

香港交易及結算所有限公司及香港聯合交易所有限公司對本公佈內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本公佈全部或任何部份內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。



NEW FOCUS AUTO TECH HOLDINGS LIMITED

新焦點汽車技術控股有限公司*

(于開曼群島註冊成立的有限公司)

(股份代號：360)

海外監管公告

本公告是由新焦點汽車技術控股有限公司（「本公司」）根據香港聯合交易所有限公司證券上市規則第13.09(2)條而作出。

以下所附是本公司依臺灣證券交易所股份有限公司規定於二零一一年四月二十一日在臺灣證券交易所股份有限公司網頁刊發的公告。

承董事會命
新焦點汽車技術控股有限公司
主席
洪偉弼

香港，二零一一年四月二十一日

於本公佈刊發日期，本公司董事會包括以下董事：執行董事－洪偉弼、吳冠宏、洪瑛蓮、陸元成、Douglas Charles Stuart FRESCO 及 Edward B. Matthew；非執行董事－羅小平及許明全；以及獨立非執行董事－杜海波、周太明及汪啓茂。

* 僅供識別

新焦點汽車技術控股有限公司及子公司

**民國 99 年及 98 年度
合併財務報表暨會計師複核報告**

**(上市之台灣存託憑證用外國公司財務報告)
(股票代碼 9106)**

新焦點汽車技術控股有限公司及子公司
民國 99 年及 98 年度合併財務報表暨會計師複核報告
(上市之台灣存託憑證用外國公司財務報告)
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附 件 一

會計師複核報告

新焦點汽車技術控股有限公司 公鑒：

新焦點汽車技術控股有限公司及子公司依據香港一般公認會計原則編製之民國 99 年及 98 年 12 月 31 日之綜合財務狀況報表，暨民國 99 年及 98 年 1 月 1 日至 12 月 31 日之綜合全面收入報表、綜合權益變動表及綜合現金流量表(金額以人民幣為單位)，上開財務報表業經香港立信德豪會計師事務所有限公司(BDO Limited)查核完竣，並分別於民國 100 年 3 月 30 日及民國 99 年 3 月 30 日出具無保留意見之查核報告(詳附件五)。隨附新焦點汽車技術控股有限公司及子公司民國 99 及 98 年度依新台幣換算之合併財務報表(詳附件二)暨合併財務報表之中譯本(詳附件四)，業經本會計師依照「募集與發行台灣存託憑證外國公司財務報告複核要點」，採行必要之複核程序予以複核竣事。由於本會計師並未依照中華民國一般公認審計準則查核，故無法對上開合併財務報表之整體是否允當表達表示意見。

如附件三所述，新焦點汽車技術控股有限公司及子公司因依香港一般公認會計原則及相關法令編製之合併財務報表格式與中華民國規定部分不同，是以新焦點汽車技術控股有限公司業已依據「募集與發行台灣存託憑證外國公司財務報告複核要點」、中華民國一般公認會計原則及相關法令予以調節，本會計師並據此複核其重編之合併資產負債表及合併損益表(詳附件三)。

依本會計師之複核結果，並未發現第一段所述新焦點汽車技術控股有限公司及子公司按新台幣換算之合併財務報表暨依中華民國一般公認會計原則重編後之合併資產負債表及合併損益表有違反「募集與發行台灣存託憑證外國公司財務報告複核要點」規定而需作大幅修正、調整或再補充揭露之情事。本會計師亦未發現第一段所述新焦點汽車技術控股有限公司及子公司合併財務報表之中譯本內容與原文有重大不符而需作修正之情事。

資 誠 聯 合 會 計 師 事 務 所

吳郁隆

會計師：

許文冠

前財政部證券暨期貨管理委員會

核准簽證文號：(86)台財證(六)第 83252 號

行政院金融監督管理委員會證券期貨局

核准簽證文號：金管證六字第 0950105016 號

中華民國 100 年 4 月 19 日

附 件 二

本公司及子公司原以人民幣編製之綜合財務報表，謹依規定匯率編製按新台幣換算之主要財務報表：

- 一、 綜合財務狀況報表。
- 二、 綜合全面收入報表。
- 三、 綜合權益變動表。
- 四、 綜合現金流量表。

民國 99 年度及民國 98 年度比較報表之所有科目金額，係分別以民國 99 年 12 月 31 日之人民幣對新台幣匯率(RMB\$1：NT\$4.4205)及民國 98 年 12 月 31 日之人民幣對新台幣匯率(RMB\$1：NT\$4.6858)換算。

最近三年度人民幣對新台幣匯率最高、最低及平均匯率如下：

	<u>月收盤平均最高</u>	<u>月收盤平均最低</u>	<u>月收盤平均</u>
民國 99 年度	RMB\$1：NT\$4.7428	RMB\$1：NT\$4.4953	RMB\$1：NT\$4.6561
民國 98 年度	RMB\$1：NT\$5.0209	RMB\$1：NT\$4.7254	RMB\$1：NT\$4.8365
民國 97 年度	RMB\$1：NT\$4.8463	RMB\$1：NT\$4.3239	RMB\$1：NT\$4.5395

新焦點汽車技術控股有限公司及子公司
綜合財務狀況報表
民國99年及98年12月31日

單位：仟元

	99年12月31日		98年12月31日	
	人民幣	新台幣	人民幣	新台幣
資產及負債				
非流動資產				
物業、機器及設備	\$ 201,176	\$ 889,299	\$ 169,656	\$ 794,974
租賃土地及土地使用權	18,182	80,374	18,676	87,512
投資物業	46,105	203,807	40,698	190,703
商譽	184,883	817,275	70,461	330,166
其他無形資產	256,252	1,132,762	21,719	101,771
遞延稅項資產	97	429	55	258
	<u>706,695</u>	<u>3,123,946</u>	<u>321,265</u>	<u>1,505,384</u>
流動資產				
存貨	234,462	1,036,439	144,477	676,990
應收貿易賬款	125,082	552,925	81,075	379,901
按金、預付款項及其他應收款項	82,233	363,511	54,670	256,173
應收一家關連公司款項	1,622	7,170	34	159
證券買賣	282	1,247	339	1,588
已抵押定期存款	120,826	534,111	2,563	12,010
現金及現金等值物	82,982	366,822	82,572	386,916
	<u>647,489</u>	<u>2,862,225</u>	<u>365,730</u>	<u>1,713,737</u>
流動負債				
已抵押銀行借款	250,514	1,107,397	14,042	65,798
應付貿易賬款	163,324	721,974	134,977	632,475
應計費用及其他應付款項	181,549	802,537	56,903	266,636
應付董事款項	16	71	61	286
應付一家附屬公司少數權益持有人款項	7,000	30,943	-	-
應課稅	6,639	29,348	2,135	10,004
	<u>609,042</u>	<u>2,692,270</u>	<u>208,118</u>	<u>975,199</u>
流動資產淨值	<u>38,447</u>	<u>169,955</u>	<u>157,612</u>	<u>738,538</u>
資產總值減流動負債	<u>745,142</u>	<u>3,293,901</u>	<u>478,877</u>	<u>2,243,922</u>
非流動負債				
已抵押銀行借款	12,773	56,463	28,370	132,936
遞延稅項負債	65,754	290,666	5,746	26,925
	<u>78,527</u>	<u>347,129</u>	<u>34,116</u>	<u>159,861</u>
資產淨值	<u>\$ 666,615</u>	<u>\$ 2,946,772</u>	<u>\$ 444,761</u>	<u>\$ 2,084,061</u>
資本及儲備				
股本	\$ 55,317	\$ 244,529	\$ 55,003	\$ 257,733
儲備	427,463	1,889,600	339,283	1,589,812
本公司擁有人應佔權益	482,780	2,134,129	394,286	1,847,545
非控制權益	183,835	812,643	50,475	236,516
權益總額	<u>\$ 666,615</u>	<u>\$ 2,946,772</u>	<u>\$ 444,761</u>	<u>\$ 2,084,061</u>

註：民國99年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國99年12月31日之匯率RMB 1 = NTD 4.4205換算。

民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1 = NTD 4.6858換算。

董事長：洪偉弼

經理人：洪偉弼

會計主管：洪瑛蓮

新焦點汽車技術控股有限公司及子公司
綜合全面收入報表
民國99年及98年1月1日至12月31日

單位：仟元
(除特別註明者外)

	99年度		98年度	
	人民幣	新台幣	人民幣	新台幣
營業額	\$ 1,076,842	\$ 4,760,180	\$ 642,349	\$ 3,009,919
銷售成本	(772,611)	(3,415,327)	(457,720)	(2,144,784)
毛利	304,231	1,344,853	184,629	865,135
可轉股債券衍生部分公平價值收益	-	-	409	1,916
其他收入及收益或虧損	20,544	90,815	8,799	41,230
分銷成本	(171,678)	(758,903)	(101,421)	(475,239)
行政開支	(85,781)	(379,195)	(57,870)	(271,167)
融資成本	(5,495)	(24,291)	(9,909)	(46,431)
除所得稅開支前溢利	61,821	273,279	24,637	115,444
所得稅開支	(14,183)	(62,696)	(7,496)	(35,125)
年度溢利	<u>\$ 47,638</u>	<u>\$ 210,583</u>	<u>\$ 17,141</u>	<u>\$ 80,319</u>
其他全面收入，扣除稅項：				
換算海外業務產生之匯兌差額	2,618	11,573	1,182	5,539
加：就出售一家附屬公司部分股本 權益對匯兌儲備作重新分類調整	-	-	724	3,393
物業重估收益	-	-	3,215	15,065
其他全面收入，扣除稅項：	<u>2,618</u>	<u>11,573</u>	<u>5,121</u>	<u>23,997</u>
年度全面收入總額	<u>50,256</u>	<u>222,156</u>	<u>22,262</u>	<u>104,316</u>
以下各項應佔年度溢利：				
本公司擁有人	\$ 34,129	\$ 150,867	\$ 11,533	\$ 54,041
非控制權益	13,509	59,716	5,608	26,278
	<u>\$ 47,638</u>	<u>\$ 210,583</u>	<u>\$ 17,141</u>	<u>\$ 80,319</u>
以下各項應佔年度全面收入總額				
本公司擁有人	\$ 36,219	\$ 160,106	\$ 16,480	\$ 77,222
非控制權益	14,037	62,050	5,782	27,093
	<u>\$ 50,256</u>	<u>\$ 222,156</u>	<u>\$ 22,262</u>	<u>\$ 104,315</u>
每股盈利：				
—基本	<u>人民幣6.18分</u>	<u>新台幣0.27元</u>	<u>人民幣2.45分</u>	<u>新台幣0.11元</u>
—攤薄	<u>人民幣6.12分</u>	<u>新台幣0.27元</u>	<u>人民幣2.43分</u>	<u>新台幣0.11元</u>

註：民國99年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國99年12月31日之匯率RMB 1 = NTD 4.4205換算。

民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1 = NTD 4.6858換算。

董事長：洪偉弼

經理人：洪偉弼

會計主管：洪瑛蓮

新焦點汽車技術控股有限公司及子公司
合併權益變動表
民國99年及98年1月1日至12月31日

	股本	股份溢價	法定儲備金	重組儲備	企業發展基金	其他，包括購股權 儲備及物業重估儲備	股本贖回儲備	匯兌儲備	保留溢利	本公司擁有人應佔	少數股東權益	總計
	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣
民國98年1月1日	\$ 47,354	\$ 100,851	\$ 26,893	\$ 2,738	\$ 2,756	\$ 2,472	\$ 23	(\$ 8,605)	\$ 78,348	\$ 252,830	\$ 33,540	\$ 286,370
年度溢利	-	-	-	-	-	-	-	-	11,533	11,533	5,608	17,141
年度其他全面收入	-	-	-	-	-	3,215	-	1,732	-	4,947	174	5,121
年度全面收入總額，扣除稅項	-	-	-	-	-	3,215	-	1,732	11,533	16,480	5,782	22,262
購股權失效	-	-	-	-	-	(89)	-	-	89	-	-	-
轉撥儲備	-	-	2,630	-	-	-	-	-	(2,630)	-	-	-
確認股本結算股份付款	-	-	-	-	-	302	-	-	-	302	-	302
發行股份	7,928	119,819	-	-	-	-	-	-	-	127,747	-	127,747
購回及註銷股份	(279)	(2,794)	-	-	-	-	279	-	(279)	(3,073)	-	(3,073)
一家附屬公司少數權益持有人注資	-	-	-	-	-	-	-	-	-	-	903	903
收購一家附屬公司產生	-	-	-	-	-	-	-	-	-	-	8,625	8,625
出售一家附屬公司部分股本權益產生	-	-	-	-	-	-	-	-	-	-	4,372	4,372
收購附屬公司額外權益	-	-	-	-	-	-	-	-	-	-	(2,638)	(2,638)
已付一家附屬公司少數權益持有人股息	-	-	-	-	-	-	-	-	-	-	(109)	(109)
民國98年12月31日	\$ 55,003	\$ 217,876	\$ 29,523	\$ 2,738	\$ 2,756	\$ 5,900	\$ 302	(\$ 6,873)	\$ 87,061	\$ 394,286	\$ 50,475	\$ 444,761
民國99年1月1日	\$ 55,003	\$ 217,876	\$ 29,523	\$ 2,738	\$ 2,756	\$ 5,900	\$ 302	(\$ 6,873)	\$ 87,061	\$ 394,286	\$ 50,475	\$ 444,761
年度溢利	-	-	-	-	-	-	-	-	34,129	34,129	13,509	47,638
年度其他全面收入	-	-	-	-	-	-	-	2,090	-	2,090	528	2,618
年度全面收入總額，扣除稅項	-	-	-	-	-	-	-	2,090	34,129	36,219	14,037	50,256
購股權失效	-	-	-	-	-	(274)	-	-	274	-	-	-
轉撥儲備	-	-	3,627	-	-	-	-	-	(3,627)	-	-	-
確認股本結算股份付款	-	-	-	-	-	204	-	-	-	204	-	204
發行代價	709	12,023	-	-	-	-	-	-	-	12,732	-	12,732
購回及註銷股份	(395)	(6,744)	-	-	-	-	395	-	(395)	(7,139)	-	(7,139)
一家附屬公司少數權益持有人注資	-	-	-	-	-	-	-	-	-	-	9,475	9,475
收購一家附屬公司產生	-	-	-	-	-	-	-	-	-	-	106,185	106,185
出售一家附屬公司部分股本權益產生	-	-	-	-	-	-	-	365	(3,687)	(3,322)	7,515	4,193
將發行固定數量的本公司股份償還的 應付代價	-	-	-	-	-	49,800	-	-	-	49,800	-	49,800
已付一家附屬公司少數權益持有人股息	-	-	-	-	-	-	-	-	-	-	(3,852)	(3,852)
民國99年12月31日	\$ 55,317	\$ 223,155	\$ 33,150	\$ 2,738	\$ 2,756	\$ 55,630	\$ 697	(\$ 4,418)	\$ 113,755	\$ 482,780	\$ 183,835	\$ 666,615

註：民國99年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國99年12月31日之匯率RMB 1= NTD 4.4205換算。

民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1= NTD 4.6858換算。

民國98年1月1日之股東權益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.8073換算。

董事長：洪偉弼

經理人：洪偉弼

會計主管：洪瑛蓮

新焦點汽車技術控股有限公司及子公司
合併權益變動表
民國99年及98年1月1日至12月31日

單位：仟元

	股本	股份溢價	法定儲備金	重組儲備	企業發展基金	其他，包括購股權 儲備及物業重估儲備	股本贖回儲備	匯兌儲備	保留溢利	本公司擁有人應佔	少數股東權益	總計
	新台幣	新台幣	新台幣	新台幣	新台幣	新台幣	新台幣	新台幣	新台幣	新台幣	新台幣	新台幣
民國98年1月1日	\$ 227,645	\$ 484,821	\$ 129,283	\$ 13,162	\$ 13,249	\$ 11,884	\$ 111	(\$ 41,368)	\$ 376,642	\$ 1,215,429	\$ 161,237	\$ 1,376,666
年度溢利	-	-	-	-	-	-	-	-	54,041	54,041	26,278	80,319
年度其他全面收入	-	-	-	-	-	15,065	-	8,116	-	23,181	815	23,996
年度全面收入總額，扣除稅項	-	-	-	-	-	15,065	-	8,116	54,041	77,222	27,093	104,315
購股權失效	-	-	-	-	-	(417)	-	-	417	-	-	-
轉撥儲備	-	-	12,324	-	-	-	-	-	(12,324)	-	-	-
確認股本結算股份付款	-	-	-	-	-	1,415	-	-	-	1,415	-	1,415
發行股份	37,149	561,448	-	-	-	-	-	-	-	598,597	-	598,597
購回及註銷股份	(1,307)	(13,092)	-	-	-	-	1,307	-	(1,307)	(14,399)	-	(14,399)
一家附屬公司少數權益持有人注資	-	-	-	-	-	-	-	-	-	-	4,231	4,231
收購一家附屬公司產生	-	-	-	-	-	-	-	-	-	-	40,417	40,417
出售一家附屬公司部分股本權益產生	-	-	-	-	-	-	-	-	-	-	20,486	20,486
收購附屬公司額外權益	-	-	-	-	-	-	-	-	-	-	(12,361)	(12,361)
已付一家附屬公司少數權益持有人股息	-	-	-	-	-	-	-	-	-	-	(511)	(511)
匯率調整數	(5,754)	(12,254)	(3,268)	(332)	(335)	(301)	(3)	1,047	(9,519)	(30,719)	(4,076)	(34,795)
民國98年12月31日	<u>\$ 257,733</u>	<u>\$ 1,020,923</u>	<u>\$ 138,339</u>	<u>\$ 12,830</u>	<u>\$ 12,914</u>	<u>\$ 27,646</u>	<u>\$ 1,415</u>	<u>(\$ 32,205)</u>	<u>\$ 407,950</u>	<u>\$ 1,847,545</u>	<u>\$ 236,516</u>	<u>\$ 2,084,061</u>
民國99年1月1日	\$ 257,733	\$ 1,020,923	\$ 138,339	\$ 12,830	\$ 12,914	\$ 27,646	\$ 1,415	(\$ 32,205)	\$ 407,950	\$ 1,847,545	\$ 236,516	\$ 2,084,061
年度溢利	-	-	-	-	-	-	-	-	150,867	150,867	59,717	210,584
年度其他全面收入	-	-	-	-	-	-	-	9,239	-	9,239	2,334	11,573
年度全面收入總額，扣除稅項	-	-	-	-	-	-	-	9,239	150,867	160,106	62,051	222,157
購股權失效	-	-	-	-	-	(1,211)	-	-	1,211	-	-	-
轉撥儲備	-	-	16,033	-	-	-	-	-	(16,033)	-	-	-
確認股本結算股份付款	-	-	-	-	-	902	-	-	-	902	-	902
發行代價	3,134	53,148	-	-	-	-	-	-	-	56,282	-	56,282
購回及註銷股份	(1,746)	(29,812)	-	-	-	-	1,746	-	(1,746)	(31,558)	-	(31,558)
一家附屬公司少數權益持有人注資	-	-	-	-	-	-	-	-	-	-	41,884	41,884
收購一家附屬公司產生	-	-	-	-	-	-	-	-	-	-	469,391	469,391
出售一家附屬公司部分股本權益產生	-	-	-	-	-	-	-	1,613	(16,298)	(14,685)	33,220	18,535
將發行固定數量的本公司股份償還的 應付代價	-	-	-	-	-	220,141	-	-	-	220,141	-	220,141
已付一家附屬公司少數權益持有人股息	-	-	-	-	-	-	-	-	-	-	(17,028)	(17,028)
匯率調整數	(14,592)	(57,802)	(7,832)	(727)	(731)	(1,566)	(80)	1,823	(23,097)	(104,604)	(13,391)	(117,995)
民國99年12月31日	<u>\$ 244,529</u>	<u>\$ 986,457</u>	<u>\$ 146,540</u>	<u>\$ 12,103</u>	<u>\$ 12,183</u>	<u>\$ 245,912</u>	<u>\$ 3,081</u>	<u>(\$ 19,530)</u>	<u>\$ 502,854</u>	<u>\$ 2,134,129</u>	<u>\$ 812,643</u>	<u>\$ 2,946,772</u>

註：民國99年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國99年12月31日之匯率RMB 1= NTD 4.4205換算。

民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1= NTD 4.6858換算。

民國98年1月1日之股東權益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.8073換算。

董事長：洪偉弼

經理人：洪偉弼

會計主管：洪瑛蓮

新焦點汽車技術控股有限公司及子公司
綜合現金流量表
民國99年及98年1月1日至12月31日

單位：仟元

	99年度		98年度	
	人民幣	新台幣	人民幣	新台幣
經營活動				
除所得稅開支前溢利	\$ 61,821	\$ 273,280	\$ 24,637	\$ 115,444
就以下各項調整：				
可轉股債券衍生部分公平價值收益	-	-	(409)	(1,916)
存貨減值/(撇銷撥回)	2,466	10,901	(92)	(431)
物業、機器及設備折舊	27,527	121,683	21,737	101,855
租賃土地及土地使用權攤銷	494	2,184	494	2,315
其他無形資產攤銷	309	1,366	133	623
應收貿易賬款呆賬額外撥備	3,045	13,460	1,450	6,794
按金、預付款項及其他應收款項額外減值	-	-	285	1,335
商譽減值	1,679	7,422	-	-
股本結算股份付款	204	902	302	1,415
銀行存款利息收入	(322)	(1,423)	(880)	(4,124)
保證訂金之隱含利息收入	(56)	(248)	(166)	(778)
贖回可轉股債券虧損淨額	-	-	5,126	24,019
出售一家附屬公司部分股本權益虧損	-	-	1,438	6,738
出售物業、機器及設備虧損	(83)	(367)	417	1,954
投資物業公平價值收益	(5,407)	(23,902)	(3,015)	(14,128)
收購一家附屬公司額外權益折讓	-	-	(2,638)	(12,361)
證券買賣公平價值虧損/(收益)	57	252	(112)	(525)
可轉股債券匯兌虧損	-	-	168	787
其他融資成本	5,495	24,291	9,741	45,644
營運資金變動前的經營現金流	97,229	429,801	58,616	274,660
存貨增加	(30,413)	(134,441)	(14,535)	(68,108)
應收貿易賬款增加	(21,762)	(96,199)	(3,616)	(16,944)
預付款項、按金及其他應收款項(增加)/減少	(13,954)	(61,684)	7,196	33,719
應收一家關聯公司款項(增加)/減少	(1,588)	(7,020)	282	1,321
應付貿易賬款(減少)/增加	(15,443)	(68,266)	20,858	97,736
應計費用及其他應付款項減少	(2,082)	(9,203)	(3,387)	(15,871)
匯率變動之影響	-	-	63	295
經營活動產生的現金	11,987	52,988	65,477	306,808
已付所得稅	(7,661)	(33,865)	(1,854)	(8,687)
已付利息	(5,495)	(24,290)	(5,980)	(28,021)
經營活動(使用)/產生的現金淨額	(1,169)	(5,167)	57,643	270,100

(續 次 頁)

新焦點汽車技術控股有限公司及子公司
綜合現金流量表(續)
民國99年及98年1月1日至12月31日

單位：仟元

	99年度		98年度	
	人民幣	新台幣	人民幣	新台幣
投資活動				
購置其他無形資產	(\$ 2,738)	(\$ 12,103)	\$ -	\$ -
購置物業、機器及設備	(52,165)	(230,595)	(40,655)	(190,501)
出售物業、機器及設備所得款項	2,474	10,935	369	1,729
收購附屬公司產生的現金流出淨額	(50,853)	(224,796)	(12,341)	(57,827)
出售一家附屬公司部分股本權益所得款項淨額	5,188	22,934	4,160	19,493
收購一家附屬公司所付額外現金代價	-	-	(2,544)	(11,921)
已收利息	322	1,423	880	4,124
投資活動使用的現金淨額	<u>(97,772)</u>	<u>(432,202)</u>	<u>(50,131)</u>	<u>(234,903)</u>
融資活動				
已抵押定期存款增加	(118,263)	(522,782)	(686)	(3,214)
一家附屬公司少數權益持有人注資	9,475	41,884	903	4,231
償還可轉股債券	-	-	(77,237)	(361,917)
新籌集銀行貸款所得款項	231,530	1,023,478	130,990	613,793
償還銀行貸款	(31,193)	(137,888)	(199,153)	(933,191)
償還董事款項	(45)	(199)	(389)	(1,823)
獲取一家附屬公司少數權益持有人貸款	1,550	6,852	-	-
償還一家附屬公司少數權益持有人貸款	(2,000)	(8,841)	-	-
發行股份所得款項	-	-	133,195	624,125
發行股份開支	-	-	(5,448)	(25,528)
購回股份	(7,139)	(31,558)	(3,073)	(14,399)
已付一家附屬公司少數權益持有人股息	(3,852)	(17,028)	(109)	(511)
融資活動產生/(使用)的現金淨額	<u>80,063</u>	<u>353,918</u>	<u>(21,007)</u>	<u>(98,434)</u>
現金及現金等值物減少淨額	(18,878)	(83,451)	(13,495)	(63,237)
年初之現金及現金等值物	82,560	386,860	95,726	460,184
匯率變動之影響	(466)	(2,060)	329	1,544
匯率調整數	-	(21,903)	-	(11,631)
年末之現金及現金等值物	<u>\$ 63,216</u>	<u>\$ 279,446</u>	<u>\$ 82,560</u>	<u>\$ 386,860</u>
現金及現金等值物結餘分析				
銀行存款及現金	\$ 82,982	\$ 366,822	\$ 82,572	\$ 386,916
銀行透支	(19,766)	(87,376)	(12)	(56)
	<u>\$ 63,216</u>	<u>\$ 279,446</u>	<u>\$ 82,560</u>	<u>\$ 386,860</u>

註：民國99年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國99年12月31日之匯率RMB 1 = NTD 4.4205換算。
民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1 = NTD 4.6858換算。

董事長：洪偉弼

經理人：洪偉弼

會計主管：洪瑛蓮

附 件 三

新焦點汽車技術控股有限公司及子公司
合併資產負債表
(依中華民國會計原則重編)
民國99年及98年12月31日

單位：新台幣仟元

資 產	99年12月31日			98年12月31日		
	依香港財務報告 準則編製金額(註2)	調節金額增(減)	依中華民國會計 原則編製金額	依香港財務報告 準則編製金額(註2)	調節金額增(減)	依中華民國會計 原則編製金額
流動資產						
現金及約當現金	\$ 366,822	\$ -	\$ 366,822	\$ 386,916	\$ -	\$ 386,916
公平價值變動列入損益之金融資產	1,247	-	1,247	1,588	-	1,588
應收帳款淨額	552,925	-	552,925	379,901	-	379,901
應收帳款-關係人	7,170	-	7,170	159	-	159
存貨淨額	1,036,439	-	1,036,439	676,990	-	676,990
預付款項及其他應收款	363,511	-	363,511	256,173	-	256,173
受限制資產	534,111	-	534,111	12,010	-	12,010
流動資產合計	2,862,225	-	2,862,225	1,713,737	-	1,713,737
固定資產淨額	889,299	9,137	898,436	794,974	10,453	805,427
無形資產						
商譽	817,275	248	817,523	330,166	12,745	342,911
商標權及特許經營合約	1,132,762	(501,751)	631,011	101,771	(30,003)	71,768
租賃土地及土地使用權	80,374	5,163	85,537	87,512	5,871	93,383
無形資產合計	2,030,411	(496,340)	1,534,071	519,449	(11,387)	508,062
其他資產						
出租資產	-	93,162	93,162	-	105,618	105,618
投資性不動產	203,807	(203,807)	-	190,703	(190,703)	-
遞延所得稅資產-非流動	429	-	429	258	-	258
其他資產合計	204,236	(110,645)	93,591	190,961	(85,085)	105,876
資產總計	\$ 5,986,171	(\$ 597,848)	\$ 5,388,323	\$ 3,219,121	(\$ 86,019)	\$ 3,133,102

(續 次 頁)

新焦點汽車控股股份有限公司及子公司
合併資產負債表
(依中華民國會計原則重編)
民國99年及98年12月31日

單位：新台幣仟元

	99年12月31日			98年12月31日		
	依香港財務報告 準則編製金額(註2)	調節金額增(減)	依中華民國會計 原則編製金額	依香港財務報告 準則編製金額(註2)	調節金額增(減)	依中華民國會計 原則編製金額
負債及股東權益						
流動負債						
短期借款	\$ -	\$ 1,101,806	\$ 1,101,806	\$ -	\$ 60,109	\$ 60,109
應付帳款	721,974	-	721,974	632,475	-	632,475
應付所得稅	29,348	-	29,348	10,004	-	10,004
應付費用及其他應付款項	802,537	-	802,537	266,636	-	266,636
其他應付款-關係人	31,014	-	31,014	286	-	286
一年內到期之長期負債	1,107,397	(1,101,806)	5,591	65,798	(60,109)	5,689
流動負債合計	2,692,270	-	2,692,270	975,199	-	975,199
長期負債						
長期借款	56,463	-	56,463	132,936	-	132,936
其他負債						
遞延所得稅負債-非流動	290,666	(144,344)	146,322	26,925	(19,779)	7,146
負債總計	3,039,399	(144,344)	2,895,055	1,135,060	(19,779)	1,115,281
股東權益						
股本	244,529	-	244,529	257,733	-	257,733
資本公積	1,259,736	(18,632)	1,241,104	1,075,728	(7,268)	1,068,460
法定盈餘公積	146,540	-	146,540	138,339	-	138,339
未分配盈餘	502,854	(58,559)	444,295	407,950	(34,971)	372,979
累積換算調整數	(19,530)	-	(19,530)	(32,205)	-	(32,205)
母公司股東權益合計	2,134,129	(77,191)	2,056,938	1,847,545	(42,239)	1,805,306
少數股東權益	812,643	(376,313)	436,330	236,516	(24,001)	212,515
股東權益總計	2,946,772	(453,504)	2,493,268	2,084,061	(66,240)	2,017,821
負債及股東權益總計	\$ 5,986,171	(\$ 597,848)	\$ 5,388,323	\$ 3,219,121	(\$ 86,019)	\$ 3,133,102

註1：民國99年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國99年12月31日之匯率RMB 1=NTD 4.4205換算。

民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1=NTD 4.6858換算。

註2：揭露之報表格式業已依中華民國一般公認會計原則之規定予以調整。

董事長：洪偉弼

經理人：洪偉弼

會計主管：洪瑛蓮

新焦點汽車技術控股有限公司及子公司
合併損益表
(依中華民國會計原則重編)
民國99年及98年1月1日至12月31日

單位：新台幣仟元
(除特別註明者外)

	99年度			98年度		
	依香港財務報告 準則編製金額(註2)	調節金額增(減)	依中華民國會計 原則編製金額	依香港財務報告 準則編製金額(註2)	調節金額增(減)	依中華民國會計 原則編製金額
營業收入	\$ 4,760,180	\$ -	\$ 4,760,180	\$ 3,009,919	\$ -	\$ 3,009,919
營業成本	(3,415,327)	(2,338)	(3,417,665)	(2,144,784)	(2,093)	(2,146,877)
營業毛利	1,344,853	(2,338)	1,342,515	865,135	(2,093)	863,042
其他收入	90,815	(90,815)	-	43,146	(43,146)	-
營業費用	(1,162,389)	44,006	(1,118,383)	(792,837)	42,547	(750,290)
營業淨利	273,279	(49,147)	224,132	115,444	(2,692)	112,752
營業外收入	-	66,909	66,909	-	61,724	61,724
營業外支出	-	(63,678)	(63,678)	-	(80,829)	(80,829)
繼續營業單位稅前淨利	273,279	(45,916)	227,363	115,444	(21,797)	93,647
所得稅費用	(62,696)	5,910	(56,786)	(35,125)	3,154	(31,971)
合併總損益	\$ 210,583	(\$ 40,006)	\$ 170,577	\$ 80,319	(\$ 18,643)	\$ 61,676
歸屬於：						
合併淨損益	\$ 150,867	(\$ 40,006)	\$ 110,861	\$ 54,041	(\$ 18,643)	\$ 35,398
少數股權淨損	59,716	-	59,716	26,278	-	26,278
	\$ 210,583	(\$ 40,006)	\$ 170,577	\$ 80,319	(\$ 18,643)	\$ 61,676
基本每股盈餘						
合併淨損益	0.27元	(0.07元)	0.20元	0.11元	(0.03元)	0.08元
稀釋每股盈餘						
合併淨損益	0.27元	(0.07元)	0.20元	0.11元	(0.04元)	0.07元

註1：民國99年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國99年12月31日之匯率RMB 1=NTD 4.4205換算。

民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1=NTD 4.6858換算。

註2：揭露之報表格式業已依中華民國一般公認會計原則之規定予以調整。

董事長：洪偉弼

經理人：洪偉弼

會計主管：洪瑛蓮

新焦點汽車技術控股有限公司及子公司
合併資產負債表及合併損益表重編說明
民國 99 年度及 98 年度
(除另予註明者外，金額係以新台幣仟元為單位)

一、合併財務報表重編原則

新焦點汽車技術控股有限公司及子公司(以下簡稱合併公司)如附件四所列之民國 99 年度及 98 年度財務報告，係包括新焦點汽車技術控股有限公司(以下簡稱本公司)及子公司之合併財務資訊。

合併公司民國 99 年度及 98 年度依香港法令及香港財務報告準則(以下簡稱香港一般公認會計原則)編製之合併資產負債表及合併損益表，因適用之會計原則與報表格式，與「證券發行人財務報告編製準則」及「中華民國財務會計準則」(以下簡稱中華民國一般公認會計原則)規定部分不同，爰依中華民國行政院金融監督管理委員會(原財政部證券暨期貨管理委員會)82 年 8 月 24 日(82)台財證(六)第 01972 號函「募集與發行台灣存託憑證外國公司財務報告複核要點」規定，就上述合併資產負債表及合併損益表依中華民國一般公認會計原則及報表格式予以重編(以下簡稱重編合併財務報表)。

惟因適用之會計原則不同對合併公司民國 99 年度及 98 年度合併損益表之損益影響金額，已達證券交易法施行細則第六條所訂應重編財務報表之標準，故上述重編合併財務報表已依中華民國一般公認會計原則規定之格式與分類將上述合併資產負債表及合併損益表予以重分類，並執行相關損益調整。

二、合併公司所適用之中華民國一般公認會計原則與香港財務報告準則之特定重大差異彙總說明

現行已發布生效之中華民國與香港一般公認會計原則在特定方面可能有重大差異；其中影響合併公司民國 99 年度及 98 年度合併資產負債表及合併損益表，進而影響重編合併財務報表之主要差異，彙總說明如下：

中 華 民 國 一 般 香 港 一 般 對 重 編 合 併
公 認 會 計 原 則 公 認 會 計 原 則 財 務 報 表 之 影 響

- | | | | |
|------------------------|---|---|--|
| (一) 發行股權而為企業合併的購買價金 | 發行股權而為企業合併的購買價金時, 股權的公平價值應以宣告日當天之公平價值為計算基礎。 | 發行股權而為企業合併的購買價金時, 股權的公平價值應以收購完成日當天之公平價值為計算基礎。 | 99 年度商譽與資本公積各增加\$248。
98 年度商譽與資本公積各增加\$12,745。 |
| (二) 投資物業 | 無此類資產的規範, 故應以固定資產為會計處理方式, 以成本認列, 並計提折舊。 | 符合規定的不動產需分為投資物業, 並得以採公平價值執行重評價, 每期公平價值的變動則列入損益。 | 99 年度：
出租資產、無形資產-土地使用權 營業費用與銷貨成本分別增加 \$93,162、\$5,163、\$4,987 及 \$1,865；投資性不動產、未分配盈餘、資本公積及營業溢利-其他收入分別減少 \$203,807、\$51,114、\$23,610 及 \$23,906。
98 年度：
出租資產、無形資產-土地使用權 營業費用與銷貨成本分別增加 \$105,618、\$5,871、\$5,571 及 \$1,706；投資性不動產、未分配盈餘、資本公積及營業溢利-其他收入各減少 \$190,703、\$32,777、\$25,027 及 \$14,133。 |
| (三) 因投資性不動產而導致之遞延所得稅效果 | 以成本認列並計提折舊的方式計算財稅的課稅基礎差異, 並計算其遞延所得稅效果。 | 以公平價值執行重評價的方式計算財稅的課稅基礎差異, 並計算其遞延所得稅效果。 | 99 年度：
遞延所得稅負債及所得稅費用分別減少 \$18,906 及 \$5,910；未分配盈餘及資本公積分別增加 \$8,266 及 \$4,730。 |

中華民國一般香港一般對重編合併
公認會計原則公認會計原則財務報表之影響

98 年度：
遞延所得稅負債及所得稅費用各減少\$13,777及\$3,154；未分配盈餘及資本公積分別增加\$5,609及\$5,014。

(四)利息資本化	符合特定條件的借款利息應予以資本化,並計入該項資產的帳面價值中。	97 年度(含)以前,符合特定條件的借款成本得 以資本化或費用化。 98 年度起符合特定條件 的借款利息應予以資本 化,並計入該項資產的帳 面價值中,並應予追溯調 整之。	99 年度： 固定資產與未分配盈餘 各增加\$9,610；銷貨成本 -折舊費用與累計折舊各 增加\$473。 98 年度： 固定資產與未分配盈餘 各增加\$10,840；銷貨成 本-折舊費用與累計折舊 各增加\$387。
(五)租賃土地及土地使用權	分類為無形資產下之項目。	分類為非流動資產下獨立之項目。	99 年度及 98 年度已予重 分類之金額分別為 \$85,537 及 \$93,383。
(六)其他收入	非因經常營業活動所發生之收入及費用或利益及損失應帳列營業外收支項下。	分類為營業溢利之一部分。	99 年度及 98 年度已予重 分類至營業外收入之金 額分別為 \$66,909 及 \$61,724。 99 年度及 98 年度自營業 溢利-其他收入減項已予 重分類至營業外支出之 金額分別為 \$0 及 \$32,711。
(七)融資成本	非因經常營業活動所發生之收入及費用或利益及損失應帳列營業外收支項下。	分類為營業溢利之一部分。	99 年度及 98 年度已予重 分類至營業外支出之金 額分別為 \$24,291 及 \$46,431。

中華民國一般香港一般對重編合併
公認會計原則公認會計原則財務報表之影響

- (八) 匯兌損益 帳列營業外收支項下。除財務成本所造成的匯兌損益外皆分類為營業費用之一部分。 99 年度及 98 年度匯兌損失帳列營業費用之金額分別為 \$24,702 及 \$1,687, 已予重分類至營業外支出。
- (九) 處分股權而不喪失控制力 處分股權所產生之處分資產損益反映於損益表中。 民國 99 年以前處分子公司股權所產生之處分期股權投資損失反映於損益表中。 民國 99 年以後處分子公司股權視為與擁有人之交易, 相關交易損益直接反映於股東權益中。 99 年度: 處分長期股權投資損失 \$14,685 已予調整營業外支出。 98 年度: 不適用。
- (十) 少數股權 少數股權應以子公司淨資產之帳面價值乘上少數股權所佔比例計算而得。 因收購部分股權而產生之少數股權應以被收購公司淨資產於取得時之公平價值乘上少數股權所佔比例計算而得。 99 年度: 少數股權 遞延所得稅負債與商標權及特許經營合約分別減少 \$376,313、\$125,438 與 \$501,751。 98 年度: 少數股權 遞延所得稅負債與商標權及特許經營合約分別減少 \$24,001、\$6,002 與 \$30,003。
- (十一) 短期借款 原始合約簽訂借款期限在一年或一個營業週期以內之借款應分類為短期借款。 短期借款及一年內到期之長期負債皆分類為一年內到期之長期負債。 \$1,101,806 已予重分類至短期借款。

中華民國一般香港一般對重編合併
公認會計原則公認會計原則財務報表之影響

98年度：

一年內到期之長期負債
\$60,109已予重分類至短期借款。

- (十二)商譽 民國 95 年以前取得之商譽應按評估之效益年限攤銷。民國 95 年起不得再攤銷取得之商譽，後續以成本減除累計減損後之金額衡量。不得攤銷取得之商譽，後續以成本減除累計減損後之金額衡量。 註
- (十三)遞延所得稅資產及負債 應區分流動及非流動之遞延所得稅資產及負債。僅以非流動表達。 註
- (十四)未分配盈餘加徵 10% 之所得稅費用 應於股東會通過盈餘分配時認列。應於所得當年度認列。 註
- (十五)租金收入或費用 依實際收取或支付之金額認列為租金收入或費用。若租賃合約中明訂租金的調整金額或調幅，則需於租賃合約期間中以直線法認列租金收入或費用。 註

註：影響金額未達證券交易法施行細則第六條所訂應重編財務報表之標準，未具重大性，故不予調整或重分類。

附 件 四

NFA[®] New Focus Auto Tech Holdings Limited
新焦點汽車技術控股有限公司*

(於開曼群島註冊成立的有限公司)

股份代號：360



年報

2010

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公司資料

董事

執行董事

洪偉弼(主席)

吳冠宏

洪瑛蓮

陸元成

Douglas Charles Stuart Fresco

Edward B. Matthew

非執行董事

羅小平

許明全

獨立非執行董事

杜海波

周太明

汪啟茂

公司秘書

劉小華

註冊辦事處

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核數師

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香港

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法律顧問

眾達律師事務所

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置地廣場

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Grand Cayman

Cayman Islands

股份過戶登記處香港分處

香港中央證券登記有限公司

香港

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合和中心17樓

1712至1716號舖

股份編號

360

網址

<http://www.nfa360.com>

主席致辭

本人很榮幸，藉此機會代表董事會向本集團各位股東、客戶以及長期以來所有支援本集團的人士表示由衷的謝意，並提呈本集團二零一零年度之營業表現及二零一一年度的展望。

市場回顧及集團簡介

二零一零年全球經濟逐漸復甦，全球市場對於汽車及其相關電子產品及售後市場服務之需求也逐漸回升。接續二零零九年之成長態勢，二零一零年中國汽車總銷量繼續位列全球第一，約為1,800萬輛，相比二零零九年的1,360多萬輛增幅達32%。而汽車保有量更是突破9,000萬輛，位居世界第二。

其次，中國政府完成十二五規劃會議，將以擴大內需和發展內陸城市為首要重點，以國家往後5年整體GDP年均增長7%為主軸下，三線四線個別城市GDP成長實際上將以超過10%以上逐年遞增，實現人人均富，脫離窮困為主旨。然二零零九年中國已經成為全球汽車消費最大國，加上中國日漸提高的人均可支配收入及國民對汽車保養為安全性理念的消費意識抬頭，預計中國市場之汽車銷售量和售後相關服務產業將保持較高速度的增長。

本集團專注於大中華汽車服務連鎖通路之建設(本集團服務業)以及汽車綠色照明和汽車電子電源領域的創新生產(本集團製造業)，向汽車消費者末端市場提供優質性價比之產品和服務。作為汽車銷量全球第一、汽車保有量全球第二的國家，大中華地區為集團的產品和服務提供了無比廣闊的市場。有鑒於過往國際級汽後市競爭對手在中國均經營失敗，加上國內上10萬家規模小且不規範的營運商，新焦點集團無疑具有大市場但競爭程度較低的優勢，並同時專注與通路的建設和自有品牌的推廣。目前本集團為大中華區汽後市場服務連鎖通路領域的龍頭，在市場佔有率持續保持第一，也是行業內唯一可規模化跨省營運和規範化在台港資本市場上市，並完成中國五大經濟圈戰略佈局的公司。

雖然中國已在局部地區如北京採取措施限制汽車銷量，據分析此可為集團帶來利多影響，因該地車銷商劇減，但是汽車相關服務需求依舊，透過優質地點釋出，公司可以較往年便宜30%—50%的商務租金成本取得，進一步提升集團北京地區經營溢利。有鑒於中

主席致辭

國汽車保有量將逐年大幅提升，預計在二零二零年中國之汽車保有量將高達2.5億輛，以明顯的優勢居於全球首位。在此發展趨勢下，本集團之連鎖服務通路在中國市場規模將極其可觀。

業務回顧

回顧過去一年，Autolife(係指本集團服務業)管理團隊通過高效有機增長，持續增加大型一站式服務中心(B2C Service Center)的數量，提高市場覆蓋面及市場佔有率。此外，成功進入三線四線城市在江蘇、浙江、吉林和遼寧四省開拓大型會員店(B2B Mega Store)之經營模式；這些大型會員店，透過經銷網路，將相關汽車用品販售給當地多達1萬1千家商業客戶，諸如車銷商、汽修廠、汽車美容商等，並提供產品技術導入和策略行銷。集團從而獲取相對較高的客戶忠誠度和淨利潤。

截至二零一零年十二月三十一日止年度，服務業經營之服務中心增加9家，總數量達51家。二零一零年六月及十月，集團分別收購在江浙和東北汽車用品流通行業最大和最有影響力的歐特隆和新天成，歐特隆和新天成在江浙和東北開設有9家大型會員店，城市諸如，長春、瀋陽、鞍山、大連、杭州、蘇州、南京、寧波和溫州。

經過長達九年的探索和經驗積累，服務業已經逐漸取代製造業成為本集團之主要業務及收入來源。服務業營收2009年為人民幣263,414,000元，2010年為人民幣518,778,000元，成長96.9%；淨利潤2009年為人民幣8,501,000元，2010年為人民幣25,791,000元，成長203.4%。

受益於北美經濟的復甦，NFA(代指集團製造業)之出口營收相較二零零九年同期也有大幅度的成長。集團將繼續實施擴大直接進入市場和推廣自有品牌的策略，從而相應提升出口產品之利潤。

整體業績表現及股息政策

截至二零一零年十二月三十一日止年度，集團之綜合營業額約人民幣1,076,842,000元，較二零零九年同期成長約67.6%；毛利約人民幣304,231,000元，較去年同期上升約64.8%；經營溢利約人民幣67,316,000元，較去年同期上升約94.9%；股東應佔溢利約人民幣34,129,000元，比去年同期上升約196%。每股盈餘為人民幣6.18分。

主席致辭

Autolife綜合營業額約人民幣518,778,000元，較二零零九年同期增長約96.9%；毛利約人民幣180,146,000元，較去年同期增長約69.1%，毛利率約34.7%，較去年下降約5.7個百分點，經營溢利約人民幣35,153,000元，較去年上升185.5%；淨利潤約人民幣25,791,000元，較去年增長約203.4%。

NFA綜合營業額為約人民幣558,064,000元，較二零零九年同期約上升47.3%；毛利人民幣約124,085,000元，較去年同期增長58.9%，經營溢利約人民幣43,235,000元，較去年上升35.8%；淨利潤約人民幣32,966,000元，較去年同期增長約48.7%。

二零一一年為本集團三五計劃之開局第一年，對本集團戰略計劃實施而言是極為重要的一年。為確保本集團二零一一年服務業有機成長及兼併收購目標之完成，從而為公司股東帶來長期之較好收益，董事會一致認為應保有充裕的現金用以擴展集團業務規模，因此建議本年度不予派發股息。

未來展望

為了掌握發展契機，確保本集團隨同中國之汽車消費市場一起快速增長並秉持著維持市場份額第一的領先地位，集團將發揮其全方位直營展店、兼併收購和整合的經營能力，持續擴大完善在中國市場5大主要經濟圈的高效戰略佈局，拉大與其他競爭對手的差距，將促成營收和利潤的持續高增長。集團將在二零一一年採取以下營運策略：

- 第一、 通過有機成長及兼併收購，繼續在台灣、北京、深圳、上海、成都迅速增加服務中心（B2C）數量，並開始進入江浙和福建市場；預計二零一一年服務中心數量將新增27家，其中有機展店17家，總數量增加至78家，服務超過一百五十萬終端用戶，客戶量成長約50%。目前服務中心主要提供快修快保、裝飾改裝、洗車美容和精品百貨四大業務。而二零一零年在北京試跑成功並提供高毛利的業務線如車險代辦理賠和钣噴業務將在二零一一年將進一步開拓至其他省份。

