 34% as compared to the same period last year, which was above the industry average. The micro motors business recorded a turnover of HK\$4,424,830,000 for the first half of 2011, which represented an increase of approximately 69% as compared to HK\$2,611,878,000 for the same period in 2010. Profit of the micro motors business for the first half of 2011 amounted to HK\$310,908,000, which was approximately 64% higher as compared to HK\$189,105,000 recorded for the same period in 2010.

In the first half of 2011, as directed by the PRC's strategic development programme of "12th Five-Year Plan", micro motor division continued to exert more efforts in implementing lean production model, achieving better inventory and capital management so as to further improve the operating efficiency of our micro motor business. Through additional investments, we enhanced level of automation of our facilities, reduced staff costs and optimized the earning structure. Meanwhile, we decisively commenced reforms, refined functional system of our business divisions as well as organizational concept of product companies so as to further define rights and responsibilities of different divisions. With increased investment in research and development as well as talents recruitment, a technical team required by the business division has been established and developed step by step towards maturity.

管理層討論與分析(續)

1、微電機業務

受益於城鎮化比率及居民人均可支配收入不斷提升的影響，在農村空調保有量不斷提升及城市更新空調需求強勁等因素帶動下，加上保障房建設步伐加快，二零一一年上半年，空調行業維持高速增長，行業景氣度依舊高企，家用空調銷量同比增長30.9%，商用空調同比增長29.0%。冰箱產品受行業產能過剩影響增速放緩，冰箱銷量同比增長21.1%，而冰箱壓縮機銷量同比增長10.6%（資料來源：產業在線）。

截至二零一一年六月三十日止六個月，微電機業務內銷之電機銷量約為54,218,000台，出口之電機銷量約為7,428,000台，總銷量較去年同期上升34%，繼續領先於行業增長水平。微電機業務於二零一一年上半年之營業額為港幣4,424,830,000元，比二零一零年同期之營業額為港幣2,611,878,000元，增幅約69%。微電機業務於二零一一年上半年利潤約為港幣310,908,000元，比二零一零年同期之利潤為港幣189,105,000元，增幅約為64%。

二零一一年上半年，微電機事業部在「十二五」戰略規劃牽引下，大力推行精益生產管理模式，深挖存量資本潛能，運營效率得到繼續提升；通過進一步加大投入，提升設備自動化水平，降低人工成本，優化盈利結構。積極開展各項變革，完善事業部職能體系及產品公司組織結構，進一步清晰權責。繼續加大研發投入，加大人才引進力度，事業部層面技術人才梯隊已建成，並逐步成熟。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

In connection with products development, scale of household air-conditioning motors, our traditional products, continued to grow at a rate above the industry average. Our refrigerator compressor motors have been shifting from being a key strategic product for development to one of our core products, transition continued to be smooth after years of effort. Our commercial air-conditioning motors continued to gain rapid growth with a breakthrough on export sales that we established presence in the American after-sale market and received a number of large-quantity orders. Development of our direct current motors has been accelerated by conducting profound research and development. The successful launch and development of brushless direct current motors for air-conditioners has laid down the foundation for rapid development of brushless direct current motors for refrigerators. In addition, we have commenced commercial production for the self-developed brush direct current motors and entered into the industry of automatic doors motor. Also, servo motors have been put into mass production with capacity ramping up, and such product will become one of our high-margin products.

Cooperation with external party to pursue joint venture was another development strategy. During the period, we have established a joint venture company for the acquisition of 常州弘祿華特電機有限公司 (Changzhou Honglu Huate Electric Co., Ltd.) ("Huate Electric") which is expected to be completed in the second half of the year. Huate Electric is a motor manufacturer specializing in central air-conditioner motors based in Changzhou where ancillary facilities for commercial motor industry chain were comprehensive. Leveraging on its strengths in motor research and development as well as cost control, establishment of the joint venture could enable us to optimize our regional distribution of production facilities. Meanwhile, resources could be fully integrated while introducing regional resources. A new industrial park with a total site area of 130,000 square meters will be set up by the joint venture in 常州鐘樓經濟開發區 (Changzhou Zhonglou Economic Development Zone) which is intended to be developed a motor manufacturing base in Changzhou for accelerating the development of commercial air-conditioner motors. Such move will provide us a solid foundation for becoming the largest commercial motor manufacturing base in China. As our solid step in implementing "Go Global" strategy, we have built up business relationship with a Japan-based and world known enterprise, Sanyo Denki Co., Ltd. (山洋電器株式會社) ("Sanyo Denki"), as cooperative partner. Sanyo Denki is a specialist in servo motor with top-notch technology in production, and the cooperation will facilitate our development and production of servo motors.

管理層討論與分析(續)

在產品拓展方面，傳統產品家用空調電機的規模增長繼續領先於行業，冰箱壓縮機電機經過幾年的努力，產品發展勢頭持續向好，已由重點支持培育的戰略產品向公司支柱性產品轉換；商用空調電機內銷繼續保持快速增長，外銷市場取得較大突破，進入美洲售後市場，已取得批量訂單；直流電機發展加快，在空調無刷直流電機快速拓展的基礎上，實現了冰箱無刷直流電機的研製和銷售，此外成功開發的有刷直流電機正式投產，進入自動門類電機行業；伺服電機成功批產，產能逐步釋放，並將成為公司未來高盈利產品的生力軍。

本集團的另一發展策略是深度開展對外合資合作。期內，透過成立合營企業以併購常州弘祿華特電機有限公司(以下簡稱「華特電機」)，預期將於下半年完成，華特電機為專業的中央空調電機生產企業，其地處商用電機產業鏈配套完善的常州地區，在電機開發與成本控制方面有很強的優勢，成立合營企業可以優化本集團的產品線佈局，引入區域資源，充分整合資源優勢，合營企業將會在常州鐘樓經濟開發區新建佔地13萬平方米的新工業園，籌劃佈局常州電機製造基地，加快商用空調電機的發展，為打造國內最大規模商用電機製造基地奠定堅實的基礎。通過開展「走出去」戰略，與國際知名企業日本的山洋電器株式會社開展交流，並建立了友好的合作關係。日本山洋電器乃伺服電機的專家，擁有相關的先進製造技術，透過合作有助本集團開發製造伺服電機。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

2. Washing Motors Business

In the first half of 2011, growth of washing machine sector was below expectation due to slowdown in macroeconomic growth. Growth in sales of washing machines during the period was mainly driven by the replacement demand from consumers. Domestic sales of washing machines increased by 18.4% as compared to the same period last year, exports sales of washing machines increased by 9.2% with steady growth in overseas markets. The overall sales volume of washing machines in the first half of 2011 increased by 15.2% (Source: www.chinaIOL.com). Small size home appliances also saw steady growth in the period.

For the six months ended 30 June 2011, the Group recorded approximately 10,762,000 units of domestic sales and approximately 5,328,000 units of export sales for its washing motors. Total sales volume grew by 22% as compared to the same period last year, which was slightly above the industry average. The aggregate turnover of the washing motors business for the first half of 2011 increased by approximately 33% (HK\$1,245,850,000 for the same period in 2010) to HK\$1,654,078,000. Profit of the washing motors business for the first half of 2011 amounted to HK\$74,637,000, decreased by approximately 34% as compared to HK\$112,882,000 recorded for the same period in 2010. Main reasons for the decrease in profit were the rise in raw material prices and wages and the implementation of adjustment in product mix for sales.

