CHINA VEHICLE COMPONENTS TECHNOLOGY HOLDINGS LIMITED
中國車輛零部件科技控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1269)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

HIGHLIGHTS

	2014 *(RMB' million)*	**2013** *(RMB' million)*	**Increase/ (Decreased)**
Revenue	**830.7**	634.2	31.0%
Profit for the period attributable to owners of the Company	**2.6**	39.3	(93.4%)
Basic earnings per share	**RMB0.01**	RMB0.11	(90.9%)
	As at 31 December 2014 *(RMB' million)*	**As at 31 December 2013** *(RMB' million)*	**Increase**
Total assets	**1,344.4**	1,185.4	13.4%
Equity attributable to owners of the Company	**389.4**	386.9	0.6%
Net asset value per share *(note)*	**RMB1.01**	RMB1.01	–

Note: Net asset value per share is arrived at by dividing equity attributable to owners of the Company by the number of issued shares as at the end of the year.

FINAL RESULTS

The Board of Directors (the "Board") of China Vehicle Components Technology Holdings Limited (the "Company") is pleased to announce the audited financial results for the year ended 31 December 2014 of the Company and its subsidiaries (collectively, the "Group") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	**2014** *RMB'000*	2013 *RMB'000*
Revenue	*4*	**830,704**	634,171
Cost of sales		**(656,811)**	(501,659)
Gross profit		**173,893**	132,512
Other income and expenses, other gains and losses	*5*	**(16,990)**	31,168
Selling and distribution expenses		**(46,745)**	(37,678)
Research and development expenditure		**(25,135)**	(19,284)
Administrative expenses		**(48,388)**	(44,314)
Finance costs	*6*	**(31,629)**	(13,654)
Profit before tax	*7*	**5,006**	48,750
Taxation	*8*	**(2,449)**	(9,455)
Profit for the year		**2,557**	39,295
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation		**(44)**	(265)
Profit and total comprehensive income for the year		**2,513**	39,030
Earnings per share – Basic (RMB)	*9*	**0.01**	0.11

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

	NOTES	2014 RMB'000	2013 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**438,357**	445,044
Prepaid lease payments		**136,968**	136,465
Deposits for acquisition of property, plant and equipment		**114**	513
Interest in an associate		**2,500**	2,500
Intangible assets		**–**	412
Available for sale investment – unlisted limited partnership	*10*	**65,761**	65,421
Goodwill		**29,655**	29,655
Deferred expenditure		**490**	–
Deferred tax assets		**3,558**	3,807
		677,403	683,817
CURRENT ASSETS			
Inventories	*11*	**117,859**	83,832
Trade and other receivables	*12*	**375,061**	307,416
Prepaid lease payments		**3,007**	2,970
Restricted bank balances		**84,290**	54,970
Bank balances and cash		**86,763**	52,400
		666,980	501,588
TOTAL ASSETS		**1,344,383**	1,185,405
CURRENT LIABILITIES			
Amount due to an associate		**6,669**	850
Trade and other payables	*13*	**416,668**	324,538
Advance from customers		**2,375**	2,496
Borrowings – due within one year	*14*	**338,744**	295,593
Income tax payable		**20,234**	23,238
Deferred income		**817**	865
Provisions		**11,620**	7,500
		797,127	655,080
NET CURRENT LIABILITIES		**(130,147)**	(153,492)
TOTAL ASSETS LESS CURRENT LIABILITIES		**547,256**	530,325

	NOTES	2014 RMB'000	2013 RMB'000
NON-CURRENT LIABILITIES			
Borrowings – due after one year	*14*	**147,832**	135,203
Other payables		**777**	1,048
Deferred income		**9,273**	7,213
		157,882	143,464
TOTAL LIABILITIES		**955,009**	798,544
OWNERS' EQUITY			
Share capital	*15*	**31,318**	31,318
Reserves		**358,056**	355,543
TOTAL OWNERS' EQUITY		**389,374**	386,861
TOTAL LIABILITIES AND OWNERS' EQUITY		**1,344,383**	1,185,405

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital/ paid-in capital	Share premium	Reserves				Total owners' equity
			Capital reserves	Surplus reserves	Translation reserve	Retained earnings	
	RMB'000	*RMB'000*	*RMB'000* *(note a)*	*RMB'000* *(note b)*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2013	26,217	125,271	42,917	20,769	(207)	66,572	281,539
Profit for the year	–	–	–	–	–	39,295	39,295
Exchange difference arising on translation	–	–	–	–	(265)	–	(265)
Profit and total comprehensive income for the year	–	–	–	–	(265)	39,295	39,030
Appropriations	–	–	–	4,331	–	(4,331)	–
Issue of new shares *(Note 15)*	5,101	61,191	–	–	–	–	66,292
At 31 December 2013 and 1 January 2014	31,318	186,462	42,917	25,100	(472)	101,536	386,861
Profit for the year	–	–	–	–	–	2,557	2,557
Exchange difference arising on translation	–	–	–	–	(44)	–	(44)
Profit and total comprehensive income for the year	–	–	–	–	(44)	2,557	2,513
Appropriations	–	–	–	1,193	–	(1,193)	–
As at 31 December 2014	31,318	186,462	42,917	26,293	(516)	102,900	389,374

Note:

(a) The balance as at 1 January 2013 mainly arising from various reorganisation to streamline the Group's structure prior to the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited.