主席致辭

- 第二、 通過有機成長及兼併收購，新增大型會員店（B2B）19家，總計達28家，覆蓋全國十個省份的主要城市，包括吉林、遼寧、江蘇、浙江、湖北、湖南、雲南、福建、四川和山西，服務超過兩萬五千家商業客戶，服務家店數將成長超過100%。目前大型會員店提供的主要產品包括汽車影音電子用品、清潔美容護理用品和季節性用品，並為客戶提供相應的技術、行銷及培訓支援，短期內將提供輪胎、機油和電瓶的銷售。
- 第三、 仰賴服務中心及大型會員店數量的大幅增加，首次正式實施集中採購策略。此舉將充分發揮資源整合優勢，使集團服務業附屬子公司之採購成本降低5%左右，進而提高利潤。透過集團廣泛強大的經營通路，大力推廣自有品牌產品和取得國內外知名汽車相關產品之中國代理權，並掌握核心產品定價權。當中自有品牌包括NFA、VOT、格瑞斯和東方神墊。
- 第四、 在集團IT整合方面進行巨額投資，雖初期將是投入多過產出，但長遠來看，完成IT系統整合後，將具建設性的為集團服務業附屬子公司及集團之經營決策提供迅捷高效之資訊溝通，並在集團增強風險掌控的同時提升經濟效益。
- 第五、 係集團管理和整合為導向，以北京愛義行經營團隊資源上的優勢和較為顯著的營利模式，區域上以大北京，大上海和大成都三大版塊，將該區經營溢利較為薄弱的零售體系（B2C服務中心）注入高效且系統性的指標管理，進而優化獲利模式。使集團子公司間相互扶強助弱並以提升集團整體利潤為宗旨。
- 第六、 集團製造業將繼續憑藉其強大的產品研發能力及行銷網路和策略，增加自有品牌產品銷售比重，保持營收和淨利潤的穩定增長。
- 憑藉上述的經營策略，公司經營團隊對二零一一年發展極具信心。最後，本人借此機會感謝集團各位股東，所有員工以及所有關注集團的人士對集團的鼎力支持。

管理層討論與分析

縱覽

本集團專注於大中華汽車後市場服務連鎖通路之經營，並同時採取垂直縱向一體化的企業營運模式，以針對汽車電子電源領域之專業研發、生產製造、品牌建設等的創新生產。

業務摘要

收入

截止二零一零年十二月三十一日止年度，集團之綜合營業額約為人民幣1,076,842,000元。

Autolife(代指集團之汽車後市場服務業)綜合營業額約人民幣518,778,000元，較二零零九年同期增長約96.9%。Autolife於二零一零年首次涉足大型會員店(B2B Mega Store)模式，成功進駐吉林、遼寧、江蘇、浙江之一線至三線省市，目前已開設有9家大型會員店，服務11,000家商業客戶。同時，致力於服務終端客戶的Autolife服務中心(B2C Service Center)也繼續快速增長，由2009年的42家增至51家，進一步鞏固大中華第一的位置。

NFA(代指集團之製造業)綜合營業額為約人民幣558,064,000元，較二零零九年同期約上升47.3%。在全球經濟復甦和中國汽車產銷均創世界第一的大好背景下，NFA在國內外市場均大有收穫。

經過長達九年的探索和積累，服務業已經逐漸取代製造業成為本集團之主要業務及收入來源。回顧期內，服務業在集團綜合營業額中的佔比為48%，相較二零零九年增長7個百分點。此主要經營業務之調整，突顯集團對宏觀市場及集團未來發展規劃之精準把握，以及集團為實現其未來發展規劃之持續努力。

毛利及毛利率

集團二零一零年綜合毛利約為人民幣304,231,000元，較二零零九年同期上升64.8%；毛利率則由二零零九年之28.7%下降至二零一零年約28.3%。

Autolife毛利約為人民幣180,146,000元，較二零零九年增長約69.1%；毛利率約為34.7%，較二零零九年同期下降約5.7個百分點。

NFA毛利約為人民幣124,085,000元，較二零零九年增長約58.9%；毛利率約為22.2%，較二零零九年同期上升1.6個百分點。

管理層討論與分析

開支

期間內的銷售及市場推廣開支約為人民幣171,678,000元(二零零九年同期：人民幣101,421,000元)，增長約69.3%；該項開支增長主要源於：

- 第一、 Autolife新併購深圳、遼寧、浙江公司增加相應之行銷推廣費用。
- 第二、 NFA擴大海外直接銷售管道，增加Store費用。
- 第三、 Autolife和NFA業績提升，銷售及市場推廣費用相應增加。

期間行政開支約為人民幣85,781,000元(二零零九年同期：人民幣57,870,000元)，較二零零九年同期增長了48.2%；該項開支增長主要源於：

- 第一、 Autolife新併購深圳、遼寧、浙江公司增加相應之行政開支。
- 第二、 NFA積極增加研發投入，增加研發行政開支。
- 第三、 集團增加供應鏈及IT整合，增加相關投入的行政開支。

經營溢利

集團經營溢利約為人民幣67,316,000元(二零零九同期：人民幣34,546,000元)，較二零零九年同期上升約94.9%。

其中NFA經營溢利為人民幣43,235,000元(二零零九年同期：人民幣31,842,000元)，較二零零九年同期增長35.8%；Autolife經營溢利約為人民幣35,153,000元(二零零九年同期：人民幣12,311,000元)，較二零零九年同期增長185.5%。

融資成本

融資成本淨額約為人民幣5,495,000元(二零零九年同期：人民幣9,909,000元)，較二零零九年減少44.5%。

稅項

所得稅開支約人民幣14,183,000元(二零零九年同期：人民幣7,496,000元)，增長約89.2%；主要源於：

Autolife和NFA經營溢利大幅提升，相應增加所得稅開支。

本公司擁有人應佔溢利

本公司擁有人應佔溢利約人民幣34,129,000元(二零零九年：約為人民幣11,533,000元)，增長約196%。每股盈餘約人民幣6.18分(二零零九年：人民幣2.45分)。

財務狀況與流動資金

回顧期內集團繼續保持一貫穩健的財務狀況，集團資產維持良好流動性。

截至二零一零年十二月三十一日止年度，本集團錄得經營性活動所用的現金流約為人民幣1,169,000元。截至二零零九年十二月三十一日止年度，本集團錄得經營性活動產生的現金流約為人民幣57,643,000元。

管理層討論與分析

於二零一零年十二月三十一日，固定資產約人民幣706,695,000元(二零零九年十二月三十一日：人民幣約321,265,000元)。

於二零一零年十二月三十一日，流動資產淨值約人民幣38,447,000元(二零零九年十二月三十一日：人民幣約157,612,000元)，流動比率約為1.06(二零零九年十二月三十一日：約1.76)。

於二零一零年十二月三十一日，以總負債除以總資產計算的資產負債比率約為50.8%(二零零九年十二月三十一日：約為35.3%)。二零一零年十二月三十一日，公司銀行借款總額約為人民幣263,287,000元(二零零九年十二月三十一日：人民幣約42,412,000元)。

本集團擁有健康及充足的經營現金流、銀行存款及銀行信貸額度，足以支付企業日常營運，資本支出及應對將來在拓展集團版圖、深入大中華內需市場的兼併收購等相關投資機會。

財務擔保與資產抵押

於二零一零年十二月三十一日，已抵押作本集團銀行借款之擔保之投資物業、物業、廠房、設備、租賃土地及土地使用權之賬面淨值合計約為人民幣119,921,000元(二零零九年十二月三十一日：約人民幣108,719,000元)。

重大收購及出售附屬公司及聯營公司

於二零一零年六月十七日，本公司與遼寧新天成實業有限公司之股東訂立股權轉讓協議，據此本公司成功

收購遼寧新天成實業有限公司之51%股權，代價為人民幣100,980,000元(可予調整)。收購於二零一零年七月十六日完成。

於二零一零年八月二十六日，本公司與浙江歐特隆實業有限公司之股東訂立股權轉讓協議，據此本公司成功收購浙江歐特隆實業有限公司之51%股權，代價為人民幣134,860,000元(可予調整)。收購於二零一零年九月二十五日完成。

由於本公司之附屬公司新焦點麗車坊股份有限公司(「新焦點麗車坊」)截至二零一零年六月三十日已於各指定期間結束前分別達到營業額及純利之若干指定表現目標，故根據有關本集團於過往年度收購新焦點麗車坊股本權益之買賣協議條款，Perfect Progress Investments Limited(「PPI」，本公司之全資附屬公司)有責任向新焦點麗車坊兩名主要行政人員支付相關代價，而相關代價將透過(i)以現金支付新台幣5,000,000元(相等於約1,219,000港元)；及(ii)發行新焦點麗車坊新股份以新台幣12,617,691元(相等於約3,076,193港元)支付。

於二零一零年八月十六日，PPI與新焦點麗車坊兩名主要行政人員訂立協議，據此，訂約各方同意修訂上述相關代價之支付條款。根據協議，合共新台幣17,617,691元(相等於約4,295,193港元)之相關代價將由PPI以現金形式支付予新焦點麗車坊兩名主要行政人

管理層討論與分析

員。根據協議，訂約各方亦同意相關代價將僅可用作撥付新焦點麗車坊兩名主要行政人員從PPI購買銷售新焦點麗車坊現有已發行股本7.68%所需。進一步詳情載於本公司日期為二零一零年八月十六日之公佈。

重大投資

截至二零一零年十二月三十一日止年度，本集團無重大投資。

匯兌風險

回顧期內，本集團的結算貨幣主要為美元。為降低匯兌風險，本集團通過採購合同鎖定匯率以及調整報價政策，得以向上下游轉移成本壓力，以減小上述匯率變動帶來的影響，集團不存在重大匯兌風險。

或然負債

於二零一零年十二月三十一日，本集團並無任何重大或然負債。

僱員及酬金政策

截止二零一零年十二月三十一日，本集團僱傭共3,650名全職員工(二零零九年十二月三十一日：3,282名)，其中管理人員385名(二零零九年十二月三十一日：341名)。為吸引及保持人力及管理團隊的穩定性，本集團計劃將透過其可供授出的15,260,000份購股權授予員工，從而提升本集團內員工的責任感及穩定性。本集團的僱員酬金組合包括工資、獎金(例如根據工作表現的花紅)及津貼。本集團同時為員工提供社會保險和福利。

業務進展

集團綜合營收中，以Autolife連鎖服務事業體系佔總營收比由2009年的41%提升至2010年的48%；相較之下，NFA製造事業體系佔總營收比由2009年的59%略減至52%。此足以展現由於大中華汽車銷量，保有量和相關汽後市服務需求增長強勁，Autolife連鎖服務事業體系來年將成為集團主要經營主軸和亮點。

汽車後市場連鎖零售業 – Autolife

Autolife致力於提供大中華汽車後市場相關服務和產品銷售。以服務中心(B2C汽車用戶)連鎖體系為主於2009年完成1線2線城市之據點設立，諸如北京、上海、深圳、台灣及成都，在戰略位置上實現「黃金十字線」的營運佈局。2010年集團意識到內陸城市汽車銷售和保有量相較往年成長3倍之多且來年發展潛力巨大，為更進一步提升整體利益和拓大經營版圖，以跑馬圈地，遍地開花，收購東北新天成和江浙歐特龍，並滲透至3線4線城市諸如長春、瀋陽、鞍山、大連、杭州、蘇州、南京、寧波和溫州，以服務當地商業客戶為主要經營模式(B2B大型會員制)實現經營目標。截止二零一零年十二月三十一日，Autolife擁有總計9家大型會員店，商業客戶已達11,000家。同時進一步強化集團在中國五大經濟圈的高效戰略佈局。

管理層討論與分析

截至二零一零年十二月三十一日止年度，Autolife之營收為人民幣518,778,000元，較2009年同期增長96.9%；經營溢利為人民幣35,153,000元，較2009年同期增長185.5%，兩者皆呈現爆發性成長，此意味著集團連鎖服務通路Autolife在實現版圖開拓，強化5大主要經濟圈的高效佈局和持續成為大中華車後市龍頭地位的戰略目標得以鞏固和已經呈現。

期內，Autolife取得以下進展：

- Autolife總直營家店數由2009年42家增至2010年的60家，店數量的快速增長為集團銷售規模及利潤的持續增長奠定了厚實的基礎：
 - 2010年，服務中心(B2C汽車用戶)持續開拓台灣、北京、深圳、上海和成都市場，新增9家服務中心，服務中心總數達51家，服務超過一百萬終端客戶，進一步穩固集團在大中華地區汽車後市場連鎖服務市場之領先地位。
 - 2010年，服務中心(B2C汽車用戶)平均單店年營收上升至700萬人民幣，平均設立成本降至250萬人民幣，淨利率提升至6%。
- 2010年在北京地區還率先引進代辦保險理賠服務並同時延申發展新業務之鈹噴服務，預計2011年將在其他省份之服務中心(B2C汽車用戶)提供同等相關高毛利服務。
- 集團透過兼併收購9家大型會員店(B2B Mega Store)主要向當地車銷商(4S)、服務中心、汽車美容快修快保店等提供包括汽車影音電子產品、清潔美容護理用品、季節用品等汽車用品的批發，並同時向其提供產品技術導入、策略行銷和人員培訓等增值服務。短期內，更將引進輪胎、機油、電瓶等產品，進一步擴大業務範圍。
- 2010年，大型會員店(B2B Mega Store)平均單店年銷售額可達4,500萬人民幣，平均設立成本僅500萬人民幣，淨利率6%。

汽車綠色照明和電子電源製造業 - NFA

受益於北美經濟的復甦，消費者末端市場銷售(零售)渠道訂單回溫，集團製造業NFA出口營收相較二零零九年同期大幅度成長。集團將繼續實施擴大直接進入市場和推廣自有品牌高毛利的策略，進而提升外銷出口產品之利潤。

管理層討論與分析

展望

二零一一是集團新一輪五年計劃的開篇之年，雖然中國部分城市開始採取汽車限制消費措施且油價不斷上漲，但預計透過中國人均所得日益提升和汽車保養為安全性理念的意識逐漸成熟，故汽車保有量之相關服務需求仍將大幅增長，且中國將在未來10年超越美國成為全球汽車保有量最大的國家。針對北京汽車限購措施，據集團分析此乃對公司發展據點為利多影響，當地車銷商(4S)因車購量限制大度度萎縮而退出市場，有利於新焦點北京取得較往年便宜30%—50%的商務租金成本取得優質地點，提供當地相關汽車服務需求，進一步可提升新焦點北京整體經營溢利。在如此利多的基礎上，集團為保持在大中華區域的領先位置，將採取以下措施高效加速發展，拉大同競爭對手的差距：

第一、 持續擴張服務中心(B2C Service Centers)業務，除預計在原五大城市開設17家新店外；也將在江浙和福州地區透過有機成長及兼併收購，預計新增10家，共達78家，服務超過150萬終端用戶，客戶量較2010年成長約50%。而2010年首次在北京試跑成功的新業務線諸如相關車險代理和理賠以及高毛利钣噴項目將在其他省份開跑，進而提升各區域的經營溢利。

第二、 透過兼併收購手法，大幅擴張Autolife大型會員制商業客戶(B2B Mega Stores)業務，大型會員店方面，2011年將進入山西、福建、湖北、湖南、四川和雲南六大省市，新增14家店，加上自有體系有機增長5家，總數將達28家，服務超過25,000家商業客戶，客戶家數較2010年成長超過100%。而業務涵蓋面將由2010年四大省市橫跨共十大省市。值得一提，Autolife商業客戶服務(B2B大型會員制)對往後集團經營策略將帶來益處諸如增加集團採購量，建構自主品牌，建立完整物流體系和相關銷售產品之供應鏈，並憑藉其廣泛的客戶基礎，為服務業發掘可供兼併收購之優質對象。

第三、 透過集團首次聯合採購，增強集團向產品供應商之議價能力。聯合服務業所有控股子公司，在集團服務業整體採購量大幅增加今年上看6億人民幣的基礎上，可降低成本，進而大幅提升毛利。此舉將充分發揮資源優勢，使集團服務業附屬公司之採購成本降低5%左右。同時透過集團廣泛強大的經營網

管理層討論與分析

路，大力推廣自有品牌產品和逐步取得國內外汽車相關產品大中華區之代理權，掌握核心產品定價權。產品線和市場份額將同步增長，使用自有品牌部分將佔60%以上。當中自有品牌包括NFA、VOT、格瑞斯和東方神墊。

第四、 透過集團和控股公司之間的互相合作和交流，公司將在IT整合方面進行巨額投資，待IT系統整合後，將具建設性的為公司服務業附屬子公司及集團之經營決策提供迅捷高效之資訊溝通。集團爾後可獲得即時準確的資訊有助決策，採購效率的提高和對商品資訊的絕對掌握，並在增強風險掌控的同時提升經濟效益。

第五、 針對連鎖服務中心(B2C汽車用戶)，集團目前旗下擁有三大強勢品牌，諸如麗車坊(Autolife)、愛義行(Autolife)以及永隆行(Autolife)。各品牌在當地皆深耕汽後市和消費者心中長達10年以上，具良好口碑；集團特以Autolife命名並納入旗下營運體系。係集團管理和整合為導向，以北京愛義行經

營團隊資源上的優勢和較為顯著的營利模式，區域上以大北京，大上海和大成都三大版塊，將該區經營溢利較為薄弱的零售體系(B2C服務中心)注入高效且系統性的指標管理，進而優化獲利模式，使用集團子公司間相互扶強助弱並以提升集團整體利潤為宗旨。

第六、 集團製造業將繼續憑藉其強大的產品研發能力及產品行銷網路，增加自品牌產品銷售比重，除了保持營收和淨利潤的穩定增長，並增強集團自有品牌在大中華區域的知名度。

作為汽車銷量全球第一、汽車保有量全球第二的國家，大中華地區為集團的產品和服務提供了無比廣闊的市場。有鑒於過往國際級汽後市競爭對手在中國均經營失敗，加上國內上10萬家規模小且不規範的營運商，新焦點集團無疑具有大市場但競爭程度較低的優勢，並同時專注與通路的建設和自有品牌的推廣。故此，公司經營團隊對2011年發展方向明確，對達成既定目標極具信心。

董事及高級管理人員個人資料

執行董事

洪偉弼先生(主席)

洪先生，50歲，集團創辦人之一，為本公司主席兼總裁，目前主要負責管理董事會及制定集團未來發展戰略和規劃。洪先生自二零零五年二月起擔任主席。

彼於一九八二年畢業於台灣中原大學，持有商務學學士學位。於成立上海紐福克斯汽車配件有限公司(「紐福克斯配件」)前，洪先生為豪品國際股份有限公司的創辦人兼總經理。洪先生於一九九四年三月成立紐福克斯配件，擔任董事兼總經理，並積極參與紐福克斯配件的日常運作；於二零零一年創立新焦點汽車維修服務有限公司(「新焦點服務」)。洪先生為洪瑛蓮女士之胞兄及吳冠宏先生之大舅。

吳冠宏先生

吳先生，50歲，執行董事，負責本集團製造業務的全面業務發展和管理運作。吳冠宏先生自二零零五年二月起擔任執行董事。

彼於一九八四年畢業於台灣逢甲大學，持有銀行保險學學士學位。加盟本集團前，吳先生於一九九零年至一九九八年期間為豪品國際股份有限公司的經理，負責貨倉管理及採購。彼於一九九八年四月正式加入紐福克斯配件，擔任副總經理，並參與業務策劃和管理。彼為洪瑛蓮女士的配偶及洪偉弼先生的妹夫。

洪瑛蓮女士

洪女士，45歲，執行董事、集團副總裁兼集團財務總監，目前負責集團財務預算及資金管理工作。洪瑛蓮女士自二零零五年二月起擔任執行董事。

彼於一九八八年畢業於台灣輔仁大學，持有會計學學士學位，彼於零售批發服務業及財務方面具有多年經驗，於加入本集團之前，洪女士由一九九一年至二零零一年期間一直在台灣一家超級市場連鎖店工作，擔任多個職位，負責批發營運、人力資源管理、產品管理、存貨物流及財務管理。洪女士於二零零一年七月加入本集團，目前負責集團財務預算及資金管理工作。彼為洪偉弼先生的胞妹及吳冠宏先生的配偶。

陸元成先生

陸先生，50歲，執行董事兼集團製造業務技術總監，彼負責各項新技術、新產品的研發工作。陸元成先生自二零零五年二月起擔任執行董事。

陸先生於一九九三年畢業於上海復旦大學電光源研究所，獲頒理學碩士。彼現為上海真空學會會員，中國照明學會交通運輸照明和光信號專業委員會理事，同時擔任華東理工大學物理系部分科研和教學工作，與上海各高校有廣泛的技術合作。陸先生參與開發由上海星火計劃及火炬計劃支援的若干專案，其中HID開發

董事及高級管理人員個人資料

項目經專家評審在國家教育部立項並獲得資助，開發的產品獲專利15項。陸先生於一九九六年進入紐福克斯配件工作。

Douglas Charles Stuart Fresco先生

Fresco先生，66歲，執行董事，本集團創辦人之一。**Fresco**先生自二零零五年二月起擔任執行董事。

彼在分銷汽車產品方面擁有豐富經驗，為於一九八二年在香港成立的可士達有限公司(「可士達」)創辦人之一，該公司為美國及歐洲的後市場批發及分銷汽車配件。自一九九四年三月成立紐福克斯配件以來，**Fresco**先生一直負責擴充本集團產品的海外市場。彼亦為本公司於香港的授權代表之一。

Edward B. Matthew先生

Matthew先生，55歲，執行董事。負責本集團製造業務之海外市場開拓。**Matthew**先生於二零一零年八月獲委任為執行董事。

彼於**Custom Accessories**(美國一家經營汽車配件業務的家族企業)擔任董事會成員超過二十五年。**Matthew**先生現任**Custom Accessories**的執行董事，自其1974年成立至今一直積極參與其業務經營。另外，**Matthew**先生兼任北岸大學健康系統(一家位於美國芝加哥地區的大型多醫院系統)的執業麻醉師及芝加哥大學醫學院麻醉學助理教授，並曾擔任位於美國伊

利諾州高地公園的高地公園醫院之醫務長。**Matthew**先生還曾是高地公園醫院和北岸大學健康系統的董事會成員。

Matthew先生於1978年獲密歇根大學安娜堡分校經濟學學士學位，並於1982年獲芝加哥伊利諾伊大學醫學學位。**Matthew**先生於西北大學醫學院進修麻醉學並獲美國麻醉學委員會認證。

非執行董事

羅小平先生

羅先生，57歲，非執行董事，畢業於日本文化大學及桑澤研究所。羅先生自一九八一年進入邱氏集團，目前出任台灣永漢理財顧問有限公司、台灣創文股份有限公司及天津永立建機國際貿易有限公司總經理、亦為台灣永漢語文短期補習班總幹事及台灣永漢高爾夫理事。羅先生於二零零六年四月加入本集團。

許明全先生

許先生，56歲，非執行董事，獲台灣新竹交通大學電信工程學士和美國北卡州大電機資訊碩士學位。為精英電腦股份有限公司，鈺邦科技股份有限公司及**Luxo Corporation**之共同創辦人，在IT產業有25年以上經

董事及高級管理人員個人資料

驗。彼現任新揚投資股份有限公司總經理，在投資行業有10年以上經驗。許先生於二零一零年三月加入本集團。

獨立非執行董事

杜海波先生

杜先生，41歲，獨立非執行董事，一九八九年畢業於鄭州大學，二零零五年畢業於中歐國際工商管理學院，獲EMBA學位，在會計及審計方面擁有17年專業經驗，為高級審計師及高級會計師；彼取得註冊會計師、註冊稅務師及土地估價師的專業資格；杜先生曾為靈寶縣審計師事務所及河南審計事務所的副所長，現為河南正永會計師事務所有限公司的法律代表人及中國兩家上市公司（即於上海證券交易所上市的河南太龍制藥股份有限公司及於深圳證券交易所上市的河南雙匯投資發展股份有限公司）的獨立非執行董事。杜先生於二零零五年二月加入本集團。

周大明先生

周先生，71歲，獨立非執行董事。彼在一九六四年畢業於復旦大學，獲電子物理學學士學位，自一九九六年起擔任物理系教授。彼於一九九零年於中華人民共和國輕工業部科學技術委員會擔任「照明電器」專家小組成員；於二零零零年成為中國照明和光信號專業委

員會主任；以及於二零零三年成為上海市政府採購辦公室的顧問。周先生於二零零五年二月加入本集團。

汪啟茂先生

汪先生，60歲，獨立非執行董事，畢業於賓夕法尼亞州大學，持有電機工程博士學位。彼現為台灣義守大學的電子學教授，並為光學及微控制器的專家，專注於電腦系統的結構設計、處置光電信號及設計機械電子技術系統。汪先生曾為多家高科技公司的顧問，於二零零五年二月加入本集團。

高級管理人員

王雯韻女士

王女士，44歲，集團服務業總經理，負責本集團服務業的業務發展和管理運作。

王女士於一九九零年畢業於台灣國立中山大學，一九九四年畢業於菲爾萊狄更斯大學，獲MBA學位。於加入本集團前，王女士曾經服務於多家知名企業，包括光寶科技股份有限公司、統一國際開發股份有限公司及格林豪泰商務酒店管理集團等，分別擔任投資人關係經理、財務總監及副總裁等職位。王女士精通企業併購、財務管理、企業運營及上市籌畫。彼亦曾是華東師範大學的客座教授。王女士於二零一零年六月加入本集團。

董事及高級管理人員個人資料

鄭永彰先生

鄭先生，45歲，集團服務業供應鏈及市場部總監，負責本集團服務業供應鏈及市場部之運營及管理。

彼於一九八八年畢業於新加坡義安理工學院，持有學士學位。於加入本集團前，鄭先生曾經服務於多家知名企業，如新加坡速必雅包裝有限公司、愛生雅包裝(新加坡)有限公司及希銳爾包裝(中國)有限公司等，分別擔任中國區運營總監、總經理及亞洲區運營總監等職位。鄭先生具有十五年以上跨國公司管理經驗，擅長企業運作與制度化管理。鄭先生於二零一零年十一月加入本集團。

周植城先生

周先生，48歲，集團資訊科技部副總經理，負責本集團資訊科技部運營及管理。

彼於一九八八年畢業於台灣中原大學，一九九二年畢業於匹茲堡州立大學，獲資訊管理碩士學位。周先生曾經服務於數個高科技跨國公司，推動各項資訊軟硬體系統建設，如集團跨國／跨地區之資訊網路、7*24大型資訊機房建設及管理、ERP、CRM、KM、KPI系統等專案。周先生於二零一零年五月加入本集團。

劉小華先生

劉先生，34歲，公司秘書及授權代表。

劉先生畢業於華東政法大學，持有法律碩士學位及中國律師資格。劉先生為香港特許秘書公會及英國特許秘書及行政人員公會之會員。劉先生於2007年2月加入本公司，擔任法務經理及公司秘書助理職位。彼亦為本公司於香港的授權代表之一。

引言

董事會(「董事會」或「董事」)相信良好企業管治常規為帶動本集團業務增長及管理的要素。自本公司股份於二零零五年二月二十八日上市以來，本公司為保障股東獲取最大利益，透過制定正式及具透明度的程序，遵守上市規則附錄14所載企業管治常規守則(「守則」)的守則條文，惟本報告披露偏離守則之事項除外。

董事進行證券交易

本公司已就董事進行證券交易，採納不寬鬆於上市規則附錄10所載規定準則之行為守則條款，作為董事進行證券交易之行為守則(「標準守則」)。為確保董事根據標準守則及守則買賣本公司證券，本公司已成立一個董事委員會(「證券委員會」)以處理相關交易，成員包括洪偉弼先生(主席)及洪瑛蓮女士。買賣本公司任何證券前，董事須知會證券委員會主席，或如為洪偉弼先生進行交易，則須以書面知會洪瑛蓮女士，並獲取證券委員會的書面確認。經本公司證券委員會向全體董事作出具體查詢後，全體董事確認，彼等於回顧期內一直遵照有關董事進行證券交易之標準守則。

董事會

董事會現由六名執行董事及五名非執行董事組成，其中三名為獨立董事：

執行董事

洪偉弼先生

吳冠宏先生

洪瑛蓮女士

陸元成先生

Douglas Charles Stuart Fresco先生

Edward B. Matthew先生

非執行董事

羅小平先生

許明全先生

獨立非執行董事

杜海波先生

周太明先生

汪啟茂先生

預留由董事會討論及批准通過的事宜包括以下各項：

- 企業策略
- 年度及中期業績
- 風險管理
- 重大收購、出售及資金交易
- 其他重要運營及財務事宜

根據守則第A.2.1條，「主席及行政總裁須由不同人士出任，而不應由一人擔任」。洪偉弼先生現為本公司主席兼行政總裁，與守則有所不符，乃由於洪先生負責領導本集團之日常管理。董事會認為此安排可為本集團提供強勁而貫徹的領導，有助作出有效的業務策略及決策規劃與執行。

由董事會特別向管理層指派的主要企業事宜包括編製年度及中期賬目，讓董事會在公開匯報前批准通過、執行董事會採納的業務策略及行動、充分實施內部監控及風險管理程式，及遵守相關法定規定及規例與規章的要求。每名執行董事均肩負個人責任，須監督及監察特定業務單位的運營及執行董事會所制定的策略及政策。獨立非執行董事將向董事會提供獨立意見，並與董事會其他成員分享彼此的知識及經驗。除各按三年任期委任彼等為非執行董事的委任書外，彼等並無與本公司或其任何附屬公司訂立任何形式的服務合約。

董事會已實施合適措施及內部監控程序，以確保本公司在經營業務時遵守一切適用法例及規則要求，並以謹慎及誠信的方式運營。高級管理人員有責任適時向董事會提供足夠資料，致使董事會可適時作出知情決定。各董事亦在有關獲得致使彼等可作出知情決定所需的本公司資料。有關董事履歷詳情以及董事會成員之間的關係，請參閱本年報「董事及高級管理人員個人資料」一節。

於本年度，在任董事姓名及各董事於每次董事會例會的個別出席次數如下：

執行董事	出席次數
洪偉弼先生(主席兼行政總裁)	4/4
吳冠宏先生	4/4
洪瑛蓮女士	4/4
陸元成先生	4/4
Douglas Charles Stuart Fresco先生	4/4
Norman L. Matthew先生 (於二零一零年三月二十六日去世)	不適用
Edward B. Matthew先生 (於二零一零年八月二十六日獲委任)	2/4
非執行董事	
羅小平先生	4/4
石伊萍女士 (於二零一零年三月三十日辭任)	不適用
許明全先生 (於二零一零年三月三十日獲委任)	3/4
獨立非執行董事	
杜海波先生	4/4
周大明先生	4/4
汪啟茂先生	4/4

除本年度內的董事會例會外，當需要董事會就特別事宜作出決定時，董事會亦會於其他時間召開會議。董事將於各董事會會議前獲得各項議程的詳細資料，並於會議後獲得會議記錄。

薪酬、考核與提名委員會

本公司的薪酬委員會於二零零五年二月十三日成立，並參考守則條文訂立書面職權範圍。薪酬委員會於二零零五年十二月四日改組為薪酬、考核與提名委員會，並參考守則的守則條文訂立書面職權範圍，且由

五名成員組成，包括洪偉弼先生、洪瑛蓮女士、杜海波先生、周太明先生及汪啟茂先生，其中後三名為獨立非執行董事。薪酬、考核及提名委員會的主席為洪偉弼先生。薪酬、考核及提名委員會的主要職責包括向董事會建議合適的董事及高級管理層人選、評估董事及高級管理層表現及作出有關薪酬待遇的建議，以及評估購股權計劃與其他僱員福利安排及作出有關建議。

薪酬、考核及提名委員會每年至少召開一次會議，並制定董事及本公司高級管理層的薪酬政策。薪酬、考核及提名委員會確保所釐定薪酬與職務及職責相稱並符合一般市場規則。薪酬、考核及提名委員會須進一步確保概無董事或彼等任何聯繫人士參與釐定彼等各自的薪酬。

於回顧期內，薪酬、考核及提名委員會會議的出席詳情載列如下：

成員	出席次數
洪偉弼先生	1/1
洪瑛蓮女士	1/1
杜海波先生	1/1
周太明先生	1/1
汪啟茂先生	1/1

薪酬、考核及提名委員會已考慮並檢討執行董事服務合約及非執行董事委任書的現有條款，認為執行董事

服務合約及非執行董事與獨立非執行董事的委任書屬公平合理。

全體董事均以三年固定任期獲委任。本公司的組織章程細則規定，三分之一董事（包括執行及非執行董事）須每年退任。每年退任的董事應為董事會於該年委任的董事，且自推選及重選起計任期最長者。退任董事合資格重選連任。

核數師酬金

於本年度內，就香港立信德豪會計師事務所有限公司（「核數師」）的核數服務而已付／應付核數師的二零二零年審核服務費用約為人民幣1,017,000元。此外，於本年度內，本公司聘請核數師就其財務報表進行若干協定程序。除此以外，核數師並無提供其他非審核服務。

審核委員會

審核委員會（「審核委員會」）現有三名成員，分別為杜海波先生、周太明先生及汪啟茂先生。杜海波先生為審核委員會主席。審核委員會的職責包括審閱及監督本集團的財務報告程序及內部監控制度。

審核委員會每年最少召開兩次會議。審核委員會亦可酌情或應董事會要求，為審閱重大的監控或財務事宜

召開特別會議。審核委員會的職能為檢討重大會計政策及監督本集團財務報告的編製、監察內部及外聘核數師的表現，檢討及查核本集團財務報告程序及內部監控制度的成效，以確保本集團遵守適用法定會計及呈報規定、法例及監管規則以及董事會批准的內部規則及程序。

於回顧期內，審核委員會會議的出席情況載列如下：

成員	出席次數
杜海波先生	2/2
周太明先生	2/2
汪啟茂先生	2/2

審核委員會已審閱本集團截至二零一零年六月三十日止六個月的未經審核中期業績及截至二零一零年十二月三十一日止年度的經審核年度業績，認為該等業績的編製符合相關會計準則及規定，亦已作出充分披露。

戰略與投融資決策委員會

本公司的戰略與投融資決策委員會（「戰略與投融資決策委員會」）由六名成員組成，分別為洪偉弼先生、吳冠宏先生、洪瑛蓮女士、陸元成先生、周太明先生及汪啟茂先生。洪偉弼先生為戰略與投融資決策委員會的主席。戰略與投融資決策委員會負責集團日後發展戰略的制定及修正，進程序及提高重大決策的效率和素質。戰略與投融資決策委員會須根據重大投融資事宜召開會議。

於本年度，本集團概無參與任何涉及戰略及投融資決策委員會的企業行動。

董事及核數師須就綜合財務報表承擔的責任

董事須對賬目承擔的責任及外聘核數師對股東承擔的責任載於第33及34頁。

內部監控

本公司定期檢討內部監控制度，確保有效運作，充分完善。本公司定期召開會議，討論財務、運營及風險管理監控。

投資者關係

本公司已遵守上市規則，向股東批露一切所需資料，並定期與投資者會面。本公司亦適時回答股東的查詢。董事每年主持股東週年大會，與股東會面並回答彼等的查詢。

核數師

於本年內，審核委員會已審閱核數師的表現，並向董事會建議，而董事會已認可，待股東於應屆股東週年大會批准後，續聘核數師為本公司二零一一年之外聘核數師。

董事會報告

董事欣然提呈截至二零一零年十二月三十一日止年度(「本年度」)年報，以及本集團截至二零一零年十二月三十一日止年度的經審核綜合財務報表(「財務報表」)。

集團重組、附屬公司及編製基礎

本公司於二零零二年五月十五日根據開曼群島法例第22章公司法(一九六一年第三冊，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。根據載於本公司日期為二零零五年二月十七日的招股章程(「招股章程」)附錄六第4節「公司重組」，為籌備本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市而進行的集團重組(「重組」)，本公司於二零零五年二月十三日成為組成本集團其他公司的控股公司。

主要業務

本集團專注於大中華汽車服務連鎖通路之建設(本集團服務業)以及汽車綠色照明和汽車電子電源領域的創新生產(本集團製造業)，向汽車消費者提供優質性價比之產品和服務。

本公司附屬公司的主要業務詳情載於財務報表附註21。

業績及股息

本集團於本年度的綜合業績載於第35頁的綜合全面收入報表。本年度按地區及業務分部劃分之營業額及分部業績分析載於財務報表附註6。

董事不建議派付截至二零一零年十二月三十一日止年度的末期股息(二零零九年：零元)。

物業、機器及設備

於本年度，本集團物業、機器及設備的變動詳情載於財務報表附註16。

投資物業

於本年度，本集團投資物業之變動詳情載於財務報表附註18。

股本

有關本公司本年度已發行股本及其變動詳情連同有關原因載於財務報表附註30。

儲備

本集團及本公司儲備按綜合基準的變動載於財務報表附註31。

可供分派儲備

根據開曼群島公司法例，股份溢價約人民幣223,155,000元可供分派予股東，惟在緊隨作出有關分派或股息建議的日期後，本公司須有能力在日常業務中償還到期債務。

於二零一零年十二月三十一日，本公司可供分派予股東的儲備約為人民幣260,639,000元。

暫停辦理股東登記手續

本公司將於二零一一年六月八日至二零一一年六月十日(包括首尾兩日)暫停辦理股份過戶登記手續，期間概不辦理任何股份過戶登記。為符合資格出席股東週年大會，所有過戶文件連同有關股票須於二零一一年六月七日下午四時三十分前，送呈本公司的香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716號舖。

董事

於本年度及截至本年報日期任職的董事如下：

執行董事

洪偉弼(主席兼行政總裁)

吳冠宏

洪瑛蓮

陸元成

Douglas Charles Stuart Fresco

Norman L. Matthew(於二零一零年三月二十六日去世)

Edward B. Matthew(於二零一零年八月二十六日獲委任)

非執行董事

羅小平

石伊萍(於二零一零年三月三十日辭任)

許明全(於二零一零年三月三十日獲委任)

獨立非執行董事

杜海波

周大明

汪啟茂

董事會報告

董事(續)

董事履歷載於本年報「董事及高級管理人員個人資料」一節。

根據本公司的公司章程細則第87(1)條，杜海波先生、汪啟茂先生、洪偉弼先生及陸元成先生將於本公司應屆股東週年大會輪席退任。上述所有董事均符合資格並願意重選連任。根據本公司的公司章程細則第86(2)(3)條，董事會於二零一零年八月二十六日任命Edward B. Matthew先生為本公司執行董事，其將於本公司應屆股東週年大會退任，但符合資格並願意重選連任。

本公司已接獲各獨立非執行董事就彼的獨立身份出具的年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

董事的服務合約

執行董事洪偉弼先生、吳冠宏先生、洪瑛蓮女士、陸元成先生及Douglas Charles Stuart Fresco先生各自已經與本公司訂立新服務合約，續約三年，自二零一一年二月十三日起生效，惟須根據本公司的公司章程細則輪席告退。

根據相關委任書，非執行董事羅小平先生，以及獨立非執行董事杜海波先生、周太明先生及汪啟茂先生各自按由二零一一年二月十三日起為期三年之任期獲續聘，須根據本公司的章程細則輪席退任。

根據相關委任書，執行董事Edward B. Matthew先生已經與本公司訂立服務合約，任期由二零一零年八月二十六日起計為期三年。惟須根據本公司的章程細則輪席告退。

除上文披露者外，概無董事與本公司訂立本公司在一年內不可在毋須支付賠償(法定賠償除外)的情況下終止的服務合約。

董事於合約的權益

除本報告「持續關連交易」一節披露者外，概無董事於本公司、其控股公司或其任何附屬公司或同系附屬公司於本年度內所訂立且對本集團業務屬重大的合約中直接或間接擁有重大權益。

管理合約

於本年度並無訂立或存在任何有關本公司全部或其中任何主要部分業務之管理及行政的合約。

購股權計劃

本公司於二零零五年二月十三日有條件採納一項購股權計劃(「計劃」)，作為對本集團經營成果有貢獻的合資格參與者之鼓勵及獎賞。計劃的合資格參與者包括董事、本集團僱員、供應商、客戶、業務或策略聯盟夥伴。計劃於二零零五年二月二十八日生效，除非遭註銷或修訂，否則將於當日起計十年內有效。

根據計劃授出及將予授出的購股權獲悉數行使時可予發行的股份最高數目為**40,000,000**股，分別相當於本公司在上市當日及本年報日期已發行股份的**10%**及**7.38%**，除非獲本公司股東批准更新**10%**限額則作別論。於任何十二個月期間內，根據計劃內授予各合資格參與者購股權(包括已行使及尚未行使的購股權)所發行及可發行的股份最高數目，以本公司已發行股份的**1%**為限。凡進一步授出超出此限額之購股權須經股東於股東大會批准。

向董事、本公司主要行政人員或主要股東或彼等任何聯繫人士授出購股權，均須事先獲獨立非執行董事批准。此外，凡於截至及包括授出購股權之日止十二個月期間內，向本公司主要股東或獨立非執行董事或彼等之任何聯繫人士授出購股權會超出本公司已發行股份**0.1%**及其總值(按授出當日本公司股份之收市價計算)超逾**5,000,000**港元，須事先獲股東於股東大會批准。

授出購股權之要約可由承授人於要約日期起計**28**日內支付象徵式代價合共**10**港元後接納。所授購股權的行使期由董事會決定，惟於計劃所載提早終止條文規限下，該行使期不得超過購股權授出之日起計十年。除非董事全權酌情另行決定，否則，並無規定須持有購股權的最短期限，或行使購股權前必須達到的表現目標。

購股權的行使價將為下列三者中的最高值：**(i)**本公司股份於授出日期的面值；**(ii)**授出購股權當日本公司股份於聯交所每日報價表所報的收市價；及**(iii)**緊接授出日期前五個營業日本公司股份於聯交所的平均收市價。

購股權並無授予持有人可獲取股息或於股東大會表決的權利。

董事會報告

購股權計劃(續)

於二零一零年十二月三十一日，本公司已根據計劃授出購股權，倘該等購股權獲悉數行使，承授人有權認購10,040,000股股份。根據計劃可供發行的股份總數(不含已授出購股權)為17,580,000股，相當於本公司在該日已發行股本總額約3.25%。

於二零一零年十二月三十一日，根據計劃授出的購股權詳情如下：

購股權 持有人 姓名	授出日期	行使期	行使價 (每股)	收市價 (每股)	於二零一零年	自二零一零年	於二零一零年	
					一月一日 尚未行使 購股權涉及的 相關股份數目	一月一日 已失效/註銷 購股權涉及的 相關股份數目	十二月三十一日 尚未行使 購股權 涉及的相關 股份數目	十二月三十一日 尚未行使 購股權 涉及的相關 股份數目
吳冠宏先生 執行董事	二零零五年 二月二十八日	二零零六年一月一日至 二零一五年二月十二日 (附註1)	0.94港元	0.94港元	3,400,000	—	—	3,400,000
洪瑛蓮女士 執行董事	二零零五年 二月二十八日	二零零六年一月一日至 二零一五年二月十二日 (附註1)	0.94港元	0.94港元	3,400,000	—	—	3,400,000
陸元成先生 執行董事	二零零五年 二月二十八日	二零零六年一月一日至 二零一五年二月十二日 (附註1)	0.94港元	0.94港元	3,240,000	—	—	3,240,000
持續合約 僱員合計	二零零五年 二月二十八日	由二零零六年一月一日起 (附註2)	0.94港元	0.94港元	2,320,000	(2,320,000)	—	—
總計					12,360,000	(2,320,000)	—	10,040,000

附註：

- 概無購股權於二零一零年一月一日起至二零一零年十二月三十一日止期間已行使，餘下購股權可於二零一一年一月一日起至二零一五年二月十二日止期間行使，惟須達到董事會釐定的業務目標或條件。
- 授予其他僱員的購股權可於1年至2年期間內行使，惟須達到董事會釐定的業務目標或條件。

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券中擁有的權益及淡倉

於二零一零年十二月三十一日，各董事及本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份或債券中擁有須記錄於本公司根據證券及期貨條例第352條存置的登記冊，或根據證券及期貨條例第XV部第7及8分部以及上市規則上市發行人董事進行證券交易的標準守則的規定須知會本公司及聯交所的權益及淡倉(包括彼等根據證券及期貨條例有關條文被當作或視作擁有的權益及淡倉)列載如下：

(i) 本公司

(a) 於本公司股份之權益

姓名	身分／權益性質	擁有權益(根據股本衍生工具擁有者除外)的股份數目 (附註1)	佔已發行股份百分比
洪偉弼先生	於受控公司的權益 (附註2)	177,256,120(L)	32.72%
Douglas Charles Stuart Fresco先生	於受控公司的權益 (附註3)	57,255,805(L)	10.57%
洪瑛蓮女士	個人	383,145(L)	0.07%
陸元成先生	個人	805,035(L)	0.15%
Edward B. Matthew先生	個人	21,922,350(L)	4.05%
吳冠宏先生	個人	513,935(L)	0.09%

附註：

- 「L」代表股份的好倉。
- 該等股份以Sharp Concept Industrial Limited的名義登記，並由Sharp Concept Industrial Limited實益擁有。Sharp Concept Industrial Limited的全部已發行股本以洪偉弼先生的名義登記，並由洪偉弼先生實益擁有。根據證券及期貨條例，洪偉弼先生被視為擁有Sharp Concept Industrial Limited所持本公司全部股份的權益。
- 53,590,690股股份以Golden Century Industrial Limited的名義登記，並由Golden Century Industrial Limited實益擁有。Golden Century Industrial Limited的全部已發行股本以Douglas Charles Stuart Fresco先生的名義登記，並由Douglas Charles Stuart Fresco先生實益擁有。根據證券及期貨條例，Douglas Charles Stuart Fresco先生被視作擁有Golden Century Industrial Limited所持本公司全部股份的權益。餘下3,665,115股股份以Douglas Charles Stuart Fresco先生的名義登記。

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券中擁有的權益及淡倉 (續)

(i) 本公司(續)

(b) 透過股本衍生工具於本公司相關股份擁有的權益

若干董事根據本公司日期為二零零五年二月十三日的購股權計劃獲授購股權，於二零一零年十二月三十一日，授予董事認購本公司股份而尚未行使的購股權如下：

姓名	權益性質	授出購股權		行使期	授出價	行使價	佔本公司 已發行股本 百分比(%)
		涉及的 相關股份數目					
吳冠宏先生	實益擁有人	3,400,000(L)		二零零七年一月一日至 二零一五年二月十二日	10.00港元 (全部)	0.94港元 (每股)	0.63%
洪瑛蓮女士	實益擁有人	3,400,000(L)		二零零七年一月一日至 二零一五年二月十二日	10.00港元 (全部)	0.94港元 (每股)	0.63%
陸元成先生	實益擁有人	3,240,000(L)		二零零七年一月一日至 二零一五年二月十二日	10.00港元 (全部)	0.94港元 (每股)	0.60%

附註：

「L」指相關股份之好倉。

(ii) 相聯法團

於二零一零年十二月三十一日，據本公司所知，概無董事或本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份或相關股份或債券中擁有或被視為擁有根據證券及期貨條例第352條須予記錄，或根據證券及期貨條例第XV部第7及8分部以及上市規則上市發行人董事進行證券交易的標準守則的規定須知會本公司及聯交所的任何權益或淡倉。

主要股東於本公司股份中擁有的權益及淡倉

據董事及本公司主要行政人員所知，於二零一零年十二月三十一日，以下人士(董事及本公司主要行政人員除外)於本公司的股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部的規定須知會本公司的權益或淡倉，或記錄於本公司根據證券及期貨條例第336條設置的登記冊中的權益或淡倉：