In the first half of 2011, our washing motors business continued to operate efficiently on a company basis and deepen decentralization so as to delegate authority to lower levels of management and further motivate the operating strengths of our product company. In addition to the on-going operations of the core traditional products, including series motors, wave-wheel motors and dishwasher pumps, we expanded the development of strategic products, such as motors for small home appliances and direct current motors, by way of project management as well as adopted lean production process to a more advanced level, in a bid to mitigate the adverse impacts of increases in raw material prices and wages. During the period, specific efforts have been put on “pairing reduced expenses with increased income and pairing minimized costs with enhanced efficiency”.

管理層討論與分析(續)

2、洗滌電機業務

二零一一年上半年，洗衣機行業受宏觀經濟增長放緩影響，上半年增長不如預期，增長主要源自消費者對產品更新的需求，內銷同比增長18.4%，海外市場增長平穩，出口同比增長9.2%，而上半年洗衣機行業整體銷量同比增長15.2%（資料來源：產業在線）。小家電整體銷售亦有平穩增長。

截至二零一一年六月三十日止六個月，洗滌電機業務內銷之電機銷量約為10,762,000台，出口之電機銷量約為5,328,000台，總銷量較去年同期上升22%，增長略高於行業水平。洗滌電機業務於二零一一年上半年之營業額為港幣1,654,078,000元，比二零一零年同期之營業額為港幣1,245,850,000元，增幅約33%。洗滌電機業務於二零一一年上半年利潤約為港幣74,637,000元，比二零一零年同期之利潤為港幣112,882,000元，下跌約為34%。利潤下跌主要因為原材料價格及工資上升，加上實施產品銷售結構調整引致。

二零一一年上半年，洗滌電機事業部繼續加大產品公司化運作力度，加大經營分權，促進管理重心下移，進一步激發產品公司經營活力。產品方面繼續以經營好現有傳統產品為主線，包括串激電機、波輪電機、洗碗機電泵等產品，並以專案管理的方式加大戰略產品如小家電電機及直流電機產品的拓展，深入推行精益生產管理模式，為減低原材料價格上升及工資上漲等因素的衝擊，專項開展「開源節流、降本增效」的工作。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Our strategic products comprised motors for small size home appliances, such as soymilk maker motors, vacuum cleaner motors and food processor motors. We sketched out a solid framework for market expansion and achieved technological catch-up on product development by introducing the practice of operations on a company basis, laying a foundation for further growth. For other products, development of three-phase converter motors has made a good progress, and sample preparation for direct drive (DD) motors was completed.

3. *Business of Associate*

In the first half of 2011, Shanxi Huaxiang Investment Co., Ltd. ("Huaxiang", an associate owned as to 49% by the Group) further initiated organizational reforms, established a segment-based management approach, set up its precision production division and mechanical engineering division, delegated authority to lower levels of management and deepened decentralization. Meanwhile, Huaxiang has been establishing a machine processing division to fulfill integration of resources and having a more definite direction for product development in which precision casting products applicable to compressors, on board balancing system, vehicles and high-speed rail were the core products. As a foundation for rapid development has been set up, the overall operation performance was relatively strong with continuous quality upgrade and steady growth in earnings. For the construction of the new industrial park in Shanxi Province with a total investment of approximately RMB220 million by Huaxiang, the first phase of which has commenced production in this year with satisfactory performance in operating efficiency, construction work of its second phase has been in progress as planned and it is expected to commence production by 2012. Upon completion of construction of the entire new industrial park, more high-end precision casting products would be developed sustainably. Revenue and profit of Huaxiang for the first half of 2011 increased by 102% and 181% respectively as compared to the same period last year.

The Group's share of profit from Huaxiang for the six months ended 30 June 2011 amounted to HK\$19,963,000.

管理層討論與分析(續)

戰略產品方面，小家電電機產品包括豆漿機電機，吸塵器電機及食品料理機電機等，通過產品公司化運作，市場開拓思路更加清晰，全面掌握產品發展的技術趨勢，具備了進一步發展壯大的基礎。其他產品如三相變頻電機發展形勢較好，直接驅動(DD)產品完成製樣等。

3、聯營公司業務

上半年，本集團擁有49%股權的聯營公司山西華翔投資有限公司(「山西華翔」)通過進一步加強組織結構變革，建立事業部制管理模式，成立精密製造事業部、機械工程事業部，管理重心下移，加大分權；積極籌備機加工事業部，充分整合資源；進一步清晰產品發展思路，形成以壓縮機件、機載平衡重件、汽車件、高鐵件等為主的產品佈局。上半年整體經營情況較好，經營品質面持續向好，盈利能力穩步提升，已具備了快速發展的基礎。投資約人民幣2.2億元興建的山西華翔新工業園的第一期項目於本年順利投產，目前運作效果良好，第二期項目按計劃穩步推進中，預計二零一二年完成可投入生產，整個新工業園項目完成後，可持續增加開發高端精密鑄件產品。山西華翔二零一一年上半年整體銷售收入同比上升102%，利潤上升181%。

截至二零一一年六月三十日止六個月，本集團應佔山西華翔的利潤為港幣19,963,000元。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

4. *Shanghai R & D Centre and Geographical Distribution of Production Facilities*

With regard to our technology research and development, our research and development centre in Shanghai has officially launched in March 2011. We were honored to have invited Professor Zi-Qiang Zhu from the University of Sheffield, UK, an internationally recognized motor technology expert, to lead the research and development centre. In addition, a technology research team has been set up comprising more domestic and foreign talents with qualifications of doctorate or master degrees and expertise in high-end technology. The research and development centre will focus on the research work of technology innovation, further development of high-tech products, development of our proprietary core technology as well as advanced technology, in order to upgrade and regenerate our existing products, develop high value-added and high-end motor products. Our strategic development of motor business has been supported by technology research and development. Furthermore, our research and development centre will be specialised in the development of proprietary core technology in motors, aiming at becoming an international first-class research and development institute of motors and its control system.

The production plant for washing motors in Hefei has already commenced operations. In addition, the production plant for commercial motors in Changzhou will commence operations also when the acquisition of Changzhou's Huate Electric is completed. As a result, five major production bases of the Group will be formed in Shunde, Wuhu, Huaian, Hefei and Changzhou to establish a strategic production network with geographical distribution of production bases. It is crucial to the Group for the development of new products, arrangement of product mix adjustment, enhancement of production capacity and optimization of economy of scale.

Financial Review

Liquidity and Financial Resources

The Group has maintained a healthy financial and liquidity position with a current ratio of 122% as at 30 June 2011 (31 December 2010: 119%).