(b) The balance comprising statutory surplus reserve and discretionary surplus reserve, which are non-distributable and the transfer to these reserves is determined according to the relevant laws in the mainland China (the "PRC") and by the board of directors of the PRC subsidiaries in accordance with the Article of Associate of the subsidiaries. Statutory surplus reserve can be used to make up for previous years' losses or convert into additional capital of the PRC subsidiaries of the Company.

Discretionary surplus reserve can be used to expand the existing operations of the Company's PRC subsidiaries.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	RMB'000	*RMB'000*
OPERATING ACTIVITIES		
Profit before tax	**5,006**	48,750
Adjustments for:		
Amortisation of intangible assets	**412**	449
Depreciation of property, plant and equipment	**20,574**	14,468
Deferred income released to profit or loss	**(1,378)**	(1,182)
(Gain) loss on disposal of property, plant and equipment	**(17)**	20
Interest income	**(2,672)**	(2,836)
Interest expense	**31,629**	13,654
Investment income	**(4,063)**	–
Impairment loss recognised in respect of inventories	**2,500**	–
Impairment loss recognised in respect of deposits for acquisition of property, plant and equipment	**1,508**	–
Impairment loss recognised in respect of property, plant and equipment	**33,680**	–
Reversal of impairment loss recognised in respect of trade receivables, net	**(4,159)**	–
Impairment loss recognised in respect of other receivables	**8,491**	2,020
Release of prepaid lease payments	**3,021**	2,965
Unrealised exchange gain	**(340)**	–
Operating cash flows before movements in working capital	**94,192**	78,308
Increase in inventories	**(36,527)**	(4,284)
Increase in trade and other receivables	**(72,021)**	(69,344)
Increase in trade and other payables	**95,904**	57,327
Decrease in advance from customers	**(121)**	(750)
Increase in deferred expenditure	**(490)**	–
Cash generated from operations	**80,937**	61,257
Income tax paid	**(5,204)**	(3,299)
NET CASH FROM OPERATING ACTIVITIES	**75,733**	57,958

	2014 *RMB'000*	2013 *RMB'000*
INVESTING ACTIVITIES		
Additions of property, plant and equipment	**(37,874)**	(76,444)
Grants received in relation to acquisition of property, plant and equipment	**3,390**	–
Interest received	**2,672**	2,836
Proceeds from disposal of property, plant and equipment	**549**	552
Deposits paid for acquisition of property, plant and equipment	**(11,334)**	(4,211)
Purchase of prepaid lease payments	**(3,561)**	(110)
Placement of restricted bank deposits	**(84,290)**	(54,970)
Release of restricted bank deposits	**54,970**	45,000
Investment in an associate	**–**	(2,500)
Investment in available for sales investment	**–**	(65,421)
Investment income	**4,063**	–
NET CASH USED IN INVESTING ACTIVITIES	**(71,415)**	(155,268)
FINANCING ACTIVITIES		
Increase in amount due to associate	**5,819**	850
Interest paid	**(31,554)**	(28,375)
New borrowings raised	**413,716**	391,936
Proceeds from issue of new shares	**–**	66,292
Repayment of borrowings	**(357,936)**	(307,293)
NET CASH FROM FINANCING ACTIVITIES	**30,045**	123,410
NET INCREASE IN CASH AND CASH EQUIVALENTS	**34,363**	26,100
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**52,400**	26,300
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**86,763**	52,400
Cash and cash equivalents represented by		
Bank balances and cash	**86,763**	52,400

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law Cap.22 (Law 3 of 1961, as consolidated and revised) on 27 April 2011. The Company is an investment holding and has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 23 November 2011. The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The principal activities of Group include research, development and manufacture of automobile shock absorber and suspension system products.

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

As at 31 December 2014, the Group had net current liabilities of approximately RMB130,147,000. The directors of the Company are of the opinion that, taking into account the available banking facilities of RMB262,000,000 and internal financial resources of the Group, the Group has sufficient working capital for its present requirements that is for at least the next twelve months commencing from the date of the consolidated financial statements. Hence, the consolidated financial statements have been prepared on a going concern basis.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the consolidated financial statements, the Group has consistently adopted the amended Hong Kong Accounting Standards ("HKASs"), Hong Kong Financial Reporting Standards ("HKFRSs"), and interpretations ("HK(IFRIC) – Int"), which are mandatorily effective for the accounting period beginning on 1 January 2014.