名稱	身份／權益性質	擁有權益(根據股本衍生工具擁有者除外)的股份數目 (附註1)	根據股本衍生工具擁有權益的股份數目	股份總數	佔已發行股份百分比
Sharp Concept Industrial Limited	實益擁有人	177,256,120(L)	無	177,256,120	32.72%
靳曉燕女士	家族權益 (附註2)	177,256,120(L)	無	177,256,120	32.72%
Douglas Charles Stuart Fresco先生	家族權益 (附註3)	57,255,805(L)	無	57,255,805	10.57%
Golden Century Industrial Limited	實益擁有人 (附註3)	53,590,690(L)	無	53,590,690	9.89%

附註：

1. 「L」代表股份的好倉。
2. 靳曉燕女士乃執行董事洪偉弼先生的妻子。根據證券及期貨條例，靳女士被視為於洪偉弼先生及Sharp Concept Industrial Limited持有之所有本公司股份中擁有權益，而Sharp Concept Industrial Limited由洪偉弼先生全資實益擁有。
3. Golden Century Industrial Limited由Douglas Charles Stuart Fresco先生全資實益擁有。Douglas Charles Stuart Fresco先生股權與Golden Century Industrial Limited股權之差異代表Douglas Charles Stuart Fresco先生個人持有之股份。

除上文披露者外，於二零一零年十二月三十一日，董事並不知悉任何人士(董事及本公司主要行政人員除外)於本公司的股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部的規定須向本公司披露的權益或淡倉，或記錄於本公司根據證券及期貨條例第336條設置的登記冊中的權益或淡倉。

購買股份或債券的安排

除上文及「購股權計劃」一節披露者外，於本年度任何時間概無任何董事或彼等各自之配偶或18歲以下之子女獲賦予權利，可藉購入本公司股份或債券而獲益，彼等亦無行使任何該等權利；而本公司、其控股公司或其任何附屬公司或同系附屬公司亦無訂立任何安排，致使董事可於任何其他法人團體獲得該等權利。

優先購買權

本公司的章程細則或開曼群島法例並無有關優先購買權的條文，規定本公司須按比例向其現有股東提呈發售新股。

買賣或贖回本公司上市股份

於回顧期間內，本公司根據二零零九年六月三日舉行之股東周年大會所授出一般授權於香港聯交所購回4,492,000股本公司普通股。除所披露者外，本公司或其任何附屬公司於本年度內並無買賣或贖回本公司任何上市證券。

本公司於回顧年內購回股份之詳情如下：

月份	最高價 (港元)	最低價 (港元)	平均價 (港元)	購回股份數目	支付總代價 (不包括開支) (港元)
二零一零年一月	1.74	1.68	1.72	844,000	1,447,157
二零一零年二月	1.90	1.78	1.85	2,416,000	4,464,677.35
二零一零年四月	1.80	1.79	1.80	1,232,000	2,211,865

董事會認為，本公司購回股份有助提高本公司每股資產淨值，乃符合本公司及其股東最佳利益。

持續關連交易

於二零一零年，本公司及其附屬公司根據香港聯交所上市規則第14A.34條進行以下持續關連交易。根據上市規則，該等關連交易須遵守申報及公告規定，惟獲豁免遵守獨立股東批准的規定。

可士達銷售協議

於二零零八年四月二十三日，本公司兩間全資附屬公司上海紐福克斯汽車配件有限公司(「紐福克斯配件」)與紐福克斯光電科技(上海)有限公司(「紐福克斯光電」)與可士達有限公司(「可士達」)訂立銷售協議(「可士達協議」)。可士達分別由本公司主要股東兼董事Douglas Fresco先生及彼之妻子擁有51%權益、由本公司董事Edward B. Matthew先生及彼之家族成員擁有49%權益，可士達因而為上市規則所界定本公司的關連人士及可士達協議項下擬進行之交易構成本公司之持續關連交易。根據可士達協議，紐福克斯配件與紐福克斯光電須向可士達供應產品。價格乃參考市況以及按就本公司／本集團而言不遜於向其他獨立第三方所提出類似產品條款的條款及價格為基準釐定。可士達協議的相同訂約方已簽立條款相同之新合同，涵蓋二零零八年四月二十三日至二零一零年十二月三十一日期間，而屆滿日期為二零一零年十二月三十一日。二零一零年十一月十五日，可士達協議的相同訂約方訂立更新之可士達協議，合同期限為三年，截至於二零一三年十一月十四日；新最高全年總額設定為25,000,000港元。

截至二零一零年十二月三十一日止年度，由紐福克斯配件及紐福克斯光電售予可士達之產品約人民幣10,404,000元。

核數師確認

董事會已接獲本公司核數師就上述持續關連交易發出之釋疑函件，當中表明，於二零一零年度，上述持續關連交易：

- (1) 已獲董事會批准；
- (2) 乃根據本公司之訂價政策進行；
- (3) 已根據規管該等交易之協議條款訂立；及
- (4) 並無超出本公司公佈及／或相關協議(視乎情況而定)訂立之上限金額。

持續關連交易(續)

獨立非執行董事確認

本公司的獨立非執行董事已審閱上述受申報及公告規定規限的持續關連交易，並已確認：

- (1) 有關交易乃於本公司日常一般業務中訂立；
- (2) 有關交易乃按一般商業條款進行；及
- (3) 有關交易乃根據監管該等關連交易的協議進行，其條款屬公平合理且符合本公司股東的整體利益。

本公司確認其已就上述持續關連交易遵守上市規則第14A章的披露規定。

主要客戶及供應商

向五大客戶的銷售額約佔截至二零一零年十二月三十一日止年度總收益22%，而其中最大客戶佔9%。向五大供應商的採購額佔年內總採購額不足30%。

概無董事、彼等任何聯繫人士或股東(據董事所知擁有本公司已發行股本5%以上的權益)在本集團五大客戶或供應商中擁有任何實益權益。

公眾持股量

截至本年報日期，根據本公司所獲公開資料及據董事所知，本公司維持上市規則所規定相當於本公司已發行股本25%的足夠公眾持股量。

核數師

財務報表已經香港立信德豪會計師事務所有限公司審核。於本公司應屆股東周年大會上，將提呈一項決議案，委任香港立信德豪會計師事務所有限公司為本公司的核數師。

代表董事會

主席

洪偉弼

香港，二零一一年三月三十日

獨立核數師報告



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獨立核數師報告

致新焦點汽車技術控股有限公司全體股東

(於開曼群島註冊成立的有限公司)

我們已審核列載於第35至115頁新焦點汽車技術控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表。該綜合財務報表包括於二零一零年十二月三十一日的綜合及公司財務狀況報表，以及截至該日止年度的綜合全面收入報表、綜合權益變動表及綜合現金流量表連同主要會計政策摘要及其他解釋資料。

董事對綜合財務報表的責任

貴公司董事須根據由香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製作出真實及公平反映的綜合財務報表，並負責落實董事認為屬必要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審核，對該等綜合財務報表提出意見。根據委聘條款，我們僅向全體股東報告我們的意見，除此以外，本報告不用作其他用途。我們概不就本報告內容向任何其他人士承擔或負上任何責任。

我們乃根據香港會計師公會頒佈的香港審計準則進行審核工作。該準則規定我們遵守道德規範，並策劃及執行審核，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

獨立核數師報告

審核涉及執程序以取得與綜合財務報表所載數額及披露事項有關的審核憑證。所選用程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在作出該等風險評估時，核數師會考慮與該公司編製作出真實及公平反映的綜合財務報表相關的內部監控，以設計適合當時情況的審核程序，但並非就公司整體的內部控制的成效發表意見。審核亦包括評價董事所採用會計政策是否合適，及所作出會計估計是否合理，以及評價綜合財務報表的整體呈列方式。

我們相信，我們獲得足夠及適當的審核憑證，作為提供該審核意見的基礎。

意見

我們認為，綜合財務報表已根據香港財務報告準則真實與公平地反映 貴公司及 貴集團於二零一零年十二月三十一日的事務狀況以及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥善編製。

香港立信德豪會計師事務所有限公司
執業會計師

林兆豐
執業證書編號：P05308

香港，二零一一年三月三十日

綜合全面收入報表

截至二零一零年十二月三十一日止年度

	附註	二零一零年 人民幣千元	二零零九年 人民幣千元
營業額	6	1,076,842	642,349
銷售成本		(772,611)	(457,720)
毛利		304,231	184,629
可轉股債券衍生部分公平價值收益	28	–	409
其他收入及收益或虧損	7	20,544	8,799
分銷成本		(171,678)	(101,421)
行政開支		(85,781)	(57,870)
融資成本	8	(5,495)	(9,909)
除所得稅開支前溢利	9	61,821	24,637
所得稅開支	11	(14,183)	(7,496)
年度溢利		47,638	17,141
其他全面收入，扣除稅項：			
換算海外業務產生之匯兌差額		2,618	1,182
加：就出售一家附屬公司部分股本權益對匯兌儲備作 重新分類調整		–	724
物業重估收益		–	3,215
其他全面收入，扣除稅項	15	2,618	5,121
年度全面收入總額		50,256	22,262
以下各項應佔年度溢利：			
本公司擁有人	12	34,129	11,533
非控制權益		13,509	5,608
		47,638	17,141
以下各項應佔年度全面收入總額：			
本公司擁有人		36,219	16,480
非控制權益		14,037	5,782
		50,256	22,262
每股盈利：	14		
– 基本		人民幣6.18分	人民幣2.45分
– 攤薄		人民幣6.12分	人民幣2.43分

綜合財務狀況報表

於二零一零年十二月三十一日

	附註	二零一零年 人民幣千元	二零零九年 人民幣千元
資產及負債			
非流動資產			
物業、機器及設備	16	201,176	169,656
租賃土地及土地使用權	17	18,182	18,676
投資物業	18	46,105	40,698
商譽	19	184,883	70,461
其他無形資產	20	256,252	21,719
遞延稅項資產	29	97	55
		706,695	321,265
流動資產			
存貨	23	234,462	144,477
應收貿易賬款	24(a)	125,082	81,075
按金、預付款項及其他應收款項	24(b)	82,233	54,670
應收一家關連公司款項	25(a)	1,622	34
證券買賣	22(a)	282	339
已抵押定期存款	33	120,826	2,563
現金及現金等值物	33	82,982	82,572
		647,489	365,730
流動負債			
已抵押銀行借款	26	250,514	14,042
應付貿易賬款	27	163,324	134,977
應計費用及其他應付款項		181,549	56,903
應付董事款項	25(b)	16	61
應付一家附屬公司少數權益持有人款項	25(c)	7,000	—
應課稅		6,639	2,135
		609,042	208,118
流動資產淨值		38,447	157,612
資產總值減流動負債		745,142	478,877

綜合財務狀況報表

於二零一零年十二月三十一日

	附註	二零一零年 人民幣千元	二零零九年 人民幣千元
非流動負債			
已抵押銀行借款	26	12,773	28,370
遞延稅項負債	29	65,754	5,746
		78,527	34,116
資產淨值		666,615	444,761
資本及儲備			
股本	30	55,317	55,003
儲備		427,463	339,283
本公司擁有人應佔權益		482,780	394,286
非控制權益		183,835	50,475
權益總額		666,615	444,761

此等財務報表已於二零一一年三月三十日獲董事會批核及授權刊發。

洪偉弼先生
董事

洪瑛蓮女士
董事

財務狀況報表

於二零一零年十二月三十一日

	附註	二零一零年 人民幣千元	二零零九年 人民幣千元
資產及負債			
非流動資產			
物業、機器及設備	16	71	54
於附屬公司的權益	21	213,866	164,066
		213,937	164,120
流動資產			
按金、預付款項及其他應收款項		534	445
給予一家附屬公司的短期貸款	21	6,834	30,044
應收附屬公司款項	21	144,966	143,183
現金及現金等值物	33	2,195	1,929
		154,529	175,601
流動負債			
其他應付款項		1,235	13,629
應付一名董事款項	25(b)	13	14
應付附屬公司款項	21	555	485
		1,803	14,128
流動資產淨值		152,726	161,473
資產淨值		366,663	325,593
資本及儲備			
股本	30	55,317	55,003
儲備	31(ii)	311,346	270,590
權益總額		366,663	325,593

此等財務報表已於二零一一年三月三十日獲董事會批核及授權刊發。

洪偉弼先生
董事

洪瑛蓮女士
董事

綜合權益變動表

截至二零一零年十二月三十一日止年度

	股本 人民幣千元 (附註30)	股份溢價 人民幣千元 (附註31(i)(a))	法定儲備金 人民幣千元 (附註31(i)(b))	企業發展			股本贖回		本公司			總計 人民幣千元
				重組儲備 人民幣千元 (附註31(i)(c))	基金 人民幣千元 (附註31(i)(d))	其他 人民幣千元 (附註31(i)(e))	儲備 人民幣千元 (附註31(i)(f))	匯兌儲備 人民幣千元 (附註31(i)(f))	保留溢利 人民幣千元	擁有人應佔 人民幣千元	非控制權益 人民幣千元	
於二零零九年一月一日	47,354	100,851	26,893	2,738	2,756	2,472	23	(8,605)	78,348	252,830	33,540	286,370
年度溢利	-	-	-	-	-	-	-	-	11,533	11,533	5,608	17,141
年度其他全面收入	-	-	-	-	-	3,215	-	1,732	-	4,947	174	5,121
年度全面收入總額，扣除稅項	-	-	-	-	-	3,215	-	1,732	11,533	16,480	5,782	22,262
購股權失效	-	-	-	-	-	(89)	-	-	89	-	-	-
轉撥儲備	-	-	2,630	-	-	-	-	-	(2,630)	-	-	-
確認股本結算股份付款(附註37)	-	-	-	-	-	302	-	-	-	302	-	302
發行股份(附註30(i))	7,928	119,819	-	-	-	-	-	-	-	127,747	-	127,747
購回及註銷股份(附註30(i))	(279)	(2,794)	-	-	-	-	279	-	(279)	(3,073)	-	(3,073)
一家附屬公司少數權益持有人注資	-	-	-	-	-	-	-	-	-	-	903	903
收購一家附屬公司產生(附註32)	-	-	-	-	-	-	-	-	-	-	8,625	8,625
出售一家附屬公司部分股本權益產生	-	-	-	-	-	-	-	-	-	-	4,372	4,372
收購附屬公司額外權益	-	-	-	-	-	-	-	-	-	-	(2,638)	(2,638)
已付一家附屬公司少數權益持有人股息	-	-	-	-	-	-	-	-	-	-	(109)	(109)
於二零零九年十二月三十一日及 二零一零年一月一日	55,003	217,876	29,523	2,738	2,756	5,900	302	(6,873)	87,061	394,286	50,475	444,761
年度溢利	-	-	-	-	-	-	-	-	34,129	34,129	13,509	47,638
年度其他全面收入	-	-	-	-	-	-	-	2,090	-	2,090	528	2,618
年度全面收入總額，扣除稅項	-	-	-	-	-	-	-	2,090	34,129	36,219	14,037	50,256
購股權失效	-	-	-	-	-	(274)	-	-	274	-	-	-
轉撥儲備	-	-	3,627	-	-	-	-	-	(3,627)	-	-	-
確認股本結算股份付款(附註37)	-	-	-	-	-	204	-	-	-	204	-	204
發行代價(附註32)	709	12,023	-	-	-	-	-	-	-	12,732	-	12,732
購回及註銷股份(附註30(i))	(395)	(6,744)	-	-	-	-	395	-	(395)	(7,139)	-	(7,139)
一家附屬公司少數權益持有人注資	-	-	-	-	-	-	-	-	-	-	9,475	9,475
收購一家附屬公司產生(附註32)	-	-	-	-	-	-	-	-	-	-	106,185	106,185
出售附屬公司部分股本權益產生	-	-	-	-	-	-	-	365	(3,687)	(3,322)	7,515	4,193
將發行固定數量的本公司股份償還的 應付代價(附註32)	-	-	-	-	-	49,800	-	-	-	49,800	-	49,800
已付一家附屬公司少數權益持有人股息	-	-	-	-	-	-	-	-	-	-	(3,852)	(3,852)
於二零一零年十二月三十一日	55,317	223,155	33,150	2,738	2,756	55,630	697	(4,418)	113,755	482,780	183,835	666,615

綜合現金流量表

截至二零一零年十二月三十一日止年度

	二零一零年 人民幣千元	二零零九年 人民幣千元
經營活動		
除所得稅開支前溢利	61,821	24,637
就以下各項調整：		
可轉股債券衍生部分公平價值收益	-	(409)
存貨減值／(減值撥回)	2,466	(92)
物業、機器及設備折舊	27,527	21,737
租賃土地及土地使用權攤銷	494	494
其他無形資產攤銷	309	133
應收貿易賬款呆賬額外撥備	3,045	1,450
按金、預付款項及其他應收款項額外減值	-	285
商譽減值	1,679	-
股本結算股份付款	204	302
銀行存款利息收入	(322)	(880)
保證訂金之隱含利息收入	(56)	(166)
贖回可轉股債券虧損淨額	-	5,126
出售一家附屬公司部分股本權益虧損	-	1,438
出售物業、機器及設備(收益)／虧損	(83)	417
投資物業公平價值收益	(5,407)	(3,015)
收購一家附屬公司額外權益折讓	-	(2,638)
證券買賣公平價值虧損／(收益)	57	(112)
可轉股債券匯兌虧損	-	168
其他融資成本	5,495	9,741
營運資金變動前的經營現金流	97,229	58,616
存貨增加	(30,413)	(14,535)
應收貿易賬款增加	(21,762)	(3,616)
按金、預付款項及其他應收款項(增加)／減少	(13,954)	7,196
應收一家關連公司款項(增加)／減少	(1,588)	282
應付貿易賬款(減少)／增加	(15,443)	20,858
應計費用及其他應付款項減少	(2,082)	(3,387)
匯率變動之影響	-	63
經營活動產生的現金	11,987	65,477
已付所得稅	(7,661)	(1,854)
已付利息	(5,495)	(5,980)
經營活動(使用)／產生的現金淨額	(1,169)	57,643

綜合現金流量表

截至二零一零年十二月三十一日止年度

	二零一零年 人民幣千元	二零零九年 人民幣千元
投資活動		
購置其他無形資產	(2,738)	—
購置物業、機器及設備	(52,165)	(40,655)
出售物業、機器及設備所得款項	2,474	369
收購附屬公司產生的現金流出淨額	(50,853)	(12,341)
出售一家附屬公司部分股本權益所得款項淨額	5,188	4,160
收購一家附屬公司所付額外現金代價	—	(2,544)
已收利息	322	880
投資活動使用的現金淨額	(97,772)	(50,131)
融資活動		
已抵押定期存款增加	(118,263)	(686)
一家附屬公司少數權益持有人注資	9,475	903
償還可轉股債券	—	(77,237)
新籌集銀行貸款所得款項	231,530	130,990
償還銀行貸款	(31,193)	(199,153)
償還董事款項	(45)	(389)
獲取一家附屬公司少數權益持有人貸款	1,550	—
償還一家附屬公司少數權益持有人貸款	(2,000)	—
發行股份所得款項	—	133,195
發行股份開支	—	(5,448)
購回股份	(7,139)	(3,073)
已付一家附屬公司少數權益持有人股息	(3,852)	(109)
融資活動產生/(使用)的現金淨額	80,063	(21,007)
現金及現金等值物減少淨額	(18,878)	(13,495)
年初之現金及現金等值物	82,560	95,726
匯率變動之影響	(466)	329
年末之現金及現金等值物	63,216	82,560
現金及現金等值物結餘分析		
銀行存款及現金	82,982	82,572
銀行透支	(19,766)	(12)
	63,216	82,560

財務報表附註

(以人民幣列示)

1. 組織及業務

新焦點汽車技術控股有限公司(「本公司」)為於開曼群島註冊成立的有限公司，其股份在香港聯合交易所有限公司(「聯交所」)主板上市，其註冊辦事處地址為 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands，主要營業地點位於中華人民共和國(「中國」)上海。

本公司為投資控股公司，其附屬公司主要從事生產及銷售電子及電力相關汽車零件及配件；提供汽車維修、養護及修飾服務；透過大中華地區的服務連鎖店網絡進行商品零售以及汽車配件貿易。有關本公司附屬公司之進一步詳情載於附註21。本公司及其附屬公司統稱本集團。

2. 採納香港財務報告準則(「香港財務報告準則」)

(a) 採納新訂／經修訂香港財務報告準則－自二零一零年一月一日起生效

香港財務報告準則(修訂本)	香港財務報告準則之改進
香港會計準則第39號之修訂	合資格對沖項目
香港財務報告準則第2號之修訂	以股份為基礎之付款－集團現金結算股份支付之交易
香港會計準則第27號(經修訂)	綜合及獨立財務報表
香港財務報告準則第3號(經修訂)	業務合併
香港(國際財務報告詮釋委員會) －詮釋第17號	向擁有人分派非現金資產
香港詮釋第5號	財務報表之呈列－借款人對有償還要求條款之有期貨款 之分類

除下文所述者外，採納該等新訂／經修訂準則及詮釋對本集團之財務報表並無重大影響。

香港財務報告準則第3號(經修訂)－業務合併及香港會計準則第27號(經修訂)－綜合及獨立財務報表

附註4所述的經修訂會計政策追溯應用至於二零零九年七月一日或之後開始之財政期間之業務合併。香港財務報告準則第3號之變動包括非控制權益之估值、交易成本之會計處理方法、或然代價及分多個階段達成之業務合併之初步確認及其後計量。該等變動影響商譽之金額及收購發生期間之業績及未來業績。本集團已根據經修訂準則將收購遼寧新天成實業有限公司及浙江歐特隆實業有限公司的股權入賬，詳細資料載於附註32。

財務報表附註

(以人民幣列示)

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則－自二零一零年一月一日起生效(續)

香港財務報告準則第3號(經修訂)－業務合併及香港會計準則第27號(經修訂)－綜合及獨立財務報表(續)

經修訂香港會計準則第27號要求將附屬公司之擁有權權益變動(並無失去控制權)入賬列為與作為擁有人身份之擁有人之交易，因此，有關交易乃於權益內確認。於失去控制權及實體之任何剩餘權益重新計量至公平價值時，收益或虧損乃於損益中確認。採納經修訂香港會計準則第27號導致於權益內確認出售一家附屬公司部分股本權益產生的虧損約人民幣3,322,000元，以致本年度綜合溢利增加人民幣3,322,000元。

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

本集團並無提早採納以下已頒佈但尚未生效而可能與本集團業務有關之新訂／經修訂香港財務報告準則：

香港財務報告準則(修訂本)	二零一零年香港財務報告準則之改進 ^{1及2}
香港(國際財務報告詮釋委員會) －詮釋第19號	以股本工具抵銷金融負債 ¹
香港會計準則第24號(經修訂)	有關連人士之披露 ²
香港財務報告準則第7號之修訂	披露－轉讓金融資產 ³
香港會計準則第12號之修訂	遞延稅項－收回相關資產 ⁴
香港財務報告準則第9號	金融工具 ⁵

¹ 於二零一零年七月一日或之後開始之年度期間生效

² 於二零一一年一月一日或之後開始之年度期間生效

³ 於二零一一年七月一日或之後開始之年度期間生效

⁴ 於二零一二年一月一日或之後開始之年度期間生效

⁵ 於二零一三年一月一日或之後開始之年度期間生效

香港會計準則第24號(經修訂)澄清並簡化有關連人士的定義。該準則亦就政府相關實體與受相同政府控制、共同控制或重大影響的相同政府或實體之交易的有關連人士披露給予部分豁免。

香港財務報告準則第7號之修訂完善金融資產轉讓交易之終止確認披露規定，以便財務報表使用者更好地理解實體可能因已轉讓資產仍存在風險的潛在影響。該修訂亦規定須就報告期間結算日前後所進行不合比例金額的轉讓交易作出額外披露。

財務報表附註

(以人民幣列示)

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

根據香港財務報告準則第9號，金融資產視乎實體管理金融資產之業務模式及金融資產之合約現金流特徵分類為按公平價值或攤銷成本計量之金融資產。公平價值之收益或虧損將於損益確認，惟非買賣股本投資除外，實體可選擇於其他全面收入確認收益及虧損。香港財務報告準則第9號保持香港會計準則第39號之金融負債確認及計量規定，惟指定按公平價值計入損益之金融負債則除外，其因負債信貸風險變動導致之公平價值變動的金額於其他全面收入確認，除非將導致或擴大會計錯配。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認金融資產及金融負債的規定。

香港會計準則第12號之修訂引入反駁推定，投資物業可透過銷售全部收回。倘投資物業可予折舊及以目的為不斷消耗投資物業大部份經濟利益(而非透過銷售)之業務模式持有，則此項推定可予駁回。修訂本將追溯應用。

本集團正在評估該等新訂／經修訂香港財務報告準則之潛在影響，直至目前為止，董事認為應用該等新訂／經修訂香港財務報告準則將不會對本集團之財務報表造成重大影響。

3. 編製基準

(a) 遵例聲明

此等財務報表乃根據所有適用香港財務報告準則及香港公司條例的披露規定編製。

此外，此等財務報表包括聯交所證券上市規則規定的適用披露。

(b) 計量基準

此等財務報表乃根據歷史成本法編製，並已就重估如下文所載會計政策所述以公平價值列賬之投資物業、證券買賣及可轉股債券衍生部分作出修訂。

(c) 功能貨幣及呈列貨幣

此等財務報表乃以人民幣呈列，人民幣亦為本公司的功能貨幣。

財務報表附註

(以人民幣列示)

4. 主要會計政策

(a) 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。集團公司間之公司間交易與結餘連同未變現溢利乃於編製綜合財務報表時全數對銷。惟於有關交易可提供所轉讓資產之減值證明時，則亦可對銷未變現虧損，在此情況下，虧損於損益中確認。

年內收購或出售之附屬公司業績自收購生效日期起或截至出售生效日期止(視適用情況而定)計入綜合全面收入報表。會於需要時就附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者一致。

自二零一零年一月一日起之業務合併

收購附屬公司或業務以收購法入賬。收購成本按所轉讓資產、所產生負債及本集團(作為收購方)所發行之股本權益於收購日期之公平價值總和計量。所收購之可識別資產及所承擔負債主要按收購日期之公平價值計量。本集團事先於被收購方中所持有之股本權益按收購日期之公平價值重新計量，產生的收益或損失則於損益中確認。本集團或可選擇，以逐筆交易之基準，按公平價值或應佔被收購方可識別資產淨值之份額計量非控制權益。收購相關成本予以支銷。

收購方將予轉讓的任何或然代價按於收購日期之公平價值確認。其後對代價之調整於商譽內確認，惟僅以計量期間(自收購日期起計最多十二個月)內獲得之與收購日期之公平價值有關之新資料所引致者為限。所有對或然代價的其他其後調整，則分類為資產或負債，於損益中確認。

倘本集團於附屬公司的權益變動並未導致喪失控制權，則作為權益交易入賬。本集團權益及非控制權益之賬面值已予調整，以反映其於附屬公司之有關權益變動。非控制權益之調整金額與已付或已收代價公平價值之間的任何差額直接於權益確認，並歸屬予本公司擁有人。

倘本集團喪失對附屬公司之控制權，則出售產生的損益乃根據(i)已收代價公平價值及任何保留權益公平價值之總額與(ii)該附屬公司之資產(包括商譽)及負債以及任何非控制權益之過往賬面值兩者間之差額計算。先前於其他全面收入內確認與該附屬公司有關之任何金額按猶如已出售相關資產或負債之相同方式入賬。

4. 主要會計政策(續)

(a) 業務合併及綜合基準(續)

自二零一零年一月一日起之業務合併(續)

收購完成後，非控制權益之賬面值為該等權益於初步確認時之金額，另加非控制權益應佔其後權益變動金額。即使全面收入總額歸屬予非控制權益會導致非控制權益產生虧絀結餘，全面收入總額仍須歸屬予非控制權益。

於二零一零年一月一日之前之業務合併

於收購時，相關附屬公司之資產及負債乃按其於收購日期之公平價值計量。少數股東權益則按少數股東所佔已確認資產及負債公平價值之比例入賬。

本集團就業務合併產生之交易成本(與發行債務或股本證券相關之交易成本除外)已資本化為收購成本之一部分。

倘適用於少數股東之虧損超過附屬公司股權中之少數股東權益，則超出數額及適用於少數股東之任何進一步虧損會沖減本集團之權益，惟少數股東有具約束力責任且有能作出額外投資以彌補該等虧損則除外。倘附屬公司其後錄得溢利，則所有該等溢利將分派予本集團之權益，直至本集團收回之前錄得之少數股東應佔虧損為止。

本集團應用一項政策，將與少數股東權益之間之交易視作與本集團外部人士進行之交易處理。本集團因出售少數股東權益而產生之盈虧於損益中確認。收購少數股東權益將產生商譽，即任何已付代價與應佔所收購附屬公司資產淨值之賬面值之間之差額。

(b) 附屬公司

附屬公司指本集團有權支配其財務及經營政策，以從其業務中獲益之公司。評估是否擁有控制權時，亦會考慮現時可行使之潛在表決權。

投資附屬公司乃按成本扣除任何減值虧損於本公司財務狀況報表入賬。本公司按已收及應收股息基準將附屬公司之業績入賬。

4. 主要會計政策(續)

(c) 商譽

於收購附屬公司時產生的商譽指收購成本超出收購當日本集團於附屬公司已確認可識別資產、負債及或然負債的公平淨值的差額。商譽初步按成本確認為資產，其後按成本減任何累計減值虧損計算。

就進行減值檢測而言，商譽乃分配予預期受惠於合併所產生協同效益的本集團現金產生單位。已獲分配商譽的現金產生單位會每年或於有跡象顯示單位可能出現減值時更頻密地進行減值檢測。倘現金產生單位的可收回金額少於單位的賬面值，則減值虧損首先分配以減少分配予該單位任何商譽的賬面值，其後根據該單位各資產的賬面值按比例分配至該單位的其他資產。就商譽確認的減值虧損不會於往後期間撥回。

於出售附屬公司時，商譽之應佔金額於釐定出售溢利或虧損時計算在內。

(d) 物業、機器及設備

物業、機器及設備以歷史成本扣除累計折舊及任何累計減值虧損列賬。資產於其可作擬定用途時開始計算折舊。

一項物業、機器及設備項目之歷史成本包括其購入價及將該資產達至其營運狀態及地點以作擬定用途之任何直接應佔成本。該物業、機器及設備項目投入運作後產生之開支，例如維修及保養，一般在其產生期間自損益扣除。倘若可清楚顯示有關開支導致使用該物業、機器及設備項目預計可取得之未來經濟效益有所增加，且該項目之成本能可靠計量，則有關開支予以資本化，作為該資產之額外成本或替代。

除在建物業外，折舊乃按資產估計可使用年期以直線法撇銷其成本計算。於各報告期間結算日審閱估計可使用年期、剩餘價值及折舊方式，而任何估計變動乃按預期基準入賬。採用之主要年率如下：

永久業權土地	未折舊
樓宇	5%
租賃物業裝修	租賃餘下年期但不超過十年
廠房及機器	10%至33%
汽車	20%
辦公室設備、傢俬及裝置	20%至33%

4. 主要會計政策(續)

(d) 物業、機器及設備(續)

出售或棄用一項物業、機器及設備之損益按出售所得款項與資產賬面值之差額釐定，並於損益確認。

在建工程指按成本扣除任何減值虧損入賬且並無折舊之在建樓宇。成本包括於建築期間之直接建築成本及撥作資本之借貸成本。在建工程於完成及可供使用時重新分類至適當的物業、機器及設備或投資物業類別。

倘資產之賬面值高於其估計可收回金額，該項資產將即時撇減至其可收回金額。

(e) 投資物業

投資物業乃為賺取租金及／或資本增值而持有之物業，而並非持作在一般業務過程中出售、用作生產或供應貨物或服務或用作行政用途。投資物業初步按成本(包括交易成本)計量。於初步確認後，投資物業乃按公平價值計量。投資物業公平價值變動產生之損益於其產生期間計入損益。

(f) 其他無形資產

其他無形資產初步按成本入賬。於業務合併時購入之無形資產，其成本為收購日期之公平價值。具無限可使用年期的其他無形資產其後按成本減任何減值虧損入賬，而具有限可使用年期的其他無形資產則按成本減累計攤銷及減值虧損入賬。攤銷按直線基準於其估計可使用年期扣除。估計可使用年期及攤銷方式於各年度報告期間結算日審閱，任何估計變動之影響按預期基準入賬。具有限可使用年期其他無形資產的主要年率如下：

具有限可使用年期的商標	6.6%至10%
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4. 主要會計政策(續)

(g) 有形及無形資產(不包括商譽)減值

在各報告期間結算日，本集團審閱其有形和無形資產的賬面值，以確定是否有任何跡象顯示該等資產已出現減值虧損。倘存在有關跡象，則估計資產的可收回金額，以確定減值虧損的程度(如有)。倘不可能估計個別資產的可收回金額，本集團會估計該資產所屬現金產生單位的可收回金額。倘覓得合理及一致的分配方法，集團資產會分配至個別現金產生單位，或以該合理及一致的分配方法分配至最少的現金產生單位。

具無限可使用年期的無形資產及尚未可供使用的無形資產均每年，或於有跡象顯示資產可能減值的情況下進行減值檢測。

可收回金額為公平價值減出售成本與使用價值兩者的較高者。在評估使用價值時，估計未來現金流按照可反映當前市場對貨幣時間價值及該資產特定風險的評估的稅前折現率折算至現值，當中並無對未來現金流的估計作出調整。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則將該資產(或現金產生單位)的賬面值減至其可收回金額。減值虧損即時確認為損益。

倘減值虧損其後撥回，該資產(或現金產生單位)的賬面值會增加至其經修訂的可收回估計金額；惟增加後的賬面值不得超過該資產(或現金產生單位)以往年度並無確認減值虧損之情況下應已釐定的賬面值。減值虧損之撥回即時於損益確認。

(h) 政府補貼

在合理地保證本集團會遵守政府補貼的附帶條件以及將會得到補貼後，政府補貼方會予以確認。

其他政府補貼在需要與其擬補償的成本配合的各期間內按有系統基準確認為收入。用作補償本集團已產生開支或虧損或旨在為本集團提供即時財務資助(而無未來相關成本)之應收政府補貼，乃於應收期間於損益確認。

財務報表附註

(以人民幣列示)

4. 主要會計政策(續)

(i) 存貨

存貨初步按成本確認，其後則以成本與可變現淨值兩者中之較低者確認。成本，包括固定及可變經常開支之適當部分，乃按對特定存貨類別最為適當之方法分配至存貨，其中大部分以加權平均法估值。可變現淨值指估計存貨售價減所有估計完工成本及銷售必要費用。

(j) 金融資產

根據合約(有關條款規定該項投資須於相關市場制訂之時限內交付)購買或出售金融資產時，金融資產會於交易日確認或終止確認。金融資產初步按公平價值加交易成本計算，惟分類為按公平價值計入損益之金融資產除外，該等資產初步按公平價值計量。年內，本集團的金融資產分類為按公平價值計入損益之金融資產、貸款及應收款項及可供出售金融資產。此等金融資產其後視分類而定根據以下方式入賬：

(i) 按公平價值計入損益之金融資產

倘金融資產持作買賣或被劃分為按公平價值計入損益，則有關金融資產分類為按公平價值計入損益。按公平價值計入損益之金融資產乃按公平價值列賬，而任何由此產生之損益於損益確認。於損益確認之損益淨額包括就金融資產賺取之任何股息或利息。

(ii) 貸款及應收款項

有固定或待定付款且並無在活躍市場報價的應收貿易賬款、貸款及其他應收款項分類為貸款及應收款項。貸款及應收款項採用實際利息法減任何減值虧損按攤銷成本計算。利息收入以實際利率確認，惟利息甚微的短期應收款項除外。

(iii) 可供出售金融資產

不列入上述任何類別的證券投資或持至到期證券被分類為可供出售金融資產，並按公平價值列示。除減值虧損、按實際利率法計算的利息以及貨幣資產的外匯收益及虧損直接於損益確認外，公平價值變動產生的收益及虧損直接於權益的投資重估儲備確認。倘投資被出售或被評為已減值，過往於投資重估儲備確認的累計收益或虧損則在期內於損益列賬。

財務報表附註

(以人民幣列示)

4. 主要會計政策(續)

(i) 金融資產(續)

(iii) 可供出售金融資產(續)

當本集團收取股息之權利確立時，可供出售金融資產的股息會於損益確認。

並無在活躍市場報價且其公平價值不能可靠計量之可供出售金融資產，已於財務狀況報表按成本扣除任何減值虧損確認。

(iv) 金融資產減值

於各報告期間結算日評估金融資產是否有減值跡象，惟按公平價值計入損益者除外。倘有客觀證據顯示投資之估計未來現金流因初步確認金融資產後發生的一項或多項事件而受到影響，則金融資產已減值。

就本集團貸款及應收款項而言，減值的客觀證據包括：

- 發行人或交易對手面對重大財政困難；或
- 拖欠或未能償還利息或本金付款；或
- 借貸方很可能破產或進行財務重組；或
- 技術、市場、經濟或法律環境出現對債務人不利的重大變動。

倘存在任何上述跡象，則會按以下方式釐定並確認減值虧損：

就以成本列賬之無報價權益證券而言，減值虧損以金融資產之賬面值與以類似金融資產當時市場回報率折現(倘折現影響重大)之估計未來現金流間之差額計量。權益證券之減值虧損不予撥回。

至於按攤銷成本列賬之貿易及其他即期應收款項以及其他金融資產而言，倘存在有關證據，減值虧損乃以資產的賬面值與按該金融資產原實際利率折現(倘折現影響重大)之估計未來現金流現值間之差額計量。倘按攤銷成本列賬的金融資產具備類似風險特徵，例如類似逾期情況及不曾單獨評估為減值，則有關評估會同時進行。共同評估有否減值的金融資產未來現金流會根據與整個組別所持具有類似信貸風險特徵的資產之過往虧損情況評估。

4. 主要會計政策(續)

(j) 金融資產(續)

(iv) 金融資產減值(續)

倘減值虧損金額其後減少，且該等減少可客觀與確認減值虧損後發生的事件相關，則減值虧損將在損益撥回。撥回減值虧損不得導致資產賬面值超過假設該資產於以往年度並無確認減值虧損而應已釐定的賬面值。

減值虧損直接於相關資產撤銷，惟就可收回情況存疑但並非遙遙無期的應收貿易賬款及其他應收款項確認之減值虧損則除外。在此情況下，呆賬減值虧損會於撥備賬記錄。倘本集團認為收回情況遙遙無期，視為不可收回的金額將直接自應收貿易賬款及其他應收款項中撤銷，而在撥備賬中所持有關該債務的任何金額會予以撥回。倘早前計入撥備賬的款項其後收回，則有關款項於撥備賬撥回。撥備賬的其他變動及其後收回先前直接撤銷的款項均於損益確認。

(v) 實際利息法

實際利息法為計算金融資產攤銷成本及於有關期間內分配利息收入的方法。實際利率為於金融資產預計年期或在適用情況下於較短期間內實際折現估計未來現金收入的利率。

(vi) 終止確認金融資產

本集團只會於自資產獲得現金流之合約權利屆滿，或倘向另一實體轉讓金融資產及該資產所有權的絕大部分風險及回報之情況下，方會終止確認金融資產。倘本集團既無轉讓亦無保留所轉讓資產所有權的絕大部分風險及回報並繼續控制該資產，則本集團會確認於該資產的保留權益及可能須支付的相關負債。倘本集團保留所轉讓金融資產所有權的絕大部分風險及回報，則本集團會繼續確認該項金融資產，亦會確認所收取所得款項之附屬借款。

(k) 本集團發行的金融負債及股本工具

(i) 分類為債務或權益

債務及股本工具乃根據合約安排的内容分類為金融負債或權益。

4. 主要會計政策(續)

(k) 本集團發行的金融負債及股本工具(續)

(ii) 股本工具

股本工具乃證明一家實體資產經扣除其所有負債後的剩餘權益的任何合約。本公司發行的股本工具按已收所得款項(經扣除直接發行成本後)記賬。

(iii) 可轉股債券

本公司發行之可轉股債券被視為組合工具。當其經濟風險及特徵並非與主合約(負債部分)密切相關時，及主合約並非按公平價值計入損益時，內含於主債務合約的衍生工具被視為個別衍生工具處理。轉換權僅於該權利可以固定現金金額或其他金融資產交換該實體本身固定數目股權工具之方式轉換時，方會歸類為權益部分。倘轉換權並非以固定現金金額或其他金融資產交換固定數目股權工具之方式結算，則該轉換部分為內含衍生工具。

衍生工具轉換權、持有人贖回權(統稱「衍生部分」)及負債部分於發行日以各自公平價值確認。

於往後期間內，可轉股債券之負債部分採用實際利率法以攤銷成本列賬。衍生部分以公平價值計量，公平價值的變動於損益確認。

與發行可轉股債券相關之交易費用，根據所得款項之分配比例，分配至負債部分及衍生部分。與衍生部分相關的交易成本即時在損益扣除。與負債部分相關的交易成本計入負債部分的賬面值，並採用實際利率法在可轉股債券年期內攤銷。

(iv) 其他金融負債

本集團的其他金融負債，初步以公平價值扣除交易成本計算。

其他金融負債其後使用實際利率法以攤銷成本入賬，並在實際收益基準上確認利息支出。

實際利率法為計算金融負債攤銷成本以及於相關期間分配利息支出的方法。實際利率為於金融負債預計年期或在適用情況下之較短期限實際折現估計未來現金付款的比率。

財務報表附註

(以人民幣列示)

4. 主要會計政策(續)

(k) 本集團發行的金融負債及股本工具(續)

(v) 衍生金融工具

衍生工具初步按於訂立衍生合約日期之公平價值確認，其後重新計算於各報告期間結算日之公平價值。所產生收益或虧損於損益確認，除非該衍生工具乃指定為且有效作對沖工具則作別論，於此情況下，確認損益之時間須視乎對沖關係之性質而定。

不符合資格採用對沖會計法之衍生工具被視為持作買賣之金融資產／金融負債，並按公平價值計量，而公平價值變動則在損益中確認，惟與未能可靠計算公平價值之無報價權益工具掛鉤且須以交付該等權益工具結算之衍生工具則除外，該等衍生工具乃按成本扣除任何減值虧損(如適用)列賬。

倘工具之剩餘年期超過十二個月且預期不會於十二個月內變現或結算，衍生工具將列作非流動資產或非流動負債。其他衍生工具則列作流動資產或流動負債。

(vi) 終止確認金融負債

當及只要本集團之負債被解除、註銷或到期，本集團會終止確認金融負債。

(l) 現金及現金等值物

現金及現金等值物包括手頭現金及銀行活期存款以及可隨時轉換為已知數額現金、並無重大價值變動風險且原到期日為三個月或以內之短期高流通投資。就綜合現金流量表而言，須應要求償還及構成本集團現金管理重要部分之銀行透支，亦為現金及現金等值物之一部分。

(m) 租賃

出租人保留資產擁有權之絕大部分回報及風險之租賃入賬列作經營租賃。倘本集團為出租人，本集團根據經營租賃出租之資產計入非流動資產，而根據經營租賃應收之租金乃按直線基準於租賃期內計入損益。磋商及安排經營租賃所產生首次直接成本計入該項租賃資產之賬面值內，並按直線法在租賃期內支銷。倘本集團為承租人，經營租賃付款按直線法在租賃期內支銷，惟有另一系統基準更能代表消耗來自租賃資產經濟利益之時間模式則除外。已收租賃獎勵按租期確認為租金開支總額之一部分。經營租賃項下產生之或有租金於產生期內確認為開支。

財務報表附註

(以人民幣列示)

4. 主要會計政策(續)

(m) 租賃(續)

經營租賃項下持作自用之租賃土地及土地使用權指收購承租人佔用物業之長期權益之預付款。該等款項乃按成本列賬，並於租賃期內以直線法列作開支扣除任何減值虧損而攤銷。

(n) 撥備

倘本集團因過往事件而須承擔現有法定或推定責任，且本集團可能須履行該責任，並能可靠估計有關責任金額時確認撥備。

已確認為撥備的金額為計及與責任有關的風險及不明朗因素後，於報告期間結算日履行現有責任的最佳估計代價。倘使用履行現有責任的估計現金流量撥備，其賬面值為該等現金流之現值。

當須用於結算撥備之部分或全部經濟利益預期可向第三方收回時，倘幾乎肯定將可獲償付且能可靠估計應收款項數額，則應收款項確認為資產。

(o) 稅項

所得稅開支指即期應付稅項及遞延稅項之總和。

(i) 即期稅項

即期應付稅項乃按年內應課稅溢利計算。由於應課稅溢利不包括於其他年度應課稅之收入或可扣減開支項目，亦不包括從未課稅或可扣稅之項目，故與損益所列溢利不同。本集團之即期稅項負債乃按於報告期間結算日頒佈或實際上已頒佈之稅率計算。

(ii) 遞延稅項

遞延稅項乃根據財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基間之差額，以負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則一般於可扣減暫時差額將有可能用以抵銷應課稅溢利時就所有可扣減暫時差額予以確認。倘暫時差額由商譽或由初步確認一項不影響應課稅溢利或會計溢利之交易之其他資產及負債(業務合併除外)所產生，則不會確認有關資產及負債。

財務報表附註

(以人民幣列示)

4. 主要會計政策(續)

(o) 稅項(續)

(ii) 遞延稅項(續)

遞延稅項資產之賬面值乃於各報告期間結算日審閱，並予以相應扣減，直至不再有足夠應課稅溢利可供收回全部或部分資產為止。

遞延稅項負債就投資附屬公司產生之應課稅暫時差額予以確認，惟本集團可控制暫時差額之撥回時間及暫時差額於可見將來可能不會撥回則作別論。與有關投資相關的可扣減暫時差額產生的遞延稅項資產，僅於可能產生足夠應課稅溢利以動用暫時差額之利益並且預期可於可見將來撥回時確認。

遞延稅項資產及負債按償還負債或變現資產的期間內預期適用之稅率，根據報告期間結算日已頒佈或實際已頒佈的稅率及稅法計算。遞延稅項負債及資產之計量反映按照本集團所預期方式，於報告期間結算日收回或結算其資產及負債賬面值將出現之稅務後果。

當具有可將即期稅項資產抵銷即期稅項負債的可依法執行權利，且該等資產及負債與同一稅務當局所徵收所得稅有關，且本集團擬按淨額基準結清其即期稅項資產及負債，則遞延稅項資產可與遞延稅項負債互相抵銷。

所得稅於損益確認，惟所得稅與在其他全面收入確認的項目有關除外，在此情況下，稅項亦在其他全面收入確認。

(p) 外幣

每個集團實體之個別財務報表乃按實體營運所在主要經濟環境之貨幣(「功能貨幣」)呈列。就綜合財務報表而言，每個集團實體之業績及財務狀況乃按本公司之功能貨幣及綜合財務報表之呈列貨幣人民幣列值。

於編製每個實體之財務報表時，以該實體功能貨幣以外貨幣(「外幣」)進行之交易，按交易日適用之匯率入賬。於各報告期間結算日，以外幣列值之貨幣項目乃按報告期間結算日之適用匯率重新換算。以外幣計量歷史成本之非貨幣項目毋須重新換算。

財務報表附註

(以人民幣列示)

4. 主要會計政策(續)

(p) 外幣(續)

匯兌差額於產生期間在損益中確認，惟以下各項除外：

- 有關用作未來生產用途之在建資產之匯兌差額，乃於該等資產被視為外幣借款之利息成本調整時計入該等資產之成本內；
- 為對沖若干外匯風險訂立交易之匯兌差額；及
- 應收或應付一項境外業務之貨幣項目之匯兌差額，而該等貨幣項目既無計劃亦不大可能結算、構成境外業務之淨投資部分及於匯兌儲備確認並且於出售淨投資時在損益確認。