管理層討論與分析(續)

4、上海研發中心及生產廠房區域佈局

技術研發方面，威靈上海研發中心已於二零一一年三月投入運營，成功邀請得國際著名電機及其驅動專家英國謝菲爾德大學諸自強教授擔任研發中心主任，並引進多名國內外具博士、碩士學歷的高端技術人才組成科研團隊，研發中心主力科研創新工作，不斷開拓高新技術產品領域，為本集團打造自主核心技術及開展前瞻性技術以促進傳統產品升級換代，開發高附加值的高端電機產品，從技術研發方面支撐本集團電機業務的戰略發展。此外，上海研發中心未來會全力打造自主的現代電機核心技術，目標是成為國際一流的電機及其控制研發機構。

洗滌電機的合肥廠房已正式投產，加上常州的商用電機生產廠房隨著常州的華特電機併購項目完成後亦會投入生產，本集團將會形成擁有包括位於順德、蕪湖、淮安、合肥及常州的五大電機製造基地，區域佈局更趨合理，對本集團於開發新產品、調整產品結構、提升產能及強化規模優勢方面起著重要作用。

財務回顧

流動資金及財務資源

本集團之財政及流動資金狀況穩健，於二零一一年六月三十日之流動比率為122%（於二零一零年十二月三十一日：119%）。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

As at 30 June 2011, the Group was in a net cash position of HK\$530,953,000 (31 December 2010: HK\$577,269,000), representing cash and cash equivalents and pledged bank deposits of approximately HK\$898,062,000 less total bank borrowings of approximately HK\$367,109,000 (comprising approximately HK\$197,317,000 would be due within one year and approximately HK\$169,792,000 would be due over one year). Hence, the gearing ratio (defined as total borrowings less cash and cash equivalents and pledged bank deposits divided by total equity) is not applicable.

Financial Ratios

The following are certain financial ratios of the Group as at the date of the consolidated statement of financial position:

管理層討論與分析(續)

於二零一一年六月三十日，集團處於淨現金狀態，淨現金盈餘達港幣530,953,000元(於二零一零年十二月三十一日：港幣577,269,000元)，由現金及現金等價物及已抵押銀行存款約港幣898,062,000元減去總銀行借款約港幣367,109,000元(包括約港幣197,317,000元於一年內到期及約港幣169,792,000元於超過一年後到期)組成。為此，資本負債比率(總借款減現金及現金等價物及已抵押銀行存款除以總權益)並不適用。

財務比率

下表載列於綜合財務狀況表日本集團的若干財務比率：

		30 June 2011 二零一一年 六月三十日	31 December 2010 二零一零年 十二月三十一日 (Restated) (重列)
Inventories turnover (Note 1)	存貨周轉期(附註1)	50 days日	69 days日
Trade receivables turnover (Note 2)	貿易應收賬周轉期(附註2)	28 days日	30 days日
Trade payables turnover (Note 3)	貿易應付賬周轉期(附註3)	55 days日	76 days日
Current ratio (Note 4)	流動比率(附註4)	1.22 times倍	1.19 times倍

Notes:

- Inventories turnover is calculated based on the average of the opening inventories and closing inventories, divided by the cost of goods sold of the period/year, and multiplied by the total number of days of the period/year.
- Trade receivables turnover is calculated based on the average of the opening trade receivables and closing trade receivables, divided by the revenue of the period/year, and multiplied by the total number of days of the period/year.
- Trade payables turnover is calculated based on the average of the opening trade payables and closing trade payables, divided by the cost of goods sold of the period/year, and multiplied by the total number of days of the period/year.
- Current ratio is calculated based on the period-end/year-end current assets divided by the period-end/year-end current liabilities.

附註：

- 存貨周轉期是根據期／年初存貨與期／年終存貨平均數除以當期／年銷售貨品成本，再乘以該期／年的總日數計算。
- 貿易應收賬周轉期是根據期／年初應收賬與期／年終應收賬平均數除以當期／年收入，再乘以該期／年的總日數計算。
- 貿易應付賬周轉期是根據期／年初應付賬與期／年終應付賬平均數除以當期／年銷售貨品成本，再乘以該期／年的總日數計算。
- 流動比率是根據期／年終的流動資產除以期／年終流動負債。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論與分析(續)

Pledge of Assets

As at 30 June 2011, short-term borrowings of the Group were secured by certain property with net book value of approximately HK\$98,719,000 (31 December 2010: approximately HK\$97,891,000) and certain leasehold land and land use rights with net book value of approximately HK\$61,060,000 (31 December 2010: approximately HK\$60,429,000) of the Group.

資產抵押

於二零一一年六月三十日，本集團的短期借款以本集團帳面淨值約港幣98,719,000元(二零一零年十二月三十一日：約港幣97,891,000元)之若干物業以及帳面淨值約港幣61,060,000元(二零一零年十二月三十一日：約港幣60,429,000元)之若干租賃土地及土地使用權作為抵押。

Contingent Liabilities

Save for the financial guarantees given by the Group as disclosed below, as at 30 June 2011, the Group did not have any material contingent liabilities.

或然負債

除下述本集團提供的融資擔保外，本集團於二零一一年六月三十日並無任何重大或然負債。

Financial Guarantees

As at 30 June 2011, the Group has given guarantee to banks in respect of the banking facilities extended to the associates of the Group of approximately HK\$545,334,000 (31 December 2010: approximately HK\$532,965,000). As at 30 June 2011, bank loans of approximately HK\$438,312,000 (31 December 2010: approximately HK\$304,971,000) being guaranteed by the Group to associates have been drawn down.

融資擔保

於二零一一年六月三十日，本集團為銀行向聯營公司提供銀行融資作出約港幣545,334,000元擔保(二零一零年十二月三十一日：約港幣532,965,000元)。於二零一一年六月三十日，本集團所擔保的聯營公司銀行貸款約港幣438,312,000元(二零一零年十二月三十一日：約港幣304,971,000元)已被提取。

Capital Expenditure

For the six months ended 30 June 2011, the Group has invested approximately HK\$242,613,000 (For the year ended 31 December 2010: approximately HK\$270,966,000) in the addition of property, plant and equipment, leasehold land and land use rights.

資本開支

於截至二零一一年六月三十日止六個月內，本集團投資約港幣242,613,000元(於截至二零一零年十二月三十一日止年內：約港幣270,966,000元)，作添置物業、廠房及設備以及租賃土地及土地使用權之用。

Derivative Financial Instruments

As at 30 June 2011, the Group's outstanding derivative financial instrument assets and liabilities under various copper and aluminium future contracts and foreign exchange forward contracts amounted to approximately HK\$1,848,000 and HK\$810,000 respectively (31 December 2010: derivative financial instrument assets of approximately HK\$25,922,000).

衍生金融工具

於二零一一年六月三十日，本集團訂立若干銅及鋁期貨合約及外匯遠期合約，未到期衍生金融工具資產及負債分別約港幣1,848,000元及港幣810,000元(二零一零年十二月三十一日：衍生金融工具資產約港幣25,922,000元)。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Exposure to Exchange Rate Fluctuations

During the six months ended 30 June 2011, approximately 20% of the Group's turnover was derived from export trading settled in Euro and US dollars. In the meantime, the Group has also imported raw materials from the suppliers which were paid in Euro and US dollars for settlement. As a result, foreign exchange risks associated with these currencies were partially offset. On the other hand, the Group has made arrangements to purchase foreign exchange forward contracts to hedge against foreign exchange exposure arising from export trading. The Group has strengthened its control over the risk of exchange rate fluctuation, and will review from time to time the sufficiency and appropriateness of the financial instruments which were currently used to hedge significant foreign currency risks.

Capital Commitments

As at 30 June 2011, the Group has contracted capital commitments in respect of the purchase of property, plant, equipment, leasehold land and land use rights amounting to approximately HK\$118,772,000 (31 December 2010: approximately HK\$139,757,000).