The application of the amended HKFRSs and interpretation in the current year has had no material impact on the Group's consolidated financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early adopted the following new and revised standards, amendments and interpretations that have been issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") but are not yet effective:

IFRS 9	Financial Instruments[6]
IFRS 14	Regulatory Deferral Accounts[3]
IFRS 15	Revenue from Contracts with Customers[5]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
Amendments to HKAS 1	Disclosure Initative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]
Amendments to HKFRSs	Annual Improvements to IFRSs 2010–2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to IFRSs 2011–2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to IFRSs 2012–2014 Cycle[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[4]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
3 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
4 Effective for annual periods beginning on or after 1 January 2016
5 Effective for annual periods beginning on or after 1 January 2017
6 Effective for annual periods beginning on or after 1 January 2018

Other than HKFRS 15, the directors of the Company anticipate that the application of other new and revised standards, amendments and interpretations will have no material impact on the Group.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

4. REVENUE AND SEGMENT INFORMATION

(a) Segment revenue and segment results

	Segment revenue		Segment results	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
OEM	**751,085**	565,403	**160,107**	116,072
Automobile Aftermarket	**79,619**	68,768	**13,786**	16,440
Total segment and consolidated	**830,704**	634,171	**173,893**	132,512
Other income and expenses, other gains and losses			**(16,990)**	31,168
Selling and distribution expenses			**(46,745)**	(37,678)
Research and development expenditure			**(25,135)**	(19,284)
Administrative expenses			**(48,388)**	(44,314)
Finance costs			**(31,629)**	(13,654)
Profit before tax			**5,006**	48,750

(b) Geographical information

The Group principally operates in the PRC (country of domicile of the operating subsidiaries). No material non-current assets of the Group are located outside the PRC.

Over 95% of the Group's revenue from external customers is derived from the PRC (country of domicile of the operating subsidiaries).

(c) Information about major customers

Revenue from major customers which accounts for 10% or more of the Group's revenue are as follows:

	2014	2013
	RMB'000	*RMB'000*
OEM – Customer A	**157,571**	107,107
OEM – Customer B	**169,944**	93,412
OEM – Customer C*	**N/A**	67,872
OEM – Customer D*	**N/A**	66,168

* *The corresponding revenue did not contribute over 10% of the total sales of the Group for the respective year.*

5. OTHER INCOME AND EXPENSES, OTHER GAINS AND LOSSES

	2014 *RMB'000*	2013 *RMB'000*
Allowance for doubtful other debts	**(8,491)**	(2,020)
Dividends from investment in unlisted limited partnership	**4,063**	–
Donation	**(276)**	(1,619)
Exchange loss, net	**(1,099)**	(239)
Government grants *(note)*	**12,602**	21,918
Gain from scrap sales	**2,971**	4,115
Gain (loss) on disposal of property, plant and equipment	**17**	(20)
Impairment loss on deposits for acquisition of property, plant and equipment	**(1,508)**	–
Impairment loss on property, plant and equipment	**(33,680)**	–
Interest income from bank deposits	**2,672**	2,836
Others	**(1,864)**	3,702
Reversal of allowance for doubtful trade debts, net *(Note 12)*	**4,159**	–
Release of asset-related government grants	**1,378**	1,182
Storage services income	**2,066**	1,313
	(16,990)	31,168

Note: The grants represent incentives received by a PRC subsidiary for the eminent contribution in technology development and encouragement of business development, etc.. These grants are accounted for as immediate financial support with no future related costs nor related to any assets.

6. FINANCE COSTS

	2014 *RMB'000*	2013 *RMB'000*
Interest on:		
Bank borrowings wholly repayable within five years	**30,843**	28,164
Other borrowings wholly repayable within five years	**711**	211
	31,554	28,375
Accretion on other payables	**75**	128
	31,629	28,503
Less: Amounts capitalised	**–**	(14,849)
	31,629	13,654

	2014 *%*	2013 *%*
Capitalisation rate	**N/A**	6.59

7. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2014	2013
	RMB'000	*RMB'000*
Employee benefits expenses (including directors):		
– salaries and other benefits	**77,676**	54,500
– retirement benefit scheme contributions	**9,608**	7,914
Total staff costs	**87,284**	62,414
Auditor's remuneration	**1,624**	1,674
Amortisation of intangible assets (included in administrative expenses)	**412**	449
Cost of inventories recognised as expenses (included in cost of sales and research and development expenditure)	**666,766**	507,763
Depreciation of property, plant and equipment	**20,574**	14,468
Release of prepaid lease payments	**3,021**	2,965

8. TAXATION

	2014	2013
	RMB'000	*RMB'000*
Tax expense comprises:		
Current tax expense	**2,200**	9,455
Deferred tax expense	**249**	–
	2,449	9,455

The tax charge for the years ended 31 December 2013 and 2014 can be reconciled to the profit before tax per consolidated statement of profit or loss and other comprehensive income as follows:

	2014	2013
	RMB'000	*RMB'000*
Profit before tax	**5,006**	48,750
Tax at 25%	**1,252**	12,188
Tax effect of tax losses not recognised	**2,003**	1,822
Tax effect of expenses not deductible for tax purpose	**6,427**	4,853
Tax effect of income not taxable for tax purpose	**(2,268)**	(479)
Tax effect of additional qualified expenses deductible for tax purpose *(note)*	**(3,153)**	(2,589)
Effect of tax concessions granted to a PRC subsidiary	**(1,495)**	(6,340)
Utilisation of tax losses previously not recognised	**(317)**	–
	2,449	9,455

Note: The amount represents additional 50% income tax deduction in respect of qualifying research and development expenditures incurred for the year.