就呈列綜合財務報表而言，本集團海外業務之資產與負債乃採用報告期間結算日之適用匯率以人民幣列值。收入及費用項目按期間之平均匯率換算，惟期內匯率大幅波動則除外，在該情況下，會使用交易當日的匯率。產生之匯兌差額(如有)於其他全面收入中確認，並於權益中以本集團之匯兌儲備累計(適當歸類為非控制權益)。該等匯兌差額於出售海外業務或相關資產期間內於損益確認。

於收購海外業務時產生之商譽及公平價值調整乃作為海外業務之資產及負債處理，並按收市匯率換算。產生之匯兌差額於匯兌儲備中確認。

(q) 僱員福利

(i) 短期福利

薪酬、年終花紅、有薪年假及其他津貼乃於僱員提供相關服務之年度內累計。倘延遲支付或償付有關福利，且影響重大，則該等金額會以現值列賬。

(ii) 定額供款退休金責任

定額供款退休計劃之供款乃於僱員提供服務時於損益確認為開支。本集團於支付供款後即無進一步付款責任。

4. 主要會計政策(續)

(r) 以權益結算之股份付款交易

向僱員及提供類似服務之其他人士作出以權益結算之股份付款交易乃按授出日期股本工具之公平價值計算。

於授出日期釐定之以權益結算之股份付款公平價值，乃以本集團對最終歸屬股本工具之估計為基準，於歸屬期內以直線法支銷，並對權益(即購股權儲備)作出相應增加。於各報告期間結算日，本集團修訂其預期將會歸屬之估計股本工具數目。修訂原先估計之影響(如有)乃按剩餘歸屬期於損益賬確認，並於購股權儲備作出相應調整。

當購股權獲行使時，早前於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日期後遭沒收，或於屆滿日期仍未行使，早前於購股權儲備確認之金額將轉撥至保留溢利。

與其他人士進行以權益結算之股份付款交易乃以所收取貨物或服務之公平價值計量，惟若公平價值無法可靠估計，則按授出股本工具之公平價值(以本集團取得貨物或對手方提供服務之日計算)計算。

(s) 借款成本

與收購、建造或生產需要一段頗長時間方可達致擬定用途或銷售的合資格資產直接相關之借款成本，均會撥充作為該等資產成本之一部分，直至資產大致上已達致擬定用途或可出售時為止。將有待用於該等資產之特定借款作短期投資賺取之收入會於撥充資本的借款成本扣除。所有其他借款成本會於產生期間於損益確認。

(t) 關連人士

倘其中一方有能力直接或間接控制另一方或對另一方於作出財務及營運決策時可行使重大影響力，則雙方被視為有關連。受共同控制或共同重大影響之人士亦被視為有關連。關連人士可為個人(即主要管理人員、主要股東及／或彼等之直系親屬)或其他實體，且包括受到本集團屬個人之關連人士重大影響之實體，以及為本集團或作為本集團關連人士之任何實體之僱員福利而設之離職後福利計劃。

財務報表附註

(以人民幣列示)

4. 主要會計政策(續)

(u) 收益確認

收益按已收或應收代價的公平價值計量。收益已就估計客戶退貨、折扣及其他類似備抵作出扣減。

- (i) 銷售產品之收入於本集團向客戶付運產品，該客戶已接獲該等產品，且相關應收款項合理地保證可收回時確認。
- (ii) 提供服務的收益以所提供之服務及根據協議條款確認。
- (iii) 利息收入就未償還本金額使用實際利率法按時間比例確認。
- (iv) 經營租賃之租金收入乃於租賃期所涵蓋之會計期間內以等額分期確認。
- (v) 政府補貼乃於可合理地保證將可收取後及本集團將遵守一切附帶條件時，按其公平價值確認。
- (vi) 贊助收入乃於收取收入的權利確立時，按累計基準確認。

(v) 或然負債

或然負債為由過往事件產生之現有責任，且其存在與否只可由一項或多項並非本集團所能控制之未確定未來事件是否發生而確定。或然負債亦可為過往事件產生之現有責任，惟並無確認，因為不可能需要流出經濟資源或責任金額不能可靠計量。

或然負債並無確認，惟已於財務報表披露。當流出之機會有變，致令有可能流出，則屆時將確認為撥備。

5. 重要會計判斷及估計不確定因素的主要來源

在應用本集團會計政策時，董事須對未能從其他來源輕易獲得的資產及負債賬面值作出判斷、估計和假設。估計和相關假設以過往經驗及視為有關之其他因素為基準作出。實際結果可能與該等估計有所不同。

估計及相關假設持續審閱。倘會計估計之修訂僅影響修訂期間，則其修訂只會在當期確認；如影響修訂期間及未來期間，則同時在修訂當期和未來期間確認。

(a) 應用會計政策之重要判斷

以下為董事於應用本集團會計政策時作出且對財務報表已確認金額造成最重大影響之重要判斷。

(i) 投資物業與自用物業間之分類

本集團決定一項物業是否合資格作為投資物業，並已制定作出該判斷之標準。投資物業為就賺取租金或資本增值或兩者兼得而持有之物業。因此，本集團認為，該物業能否產生現金流，很大程度不受本集團持有之其他資產影響。

判斷乃就個別物業作出，以決定附屬設備是否重大，令該物業不符資格作為投資物業。

(ii) 無形資產及攤銷

本集團就其無形資產釐定估計可使用年期及相關攤銷。無形資產的可使用年期按市場需求變動或資產服務輸出的預期用途及技術陳舊程度基準評估為有限或無限。具有有限可使用年期的無形資產隨預期可使用經濟年限攤銷，並於無形資產有跡象顯示會出現減值時作出減值評估。具有有限可使用年期的無形資產的攤銷期及攤銷法由管理層至少各個報告期間結算日作出檢討。

(b) 估計不確定因素的主要來源

估計不確定因素之主要來源如下：

(i) 商譽減值

釐定商譽是否減值須估計獲分配商譽的現金產生單位之使用價值。計算使用價值時，董事須估計預期可自現金產生單位獲得之未來現金流及適當折現率，從而計算現值。進一步詳情載於附註19。

5. 重要會計判斷及估計不確定因素的主要來源(續)

(b) 估計不確定因素的主要來源(續)

(ii) 投資物業公平價值之估計

在欠缺類似物業在活躍市場之現價時，本集團考慮源自多個來源之資料，包括：

- (a) 不同性質、狀況或地點(或按不同租賃或其他合同)之物業在活躍市場之現價，乃加以調整以反映其差別；及
- (b) 類似物業在較淡靜市場之最近期價格，並作出調整以反映按該等價格進行交易當日起任何經濟狀況變動。

本集團公平價值估計之主要假設包括類似物業在相同地點及狀況之最近期市場租值、適當折現率、預計未來市場租值及未來維修成本。

(iii) 存貨之可變現淨值

存貨之可變現淨值乃於日常業務中作出之估計售價減估計完成成本及出售開支。此等估計乃根據當時市況以及製造及出售類似性質產品之過往經驗作出，並會因應競爭對手就劇烈行業週期所作行動而作出重大改變。管理層將於各報告期間結算日重新評估此等估計。

(iv) 應收貿易賬款及其他應收款項減值

本集團之管理層釐定應收貿易賬款及其他應收款項之減值撥備。該估計乃根據其客戶及欠款人之信貸紀錄及當時市況作出。管理層將於各報期間結算日重新評估撥備。

財務報表附註

(以人民幣列示)

6. 營業額及分類資料

營業額(亦為收益)指向客戶供應貨品及提供服務之銷售價值，乃分析如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
銷售貨品	698,355	378,935
服務收入	378,487	263,414
	1,076,842	642,349

(a) 可呈報分部

本集團根據主要營運決策人為作出策略決定而審閱的報告來釐定經營分部。

本集團經營兩項可呈報分部，分別為(i)汽車配件生產及銷售；及(ii)提供汽車維修、養護及修飾服務以及汽車配件貿易。

分類間交易乃參考就類似訂單向外部人士收取之費用而定價。由於核心收益及開支並未計入主要營運決策人評估分部表現時使用之分部業績，故並無分配至各經營分部。

財務報表附註

(以人民幣列示)

6. 營業額及分類資料(續)

(a) 可呈報分部(續)

下文載列此等分部資料之分析：

二零一零年	汽車配件 生產及銷售	提供汽車 維修、養護及 修飾服務以及 汽車配件貿易	對銷	綜合
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
業績：				
外部銷售收益	558,064	518,778	–	1,076,842
分部間銷售收益	13,997	1,009	(15,006)	–
外部其他收入及收益或虧損	10,606	9,605	–	20,211
可呈報分部收益	582,667	529,392	(15,006)	1,097,053
可呈報分部業績	38,108	34,827		72,935
利息收入	211	164		375
未分配利息收入				3
利息收入總額				378
利息開支	(5,127)	(326)		(5,453)
未分配利息開支				(42)
利息開支總額				(5,495)
折舊及攤銷費用	(14,949)	(13,360)		(28,309)
未分配折舊及攤銷費用				(21)
折舊及攤銷費用總額				(28,330)
所得稅開支	(5,142)	(9,036)		(14,178)
未分配所得稅開支				(5)
所得稅開支總額				(14,183)
可呈報分部資產	515,373	834,663		1,350,036
添置非流動資產	24,325	30,541		54,866
未分配添置非流動資產				37
添置非流動資產總額				54,903
可呈報分部負債	211,270	468,636		679,906

財務報表附註

(以人民幣列示)

6. 營業額及分類資料(續)

(a) 可呈報分部(續)

二零零九年	汽車配件 生產及銷售 人民幣千元	提供汽車 維修、養護及 修飾服務以及 汽車配件貿易 人民幣千元	對銷 人民幣千元	綜合 人民幣千元
業績：				
外部銷售收益	378,935	263,414	-	642,349
分部間銷售收益	715	120	(835)	-
外部其他收入及收益或虧損	8,780	3,759	-	12,539
可呈報分部收益	388,430	267,293	(835)	654,888
可呈報分部業績	26,313	11,860		38,173
利息收入	484	459		943
未分配利息收入				103
利息收入總額				1,046
利息開支	(5,529)	(451)		(5,980)
未分配利息開支				(3,761)
利息開支總額				(9,741)
折舊及攤銷費用	(12,396)	(9,951)		(22,347)
未分配折舊及攤銷費用				(17)
折舊及攤銷費用總額				(22,364)
所得稅開支	(4,137)	(3,359)		(7,496)
可呈報分部資產	365,456	302,807		668,263
添置非流動資產	34,328	6,327		40,655
可呈報分部負債	137,559	99,566		237,125

財務報表附註

(以人民幣列示)

6. 營業額及分類資料(續)

(b) 可呈報分部損益以及資產及負債之對賬表

	二零一零年 人民幣千元	二零零九年 人民幣千元
除所得稅開支前溢利：		
可呈報分部溢利	72,935	38,173
未分配其他收入及收益或虧損	333	(3,740)
未分配公司開支	(11,405)	(6,276)
可轉股債券衍生部分公平價值虧損	—	409
未分配融資成本	(42)	(3,929)
除所得稅開支前綜合溢利	61,821	24,637
資產：		
可呈報分部資產	1,350,036	668,263
未分配公司資產	4,148	18,732
綜合資產總值	1,354,184	686,995
負債：		
可呈報分部負債	679,906	237,125
未分配公司負債	7,663	5,109
綜合負債總額	687,569	242,234

財務報表附註

(以人民幣列示)

6. 營業額及分類資料(續)

(c) 地區分部

來自本集團外部客戶之分部收益以及金融工具及遞延稅項資產除外之非流動資產(「特定非流動資產」)按地區呈列如下：

	來自外部客戶之收益		特定非流動資產	
	二零一零年 人民幣千元	二零零九年 人民幣千元	二零一零年 人民幣千元	二零零九年 人民幣千元
北美洲	406,251	255,338	—	—
歐洲	53,616	39,973	—	—
亞太地區	36,240	48,097	—	—
大中華區(包括台灣)	580,735	298,941	706,598	321,210
	1,076,842	642,349	706,598	321,210

(d) 主要客戶

年內，本集團之客戶基礎分散，且並無(二零零九年：無)客戶之交易額佔本集團收益超過10%。

財務報表附註

(以人民幣列示)

7. 其他收入及收益或虧損

	附註	二零一零年 人民幣千元	二零零九年 人民幣千元
投資物業之租金及其他租金收入毛額(支出：人民幣零元 (二零零九年：人民幣零元))		4,582	3,658
銀行存款之利息收入		322	880
保證訂金之隱含利息收入		56	166
於汽車配件生產及銷售分部提供維修及養護以及重新組裝 汽車配件之收入		19	531
贖回可轉股債券虧損淨額	28	—	(5,126)
出售一家附屬公司部分股本權益虧損		—	(1,438)
出售物業、機器及設備收益／(虧損)		83	(417)
投資物業公平價值收益	18	5,407	3,015
收購一家附屬公司額外權益之折讓		—	2,638
證券買賣公平價值(虧損)／收益		(57)	112
銷售廢棄存貨及樣本收入		2,046	1,980
政府補貼#		1,185	482
就提前終止經營租賃從出租人取得之補償收入		1,613	—
贊助收入		1,968	—
其他		3,320	2,318
		20,544	8,799

該結餘指就若干中國附屬公司已繳稅款從地方政府取得之補償收入及中國地方政府授予之補貼。

8. 融資成本

	附註	二零一零年 人民幣千元	二零零九年 人民幣千元
利息開支：			
於五年內悉數償還之銀行借款		5,278	5,762
於五年後悉數償還之銀行借款		217	218
可轉股債券之隱含利息	28	—	3,761
可轉股債券匯兌虧損	28	—	168
		5,495	9,909

財務報表附註

(以人民幣列示)

9. 除所得稅開支前溢利

	附註	二零一零年 人民幣千元	二零零九年 人民幣千元
除所得稅開支前溢利乃經扣除／(計入)：			
匯兌虧損淨額		4,228	360
存貨成本(附註)		432,970	285,963
服務成本(附註)		337,175	171,849
存貨減值／(減值撥回)		2,466	(92)
		772,611	457,720
物業、機器及設備折舊		27,527	21,737
攤銷：			
租賃土地及土地使用權		494	494
其他無形資產*		309	133
折舊及攤銷費用總額		28,330	22,364
應收貿易賬款呆賬額外撥備		3,045	1,450
按金、預付款項及其他應收款項額外減值		-	285
商譽減值	19	1,679	-
核數師酬金		1,017	900
僱員福利開支(包括董事酬金(附註10(a)))：			
薪金及津貼		113,279	77,781
退休金計劃供款		9,921	5,917
股本結算股份付款		204	302
其他福利		5,695	5,261
僱員福利開支總額		129,099	89,261

附註：存貨及服務成本包括有關員工成本以及折舊及攤銷費用之金額人民幣54,785,000元(二零零九年：人民幣32,468,000元)，該金額亦計入上文個別披露之相關總金額。

* 計入行政開支

財務報表附註

(以人民幣列示)

10. 董事及五名最高薪酬人士之酬金

(a) 董事酬金

董事於截至二零一零年及二零零九年十二月三十一日止年度之酬金載列如下：

二零一零年

董事姓名	袍金 人民幣千元	薪金及 其他津貼 人民幣千元	總計 人民幣千元
執行董事：			
洪偉弼	—	1,950	1,950
吳冠宏	—	959	959
洪瑛蓮	—	808	808
陸元成	—	355	355
Douglas Charles Stuart Fresco (Fresco先生)	—	53	53
Edward B. Matthew	—	18	18
Norman L. Matthew (Matthew先生)	—	13	13
非執行董事：			
羅小平	—	60	60
石伊萍	—	20	20
許明全	—	45	45
獨立非執行董事：			
周太明	81	—	81
杜海波	81	—	81
汪啟茂	81	—	81
	243	4,281	4,524

財務報表附註

(以人民幣列示)

10. 董事及五名最高薪酬人士之酬金(續)

(a) 董事酬金(續)

二零零九年

董事姓名	袍金 人民幣千元	薪金及 其他津貼 人民幣千元	總計 人民幣千元
執行董事：			
洪偉弼	—	1,640	1,640
吳冠宏	—	868	868
洪瑛蓮	—	657	657
陸元成	—	354	354
Douglas Charles Stuart Fresco (Fresco先生)	—	53	53
Norman L. Matthew (Matthew先生)	—	53	53
非執行董事：			
羅小平	—	60	60
石伊萍	—	60	60
李榮興	—	15	15
獨立非執行董事：			
周太明	72	—	72
杜海波	72	—	72
汪啟茂	72	—	72
	216	3,760	3,976

截至二零一零年十二月三十一日止年度，本集團並無向任何董事支付酌情花紅、獎勵金、僱主退休金計劃供款或離職補償(二零零九年：人民幣零元)。

截至二零一零年十二月三十一日止年度，概無董事放棄或同意放棄本集團支付之任何酬金(二零零九年：人民幣零元)。

財務報表附註

(以人民幣列示)

10. 董事及五名最高薪酬人士之酬金(續)

(b) 五名最高薪酬人士

本集團於截至二零一零年十二月三十一日止年度之五名最高薪酬人士包括四名(二零零九年:三名)董事,彼等之酬金於上文附註10(a)呈列之分析內反映。向餘下一名(二零零九年:兩名)酬金少於人民幣1,000,000元之非董事最高薪酬僱員支付或應付的酬金載列如下:

	二零一零年 人民幣千元	二零零九年 人民幣千元
薪金及其他津貼	521	898

11. 所得稅開支

(a) 於綜合全面收入報表中扣除之稅項金額指:

	二零一零年 人民幣千元	二零零九年 人民幣千元
即期稅項		
一年內撥備		
中國	11,898	5,499
台灣	1,165	1,055
— 過往年度(超額撥備)/撥備不足	(937)	231
	12,126	6,785
遞延稅項(附註29)		
— 源自暫時差異之產生及撥回淨額	1,795	705
— 稅率變動所致	262	6
	14,183	7,496

(b) 由於本集團於截至二零零九年及二零一零年十二月三十一日止年度內並無於香港產生應課稅溢利,故並無計提香港利得稅撥備。海外附屬公司稅項乃同樣按相關司法權區適用之現有稅率計算。

財務報表附註

(以人民幣列示)

11. 所得稅開支(續)

(b) (續)

年內適用之中國及台灣所得稅率分別為25%及17%。根據中國相關法律及法規，(i)於二零零七年三月十六日，全國人民代表大會通過《中華人民共和國企業所得稅法》(「新企業所得稅法」)。本公司一家主要中國附屬公司自二零零八年一月一日起享受18%–24%之所得稅優惠稅率。根據新企業所得稅法，現時享有之優惠稅率經已逐步轉變為新訂的統一稅率，即25%，轉變期為五年。於本年度，附屬公司之中國企業所得稅按估計應課稅溢利22%(二零零九年：20%)計提撥備；及(ii)本公司一家主要中國附屬公司符合中國外資生產企業及高新科技企業之資格，自二零零九年一月一日起三年按適用之全國中國所得稅15%繳稅。

(c) 本年度所得稅開支與綜合全面收入報表內之除所得稅開支前溢利對賬如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
除所得稅開支前溢利	61,821	24,637
按25%(二零零九年：25%)適用稅率計算之稅項	15,455	6,159
毋須課稅收入之稅務影響	(15)	(595)
毋須扣稅開支之稅務影響	1,116	–
稅率變動影響	262	6
未確認稅項虧損	2,259	3,453
稅務優惠及稅務豁免之影響	(4,115)	(2,413)
於其他司法權區經營之附屬公司不同稅率之影響	158	655
過往年度(超額撥備)/撥備不足	(937)	231
所得稅開支	14,183	7,496

12. 本公司擁有人應佔溢利

本公司擁有人應佔溢利包括虧損人民幣14,411,000元(二零零九年：人民幣16,357,000元)，已於本公司財務報表處理。

13. 股息

董事會並不建議就截至二零一零年十二月三十一日止年度派付末期股息(二零零九年：人民幣零元)。截至二零一零年十二月三十一日止年度概無宣派中期股息(二零零九年：人民幣零元)。

財務報表附註

(以人民幣列示)

14. 每股盈利

每股基本盈利乃按本年度本公司擁有人應佔溢利及本年度已發行普通股的加權平均數為基準計算。

每股攤薄盈利乃按本年度本公司擁有人應佔溢利為基準計算，且作出調整以計入可轉股債券之隱含利息、可轉股債券匯兌收益及可轉股債券衍生部分公平價值收益(視適用情況而定)。計算中所用普通股加權平均數為本年度已發行之普通股數目，即用於計算每股基本盈利之數量，而普通股加權平均數乃假設於所有潛在攤薄普通股被視作行使或轉換為普通股時已無償發行。

每股基本及攤薄盈利乃按以下數額計算：

	二零一零年 人民幣千元	二零零九年 人民幣千元
盈利		
計算每股基本盈利所用本公司擁有人應佔溢利	34,129	11,533
可轉股債券之影響	-	-*
	34,129	11,533
就可轉股債券影響作出調整之本公司擁有人應佔溢利	34,129	11,533
	股份數目	
股份	二零一零年	二零零九年
計算每股基本盈利所用普通股加權平均數	552,208,000	471,043,000
攤薄影響－普通股加權平均數：		
購股權	5,345,000	3,423,000
可轉股債券	-	-*
	557,553,000	474,466,000
就所有潛在普通股影響作出調整之普通股加權平均數	557,553,000	474,466,000

* 由於可轉股債券對截至二零零九年十二月三十一日止年度之每股基本盈利具反攤薄作用，因此，於計算截至二零零九年十二月三十一日止年度每股攤薄盈利時並無假設可轉股債券之影響及來自可轉股債券之潛在普通股。可轉股債券已於去年獲悉數贖回。

財務報表附註

(以人民幣列示)

15. 其他全面收入，扣除稅項

	二零一零年			二零零九年		
	除稅前金額	稅項開支	扣除 稅項金額	除稅前金額	稅項開支	扣除 稅項金額
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
換算海外業務產生之匯兌差額	2,618	-	2,618	1,182	-	1,182
加：						
就已計入損益之出售一家附屬公司部分 股本權益對匯兌儲備作重新分類調整	-	-	-	724	-	724
轉撥至投資物業時之物業重估收益 (附註16)	-	-	-	4,286	(1,071)	3,215
年末	2,618	-	2,618	6,192	(1,071)	5,121

16. 物業、機器及設備

本集團

附註	在建工程 人民幣千元	永久業權 土地及樓宇 人民幣千元	租賃物業裝修 人民幣千元	廠房及機器 人民幣千元	汽車 人民幣千元	辦公室	總計 人民幣千元
						設備、傢俬及 裝置 人民幣千元	
於二零一零年一月一日之期初賬面淨值	1,273	90,730	19,886	37,130	4,117	16,520	169,656
添置	12,396	1,849	2,041	23,888	2,985	9,006	52,165
收購附屬公司	32	-	-	-	4,214	3,051	7,265
完成時轉撥	(12,432)	14	11,618	235	-	565	-
出售	-	(692)	(536)	(667)	(461)	(35)	(2,391)
年內折舊費用	-	(3,960)	(4,779)	(10,443)	(1,874)	(6,471)	(27,527)
匯兌調整	3	998	483	187	22	315	2,008
於二零一零年十二月三十一日之期末 賬面淨值	1,240	88,939	28,713	50,330	9,003	22,951	201,176

財務報表附註

(以人民幣列示)

16. 物業、機器及設備(續)

本集團(續)

附註	在建工程 人民幣千元	永久業權 土地及樓宇 人民幣千元	租賃物業裝修 人民幣千元	廠房及機器 人民幣千元	汽車 人民幣千元	辦公室 設備、傢俬 及裝置 人民幣千元	總計 人民幣千元
於二零零九年一月一日之期初賬面淨值	56,429	32,544	19,168	23,971	4,905	13,384	150,401
重新分類	175	-	(52)	-	-	(123)	-
添置	16,546	56	2,530	18,764	709	2,050	40,655
收購一家附屬公司	32	699	-	2,477	408	-	6,371
轉撥至投資物業	18	-	(10,298)	-	-	-	(10,298)
於轉撥至投資物業時作出公平價值調整	15	-	4,286	-	-	-	4,286
完成時轉撥	(72,581)	66,378	528	165	-	5,510	-
出售	-	-	(71)	(402)	(245)	(68)	(786)
年內折舊費用	-	(2,696)	(4,859)	(8,218)	(1,664)	(4,300)	(21,737)
匯兌調整	5	460	165	63	4	67	764

於二零零九年十二月三十一日之期末賬面淨值

1,273	90,730	19,886	37,130	4,117	16,520	169,656
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	在建工程 人民幣千元	永久業權 土地及樓宇 人民幣千元	租賃物業裝修 人民幣千元	廠房及機器 人民幣千元	汽車 人民幣千元	辦公室 設備、傢俬及 裝置 人民幣千元	總計 人民幣千元
於二零一零年十二月三十一日：							
成本	1,240	96,791	50,022	98,527	16,046	46,285	308,911
累計折舊及減值	-	(7,852)	(21,309)	(48,197)	(7,043)	(23,334)	(107,735)
賬面淨值	1,240	88,939	28,713	50,330	9,003	22,951	201,176

於二零零九年十二月三十一日：

成本	1,273	94,708	36,188	75,780	10,701	33,239	251,889
累計折舊及減值	-	(3,978)	(16,302)	(38,650)	(6,584)	(16,719)	(82,233)
賬面淨值	1,273	90,730	19,886	37,130	4,117	16,520	169,656

財務報表附註

(以人民幣列示)

16. 物業、機器及設備(續)

本公司

	租賃物業裝修 人民幣千元	辦公室 設備、傢俬及 裝置 人民幣千元	總計 人民幣千元
於二零零九年一月一日之賬面淨值	19	52	71
年度折舊費用	—	(17)	(17)
於二零零九年十二月三十一日之賬面淨值	19	35	54
添置	—	38	38
年度折舊費用	—	(21)	(21)
於二零一零年十二月三十一日之賬面淨值	19	52	71
於二零一零年十二月三十一日：			
成本	45	146	191
累計折舊	(26)	(94)	(120)
賬面淨值	19	52	71
於二零零九年十二月三十一日：			
成本	45	108	153
累計折舊	(26)	(73)	(99)
賬面淨值	19	35	54

本集團之永久業權土地及樓宇均位於香港以外地區。本集團之永久業權土地及若干樓宇已就取得本集團銀行借款作出抵押，有關詳情刊載於附註26。

財務報表附註

(以人民幣列示)

17. 租賃土地及土地使用權

本集團

	二零一零年 人民幣千元	二零零九年 人民幣千元
賬面淨值：		
於年初	18,676	20,508
年內攤銷費用	(494)	(494)
轉撥至投資物業(附註18)	—	(1,338)
於年終	18,182	18,676
成本	20,547	20,547
累計攤銷	(2,365)	(1,871)
賬面淨值	18,182	18,676

本集團於香港境外持有之租賃土地及土地使用權權益以中期租賃持有。

本集團租賃土地及土地使用權已就取得本集團銀行借款作出抵押，有關詳情刊載於附註26。

18. 投資物業

本集團

	附註	二零一零年 人民幣千元	二零零九年 人民幣千元
公平價值			
於年初		40,698	26,047
轉撥自物業、機器及設備	16	—	10,298
轉撥自租賃土地及土地使用權	17	—	1,338
公平價值變動	7	5,407	3,015
於年終		46,105	40,698

財務報表附註

(以人民幣列示)

18. 投資物業(續)

本集團(續)

於二零一零年十二月三十一日，Shanghai Shen Fang Real Estate Appraiser Co., Ltd.(二零零九年：Shanghai Shen Jia Real Estate Appraiser Co., Ltd.)按公開市值基準重估投資物業之價值人民幣46,105,000元(二零零九年：人民幣40,698,000元)，該公司為獲中國相關估值機構認可之獨立合資格專業估值師，對所估物業的位置及類別有近期估值經驗。本集團所有投資物業均位於香港境外，並以中期年期持有。

本集團自其投資物業賺取物業租金收入，該等投資物業全部根據經營租賃出租，詳情載於附註7及36。

若干投資物業已就取得本集團銀行借款作出抵押，有關詳情刊載於附註26。

19. 商譽

本集團

	附註	人民幣千元
賬面值：		
於二零零九年一月一日		46,068
出售一家附屬公司部分股本權益		(502)
來自收購一家附屬公司	32	16,378
調整(附註)		8,402
匯兌調整		115
於二零零九年十二月三十一日及二零一零年一月一日		70,461
出售一家附屬公司部分股本權益		(630)
來自收購一家附屬公司	32	116,321
減值	9	(1,679)
匯兌調整		410
於二零一零年十二月三十一日		184,883

附註：該金額指根據相關收購協議於過往年度就收購附屬公司應付最終代價作出的調整。

財務報表附註

(以人民幣列示)

19. 商譽(續)

於業務合併時收購之商譽，於收購時分配至預期將從該業務合併中受惠之現金產生單位(「現金產生單位」)。商譽之賬面值分配如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
提供汽車維修、養護及修飾服務：		
北京愛義行汽車服務有限公司	43,919	43,919
深圳永隆行汽車服務有限責任公司	16,378	16,378
新焦點麗車坊股份有限公司	7,627	8,154
其他	257	1,895
匯兌調整	381	115
	68,562	70,461
汽車配件貿易：		
遼寧新天成實業有限公司	45,260	—
浙江歐特隆實業有限公司	71,061	—
	116,321	—
總計	184,883	70,461

現金產生單位之可收回金額按使用價值計算方式釐定，該等計算採用基於管理層批准之五年期財政預算作出之現金流預測。五年期以外之現金流則按0%–3%(二零零九年：0%–2%)之估計比率預測。增長比率並無超越現金產生單位所營運業務之長期平均增長率。

使用價值計算方式所採用主要假設如下：

	二零一零年 %	二零零九年 %
毛利率	16–51	30–50
於五年期內之增長率	13–40	8–20
貼現率	12–17	16

財務報表附註

(以人民幣列示)

19. 商譽(續)

管理層根據過往業績及其對市場發展之預測釐定預算毛利率。所使用加權平均增長率乃與各行業一般採納之預測貫徹一致。所採用貼現率並未計入稅項，反映相關分部之特定風險。

本公司董事根據使用價值計算結果認為，若干附屬公司作出商譽減值人民幣1,679,000元，以將其於二零一零年十二月三十一日之賬面值按可收回金額列賬。

20. 其他無形資產

本集團

	附註	商標 人民幣千元	商號 人民幣千元	總計 人民幣千元
賬面淨值：				
於二零零九年一月一日		8,601	—	8,601
年內攤銷費用		(133)	—	(133)
匯兌調整		184	—	184
來自收購一家附屬公司	32	—	13,067	13,067
於二零零九年十二月三十一日及 二零一零年一月一日		8,652	13,067	21,719
年內攤銷費用		(309)	—	(309)
匯兌調整		431	—	431
來自收購一家附屬公司	32	231,673	—	231,673
添置		2,738	—	2,738
於二零一零年十二月三十一日		243,185	13,067	256,252
於二零一零年十二月三十一日：				
成本		244,192	13,067	257,259
累計攤銷		(1,007)	—	(1,007)
賬面淨值		243,185	13,067	256,252
於二零零九年十二月三十一日：				
成本		9,334	13,067	22,401
累計攤銷		(682)	—	(682)
賬面淨值		8,652	13,067	21,719

財務報表附註

(以人民幣列示)

20. 其他無形資產(續)

於二零一零年十二月三十一日，上述無形資產包括(i)若干商標，及(ii)來自當中已確認商譽之相同現金產生單位之具無限可使用年期商號。現金產生單位之減值評估詳情載於附註19。

於報告期間結算日，賬面總值為人民幣239,524,000元(二零零九年：人民幣7,851,000元)的商標具無限使用年期，原因為其被視為可以最低成本重續。本集團管理層認為，本集團應會且有能繼續重續商標。

於報告期間結算日，賬面值為人民幣13,067,000元(二零零九年：人民幣13,067,000元)的商號乃透過業務合併購入，並被本集團管理層視為具有無限使用年期，原因為期內並無限制商號須為現金流入淨額帶來貢獻。

21. 於附屬公司之權益

本公司

	二零一零年 人民幣千元	二零零九年 人民幣千元
非上市股份，按成本	164,066	164,066
應收一家附屬公司款項	49,800	—
非上市股份，按成本	213,866	164,066

給予一家附屬公司之短期貸款1,000,000美元(二零零九年：4,400,000美元)(相當於人民幣6,834,000元(二零零九年：人民幣30,044,000元))為無抵押、免息且須於二零一一年九月(二零零九年：二零一零年十二月)償還。除應收一家附屬公司款項人民幣49,800,000元(二零零九年：人民幣零元)為無抵押、免息，且以近似權益借貸形式構成本公司於附屬公司之權益實質部分外，應收／應付附屬公司款項為無抵押、免息且須應要求償還。

財務報表附註

(以人民幣列示)

21. 於附屬公司之權益(續)

於二零一零年十二月三十一日，本公司之主要附屬公司詳情如下：

公司名稱	註冊成立/ 成立國家/ 地點及日期	中國成立的 實體的法律形式	註冊資本/股本	已發行及 繳足股本	應佔股權百分比	主要業務/經營地點
<i>直接持有權益：</i>						
Perfect Progress Investments Limited(「Perfect Progress」)	英屬處女群島 二零零二年四月八日	—	50,000美元 普通股	500美元	100%	投資控股 香港
<i>間接持有權益：</i>						
上海紐福克斯汽車配件有限公司(「紐福克斯配件」) (附註(i))	中國 一九九四年三月一日	外商獨資企業	6,500,000美元 註冊資本	6,500,000美元	100%	製造及銷售汽車配件 中國
紐福克斯光電科技(上海)有限公司(「紐福克斯光電」) (附註(i))	中國 二零零一年四月 二十四日	外商獨資企業	16,300,000美元 註冊資本	16,300,000美元	100%	製造及銷售汽車配件 中國
上海新焦點汽車維修服務有限公司(附註(i))	中國 二零零零年十二月 二十一日	有限公司	人民幣 23,500,000元 註冊資本	人民幣 23,500,000元	100%	汽車維修、養護及修飾 服務；銷售汽車產品 中國
Shanghai Likeliang Auto Service Co., Ltd.	中國 二零零五年三月 二十三日	有限公司	人民幣 1,000,000元 註冊資本	人民幣 1,000,000元	95%	汽車維修、養護及修飾 服務；銷售汽車產品 中國
遼寧新天成實業有限公司	中國 二零零九年一月八日	有限公司	人民幣 20,000,000元 註冊資本	人民幣 20,000,000元	51%	汽車產品貿易 中國
上海華觀職業技術培訓學校 (附註(i))	中國 二零零四年三月	民辦非企業單位	人民幣 1,000,000元 註冊資本	人民幣 1,000,000元	100%	汽車維修、養護及修飾 服務；培訓 中國
Xinjiaodian (Chengdu) Auto Maintain Co. Ltd.	中國 二零零五年四月 二十七日	有限公司	人民幣 11,584,870元 註冊資本	人民幣 11,584,870元	90.97%	汽車維修、養護及修飾 服務；銷售汽車產品 中國

財務報表附註

(以人民幣列示)

21. 於附屬公司之權益(續)

公司名稱	註冊成立/ 成立國家/ 地點及日期	中國成立的 實體的法律形式	註冊資本/股本	已發行及 繳足股本	應佔股權百分比	主要業務/經營地點
新焦點麗車坊股份有限公司	台灣 二零零六年九月十五日	-	202,574,000 新台幣 股本	202,574,000 新台幣	80.37%	汽車維修、養護及修飾 服務；銷售汽車產品 台灣
Shandong New Focus Longsheng Auto Parts Co. Ltd.	中國 二零零六年四月 二十六日	有限公司	4,012,700美元 註冊資本	4,012,700美元	58.99%	生產及銷售汽車配件 中國
北京愛義行汽車服務有限公司	中國 一九九七年九月	有限公司	人民幣 38,500,000元 註冊資本	人民幣 38,500,000元	51%	汽車維修、養護及修飾 服務；銷售汽車產品 中國
深圳永隆行汽車服務有限責任 公司	中國 二零零二年六月	有限公司	人民幣 13,000,000元 註冊資本	人民幣 13,000,000元	51%	汽車維修、養護及修飾 服務；銷售汽車產品 中國
浙江歐特隆實業有限公司	中國 二零零八年十二月	有限公司	人民幣 28,000,000元 註冊資本	人民幣 28,000,000元	51%	汽車產品貿易 中國

上表載列董事認為會影響年度業績或構成本集團大部分資產淨值的本公司附屬公司。董事認為提供其他附屬公司的詳情將會令資料過於冗長。

附註：

- (i) 附屬公司根據中國法律註冊為外商獨資企業。

財務報表附註

(以人民幣列示)

22. 證券買賣及可供出售金融資產

本集團

(a) 證券買賣

結餘指於中國上市股本證券之投資，並根據於報告期間結算日的市場報價按公平價值列賬。

(b) 可供出售金融資產

於過往年度，本集團售出其於上海比佛利投資管理有限公司(「比佛利」)的85%股本權益。本集團於比佛利餘下7.89%股本權益分類為本集團之可供出售金融資產，該權益於二零零九年及二零一零年十二月三十一日之賬面值為零。本集團無權參與該非上市公司之營運及財務政策，故該公司並無採用權益法作會計處理。年內，本集團以代價人民幣1,852,000元向比佛利收購商標。

23. 存貨

本集團

	二零一零年 人民幣千元	二零零九年 人民幣千元
原材料	40,338	35,441
在製品	30,912	22,841
製成品	27,335	18,596
商品貨物	135,877	67,599
	234,462	144,477

24. 應收貿易賬款及其他應收款項

(a) 應收貿易賬款

本集團

	二零一零年 人民幣千元	二零零九年 人民幣千元
應收貿易賬款	126,529	83,584
減：呆賬撥備	(1,447)	(2,509)
	125,082	81,075

財務報表附註

(以人民幣列示)

24. 應收貿易賬款及其他應收款項(續)

(a) 應收貿易賬款(續)

- (i) 本集團應收貿易賬款的平均信貸期為30天。於二零一零年十二月三十一日，本集團應收貿易賬款包括應收一家關連公司的貿易賬款人民幣1,187,000元(二零零九年：人民幣零元)。
- (ii) 年內呆賬撥備(包括特定及集合虧損部分)的變動如下：

本集團

	二零一零年 人民幣千元	二零零九年 人民幣千元
於年初	2,509	1,059
年內額外撥備(附註9)	3,045	1,450
壞賬撇銷	(4,107)	—
於年終	1,447	2,509

於二零一零年十二月三十一日，本集團之應收貿易賬款人民幣12,176,000元(二零零九年：人民幣7,717,000元)已個別釐定為減值。個別減值的應收貿易賬款乃與面對財務困難或長期拖欠付款的客戶有關，而管理層評估預計只能收回部分應收賬款。因此，於二零一零年十二月三十一日，已作出呆賬累計撥備人民幣1,447,000元(二零零九年：人民幣2,509,000元)。本集團並無持有該等結餘任何抵押品。

除上述者外，概無就銷售貨品及提供服務之估計不可收回金額作出撥備。

財務報表附註

(以人民幣列示)

24. 應收貿易賬款及其他應收款項(續)

(a) 應收貿易賬款(續)

(iii) 應收貿易賬款於報告期間結算日按發票日期之賬齡分析如下：

本集團

	二零一零年 人民幣千元	二零零九年 人民幣千元
即期至30天	68,290	41,738
31天至60天	33,661	20,767
61天至90天	12,402	13,362
超過90天	12,176	7,717
	126,529	83,584
減：呆賬撥備	(1,447)	(2,509)
	125,082	81,075

(iv) 並非個別或共同視為減值的應收貿易賬款賬齡分析如下：

本集團

	二零一零年 人民幣千元	二零零九年 人民幣千元
未逾期亦無減值	68,290	41,738
逾期少於1個月	33,661	20,767
逾期1至2個月	12,402	13,362
	46,063	34,129
	114,353	75,867

未逾期亦無減值的應收款項乃與近期無拖欠記錄的廣大客戶有關。

已逾期但無減值的應收款項乃與多名與本集團具有良好往績記錄的獨立客戶有關。根據過往經驗，由於信貸質素並無重大變動且結餘仍視作為可以悉數收回，故管理層相信毋須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

財務報表附註

(以人民幣列示)

24. 應收貿易賬款及其他應收款項(續)

(b) 其他應收款項

於二零一零年十二月三十一日，本集團按金、預付款項及其他應收款項包括應收附屬公司少數權益持有人及其親屬的款項約人民幣9,298,000元(二零零九年：人民幣零元)，為無抵押、免息且須應要求償還。

25. 應收／應付一家關連公司及董事款項

(a) 應收一家關連公司款項

根據香港公司條例的披露規定須予披露的應收一家關連公司款項如下：

該關連公司為可士達有限公司(「可士達」)。可士達的大部分權益主要由Fresco先生、Matthew先生及彼等之近親持有。於報告期間結算日，Fresco先生及Matthew先生均為本公司董事，並於本公司擁有實益權益。與可士達之結餘詳情如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
於一月一日結餘	34	316
於十二月三十一日結餘	1,622	34
於年內結欠的最高款項	1,622	316

因貿易活動產生的應收可士達款項賬齡由即期至30天不等。應收該關連公司款項為無抵押、免息及根據貿易條款償還。

概無有關截至二零零九年及二零一零年十二月三十一日止年度之本金到期但未付款，亦無就此作出任何呆賬撥備。

(b) 應付董事款項

於二零零九年及二零一零年十二月三十一日，應付董事款項為無抵押、免息及須應要求償還。

(c) 應付一家附屬公司少數權益持有人款項

於二零一零年十二月三十一日，應付一家附屬公司少數權益持有人款項為無抵押、免息及須應要求償還。

財務報表附註

(以人民幣列示)

26. 已抵押銀行借款 本集團

	二零一零年 人民幣千元	二零零九年 人民幣千元
銀行貸款	243,521	42,400
銀行透支	19,766	12
	263,287	42,412
須償還銀行借款如下：		
應要求或一年內	250,514	14,042
一年後但兩年內	1,309	16,241
兩年後但五年內	2,433	2,778
五年以上	9,031	9,351
	263,287	42,412
列入流動負債的一年內到期金額	(250,514)	(14,042)
列入非流動負債的金額	12,773	28,370

於二零零九年及二零一零年十二月三十一日，銀行融資乃由以下各項作抵押：(i)賬面淨值合共為人民幣84,269,000元(二零零九年：人民幣90,043,000元)的本集團永久業權土地及若干樓宇；(ii)人民幣18,182,000元(二零零九年：人民幣18,676,000元)的本集團租賃土地及土地使用權；(iii)人民幣17,470,000元(二零零九年：人民幣零元)的本集團投資物業；(iv)本公司一名董事、一家附屬公司一名董事及彼之丈夫授出的個人擔保；(v)已抵押定期存款人民幣120,826,000元(二零零九年：人民幣2,563,000元)；及(vi)本公司的公司擔保。於二零零九年十二月三十一日，一家附屬公司兩名主要行政人員亦曾提供個人擔保，作為本集團銀行融資之抵押。

大部分銀行借貨的固定年利率介乎1.751厘至5.100厘(二零零九年：年利率1.658厘至5.310厘)。銀行透支須應要求償還，並按中國人民銀行所頒佈適用於六個月貸款期的貸款利率計息(二零零九年：適用於六個月貸款期的貸款利率)。

於二零一零年十二月三十一日，本集團有可動用未提取已承擔銀行融資人民幣79,917,000元(二零零九年：人民幣122,867,000元)，且已符合其一切先決條件。

	二零一零年 人民幣千元	二零零九年 人民幣千元
以下列貨幣計值之銀行借款：		
人民幣	240,998	25,712
美元	5,989	1,284
新台幣	16,300	15,416
	263,287	42,412

財務報表附註

(以人民幣列示)

27. 應付貿易賬款

本集團應付貿易賬款於報告期間結算日按發票日期之賬齡分析載列如下：

本集團

	二零一零年 人民幣千元	二零零九年 人民幣千元
即期至30天	92,591	80,517
31天至60天	34,432	26,599
61天至90天	10,012	12,754
超過90天	26,289	15,107
	163,324	134,977

本集團應付貿易賬款之平均信貸期為60天。

28. 可轉股債券

本集團及本公司

於二零零七年五月十六日，本公司發行12,000,000美元的可贖回可轉股債券。債券按年利率5.2厘計息，須每半年年末支付。債券可於可轉股債券發行當日後任何時間，按最初換股價每股換股股份2.070港元及其後因本公司發行紅股而調整為每股換股股份1.923港元(可根據可轉股債券條款予以調整)轉換為本公司的普通股。

於二零零九年二月二十三日，應債券持有人之要求及作為債券持有人同意終止可轉股債券之代價，本公司以債券持有人為受益人發行承兌票據(「承兌票據」)，本公司承諾根據承兌票據所載條款及條件，向債券持有人償還貸款12,000,000美元，於二零零九年二月二十六日、二零零九年四月三十日及二零零九年六月三十日分別償還3,000,000美元(「第一期還款」)、4,000,000美元(「第二期還款」)及5,000,000美元(「第三期還款」)。本公司於承兌票據項下之責任由本公司一名董事全面及不可撤回擔保。交易詳情載於本公司日期為二零零九年二月二十三日之公佈。

財務報表附註

(以人民幣列示)

28. 可轉股債券(續)

根據承兌票據之條款及條件，倘若本公司能夠分別於二零零九年二月二十六日及二零零九年四月三十日或之前償還第一期還款及第二期還款後，於二零零九年四月三十日或之前償還第三期還款，本公司有權自承兌票據還款中扣除700,000美元(相當於人民幣4,784,000元)(「提早還款補償」)。由於上述條件已於去年達成，本公司有權獲得提早還款補償人民幣4,784,000元，並確認為損益。

可轉股債券的負債及衍生部分變動如下：

	可轉股債券 負債部分 人民幣千元	可轉股債券 衍生部分 人民幣千元	總計 人民幣千元
於二零零九年一月一日	67,509	1,082	68,591
隱含利息(附註8)	3,761	—	3,761
公平價值收益	—	(409)	(409)
未變現匯兌收益(附註8)	168	—	168
贖回可轉股債券之虧損淨額， 扣除提早還款補償之收益(附註7)	5,126	—	5,126
提早贖回	(76,564)	(673)	(77,237)
於二零零九年及二零一零年十二月三十一日	—	—	—

可轉股債券的利息按實際年利率19.5厘以實際利率法計算得出。

由於去年本公司股價下跌，因此可轉股債券衍生部分公平價值減少，導致出現公平價值收益人民幣409,000元。

財務報表附註

(以人民幣列示)

29. 遞延稅項

本集團

遞延稅項資產／(負債)變動如下：

遞延稅項資產：

	應計開支	其他	總計
	人民幣千元	人民幣千元	人民幣千元
於二零零九年一月一日	61	32	93
自損益扣除(附註11)	(33)	—	(33)
稅率變動的影響(附註11)	(6)	—	(6)
匯兌調整	1	—	1
於二零零九年十二月三十一日及二零一零年一月一日	23	32	55
計入損益(附註11)	39	—	39
匯兌調整	3	—	3
於二零一零年十二月三十一日	65	32	97

根據中國稅法，稅項虧損可就日後應課稅收入結轉，為期五年。於二零一零年十二月三十一日，本集團的結轉稅項虧損為人民幣66,738,000元(二零零九年：人民幣57,702,000元)。於二零零九年及二零一零年十二月三十一日，由於管理層認為該等稅項虧損的利益不可能於到期前變現，故本集團並無確認來自該稅項虧損的任何遞延稅項資產。

財務報表附註

(以人民幣列示)

29. 遞延稅項(續)