Consolidation of Shares of the Company

On 15 April 2011, the Company announced the proposed share consolidation on the basis that every five issued and unissued shares of HK\$0.1 each in the share capital of the Company would be consolidated into one consolidated share of HK\$0.5 each (the "Share Consolidation"). The ordinary resolution approving the Share Consolidation was duly passed by the shareholders of the Company at the extraordinary general meeting held on 26 May 2011 and the Share Consolidation became effective on 27 May 2011. Details of the Share Consolidation were set out in the Company's circular dated 11 May 2011.

管理層討論與分析(續)

匯率波動風險

於截至二零一一年六月三十日止六個月內，本集團營業額中約佔20%來自外銷之出口貿易，交易以歐元及美元結算，與此同時，本集團亦有進口原材料是以歐元及美元向供應商付款，因此，由該等外幣引起的匯兌風險彼此能作部分抵銷。另一方面，本集團已安排為部分出口貿易購買遠期外匯合約，以對沖所產生的匯兌風險。本集團已加強了對外匯匯率波動的監控，並不時檢討現時所使用以對沖重大外幣風險之金融工具是否足夠及適當。

資本承諾

於二零一一年六月三十日，本集團就購買物業、廠房及設備以及租賃土地及土地使用權已訂約的資本承擔約港幣118,772,000元(二零一零年十二月三十一日：約港幣139,757,000元)。

股份合併

於二零一一年四月十五日，本公司宣佈建議按本公司股本中每五股每股面值港幣0.1元已發行及未發行股份合併為一股每股面值港幣0.5元合併股份的股份合併(「股份合併」)。就批准股份合併的普通決議案獲本公司股東於二零一一年五月二十六日召開的股東特別大會正式通過，而股份合併已於二零一一年五月二十七日生效。股份合併詳情載於本公司於二零一一年五月十一日刊發的通函。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Human Resources

As at 30 June 2011, the Group had approximately 14,680 full time employees in Hong Kong and in the PRC. While the Company was supported by a team of young and highly competent staff, it does not ignore the importance of the development, management and future planning of its human resources. With the use of open recruitment, job rotation, internal promotion and professional training for the recruitment, deployment and nurture of employees, it is intended to ensure the selection and deployment of employees to be carried out in an open, fair and equitable manner. Besides, it could also provide staff with a platform for their further promotion and development. Through the implementation of comprehensive human resources management, it is aimed at achieving the objectives of enhancing employees contributions to the Group and shaping the Group's strategic advantages in human resources.

The Group has adopted a share option scheme for employees as an incentive to motivate employees by linking their interests to the future development and expansion of the Group. The Group currently provides staff with competitive remuneration packages (comprising salary, bonus and benefits in kind), adequate insurance cover (including pension, medical insurance, unemployment compensation insurance, work injury compensation insurance and maternity insurance) and housing provident fund. In addition, the Group also provides its staff with other benefits including on-the-job training, meal subsidy, housing subsidy, cooperative medical scheme services, support fund and recreational activities etc.

Business Prospect

Looking ahead to the second half of 2011, with the direction of PRC macroeconomic adjustments held constant, a slowdown in GDP growth is undoubted. The economic growth driver will further shift from extensively policy-driven towards organic, heading for "soft landing". In the long run, price uplift for raw materials and increase in staff costs will continue, further accelerating manufacturing companies to change their development approach by adjusting product mix and expanding the proportion of high-tech and high value-added products. In addition, the foundation for growth in overseas demand is shaky, while uncertainties remain as to whether economies of developed countries will grow. Over-reliance on export for growth involves higher risks. Therefore, the Group, under the guidelines of PRC government policies, prospectively planned to expedite process of adjusting product mix and facilitate the launch of strategic products. Meanwhile, we will adjust sales composition in response to demand changes, ensuring to achieve our annual target.

管理層討論與分析(續)

人力資源

於二零一一年六月三十日，本集團於香港及國內共聘用約14,680名全職僱員。公司擁有一支年輕、優秀的員工隊伍，同時亦充分重視人力資源開發、管理及發展規劃，通過公開招聘、崗位輪換、內部升遷、專業培訓等用人、育人機制，以期通過公開、公平、公正的選才、用才機制，為公司員工提供了一個晉升、發展的平台，通過完善的人力資源管理，提高僱員對本集團的貢獻，使本集團具備戰略性的人力資源優勢。

本集團採用購股權計劃，用以鼓勵員工為本集團之未來發展及擴展出力。本集團目前為員工提供具競爭力的薪酬(含崗位工資、獎金及福利)、保險(含養老保險、醫療保險、失業保險、工傷保險和生育保險)及住房公積金。另外集團為員工提供其他福利，包括在職學歷教育、膳食補助、住房補貼、員工合作醫療、扶助基金、團隊活動等。

業務展望

展望全年，在國家宏觀調控政策取向不變的前提下，GDP增長放緩趨勢已成定局，經濟增長將會進一步從依靠政策刺激的粗放式增長向自主增長轉型，實現經濟增長「軟著陸」。但長期來看，原材料價格及人工成本依舊呈現上漲趨勢，成本壓力將進一步推動制造型企業加快轉變發展方式，大力調整產品結構，增加高技術含量及高附加值的產品比重。此外，外需增長基礎仍然不牢固，發達經濟體經濟增長變數仍很多，過度依靠出口帶動規模增長的風險較大。因此，本集團會在國家政策指引下，前瞻性考慮加快產品結構調整，促進戰略產品快速上量，提前佈局；另一方面，根據需求變化調整產品銷售佈局，確保全年目標的實現。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Given the impacts of the expiration of the policy of "Subsidy for Energy Efficient Appliances", overall sales volume of air-conditioner are expected to be dragged down in the short run, but will be back on the growth track in the long run, in particular variable-frequency air-conditioner is entering into its stage of rapid growth. Additionally, low in air-conditioner penetration in rural areas, strong demand for replacement in urban areas, construction projects and construction of low-income housing units will be the foundation of air-conditioner sector for rapid development. In the second half of the year, peak season for washing machine sector is approaching and another round of growth is expected while the inventory being digested. After taking into account of the seasonal demand pattern of our products, the Group will continue moderately expand production capacity, strive for increase in profitability, consolidate market share and maintain our leading position in the industry.

In addition to the on-going operations of the core traditional products of micro motor division, we will continue to expand our market share, further realize potentials, maximize production efficiency, enhance level of automation of our facilities in a diligent manner so as to strengthen the development of micro motors business. Production scale of refrigerator compressor motors continues to grow with expanding market share, shifting to become one of our core products. Our commercial air-conditioning motors will benefit from synergies arising from respective strengths of our production facilities in Changzhou and Shunde. By accelerating our input of investments, we target that our further expansion in the domestic market will form a solid foundation for us to aim at achieving further development and expansion in overseas markets so as to increase the overall gross margin. Further investment will be put into the development of direct current motors to expedite customer expansion, shorten new product development time and gain first-mover advantages. Our cooperation with Sanyo Denki Co., Ltd. will be reinforced to achieve mass production of servo motors and gradually develop these products with proprietary technology. Also, in response to the expansion of our businesses, we will continue to optimize internal organization structure and attract core strategic talents. Meanwhile, we will continue to pursue cooperation with external enterprises and enhance our brand recognition.