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following data:

	2014	2013
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share (RMB'000)	**2,557**	39,295
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**384,000,000**	358,575,342

No diluted earnings per share are presented as there was no potential ordinary share outstanding during the year or as at the end of reporting period.

10. AVAILABLE-FOR-SALE INVESTMENT

	2014	2013
	RMB'000	*RMB'000*
Unlisted investment:		
– Limited partnership	**65,761**	65,421

On 18 November 2013, the Group has invested HK$83,000,000 (approximately RMB65,761,000) in First Capital Automotive Component Industry M&A Fund L.P. (the "Partnership"), an exempted limited partnership established in the Cayman Islands principally engaging in making investments in and carrying out consolidations and mergers and acquisitions of automotive component business and assets in the PRC and overseas. The initial size of fund managed by the Partnership amounting to HK$200 million.

The investment is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the fair values cannot be measured reliably.

11. INVENTORIES

	2014	2013
	RMB'000	*RMB'000*
Raw materials	**23,307**	15,472
Work-in-progress	**4,274**	9,526
Finished goods	**90,278**	58,834
	117,859	83,832

12. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise the following:

	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**337,259**	278,833
Less: allowance for doubtful trade debts	**(8,915)**	(13,074)
	328,344	265,759
Bills receivables	**8,990**	14,000
Other receivables	**36,798**	28,684
Less: allowance for doubtful other debts	**(15,628)**	(7,137)
	21,170	21,547
Value-added tax recoverable	**2,360**	2,068
Advances to suppliers	**14,197**	4,042
Total trade and other receivables	**375,061**	307,416

The ageing of trade receivables presented based on invoice date (also approximate to the date of revenue recognition), net of allowance for doubtful debts, is as follows:

	2014	2013
	RMB'000	*RMB'000*
0 to 90 days	**293,872**	240,035
91 to 180 days	**15,377**	15,671
181 to 365 days	**12,159**	–
1 to 2 years	**6,936**	10,053
	328,344	265,759

Movement in the allowance for doubtful trade debts:

	2014	2013
	RMB'000	*RMB'000*
Beginning balance	**13,074**	13,074
Addition	**1,997**	–
Reversal of allowance for doubtful trade debts	**(6,156)**	–
Ending balance	**8,915**	13,074

13. TRADE AND OTHER PAYABLES

Trade and other payables comprise the following:

	2014	2013
	RMB'000	*RMB'000*
Trade payables	**268,698**	205,218
Bills payables	**82,570**	74,700
	351,268	279,918
Other payables	**8,165**	5,706
Other payables to employees	**1,097**	1,588
Other tax payables	**28,400**	18,268
Other accruals	**19,717**	11,168
Payroll and welfare payables	**8,798**	8,938
	417,445	325,586
Less: Amount shown under non-current liabilities	**(777)**	(1,048)
Total trade and other payables shown under current liabilities	**416,668**	324,538

The following is an ageing analysis of trade payables presented based on invoice date at the end of the reporting periods:

	2014	2013
	RMB'000	*RMB'000*
Within 90 days	**234,446**	177,358
91–180 days	**31,125**	24,922
181–365 days	**1,247**	1,135
1–2 years	**1,880**	1,803
	268,698	205,218

The following is an ageing analysis of bills payables, presented based on issuance date at the end of each reporting period:

	2014	2013
	RMB'000	*RMB'000*
Within 30 days	**11,140**	–
31 to 60 days	**20,400**	24,700
91 to 180 days	**51,030**	50,000
	82,570	74,700

14. BORROWINGS

	2014 *RMB'000*	2013 *RMB'000*
Bank borrowings	**446,908**	423,860
Debentures	**32,696**	–
Other borrowing	**6,972**	6,936
	486,576	430,796
Unsecured	**323,576**	286,936
Secured	**163,000**	143,860
	486,576	430,796

The contractual maturity dates are as follows:

	2014 *RMB'000*	2013 *RMB'000*
Within one year	**338,744**	295,593
More than one year, but not exceeding two years	**70,832**	36,641
More than two years, but not exceeding five years	**77,000**	98,562
	486,576	430,796
Less: Amounts due for settlement within 12 months (shown under current liabilities)	**(338,744)**	(295,593)
Amounts shown under non-current liabilities	**147,832**	135,203

The ranges of effective interest rates on the Group's borrowings are as follows:

	2014	2013
Fixed-rate borrowings	**6.0%–6.9% per annum**	5.6%–8.51% per annum

The Group has pledged certain assets to secure loan facilities granted to the Group. The carrying values of the assets pledged are as follows:

	2014 *RMB'000*	2013 *RMB'000*
Property, plant and equipment	**198,700**	75,048
Land use rights	**103,436**	64,201
	302,136	139,249

15. SHARE CAPITAL

	Number of shares	Share capital
		HK$
Ordinary shares of HK$0.1 each		
Authorised:		
At 1 January 2013, 31 December 2013 and 2014	10,000,000,000	1,000,000,000
Issued and fully paid:		
At 1 January 2013	320,000,000	32,000,000
Issue of shares *(note)*	64,000,000	6,400,000
At 31 December 2013 and 2014	384,000,000	38,400,000

	2014	2013
	RMB'000	*RMB'000*
Share capital presented in consolidated statement of financial position	**31,318**	31,318

Note: On 22 May 2013, 64,000,000 shares of HK$0.1 each of the Company, amounting to HK$6,400,000 (approximately RMB5,101,000), were issued at HK$1.30 per share by way of placing. The new shares rank pari passu with then existing shares in all aspects.

AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in this preliminary results announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary results announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Engaged in the research and development, design, manufacturing and sale of various automobile shock-absorbers, the Group has over 50 years of experience in the automobile industry. After years of development, the Group has become a leading independent supplier of automobile shock-absorbers in the PRC and established stable long-term business relationship with leading automobile manufacturers in the PRC, including FAW-Volkswagen, Chery, Haima Auto, Dongfeng Automobile, Beijing Automobile, Changan Automobile, Chongqing Lifan, Geely, Jianghuai Automobile, SAIC Motor and Dongfeng Peugeot.

MARKET REVIEW

In 2014, the automobile industry of China kept a sustainable growth. According to the statistics from China Association of Automobile Manufacturers, the sales volume of automobiles in the PRC increased by 6.9% to 23,490,000 units on a year-on-year basis, reflecting that growth rate was 7 percentage points less compared to 2013. Since automotive component industry is closely related to the automobile manufacturing industry, it also reaped the benefits. As the Group has been, over the years, enhancing production capacity, stepping up its efforts to develop automobile manufacturers which have strong growth potential and carrying out research and development of shock-absorbers for the new models of automobiles with automobile manufacturers, the Group was able to secure new purchase orders of automotive components from some automobile manufacturers. Meanwhile, along with rising costs of labour and raw material purchases to varying extent, the fixed capital investment increased and domestic consumer price index in the PRC rose in recent years has exerted pressure on cost control of the Group continuously.

The Group's main products are shock-absorbers for various types of vehicles and are mainly sold to domestic OEM and domestic after-sales market customers. The Group sold 7,143,000 units of automobile shock-absorbers for the year ended 31 December 2014, representing a growth of 1,541,000 units or 27.5% over the corresponding period last year. The Group's revenue amounted to RMB830.7 million, representing an increase of RMB196.5 million or 31.0% over the corresponding period last year. Profit attributable to shareholders amounted to RMB2.6 million, representing a decrease of 36.7 million or 93.4% less than the corresponding period last year. For the year ended 31 December 2014, basic earnings per share amounted to RMB0.01. For the year ended 31 December 2014, in terms of principal business segments, domestic OEM business achieved a sales income of RMB751.1 million, accounting for 90.4% of the total income, while the domestic automobile aftermarket business achieved a sales income of RMB79.6 million, accounting to 9.6% of the total income.

DOMESTIC OEM MARKET

In 2014, thanks to the stable growth maintained in the automobile industry of China and the Group's efforts in keep enhancing production capacity and developing new clients, while simultaneously researching and developing of products for new model of automobiles with automobile manufacturers over the years, orders for the Group's new products increased. For the year ended 31 December 2014, the Group's sales volume of shock-absorbers in the domestic OEM market amounted to 6,092,000 units, representing a growth of approximately 1,399,000 units or 29.8% over the corresponding period of 2013. Under this background, the sales income derived from the domestic OEM market for the year ended 31 December 2014 amounted to RMB751.1 million, representing an increase of RMB185.7 million or approximately 32.8% over the corresponding period of 2013.

DOMESTIC AFTER-SALES MARKET

The Group stepped up its efforts to expand its after-sales market and develop new products. With unremitting dedication to the development of the after-sales market, the sales volume of the Group recorded growth. For the year ended 31 December 2014, the Group's sales income derived from the domestic after-sales market amounted to RMB79.6 million, representing an increase of RMB10.8 million or 15.7% over the corresponding period of 2013, which was mainly driven by the growth in sales volume. For the year ended 31 December 2014, the Group's sales volume generated from the aftermarket was approximately 1,051,000 units, increased by 142,000 units or 15.6% over the corresponding period of 2013.

OUTLOOK

From the macro perspective, in order to maintain a steady and moderate economic growth, the PRC government has continued to implement strategic measures to further stimulate domestic demand, and has been adjusting the structure of the relevant industry at a new normal state. As one of the industries under the industrial revitalization plan, the organizational structure of the automobile industry is being optimized and improved, thereby driving the consumption of automobiles as well as facilitating the long-term development of the domestic automobile market. The Group is confident about the prospects of the automobile industry in the PRC.