本集團

遞延稅項負債：

	其他 無形資產 人民幣千元	投資物業的 公平價值 收益 人民幣千元	應計補貼收入 人民幣千元	總計 人民幣千元
於二零零九年一月一日	—	(1,197)	(192)	(1,389)
來自收購一家附屬公司(附註32)	(2,614)	—	—	(2,614)
自本年度權益扣除(附註15)	—	(1,071)	—	(1,071)
自損益扣除(附註11)	—	(672)	—	(672)
於二零零九年十二月三十一日及 二零一零年一月一日	(2,614)	(2,940)	(192)	(5,746)
來自收購一家附屬公司(附註32)	(57,911)	—	—	(57,911)
稅率變動的影響(附註11)	(262)	—	—	(262)
自損益扣除(附註11)	(497)	(1,337)	—	(1,834)
匯兌調整	(1)	—	—	(1)
於二零一零年十二月三十一日	(61,285)	(4,277)	(192)	(65,754)

財務報表附註

(以人民幣列示)

30. 股本

	二零一零年			二零零九年		
	股份數目 千股	金額 千港元	金額 人民幣千元	股份數目 千股	金額 千港元	金額 人民幣千元
法定：						
每股面值0.1港元之普通股	2,000,000	200,000	200,000	2,000,000	200,000	200,000
已發行及繳足：						
於年初	538,180	53,818	55,003	451,344	45,134	47,354
發行代價(附註32)	8,050	805	709	-	-	-
股份購回及註銷(附註(i))	(4,492)	(449)	(395)	(3,164)	(316)	(279)
發行股份(附註(ii))	-	-	-	90,000	9,000	7,928
年終	541,738	54,174	55,317	538,180	53,818	55,003

附註：

- (i) 截至二零一零年十二月三十一日止年度，因董事根據一般授權行使本公司股東授出之權利，本公司按總代價（未計開支）人民幣7,139,000元（二零零九年：人民幣3,073,000元）於聯交所購回4,492,000股（二零零九年：3,164,000股）每股面值0.1港元之普通股。此等股份於年內購回後已註銷。
- (ii) 於二零零九年十月十二日，本公司發行90,000,000份台灣存託憑證，相當於本公司90,000,000股新股份，並於同日在台灣證券交易所股份有限公司上市。該等新股份以每股1.68港元發行，扣除發行開支後，總代價為人民幣127,747,000元，當中人民幣7,928,000元計入股本，而結餘人民幣119,819,000元計入股份溢價賬。進一步詳情載於本公司日期為二零零九年七月二十九日、二零零九年九月十六日、二零零九年九月二十三日及二零零九年十月九日之公告。該等股份與現有已發行股份享有同等權益。

31. 儲備

(i) 本集團之儲備

(a) 股份溢價

結餘指就發行股份已收取代價高於已發行股份相關面值的差額。應用股份溢價賬須受開曼群島適用法例所監管。

(b) 法定儲備基金

本集團於中國成立的外商獨資附屬公司須轉撥不少於除稅後溢利(按中國適用會計準則釐定)的10%至法定儲備基金，直至該儲備基金累積至相關註冊資本的50%為止。

法定儲備基金僅可於各自董事會批准後，用作彌補任何累計虧損或增加資本。

(c) 重組儲備主要包括以下部分：

(i) 根據重組所收購附屬公司的股份面值與所換取Perfect Progress已發行股份的面值之間的差額人民幣8,263,000元；

(ii) 於二零零一年，紐福克斯光電的前投資者可士達注資的人民幣19,959,000元；

(iii) 作為重組其中一環及根據日期為二零零二年六月三日，並根據上海人民政府發出的批准證書(「批准證書」)於二零零二年六月二十日生效的股份轉讓協議，洪偉弼先生(持有Perfect Progress 60%股權的Sharp Concept Industrial Limited的唯一股東)以人民幣2,800,000元向紐福克斯配件的原有本地股東收購紐克福斯配件10%股權(「轉讓權益」)。根據日期為二零零二年十二月四日，並根據批准證書於二零零二年十二月十二日生效的股份轉讓協議，Perfect Progress向洪偉弼先生收購轉讓權益，代價為配發及發行40股每股1.00美元的Perfect Progress股份予Sharp Concept Industrial Limited。Perfect Progress股份面值與分佔根據重組收購時紐福克斯配件公平價值的轉讓權益之間的差額人民幣6,312,000元列賬為本集團的重組儲備；

財務報表附註

(以人民幣列示)

31. 儲備(續)

(i) 本集團之儲備(續)

(c) 重組儲備主要包括以下部分：(續)

(iv) 二零零五年二月十三日，本公司配發及發行總計90股股份以換取Perfect Progress的100%股份權益。本公司已發行股份面值與分佔根據重組Perfect Progress公平價值的轉讓權益之間的差額人民幣4,000元列賬為本集團的重組儲備；及

(v) 二零零五年二月十三日，本公司董事獲授權動用29,999,990港元資金以按面值全數繳付所配發299,999,900股股份的股款。

(d) 企業擴充基金

根據中國公司法及附屬公司章程細則，附屬公司須將其年度法定純利(經抵銷過往年度虧損)的5%轉撥至企業擴充基金。

(e) 其他(包括購股權儲備、物業重估儲備及將透過發行固定數量的本公司股份償還的應付代價)

購股權儲備指實際或估計授予本公司僱員及其他人士的未行使購股權的公平價值，並根據附註4(r)所載的會計政策確認。

物業重估儲備指重估物業(投資物業除外)產生之收益/虧損。此項儲備之結餘全數不得分派。

將透過發行固定數量的本公司股份償還的應付代價詳情載於附註32。

(f) 外匯儲備

外匯儲備包括換算海外業務財務報表產生的所有匯兌差額。該儲備已根據附註4(p)所載會計政策處理。

財務報表附註

(以人民幣列示)

31. 儲備(續)

(ii) 本公司儲備

	附註	股份溢價 人民幣千元	繳入盈餘 人民幣千元	其他 人民幣千元	累計虧損 人民幣千元	總額 人民幣千元
於二零零九年一月一日		100,851	84,242	(1,937)	(15,679)	167,477
年度全面收入總額		—	—	2,143	(16,357)	(14,214)
購股權失效		—	—	(89)	89	—
確認股本結算股份付款	37	—	—	302	—	302
發行股份	30(ii)	119,819	—	—	—	119,819
股份購回及註銷	30(i)	(2,794)	—	279	(279)	(2,794)
於二零零九年十二月三十一日						
及二零一零年一月一日		217,876	84,242	698	(32,226)	270,590
年度全面收入總額		—	—	(116)	(14,411)	(14,527)
購股權失效		—	—	(274)	274	—
確認股本結算股份付款	37	—	—	204	—	204
發行代價	32	12,023	—	—	—	12,023
股份購回及註銷	30(i)	(6,744)	—	395	(395)	(6,744)
將透過發行固定數量的本公司 股份償還的應付代價	32	—	—	49,800	—	49,800
於二零一零年十二月三十一日		223,155	84,242	50,707	(46,758)	311,346

財務報表附註

(以人民幣列示)

32. 業務合併

於二零零九年十一月，本集團收購於中國深圳成立之公司深圳市永隆行汽車服務有限責任公司(「永隆行」)51%股本權益，總代價約為人民幣25,300,000元，當中人民幣12,600,000元以現金支付；餘下人民幣12,700,000元則以配發及發行每股面值0.1港元之8,049,505股本公司普通股支付(「代價股份」)。永隆行於中國深圳從事提供汽車服務，包括維修、養護及修飾服務以及銷售汽車產品。

於二零一零年七月，本集團收購於中國遼寧省成立之公司遼寧新天成實業有限公司(「新天成」)51%股本權益，總名義代價為人民幣100,980,000元。付款詳情於下文收購代價明細中列明。新天成於中國遼寧省從事汽車配件貿易業務。

於二零一零年九月，本集團收購於中國浙江省成立之公司浙江歐特隆實業有限公司(「歐特隆」)51%股本權益，總名義代價為人民幣134,860,000元。付款詳情於下文收購代價明細中列明。歐特隆於中國浙江省及江蘇省從事汽車配件貿易業務。

本集團已選擇分別按非控制權益應佔新天成及歐特隆可識別資產公平價值之比例計量於新天成及歐特隆之非控制權益。

財務報表附註

(以人民幣列示)

32. 業務合併(續)

於各收購日期被收購公司之可識別資產及負債公平價值詳情如下：

	附註	新天成		歐特隆	
		賬面值 人民幣千元	公平價值 人民幣千元	賬面值 人民幣千元	公平價值 人民幣千元
物業、機器及設備	16	2,668	2,668	4,597	4,597
其他無形資產	20	28	109,077	–	122,596
存貨		34,647	34,647	25,095	25,095
應收貿易賬款		3,350	3,350	21,858	21,858
按金及預付款項		9,398	9,398	3,796	3,796
現金及現金等值物		6,245	6,245	16,002	16,002
應付貿易賬款		(22,893)	(22,893)	(19,171)	(19,171)
應計費用及其他應付款項		(11,663)	(11,663)	(23,537)	(23,537)
應付權益擁有人款項		(7,450)	(7,450)	–	–
公平價值調整後確認之遞延稅項負債	29	–	(27,262)	–	(30,649)
			96,117		120,587
減：非控制權益			(47,097)		(59,088)
按公平價值計量之可識別資產					
淨值總額			49,020		61,499
收購之商譽	19		45,260		71,061
總代價			94,280		132,560
年內已付現金			56,100		17,000
本公司將予發行股份(附註(a))			20,600		29,200
以現金支付之應付代價(附註(b))			17,580		86,360
總代價			94,280		132,560

附註：

- (a) 該結餘指根據各收購協議及有關補充協議分別就收購新天成及歐特隆而透過發行約12,977,000股及14,973,000股之固定數目本公司普通股將予支付代價之公平價值，面值分別為人民幣27,300,000元及人民幣31,500,000元。就分別收購新天成及歐特隆之代價股份公平價值人民幣20,600,000元及人民幣29,200,000元乃參考各收購日期本公司股份之市場股價釐定，並計入本公司及本集團之權益。
- (b) 該結餘指將以現金支付之應付代價，包括取決於新天成及歐特隆能否達致目標盈利之或然代價。

財務報表附註

(以人民幣列示)

32. 業務合併(續)

於分別收購新天成及歐特隆股本權益前，本集團並無於遼寧省、浙江省及江蘇省經營業務。另一方面，新天成及歐特隆一直在該等城市營運，具備完善網絡，聲譽良好。本集團一直計劃加強上述地區之業務及擴充大中華地區其他重要省份之業務營運。由於大中華地區不同城市的經濟發展水平、消費者行為及喜好有重大差異，透過收購早已在當地經營的新天成及歐特隆進軍該等地區，無論以時間及成本方面衡量，均為最具效率及有效的方法。

新天成及歐特隆之應收貿易賬款及其他應收款項之公平價值分別為人民幣12,748,000元及人民幣25,654,000元。應收貿易賬款及其他應收款項之合約總價值分別為人民幣12,788,000元及人民幣25,654,000元，其中，分別有人民幣40,000元及人民幣零元預期不可回收。

自二零一零年收購以來，新天成及歐特隆分別為本集團營業額貢獻人民幣84,661,000元及人民幣55,630,000元，及分別為本集團之年內業績貢獻溢利人民幣4,521,000元及人民幣4,666,000元。假設收購於本年度年初進行，新天成及歐特隆應分別為本集團年內之營業額貢獻人民幣163,002,000元及人民幣203,929,000元，及分別為本集團之年內業績貢獻溢利人民幣6,354,000元及人民幣9,081,000元。

作為收購協議其中部分，或然代價(取決於新天成及歐特隆之除所得稅開支前溢利金額)須於緊隨收購事項後12個月內支付。彼等初步確認之金額分別為人民幣17,580,000元及人民幣15,410,000元。代價到期作最終計量並須支付予少數權益擁有人。於批准此等財務報告日期，預期代價不會出現其他重大變化。

有關收購附屬公司之現金流量分析如下：

	新天成 人民幣千元	歐特隆 人民幣千元
年內以現金償付之收購代價	56,100	17,000
收購附屬公司之現金及現金等值物	(6,245)	(16,002)
收購時之現金流出淨額	49,855	998

財務報表附註

(以人民幣列示)

32. 業務合併(續)

就稅務目的而言不可扣減之上述商譽包括所收購人力資源及合併所收購業務與本集團現有業務預期產生協同效益之價值。

收購相關成本人民幣616,000元予以支銷並計入行政開支。

上年度所收購資產淨值及所產生商譽詳情如下：

	人民幣千元
收購代價：	
已付現金	12,622
將以配發及發行本公司股份支付之應付代價(附註)	12,732
所收購資產淨值之公平價值	
— 如下所示	(8,976)
<hr/>	
商譽(附註19)	<u>16,378</u>

附註：8,049,505股代價股份已於本年度配發及發行(附註30)。應付代價按本公司代價股份於上年度收購完成日期之市值進行估值，並包括於二零零九年十二月三十一日本公司及本集團之應計費用及其他應付款項。該等股份與現有已發行股份享有同等權利。

董事相信，該等收購將帶來協同效應，並加強本集團於汽車服務業務之競爭優勢。

於收購永隆行股本權益前，本集團並無於深圳經營業務。另一方面，永隆行一直在深圳市營運，聲譽良好。本集團一直計劃加強上述地區之業務及擴充大中華地區其他重要省份之業務營運。由於大中華地區不同城市的經濟發展水平、消費者行為及喜好有重大差異，透過收購早已在當地經營的永隆行進軍深圳，無論以時間及成本方面衡量，均為最具效率及有效的方法。

財務報表附註

(以人民幣列示)

32. 業務合併(續)

於上年度，於收購中收購之資產淨值如下：

	附註	所收購資產淨值 之公平價值 人民幣千元
物業、機器及設備	16	6,371
其他無形資產	20	13,067
存貨		4,155
應收貿易賬款		734
按金、預付款項及其他應收款項		1,425
現金及現金等值物		281
應付貿易賬款		(3,412)
應計費用及其他應付款項		(2,406)
公平價值調整後確認之遞延稅項負債	29	(2,614)
		17,601
減：非控制權益		(8,625)
		8,976
本集團應佔所收購資產淨值之公平價值		8,976
以現金償付之收購代價		12,622
收購附屬公司之現金及現金等值物		(281)
		12,341

被收購公司的資產及負債賬面值與所收購資產及負債之公平價值相若。

自二零零九年收購以來，永隆行為本集團截至二零零九年十二月三十一日止年度營業額及業績分別帶來人民幣3,400,000元之貢獻及溢利人民幣400,000元。假設收購於上年度年初進行，永隆行應為本集團該年度之營業額及業績分別帶來人民幣24,300,000元之貢獻及虧損人民幣3,300,000元。

財務報表附註

(以人民幣列示)

33. 現金及現金等值物以及已抵押定期存款

銀行存款按每日銀行存款利率計算之浮動利率計息。短期定期存款之存款期視乎本集團之即時現金需要而定，為期一日至三個月不等，並按有關之短期定期存款利率計息。銀行結餘及已抵押定期存款乃存放於信譽良好及近期並無違規記錄之金融機構。現金及現金等值物以及已抵押定期存款之賬面值與其公平價值相若。

	本集團	
	二零一零年 人民幣千元	二零零九年 人民幣千元
以下列貨幣列值之現金及現金等值物：		
人民幣	65,339	42,874
美元	10,587	28,471
港元	319	80
歐元	21	—
新台幣	6,716	11,147
	82,982	82,572
以下列貨幣列值之已抵押定期存款：		
人民幣	120,000	—
美元	826	—
新台幣	—	2,563
	120,826	2,563

本公司

於二零零九年及二零一零年十二月三十一日，本公司大部分現金及現金等值物以美元列值。

財務報表附註

(以人民幣列示)

34. 重大非現金交易

於上年度，本集團尚未支付收購一家附屬公司額外代價人民幣8,402,000元，該款項已計入本集團於二零零九年十二月三十一日之應計費用及其他應付款項。

於二零零九年十二月三十一日，其他金融資產人民幣2,944,000元已重新分類為按金、預付款項及其他應收款項。

於本年度，本集團尚未支付收購附屬公司代價人民幣103,940,000元及人民幣49,800,000元，該等款項已分別計入本集團於二零一零年十二月三十一日之應計費用及其他應付款項以及其他儲備。

35. 承擔

於報告期間結算日未兌現且未於財務報表撥備資本承擔如下：

	本集團		本公司	
	二零一零年 人民幣千元	二零零九年 人民幣千元	二零一零年 人民幣千元	二零零九年 人民幣千元
資本承擔				
樓宇建築，已訂約但未撥備	3,959	1,982	—	—
其他承擔				
有關附屬公司之注資	—	—	—	3,060

36. 經營租賃安排

本集團作為承租人

	二零一零年 人民幣千元	二零零九年 人民幣千元
年內確認為開支之經營租賃項下最低租賃付款	41,812	33,034

財務報表附註

(以人民幣列示)

36. 經營租賃安排(續)

本集團作為承租人(續)

於報告期間結算日，本集團根據不可撤銷經營租賃有未償還最低承擔，其到期日如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
一年內	40,110	33,061
一年後但於五年內	100,020	101,609
五年後	43,784	21,940
	183,914	156,610

本集團作為出租人

於二零零九年及二零一零年十二月三十一日，本集團根據經營租賃出租其投資物業。

於報告期間結算日，本集團根據不可撤銷經營租賃應收之未來最低租賃付款總額如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
一年內	3,218	3,218
一年後但於五年內	7,004	6,958
五年後	7,004	7,322
	17,226	17,498

財務報表附註

(以人民幣列示)

37. 股本結算股份付款交易

本公司就激勵及獎勵為本集團成功帶來貢獻之僱員及其他人士採納購股權計劃(「計劃」)。

於二零零五年二月二十八日，本公司向其僱員授出23,780,000份購股權。已授購股權之行使價相等於股份於授出之日之收市價。該等購股權有10個歸屬期，年期由二零零六年十二月三十一日至二零一四年十二月三十一日不等，以及截至二零一五年二月十二日止期間。購股權可於二零零六年一月一日起至二零一五年二月十二日期間行使，惟須達到本公司董事會決定的表現目標或條件。

本集團攤銷上述按有關歸屬期計算之購股權公平價值。因此，金額人民幣204,000元(二零零九年：人民幣302,000元)作為股本結算股份付款，於本年度損益扣除。

購股權數目及加權平均行使價如下：

	購股權 (千份)
於二零零九年一月一日	13,110
已失效	(750)
於二零零九年十二月三十一日及二零一零年一月一日	12,360
已失效	(2,320)
於二零一零年十二月三十一日	10,040

年內已失效之購股權加權平均行使價為0.94港元(二零零九年：0.94港元)。上年度已行使購股權之加權平均行使價為0.94港元(二零零九年：0.94港元)。

於報告期間結算日及該等財務報表批准之日，本公司於計劃項下有10,040,000份(二零零九年：12,360,000份)購股權尚未行使，相當於本公司截至二零一零年十二月三十一日止已發行股份1.9%(二零零九年：2.3%)。在本公司現有資本結構下，餘下尚未行使購股權獲悉數行使，將導致本公司發行10,040,000股(二零零九年：12,360,000股)額外普通股及產生額外股本人民幣850,000元(二零零九年：人民幣1,085,000元)以及股份溢價人民幣7,142,000元(二零零九年：人民幣9,115,000元)(扣除發行開支及自購股權轉撥前)。

財務報表附註

(以人民幣列示)

37. 股本結算股份付款交易(續)

於二零零九年及二零一零年十二月三十一日尚未行使購股權之到期日及行使價如下：

二零一零年

到期日	行使價 每股港元	購股權		
		授予董事 千份	授予僱員 千份	總計 千份
二零一五年二月十二日	0.94	10,040	—	10,040
加權平均行使價(港元)		0.94	—	0.94

二零零九年

到期日	行使價 每股港元	購股權		
		授予董事 千份	授予僱員 千份	總計 千份
二零一零年十二月三十一日	0.94	—	2,320	2,320
二零一五年二月十二日	0.94	10,040	—	10,040
		10,040	2,320	12,360
加權平均行使價(港元)		0.94	0.94	0.94

財務報表附註

(以人民幣列示)

38. 關連人士交易

本公司及其附屬公司(為本公司之關連人士)之間之交易已於綜合賬目時全數對銷，並無於此附註披露。除此等財務報表其他附註披露者外，本集團與其他關連人士間之交易詳情披露如下。

(a) 於本年度，本集團在日常業務中與關連公司(並非本集團成員公司)進行之重大交易如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
向可士達銷售貨品	10,404	8,745
向關聯公司銷售貨品	1,187	—

貨品乃按本集團之一般價單銷售，並予以折現，以反映所購買數量及與訂約方之關係。

(b) 於本年度，本集團以現金代價約人民幣3,756,000元(二零零九年：人民幣4,160,000元)，向台灣一家附屬公司之高級管理人員出售該附屬公司7.68%(二零零九年：11.95%)股本權益。

(c) 本年度主要管理層成員僅包括執行董事，彼等之薪酬載於附註10(a)。

39. 資本風險管理

本集團的資本管理目標為保障本集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時兼顧其他權益持有人的利益，並維持最佳的資本架構，以減低資金成本。

本集團的資本結構由債務構成，包括分別於附註26披露的借款、附註33披露的現金及現金等值物以及已抵押定期存款、及本公司擁有人應佔的權益，當中包括分別於附註30及綜合權益變動表披露的股本及其他儲備。

本集團的風險管理人員每半年檢討一次資本結構。作為檢討其中一環，管理層會考慮各類資本的融資成本及相關風險。本集團按淨債務對股本之比例釐定的目標資本負債比率為10-20%。根據管理層之建議，本集團期望透過發行新債務及派付股息，令資本負債比率增至接近25%。

財務報表附註

(以人民幣列示)

39. 資本風險管理(續)

於報告期間結算日之資本負債比率如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
債務	263,287	42,412
現金及現金等值物以及已抵押定期存款	(203,808)	(85,135)
淨債務/(現金)狀況	59,479	(42,723)
權益	666,615	444,761
淨債務對權益比率	8.9%	不適用

40. 財務風險管理

本集團的財務工具在本集團日常業務中涉及的主要風險為信貸風險、流動資金風險、利率風險及外匯風險。

該等風險受下述本集團財務管理政策及慣例所限制。

(a) 信貸風險

本集團的信貸風險主要來自應收貿易賬款及其他應收款項。管理層訂有信貸政策，持續監察該等信貸風險。

就應收貿易賬款及其他應收款項而言，本集團會對所有要求一定金額信貸的客戶進行個別信貸評估。該等評估注重客戶過往按期付款的記錄及現時的付款能力，並考慮有關客戶及與客戶業務營運所在經濟環境的特定資料。本集團一般不向客戶收取抵押品。

投資一般僅指於認可證券交易所報價之具流通性證券。

在不計所持任何抵押品的情況下，信貸風險上限為各金融資產之賬面值。

本集團之信貸風險主要受個別客戶不同情況所影響。客戶所經營行業及國家的違約風險亦對信貸風險產生影響，惟影響較微。於報告期間結算日，由於應收貿易賬款總額之12%(二零零九年：17%)及32%(二零零九年：50%)分別為應收本集團生產及銷售汽車配件分部最大客戶及五大客戶之金額，故本集團在某程度上存在信貸風險集中。

有關本集團來自應收貿易賬款的信貸風險進一步量化資料載於附註24。

財務報表附註

(以人民幣列示)

40. 財務風險管理(續)

(b) 流動資金風險

本集團之政策為定期監控當前及預期流動資金需求，確保維持充裕現金儲備，以應付短期及長期短期流動資金需求。

下表載列於報告期間結算日本集團金融負債的餘下合約到期日，此乃根據合約未貼現現金流(包括以合約利率計算的利息金額，或倘為浮息，則按於報告期間結算日的利率計算)及本集團須償還款項之最早日期計算得出：

本集團

	賬面值 人民幣千元	合約未貼現 現金流總額 人民幣千元	一年內或 應要求償還 人民幣千元	超過一年 但少於兩年 人民幣千元	超過兩年 但少於五年 人民幣千元	超過五年 人民幣千元
二零一零年						
銀行借款	263,287	266,368	252,042	1,528	2,989	9,809
應付貿易賬款	163,324	163,324	163,324	-	-	-
其他應付款項	136,172	163,172	163,172	-	-	-
應付董事款項	16	16	16	-	-	-
應付一名附屬公司少數權益 持有人款項	7,000	7,000	7,000	-	-	-
總計	596,799	599,880	585,554	1,528	2,989	9,809
二零零九年						
銀行借款	42,412	43,512	14,305	16,477	3,353	9,377
應付貿易賬款	134,977	134,977	134,977	-	-	-
其他應付款項	49,278	49,278	49,278	-	-	-
應付董事款項	61	61	61	-	-	-
總計	226,728	227,828	198,621	16,477	3,353	9,377

財務報表附註

(以人民幣列示)

40. 財務風險管理(續)

(b) 流動資金風險(續)

本公司

	賬面值 人民幣千元	合約未貼現 現金流總額 人民幣千元	一年內或 應要求償還 人民幣千元	超過一年 但少於兩年 人民幣千元	超過兩年 但少於五年 人民幣千元
二零一零年					
其他應付款項及應付一名董事及 附屬公司之款項	1,803	1,803	1,803	-	-
發出財務擔保 擔保最高金額	-	-	33,955	-	-
二零零九年					
其他應付款項、應付一名董事及 附屬公司之款項	14,128	14,128	14,128	-	-
發出財務擔保 擔保最高金額	-	-	29,296	-	-

(c) 利率風險

本集團之公平價值利率風險主要來自於附註26披露之銀行借款。大部分銀行借款以定息計息，令本集團承擔公平價值利率風險。由於並無重大借款附有浮息利率，故本集團於年內大部分時期並無重大現金流利率風險。

本集團之現金及現金等值物以浮息計息，令本集團須承受現金流利率風險。倘利息整體上調／下調100個基點，而所有其他變數維持不變，年內本集團溢利及於二零一零年十二月三十一日之保留溢利將增加／減少人民幣2,038,000元(二零零九年：人民幣826,000元)。本集團並無使用任何金融工具對沖利率之潛在波動。

本集團借款之利率及還款期於附註26披露。

本公司並無重大計息資產及負債，故本公司之收入及經營現金流量基本獨立於市場利率變動。

財務報表附註

(以人民幣列示)

40. 財務風險管理(續)

(d) 外匯風險

本集團主要透過與其業務有關之功能貨幣以外之貨幣列值之買賣而承擔外匯風險。產生該風險之貨幣主要為美元。

本集團及本公司亦面對以美元列示現金及現金等值物產生之外匯風險。

下表詳述本集團及本公司於報告期間結算日承擔來自以與其有關之實體之功能貨幣以外貨幣所列值預期交易或已確認資產或負債之貨幣風險。

本集團

	二零一零年 千美元	二零零九年 千美元
應收貿易賬款及其他應收款項	10,420	10,178
現金及現金等值物	1,599	4,171
銀行貸款	(904)	(188)
整體淨風險	11,115	14,161

本公司

	二零一零年 千美元	二零零九年 千美元
現金及現金等值物	241	251

財務報表附註

(以人民幣列示)

40. 財務風險管理(續)

(d) 外匯風險(續)

下表顯示因應於報告期間結算日本集團面對重大風險之匯率合理可能變動之本集團本年度溢利及保留溢利以及綜合權益其他部分之概約變動。敏感度分析包括本集團成員公司間以放款人或借款人功能貨幣以外之貨幣列值的結餘。下述正數顯示溢利及其他權益於人民幣兌相關貨幣升值時增加。倘人民幣兌相關貨幣貶值，則對溢利及其他權益造成同等之相反影響，而以下結餘將為負數。

	二零一零年			二零零九年		
	匯率上升	對年內溢利及保留溢利之影響 人民幣千元	對權益其他部分之影響 人民幣千元	匯率上升	對年內溢利及保留溢利之影響 人民幣千元	對權益其他部分之影響 人民幣千元
本集團						
美元	5%	3,460	-	5%	4,815	-
本公司						
美元	5%	80	-	5%	86	-

敏感度分析乃按於報告期間結算日已出現匯率變動，並已應用於本集團各實體，而衍生及非衍生金融工具之外幣風險於結算日已存在，而所有其他變數，特別是利率維持不變之假設釐定。

所述變動指管理層對匯率於直至下個報告期間結算日止期間合理可能變動之評估。上表所呈列分析結果代表對年內本集團各實體之溢利，及對就呈列而言按於報告期間結算日之適用匯率將個別功能貨幣兌換為人民幣計算得出之權益之綜合影響。分析按與二零零九年相同之基準進行。

財務報表附註

(以人民幣列示)

40. 財務風險管理(續)

(e) 公平價值

本集團及本公司所有金融工具之列賬金額與其於二零零九年及二零一零年十二月三十一日之公平價值並無重大分別。

(f) 估計公平價值

下文概述估計附註22、26及28所載本集團金融工具之公平價值所用之主要方法及假設。

(i) 證券買賣

公平價值根據於報告期間結算日所報市價(扣除交易成本前)而釐定。

(ii) 計息銀行借款及可轉股債券負債部分

公平價值乃估計為按類似金融工具現有市場利率貼現之未來現金流現值。

41. 按類別劃分之金融資產及金融負債概要

本集團於二零一零年及二零零九年十二月三十一日確認之金融資產及金融負債賬面值及公平價值可分類如下：

	二零一零年		二零零九年	
	賬面值 人民幣千元	公平價值 人民幣千元	賬面值 人民幣千元	公平價值 人民幣千元
金融資產				
按公平價值計量之證券買賣	282	282	339	339
按攤銷成本計量之貸款及應收款項 (包括現金及現金等值物以及 已抵押定期存款)	412,745	412,745	220,914	220,914
金融負債				
按攤銷成本計量之金融負債	615,176	615,176	234,353	234,353

財務報表附註

(以人民幣列示)

41. 按類別劃分之金融資產及金融負債概要(續)

(a) 金融資產及金融負債之公平價值根據下列因素釐定：

- 附帶標準條款及條件並於活躍流通市場買賣之金融資產及負債之公平價值分別參考市場所報價格釐定
- 根據一般公認之定價模式，按使用可觀察現時市場交易及交易商所報類似工具之價格之折現現金流量分析，釐定其他金融資產及負債之公平價值。

(b) 下表載列按公平價值列賬之金融工具按公平價值級別之分析：

第一級別： 可識別資產或負債於活躍市場之報價(不予調整)；

第二級別： 第一級別所包含以外之資產或負債之直接(即價格)或間接(即衍生自價格)可觀察輸入資料(報價除外)；及

第三級別： 並非以可觀察市場數據為基準之資產或負債輸入資料(不可觀察輸入資料)。

	本集團			總計
	第一級別	第二級別	第三級別	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
證券買賣，已上市	282	-	-	282

	二零零九年			總計
	第一級別	第二級別	第三級別	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
證券買賣，已上市	339	-	-	339

於兩個年度內，並無於公平值層級之第一層級與第二級別間進行轉移。

財務報表附註

(以人民幣列示)

42. 或然負債

於報告期間結算日，未於財務報表撥備之或然負債如下：

本公司

	二零一零年 人民幣千元	二零零九年 人民幣千元
就一家附屬公司獲授銀行融資向銀行提供擔保	33,955	29,296

於二零一零年及二零零九年十二月三十一日，由本公司向銀行提供擔保之附屬公司獲授銀行融資分別已動用人民幣19,766,000元及人民幣12,000元。

43. 遠期銅合約

於二零零九年十二月，本集團訂立遠期銅合約，以對沖銅價波動。於上年度，遠期銅合約並非指定為對沖工具。由於該等遠期銅合約於接近上個報告期間結算日訂立，且合約價格並無重大變動，故董事認為於上個報告期間結算日，遠期銅合約之公平價值與其賬面值相若。於二零一零年十二月三十一日，本集團概無任何遠期合約。

本集團訂立該等未平倉遠期銅合約之主要條款如下：

	於二零零九年 十二月三十一日
數量(噸)	100
每噸平均價格	人民幣58,510元
交付期	由二零零九年十二月至 二零一零年四月

財務摘要

本集團過去五個財政年度摘錄自經審核財務報表並於適當時重新分類及調整的已公佈業績及資產與負債摘要載列如下：

業績

	二零一零年 一月一日至 二零一零年 十二月三十一日 人民幣千元	二零零九年 一月一日至 二零零九年 十二月三十一日 人民幣千元	二零零八年 一月一日至 二零零八年 十二月三十一日 人民幣千元	二零零七年 一月一日至 二零零七年 十二月三十一日 人民幣千元	二零零六年 一月一日至 二零零六年 十二月三十一日 人民幣千元 (經重列)
營業額	1,076,842	642,349	707,426	763,451	533,302
除所得稅開支前溢利	61,821	24,637	17,791	22,429	2,460
所得稅開支	(14,183)	(7,496)	(4,996)	(1,067)	(4,201)
年度溢利／(虧損)	47,638	17,141	12,795	21,362	(1,741)
應佔：					
本公司擁有人	34,129	11,533	10,922	17,849	(3,089)
非控制權益	13,509	5,608	1,873	3,513	1,348
	47,638	17,141	12,795	21,362	(1,741)

資產與負債

	二零一零年 十二月三十一日 人民幣千元	二零零九年 十二月三十一日 人民幣千元	二零零八年 十二月三十一日 人民幣千元	二零零七年 十二月三十一日 人民幣千元	二零零六年 十二月三十一日 人民幣千元 (經重列)
資產總額	1,354,184	686,995	617,821	653,867	442,212
負債總額	(687,569)	(242,234)	(331,451)	(375,483)	(232,742)
資產淨值	666,615	444,761	286,370	278,384	209,470

附 件 五

NFA[®]

New Focus Auto Tech Holdings Limited
新焦點汽車技術控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 360



ANNUAL REPORT
2010

* For identification purpose only

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CORPORATE INFORMATION

Directors

Executive Directors

Hung Wei-Pi, John (*Chairman*)
Wu Kwan-Hong
Hung Ying-Lien
Lu Yuan Cheng
Douglas Charles Stuart Fresco
Edward B. Matthew

Non-executive Directors

Low Hsiao-Ping
Hsu Ming Chyuan

Independent non-executive Directors

Du Haibo
Zhou Tai-Ming
Uang Chii-Maw

Company Secretary

Liu Xiao Hua

Registered Office

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KY1-1111 Cayman Islands

Principal Place of Business in Hong Kong

Unit 1201, Hollywood Plaza
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Auditors

BDO Limited
25/F., Wing On Centre
111 Connaught Road Central
Hong Kong

Legal Advisers

Jones Day
29/F., Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

Principal Share Registrar and Transfer Office

Butterfield Bank (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Computershare Hong Kong Investor Services
Limited
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183 Queen's Road East
Wanchai
Hong Kong

Stock Code

360

Website

<http://www.nfa360.com>

CHAIRMAN'S STATEMENT

On behalf of the Board, it is my honor to take this opportunity to express my sincere gratitude to all our shareholders, customers and parties who have long been supportive of the Group and to present the operating results of the Group for 2010 and its future prospect for 2011.

Market Review and Group Profile

The global economy gradually recovered and worldwide market demand for automobiles, automobile related electronic products and aftermarket services gradually rebounded in 2010. Riding on the growth trend in 2009, total automotive sales in China grew by 32% to approximately 18 million in 2010, compared to approximately 13.6 million in 2009, putting once again China in the top position in the world. Car count even surpassed 90 million, resulting in China being ranked the second around the globe.

In addition, the PRC government concluded the conference on the 12th Five-Year Plan with boosting domestic consumption and development of inland cities as the priority focuses and average overall GDP growth rate of 7% for the next five years as the main theme. Actual GDP of certain third- and fourth-tier cities are anticipated to grow progressively at a pace of over 10% year-on-year, the wealth gap will be minimised and poverty will be eliminated. On the back of China being the world's largest automobile consumer in 2009, coupled with the gradual increase in disposable income per capita and the growing consumption for automobile maintenance for the sake of safety in China, it is expected that rapid growth will be maintained for automotive sales and the aftermarket related service industry in the PRC market.

The Group focused on the construction of automotive chain service network in the Greater China region (the Group's service business) as well as the production of innovative and environmentally friendly automotive lighting and automotive electronic power products (the Group's manufacturing business), with an aim to provide the automobile end-consumers market with products and services with premium performance-price ratio. Being the world's largest country in terms of automotive sales and the second largest in terms of car count, the Greater China market offered indefinite development potential for products and services of the Group. In light of past failures of world-class automotive aftermarket competitors in China and the fact that more than 100,000 domestic operators are small in scale and unstandardised, New Focus Group has absolute advantage in the huge market with only mild competition and thus focuses on network construction and promotion of its own brands. At present, the Group is a leader in the automotive aftermarket chain service network sector in the Greater China region, enjoying the largest market share. It is also the only large-scale operator who could break through provincial boundaries and the only standardised operator listed in Taiwan and Hong Kong in the industry, and has completed its strategic layout in the five major economic circles in China.

Despite the government's implementation of measures to limit automotive sales in certain regions, such as Beijing, market analysts anticipate that such a move will have a favourable impact on the Group as the Company will be able to secure leases at prime locations at rental costs 30%-50% lower than last year due to a drastic decline in the number of automobile sellers but unchanged demand for automobile related services, thereby

CHAIRMAN'S STATEMENT

enhancing the Group's operating profit in the Beijing area. As car count in China is going to increase significantly year-on-year, car count in China is expected to reach 250 million in 2020, which will be well ahead of other countries in the world. Under such development trend, the Group's chain service network is heading for a promising prospect in terms of market size in China.

Business Review

Looking back on the previous year, the management team of Autolife (representing the Group's service business) continued to increase the number of B2C Service Centers and expanded its market coverage and market share through effective organic growth. In addition, we successfully extended our foothold and explored the business model of B2B Mega Store in third- and fourth-tier cities including four provinces, namely Jiangsu, Zhejiang, Jilin and Liaoning. These B2B Mega Stores sold automobile related products to as many as 11,000 local commercial customers, such as automobile sellers, automobile repair factories and auto care operators, through its distribution network and provided product technology introduction and strategic marketing, which enabled the Group to gain relatively higher customer loyalty and net profit.

For the year ended 31 December 2010, the number of service centers of our service business increased by 9, totalling 51 service centers. In June and October 2010, the Group acquired Autoboom and Xin Tian Cheng, the largest and most influential operators in the auto accessories circulation industries in Jiangsu, Zhejiang and Northeastern China. Autoboom and Xin Tian Cheng established 9 B2B Mega Stores in Jiangsu, Zhejiang and Northeastern China, spreading across cities such as Changchun, Shenyang, Anshan, Dalian, Hangzhou, Suzhou, Nanjing, Ningbo and Wenzhou.

After as many as nine years of exploration and experience, our service business has gradually replaced our manufacturing business as the major business and source of revenue of the Group. Operating revenue of the service business was RMB263,414,000 in 2009 and RMB518,778,000 in 2010, representing a growth of 96.9%. Net profit was RMB8,501,000 in 2009 and RMB25,791,000 in 2010, representing a growth of 203.4%.

Benefiting from the economic recovery in North America, operating revenue derived from export of NFA (representing the Group's manufacturing business) also recorded considerable growth compared to the corresponding period of 2009. The Group will continue to implement its strategies on expanding direct sales to the market and the promotion of its own brands with an aim to enhance the profitability of its exported products.

Overall Results and Dividend Policy

For the year ended 31 December 2010, the consolidated turnover of the Group amounted to approximately RMB1,076,842,000, representing an increase of approximately 67.6% as compared to the corresponding period of 2009. Gross profit was approximately RMB304,231,000, representing a growth of about 64.8% as compared to the corresponding period of 2009. Operating profit was approximately RMB67,316,000, representing a growth of approximately 94.9% as compared to the corresponding period of 2009. Profit attributable to shareholders was approximately RMB34,129,000, up about 196% as compared to the corresponding period of 2009. Earnings per share were RMB6.18 fen.

CHAIRMAN'S STATEMENT

The consolidated turnover of Autolife amounted to approximately RMB518,778,000, representing a growth of approximately 96.9% as compared to the corresponding period of 2009. Gross profit was approximately RMB180,146,000, representing a growth of approximately 69.1% as compared to the corresponding period of 2009, while gross profit margin was about 34.7%, a decrease of approximately 5.7 percentage points over 2009. Operating profit was approximately RMB35,153,000, a rise of 185.5% over 2009. Net profit was approximately RMB25,791,000, representing a growth of approximately 203.4% over 2009.

The consolidated turnover of NFA amounted to approximately RMB558,064,000, representing an increase of approximately 47.3% as compared to the corresponding period of 2009. Gross profit was approximately RMB124,085,000, representing a growth of 58.9% as compared to the corresponding period of 2009. Operating profit was approximately RMB43,235,000, up 35.8% compared to 2009. Net profit was approximately RMB32,966,000, representing a growth of approximately 48.7% compared to the corresponding period of 2009.

2011 will be the first year for the Group's 3rd Five-Year Plan and a critical year for implementation of the Group's strategic plan. To ensure organic growth and the achievement of merger and acquisition targets of the Group's service business in 2011, for better shareholder's return in the long run, the Board considers that a sufficient amount of cash should be retained for expansion of the business scale of the Group. Hence the Board has recommended that no dividends be paid for the year.

Future Prospects

With a view to tapping into development opportunities, ensuring rapid growth of the Group in line with the automobile consumption market in China and maintaining its leading position in terms of market share, the Group will leverage upon its operational capabilities on multi-dimensional expansion of self-operated stores, mergers and acquisitions and consolidations so as to expand and optimise its effective strategic layout in the five major economic circles in the PRC market on an ongoing basis, maximise its competitive strength and facilitate sustainable and considerable growth of its operating revenue and profit. The operating strategies to be implemented by the Group in 2011 are as follows:

1. Swiftly increase the number of B2C Service Centers in Taiwan, Beijing, Shenzhen, Shanghai and Chengdu through organic growth and mergers and acquisitions and by extending our footprint into the Jiangsu, Zhejiang and Fujian markets. It is expected that 27 new service centers will be established in 2011, among which 17 will be established through organic growth, making a total of 78 service centers serving over 1.5 million end-customers. The number of customers is expected to grow by approximately 50%. Currently, the four major businesses provided by B2C Service Centers are quick repair and maintenance, decoration and modification, auto cosmetics and sales of auto amenities. New business lines with high gross profit, such as automotive insurance agency and painting, will be expanded further to other provinces in 2011 upon their successful trial operations in Beijing in 2010.

CHAIRMAN'S STATEMENT

2. Establishing 19 new B2B Mega Stores through organic growth and mergers and acquisitions, making a total of 28 stores covering major cities, including Jilin, Liaoning, Jiangsu, Zhejiang, Hubei, Hunan, Yunnan, Fujian, Sichuan and Shanxi, across ten provinces in China and serving over 25,000 commercial customers, representing a growth of over 100% in the number of customers we serve. Currently, major products offered by B2B Mega Stores are auto video, audio and electronic products, cleaning and cosmetics products and seasonal products. Corresponding technical, marketing and training support will also be provided to customers. Tyres, motor oil and batteries will also be available in the near future.
3. Officially implementing the centralised purchasing strategy leveraging upon the significant increase in the number of B2C Service Centers and B2B Mega Stores. This initiative will fully capitalise on our advantage in terms of resources consolidation, so as to lower the procurement costs of the Group's subsidiaries engaged in the service business by about 5% and enhance their profit. The Group will strengthen promotion of its own brand products and secure distributorship of renowned foreign and domestic automobile related products in China through our wide and strong operation network, so as to exercise control over the pricing of core products. Our own brands include NFA, VOT, 格瑞斯 and 東方神墊.
4. Making substantial investment in IT integration of the Group. Though investment will be larger than the results produced in the initial stage, in the long run, the integrated IT system will be constructive to the efficient and effective information exchange for operational decision-making of the Group's subsidiaries engaged in the service business and the Group itself, and strengthen risk management and enhance economic efficiency of the Group.
5. Focusing on management and consolidation of Group. The Group will replicate the advantage on resources and the obvious profitable business model of the operation team of Aiyihang in Beijing to three major regions, namely, Beijing, Shanghai and Chengdu, and introduce efficient and systematic indicator management to the retail business (B2C Service Center) with relatively lower operating profit in those regions, with an aim to optimising profitability, establishing mutual support between group companies and enhancing the Group's overall profit.
6. Increasing the ratio of sales of its own brand products and maintaining stable growth in both operating revenue and net profit by leveraging upon the strong product R&D capabilities and marketing network and strategies of the manufacturing business of the Group.

In view of the operating strategies mentioned above, the Company's operation team is fully confident in our development in 2011. Lastly, I would like to take this opportunity to express my sincere gratitude to all shareholders, staff and parties who care about the Group for their continuing support to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group focuses on the operation of automotive aftermarket chain services network in the Greater China region, and adopts a unified vertically integrated business model in the innovative production of automotive electronic power products, covering specialised research and development, production and manufacturing and brand building.

Results Highlights

Revenue

For the year ended 31 December 2010, the Group recorded a consolidated turnover of approximately RMB1,076,842,000.

The consolidated turnover of Autolife (representing the Group's automotive aftermarket service business) amounted to approximately RMB518,778,000, representing an increase of approximately 96.9% as compared to the corresponding period of 2009. In 2010, Autolife took its first step into the B2B Mega Store model and successfully established a foothold in first- to third-tier cities including Jilin, Liaoning, Jiangsu and Zhejiang, with 9 B2B Mega Stores serving 11,000 commercial customers currently. Meanwhile, the number of B2C Service Centers of Autolife, committed to serving end-customers, also grew rapidly from 42 in 2009 to 51 in 2010, further reinforcing its top position in the Greater China region.

The consolidated turnover of NFA (representing the Group's manufacturing business) amounted to approximately RMB558,064,000, representing an increase of approximately 47.3% as compared to the corresponding period of 2009. Under the favourable backdrop of the global economic recovery and China being the world's largest automobile manufacturer and seller, NFA delivered remarkable results in both its international and domestic markets.

After as many as nine years of exploration and experience, our service business has gradually replaced our manufacturing business as the major business and source of revenue of the Group. During the period under review, service business accounted for 48% of the Group's consolidated turnover, representing an increase of 7 percentage points as compared to 2009. Adjustments in this major business operation exemplified the Group's precise knowledge on the macro market and its future development plans, as well as the Group's ongoing efforts in implementing its future development plans.

Gross Profit and Gross Margin

The consolidated gross profit of the Group was approximately RMB304,231,000 in 2010, up 64.8% as compared to the corresponding period of 2009. Gross margin decreased from 28.7% in 2009 to approximately 28.3% in 2010.

The gross profit of Autolife was approximately RMB180,146,000, representing an increase of approximately 69.1% as compared to that of 2009, while its gross margin was approximately 34.7%, representing a decrease of approximately 5.7 percentage points as compared to the corresponding period of 2009.

The gross profit of NFA was approximately RMB124,085,000, representing an increase of approximately 58.9% as compared to that of 2009, while its gross margin was approximately 22.2%, representing a growth of 1.6 percentage points as compared to the corresponding period of 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Expenses

Sales and marketing expenses for the period were approximately RMB171,678,000 (corresponding period of 2009: RMB101,421,000), representing a growth of approximately 69.3%. The increase was mainly attributable to:

1. the increase in marketing expenses due to the mergers and acquisitions of companies in Shenzhen, Liaoning and Zhejiang by Autolife.
2. the increase in store expenses due to the expansion of direct overseas sales channels by NFA.
3. the increase in sales and marketing expenses due to enhancement in results of Autolife and NFA.

The administrative expenses for the period were approximately RMB85,781,000 (corresponding period of 2009: RMB57,870,000), representing a growth of 48.2% as compared to the corresponding period of 2009. The growth in expenses was mainly due to:

1. the increase in administrative expenses due to the mergers and acquisitions of companies in Shenzhen, Liaoning and Zhejiang by Autolife.
2. the increase in research and administrative expenses due to the active increase in investment in R&D by NFA.
3. the increase in administrative expenses due to strengthening of supply chain and IT integration by the Group.