管理層討論與分析(續)

受空調節能補貼政策退出影響，預計空調整體銷量會受到短期衝擊，但長期增長形勢依舊向好，尤其是變頻空調將會步入快速增長軌道；農村市場空調保有量還很低，城市居民對產品更新的需求仍很大，工程建設及保障房建設等等都將成為支持空調市場快速發展的基礎。洗衣機行業下半年迎接旺季，待庫存消化完後將迎來新一輪增長。本集團會繼續把握產品季節週期因素變化，適度擴充產能，提升產品盈利空間，鞏固市場份額，保持行業的領導地位。

微電機業務將繼續經營好家用空調電機傳統產品，繼續提升市場份額，深挖潛能，提高生產效率，加快提升設備自動化水平，精耕細作，穩固支撐事業部的發展；冰壓機電機將繼續上規模，擴大市場份額，逐漸成為事業部的支柱產品；商用空調電機產品將整合常州、順德基地各發展優勢，加快投入，以內銷做大為基礎，再全面拓展海外市場，提升整體毛利率；直流電機將繼續加大投入，加快客戶拓展步伐，縮短新品開發週期，搶佔市場先機。伺服電機將繼續加強與日本山洋電器的合作，實現產品快速上量等，並逐步發展擁有自主技術的產品。另外，為應對事業部發展壯大的局面，將會繼續優化內部組織架構，加大核心戰略人才引進力度；繼續開展對外合作，提高產品知名度。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

As peak season of washing motors for a year is approaching in the second half of 2011, we studied in depth for the needs of our major customers and prepared earlier to fulfill their requirements. To speed up strategic cooperation with major customers to ensure the market share of our traditional products, such as series motors, wave-wheel motors and dishwasher pumps, being maintained. Moreover, we will further strengthen our position in domestic market and further develop the European and American markets. Mergers and acquisitions will also be considered at appropriate time. With the rise in per capita income and improvement in living standard in China, there is enormous room for growth of small home appliances in domestic market. Therefore, more resources and investments will be put into the development of strategic products. To keep emphasize our strengths in research and development and marketing as business focus for small home appliances. Besides, we will further enhance our efforts on market expansion, broadening customer base and accelerate the progress to mass production. We will further develop high-tech and high value-added products, such as direct current motors, three-phase converter motors and brushless direct current motors (BLDC motors) for direct current dish-washer. Our research and development centre in Shanghai will be responsible for the development of new products, with a view to shortening time period for product and technology development, forming new profit drivers by new products launch. In addition, we will continue to strengthen internal management, enhance lean production management and cost reductions measures to maximize production efficiency and profitability. It is intended to further enhance level of operations of our existing products and specialization in operations. By implementing reforms that shift our development approach and facilitating strategic transformation, we aim at shifting our growth driver from extensively policy-driven towards organic with strong competitiveness.

管理層討論與分析(續)

洗滌電機業務將抓住下半年洗衣機行業旺季的慣例，深度瞭解主要客戶需求狀況，提前佈局，加快推進與主要客戶的戰略合作，確保串激電機、波輪電機及洗碗機電泵等傳統產品應有的市場份額，繼續強化國內市場地位及開拓歐美市場，並適時進行兼併收購。國內小家電產品市場隨著人均收入增加及生活質素改善，將有強大增長潛力空間，因此我們會繼續加大對戰略產品的資源投入，小家電電機方面將會繼續兼顧研發和市場兩個經營重點，加強市場開拓力度，擴大客戶層面，加快上量；加強開拓較高技術含量及附加價值的直流電機、三相變頻電機及用於直流洗碗機的無刷直流電機(BLDC電機)等。而新產品的開發將依託上海研發中心縮短產品及技術研發週期，快速將新開發產品打入市場形成新利潤增長點。此外，繼續強化企業內部管理提升工作，繼續推進精益生產管理和降成本工作，提升生產效率和盈利能力；進一步提升現有產品深度運作水平，專業化運作，通過一系列改革措施轉變發展方式，推動戰略轉型，使公司從粗放式增長轉變為內涵式增長且具備強大競爭力的企業。

SHARE OPTION SCHEME

The Company adopted a share option scheme as approved by the shareholders of the Company at an extraordinary general meeting held on 27 June 2003 (the "Share Option Scheme").

The purpose of the Share Option Scheme is for the Company to attract, retain and motivate talented participants to strive for future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants. Eligible participants of the Share Option Scheme include the Directors (including executive Directors and non-executive Directors) or employees of the Group, consultants or advisors of the Group, substantial shareholders or employees of substantial shareholders of the Company, associates of Directors or chief executives or substantial shareholders of the Company, employees or directors of suppliers or customers of the Group, discretionary objects of a discretionary trust established by employees or directors of the Group, as to be determined by the board at its absolute discretion within the above categories.

The maximum numbers of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Company must not in aggregate exceed 30% of the shares in issue from time to time. The total number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares of the Company in issue as at the date of adoption of the Share Option Scheme, but the Company may seek approval of its shareholders in general meeting to refresh the 10% limit under the Share Option Scheme.

The total number of shares issued and to be issued upon exercise of the share options granted under the Share Option Scheme and any other share option schemes of the Company to each participant in any 12-month period up to the date of grant must not exceed 1% of the shares of the Company in issue at the date of grant. Any further grant of share options in excess of such limit is subject to the approval of shareholders in general meeting of the Company.

購股權計劃

本公司採納經由本公司股東於二零零三年六月二十七日舉行之股東特別大會上批准之購股權計劃（「購股權計劃」）。

購股權計劃之目的，是讓本公司吸引、挽留及激勵有才幹之參與者為本集團之未來發展及擴展積極努力，並使本公司能以更靈活之方式向參與者提供獎勵、獎賞、酬勞、報酬及／或福利。購股權計劃之合資格參與者包括本集團之董事（包括執行董事及非執行董事）或僱員、本集團之顧問或專業諮詢人士、本公司之主要股東或其僱員、本公司之董事、最高行政人員或主要股東之任何聯繫人、本集團供應商或客戶之僱員或董事、本集團僱員或董事所設立之全權信託之任何全權受益人（由董事會在上述人士中全權酌情決定）。

購股權計劃及本公司採納之任何其他購股權計劃項下所有授出但尚未行使之購股權獲行使時，可予發行之最高股份數目合共不得超過本公司當時已發行股份之30%。購股權計劃及本公司任何其他購股權計劃項下所有將予授出之購股權獲行使時，可予發行之股份總數合共不得超過本公司於購股權採納日期已發行股份之10%，惟本公司可於股東大會上尋求股東批准，以更新購股權計劃下之10%限額。

於截至授出日期止任何十二個月期間，根據購股權計劃及本公司之任何其他購股權計劃授出之購股權獲行使時，已發行及將發行予每名參與者之股份總數不得超過本公司於授出日期已發行股份之1%。進一步授出超過此限額之購股權須經股東於本公司股東大會上批准。

SHARE OPTION SCHEME (Continued)

Share options granted under the Share Option Scheme to Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is also the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of such grant, are subject to shareholders' approval in general meeting of the Company.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors and ends on a date which is not later than 10 years from the date of the offer of the share options.

The exercise price of the share options will be at least the highest of (i) the closing price of the Company's shares as stated in daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer for grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for grant, which must be a business day; and (iii) the nominal value of the Company's share.