To reinforce its current leading position in the international automobile OEM market and the domestic after-sales market and to create highest values for shareholders and stakeholders, the Group will implement the following strategies:

(i) Taking advantage of the expanded production facilities to enhance production capacity and efficiency

In line with the plan to expand product offerings, enlarge the market share and extend the coverage of new business, the Group has greatly expanded its production facilities and enhanced its production capacity through construction and investment by stages during last few years. Currently, the Group has three major production bases in Nanyang City of Henan Province, Haikou City of Hainan Province and Ordos City of Inner Mongolia respectively, with the annual production capacity aggregating approximately 15,000,000 units of automobile shock-absorbers. Meanwhile, the Group has also increased the ancillary production capacity of major components such as piston rods, storage tanks and working cylinders so as to maintain its production quality and cost advantage.

(ii) Exploring new customers, new products and new market segments to increase market share

While continuing to supply quality, reliable and high-standard products, the Group will further enhance synchronous development with the existing key customers in terms of new product models to guarantee a closer strategic cooperation between us. In addition, the Group will actively expand its customer base and attract new customers, including overseas OEM who purchases automobile parts and components in the PRC. With the yearly increase in sales volume of new cars, we expect an ongoing increase in the demand for shock absorbers in the after-sales market. The Group will also plan to establish a nationwide distributor network so as to enlarge the market share for the after-sales market.

(iii) Enhancing the level of research and development and technologies to strengthen competitiveness

Nanyang Cijan Auto Shock Absorber Co., Ltd. ("Nanyang Cijan"), a subsidiary of the Group, has been awarded "National New High-tech Enterprise" and the Group has also established two research and development centres in Henan, China and Asti, Italy. We will keep investing with an aim to improve the Group's overall research and development capability, technological level and product reputation to strengthen our competitiveness.

(iv) Maintaining cost advantages

The Group will strive to cooperate with secondary components suppliers for more flexible procurement terms and more competitive procurement costs through mass production and efficient product research and development. Meanwhile, the Group will maintain its edge on production cost by improving its capability and standards of self-produced key component production through upgraded production lines, a higher level of automation and simplified production processes.

(v) Developing the shock absorber market for railway transportation

Through years of research and development and testing, the Group has made significant progress on shock absorber production specifically for railways transportation. Currently, the Group is proactively seeking to obtain customers' agreement for trial application and corresponding feedback so as to become their qualified supplier. The Group believes that shock absorber products for railway transportation will make positive contribution to the Group's revenue in the near future.

(vi) Pursuing rapid growth through investments, acquisitions and mergers

Based on its strategic deployment and development needs, the Group will aggressively seek for investment opportunities to enhance synergies through investment in the automobile component business and relevant assets in the PRC and overseas markets and acquisitions and mergers in related business and assets, thereby achieving rapid growth of the business and fruitful return on capital.

(vii) Diversification and new business

To diversify its business and widen its sources of revenue, the Group has embarked on certain new businesses ("New Businesses"), including investment immigration consulting service as well as financial consulting service, and built new platform for New Businesses for a better development by conducting acquisitions and establishing joint-venture partnerships with reputable companies. Meanwhile, synergies may be created between the Group's New Businesses and current automobile component production business in areas of investment and financing, which is in the interests of the Company and shareholders as a whole.

The Group strongly believes that by adhering to the above strategies, it will be able to further maintain and strengthen its competitive edges and consolidate its leading position in the market, which will in turn fully satisfy the rising demand of products and services and increasingly stringent product requirements from customers, grasp growth opportunities arising from market changes, and create long-term values and returns for shareholders.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2014, the Group's revenue increased by 31.0% to RMB830.7 million from RMB634.2 million in 2013, of which revenue from the OEM market rose by 32.8% to RMB751.1 million from RMB565.4 million in 2013. Revenue generated from the automobile aftermarket jumped by 15.7% to RMB79.6 million from RMB68.8 million in 2013. Such increase was primarily due to the Group's continuous efforts in improving the production capacity and developing new products simultaneously to meet the needs of automobile manufacturers and the increase of sales resulted from the increasing demand for the after-sales market.

The table below shows an analysis of the Group's sales volume, average selling price and revenue by its business segments for each of the years ended 31 December 2013 and 2014:

2014	**Sales volume** *(Units)*	**Average selling price** *(RMB)*	**Revenue** *(RMB'000)*
OEM market	**6,091,901**	**123.3**	**751,085**
Automobile after-sales market	**1,050,739**	**75.8**	**79,619**
Total	**7,142,640**		**830,704**

2013	Sales volume *(Units)*	Average selling price *(RMB)*	Revenue *(RMB'000)*
OEM market	4,692,710	120.5	565,403
Automobile after-sales market	908,901	75.7	68,768
Total	5,601,611		634,171

Cost of sales

During the year ended 31 December 2014, the Group's cost of sales increased by 30.9% to RMB656.8 million from RMB501.7 million in 2013. Of which: Cost of sales for the OEM market increased by 31.5% to RMB591.0 million from RMB449.3 million in 2013, which was mainly due to the expansion of the additional production capacity and higher sales volume; cost of sales for the automobile after-sales market increased by 25.8% to RMB65.8 million from RMB52.3 million in 2013, which was mainly driven by the growth of business and increase in production costs.