Operating profit

The operating profit of the Group was approximately RMB67,316,000 (corresponding period of 2009: RMB34,546,000), representing an increase of approximately 94.9% as compared to the corresponding period of 2009.

Among which, the operating profit of NFA was RMB43,235,000 (corresponding period of 2009: RMB31,842,000), representing an increase of 35.8% over the corresponding period of 2009. The operating profit of Autolife was approximately RMB35,153,000 (corresponding period of 2009: RMB12,311,000), representing a surge of 185.5% as compared to the corresponding period of 2009.

Finance costs

Net finance costs amounted to approximately RMB5,495,000 (corresponding period of 2009: RMB9,909,000), down 44.5% from 2009.

Taxation

Income tax expenses were approximately RMB14,183,000 (corresponding period of 2009: RMB7,496,000), representing a growth of approximately 89.2%, which was mainly due to the following:

The increase in income tax expenses due to significant increase in operating profit of Autolife and NFA.

Profit attributable to owners of the Company

Profit attributable to owners of the Company was approximately RMB34,129,000 (2009: approximately RMB11,533,000), up approximately 196%. Earnings per share were approximately RMB6.18 fen (2009: RMB2.45 fen).

Financial status and liquidity

For the period under review, the Group has maintained a stable financial status and the liquidity of assets of the Group remained healthy.

For the year ended 31 December 2010, the Group recorded the cash flow used in operating activities of approximately RMB1,169,000. For the year ended 31 December 2009, the Group recorded the cash flow generated from operating activities of approximately RMB57,643,000.

MANAGEMENT DISCUSSION AND ANALYSIS

The fixed assets were approximately RMB706,695,000 as at 31 December 2010 (31 December 2009: approximately RMB321,265,000).

The net current assets were approximately RMB38,447,000 as at 31 December 2010 (31 December 2009: approximately RMB157,612,000), with a liquidity ratio of approximately 1.06 (31 December 2009: approximately 1.76).

Gearing ratio calculated by dividing total liabilities by total assets was approximately 50.8% as at 31 December 2010 (31 December 2009: approximately 35.3%). As at 31 December 2010, the total bank borrowings of the Company were approximately RMB263,287,000 (31 December 2009: approximately RMB42,412,000).

The Group maintains strong and sufficient cash flow, bank deposits and banking facilities to finance its daily operation, capital expenditure as well as merger and acquisition activities and future investment opportunities for further expansion to the domestic market of the Greater China region.

Financial guarantees and pledge of assets

As at 31 December 2010, the net book values of investment properties, property, plant and equipment and leasehold land and land use rights pledged as securities for the Group's bank borrowings totalled approximately RMB119,921,000 (31 December 2009: approximately RMB108,719,000).

Material acquisitions and disposals of subsidiaries and associated companies

On 17 June 2010, the Company entered into an equity transfer agreement with the shareholders of Liaoning Xin Tian Cheng Industrial Co., Ltd.* (遼寧新天成實業有限公司), pursuant to which the

Company successfully acquired a 51% equity interest in Liaoning Xin Tian Cheng Industrial Co., Ltd.* at a consideration of RMB100,980,000 (subject to adjustment). On 16 July 2010, the acquisition was completed.

On 26 August 2010, the Company entered into an equity transfer agreement with the shareholders of Zhejiang Autoboom Industrial Co., Ltd.* (浙江歐特隆實業有限公司), pursuant to which the Company successfully acquired a 51% equity interest in Zhejiang Autoboom Industrial Co., Ltd.* at a consideration of RMB134,860,000 (subject to adjustment). On 25 September 2010, the acquisition was completed.

As New Focus Richahaus Co. Ltd ("New Focus Richahaus"), a subsidiary of the Company, as at 30 June 2010, has achieved certain specified performance targets in terms of turnover and net profit respectively by the end of each of the specified periods, pursuant to the terms of the sale and purchase agreement in relation to the Group's acquisition of equity interest in New Focus Richahaus in prior years, Perfect Progress Investments Limited ("PPI"), a wholly-owned subsidiary of the Company, is obliged to pay two chief executives of New Focus Richahaus the relevant consideration which would be settled as to (i) NT\$5,000,000 (equivalent to approximately HK\$1,219,000) by way of cash; and (ii) NT\$12,617,691 (equivalent to approximately HK\$3,076,193) by way of issue of new shares in New Focus Richahaus.

On 16 August 2010, PPI entered into an agreement with the two chief executives of New Focus Richahaus pursuant to which the parties have agreed to amend the settlement terms of the above relevant consideration. Pursuant to the agreement, the relevant consideration in the aggregate amount of NT\$17,617,691 (equivalent to approximately HK\$4,295,193) would be paid

MANAGEMENT DISCUSSION AND ANALYSIS

by PPI to the two chief executives of New Focus Richahaus by way of cash. It was agreed under the agreement that the relevant consideration shall be used solely to satisfy funding required for the purchase of 7.68% of the existing issued share capital of New Focus Richahaus from PPI, by the two chief executives of New Focus Richahaus. Further details are set out in the Company's announcement dated 16 August 2010.

Significant investments

For the year ended 31 December 2010, the Group has no material investments.

Exchange risk

During the period under review, the settlement currency of the Group was mainly USD. In order to minimise foreign exchange risk, the Group fixed exchange rate with procurement contracts and adjusted the quotation policy, enabling the transfer of costs to both up and down streams, thus reducing the effects of fluctuations in exchange rate. Thus, the foreign exchange risk of the Group was minimised.

Contingent liabilities

As at 31 December 2010, the Group has no significant contingent liabilities.

Employees and remuneration policy

As at 31 December 2010, the Group employed a total of 3,650 full-time employees (31 December 2009: 3,282), of which 385 were managerial staff (31 December 2009: 341). In order to attract and retain the loyalty of the work force and managerial team, the Group intends to grant 15,260,000 share options to the staff by its share options available so as to further enhance the accountability and stability of the Group's employees. The remuneration package for the Group's employees includes wages, incentives (such as performance-based bonus) and allowances. The Group also provides social security insurance and benefits to its employees.

Business Review

Of the consolidated operating revenue of the Group, operating revenue from Autolife chain service business accounted for 48% of the total operating revenue in 2010, up from 41% in 2009, compared to the slight decrease in NFA manufacturing business, which accounted for 52% of the total operating revenue, down from 59% in 2009. This reflected the strong growth in automotive sales, car count and demand for related automotive aftermarket service in the Greater China region, making Autolife chain service business the operational hub and highlight of the Group in the coming year.

Automotive aftermarket chain retail business – Autolife

Autolife is committed to providing automotive aftermarket related services and product sales in the Greater China region. With a focus on the service center (B2C automobile users) chain business, it has completed its "Golden Cross" business layout in strategic locations in first- and second-tier cities, such as Beijing, Shanghai, Shenzhen, Taiwan and Chengdu in 2009. Given the threefold increase in automotive sales and car count from the previous year and the prolonged and vast development potential in inland cities, the Group stepped up its expansion in full gear to further enhance overall profit and to enlarge its business layout, and boomed in 2010. It acquired Xin Tian Cheng in Northeastern China and Autoboom in Jiangsu and Zhejiang, penetrated into third- and fourth-tier cities such as Changchun, Shenyang, Anshan, Dalian, Hangzhou, Suzhou, Nanjing, Ningbo and Wenzhou and achieved its business objective by adopting the major business model of serving local commercial customers (B2B Mega Store). As at 31 December 2010, Autolife had an aggregate of 9 B2B Mega Stores serving 11,000 commercial customers. Meanwhile, the Group further strengthened its effective strategic layout in the five major economic circles in China.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2010, the operating revenue of Autolife amounted to RMB518,778,000, up 96.9% over the corresponding period of 2009, and its operating profit amounted to RMB35,153,000, grew by 185.5% over the corresponding period of 2009. Explosive growth in both operating revenue and operating profit implied that Autolife, the chain service network of the Group, has expanded its presence. The effective layout in the five major economic circles and the strategic target to maintain its leading position in the automotive aftermarket in the Greater China region have been consolidated and paid off.

Autolife achieved the following milestones during the period:

the total number of self-operated stores of Autolife increased from 42 in 2009 to 60 in 2010. The rapid growth in the number of stores laid a solid foundation for continuous growth of sales and profit margin of the Group;

- In 2010, more service centers (B2C automobile users) were established in the Taiwan, Beijing, Shenzhen, Shanghai and Chengdu markets. 9 new service centers were established, making a total of 51 service centers serving more than 1 million end-customers and resulting in further consolidation of the Group's leading position in the automotive aftermarket chain service market in the Greater China Region.
- In 2010, average single store operating revenue per annum of the service centers (B2C automobile users) grew to RMB7 million, with average establishment costs lowered to RMB2.5 million and net profit margin increased to 6%.

- In 2010, automotive insurance agency service was introduced in and the new painting service business was extended to Beijing. Such highly profitable services are expected to be provided in service centers (B2C automobile users) in other provinces in 2011.
- Through mergers and acquisitions, the Group acquired 9 B2B Mega Stores to provide wholesale of auto video, audio and electronic products, cleaning and cosmetics products, seasonal products and other automotive products to local automobile sellers (4S), service centers and auto care, quick repair and maintenance stores. Valued-added services including product technology introduction, strategic marketing and staff training were also provided. Products such as tyres, motor oil and batteries will also be available in the near future to expand our scope of business.
- In 2010, average single store sales per annum of B2B Mega Stores reached RMB45 million, with average establishment cost of only RMB5 million and net profit margin of 6%.

Automobile green lighting and electronic power manufacturing business – NFA

Benefiting from the economic recovery in North America, orders from sales (retail) channels of the end-consumer market rebounded and operating revenue derived from export of NFA (representing the Group's manufacturing business) recorded considerable growth compared to the corresponding period of 2009. The Group will continue to implement its strategies on expanding direct sales to the market and the promotion of its own brands with high profit margin so as to enhance the profitability of its exported products.

MANAGEMENT DISCUSSION AND ANALYSIS

Future Prospects

2011 will be the first year for the Group's new round of Five-Year Plan. Although measures were adopted to limit automotive consumption in certain cities in China and oil prices keep surging, demand for services related to car count is still expected to grow significantly, driven by the rising income per capita and gradual maturing of automobile maintenance business for the sake of safety in China. China is set to surpass the US to become the world's largest country in terms of car count in the coming 10 years. The Group considers that measures to limit automotive purchase in Beijing will have a favourable impact on the Company in respect of the expansion of the Group's presence. Given the drastic decline in the number of local automobile sellers (4S) in the market as a result of the purchase restriction, New Focus Beijing will benefit by securing leases at prime locations at rental costs 30%-50% lower than last year for the provision of related automobile services to satisfy local demand, further enhancing the overall operating profit of New Focus Beijing. Based on such favourable factors, the Group will maintain its leading position in the Greater China region by adopting the following means to effect efficient and rapid development and maximise its competitive strengths:

1. Expanding the service center (B2C Service Centers) business on an ongoing basis. In addition to the 17 new stores scheduled to be established in the original five major cities, another 10 stores will be established in Jiangsu, Zhejiang and Fuzhou through organic growth and mergers and acquisitions, making a total of 78 stores serving over 1.5 million end-customers, representing a growth of approximately 50% in the number of customers from 2010. New business lines, such as automotive insurance agency and the highly profitable painting project will be introduced to other provinces upon their successful trial operations in Beijing in 2010, with a view to enhancing the operating profit of each region.
2. Considerably expanding the B2B Mega Stores business of Autolife through mergers and acquisitions. For B2B Mega Stores, 14 new stores will be established in six major provinces and cities, including Shanxi, Fujian, Hubei, Hunan, Sichuan and Yunnan, in 2011. Together with the 5 stores to be established through organic growth of its own business, there will be a total of 28 mega stores serving over 25,000 commercial customers, representing a growth of over 100% in the number of customers from 2010. Business coverage will be expanded from four major provinces and cities in 2010 to ten major provinces and cities. More importantly, the commercial customer services (B2B Mega Store) of Autolife will bring various benefits to the business strategies of the Group in the future, such as an increase in the Group's purchase volume, creation of its own brands, establishment of a comprehensive logistics system and a supply chain for related product sales. Leveraging upon its wide customer base, quality targets will be identified for mergers and acquisition of the service business.
3. Enhancing the Group's bargaining power against product suppliers through the first centralised purchasing. All subsidiaries engaged in the service business will be joined for centralised purchasing so that the overall purchase volume of the service business of the Group will be increased significantly to RMB600 million in the coming year, thereby lowering costs and considerably increasing gross profit. This initiative will fully capitalise on our advantage in terms of resources, so as to lower the procurement costs of the Group's subsidiaries engaged in the service business by about 5%. We will also strengthen promotion of our own brand products and gradually by secure distributorship of foreign

MANAGEMENT DISCUSSION AND ANALYSIS

and domestic automobile related products in the Greater China region through the wide and strong operation network of the Group, so as to exercise control over the pricing of core products. Product lines and market share are expected to grow simultaneously, and the ratio of our own brands will be increased to over 60%. Our own brands include NFA, VOT, 格瑞斯 and 東方神墊.

4. Making substantial investment in IT integration through cooperation and exchange between the Group and its holding companies. Upon completion, the integrated IT system will be constructive to the efficient and effective information exchange for operational decision-making of the Company's subsidiaries engaged in the service business and the Group itself. The Group will then be able to obtain accurate information for decision-making, enhance its procurement efficiency and get thorough understanding of merchandise information, as well as strengthen its risk management and enhance its economic efficiency.
5. In respect of chain service centers (B2C automobile users), the Group currently has three major brands, namely Richahaus (Autolife), Aiyihang (Autolife) and Yonglonghang (Autolife). The brands are well renowned with over ten years of history in their local automotive aftermarket and brand profile among consumers. The Group named the brands as Autolife and included them into its operation system. Focusing on management and consolidation, the Group will replicate the advantage on resources and the obvious profitable business model of the operational team of Aiyihang in Beijing to three major regions, namely, Beijing, Shanghai and Chengdu, and introduce efficient and systematic

indicator management to the retail business (B2C Service Center) with relatively lower operating profit in those regions, with an aim to optimising profitability, establishing mutual support between group companies and enhancing the Group's overall profit.

6. Maintaining stable growth in both operating revenue and net profit whilst enhancing the profile of the Group's own brands in the Greater China region by leveraging upon the strong product R&D capabilities and marketing network of the manufacturing business of the Group to increase the ratio of sales of its own brand products.

Being the world's largest country in terms of automobile sales and the second largest in terms of car count, the Greater China market offers indefinite development potential for products and services of the Group. In light of past failures of world-class automotive aftermarket competitors in China and the fact that more than 100,000 domestic operators are small in scale and unstandardised, New Focus Group has absolute advantage in the huge market with only mild competition and thus focuses on network construction and promotion of its own brands. As such, the Company's operation team will excel with defined development direction in 2011 and is fully confident in achieving its targets.

PROFILES OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Hung Wei-Pi, John (Chairman)

Mr. Hung, aged 50, is one of the founders of the Group and the chairman and president of the Company. He is primarily responsible for the management of the board of Directors and formulation of the future development strategies and planning of the Group currently. Mr. Hung has been the chairman since February 2005.

He graduated from Chung Yuan Christian University (台灣中原大學) with a bachelor's degree in commerce in 1982. Prior to the establishment of Shanghai New Focus Auto Parts Co., Ltd. ("NFA Parts"), Mr. Hung was the founder and general manager of New Focus Line Limited. In March 1994, Mr. Hung established NFA Parts. He assumed the positions of both the director and general manager and actively participated in NFA Parts' daily operations. In 2001, Mr. Hung established Shanghai New Focus Auto Repair Services Co., Ltd. ("NFA Service"). Mr. Hung is the brother of Ms. Hung Ying-lien and the brother-in-law of Mr. Wu Kwan-Hong.

Mr. Wu Kwan-Hong

Mr. Wu, aged 50, is an executive Director and is responsible for the overall business development and operational management of the manufacturing business of the Group. Mr. Wu has been an executive Director since February 2005.

He graduated from Taiwan Feng Chia University (台灣逢甲大學) with a bachelor's degree in banking insurance in 1984. Prior to joining the Group, Mr. Wu was a manager in charge of warehousing management and procurement of New Focus Line Limited from 1990 to 1998. He formally joined NFA Parts as vice general manager in April 1998, and participated in business planning and management. He is the spouse of Ms. Hung Ying-Lien and the brother-in-law of Mr. Hung Wei-Pi, John.

Ms. Hung Ying-Lien

Ms. Hung, aged 45, is an executive Director, vice-president and chief financial controller of the Group and is currently responsible for financial budget and capital management of the Group. Ms. Hung Ying-Lien has been an executive Director since February 2005.

She graduated from Taiwan Fu Jen Catholic University (台灣輔仁大學) with a bachelor's degree in accountancy in 1988. She has extensive experience in the retail and wholesale service sector and in the finance field. Prior to joining the Group, Ms. Hung had worked in various positions in a hypermarket chain stores in Taiwan from 1991 to 2001, responsible for wholesale operations, human resource management, product management, inventory logistics and financial management. Ms. Hung joined the Group in July 2001. She is currently in charge of the financial budget and capital management of the Group. She is the sister of Mr. Hung Wei-Pi, John and the spouse of Mr. Wu Kwan-Hong.

Mr. Lu Yuan Cheng

Mr. Lu, aged 50, is an executive Director and the chief technology officer of the manufacturing business of the Group. He is responsible for the research and development of new technologies and products. Mr. Lu has been an executive Director since February 2005.

Mr. Lu graduated from the Light Sources and Illumination Engineering Department of Shanghai Fudan University with a master degree of science in 1993. He is a member of Shanghai Vacuum Society and council member of the Professional Transportation Lightings and Optical Signals Committee (交通運輸照明和光信號專業委員會) of the China Illuminating Engineering Society. He also takes up certain scientific research and teaching tasks for the Physics Department of the East China University of Science and Technology and has extensive technical cooperation relationship with various academies in Shanghai. Mr. Lu has

PROFILES OF THE DIRECTORS AND SENIOR MANAGEMENT

been involved in certain projects supported by the Shanghai Spark Programme (上海星火計劃) and Torch Programme (火炬計劃). In particular, the HID development project has passed expert assessment and received subsidy from the Ministry of Education of the PRC. 15 patents are registered for the products developed. Mr. Lu joined NFA Parts in 1996.

Mr. Douglas Charles Stuart Fresco

Mr. Fresco, aged 66, is an executive Director and one of the founders of the Group. Mr. Fresco has been an executive Director since February 2005.

He has extensive experience in the distribution of automotive products. He is one of the founders of Custom Accessories Asia Limited (“Custom Accessories”), a company established in Hong Kong in 1982 which is engaged in the wholesale and distribution of automotive accessories for the US and European aftermarkets. Since the establishment of NFA Parts in March 1994, Mr. Fresco has been responsible for the expansion of overseas market for the Group’s products. He also acts as one of the Company’s authorised representatives in Hong Kong.

Mr. Edward B. Matthew

Mr. Matthew, aged 55, is an executive Director and is responsible for exploration of overseas markets for the manufacturing business of the Group. Mr. Matthew was appointed an executive Director in August 2010.

He has served more than 25 years as a board member of Custom Accessories, a family held automotive accessories business in the US. Mr. Matthew is currently the executive director of Custom Accessories, and has been actively participated in the business since it was founded in 1974. In addition, Mr. Matthew is a practicing anesthesiologist with North Shore University Health System, a large multi-hospital system in the

Chicago area, US. He is an Assistant Professor of Anesthesiology at the University of Chicago Medical School, is the former Chief of the Medical Staff at Highland Park Hospital in Highland Park Illinois, US, and is a former board member at Highland Park Hospital and North Shore University Health System.

Mr. Matthew received a Bachelor’s Degree in Economics from the University of Michigan in Ann Arbor Michigan in 1978, and his Medical Degree from the University of Illinois in Chicago, Illinois in 1982. Mr. Matthew received his training in Anesthesiology at Northwestern University School of Medicine and he is certified by the American Board of Anesthesiology.

Non-executive Directors

Mr. Low Hsiao-Ping

Mr. Low, aged 57, is a non-executive Director. He graduated from the NihonBunka University (日本文化大學) and Kuwasuwa Kenkyujo (桑澤研究所). Mr. Low joined Qiu’s Group (邱氏集團) since 1981 and is currently a general manager of Yung Han Financial Consultant Co., Ltd. in Taiwan (永漢理財顧問有限公司), Chuang Wen Co, Ltd. in Taiwan (創文股份有限公司), Tianjin Yongli Jianji International Trade Co., Ltd. (天津永立建機國際貿易有限公司), a director-general of Yung Han Short-term Tutorial Course in Taiwan (永漢語文短期補習班總幹事) and a council member of Yung Han Golf Course in Taiwan (永漢高爾夫理事). He joined the Group in April 2006.

Mr. Hsu Ming Chyuan

Mr. Hsu, aged 56, is a non-executive Director. He received a bachelor’s degree in telecommunication engineering from the National Chao Tung University, Hsinchu, Taiwan and a master degree in computer and electronics engineering from the North Carolina State University, US. He is the co-founder of Elitegroup Computer Systems, APAQ Technology and Luxo Corporation, and has more

PROFILES OF THE DIRECTORS AND SENIOR MANAGEMENT

than 25 years of experience in IT industry. He is currently a general manager of Pac-Link, gaining over 10 years of experience in the investment sector. Mr. Hsu joined the Group in March 2010.

Independent Non-executive Directors

Mr. Du Haibo

Mr. Du, aged 41, is an independent non-executive Director. He graduated from Zhengzhou University (鄭州大學) in 1989 and obtained an EMBA degree from China Europe International Business School (中歐國際工商管理學院) in 2005. He has 17 years of professional experience in accounting and auditing and is a senior auditor and senior accountant. He has obtained the professional qualifications as a certified accountant, registered tax expert and land valuer. Mr. Du was the vice-chairman of Lingbao County Auditors (靈寶縣審計師事務所) and Henan C.P.A. (河南審計事務所). He is the legal representative of Henan Zheng Yong C.P.A. Limited (河南正永會計師事務所有限公司) and an independent non-executive director of two listed companies in the PRC, namely, Henan Taloph Pharmaceutical Stock Co., Ltd. listed on the Shanghai Stock Exchange and Henan Shuanghui Investment & Development Company Limited listed on the Shenzhen Stock Exchange. Mr. Du joined the Group in February 2005.

Mr. Zhou Tai-Ming

Mr. Zhou, aged 71, is an independent non-executive Director. He graduated from Fudan University (復旦大學) with a bachelor's degree in electrical physics in 1964 and has become a professor there in the department of physics since 1996. He was appointed as a member of the expert team of "electrical appliances in lightings" under the Science and Technology Committee (科學技術委員會) of the PRC Light Industry Ministry (中華人民共和國輕工業部) in 1990, the officer of the Professional Transportation Lightings and Optical Signals Committee of the China Illuminating Engineering Society in 2000, and the consultant of

the Shanghai Government Sourcing Administration Office (上海市政府採購辦公室) in 2003. Mr. Zhou joined the Group in February 2005.

Mr. Uang Chii-Maw

Mr. Uang, aged 60, is an independent non-executive Director. He graduated from the University of Pennsylvania with a doctorate degree in electrical engineering. He is a professor of electronics at I-Shou University in Taiwan and is an expert in optics and microcontroller, specialising in structural design of computer system, disposal of optoelectric signals and design of mechatronic system. Mr. Uang has been the adviser of several high technology companies. He joined the Group in February 2005.

Senior Management

Ms. Wang Wenyun

Ms. Wang, aged 44, is the general manager of the service business of the Group and is responsible for the business development and operation management of the service business of the Group.

Ms. Wang graduated from the National Sun Yat-sen University (台灣國立中山大學) in 1990 and obtained an MBA degree from Fairleigh Dickinson University in 1994. Prior to joining the Group, Ms. Wang has served as investors relations manager, CFO and vice president of various renowned enterprises including Lite-On Technology Group Corporation, President International Development Corporation and GreenTree Inn Hotel Management Group. Ms. Wang has extensive knowledge in corporate mergers and acquisitions, finance management, corporate operation and listing preparation. She was also a visiting professor of East China Normal University. Ms. Wang joined the Group in June 2010.

PROFILES OF THE DIRECTORS AND SENIOR MANAGEMENT

Mr. Kong Yongzhang

Mr. Kong, aged 45, is the chief officer of the supply chain and marketing department of the service business of the Group and is responsible for the operation and management of the supply chain and marketing department of the service business of the Group.

He graduated from Ngee Ann Polytechnic with a bachelor's degree in 1988. Prior to joining the Group, Mr. Kong served as chief operation officer in China, general manager and chief operation officer in Asia in various renowned enterprises including Superior Multi-Packaging Limited in Singapore, SCA Packaging Singapore Pte Ltd and Sealed Air Packaging (China) Company Limited. Mr. Kong has over 15 years of management experience in multinational corporations and extensive knowledge in corporate operation and systematic management. Mr. Kong joined the Group in November 2010.

Mr. Chow Zhicheng

Mr. Chow, aged 48, is the vice general manager of the IT department of the Group and is responsible for the operation and management of the IT department of the Group.

He graduated from Chung Yuan Christian University in 1988 and obtained a master degree in data management from Pittsburg State University in 1992. Mr. Chow served in various high-tech multinational corporations to facilitate the construction of various data software and hardware systems, such as building and management of group multinational/multiregional data network, 7*24 large-scale data room, ERP, CRM, KM, KPI systems projects. Mr. Chow joined the Group in May 2010.

Mr. Liu Xiao Hua

Mr. Liu, aged 34, is the company secretary and authorised representative.

Mr. Liu obtained a master degree in law from East China University of Political Science and Law and is qualified as a lawyer in the PRC. Mr. Liu is an associate member of the Hong Kong Institute of Chartered Secretaries, and the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. Liu joined the Company in February 2007 and was appointed as legal manager and assistant company secretary. He is also one of the authorised representatives of the Company in Hong Kong.

CORPORATE GOVERNANCE REPORT

Introduction

The Board of Directors (the “Board” or the “Directors”) believes that good corporate governance practice is the key to business growth and management of the Group. Since the listing of the shares of the Company on 28 February 2005, except the deviations disclosed in this report, the Company has complied with all the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules (the “Code”) by establishing a formal and transparent procedure to safeguard and maximise the return to shareholders.

Securities Transactions of Directors

The Company has adopted a code of conduct regarding securities transactions of Directors with terms no less exacting than the required standards set out in Appendix 10 of the Listing Rules as the code of conduct for securities transactions by Directors (the “Model Code”). To ensure the Directors’ dealings in the securities of the Company are conducted in accordance with the Model Code and the Code, a committee (the “Securities Committee”) under the Board comprising Mr. Hung Wei-Pi, John as chairman and Ms. Hung Ying-Lien was set up to deal with such transactions. Prior to any dealing in the securities of the Company, a Director is required to notify the chairman of the Securities Committee or in the case of dealings by Mr. Hung Wei-Pi, John himself, notify Ms. Hung Ying-Lien in writing and obtain a written acknowledgement from the Securities Committee. Having made specific enquiries to all Directors by the Securities Committee of the Company, all Directors confirmed that they had complied with the Model Code regarding Directors’ securities transactions during the period under review.

Board of Directors

The Board currently comprises six executive Directors and five non-executive Directors with three of them being independent Directors:

Executive Directors

Mr. Hung Wei-Pi, John
Mr. Wu Kwan-Hong
Ms. Hung Ying-Lien
Mr. Lu Yuan Cheng
Mr. Douglas Charles Stuart Fresco
Mr. Edward B. Matthew

Non-executive Directors

Mr. Low Hsiao-Ping
Mr. Hsu Ming Chyuan

Independent non-executive Directors

Mr. Du Haibo
Mr. Zhou Tai-Ming
Mr. Uang Chii-Maw

Issues pending discussion and approval by the Board include the following:

- corporate strategies
- annual and interim results
- risk management
- major acquisitions, disposals and capital transactions
- other significant operational and financial issues

Under A.2.1 of the Code, “the roles of chairman and chief executive officer should be separated and should not be performed by the same individual”. Mr. Hung Wei-Pi, John concurrently takes up the posts of chairman and chief executive officer of the Company. Such deviation is due to the fact that the day-to-day management of the Group is led by Mr. Hung. The Board considers that this arrangement provides the Group with strong and consistent leadership and allows for effective and efficient planning and implementation of business strategies and decisions.

CORPORATE GOVERNANCE REPORT

Major corporate issues that are specifically delegated by the Board to the management include the preparation of annual and interim accounts for Board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate internal control and risk management system, and compliance with relevant statutory requirements and rules and regulations. Each executive Director should assume individual responsibilities to oversee and monitor the operations of a specific business unit, and to implement the strategies and policies set by the Board. The independent non-executive Directors will provide independent advice to the Board and share their knowledge and experience with the other members of the Board. Apart from the letters of appointment entered into by each non-executive Director with a term of three years, none of them has signed any form of service contract with the Company or any of its subsidiaries.

The Board has implemented appropriate measures and internal control procedures to ensure that the Company runs its business pursuant to all applicable legal and regulatory requirements with prudence and integrity. The senior management are obliged to supply the Board with adequate information in a timely manner to enable the Board to make informed decisions in a timely manner. Each of the Directors is entitled to obtain such records of the Company as are necessary to enable them to make informed decisions. Biographical details of the Directors and their relationships are set out under the section headed "Profiles of the Directors and Senior Management" in this annual report.

The names of the Directors and individual attendance of each Director at each regular board meeting during the year are as follows:

Executive Directors	Attendance
Mr. Hung Wei-Pi, John <i>(Chairman and Chief executive officer)</i>	4/4
Mr. Wu Kwan-Hong	4/4
Ms. Hung Ying-Lien	4/4
Mr. Lu Yuan Cheng	4/4
Mr. Douglas Charles Stuart Fresco	4/4
Mr. Norman L. Matthew <i>(deceased on 26 March 2010)</i>	N/A
Mr. Edward B. Matthew <i>(appointed on 26 August 2010)</i>	2/4
Non-executive Directors	
Mr. Low Hsiao-Ping	4/4
Ms. Irene Shih <i>(resigned on 30 March 2010)</i>	N/A
Mr. Hsu Ming Chyuan <i>(appointed on 30 March 2010)</i>	3/4
Independent Non-executive Directors	
Mr. Du Haibo	4/4
Mr. Zhou Tai-Ming	4/4
Mr. Uang Chii-Maw	4/4

Apart from the regular board meetings during the year, the Board will meet on other occasions when a board-level decision on a particular matter is required. The Directors will receive details of agenda items in advance of each of the board meetings and minutes of meetings afterwards.

Remuneration, Examination and Nomination Committee

The Remuneration Committee of the Company was set up on 13 February 2005 with written terms of reference formulated with reference to the provisions of the Code. The Remuneration Committee, which has changed its name as Remuneration, Examination and Nomination

CORPORATE GOVERNANCE REPORT

Committee on 4 December 2005, was established with written terms of reference formulated with reference to the code provisions of the Code. It consists of five members, namely Mr. Hung Wei-Pi, John, Ms. Hung Ying-Lien, and three independent non-executive Directors, Mr. Du Haibo, Mr. Zhou Tai-Ming and Mr. Uang Chii-Maw. The chairman of the Remuneration, Examination and Nomination Committee is Mr. Hung Wei-Pi, John. The principal duties of the Remuneration, Examination and Nomination Committee include recommending appropriate candidates to the Board as Directors and senior management, assessing the performance of the Directors and the senior management and making recommendations on their remuneration package and evaluating and advising on the Share Option Scheme and other employee benefit arrangements.

The Remuneration, Examination and Nomination Committee shall convene a meeting at least once a year to formulate the remuneration policy for Directors and senior management of the Company. The Remuneration, Examination and Nomination Committee will ensure the remuneration determined are corresponding to the duties and responsibilities and in line with normal market practice. The Remuneration, Examination and Nomination Committee shall further ensure that neither Directors nor any of their associates are involved in the determination of their respective compensation.

Details of the attendance of the Remuneration, Examination and Nomination Committee meetings during the period under review are as follows:

Members	Attendance
Mr. Hung Wei-Pi, John	1/1
Ms. Hung Ying-Lien	1/1
Mr. Du Haibo	1/1
Mr. Zhou Tai-Ming	1/1
Mr. Uang Chii-Maw	1/1

The Remuneration, Examination and Nomination Committee had considered and reviewed the existing terms of the service contracts of the executive Directors and letters of appointment of

the non-executive Directors. The Remuneration, Examination and Nomination Committee believes that the service contracts of the executive Directors and letters of appointment of the non-executive Directors and independent non-executive Directors are fair and reasonable.

All Directors are appointed for a fixed term of three years. The articles of association of the Company requires that one-third of the Directors (including executive and non-executive Directors) retire each year. The Directors to retire each year shall be those appointed by the Board during that year and those who have been longest in office since their election or re-election. A retiring Director is eligible for re-election.

Auditors' remuneration

During the year, the fees paid/payable to BDO Limited (the "Auditors") in respect of their audit services for the year 2010 amounted to approximately RMB1,017,000. In addition, the Company has engaged the Auditors to perform certain agreed upon procedures in relation to its financial statements during the year. Other than that, the Auditors did not provide other non-audit services.

Audit Committee

The audit committee (the "Audit Committee") has three members, namely Mr. Du Haibo, Mr. Zhou Tai-Ming and Mr. Uang Chii-Maw. Mr. Du Haibo is the chairman of the Audit Committee. The duties of the Audit Committee include reviewing and supervising the financial reporting process and internal control system of the Group.

The Audit Committee meets at least twice a year. A special meeting may be called at the discretion of the Audit Committee or the request of the Board to

CORPORATE GOVERNANCE REPORT

review material internal control or financial issues. The functions of Audit Committee are to review significant accounting policies and supervise the preparation of financial reports of the Group, monitor the performance of both the internal and external auditors, review and examine the effectiveness of the Group's financial reporting procedure and internal controls in order to ensure the compliance of the Group with applicable statutory accounting and reporting requirements, legal and regulatory requirements, and internal rules and procedures approved by the Board.

Details of the attendance of the Audit Committee meetings during the period under review are as follows:

Members	Attendance
Mr. Du Haibo	2/2
Mr. Zhou Tai-Ming	2/2
Mr. Uang Chii-Maw	2/2

The Audit Committee has reviewed the Group's unaudited interim results for the six months ended 30 June 2010 and the audited annual results for the year ended 31 December 2010, and is of the view that the preparation of such results has been in compliance with the relevant accounting standards and requirements and has made adequate disclosures.

Strategy, Investment and Financing Decision Making Committee

The strategy, investment and financing decision making committee of the Company (the "Strategy, Investment and Financing Decision Making Committee") consists of six members, namely Mr. Hung Wei-Pi, John, Mr. Wu Kwan-Hong, Ms. Hung Ying-Lien, Mr. Lu Yuan Cheng, Mr. Zhou Tai-Ming and Mr. Uang Chii-Maw. Mr. Hung Wei-Pi, John is the chairman of the Strategy, Investment and Financing Decision Making Committee. The duties of the Strategy, Investment and Financing Decision Making Committee include formulating and revising the Group's future development strategies, carrying out procedures and enhancing the efficiency and quality of important decision making procedures. The Strategy, Investment and Financing Decision Making Committee shall convene meetings subject to important investment and financing matters.

During the year, the Group has not been involved in any corporate action that requires the involvement of the Strategy, Investment and Financing Decision Making Committee.

Directors' and Auditors' Responsibilities for the Consolidated Financial Statements

The Directors' responsibilities for the accounts and the responsibilities of the external auditors to the shareholders are set out on pages 33 and 34.

Internal Control

The Company has conducted regular review of its internal control system to ensure that the system is effectively operating, adequate and comprehensive. The Company convenes meetings periodically to discuss financial, operational and risk management control issues.

Investors Relations

The Company has disclosed all necessary information to the shareholders in compliance with Listing Rules. Meetings are held with investors periodically. The Company has also made timely replies to the enquiries from shareholders. The Directors host the annual general meeting each year to meet with the shareholders and answer their enquiries.

Auditors

During the year, the performance of the Auditors has been reviewed by the Audit Committee and the Audit Committee recommended to the Board (which endorsed the view) that subject to shareholders' approval at the forthcoming annual general meeting the Auditors be re-appointed as the external auditors of the Company for 2011.

REPORT OF THE DIRECTORS

The Directors are pleased to present their annual report for the year ended 31 December 2010 (the “Year”) and the audited consolidated financial statements (the “Financial Statements”) of the Group for the year ended 31 December 2010.

Group Reorganisation, Subsidiaries and Basis of Presentation

The Company was incorporated in the Cayman Islands on 15 May 2002 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to the group reorganisation (the “Reorganisation”) as detailed in section 4 headed “Corporate Reorganisation” in Appendix VI to the prospectus dated 17 February 2005 (the “Prospectus”) of the Company, in preparation for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Company became the holding company of other companies comprising the Group on 13 February 2005.

Principal Activities

The Group focused on the construction of automotive chain service network in the Greater China region (the Group’s service business) as well as the innovative production of environmentally friendly automotive lighting and automotive electronic power products (the Group’s manufacturing business), with an aim to provide automobile consumers with products and services with premium performance-price ratio.

Details of the principal activities of the subsidiaries of the Company are set out in note 21 to the Financial Statements.

Results and Dividends

The consolidated results of the Group for the Year are set out in the consolidated statement of comprehensive income on page 35. An analysis of turnover and segmental results for the Year by geographical and business segments is set out in note 6 to the Financial Statements.

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

Property, Plant and Equipment

Details of the movements of property, plant and equipment of the Group during the Year are set out in note 16 to the Financial Statements.

Investment Properties

Details of the movements of investment properties of the Group during the Year are set out in note 18 to the Financial Statements.

Share Capital

Details of the issued share capital of the Company and its movements during the Year along with the relevant reasons are set out in note 30 to the Financial Statements.

REPORT OF THE DIRECTORS

Reserves

Movements of reserves of the Group and the Company on a consolidated basis are set out in note 31 to the Financial Statements.

Distributable Reserves

Under the Companies Law of the Cayman Islands, share premium amounting to approximately RMB223,155,000 is distributable to shareholders, provided that immediately following the date on which the distribution or dividend is proposed to be made, the Company is able to settle its debts as they fall due in the ordinary course of business.

As at 31 December 2010, the reserve available for distribution to Shareholders of the Company amounted to approximately RMB260,639,000.

Closure of Register of Members

The register of members will be closed from 8 June 2011 to 10 June 2011 (both days inclusive), during which period no transfer of shares will be registered. In order to be entitled to attend the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 7 June 2011.

Directors

The Directors who held office during the Year and up to the date of this annual report were:

Executive Directors

Hung Wei-Pi, John (*Chairman and Chief executive officer*)

Wu Kwan-Hong

Hung Ying-Lien

Lu Yuan Cheng

Douglas Charles Stuart Fresco

Norman L. Matthew (deceased on 26 March 2010)

Edward B. Matthew (appointed on 26 August 2010)

Non-executive Directors

Low Hsiao-Ping

Irene Shih (resigned on 30 March 2010)

Hsu Ming Chyuan (appointed on 30 March 2010)

Independent Non-executive Directors

Du Haibo

Zhou Tai-Ming

Uang Chii-Maw

REPORT OF THE DIRECTORS

Directors (Continued)

Biographical details of the Directors are set out in the section headed “Profiles of the Directors and Senior Management” in this annual report.

In accordance with Article 87(1) of the Company’s articles of association, Mr. Du Haibo, Mr. Uang Chii-Maw, Mr. Hung Wei-Pi, John and Mr. Lu Yuan Cheng will retire by rotation at the forthcoming annual general meeting of the Company. All such Directors being eligible, offer themselves for re-election. According to Article 86(2)(3) of the Company’s articles of association, the Board appointed Mr. Edward B. Matthew as executive Director of the Company on 26 August 2010, subject to retirement at the forthcoming annual general meeting of the Company, upon which being eligible to offer himself for re-election.

The Company has received from each of its independent non-executive Directors an annual confirmation of his independence. The Company considers that all of its independent non-executive Directors are independent.

Director’s Service Contracts

Each of Mr. Hung Wei-Pi, John, Mr. Wu Kwan-Hong, Ms. Hung Ying-Lien, Mr. Lu Yuan Cheng and Mr. Douglas Charles Stuart Fresco, being the executive Directors, has entered into a new service contract with the Company for another term of three years commencing from 13 February 2011, subject to retirement by rotation in accordance with the articles of association of the Company.

Pursuant to the respective letters of appointment of the non-executive Director Mr. Low Hsiao-Ping and the independent non-executive Directors, namely, Mr. Du Haibo, Mr. Zhou Tai-Ming and Mr. Uang Chii-Maw, each of them was reappointed for a term of three years commencing from 13 February 2011, subject to retirement by rotation in accordance with the articles of association of the Company.

Pursuant to the relevant letter of appointment, Mr. Edward B. Matthew, the executive Director, has entered into a service contract with the Company for a term of three years commencing from 26 August 2010, subject to retirement by rotation in accordance with the articles of association of the Company.

Save as disclosed above, none of the Directors had entered into service contracts with the Company which are not determinable by the Company within one year without compensation (other than statutory compensation).

Directors’ Interests in Contracts

Save as disclosed in the section headed “Continuing Connected Transactions” in this report, none of the Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the Year.

REPORT OF THE DIRECTORS

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the Year.

Share Option Scheme

The Company conditionally adopted a share option scheme (the "Scheme") on 13 February 2005 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. Eligible participants of the Scheme include the Directors, employees, suppliers, customers and business or strategic alliance partners of the Group. The Scheme became effective on 28 February 2005 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon exercise of all share options granted and to be granted under the Scheme is 40,000,000 shares, representing 10% and 7.38% of the shares of the Company in issue as at the date of listing of the Company and as at the date of this annual report respectively, unless approval for refreshing the 10% limit from the Company's shareholders has been obtained. The maximum number of shares issued and may be issued under share options granted to each eligible participant in the Scheme (including both exercised and outstanding share options) within any 12-month period is limited to 1% of the shares of the Company in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

The grant of share options to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, is subject to prior approval by the independent non-executive Directors. 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 the 12-month period up to and including the date of the grant of share options in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, are subject to shareholders' prior approval in a general meeting.

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\$10 in total by the grantee. The exercise period of the share options granted is determined by the Board, save that such a period shall not be more than 10 years from the date of grant of the share options subject to the provisions for early termination as set out in the Scheme. Unless otherwise determined by the Directors at their sole discretion, there is no requirement of a minimum holding period or a performance target which must be achieved before a share option can be exercised.

The exercise price of the share options shall be the highest of (i) the nominal value of a share of the Company on the date of grant; (ii) the closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant of the share options; and (iii) the average Stock Exchange closing price of the Company's shares for the five business days immediately preceding the date of grant.

Share options do not confer rights on the holders to dividends or to vote at general meetings.

REPORT OF THE DIRECTORS

Share Option Scheme (Continued)

As at 31 December 2010, options had been granted by the Company under the Scheme which, if exercised in full, would entitle the grantees to subscribe for 10,040,000 shares. The total number of shares available for issue under the Scheme (excluding share options already granted) is 17,580,000 shares, representing approximately 3.25% of the total issued share capital of the Company as at that date.

As at 31 December 2010, details of share options granted under the Scheme are as follows:

Name of option holder	Date of grant	Exercise period	Exercise price (per share)	Closing price of share on date of grant (per share)	Number of underlying shares subject to options outstanding as at 1 January 2010	Number of underlying shares subject to options cancelled since 1 January 2010	Number of options exercised since 1 January 2010	Number of underlying shares subject to options outstanding as at 31 December 2010
Mr. Wu Kwan-Hong <i>Executive Director</i>	28 February 2005	1 January 2006 to 12 February 2015 <i>(Note 1)</i>	HK\$0.94	HK\$0.94	3,400,000	-	-	3,400,000
Ms. Hung Ying-Lien <i>Executive Director</i>	28 February 2005	1 January 2006 to 12 February 2015 <i>(Note 1)</i>	HK\$0.94	HK\$0.94	3,400,000	-	-	3,400,000
Mr. Lu Yuan Cheng <i>Executive Director</i>	28 February 2005	1 January 2006 to 12 February 2015 <i>(Note 1)</i>	HK\$0.94	HK\$0.94	3,240,000	-	-	3,240,000
Continuous contractual employees in aggregate	28 February 2005	From 1 January 2006 <i>(Note 2)</i>	HK\$0.94	HK\$0.94	2,320,000	(2,320,000)	-	-
Total					12,360,000	(2,320,000)	-	10,040,000

Notes:

- None of the share option was exercised during the period from 1 January 2010 to 31 December 2010 and the remaining share options are exercisable during the period from 1 January 2011 to 12 February 2015 subject to such performance targets or conditions as determined by the Board.
- Share options granted to other employees are exercisable within 1 to 2 years subject to performance targets or conditions as determined by the Board.

REPORT OF THE DIRECTORS

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 31 December 2010, the interests and short positions of each of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be recorded in the register maintained by the Company under Section 352 of the SFO, or required 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 in which they are taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, were as follows:

(i) The Company

(a) Interest in shares of the Company

Name	Capacity/Nature of interest	Number of shares interested (other than under equity derivatives) (Note 1)	Percentage of issued shares
Mr. Hung Wei-Pi, John	Interest in a controlled company (Note 2)	177,256,120(L)	32.72%
Mr. Douglas Charles Stuart Fresco	Interest in a controlled company (Note 3)	57,255,805(L)	10.57%
Ms. Hung Ying-Lien	Personal	383,145(L)	0.07%
Mr. Lu Yuan Cheng	Personal	805,035(L)	0.15%
Mr. Edward B. Matthew	Personal	21,922,350(L)	4.05%
Mr. Wu Kwan-Hong	Personal	513,935(L)	0.09%

Notes:

- The letter "L" denotes a long position in the shares.
- These shares are registered in the name of and beneficially owned by Sharp Concept Industrial Limited, the entire issued share capital of which is registered in the name of and beneficially owned by Mr. Hung Wei-Pi, John. Under the SFO, Mr. Hung Wei-Pi, John is deemed to be interested in all the shares of the Company held by Sharp Concept Industrial Limited.
- 53,590,690 shares are registered in the name of and beneficially owned by Golden Century Industrial Limited, the entire issued share capital of which is registered in the name of and beneficially owned by Mr. Douglas Charles Stuart Fresco. Under the SFO, Mr. Douglas Charles Stuart Fresco is deemed to be interested in all the shares of the Company held by Golden Century Industrial Limited. The remaining 3,665,115 shares are registered in the name of Mr. Douglas Charles Stuart Fresco.

REPORT OF THE DIRECTORS

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations (Continued)

(i) **The Company** (Continued)

(b) *Interests in the underlying shares of the Company through equity derivatives*

Certain Directors were granted share options under the share option scheme of the Company dated 13 February 2005. Share options granted to the Directors to subscribe for shares of the Company which were outstanding on 31 December 2010 were as follows:

Name	Nature of interest	Number of underlying shares in respect of options granted	Exercise period	Price for grant	Exercise price	Percentage of issued share capital of the Company (%)
Mr. Wu Kwan-Hong	Beneficial owner	3,400,000(L)	1 January 2007 to 12 February 2015	HK\$10.00 (for all)	HK\$0.94 (per share)	0.63%
Ms. Hung Ying-Lien	Beneficial owner	3,400,000(L)	1 January 2007 to 12 February 2015	HK\$10.00 (for all)	HK\$0.94 (per share)	0.63%
Mr. Lu Yuan Cheng	Beneficial owner	3,240,000(L)	1 January 2007 to 12 February 2015	HK\$10.00 (for all)	HK\$0.94 (per share)	0.60%

Notes:

The letter "L" denotes a long position in underlying shares.