On 30 July 2007, 9,500,000 share options were granted to certain Directors and employees at an exercise price of HK\$0.78 per share. The share options were exercisable immediately on the date of grant and will expire on 29 July 2017.

Pursuant to an ordinary resolution passed by the shareholders of the Company at an extraordinary general meeting held on 9 December 2008, the 10% limit under the Share Option Scheme was refreshed ("Refreshment"). Upon the approval of the Refreshment, a maximum of 1,347,931,411 shares of the Company being 10% of the issued share capital of the Company as at the date of approval of the Refreshment, may be issued upon exercise of the share options to be granted under the Share Option Scheme and all other share option schemes of the Company.

購股權計劃(續)

根據購股權計劃向本公司董事、最高行政人員或主要股東或彼等任何聯繫人授出之購股權，須獲本公司獨立非執行董事(不包括身為購股權承授人之任何獨立非執行董事)批准。此外，於截至授出日期(包括該日)止任何十二個月期間，向本公司主要股東或獨立非執行董事或彼等任何聯繫人授出之任何購股權，倘若超過本公司於任何時間已發行股份之0.1%，或總值(根據本公司於各授出日期之股份收市價計算)超過港幣5,000,000元，則須經股東於本公司股東大會上批准。

承授人可於授出購股權當日起計28日內，支付象徵式代價港幣1元接納有關購股權。購股權之行使期可由董事釐定，由授出購股權當日起計10年內到期。

購股權之行使價將不低於下列之最高者(i)於授出購股權日期(該日必須為營業日)，本公司股份在香港聯合交易所有限公司(「聯交所」)每日報價表中所列之收市價；(ii)緊接授出購股權日期(該日必須為營業日)前五個營業日，本公司股份於聯交所每日報價表中所列之平均收市價；及(iii)本公司股份之面值。

於二零零七年七月三十日，若干董事及僱員獲授9,500,000份購股權，行使價為每股港幣0.78元。該等購股權於授出當日起即可行使，並將於二零一七年七月二十九日到期。

根據本公司股東於二零零八年十二月九日舉行之股東特別大會上通過之普通決議案，購股權計劃項下之10%限額已獲更新(「更新」)。批准更新後，本公司可於根據購股權計劃及本公司所有其他購股權計劃授出之購股權獲行使後，發行最高達1,347,931,411股本公司股份，即批准更新當日本公司已發行股本之10%。

SHARE OPTION SCHEME (Continued)

On 9 January 2009, 375,000,000 share options were granted to certain Directors and employees at an exercise price of HK\$0.157 per share subject to a vesting scale in four tranches of 25% each and the achievement of the Company's performance target as set out in the note below and these options will expire on 31 March 2017.

On 27 May 2011, the Company implemented a share consolidation on the basis that every five issued and unissued shares of HK\$0.1 each in the share capital of the Company were consolidated into one share of HK\$0.5 each ("Share Consolidation"). As a result, the exercise price and the number of outstanding share options granted under the Share Option Scheme were adjusted to reflect the effect of the Share Consolidation on 27 May 2011. As at 30 June 2011, 63,000,000 share options granted to certain Directors of the Company and employees of the Group were outstanding, details of which are set out in the table below.

No share options were cancelled, lapsed, exercised or granted during the six months ended 30 June 2011.

購股權計劃(續)

於二零零九年一月九日，若干董事及僱員獲授 375,000,000份購股權，行使價為每股港幣0.157元，惟需按四期各25%比例歸屬及達至本公司之表現目標(載於下文附註)，而該等購股權將於二零一七年三月三十一日到期。

於二零一一年五月二十七日，本公司實施股份合併，基準為每五股本公司股本中每股面值港幣0.1元之已發行及未發行股份合併為一股每股面值港幣0.5元之合併股份(「股份合併」)。因此，根據購股權計劃授出而尚未行使之購股權之行使價及數目已予以調整，以反映於二零一一年五月二十七日生效之股份合併之影響。於二零一一年六月三十日，本公司若干董事及本集團僱員獲授 63,000,000份購股權尚未行使，詳情載於下表。

截至二零一一年六月三十日止六個月並無註銷、失效、行使或授出購股權。

SHARE OPTION SCHEME (Continued)

購股權計劃(續)

Movements of the share options granted under the Share Option Scheme during the six months ended 30 June 2011 were as follows:

於截至二零一一年六月三十日止六個月內，根據購股權計劃授出之購股權變動如下：

Name	Date of grant	Options held at 1 January 2011 於二零一一年 一月一日持有 之購股權	Adjustment made during the period 期內所作調整 (Note b) (附註b)	Options held at 30 June 2011 於二零一一年六 月三十日持有之 購股權	Exercise price per option 每份購股權 行使價 HK\$ 港幣 (Note b) (附註b)	Exercisable period 可行使期限
Directors						
董事						
Mr. Cai Qiwu 蔡其武先生	09/01/2009	68,000,000	(54,400,000)	13,600,000	0.785	01/04/2010–31/03/2017 (Note a) (附註a)
Mr. Jiang Deqing 姜德清先生	09/01/2009	36,000,000	(28,800,000)	7,200,000	0.785	01/04/2010- 31/03/2017 (Note a) (附註a)
Mr. Qu Fei 瞿飛先生	09/01/2009	22,000,000	(17,600,000)	4,400,000	0.785	01/04/2010–31/03/2017 (Note a) (附註a)
Mr. Lam Ming Yung 林明勇先生	30/07/2007 09/01/2009	2,000,000 5,000,000	(1,600,000) (4,000,000)	400,000 1,000,000	3.900 0.785	30/07/2007–29/07/2017 01/04/2010–31/03/2017 (Note a) (附註a)
Ms. Chen Chunhua 陳春花女士	30/07/2007 09/01/2009	2,000,000 5,000,000	(1,600,000) (4,000,000)	400,000 1,000,000	3.900 0.785	30/07/2007–29/07/2017 01/04/2010–31/03/2017 (Note a) (附註a)
Mr. Gao Fazhong (resigned on 15 March 2011) 鄒發忠先生 (於二零一一年三月十五日辭任)	09/01/2009	25,000,000	(20,000,000)	5,000,000	0.785	01/04/2010–31/03/2017 (Note a) (附註a)
Employees						
In aggregate 僱員合共	30/07/2007 09/01/2009	3,500,000 146,500,000	(2,800,000) (117,200,000)	700,000 29,300,000	3.900 0.785	30/07/2007–29/07/2017 01/04/2010–31/03/2017 (Note a) (附註a)
Total 合計		315,000,000	(252,000,000)	63,000,000		

SHARE OPTION SCHEME (Continued)

Notes :

(a) The consideration for each of the grants above was HK\$1. The options granted on 9 January 2009 shall be exercisable during the option period subject to a vesting scale in four tranches of 25% each and the achievement of the performance target of the net profit attributable to the owners of the Company of the relevant period as set out below:

1. the first 25% of the options granted to each grantee shall be exercisable within seven years after 31 March 2010 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2009 as disclosed in the final results announcement of the Company is not less than 100% of the net profit attributable to the owners of the Company for the financial year ended 31 December 2008 (excluding the results from discontinued business) ("Net Profit of 2008");
2. the second 25% of the options granted to each grantee shall be exercisable within six years after 31 March 2011 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2010 as disclosed in the final results announcement of the Company is not less than 150% of the Net Profit of 2008;
3. the third 25% of the options granted to each grantee shall be exercisable within five years after 31 March 2012 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2011 as disclosed in the final results announcement of the Company is not less than 200% of the Net Profit of 2008; and
4. the remaining 25% of the options granted to each grantee shall be exercisable within four years after 31 March 2013 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2012 as disclosed in the final results announcement of the Company is not less than 280% of the Net Profit of 2008.