Gross profit

During the year ended 31 December 2014, the overall gross profit increased by approximately 31.2% to approximately RMB173.9 million from approximately RMB132.5 million in the financial year ended 31 December 2013.

Gross profit for the OEM Market

The gross profit of the Group increased by approximately 37.9% from approximately RMB116.1 million for the year ended 31 December 2013 to approximately RMB160.1 million for the year ended 31 December 2014. Such increase was mainly due to an increase in revenue.

Gross profit for the automobile aftermarket

The gross profit of the Group reduced by approximately 15.9% from approximately RMB16.4 million for the year ended 31 December 2013 to approximately RMB13.8 million for the year ended 31 December 2014. This was mainly due to the offset in revenue generated from the new automobile after-sales market by higher increase in costs.

The table below shows an analysis of the Group's revenue, gross profit and gross profit margin by its business segments for each of the years ended 31 December 2013 and 2014:

2014	**Revenue** *(RMB'000)*	**Gross profit** *(RMB'000)*	**Gross profit margin**
OEM Market	**751,085**	**160,107**	**21.3%**
Automobile after-sales market	**79,619**	**13,786**	**17.3%**
Total	**830,704**	**173,893**	**20. 9%**

2013	Revenue *(RMB'000)*	Gross profit *(RMB'000)*	Gross profit margin
OEM Market	565,403	116,072	20.5%
Automobile after-sales market	68,768	16,440	23.9%
Total	634,171	132,512	20.9%

Gross profit margin

For the year ended 31 December 2014, overall gross profit margin maintained relatively flat from the year ended 31 December 2013, which is 20.9%. Such slight increase was mainly due to the rise in the gross profit margin of our products in the OEM Market benefited from the increase in revenue, offset by the decline in the gross profit margin of the new automobile after-sales market.

Other income and expenses, other gains and losses

The other income and expenses, other gains and losses plunged 154.5% from a gain of RMB31.2 million in 2013 to a loss of RMB17.0 million in 2014. Such decrease was mainly due to the following factors: (i) Nanyang Cijan was relocated to new plant area and approximately RMB33.7 million of impairment provision for certain production facilities in old plant area and idle plants, ancillary facilities and office buildings after the relocation was made; (ii) Government grants received by Nanyang Cijan for this period decreased by RMB9.3 million compared with the same period of 2013; and (iii) The Group has gained investment return of approximately RMB4.0 million in long-term investment fund in 2014.

Selling and distribution expenses

Selling and distribution expenses increased by 23.9% from RMB37.7 million in 2013 to RMB46.7 million in 2014. Such increase was primarily due to an increase in transportation costs and the marketing expenses of the products in line with the increase in its sales volume.

Research and development expenses

The research and development expenses rose by 30.1% from RMB19.3 million in 2013 to RMB25.1 million in 2014. Such increase in expenses were for (i) increased efforts on the research of applying shock-absorber related technology to different models of automobiles; and (ii) additional development costs of shock-absorbers for newly-developed automobiles.

Administrative expenses

The administrative expenses increased by 9.3% from RMB44.3 million in 2013 to RMB48.4 million in 2014. Such increase was mainly due to increase in wages for administrative staff and management expenses.

Finance costs

The finance costs soared 130.7% from RMB13.7 million in 2013 to RMB31.6 million in 2014. Such increase was mainly due to the cease of capitalization of finance costs related to production capacity expansion project, which commenced in the prior years, after such project was completed. In 2014, the Company did not capitalize the interest expenses related to expansion project of Nanyang Xichuan production base as properties under development (2013: RMB14.8 million had been capitalized as properties under development).

Income tax expense

For the year ended 31 December 2014, the Group's overall income tax expense was approximately RMB2.4 million, decreased by RMB7.1 million or approximately 74.7% over the year ended 31 December 2013. The decrease in income tax expense was mainly due to a significant decrease in the amount of taxable income generated by Nanyang Cijan.

Net profit for the year and net profit margin

For the year ended 31 December 2014, profit for the year recorded a drop of 93.4% from RMB39.3 million in the corresponding period of 2013 to RMB2.6 million in 2014. The decrease in the Group's net profit was mainly because the increased income and investment returns recorded by the Group during this year were offset by the rise of financial expenses and depreciation cost, especially by the large provisions for asset impairment made at the end of this period for relocation of plant area.

LIQUIDITY AND FINANCIAL RESOURCES

Net current liabilities

As at 31 December 2014, the Group's net current liabilities decreased to RMB130.1 million from RMB153.5 million as of 31 December 2013, representing a drop of 15.2%. Such decrease was primarily due to increase in bank deposit at the end of period as a result of cash flow increment in operating activities arising from the rise in revenue and issuance of corporate bonds in 2014.

Financial position and bank borrowings

As at 31 December 2014, the Group's total cash and bank balances, most of which were denominated in RMB and HK dollars, amounted to approximately RMB171.1 million, representing an increase of approximately 59.3% as compared with that of RMB107.4 million, most of which were denominated in RMB, as at 31 December 2013. The increase was primarily attributable to the growth in revenue, the cash recovery from the operating activities and fund raising by the Company through issuing bonds for the new business in preparation.