(ii) **The associated corporation**

As at 31 December 2010, to the knowledge of the Company, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares or the underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

REPORT OF THE DIRECTORS

Substantial Shareholders' Interests and Short Positions in the Shares of the Company

So far as is known to the Directors and chief executives of the Company, as at 31 December 2010, the following persons (other than Directors and chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company, which are required to be notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which are recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity/Nature of interest	Number of shares interested (other than under equity derivatives) (Note 1)	Number of shares interested under equity derivatives	Total number of shares	Percentage of issued shares
Sharp Concept Industrial Limited	Beneficial owner	177,256,120(L)	Nil	177,256,120	32.72%
Ms. Jin Xiao-Yan	Family interest (Note 2)	177,256,120(L)	Nil	177,256,120	32.72%
Mr. Douglas Charles Stuart Fresco	Family interest (Note 3)	57,255,805(L)	Nil	57,255,805	10.57%
Golden Century Industrial Limited	Beneficial owner (Note 3)	53,590,690(L)	Nil	53,590,690	9.89%

Notes:

- The letter "L" denotes a long position in the shares.
- Ms. Jin Xiao-Yan is the wife of Mr. Hung Wei-Pi, John, an executive Director. Under the SFO, Ms. Jin is deemed to be interested in all the shares of the Company held by Mr. Hung Wei-Pi, John and by Sharp Concept Industrial Limited which in turn is wholly and beneficially owned by Mr. Hung Wei-Pi, John.
- Golden Century Industrial Limited is wholly and beneficially owned by Mr. Douglas Charles Stuart Fresco. The difference between the shareholdings of Mr. Douglas Charles Stuart Fresco and Golden Century Industrial Limited represents the shares held by Mr. Douglas Charles Stuart Fresco personally.

Save as disclosed above, as at 31 December 2010, the Directors are not aware of any person (other than the Directors and chief executives of the Company) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which are recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

REPORT OF THE DIRECTORS

Arrangements to Purchase Shares or Debentures

Save as disclosed above and under the section headed "Share Option Scheme", at no time during the Year were there any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, nor were there any such rights exercised by them. Also, there was no arrangement to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries is a party that would enable the Directors to acquire such rights in any other body corporate.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to its existing shareholders.

Sale, Purchase or Redemption of the Company's Listed Shares

During the period under review, the Company repurchased 4,492,000 ordinary shares of the Company on the Hong Kong Stock Exchange under the general mandate granted at the annual general meeting held on 3 June 2009. Save as disclosed, there were no purchases, sales or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Year.

The details of the purchase of shares by the Company during the Year under review are as follows:

Month	Highest Price (HK\$)	Lowest price (HK\$)	Average price (HK\$)	Number of shares repurchased	Aggregate consideration paid (excluding expenses) (HK\$)
January 2010	1.74	1.68	1.72	844,000	1,447,157
February 2010	1.90	1.78	1.85	2,416,000	4,464,677.35
April 2010	1.80	1.79	1.80	1,232,000	2,211,865

The Board considers that the purchase of shares by the Company leads to an enhancement of the net asset value per share of the Company and is in the best interest of the Company and its shareholders.

REPORT OF THE DIRECTORS

Continuing Connected Transaction

During 2010, the following continuing connected transaction was carried out by the Company and its subsidiaries pursuant to Rule 14A.34 of the Listing Rules of the Hong Kong Stock Exchange. These continuing connected transactions were subject to reporting and announcement requirements but were exempt from independent shareholders' approval requirements under the Listing Rules.

Custom Accessories Sales Agreement

On 23 April 2008, Shanghai New Focus Auto Parts Co., Ltd. (上海紐福克斯汽車配件有限公司) ("NFAP") and New Focus Light and Power Technology (Shanghai) Co., Ltd. (紐福克斯光電科技(上海)有限公司) ("NF Light & Power"), both being wholly-owned subsidiaries of the Company, entered into a sales agreement ("Custom Accessories Agreement") with Custom Accessories Asia Limited ("Custom Accessories"), which is 51% owned by Mr. Douglas Fresco (a substantial shareholder and Director of the Company) and his wife, 49% owned by Mr. Edward B. Matthew (a Director of the Company) and his family members, respectively. Custom Accessories is therefore a connected person of the Company within the meaning of the Listing Rules and the transaction contemplated under the Custom Accessories Agreement constitute continuing connected transaction of the Company. Under the Custom Accessories Agreement, NFAP and NF Light & Power were to supply products to Custom Accessories. The prices were determined with reference to market conditions and on the basis that the terms and those prices would not be less favourable to the Company/Group than those offered to other independent third parties for similar products. A new contract covering the period from 23 April 2008 to 31 December 2010 with the same terms of and among the same parties to the Custom Accessories Agreement was executed and the expiry date of which is 31 December 2010. On 15 November 2010, the same parties to the Custom Accessories Agreement entered into the Renewed Custom Accessories Agreement where the valid term was renewed for a period of three years ending 14 November 2013 and the new annual cap was set to be HK\$25,000,000.

For the year ended 31 December 2010, the sales of products to Custom Accessories by NFAP and NF Light & Power amounted to approximately RMB10,404,000.

Confirmation from auditors

The Board has received a comfort letter from the auditors of the Company with respect to the above continuing connected transaction and the letter stated that for the year 2010, the above continuing connected transaction:

- (1) was approved by the Board;
- (2) are in accordance with the pricing policies of the Company;
- (3) was entered into in accordance with the terms of the agreement governing the transaction; and
- (4) has not exceeded the cap amount announced by the Company and/or specified within the relevant agreement, where applicable.

REPORT OF THE DIRECTORS

Continuing Connected Transaction (Continued)

Confirmation of Independent Non-executive Directors

The Company's independent non-executive Directors have reviewed the above continuing connected transaction which was subject to reporting and announcement requirements, and confirmed that:

- (1) the transaction was entered into in the ordinary and usual course of the business of the Company;
- (2) the transaction was conducted on normal commercial terms; and
- (3) the transaction was conducted in accordance with the agreement governing the connected transaction on terms that are fair and reasonable and in the interest of the Shareholders of the Company as a whole.

The Company confirms that it has complied with the disclosure requirements as set out in Chapter 14A of the Listing Rules in respect of the above continuing connected transaction.

Major Customers and Suppliers

Sales to our five largest customers accounted for approximately 22% of the total revenue for the year ended 31 December 2010, whereas the largest customer accounted for 9%. Purchases from the five largest suppliers were less than 30% of the total purchases for the year.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

Public Float

As at the date of this annual report, based on public information available to the Company and to the best knowledge of the Directors, the Company maintained sufficient public float, being 25% of the issued share capital of the Company as required under the Listing Rules.

Auditors

The financial statements have been audited by BDO Limited. At the forthcoming annual general meeting, the Company will propose a resolution to re-appoint BDO Limited as the auditors of the Company.

On behalf of the Board

Hung Wei-Pi, John

Chairman

Hong Kong, 30 March 2011

INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NEW FOCUS AUTO TECH HOLDINGS LIMITED
(新焦點汽車技術控股有限公司)
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of New Focus Auto Tech Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 115, which comprise the consolidated and company statements of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT

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

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

Opinion

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



BDO Limited

Certified Public Accountants

Lam Siu Fung

Practising Certificate Number: P05308

Hong Kong, 30 March 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	Notes	2010 RMB'000	2009 RMB'000
Turnover	6	1,076,842	642,349
Cost of sales		(772,611)	(457,720)
Gross profit		304,231	184,629
Fair value gain on the derivative component of convertible bond	28	–	409
Other income and gains or losses	7	20,544	8,799
Distribution costs		(171,678)	(101,421)
Administrative expenses		(85,781)	(57,870)
Finance costs	8	(5,495)	(9,909)
Profit before income tax expense	9	61,821	24,637
Income tax expense	11	(14,183)	(7,496)
Profit for the year		47,638	17,141
Other comprehensive income, net of tax:			
Exchange differences on translating foreign operations		2,618	1,182
Add: Reclassification adjustment of exchange reserve on partial disposal of equity interest in a subsidiary		–	724
Gain on revaluation of properties		–	3,215
Other comprehensive income, net of tax	15	2,618	5,121
Total comprehensive income for the year		50,256	22,262
Profit for the year attributable to:			
Owners of the Company	12	34,129	11,533
Non-controlling interests		13,509	5,608
		47,638	17,141
Total comprehensive income for the year attributable to:			
Owners of the Company		36,219	16,480
Non-controlling interests		14,037	5,782
		50,256	22,262
Earnings per share:	14		
– Basic		RMB6.18 fen	RMB2.45 fen
– Diluted		RMB6.12 fen	RMB2.43 fen

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	<i>Notes</i>	2010 RMB'000	2009 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	201,176	169,656
Leasehold land and land use rights	17	18,182	18,676
Investment properties	18	46,105	40,698
Goodwill	19	184,883	70,461
Other intangible assets	20	256,252	21,719
Deferred tax assets	29	97	55
		706,695	321,265
Current assets			
Inventories	23	234,462	144,477
Trade receivables	24(a)	125,082	81,075
Deposits, prepayments and other receivables	24(b)	82,233	54,670
Amount due from a related company	25(a)	1,622	34
Trading securities	22(a)	282	339
Pledged time deposits	33	120,826	2,563
Cash and cash equivalents	33	82,982	82,572
		647,489	365,730
Current liabilities			
Bank borrowings, secured	26	250,514	14,042
Trade payables	27	163,324	134,977
Accruals and other payables		181,549	56,903
Amounts due to directors	25(b)	16	61
Amount due to a minority equity holder of a subsidiary	25(c)	7,000	–
Tax payable		6,639	2,135
		609,042	208,118
Net current assets		38,447	157,612
Total assets less current liabilities		745,142	478,877

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	<i>Notes</i>	2010 RMB'000	2009 RMB'000
Non-current liabilities			
Bank borrowings, secured	26	12,773	28,370
Deferred tax liabilities	29	65,754	5,746
		78,527	34,116
<hr/>			
Net assets		666,615	444,761
CAPITAL AND RESERVES			
Share capital	30	55,317	55,003
Reserves		427,463	339,283
<hr/>			
Equity attributable to owners of the Company		482,780	394,286
Non-controlling interests		183,835	50,475
<hr/>			
Total equity		666,615	444,761

These financial statements were approved and authorised for issue by the board of directors on 30 March 2011.

Mr. Hung Wei-Pi, John
Director

Ms. Hung Yi-Lien
Director

STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	<i>Notes</i>	2010 RMB'000	2009 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	71	54
Interests in subsidiaries	21	213,866	164,066
		213,937	164,120
Current assets			
Deposits, prepayments and other receivables		534	445
Short-term loan to a subsidiary	21	6,834	30,044
Amounts due from subsidiaries	21	144,966	143,183
Cash and cash equivalents	33	2,195	1,929
		154,529	175,601
Current liabilities			
Other payables		1,235	13,629
Amount due to a director	25(b)	13	14
Amounts due to subsidiaries	21	555	485
		1,803	14,128
Net current assets		152,726	161,473
Net assets		366,663	325,593
CAPITAL AND RESERVES			
Share capital	30	55,317	55,003
Reserves	31(ii)	311,346	270,590
Total equity		366,663	325,593

These financial statements were approved and authorised for issue by the board of directors on 30 March 2011.

Mr. Hung Wei-Pi, John
Director

Ms. Hung Yi-Lien
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	Share capital RMB'000 (Note 30)	Share premium RMB'000 (Note 31(i)(a))	Statutory reserve fund RMB'000 (Note 31(i)(b))	Reorganisation reserve RMB'000 (Note 31(i)(c))	Enterprise expansion fund RMB'000 (Note 31(i)(d))	Others RMB'000 (Note 31(i)(e))	Capital redemption reserve RMB'000	Exchange reserve RMB'000 (Note 31(i)(f))	Retained profits RMB'000	Attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2009	47,354	100,851	26,893	2,738	2,756	2,472	23	(8,605)	78,348	252,830	33,540	286,370
Profit for the year	-	-	-	-	-	-	-	-	11,533	11,533	5,608	17,141
Other comprehensive income for the year	-	-	-	-	-	3,215	-	1,732	-	4,947	174	5,121
Total comprehensive income for the year, net of tax	-	-	-	-	-	3,215	-	1,732	11,533	16,480	5,782	22,262
Lapse of share options	-	-	-	-	-	(89)	-	-	89	-	-	-
Transfer of reserves	-	-	2,630	-	-	-	-	-	(2,630)	-	-	-
Recognition of equity-settled-share based payments (Note 37)	-	-	-	-	-	302	-	-	-	302	-	302
Issue of shares (Note 30(ii))	7,928	119,819	-	-	-	-	-	-	-	127,747	-	127,747
Repurchases and cancellation of shares (Note 30(i))	(279)	(2,794)	-	-	-	-	279	-	(279)	(3,073)	-	(3,073)
Contribution from minority owner of a subsidiary	-	-	-	-	-	-	-	-	-	-	903	903
Arising from acquisition of a subsidiary (Note 32)	-	-	-	-	-	-	-	-	-	-	8,625	8,625
Arising from partial disposal of equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	4,372	4,372
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,638)	(2,638)
Dividend paid to minority owner of a subsidiary	-	-	-	-	-	-	-	-	-	-	(109)	(109)
At 31 December 2009 and 1 January 2010	55,003	217,876	29,523	2,738	2,756	5,900	302	(6,873)	87,061	394,286	50,475	444,761
Profit for the year	-	-	-	-	-	-	-	-	34,129	34,129	13,509	47,638
Other comprehensive income for the year	-	-	-	-	-	-	-	2,090	-	2,090	528	2,618
Total comprehensive income for the year, net of tax	-	-	-	-	-	-	-	2,090	34,129	36,219	14,037	50,256
Lapse of share options	-	-	-	-	-	(274)	-	-	274	-	-	-
Transfer of reserves	-	-	3,627	-	-	-	-	-	(3,627)	-	-	-
Recognition of equity-settled-share based payments (Note 37)	-	-	-	-	-	204	-	-	-	204	-	204
Consideration issue (Note 32)	709	12,023	-	-	-	-	-	-	-	12,732	-	12,732
Repurchases and cancellation of shares (Note 30(i))	(395)	(6,744)	-	-	-	-	395	-	(395)	(7,139)	-	(7,139)
Contribution from minority owner of a subsidiary	-	-	-	-	-	-	-	-	-	-	9,475	9,475
Arising from acquisition of subsidiaries (Note 32)	-	-	-	-	-	-	-	-	-	-	106,185	106,185
Arising from partial disposal of equity interest in subsidiaries	-	-	-	-	-	-	-	365	(3,687)	(3,322)	7,515	4,193
Consideration payables to be settled by issue of fixed number of the Company's shares (Note 32)	-	-	-	-	-	49,800	-	-	-	49,800	-	49,800
Dividend paid to minority owner of a subsidiary	-	-	-	-	-	-	-	-	-	-	(3,852)	(3,852)
At 31 December 2010	55,317	223,155	33,150	2,738	2,756	55,630	697	(4,418)	113,755	482,780	183,835	666,615

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2010

	2010 RMB'000	2009 RMB'000
Operating activities		
Profit before income tax expense	61,821	24,637
Adjustments for:		
Fair value gain on the derivative component of convertible bond	–	(409)
Impairment/(reversal of impairment) of inventories	2,466	(92)
Depreciation of property, plant and equipment	27,527	21,737
Amortisation of leasehold land and land use rights	494	494
Amortisation of other intangible assets	309	133
Additional allowance for doubtful debts for trade receivables	3,045	1,450
Additional impairment for deposits, prepayments and other receivables	–	285
Impairment of goodwill	1,679	–
Equity-settled-share-based payments	204	302
Interest income from bank deposits	(322)	(880)
Imputed interest income from earnest money deposit	(56)	(166)
Net loss on redemption of convertible bond	–	5,126
Loss on partial disposal of equity interest in a subsidiary	–	1,438
(Gain)/loss on disposal of property, plant and equipment	(83)	417
Fair value gain on investment properties	(5,407)	(3,015)
Discount on acquisition of additional interest in a subsidiary	–	(2,638)
Fair value loss/(gain) on trading securities	57	(112)
Exchange loss on convertible bond	–	168
Other finance costs	5,495	9,741
Operating cash flows before working capital changes	97,229	58,616
Increase in inventories	(30,413)	(14,535)
Increase in trade receivables	(21,762)	(3,616)
(Increase)/decrease in deposits, prepayments and other receivables	(13,954)	7,196
(Increase)/decrease in amount due from a related company	(1,588)	282
(Decrease)/increase in trade payables	(15,443)	20,858
Decrease in accruals and other payables	(2,082)	(3,387)
Effect of foreign exchange rate changes	–	63
Cash generated from operations	11,987	65,477
Income tax paid	(7,661)	(1,854)
Interest paid	(5,495)	(5,980)
Net cash (used in)/generated from operating activities	(1,169)	57,643

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2010

	2010 RMB'000	2009 RMB'000
Investing activities		
Purchase of other intangible assets	(2,738)	–
Purchase of property, plant and equipment	(52,165)	(40,655)
Proceeds from disposal of property, plant and equipment	2,474	369
Net cash outflow arising from acquisitions of subsidiaries	(50,853)	(12,341)
Net proceeds from partial disposal of equity interest in a subsidiary	5,188	4,160
Additional cash consideration paid for the acquisition of a subsidiary	–	(2,544)
Interest received	322	880
Net cash used in investing activities	(97,772)	(50,131)
Financing activities		
Increase in pledged time deposits	(118,263)	(686)
Contribution from minority owner of a subsidiary	9,475	903
Repayment of convertible bond	–	(77,237)
Proceeds from new bank loans	231,530	130,990
Repayment of bank loans	(31,193)	(199,153)
Repayment to directors	(45)	(389)
Inception of loan from a minority equity holder of a subsidiary	1,550	–
Repayment of loan from a minority equity holder of a subsidiary	(2,000)	–
Proceeds from issue of shares	–	133,195
Expenses on issue of shares	–	(5,448)
Repurchases of shares	(7,139)	(3,073)
Dividend paid to minority owner of a subsidiary	(3,852)	(109)
Net cash generated from/(used in) financing activities	80,063	(21,007)
Net decrease in cash and cash equivalents	(18,878)	(13,495)
Cash and cash equivalents at beginning of year	82,560	95,726
Effect of foreign exchange rate changes	(466)	329
Cash and cash equivalents at end of year	63,216	82,560
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	82,982	82,572
Bank overdrafts	(19,766)	(12)
	63,216	82,560

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

1. ORGANISATION AND OPERATIONS

New Focus Auto Tech Holdings Limited (the “Company”) was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands. Its principal place of business is in Shanghai, the People’s Republic of China (the “PRC”).

The Company is an investment holding company. Its subsidiaries are principally engaged in the manufacture and sale of electronic and power-related automotive parts and accessories; and the provision of automobile repair, maintenance; and restyling services and retail distribution of merchandise goods through its service chain stores network in the Greater China Region and trading of automobile accessories. Further details of the Company’s subsidiaries are set out in Note 21. The Company and its subsidiaries are collectively referred to the Group.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new/revised HKFRSs – effective 1 January 2010

HKFRSs (Amendments)	Improvements to HKFRSs
Amendments to HKAS 39	Eligible Hedged Items
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Interpretation 17	Distributions of Non-cash Assets to Owners
HK Interpretation 5	Presentation of Financial Statements – Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as explained below, the adoption of these new/revised standards and interpretations has no significant impact on the Group’s financial statements.

HKFRS 3 (Revised) – Business Combinations and HKAS 27(Revised) – Consolidated and Separate Financial Statements

The revised accounting policies are described in Note 4, which are effective prospectively for business combinations effected in financial periods beginning on or after 1 July 2009. Changes in HKFRS 3 include the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill and the results in the period that an acquisition occurs and future results. The Group has accounted for the acquisitions of equity interests in Liaoning Xin Tian Cheng Industrial Co., Limited and Zhejiang Autoboom Industrial Co., Limited according to the revised standard, details of which are set out in Note 32.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2010 (Continued)

HKFRS 3 (Revised) – Business Combinations and HKAS 27(Revised) – Consolidated and Separate Financial Statements (Continued)

The revised HKAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners, and accordingly such transactions are recognised within equity. When control is lost and any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The adoption of revised HKAS 27 has resulted in loss arising from partial disposal of equity interest in a subsidiary of approximately RMB3,322,000 recognised within equity, which increased the consolidated profit for the current year by RMB3,322,000.

(b) New/revised HKFRSs that have been issued but not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s operations, have been issued, but are not yet effective and have not been early adopted by the Group:

HKFRSs (Amendments)	Amendment to HKFRS 2010 ^{1&2}
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ¹
HKAS 24 (Revised)	Related Party Disclosures ²
Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets ³
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets ⁴
HKFRS 9	Financial Instruments ⁵

¹ Effective for annual periods beginning on or after 1 July 2010

² Effective for annual periods beginning on or after 1 January 2011

³ Effective for annual periods beginning on or after 1 July 2011

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

⁵ Effective for annual periods beginning on or after 1 January 2013

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

The amendments to HKFRS 7 improve the derecognition disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

2. **ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)** (Continued)

(b) **New/revised HKFRSs that have been issued but not yet effective** (Continued)

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendments will be applied retrospectively.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group’s financial statements.

3. **BASIS OF PREPARATION**

(a) **Statement of compliance**

These financial statements have been prepared in accordance with all applicable HKFRSs and the disclosure requirements of the Hong Kong Companies Ordinance.

In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

(b) **Basis of measurement**

These financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties, trading securities and derivative component of convertible bond which were carried at fair value as explained in the accounting policies set out below.

(c) **Functional and presentation currency**

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. PRINCIPAL ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Business combination from 1 January 2010

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interest either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(a) **Business combination and basis of consolidation** (Continued)

Business combination from 1 January 2010 (Continued)

Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Business combination prior to 1 January 2010

On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connected with business combinations were capitalised as part of the cost of the acquisition.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests resulting in gains and losses for the Group are recognised profit or loss. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary.

(b) **Subsidiaries**

Subsidiaries are entities in which the Group has the power to govern the financial and operating policies, so as to obtain benefits from their activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are included in the Company's statement of financial position at cost less any impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(c) **Goodwill**

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other asset of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent period.

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

(d) **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation of these assets commences when the assets are ready for their intended use.

The historical cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is charged so as to write off the cost of assets, other than construction in progress, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. The principal annual rates are as follows:

Freehold land	Not depreciated
Buildings	5%
Leasehold improvements	Over the remaining term of the lease but not exceeding 10 years
Plant and machinery	10% to 33%
Motor vehicles	20%
Office equipment, furniture and fixtures	20% to 33%

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(d) **Property, plant and equipment** (Continued)

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Construction in progress represents buildings under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction as well as borrowing costs capitalised during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment or investment properties when completed and ready for use.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

(e) **Investment properties**

Investment properties, which are properties held to earn rentals and/or for capital appreciation, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at their costs, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in fair value of investment properties are included in profit or loss for the period in which they arise.

(f) **Other intangible assets**

Other intangible assets are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, other intangible assets with indefinite useful lives are carried at cost less any impairment losses and other intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any change in estimate being accounted for on a prospective basis. The principal annual rates of other intangible assets with definite useful lives are as follows:

Trademarks with definite useful lives	6.6% to 10%
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NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(g) **Impairment of tangible and intangible assets excluding goodwill**

At end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment losses (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(h) **Government grants**

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

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(i) **Inventories**

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost, including an appropriate portion of fixed and variable overhead expenses, is assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued using a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

(j) **Financial assets**

Financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. During the year, the Group's financial assets are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial asset. These financial assets are subsequently accounted for as follows, depending on their classification:

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified as at fair value through profit or loss where the financial asset is either held for trading or it is designated as at fair value through profit or loss. Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets.

(ii) *Loans and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iii) *Available-for-sale financial assets*

Investments in securities which do not fall into any of the above categories or held-to-maturity securities are classified as available-for-sale financial assets and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(j) **Financial assets** (Continued)

(iii) *Available-for-sale financial assets* (Continued)

Dividends on available-for-sale financial assets are recognised in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less any impairment losses.

(iv) *Impairment of financial assets*

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

For the Group's loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined and recognised as follows:

For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.

For trade and other current receivables and other financial assets carried at amortised cost, if any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. PRINCIPAL ACCOUNTING POLICIES (Continued)

(j) Financial assets (Continued)

(iv) Impairment of financial assets (Continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade and other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(v) Effective interest method

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

(vi) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(k) Financial liabilities and equity instrument issued by the Group

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Financial liabilities and equity instrument issued by the Group (Continued)

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(iii) Convertible bond

Convertible bond issued by the Company is regarded as a hybrid instrument. Derivatives embedded in the host debt contract is treated as separated derivatives when their economic risks and characteristics are not closely related to those of the host contract (the liability component) and the host contract is not carried at fair value through profit or loss. The conversion option is classified as equity component only if the option can be converted by exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. In the case that the conversion option is not settled by the exchange of a fixed amount of cash or another financial asset for fixed number of equity instrument, the conversion component is an embedded derivative.

At the date of issue, the conversion option derivative and holder redemption option (collectively the "derivative component") and liability component are recognised at its fair value.

In subsequent periods, the liability component of the convertible bond is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bond are allocated to the liability and derivative component in proportion to the allocation of the proceeds. Transaction costs relating to the derivative component is charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bond using the effective interest method.

(iv) Other financial liabilities

Other financial liabilities of the Group are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Financial liabilities and equity instrument issued by the Group (Continued)

(v) Derivative financial instruments

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

Derivatives that do not qualify for hedge accounting are deemed as financial assets/financial liabilities held for trading and are measured at fair value with fair value changes recognised in profit or loss except for derivative instruments which are linked to and must be settled by delivery of unquoted equity instruments whose fair value cannot be reliably measured and such derivative instruments are stated at cost less any impairment losses, if applicable.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than twelve months and it is not expected to be realised or settled within twelve months. Other derivatives are presented as current assets or current liabilities.

(vi) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(m) Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight line basis over the lease term. Where the Group is the lessee, operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(m) **Leases** (Continued)

Leasehold land and land use rights held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense and less any impairment losses.

(n) **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) **Taxation**

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

(i) *Current tax*

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

(ii) *Deferred tax*

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(o) **Taxation** (Continued)

(ii) *Deferred tax* (Continued)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income.

(p) **Foreign currencies**

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (“functional currency”). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in RMB which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (“foreign currencies”) are recorded at the rates of exchange prevailing at the dates of the transactions. At end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(p) **Foreign currencies** (Continued)

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the exchange reserve and recognised in profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in RMB using exchange rates prevailing at the end of reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as the Group's exchange reserve (attributed to non-controlling interests as appropriate). Such translation differences are recognised in profit or loss in the period in which the foreign operations or the underlying assets are disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange difference arising are recognised in the exchange reserve.

(q) **Employees' benefits**

(i) *Short-term benefits*

Salaries, annual bonuses, paid annual leaves and other allowances are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present value.

(ii) *Defined contribution pension obligations*

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees. The Group has no further payment obligation once the contributions have been paid.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(r) **Equity-settled share-based payment transactions**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding increase in equity (i.e. share options reserve), based on the Group's estimate of equity instruments that will eventually vest. At end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share options reserve.

At the time when the share options are exercised, the amount previously recognised in the share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service.

(s) **Borrowing costs**

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which necessarily require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(t) **Related parties**

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

4. **PRINCIPAL ACCOUNTING POLICIES** (Continued)

(u) **Revenue recognition**

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

- (i) Revenue from the sale of products is recognised when the Group has delivered products to the customer, the customer has accepted the products and collectability of the related receivable is reasonably assured.
- (ii) Revenue for providing services is recognised to the extent of services rendered and according to the terms of the agreement.
- (iii) Interest income is accrued on a time-apportioned basis by reference to the principal outstanding using the effective interest method.
- (iv) Rental income from operating leases is recognised in equal instalments over the accounting periods covered by the lease terms.
- (v) Grants from the government are recognised at their fair values when there is reasonable assurance that the subsidies will be received and the Group will comply with all attached conditions.
- (vi) Sponsorship income is recognised on an accrual basis when the right to receive has been established.

(v) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

(a) Critical judgments in applying accounting policies

The following is the critical judgement that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect of the amounts recognised in financial statements.

(i) *Classification between investment properties and owner-occupied properties*

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(ii) *Intangible assets and amortisation*

The Group determines the estimated useful lives and related amortisation for the Group's intangible assets. The useful lives of intangible assets are assessed to be either finite or indefinite, based on the expected usage and technical obsolescence from the changes in the market demands or services output from the assets. Intangible assets with finite useful lives are amortised over the expected useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for the intangible assets with finite useful lives are reviewed by the management at least at the end of each reporting period.

(b) Key sources of estimation uncertainty

Key sources of estimation uncertainty are as follows:

(i) *Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Further details are set out in Note 19.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(ii) Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for properties of a different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences; and
- (b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices.

The principal assumptions for the Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rentals and future maintenance costs.

(iii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of competitors' actions in response to severe industry cycles. Management will reassess the estimations at end of each reporting period.

(iv) Impairment of trade and other receivables

The Group's management determines the allowance for impairment of trade and other receivables. This estimate is based on the credit history of its customers and debtors and the current market condition. Management will reassess the allowance at end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

6. **TURNOVER AND SEGMENT INFORMATION**

Turnover, which is also revenue, represents the sales value of goods supplied and services provided to customers and is analysed as follows:

	2010 RMB'000	2009 RMB'000
Sale of goods	698,355	378,935
Service income	378,487	263,414
	1,076,842	642,349

(a) **Reportable segments**

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group operates in two reportable segments: (i) the manufacture and sale of automobile accessories ; and (ii) the provision of automobile repair, maintenance and restyling services and trading of automobile accessories.

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the chief operating decision-makers for assessment of segment performance.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

6. TURNOVER AND SEGMENT INFORMATION (Continued)

(a) Reportable segments (Continued)

Set out below is an analysis of information of these segments:

2010	Manufacture and sale of automobile accessories	Provision of automobile repair, maintenance and restyling services and trading of automobile accessories	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS:				
External sales revenue	558,064	518,778	-	1,076,842
Inter-segment sales revenue	13,997	1,009	(15,006)	-
External other income and gains or losses	10,606	9,605	-	20,211
Reportable segment revenue	<u>582,667</u>	<u>529,392</u>	<u>(15,006)</u>	<u>1,097,053</u>
Reportable segment results	<u>38,108</u>	<u>34,827</u>		<u>72,935</u>
Interest income	211	164		375
Unallocated interest income				3
Total interest income				<u>378</u>
Interest expenses	(5,127)	(326)		(5,453)
Unallocated interest expenses				(42)
Total interest expenses				<u>(5,495)</u>
Depreciation and amortisation charges	(14,949)	(13,360)		(28,309)
Unallocated depreciation and amortisation charges				(21)
Total depreciation and amortisation charges				<u>(28,330)</u>
Income tax expense	(5,142)	(9,036)		(14,178)
Unallocated income tax expense				(5)
Total income tax expense				<u>(14,183)</u>
Reportable segment assets	515,373	834,663		1,350,036
Additions to non-current assets	24,325	30,541		54,866
Unallocated additions to non-current assets				37
Total additions to non-current assets				<u>54,903</u>
Reportable segment liabilities	<u>211,270</u>	<u>468,636</u>		<u>679,906</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

6. TURNOVER AND SEGMENT INFORMATION (Continued)

(a) Reportable segments (Continued)

2009	Manufacture and sale of automobile accessories	Provision of automobile repair, maintenance and restyling services and trading of automobile accessories	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS:				
External sales revenue	378,935	263,414	-	642,349
Inter-segment sales revenue	715	120	(835)	-
External other income and gains or losses	8,780	3,759	-	12,539
Reportable segment revenue	388,430	267,293	(835)	654,888
Reportable segment results	26,313	11,860		38,173
Interest income	484	459		943
Unallocated interest income				103
Total interest income				1,046
Interest expenses	(5,529)	(451)		(5,980)
Unallocated interest expenses				(3,761)
Total interest expenses				(9,741)
Depreciation and amortisation charges	(12,396)	(9,951)		(22,347)
Unallocated depreciation and amortisation charges				(17)
Total depreciation and amortisation charges				(22,364)
Income tax expense	(4,137)	(3,359)		(7,496)
Reportable segment assets	365,456	302,807		668,263
Additions to non-current assets	34,328	6,327		40,655
Reportable segment liabilities	137,559	99,566		237,125

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

6. **TURNOVER AND SEGMENT INFORMATION** (Continued)

(b) Reconciliation of reportable segment profit or loss, and assets and liabilities

	2010 RMB'000	2009 RMB'000
Profit before income tax expense:		
Reportable segment profit	72,935	38,173
Unallocated other income and gains or losses	333	(3,740)
Unallocated corporate expenses	(11,405)	(6,276)
Fair value losses on the derivative component of convertible bond	–	409
Unallocated finance costs	(42)	(3,929)
Consolidated profit before income tax expense	61,821	24,637

	2010 RMB'000	2009 RMB'000
Assets:		
Reportable segment assets	1,350,036	668,263
Unallocated corporate assets	4,148	18,732
Consolidated total assets	1,354,184	686,995
Liabilities:		
Reportable segment liabilities	679,906	237,125
Unallocated corporate liabilities	7,663	5,109
Consolidated total liabilities	687,569	242,234

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

6. TURNOVER AND SEGMENT INFORMATION (Continued)

(c) Geographical segments

Segment revenue from external customers of the Group and non-current assets other than financial instruments and deferred tax assets ("Specified non-current assets") by geographical locations is presented as below:

	Revenue from external customers		Specified non-current assets	
	2010 RMB'000	2009 RMB'000	2010 RMB'000	2009 RMB'000
North America	406,251	255,338	—	—
Europe	53,616	39,973	—	—
Asia Pacific	36,240	48,097	—	—
Greater China (including Taiwan)	580,735	298,941	706,598	321,210
	1,076,842	642,349	706,598	321,210

(d) Major customers

During the year, the Group's customer base is diversified and there was no customer (2009: Nil) with whom transactions exceeded 10% of the Group's revenues.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

7. OTHER INCOME AND GAINS OR LOSSES

	<i>Notes</i>	2010 RMB'000	2009 RMB'000
Gross rentals from investment properties and other rental income (Outgoing: RMBNil (2009: RMBNil))		4,582	3,658
Interest income from bank deposits		322	880
Imputed interest income from earnest money deposit		56	166
Income from provision of repair and maintenance and rework of automobile accessories in the manufacture and sale of automobile accessories segment		19	531
Net loss on redemption of convertible bond	28	–	(5,126)
Loss on partial disposal of equity interest in a subsidiary		–	(1,438)
Gain/(loss) on disposal of property, plant and equipment		83	(417)
Fair value gain on investment properties	18	5,407	3,015
Discount on acquisition of additional interest in a subsidiary		–	2,638
Fair value (loss)/gain on trading securities		(57)	112
Sale of scrap inventories and sample income		2,046	1,980
Government subsidies #		1,185	482
Compensation income from lessors on early termination of operating leases		1,613	–
Sponsorship income		1,968	–
Others		3,320	2,318
		20,544	8,799

The balance represented compensation income from local governments for taxes paid by certain subsidiaries in the PRC and subsidies granted by the PRC local governments.

8. FINANCE COSTS

	<i>Note</i>	2010 RMB'000	2009 RMB'000
Interest expense:			
Bank borrowings wholly repayable within five years		5,278	5,762
Bank borrowings wholly repayable after five years		217	218
Imputed interest on convertible bond	28	–	3,761
Exchange loss on convertible bond	28	–	168
		5,495	9,909

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

9. PROFIT BEFORE INCOME TAX EXPENSE

	Note	2010 RMB'000	2009 RMB'000
Profit before income tax expense is arrived at after charging/(crediting):			
Net foreign exchange losses		4,228	360
Cost of inventories (<i>Note</i>)		432,970	285,963
Cost of services (<i>Note</i>)		337,175	171,849
Impairment/(reversal of impairment) of inventories		2,466	(92)
		772,611	457,720
Depreciation of property, plant and equipment		27,527	21,737
Amortisation of:			
Leasehold land and land use rights		494	494
Other intangible assets*		309	133
Total depreciation and amortisation charges		28,330	22,364
Additional allowance for doubtful debts on trade receivables		3,045	1,450
Additional impairment for deposits, prepayment and other receivables		–	285
Impairment of goodwill	19	1,679	–
Auditors' remuneration		1,017	900
Employee benefit expenses (including directors' remuneration (<i>Note 10(a)</i>):			
Salaries and allowances		113,279	77,781
Pension fund contributions		9,921	5,917
Equity-settled-share-based payments		204	302
Other benefits		5,695	5,261
Total employee benefit expenses		129,099	89,261

Note: Costs of inventories and services includes RMB54,785,000 (2009: RMB32,468,000) relating to staff costs, depreciation and amortisation charges, which are also included in the respective total amounts disclosed separately above.

* Included in administrative expenses

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

10. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' remuneration

The directors' remuneration for the years ended 31 December 2010 and 2009 is set out below:

2010

Name of director	Fees RMB'000	Salaries and other allowances RMB'000	Total RMB'000
Executive directors:			
Hung Wei-Pi, John	–	1,950	1,950
Wu Kwan-Hong	–	959	959
Hung Ying-Lien	–	808	808
Lu Yuan Cheng	–	355	355
Douglas Charles Stuart Fresco (Mr. Fresco)	–	53	53
Edward B. Matthew	–	18	18
Norman L. Matthew (Mr. Matthew)	–	13	13
Non-executive directors:			
Low Hsiao Ping	–	60	60
Irene Shih	–	20	20
Hsu Ming Chyuan	–	45	45
Independent non-executive directors:			
Zhou Tai-Ming	81	–	81
Du Haibo	81	–	81
Uang Chii-Maw	81	–	81
	243	4,281	4,524

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

10. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' remuneration (Continued)

2009

Name of director	Fees RMB'000	Salaries and other allowances RMB'000	Total RMB'000
Executive directors:			
Hung Wei-Pi, John	–	1,640	1,640
Wu Kwan-Hong	–	868	868
Hung Ying-Lien	–	657	657
Lu Yuan Cheng	–	354	354
Douglas Charles Stuart Fresco (Mr. Fresco)	–	53	53
Norman L. Matthew (Mr. Matthew)	–	53	53
Non-executive directors:			
Low Hsiao Ping	–	60	60
Irene Shih	–	60	60
Li Jung-Hsing	–	15	15
Independent non-executive directors:			
Zhou Tai-Ming	72	–	72
Du Haibo	72	–	72
Uang Chii-Maw	72	–	72
	216	3,760	3,976

No discretionary bonuses, inducement fee, employer's contribution to pension scheme or compensation for loss of office as directors was given to any of the directors during the year ended 31 December 2010 (2009: RMBNil).

None of the directors has waived or agreed to waive any emolument paid by the Group during the year ended 31 December 2010 (2009: RMBNil).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

10. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2010 included four (2009: three) directors whose emoluments are reflected in the analysis presented in Note 10(a) above. The emolument paid or payable to the remaining one (2009: two) non-director highest paid employees whose emolument is less than RMB1,000,000 is as follows:

	2010 RMB'000	2009 RMB'000
Salaries and other allowances	521	898

11. INCOME TAX EXPENSE

(a) The amount of income tax expense in the consolidated statement of comprehensive income represents:

	2010 RMB'000	2009 RMB'000
Current tax		
– Provision for the year		
PRC	11,898	5,499
Taiwan	1,165	1,055
– (Over)/under-provision in respect of prior years	(937)	231
	12,126	6,785
Deferred taxation (Note 29)		
– attributable to the origination and reversal of temporary differences, net	1,795	705
– resulting from a change in tax rate	262	6
	14,183	7,496

(b) No provision for Hong Kong profits tax has been made as the Group had no taxable profits arising in Hong Kong for the years ended 31 December 2009 and 2010. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

11 INCOME TAX EXPENSE

(b) (Continued)

The applicable PRC and Taiwan income tax rate are 25% and 17% respectively for the year. Pursuant to the relevant laws and regulations in the PRC, (i) on 16 March 2007, the National People's Congress approved the Enterprise Income Tax Law of the PRC (the "New EIT Law"). One major PRC subsidiary of the Company is entitled to a preferential income tax rate of 18%-24% effective from 1 January 2008. The existing preferential tax rate currently enjoyed by the subsidiary is gradually transited to the new standard rate of 25% over a five-year transitional period under the New EIT Law. The PRC enterprise income tax of the subsidiary has been provided at the rate of 22% (2009: 20%) on the estimated assessable profits for the year; and (ii) one major PRC subsidiary of the Company, being qualified as a foreign investment production enterprise and a high and new tech enterprise in the PRC, is subject to an applicable national PRC income tax rate of 15% for three years commencing from 1 January 2009.

(c) The income tax expense for the year can be reconciled to the profit before income tax expense per consolidated statement of comprehensive income as follows:

	2010 RMB'000	2009 RMB'000
Profit before income tax expense	61,821	24,637
Tax calculated at applicable tax rate of 25% (2009: 25%)	15,455	6,159
Tax effect of non-taxable income	(15)	(595)
Tax effect of non-deductible expenses	1,116	-
Effect of change in tax rate	262	6
Unrecognised tax losses	2,259	3,453
Effect of preferential tax treatments and tax exemptions	(4,115)	(2,413)
Effect of different tax rates of subsidiaries operating in other jurisdictions	158	655
(Over)/under-provision in respect of prior years	(937)	231
Income tax expense	14,183	7,496

12. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit attributable to owners of the Company includes a loss of RMB14,411,000 (2009: RMB16,357,000) which has been dealt with in the financial statements of the Company.

13. DIVIDEND

The board of directors does not recommend the payment of a final dividend for the year ended 31 December 2010 (2009: RMBNil). No interim dividend was declared in respect of the year ended 31 December 2010 (2009: RMBNil).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to the owners of the Company, and the weighted average number of ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the profit for the year attributable to the owners of the Company, adjusted to add the imputed interest on convertible bond, the exchange gain on convertible bond and fair value gain on the derivative component of convertible bond, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2010 RMB'000	2009 RMB'000
Earnings		
Profit attributable to the owners of the Company, used in the basic earnings per share calculation	34,129	11,533
Effects of convertible bond	–	–*
Profit attributable to the owners of the Company as adjusted for the effect of convertible bond	34,129	11,533
	Number of shares	
	2010	2009
Shares		
Weighted average number of ordinary shares for the basic earnings per share calculation	552,208,000	471,043,000
Effect of dilution – weighted average number of ordinary shares:		
Share options	5,345,000	3,423,000
Convertible bond	–	–*
Weighted average number of ordinary shares adjusted for the effect of all potential ordinary shares	557,553,000	474,466,000

* The convertible bond had an anti-dilutive effect on the basic earnings per share for the year ended 31 December 2009. Accordingly, the effects of the convertible bond and the potential ordinary shares from the convertible bond were not assumed in the calculation of the diluted earnings per share for the year ended 31 December 2009. The convertible bond was fully redeemed in the prior year.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

15. OTHER COMPREHENSIVE INCOME, NET OF TAX

	2010			2009		
	Before tax amount RMB'000	Tax expense RMB'000	Net of tax amount RMB'000	Before tax amount RMB'000	Tax expense RMB'000	Net of tax amount RMB'000
Exchange differences on translating foreign operations	2,618	–	2,618	1,182	–	1,182
Add:						
Reclassification adjustment of exchange reserve on partial disposal of equity interest in a subsidiary included in profit or loss	–	–	–	724	–	724
Gain on revaluation of properties upon transfer to investment properties (Note 16)	–	–	–	4,286	(1,071)	3,215
At end of year	2,618	–	2,618	6,192	(1,071)	5,121

16. PROPERTY, PLANT AND EQUIPMENT

The Group

Notes	Construction in progress RMB'000	Freehold land and buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment, furniture and fixtures RMB'000	Total RMB'000
Opening net carrying amount as at 1 January 2010	1,273	90,730	19,886	37,130	4,117	16,520	169,656
Additions	12,396	1,849	2,041	23,888	2,985	9,006	52,165
Acquisition of subsidiaries	32	–	–	–	4,214	3,051	7,265
Transfers upon completion	(12,432)	14	11,618	235	–	565	–
Disposals	–	(692)	(536)	(667)	(461)	(35)	(2,391)
Depreciation charge for the year	–	(3,960)	(4,779)	(10,443)	(1,874)	(6,471)	(27,527)
Exchange realignment	3	998	483	187	22	315	2,008
Closing net carrying amount as at 31 December 2010	1,240	88,939	28,713	50,330	9,003	22,951	201,176

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Company

	Leasehold improvements RMB'000	Office equipment, furniture and fixtures RMB'000	Total RMB'000
Net carrying amount as at 1 January 2009	19	52	71
Depreciation charge for the year	–	(17)	(17)
Net carrying amount as at 31 December 2009	19	35	54
Additions	–	38	38
Depreciation charge for the year	–	(21)	(21)
Net carrying amount as at 31 December 2010	19	52	71
At 31 December 2010:			
Cost	45	146	191
Accumulated depreciation	(26)	(94)	(120)
Net carrying amount	19	52	71
At 31 December 2009:			
Cost	45	108	153
Accumulated depreciation	(26)	(73)	(99)
Net carrying amount	19	35	54

Freehold land and buildings of the Group are located outside Hong Kong. Freehold land and certain buildings of the Group were pledged to secure the bank borrowings of the Group as detailed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

17. LEASEHOLD LAND AND LAND USE RIGHTS

The Group

	2010 RMB'000	2009 RMB'000
Net carrying amount:		
At beginning of year	18,676	20,508
Amortisation charge for the year	(494)	(494)
Transfer to investment properties (<i>Note 18</i>)	–	(1,338)
At end of year	18,182	18,676
Cost	20,547	20,547
Accumulated amortisation	(2,365)	(1,871)
Net carrying amount	18,182	18,676

The Group's interests in leasehold land and land use rights were held outside Hong Kong under medium term leases.

Leasehold land and land use rights of the Group were pledged to secure the bank borrowings of the Group as detailed in Note 26.

18. INVESTMENT PROPERTIES

The Group

	<i>Notes</i>	2010 RMB'000	2009 RMB'000
FAIR VALUE			
At beginning of year		40,698	26,047
Transfer from property, plant and equipment	16	–	10,298
Transfer from leasehold land and land use rights	17	–	1,338
Change in fair value	7	5,407	3,015
At end of year		46,105	40,698

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

18. INVESTMENT PROPERTIES (Continued)

The Group (Continued)

As at 31 December 2010, the investment properties were revalued at RMB46,105,000 (2009: RMB40,698,000) by Shanghai Shen Fang Real Estate Appraiser Co., Ltd. (2009: Shanghai Shen Jia Real Estate Appraiser Co., Ltd.), independent firms of professionally qualified valuers recognised by the relevant PRC association of valuers with recent experience in the location and category of property being valued, on an open market value basis. All investment properties of the Group are located outside Hong Kong and held under medium term.

Details of the property rental income earned by the Group from its investment properties, all of which are leased out under operating leases, are set out in Notes 7 and 36.

Certain investment properties were pledged to secure the bank borrowings of the Group as detailed in Note 26.