(b) Adjustments were made to the number of outstanding share options and the exercise price upon the Share Consolidation becoming effective on 27 May 2011. Details of the Share Consolidation and the adjustments to the share options were set out in the Company's circular dated 11 May 2011 and announcement dated 26 May 2011.

購股權計劃(續)

附註：

(a) 上述授出購股權之代價為港幣1元。於二零零九年一月九日授出之購股權可於購股權期間行使，惟需按下列四期各25%比例歸屬及達至有關期間本公司擁有人應佔純利之表現目標：

1. 首25%授予各承授人之購股權可於二零一零年三月三十一日以後七年內行使，惟需根據本公司全年業績公佈所披露截至二零零九年十二月三十一日止財政年度本公司擁有人應佔純利不少於截至二零零八年十二月三十一日止財政年度本公司擁有人應佔純利(不包括來自已終止經營業務之業績)(「二零零八年純利」)之100%；
2. 次25%授予各承授人之購股權可於二零一一年三月三十一日以後六年內行使，惟需根據本公司全年業績公佈所披露截至二零一零年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之150%；
3. 第三個25%授予各承授人之購股權可於二零一二年三月三十一日以後五年內行使，惟需根據本公司全年業績公佈所披露截至二零一一年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之200%；及
4. 餘下25%授予各承授人之購股權可於二零一三年三月三十一日以後四年內行使，惟需根據本公司全年業績公佈所披露截至二零一二年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之280%。

(b) 尚未行使購股權數目及行使價在股份合併於二零一一年五月二十七日開始生效時作出調整。股份合併及調整購股權的詳情載於本公司於二零一一年五月十一日刊發之通函及於二零一一年五月二十六日刊發之公告。

SHARE OPTION SCHEME (Continued)

購股權計劃(續)

The fair value of the options are determined used the “Binomial Valuation model” (the “Model”). Key assumptions of the Model are set out below:

購股權之公平值採用「二項式估值模型(「該模型」)釐定。該模型所採用之主要假設載列如下：

Date of Grant:	授出日期：	9 January 2009 二零零九年 一月九日	30 July 2007 二零零七年 七月三十日
Risk-free rate:	無風險利率：	1.299%	4.13%
Expected dividend yield:	預期股息率：	3%	0%
Expected volatility of the market price of the Company's shares:	本公司股份市價預期波幅：	52.34%	65.38%
Expected option life:	預期購股權期限：	8.2 years年	5.23 years年
Fair value as at the date of grant (approximately):	授出日期之公平值(約數)：	HK\$港幣 25,229,000元	HK\$港幣 3,453,000元

The Model requires the input of subjective assumptions, including the volatility of share price. As changes in subjective input assumptions can materially affect the fair value estimate, in the Directors' opinion, the Model does not necessarily provide a reliable single measure of the fair value of share options.

該模型包括股價波幅等主觀假設成份。由於主觀假設之變更會嚴重影響估計公平值，故董事認為，該模型未必能為購股權公平值提供可靠之單一計算方法。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN EQUITY AND DEBT SECURITIES

As at 30 June 2011, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), Chapter 571 of the laws of Hong Kong), as recorded in the register required to be kept by the Company under Section 352 of the SFO or which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Interests in share options of the Company (long position)

The interests of the Directors' rights to acquire shares of the Company under the Share Option Scheme are set out in detail in the above section of "Share Option Scheme".

Save as disclosed above, at no time during the six months ended 30 June 2011 was the Company, its subsidiaries, its associated corporations, its fellow subsidiaries or its holding company, a party to any arrangements to enable the Directors or the chief executive of the Company to acquire benefits by means of the acquisition of the shares in, or debentures of, the Company or its associated corporation (within the meaning of the SFO), or had exercised any such right during the period.

Other than those interests disclosed above, as at 30 June 2011, none of the Directors and the chief executive of the Company (including their spouses or children under the age of 18 years old) had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the SFO) which is required to be recorded and kept in the register in accordance with section 352 of the SFO, or notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及最高行政人員於股本證券或債務證券之權益

於二零一一年六月三十日，董事及本公司最高行政人員在本公司或其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有須記入本公司根據證券及期貨條例第352條所述而存置之登記冊之權益及淡倉，或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之權益及淡倉(包括根據證券及期貨條例有關條文該董事或最高行政人員擁有或被當作視為擁有之權益及淡倉)，及根據聯交所證券上市規則(「上市規則」)中上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

於本公司之購股權權益(好倉)

董事根據購股權計劃可認購本公司股份之權利詳載於上文「購股權計劃」一節。

除上文所披露者外，於截至二零一一年六月三十日止六個月內，本公司、其附屬公司、其相聯法團、其同系附屬公司或其控股公司概無參與任何安排，致使本公司董事或最高行政人員藉購入本公司或其相聯法團(定義見證券及期貨條例)之任何股份或債券而獲益，或於期內行使任何該等權利。

除上文所披露之權益外，於二零一一年六月三十日，董事及本公司最高行政人員(包括彼等之配偶或十八歲以下子女)並無擁有本公司或其相聯法團(定義見證券及期貨條例)之股份、相關股份或債券之任何權益或淡倉而須根據證券及期貨條例第352條記入及存置於登記冊內，或須根據標準守則知會本公司及聯交所。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

主要股東權益

As at 30 June 2011, the following persons, other than a Director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

根據證券及期貨條例第336條須存置之登記冊顯示，於二零一一年六月三十日，下列人士（董事或本公司最高行政人員除外）於本公司之股份及相關股份中擁有權益或淡倉：

Name of shareholder 股東姓名／名稱		Number of shares held 持有股份數目	Approximate percentage of shareholding 持股概約百分比
Midea Holding (Cayman Islands) Limited ("Midea (Cayman Islands)") (Note 1) 美的控股(開曼群島)有限公司(「美的(開曼群島)」)(附註1)	Long position 好倉	1,901,204,779	67.46%
Midea Investment Holding (BVI) Limited ("Midea Holding") (Note 2) 美的控股(BVI)有限公司(「美的控股」)(附註2)	Long position 好倉	1,901,204,779	67.46%
Midea Group Co., Ltd. ("Midea") (Note 3) 美的集團有限公司(「美的」)(附註3)	Long position 好倉	1,901,204,779	67.46%
Foshan Shunde Midea Investment Holding Co., Ltd. ("Shunde Midea") (Note 4) 佛山市順德區美的投資控股有限公司(「順德美的」)(附註4)	Long position 好倉	1,901,204,779	67.46%
Mr. He Xiangjian (Note 5) 何享健先生(附註5)	Long position 好倉	1,901,204,779	67.46%
Ms. Liang Fengchai (Note 6) 梁鳳釵女士(附註6)	Long position 好倉	1,901,204,779	67.46%

Notes:

附註：

- These 1,901,204,779 shares of the Company were registered in the name of and beneficially owned by Midea (Cayman Islands).
- Midea Holding was deemed to be interested in the 1,901,204,779 shares of the Company in which Midea (Cayman Islands) was interested by virtue of its holding 100% equity interest in Midea (Cayman Islands).
- Midea was deemed to be interested in the 1,901,204,779 shares of the Company in which Midea Holding was deemed to be interested by virtue of its holding 100% equity interest in Midea Holding.
- The registered capital of Midea is owned as to 84% by Shunde Midea. Accordingly, Shunde Midea was deemed to be interested in the 1,901,204,779 shares of the Company in which Midea was deemed to be interested by virtue of its holding 84% equity interest in Midea.
- The registered capital of Shunde Midea is owned as to 94.55% by Mr. He Xiangjian. Accordingly, Mr. He Xiangjian was deemed to be interested in the 1,901,204,779 shares of the Company in which Shunde Midea was deemed to be interested by virtue of his holding 94.55% equity interest in Shunde Midea.
- Ms. Liang Fengchai is the spouse of Mr. He Xiangjian and is therefore deemed to be interested in the 1,901,204,779 shares of the Company in which Mr. He Xiangjian was deemed to be interested.

- 美的(開曼群島)以其名義登記並實益擁有該等1,901,204,779股本公司股份。
- 美的控股藉持有美的(開曼群島)100%股權而被視為於美的(開曼群島)擁有權益之1,901,204,779股本公司股份中擁有權益。
- 美的藉持有美的控股100%股權而被視為於美的控股被視為擁有權益之1,901,204,779股本公司股份中擁有權益。
- 順德美的擁有美的註冊資本之84%。因此，順德美的藉持有美的84%股權而被視為於美的被視為擁有權益之1,901,204,779股本公司股份中擁有權益。
- 何享健先生擁有順德美的註冊資本之94.55%。因此，何享健先生藉持有順德美的94.55%股權而被視為於順德美的被視為擁有權益之1,901,204,779股本公司股份中擁有權益。
- 梁鳳釵女士為何享健先生之配偶，因此，被視為於何享健先生被視為擁有權益之1,901,204,779股本公司股份中擁有權益。

Save as disclosed above, as at 30 June 2011, the Company is not aware of any other person who has an interest or a short position in the shares or underlying shares of the Company which was required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register kept by the Company pursuant to Section 336 of the SFO.

除上文披露者外，於二零一一年六月三十日，本公司並不知悉任何其他人士於本公司股份或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分部知會本公司及記入本公司根據證券及期貨條例第336條須存置之登記冊內。

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2011, the aggregate amount of guarantees given for the loan facilities granted to the associates by the Group amounted to HK\$545,334,000 which exceeded 8% of the assets ratio as defined in Rule 14.07(1) of the Listing Rules. A pro-forma combined statement of financial position of the associates, in which the Group has a 49% equity interest, as at 30 June 2011 is presented below:

根據上市規則第13.22 條作出披露

於二零一一年六月三十日，本集團就聯營公司獲得貸款融資而提供之擔保合共總額為港幣545,334,000元，超過上市規則第14.07(1)條所界定資產比率之8%。於二零一一年六月三十日，該由本集團擁有49%股權的聯營公司之備考綜合財務狀況表呈列如下：

		Pro-forma combined statement of financial position	Group's attributable interest (49%)
		備考 綜合財務 狀況表	本集團 應佔權益 (49%)
		HK\$'000 港幣千元	HK\$'000 港幣千元
Non-current assets	非流動資產	445,522	218,306
Current assets	流動資產	1,265,727	620,206
Current liabilities	流動負債	(634,947)	(311,124)
Non-current liabilities	非流動負債	(568,181)	(278,408)
Net assets	資產淨額	508,121	248,980

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2011.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct of the Company for Directors' securities transactions. Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the Model Code throughout the six months ended 30 June 2011.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 June 2011, the Company had complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

AUDIT COMMITTEE

The Company established its Audit Committee on 5 August 1999 to be responsible for ensuring the integrity of the financial statements of the Group, reviewing the effectiveness of internal control and risk management system of the Group. All members of the Audit Committee are independent non-executive Directors, namely, Mr. Tan Jinsong (Chairman), Mr. Lam Ming Yung and Ms. Chen Chunhua. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2011 and agreed to the accounting policies and practices adopted by the Group.

購買、出售或贖回上市證券

於截至二零一一年六月三十日止六個月內，本公司或其任何附屬公司並無購買、出售或贖回任何本公司之上市證券。

遵守董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之標準守則，作為本公司董事進行證券交易之操守守則。經向董事作出特定查詢後，全體董事確認，彼等已於截至二零一一年六月三十日止六個月內一直遵守標準守則。

遵守企業管治常規守則

於截至二零一一年六月三十日止六個月內，本公司一直遵守上市規則附錄十四所載之企業管治常規守則之守則條文。

審核委員會

本公司於一九九九年八月五日成立審核委員會，負責確保本集團財務報表之完整性；檢討本集團內部監控及風險管理制度之成效。審核委員會所有成員均為獨立非執行董事，即譚勁松先生(主席)、林明勇先生及陳春花女士所組成。審核委員會已審閱本集團截至二零一一年六月三十日止六個月之未經審核中期業績，並同意本集團所採納之會計政策及常規。

REMUNERATION COMMITTEE

The Company established its remuneration committee (the "Remuneration Committee") on 22 September 2005 to be responsible for determining the remuneration of the executive Directors and senior management of the Company and making recommendation on the remuneration of the non-executive Directors to the Board. The Remuneration Committee comprises three independent non-executive Directors, namely, Ms. Chen Chunhua (Chairman), Mr. Tan Jinsong and Mr. Lam Ming Yung and two executive Directors, namely, Mr. Cai Qiwu and Mr. Zheng Weikang.

UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Mr. Gao Fazhong resigned as an executive Director, the Chief Financial Officer and a member of the Executive Committee of the Company on 15 March 2011. Mr. Chen Jianhong was appointed in place of Mr. Gao as an executive Director, the Chief Financial Officer and a member of the Executive Committee of the Company on 15 March 2011.

Grandhope Biotech Co., Ltd., of which Mr. Tan Jinsong is an independent director, has become a listed company on the ChiNext of the Shenzhen Stock Exchange with effect from 6 July 2011.

On behalf of the Board
Welling Holding Limited
Cai Qiwu
Chairman

Hong Kong, 31 August 2011

薪酬委員會

本公司於二零零五年九月二十二日成立薪酬委員會(「薪酬委員會」)，負責釐定本公司執行董事及高級管理人員之薪酬，並就非執行董事之薪酬向董事會提出推薦意見。薪酬委員會由三名獨立非執行董事包括陳春花女士(主席)、譚勁松先生及林明勇先生以及兩名執行董事蔡其武先生及鄭偉康先生所組成。

根據上市規則第13.51B(1)條更新董事資料

鄒發忠先生已於二零一一年三月十五日辭任本公司執行董事、首席財務官及行政委員會委員。陳建紅先生於二零一一年三月十五日獲委任接替鄒先生成為本公司執行董事、首席財務官及行政委員會委員。

譚勁松先生任獨立董事的廣東冠昊生物科技股份有限公司自二零一一年七月六日起於深圳證券交易所創業板市場上市。

代表董事會
威靈控股有限公司
主席
蔡其武

香港，二零一一年八月三十一日

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