19. GOODWILL

The Group

	Notes	RMB'000
Carrying amount:		
At 1 January 2009		46,068
Partial disposal of equity interest in a subsidiary		(502)
Arising on acquisition of a subsidiary	32	16,378
Adjustment (Note)		8,402
Exchange realignment		115
<hr/>		
At 31 December 2009 and 1 January 2010		70,461
Partial disposal of equity interests in subsidiaries		(630)
Arising on acquisitions of subsidiaries	32	116,321
Impairment	9	(1,679)
Exchange realignment		410
<hr/>		
At 31 December 2010		<u>184,883</u>

Note: It represents the adjustments to the final considerations payable in respect of acquisitions of subsidiaries in prior years, according to the respective acquisition agreements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

19. GOODWILL (Continued)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (“CGUs”) that are expected to benefit from that business combination. The carrying amount of goodwill is allocated as follows:

	2010 RMB'000	2009 RMB'000
Provision of automobile repair, maintenance and restyling services:		
Beijing Aiyihang Auto Services Ltd.	43,919	43,919
Shenzhen Yonglonghang Auto Service Ltd.	16,378	16,378
New Focus Richahaus Co. Ltd.	7,627	8,154
Others	257	1,895
Exchange realignment	381	115
	68,562	70,461
Trading of automobile accessories:		
Liaoning Xin Tian Cheng Industrial Co., Limited	45,260	–
Zhejiang Autoboom Industrial Co., Limited	71,061	–
	116,321	–
Total	184,883	70,461

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates of 0%-3% (2009: 0%-2%). The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations are as follows:

	2010 %	2009 %
Gross margin	16–51	30–50
Growth rate within the five-year period	13–40	8–20
Discount rate	12–17	16

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(Expressed in Renminbi)

19. GOODWILL (Continued)

Management determined the budgeted gross margin based on past performance and its expectation for market development. The weighted average growth rate used is consistent with the forecasts generally adopted in the respective industries. The discount rates used are pre-tax and reflect specific risks relating to the relevant segment.

The directors of the Company are of the opinion, based on value-in-use calculations, that goodwill associated with certain subsidiaries was impaired by RMB1,679,000 in order to state the carrying values to their recoverable amounts as at 31 December 2010.

20. OTHER INTANGIBLE ASSETS

The Group

	Note	Trademarks RMB'000	Tradename RMB'000	Total RMB'000
Net carrying amount:				
At 1 January 2009		8,601	–	8,601
Amortisation charge for the year		(133)	–	(133)
Exchange realignment		184	–	184
Arising from acquisition of a subsidiary	32	–	13,067	13,067
At 31 December 2009 and 1 January 2010				
		8,652	13,067	21,719
Amortisation charge for the year		(309)	–	(309)
Exchange realignment		431	–	431
Arising from acquisition of subsidiaries	32	231,673	–	231,673
Additions		2,738	–	2,738
At 31 December 2010				
		243,185	13,067	256,252
At 31 December 2010:				
Cost		244,192	13,067	257,259
Accumulated amortisation		(1,007)	–	(1,007)
Net carrying amount				
		243,185	13,067	256,252
At 31 December 2009:				
Cost		9,334	13,067	22,401
Accumulated amortisation		(682)	–	(682)
Net carrying amount				
		8,652	13,067	21,719

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

20. OTHER INTANGIBLE ASSETS (Continued)

Included in the above intangible assets as at 31 December 2010 are (i) certain trademarks, and (ii) tradename with indefinite useful lives which are attributable to the same CGUs with which the goodwill amounts are recognised. Details of the impairment assessment of the CGUs are set out in Note 19.

As at end of reporting period, trademarks with aggregate carrying amount of RMB239,524,000 (2009: RMB7,851,000) have indefinite useful lives as they are considered renewable at minimal costs. Management of the Group are of the opinion that the Group would renew the trademarks continuously and has the ability to do so.

As at end of reporting period, tradename with carrying amount of RMB13,067,000 (2009: RMB13,067,000) was acquired through business combination and was considered by management of the Group as having indefinite useful life as there was no limit to the period the tradename would contribute to net cash inflows.

21. INTERESTS IN SUBSIDIARIES

The Company

	2010 RMB'000	2009 RMB'000
Unlisted shares, at cost	164,066	164,066
Amount due from a subsidiary	49,800	—
Unlisted shares, at cost	213,866	164,066

Short-term loan to a subsidiary of US\$1,000,000 (2009: US\$4,400,000) (equivalent to RMB6,834,000 (2009: RMB30,044,000)) is unsecured, interest-free and repayable in September 2011 (2009: December 2010). Except for amount due from a subsidiary of RMB49,800,000 (2009: RMBNil) which is unsecured, interest-free and in substance represents the Company's interest in the subsidiary in the form of a quasi-equity loan, amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

21. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2010 are as follows:

Company name	Country/place and date of incorporation/ establishment	Legal form of entities for those established in the PRC	Registered capital/ share capital	Issued and fully paid up capital	Percentage of attributable equity interest	Principal activities/ place of operation
<i>Interests directly held:</i>						
Perfect Progress Investments Limited ("Perfect Progress")	The British Virgin Islands – 8 April 2002		US\$50,000 Ordinary shares	US\$500	100%	Investment holding Hong Kong
<i>Interests indirectly held:</i>						
Shanghai New Focus Auto Parts Co., Ltd. ("NFA Parts") (Note (i))	The PRC 1 March 1994	Wholly-owned foreign enterprise	US\$6,500,000 Registered capital	US\$6,500,000	100%	Manufacture and sale of automobile accessories The PRC
New Focus Light and Power Technology (Shanghai) Co., Ltd. ("NF Light & Power") (Note (i))	The PRC 24 April 2001	Wholly-owned foreign enterprise	US\$16,300,000 Registered capital	US\$16,300,000	100%	Manufacture and sale of automobile accessories The PRC
Shanghai New Focus Auto Repair Services Co., Ltd. (Note (i))	The PRC 21 December 2000	Limited liability company	RMB23,500,000 Registered capital	RMB23,500,000	100%	Automobile repair, maintenance and restyling services; sales of automobile products The PRC
Shanghai Likeliang Auto Service Co., Ltd.	The PRC 23 March 2005	Limited liability company	RMB1,000,000 Registered capital	RMB1,000,000	95%	Automobile repair, maintenance and restyling services; sales of automobile products The PRC
Liaoning Xin Tian Cheng Industrial Co., Limited	The PRC 8 January 2009	Limited liability company	RMB20,000,000 Registered capital	RMB20,000,000	51%	Trading of automobile products The PRC
Shanghai Hualiang Vocational and Technical Training School (Note (i))	The PRC March 2004	Civilian sponsored non-enterprise unit	RMB1,000,000 Registered capital	RMB1,000,000	100%	Automobile repair, maintenance and restyling services training The PRC
Xinjiaodian (Chengdu) Auto Maintain Co. Ltd.	The PRC 27 April 2005	Limited liability company	RMB11,584,870 Registered capital	RMB11,584,870	90.97%	Automobile repair, maintenance and restyling services; sales of automobile products The PRC

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

21. INTERESTS IN SUBSIDIARIES (Continued)

Company name	Country/place and date of incorporation/ establishment	Legal form of entities for those established in the PRC	Registered capital/ share capital	Issued and fully paid up capital	Percentage of attributable equity interest	Principal activities/ place of operation
New Focus Richahaus Co. Ltd.	Taiwan 15 September 2006	–	NT\$202,574,000 Share capital	NT\$202,574,000	80.37%	Automobile repair maintenance and restyling services; sales of automobile products Taiwan
Shandong New Focus Longsheng Auto Parts Co. Ltd.	The PRC 26 April 2006	Limited liability company	US\$4,012,700 Registered capital	US\$4,012,700	58.99%	Manufacture and sale of automobile accessories The PRC
Beijing Aiyihang Auto Service Ltd.	The PRC September 1997	Limited liability company	RMB38,500,000 Registered capital	RMB38,500,000	51%	Automobile repair, maintenance and restyling services; sales of automobile products The PRC
Shenzhen Yonglonghang Auto Service Ltd.	The PRC June 2002	Limited liability company	RMB13,000,000 Registered capital	RMB13,000,000	51%	Automobile repair, maintenance and restyling services; sales of automobile products The PRC
Zhejiang Autoboom Industrial Co., Limited	The PRC December 2008	Limited liability company	RMB28,000,000 Registered capital	RMB28,000,000	51%	Trading of automobile products The PRC

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note:

- (i) The subsidiary is registered as a wholly-foreign-owned enterprise under the PRC law.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

22. TRADING SECURITIES AND AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group

(a) Trading securities

The balance represented investments in equity securities that were listed in the PRC, and were stated at fair value based on quoted market prices as at the end of reporting period.

(b) Available-for-sale financial assets

In prior years, the Group disposed of 85% equity interest in Shanghai Beforly Investment Management Limited (“Beforly”). The Group’s remaining 7.89% equity interest in Beforly is classified as an available-for-sale financial asset of the Group with nil carrying amount as at 31 December 2009 and 2010. This unlisted company is not accounted for using equity method as the Group does not have the power to participate in the company’s operating and financial policies. During the year, the Group acquired trademark from Beforly at a consideration of RMB1,852,000.

23. INVENTORIES

The Group

	2010 RMB'000	2009 RMB'000
Raw materials	40,338	35,441
Work-in-progress	30,912	22,841
Finished goods	27,335	18,596
Merchandise goods	135,877	67,599
	234,462	144,477

24. TRADE AND OTHER RECEIVABLES

(a) Trade Receivables

The Group

	2010 RMB'000	2009 RMB'000
Trade receivables	126,529	83,584
Less: allowance for doubtful debts	(1,447)	(2,509)
	125,082	81,075

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

24. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade Receivables (Continued)

- (i) The average credit period to the Group's trade debtors is 30 days. Included in trade receivables of the Group is a trading amount due from a related company of RMB1,187,000 as at 31 December 2010 (2009: RMBNil).
- (ii) The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

The Group

	2010 RMB'000	2009 RMB'000
At beginning of year	2,509	1,059
Additional allowance for the year (Note 9)	3,045	1,450
Bad debts written off	(4,107)	–
At end of year	1,447	2,509

At 31 December 2010, the Group's trade receivables of RMB12,176,000 (2009: RMB7,717,000) were individually determined to be impaired. The individually impaired trade receivables related to customers that were in financial difficulties or had a prolonged delay in settlement, and management assessed that only a portion of the receivables is expected to be recovered. Consequently, an accumulated allowance for doubtful debts of RMB1,447,000 (2009: RMB2,509,000) is made as at 31 December 2010. The Group does not hold any collateral over these balances.

Except for the above, no allowance has been made for estimated irrecoverable amounts from the sale of goods and provision of services.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

24. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade Receivables (Continued)

- (iii) The ageing analysis of trade receivables at the end of reporting period by invoice date is as follows:

The Group

	2010 RMB'000	2009 RMB'000
Current to 30 days	68,290	41,738
31 to 60 days	33,661	20,767
61 to 90 days	12,402	13,362
Over 90 days	12,176	7,717
	126,529	83,584
Less: allowance for doubtful debts	(1,447)	(2,509)
	125,082	81,075

- (iv) The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

The Group

	2010 RMB'000	2009 RMB'000
Neither past due nor impaired	68,290	41,738
Less than 1 month past due	33,661	20,767
1 to 2 months past due	12,402	13,362
	46,063	34,129
	114,353	75,867

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

24. TRADE AND OTHER RECEIVABLES (Continued)

(b) Other receivables

Included in the Group's deposits, prepayments and other receivables are amounts due from minority equity holders of subsidiaries and their family members of approximately RMB9,298,000 as at 31 December 2010 (2009: RMBNil) which are unsecured, interest-free, and repayable on demand.

25. AMOUNTS DUE FROM/TO A RELATED COMPANY AND DIRECTORS

(a) Amount due from a related company

Amount due from a related company, which is disclosed pursuant to the disclosure requirements of the Hong Kong Companies Ordinance, is as follows:

The related company is Custom Accessories Asia Limited ("Custom Accessories"). Majority interests of Custom Accessories are mainly held by Mr Fresco, Mr Matthew and their close family members. Mr Fresco and Mr Matthew are directors of the Company and have beneficial interests in the Company as at the end of reporting period. Details of the balance with Custom Accessories are as follows:

	2010 RMB'000	2009 RMB'000
Balance at 1 January	34	316
Balance at 31 December	1,622	34
Maximum amount outstanding during the year	1,622	316

Amount due from Custom Accessories arises from trading activities with ageing from current to 30 days. The amount due from the related company is unsecured, interest-free and repayable on trading terms.

There was no amount due but unpaid, nor any allowance for doubtful debts made against the principal amounts at 31 December 2009 and 2010.

(b) Amounts due to directors

As at 31 December 2009 and 2010, the amounts due to directors are unsecured, interest-free and repayable on demand.

(c) Amount due to a minority equity holder of a subsidiary

As at 31 December 2010, the amount due to a minority equity holder of a subsidiary is unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

26. BANK BORROWINGS, SECURED

The Group

	2010 RMB'000	2009 RMB'000
Bank loans	243,521	42,400
Bank overdrafts	19,766	12
	263,287	42,412
Bank borrowings are repayable as follows:		
On demand or within one year	250,514	14,042
After one year but within two years	1,309	16,241
After two years but within five years	2,433	2,778
After five years	9,031	9,351
	263,287	42,412
Amount due within one year included in current liabilities	(250,514)	(14,042)
Amount included in non-current liabilities	12,773	28,370

As at 31 December 2009 and 2010, the banking facilities are secured by (i) the Group's freehold land and certain buildings with an aggregate net carrying amount of RMB84,269,000 (2009: RMB90,043,000); (ii) the Group's leasehold land and land use rights of RMB18,182,000 (2009: RMB18,676,000); (iii) the Group's investment properties of RMB17,470,000 (2009: RMBNil); (iv) personal guarantees from a director of the Company, and a director of a subsidiary and her husband; (v) pledged time deposits of RMB120,826,000 (2009: RMB2,563,000); and (vi) corporate guarantee of the Company. As at 31 December 2009, personal guarantees from two chief executives of a subsidiary were also provided for pledge of bank facilities of the Group.

Most of the bank loans bear fixed interest rates ranging from 1.751% to 5.100% per annum (2009: 1.658% to 5.310% per annum). The bank overdrafts were repayable on demand and bore interest at the lending rate stipulated by the People's Bank of China applicable to the 6-month loan period (2009: lending rate applicable to the 6-month loan period).

At 31 December 2010, the Group had available RMB79,917,000 (2009: RMB122,867,000) of undrawn committed banking facilities in respect of which all conditions precedent was met.

	2010 RMB'000	2009 RMB'000
Bank borrowings were denominated in:		
RMB	240,998	25,712
United States dollars ("US\$")	5,989	1,284
Taiwan dollars ("TWD")	16,300	15,416
	263,287	42,412

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

27. TRADE PAYABLES

The ageing analysis of trade payables of the Group at the end of reporting period by invoice date is as follows:

The Group

	2010 RMB'000	2009 RMB'000
Current to 30 days	92,591	80,517
31 to 60 days	34,432	26,599
61 to 90 days	10,012	12,754
Over 90 days	26,289	15,107
	163,324	134,977

The average credit period for the Group's trade creditors is 60 days.

28. CONVERTIBLE BOND

The Group and the Company

On 16 May 2007, the Company issued US\$12,000,000 redeemable convertible bond. The bond carries coupon interest rate of 5.2% per annum, which is payable semi-annually in arrears. The bond is convertible into ordinary shares of the Company at an initial conversion price of HK\$2.070 per conversion share and subsequently HK\$1.923 as a result of adjustments arising from the bonus issue of the Company (subject to adjustments in accordance with the terms of the convertible bond), at any time during the period commencing from the date of issue of convertible bond.

On 23 February 2009, at the bondholder's request and in consideration for the bondholder's agreement to terminate the convertible bond, the Company issued a promissory note (the "Promissory Note") in favour of the bondholder whereby the Company promised to pay to the bondholder the loan of US\$12,000,000 in accordance with the terms and conditions set forth in the Promissory Note, whereby instalments of US\$3,000,000 (the "First Instalment"), US\$4,000,000 (the "Second Instalment") and US\$5,000,000 (the "Third Instalment") are repayable on 26 February 2009, 30 April 2009 and 30 June 2009, respectively. The obligations of the Company under the Promissory Note are fully and irrevocably guaranteed by a director of the Company. Details of the above transaction are set out in the Company's announcement dated 23 February 2009.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

28. CONVERTIBLE BOND (Continued)

Pursuant to the terms and conditions of the Promissory Note, the Company shall be entitled to deduct US\$700,000 (equivalent to RMB4,784,000) from the amounts of repayment of the Promissory Note (the “Early Repayment Compensation”) if the Company repays the Third Instalment on or before 30 April 2009 after having fully repaid the First Instalment and the Second Instalment on or before 26 February and 30 April 2009, respectively. As the above conditions were met in the prior year, the Company was entitled to the Early Repayment Compensation of RMB4,784,000 and recognised in profit or loss.

The movements of the liability component and derivative component of the convertible bond are as follows:

	Liability component of convertible bond	Derivative component of convertible bond	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2009	67,509	1,082	68,591
Imputed interest (Note 8)	3,761	–	3,761
Fair value gain	–	(409)	(409)
Unrealised exchange loss (Note 8)	168	–	168
Net loss on redemption of convertible bond, net of gain on the Early Repayment Compensation (Note 7)	5,126	–	5,126
Early redemption	(76,564)	(673)	(77,237)
At 31 December 2009 and 2010	–	–	–

Interest on the convertible bond is calculated using the effective interest method by applying the effective interest rate of 19.5% per annum.

In the prior year, there was a decrease in the share price of the Company, and accordingly, the fair value of the derivative component of the convertible bond decreased, resulting in a fair value gain of RMB409,000.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

29. DEFERRED TAX

The Group

The movement in deferred tax assets/(liabilities) is as follows:

Deferred tax assets:

	Accrued expenses RMB'000	Others RMB'000	Total RMB'000
At 1 January 2009	61	32	93
Charged to profit or loss (<i>Note 11</i>)	(33)	–	(33)
Effect of change in tax rate (<i>Note 11</i>)	(6)	–	(6)
Exchange alignment	1	–	1
At 31 December 2009 and 1 January 2010	23	32	55
Credited to profit or loss (<i>Note 11</i>)	39	–	39
Exchange alignment	3	–	3
At 31 December 2010	65	32	97

In accordance with the PRC tax law, tax losses may be carried forward against future taxable income for a period of five years. As at 31 December 2010, the Group had tax losses carried forward of RMB66,738,000 (2009: RMB57,702,000). As at 31 December 2009 and 2010, the Group did not recognise any deferred tax asset arising from such tax losses as management is of the view that it was not probable that such benefits of tax losses would be realised before they expire.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

29. DEFERRED TAX (Continued)

The Group

Deferred tax liabilities:

	Other intangible assets RMB'000	Fair value gain on investment properties RMB'000	Accrued subsidy income RMB'000	Total RMB'000
At 1 January 2009	–	(1,197)	(192)	(1,389)
Arising from acquisition of a subsidiary (Note 32)	(2,614)	–	–	(2,614)
Charged to equity for the year (Note 15)	–	(1,071)	–	(1,071)
Charged to profit or loss (Note 11)	–	(672)	–	(672)
At 31 December 2009 and 1 January 2010	(2,614)	(2,940)	(192)	(5,746)
Arising from acquisition of subsidiaries (Note 32)	(57,911)	–	–	(57,911)
Effect of change in tax rate (Note 11)	(262)	–	–	(262)
Charged to profit or loss (Note 11)	(497)	(1,337)	–	(1,834)
Exchange alignment	(1)	–	–	(1)
At 31 December 2010	(61,285)	(4,277)	(192)	(65,754)

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

30. SHARE CAPITAL

	2010			2009		
	Number of shares '000	Amount HK\$'000	Amount RMB'000	Number of shares '000	Amount HK\$'000	Amount RMB'000
Authorised:						
Ordinary shares of HK\$0.1 each	2,000,000	200,000	200,000	2,000,000	200,000	200,000
Issued and fully paid:						
At beginning of year	538,180	53,818	55,003	451,344	45,134	47,354
Consideration issue (<i>Note 32</i>)	8,050	805	709	–	–	–
Repurchases and cancellation of shares (<i>Note (i)</i>)	(4,492)	(449)	(395)	(3,164)	(316)	(279)
Issue of shares (<i>Note (ii)</i>)	–	–	–	90,000	9,000	7,928
At end of year	541,738	54,174	55,317	538,180	53,818	55,003

Notes:

- (i) During the year ended 31 December 2010, by virtue of exercise of the rights granted by the Company's shareholders to the directors under general mandate, the Company repurchased on the Stock Exchange 4,492,000 (2009: 3,164,000) ordinary shares of HK\$0.1 each at a total consideration before expenses of RMB7,139,000 (2009: RMB3,073,000). These shares were cancelled after repurchases during the year.
- (ii) On 12 October 2009, the Company issued 90,000,000 units of Taiwan depository receipts, representing 90,000,000 new shares of the Company, which were listed on the Taiwan Stock Exchange Corporation on the same day. These new shares were issued at HK\$1.68 each under at an aggregate consideration of RMB127,747,000, net of issuing expenses, of which RMB7,928,000 was credited to share capital and the remaining balance of RMB119,819,000 was credited to the share premium account. Further details are set out in the Company's announcements dated 29 July 2009, 16 September 2009, 23 September 2009 and 9 October 2009. Such shares rank pari passu with the existing issued shares.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

31. RESERVES

(i) Reserves of the Group

(a) Share premium

The balance represents the excess of consideration received for issue of shares over the corresponding par value of the issued shares. The application of the share premium account is governed by the applicable laws of the Cayman Islands.

(b) Statutory reserve fund

The Group's wholly-owned-foreign subsidiaries established in the PRC are required to transfer no less than 10% of the profit after taxation, as determined in accordance with the applicable PRC accounting standards, to statutory reserve fund until the fund aggregates to 50% of their respective registered capital.

The statutory reserve fund can only be used, upon approval by the respective board of directors, to offset accumulated losses or increase capital.

(c) Reorganisation reserve mainly represents:

- (i) the difference of RMB8,263,000 between the nominal value of the shares of the subsidiaries acquired pursuant to the reorganisation and the nominal value of Perfect Progress's shares issued in exchange therefor;
- (ii) in 2001, Custom Accessories, the former investor of NF Light & Power, contributed capital of RMB19,959,000;
- (iii) as part of the reorganisation and pursuant to the share transfer agreement dated 3 June 2002, which became effective on 20 June 2002 according to the Certificate of Approval issued by the Shanghai People's Government (the "Certificate of Approval"), Mr Hung Wei-Pi, John, the only shareholder of Sharp Concept Industrial Limited which held 60% ownership of Perfect Progress, purchased 10% of the equity interest of NFA Parts (the "Transferring Interests") from the original local shareholder of NFA Parts at RMB2,800,000. Pursuant to the share transfer agreement dated 4 December 2002, which became effective on 12 December 2002 according to the Certificate of Approval, Perfect Progress acquired the Transferring Interests from Mr Hung Wei-Pi, John, in consideration of the allotment and issue of 40 shares of US\$1.00 each in Perfect Progress to Sharp Concept Industrial Limited. The difference of RMB6,312,000 between the nominal value of the shares of Perfect Progress and the Transferring Interests' share of the fair value of NFA Parts on acquisition pursuant to the reorganisation is accounted for as reorganisation reserve of the Group;

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

31. RESERVES (Continued)

(i) Reserves of the Group (Continued)

(c) Reorganisation reserve mainly represents: (Continued)

- (iv) on 13 February 2005, an aggregate of 90 shares were allotted and issued by the Company in exchange for the 100% of share interest in Perfect Progress. The difference of RMB4,000 between the nominal value of the shares issued by the Company and Transferring Interest's share of the fair value of Perfect Progress pursuant to the reorganisation is accounted for as reorganisation reserve of the Group; and
- (v) on 13 February 2005, the directors of the Company were authorised to capitalise HK\$29,999,990 towards paying up in full at par 299,999,900 shares for allotment.

(d) Enterprise expansion fund

In accordance with the Company Law of the PRC and the articles of association of a subsidiary, the subsidiary shall appropriate 5% of its annual statutory net profit (after offsetting any prior years' losses) to enterprise expansion fund.

(e) Others, including share options reserve, property revaluation reserve and consideration payables to be settled by issue of fixed number of the Company's shares

The share options reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Company and other parties recognised in accordance with the accounting policy in Note 4(r).

The property revaluation reserve represents the gains/losses arising on the revaluation of property (other than investment property). The balance on this reserve is wholly undistributable.

Details of the consideration payables to be settled by issue of fixed number of the Company's shares are set out in Note 32.

(f) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy in Note 4(p).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

31. RESERVES (Continued)

(ii) Reserves of the Company

	Notes	Share premium RMB'000	Contributed surplus RMB'000	Others RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2009		100,851	84,242	(1,937)	(15,679)	167,477
Total comprehensive income for the year		–	–	2,143	(16,357)	(14,214)
Lapse of share options		–	–	(89)	89	–
Recognition of equity-settled-share-based payments	37	–	–	302	–	302
Issue of shares	30(ii)	119,819	–	–	–	119,819
Repurchases and cancellation of shares	30(i)	(2,794)	–	279	(279)	(2,794)
At 31 December 2009 and 1 January 2010		217,876	84,242	698	(32,226)	270,590
Total comprehensive income for the year		–	–	(116)	(14,411)	(14,527)
Lapse of share options		–	–	(274)	274	–
Recognition of equity-settled-share-based payments	37	–	–	204	–	204
Consideration issue	32	12,023	–	–	–	12,023
Repurchases and cancellation of shares	30(i)	(6,744)	–	395	(395)	(6,744)
Consideration payables to be settled by issue of fixed number of the Company's shares	32	–	–	49,800	–	49,800
At 31 December 2010		223,155	84,242	50,707	(46,758)	311,346

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(Expressed in Renminbi)

32. BUSINESS COMBINATIONS

In November 2009, the Group acquired 51% equity interest in Shenzhen Youglonghang Auto Service Ltd. (“Yonglonghang”), a company established in Shenzhen, the PRC, for a total consideration of approximately RMB25.3 million of which RMB12.6 million was satisfied in cash and the remaining RMB12.7 million was satisfied by the allotment and issue of 8,049,505 ordinary shares of HK\$0.1 each of the Company (the “Consideration Shares”). Yonglonghang is engaged in providing automotive services, namely repair, maintenance and restyling services, and sales of automotive products in Shenzhen, the PRC.

In July 2010, the Group acquired 51% equity interest in Liaoning Xin Tian Cheng Industrial Co., Limited. (“XTC”), a company established in Liaoning Province, the PRC, for a total nominal consideration of RMB100,980,000. Details on settlement are listed in breakdown of purchase consideration below. XTC is engaged in the trading of automobile accessories in Liaoning Province, the PRC.

In September 2010, the Group acquired 51% equity interest in Zhejiang Autoboom Industrial Co., Limited. (“Autoboom”), a company established in Zhejiang Province, the PRC, for a total nominal consideration of RMB134,860,000. Details on settlement are listed in breakdown of purchase consideration below. Autoboom is engaged in trading of automobile accessories in Zhejiang Province and Jiangsu Province, the PRC.

The Group has elected to measure the non-controlling interests in XTC and Autoboom at the non-controlling interests’ proportionate share of fair values of XTC’s and Autoboom’s identifiable net assets, respectively.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

32. BUSINESS COMBINATIONS (Continued)

The fair values of identifiable assets and liabilities of the acquirees as at the respective dates of acquisitions were as follow:

	Notes	XTC		Autoboom	
		Carrying value RMB'000	Fair value RMB'000	Carrying value RMB'000	Fair value RMB'000
Property, plant and equipment	16	2,668	2,668	4,597	4,597
Other intangible assets	20	28	109,077	–	122,596
Inventories		34,647	34,647	25,095	25,095
Trade receivables		3,350	3,350	21,858	21,858
Deposits and prepayments		9,398	9,398	3,796	3,796
Cash and cash equivalents		6,245	6,245	16,002	16,002
Trade payables		(22,893)	(22,893)	(19,171)	(19,171)
Accruals and other payables		(11,663)	(11,663)	(23,537)	(23,537)
Amounts due to equity owners		(7,450)	(7,450)	–	–
Deferred tax liabilities recognised upon fair value adjustments	29	–	(27,262)	–	(30,649)
			96,117		120,587
Less: Non-controlling interests			(47,097)		(59,088)
Total identifiable net assets at fair value			49,020		61,499
Goodwill on acquisition	19		45,260		71,061
Total consideration			94,280		132,560
Cash paid during the year			56,100		17,000
Shares of the Company to be issued (Note (a))			20,600		29,200
Consideration payable by cash (Note ((b)))			17,580		86,360
Total consideration			94,280		132,560

Notes:

- (a) The balances represent fair values of considerations to be settled by the issue of fixed number of the Company's ordinary shares of approximately 12,977,000 and 14,973,000 for the acquisition of XTC and Autoboom, respectively, with nominal values of RMB27,300,000 and RMB31,500,000 respectively in accordance with respective acquisition agreements and the related supplemental agreements. Their fair values of the consideration shares at RMB20,600,000 and RMB29,200,000 for acquisition of XTC and Autoboom respectively were determined with reference to the market share prices of the Company's shares as at the dates of the respective acquisitions and were credited to the equity of the Company and the Group.
- (b) The balances are consideration payables to be settled in cash which included contingent considerations subject to the achievement of target earnings of XTC and Autoboom.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

32. BUSINESS COMBINATIONS (Continued)

The Group had no presence in Liaoning Province, Zhejiang Province and Jiangsu Province before the acquisitions of equity interests in XTC and Autoboom. XTC and Autoboom, on the other hand, have been operating in such cities with well established network and reputation. It has been the Group's plan to extend operations in the above regions and strengthen establishment in other major provinces in the Greater China Region. Given the vast differences in the level of economic development and consumer behaviours and preference in different cities in the Greater China Region, entry into such provinces through acquisitions of XTC and Autoboom, companies already operating there, would be the most efficient and effective way in terms of both time and costs.

The fair values of trade and other receivables of XTC and Autoboom amounted to RMB12,748,000 and RMB25,654,000, respectively. The gross contractual values of trade and other receivables were RMB12,788,000 and RMB25,654,000, respectively, of which RMB40,000 and RMBNil are expected to be uncollectible, respectively.

Since the acquisitions in 2010, XTC and Autoboom contributed RMB84,661,000 and RMB55,630,000 to the Group's turnover and a profit of RMB4,521,000 and RMB4,666,000 to the Group's results for the current year, respectively. Had the acquisition taken place at the beginning of the current year, XTC and Autoboom would have contributed RMB163,002,000 and RMB203,929,000 to the turnover of the Group and the profit of RMB6,354,000 and RMB9,081,000 to the Group's results for the current year, respectively.

As part of the acquisition agreements, contingent considerations are payable, which are dependent on the amounts of profit before income tax expense of XTC and Autoboom during the 12-month period subsequent to acquisition. Their initial amounts recognised were RMB17,580,000 and RMB15,410,000, respectively. The considerations are due for final measurements and payments to the minority equity holders. At the date of approval of these financial statements, no further significant change to the considerations is expected.

As analysis of the cash flows in respect of the acquisition of subsidiaries is as follows:

	XTC RMB'000	Autoboom RMB'000
Purchase considerations settled in cash during the year	56,100	17,000
Cash and cash equivalents in the subsidiaries acquired	(6,245)	(16,002)
Net cash outflow on acquisitions	<u>49,855</u>	<u>998</u>

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(Expressed in Renminbi)

32. BUSINESS COMBINATIONS (Continued)

The above goodwill, which is not deductible for tax purposes, comprises the acquired workforce and the value of expected synergies arising from the combination of the acquired business with the existing operations of the Group.

The acquisition-related costs of RMB616,000 have been expensed and are included in administrative expenses.

Details of net assets acquired in the prior year and goodwill arising therefrom are as follows:

	RMB'000
Purchase considerations:	
Cash paid	12,622
Consideration payable to be settled by allotment and issue of shares of the Company (Note)	12,732
Fair value of net assets acquired – shown as below	(8,976)
Goodwill (Note 19)	<u>16,378</u>

Note: The 8,049,505 Consideration Shares have been allotted and issued during the current year (Note 30). The consideration payable is valued at the market value of the Company's Consideration Shares at the date of completion of the acquisition in prior year, and was included in accruals and other payables of the Company and the Group as at 31 December 2009. Such shares rank pari passu with the existing issued shares.

The directors believe that the acquisitions would create synergy and strengthen the competitiveness of the Group's automotive service business.

The Group had no presence in Shenzhen before the acquisition of equity interests in Yonglonghang. Yonglonghang, on the other hand, had been operating in Shenzhen with well established reputation. It has been the Group's plan to extend operations in the above region and other major cities in other major provinces in the Greater China Region. Given the vast differences in the level of economic development and consumer behaviours and preference in different cities in the Greater China Region, entry into Shenzhen through the acquisition of Yonglonghang, companies already operating there, would be the most efficient and effective way in terms of both time and costs.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

32. BUSINESS COMBINATIONS (Continued)

In the prior year, the net assets acquired in the acquisitions were as follows:

	<i>Notes</i>	Fair value of net assets acquired RMB'000
Property, plant and equipment	16	6,371
Other intangible assets	20	13,067
Inventories		4,155
Trade receivables		734
Deposits, prepayments and other receivables		1,425
Cash and cash equivalents		281
Trade payables		(3,412)
Accruals and other payables		(2,406)
Deferred tax liabilities recognised upon fair value adjustments	29	(2,614)
		17,601
Less: Non-controlling interests		(8,625)
		8,976
		12,622
Purchase considerations settled in cash		(281)
Cash and cash equivalents in the subsidiaries acquired		12,341
Net cash outflow on acquisitions		12,341

The carrying amount of the acquirees' assets and liabilities approximates the fair value of the assets and liabilities acquired.

Since the acquisition in 2009, Yonglonghang contributed RMB3.4 million to the Group's turnover and a profit of RMB0.4 million to the Group's results for the year ended 31 December 2009. Had the acquisition taken place at the beginning of the prior year, Yonglonghang would have contributed RMB24.3 million to the turnover of the Group and the loss of RMB3.3 million to the Group's results for that year.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

33. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged time deposits are deposited with creditworthy financial institutions with no recent history of default. The carrying amounts of the cash and cash equivalents and the pledged time deposits approximate their fair values.

	The Group	
	2010 RMB'000	2009 RMB'000
Cash and cash equivalents were denominated in:		
RMB	65,339	42,874
US\$	10,587	28,471
HK\$	319	80
EURO	21	–
TWD	6,716	11,147
	82,982	82,572
Pledged time deposits were denominated in:		
RMB	120,000	–
US\$	826	–
TWD	–	2,563
	120,826	2,563

The Company

As at 31 December 2009 and 2010, most of the cash and cash equivalents of the Company were denominated in US\$.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

34. MAJOR NON-CASH TRANSACTIONS

In the prior year, additional consideration for acquisition of a subsidiary of RMB8,402,000 had not been paid by the Group and was included in accruals and other payables of the Group as at 31 December 2009.

The other financial asset of RMB2,944,000 was reclassified into deposits, prepayments and other receivables as at 31 December 2009.

In the current year, consideration for acquisition of subsidiaries of RMB103,940,000 and RMB49,800,000 have not been paid by the Group and was included in the Group's accruals and other payables, and others reserves as at 31 December 2010, respectively.

35. COMMITMENTS

Capital commitments outstanding at the end of reporting period not provided for in the financial statements were as follows:

	The Group		The Company	
	2010 RMB'000	2009 RMB'000	2010 RMB'000	2009 RMB'000
Capital commitments				
Construction of buildings, contracted but not provided for	3,959	1,982	–	–
Other commitment				
Capital injection in respect of subsidiary	–	–	–	3,060

36. OPERATING LEASE ARRANGEMENTS

The Group as lessee

	2010 RMB'000	2009 RMB'000
Minimum lease payments under operating leases recognised as an expense in the year	41,812	33,034

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

36. OPERATING LEASE ARRANGEMENTS (Continued)

The Group as lessee (Continued)

At the end of reporting period, the Group had outstanding minimum commitments under non-cancellable operating leases, which fall due as follows:

	2010 RMB'000	2009 RMB'000
Within one year	40,110	33,061
After one year but within five years	100,020	101,609
After five years	43,784	21,940
	183,914	156,610

The Group as lessor

As at 31 December 2009 and 2010, the Group leased out its investment properties under operating leases.

At the end of reporting period, the Group's total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2010 RMB'000	2009 RMB'000
Within one year	3,218	3,218
After one year but within five years	7,004	6,958
After five years	7,004	7,322
	17,226	17,498

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

37. EQUITY-SETTLED-SHARE-BASED PAYMENT TRANSACTIONS

The Company adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to employees and other parties who contribute to the success of the Group's operations.

On 28 February 2005, the Company granted share options of 23,780,000 to its employees. The exercise price of the granted options is equal to the closing price of the shares on the date of grant. There are 10 vesting periods ending on consecutive years from 31 December 2006 to 31 December 2014 and the period ending 12 February 2015. The options are exercisable starting from 1 January 2006 to 12 February 2015 subject to accomplishing performance targets or conditions, as determined by the board of directors of the Company.

The Group amortises the fair value of the share options calculated above over the relevant vesting period. Accordingly, an amount of RMB204,000 was charged as an equity-settled-share-based payment (2009: RMB302,000) to profit or loss for the year.

The number and weighted average exercise prices of the share options are as follows:

	Share options (in thousands)
At 1 January 2009	13,110
Lapsed	(750)
At 31 December 2009 and 1 January 2010	12,360
Lapsed	(2,320)
At 31 December 2010	10,040

The weighted average exercise price for the share options lapsed during the year was HK\$0.94 (2009: HK\$0.94). The weighted average exercise price for the share options exercised in the prior year was HK\$0.94 (2009: HK\$0.94).

At the end of reporting period and the date of approval of these financial statements, the Company had 10,040,000 (2009: 12,360,000) share options outstanding under the Scheme, which represented 1.9% (2009: 2.3%) of the Company's shares in issue as at 31 December 2010. The exercise in full of the remaining outstanding share options would, under the present capital structure of the Company, result in the issue of 10,040,000 (2009: 12,360,000) additional ordinary shares of the Company and additional share capital of RMB850,000 (2009: RMB1,085,000) and share premium of RMB7,142,000 (2009: RMB9,115,000) (before issue expenses and transfer from share options reserve).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

37. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Share options outstanding as at 31 December 2009 and 2010 have the following expiry dates and exercise prices:

2010

Expiry date	Exercise price HK\$ per share	Share options		Total '000
		granted to directors '000	granted to employees '000	
12 February 2015	0.94	10,040	–	10,040
Weighted average exercise price (HK\$)		0.94	–	0.94

2009

Expiry date	Exercise price HK\$ per share	Share options		Total '000
		granted to directors '000	granted to employees '000	
31 December 2010	0.94	–	2,320	2,320
12 February 2015	0.94	10,040	–	10,040
		10,040	2,320	12,360
Weighted average exercise price (HK\$)		0.94	0.94	0.94

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

38. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation in full and are not disclosed in this note. Except for disclosed elsewhere in the notes to these financial statements, details of transactions between the Group and other related parties are disclosed below.

- (a) During the year and in the ordinary course of business, the Group had the following material transactions with related companies which are not members of the Group:

	2010 RMB'000	2009 RMB'000
Sale of goods to Custom Accessories	10,404	8,745
Sale of goods to a related company	1,187	—

Sales of goods were made at the Group's usual list prices discounted to reflect the quantity of purchase and the relationships between the parties.

- (b) During the year, the Group disposed of 7.68% (2009: 11.95%) equity interest in a subsidiary in Taiwan to the senior management of the subsidiary at a cash consideration of approximately RMB3,756,000 (2009: RMB4,160,000).
- (c) Members of key management during the year comprised only of the executive directors whose remuneration is set out in Note 10(a).

39. CAPITAL RISK MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consists of debts, which includes the borrowings disclosed in Note 26, cash and cash equivalents and pledged time deposits in Note 33 and equity attributable to owners of the Company, comprising share capital disclosed in Note 30 and other reserves as disclosed in consolidated statement of changes in equity.

The Group's risk management reviews the capital structure on a semi-annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 10–20% determined as the proportion of net debt to equity. Based on the management's recommendations, the Group expects to increase its gearing ratio closer to 25% through the issue of new debt and the payment of dividends.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

39. CAPITAL RISK MANAGEMENT (Continued)

The gearing ratio at end of the reporting period was as follows:

	2010 RMB'000	2009 RMB'000
Debts	263,287	42,412
Cash and cash equivalents and pledged time deposits	(203,808)	(85,135)
Net debt/(cash) position	59,479	(42,723)
Equity	666,615	444,761
Net debt to equity ratio	8.9%	N/A

40. FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments in the normal course of the Group's business are credit risk, liquidity risk, interest rate risk and currency risk.

These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Normally, the Group does not obtain collateral from customers.

Investments are normally only in liquid securities quoted on a recognised stock exchange.

The maximum exposure to credit risk without taking into account of any collateral held is represented by the carrying amount of each financial asset.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of reporting period, the Group has a certain concentration of credit risk as 12% (2009: 17%) and 32% (2009: 50%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within the manufacture and sale of automobile accessories business segment.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 24.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

40. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities of the Group's financial liabilities at the end of reporting period, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates, or if floating, based on rates current at the end of reporting period) and the earliest date the Group can be required to pay:

The Group

	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 year but less than 5 years RMB'000	More than 5 years RMB'000
2010						
Bank borrowings	263,287	266,368	252,042	1,528	2,989	9,809
Trade payables	163,324	163,324	163,324	–	–	–
Other payables	136,172	163,172	163,172	–	–	–
Amounts due to directors	16	16	16	–	–	–
Amounts due to a minority equity holder of subsidiary	7,000	7,000	7,000	–	–	–
Total	596,799	599,880	585,554	1,528	2,989	9,809
2009						
Bank borrowings	42,412	43,512	14,305	16,477	3,353	9,377
Trade payables	134,977	134,977	134,977	–	–	–
Other payables	49,278	49,278	49,278	–	–	–
Amounts due to directors	61	61	61	–	–	–
Total	226,728	227,828	198,621	16,477	3,353	9,377

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

40. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

The Company

	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 year but less than 5 years RMB'000
2010					
Other payables and amounts due to a director and subsidiaries	1,803	1,803	1,803	–	–
Financial guarantees issued					
Maximum amount guaranteed	–	–	33,955	–	–
2009					
Other payables, amounts due to a director and subsidiaries	14,128	14,128	14,128	–	–
Financial guarantees issued					
Maximum amount guaranteed	–	–	29,296	–	–

(c) Interest rate risk

The Group's fair value interest-rate risk mainly arises from bank borrowings as disclosed in Note 26. Most of bank borrowings were issued at fixed rates which expose the Group to fair value interest-rate risk. The Group has no significant cash flow interest-rate risk as there are no significant borrowings which bear floating interest rates for a significant period of time during the year.

The Group's cash and cash equivalents bore floating interest rates and expose the Group to cash flow interest rate risk. It is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's profit for the year and retained profits as at 31 December 2010 by RMB2,038,000 (2009: RMB826,000). The Group has not used any financial instrument to hedge potential fluctuations in interest rates.

The interest rates and terms of repayment of the Group's borrowings are disclosed in Note 26.

As the Company has no significant interest-bearing assets and liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rate.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

40. FINANCIAL RISK MANAGEMENT (Continued)

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily US\$.

The Group and Company are also exposed to foreign currency exchange risk arising from the cash and cash equivalents denominated in US\$.

The following table details the Group's and the Company's exposure at the end of reporting period to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

The Group

	2010 US\$'000	2009 US\$'000
Trade and other receivables	10,420	10,178
Cash and cash equivalents	1,599	4,171
Bank loans	(904)	(188)
Overall net exposure	11,115	14,161

The Company

	2010 US\$'000	2009 US\$'000
Cash and cash equivalents	241	251

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

40. FINANCIAL RISK MANAGEMENT (Continued)

(d) Currency risk (Continued)

The following table indicates the approximate change in the Group's profit for the year and retained profits and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. The sensitivity analysis includes balances between group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower. A positive number below indicates an increase in profit and other equity where the RMB strengthens against the relevant currency. For a weakening of the RMB against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

The Group	Increase in foreign exchange rate	2010	Effect on other components of equity RMB'000	2009	Effect on other components of equity RMB'000
		Effect on profit for the year and retained profits RMB'000			
US\$	5%	3,460	-	5%	4,815

The Group	Increase in foreign exchange rate	2010	Effect on other components of equity RMB'000	2009	Effect on other components of equity RMB'000
		Effect on profit for the year and retained profits RMB'000			
US\$	5%	80	-	5%	86

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to each of the group entities; exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rate over the period until the end of the next reporting period. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' profit for the year and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2009.

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(Expressed in Renminbi)

40. FINANCIAL RISK MANAGEMENT (Continued)

(e) Fair values

All financial instruments of the Group and Company are carried at amounts not materially different from their fair values as at 31 December 2009 and 2010.

(f) Fair values estimation

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments of the Group set out in Notes 22, 26 and 28.

(i) Trading securities

Fair value is based on quoted market prices at the end of reporting period without any deduction for transaction costs.

(ii) Interest-bearing bank borrowings and liability component of convertible bond

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

41. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts and fair values of the Group's financial assets and financial liabilities as recognised at 31 December 2010 and 2009 may be categorised as follows:

	2010		2009	
	Carrying Value RMB'000	Fair value RMB'000	Carrying value RMB'000	Fair value RMB'000
Financial assets				
Trading securities, at fair value	282	282	339	339
Loans and receivables (including cash and cash equivalents and pledged time deposits), at amortised cost	412,745	412,745	220,914	220,914
Financial liabilities				
Financial liabilities, at amortised cost	615,176	615,176	234,353	234,353

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

41. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

- (a) The fair values of financial assets and liabilities are determined as follows:
- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices
 - The fair value of other financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- (b) The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:
- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Group 2010			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Trading securities, listed	282	–	–	282
	2009			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Trading securities, listed	339	–	–	339

There is no transfer between Level 1 and Level 2 of the fair value hierarchy during both years.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

42. CONTINGENT LIABILITIES

At the end of reporting period, contingent liabilities not provided for in the financial statements were as follows:

The Company

	2010 RMB'000	2009 RMB'000
Guarantee given to a bank in connection with banking facilities granted to a subsidiary	33,955	29,296

The banking facilities granted to the subsidiaries subject to guarantees given to the banks by the Company were utilised to the extent of RMB19,766,000 and RMB12,000 as at 31 December 2010 and 2009, respectively.

43. COPPER FUTURE CONTRACTS

In December 2009, the Group has entered into copper future contracts to hedge against the fluctuations of copper price. The copper future contracts have not been designated as hedging instruments in the prior year. As these copper future contracts were entered into near the end of prior reporting period and there was no significant change in the contract price, the directors have the opinion that the fair value of the copper future contracts approximates their carrying values at the end of prior reporting period. As at 31 December 2010, the Group has no any outstanding future contract.

The major terms of these outstanding copper future contracts of the Group were as follows:

	As at 31 December 2009
Quantities (in tonnes)	100
Average price per tonne	RMB58,510
Delivery period	From December 2009 to April 2010

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified and adjusted as appropriate, is set out below:

RESULTS

	1.1.2010 to 31.12.2010 RMB'000	1.1.2009 to 31.12.2009 RMB'000	1.1.2008 to 31.12.2008 RMB'000	1.1.2007 to 31.12.2007 RMB'000	1.1.2006 to 31.12.2006 RMB'000 (Restated)
Turnover	1,076,842	642,349	707,426	763,451	533,302
Profit before income tax expense	61,821	24,637	17,791	22,429	2,460
Income tax expense	(14,183)	(7,496)	(4,996)	(1,067)	(4,201)
Profit/(loss) for the year	47,638	17,141	12,795	21,362	(1,741)
Attributable to:					
Owners of the Company	34,129	11,533	10,922	17,849	(3,089)
Non-controlling interests	13,509	5,608	1,873	3,513	1,348
	47,638	17,141	12,795	21,362	(1,741)

ASSETS AND LIABILITIES

	31.12.2010 RMB'000	31.12.2009 RMB'000	31.12.2008 RMB'000	31.12.2007 RMB'000	31.12.2006 RMB'000 (Restated)
Total assets	1,354,184	686,995	617,821	653,867	442,212
Total liabilities	(687,569)	(242,234)	(331,451)	(375,483)	(232,742)
Net assets	666,615	444,761	286,370	278,384	209,470