As at 31 December 2014, the Group's total borrowings amounted to approximately RMB486.6 million, representing an increase of approximately 13.0% as compared with RMB430.8 million as at 31 December 2013. Out of the total borrowings, short-term bank borrowings due within one year amounted to approximately RMB338.7 million, representing an increase of approximately 14.6% as compared with RMB295.6 million as at 31 December 2013, while mid-to-long-term borrowings due after one year amounted to approximately RMB147.8 million, representing an increase of approximately 9.3% as compared with RMB135.2 million as at 31 December 2013.

As at 31 December 2014, the Group's gearing ratio, presented as a percentage of total borrowings and bills payable divided by total assets, was approximately 42.3% (2013: approximately 42.6%).

Working capital

As at 31 December 2014, the Group's net inventories, mainly comprising raw materials, work-in-progress and finished products, amounted to approximately RMB117.9 million, representing an increase of 40.7% from approximately RMB83.8 million as at 31 December 2013. The management of the Group reviews and monitors inventory level on a regular basis. For the year ended 31 December 2014, the average inventory turnover days were 56.0 days (2013: 59.4 days). Inventory turnover days were arrived at by dividing the mean of the opening and ending balances of inventories for the same period by cost of sales of the relevant period and multiplied by 365 days.

As at 31 December 2014, the Group's trade receivables amounted to approximately RMB328.3 million, representing an increase of 23.5% from approximately RMB265.8 million as at 31 December 2013. For the year ended 31 December 2014, the average turnover days of trade receivables were 130.5 days (2013: 133.6 days). The turnover days of trade receivables were arrived at by dividing the mean of the opening and ending balances of trade receivables for the period by sales for the period and multiplied by 365 days. The turnover days of trade receivables in 2014 had no material changes from that of last year.

As at 31 December 2014, the Group's trade payables amounted to approximately RMB268.7 million, representing an increase of 30.9% from approximately RMB205.2 million as at 31 December 2013. For the year ended 31 December 2014, the average turnover days of trade payables were 131.7 days (2013: 143.2 days). The turnover days of trade payables were arrived at by dividing the mean of the opening and ending balances of trade payables for the period by cost of sales for the period and multiplied by 365 days. The decrease in the turnover days of trade payables was mainly because the relief of capital pressure allowed the Group to shorten the payment cycle for suppliers in order to improve the relationship with them and strive for long-lasting and favourable cooperation conditions.

Capital expenditures and capital commitments

For the year ended 31 December 2014, capital expenditures were approximately RMB52.8 million (2013: RMB80.8 million). The Group's capital expenditures were primarily related to an acquisition of land use rights, construction of production facilities and the expenses for plant, machinery and equipment for the business expansion of its Nanyang Cijan production base. The Group has been financing its capital expenditures primarily through cash generated from operations and bank borrowings.

The Group will continue to expand its existing production facilities and construct new plants as part of its plan to expand production facilities. As at 31 December 2014, the Group had capital commitments for acquisition of plant and machinery of approximately RMB28.3 million (2013: RMB27.9 million).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable interest rate of interest earned from restricted bank balances and bank balances. The Group's borrowings are at fixed interest rates and therefore, are not subject to fair value interest rate risk. No sensitivity analysis has been prepared for restricted bank balances and bank balances as the financial impact arising from the changes in interest rates was minimal for the years ended 31 December 2013 and 2014. The Group monitors its interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Foreign exchange risk

The businesses of the Group are located in the PRC, and its major operating transactions are dominated in RMB. Most of the assets and liabilities of the Group are dominated in RMB, except for certain bank balances and other borrowings of the Group, and certain professional payables dominated in HK and US dollars primarily generated from listing of the Company. Since RMB is not freely convertible, there exists the risk that the PRC government may implement measures to interfere with the exchange rates, which in turn may have impact on the Group's net asset value, profit and the dividends declared to the extent that such dividends are subject to foreign exchange, and the Group has no hedging measures against such exchange risks. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

HUMAN RESOURCES

For the year ended 31 December 2014, the Group had 1,539 employees (2013: 1,452 employees) with total remuneration and welfare benefits expenses amounting to approximately RMB87.3 million (2013: RMB62.4 million). The Group's remuneration policy is primarily based on the job responsibilities, work experience and length of services of each employee and the prevailing market condition. The Group has also provided internal and external trainings and courses to our employees to encourage self-improvement and enhance their professional technical skills. The remuneration of the Directors is and will be determined based on their job duties and responsibilities, experience and the prevailing market condition.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the Company's extraordinary general meeting held on 19 October 2011, a share option scheme was approved and adopted (the "Scheme"). The Scheme will remain in force for a period of 10 years from the date of its adoption.

For the year ended 31 December 2014, no share options were granted under the Scheme by the Company. In addition, as of 31 December 2014, no share options under the Scheme were outstanding.

CONTINGENT LIABILITIES

As at 31 December 2014, the Group did not have any material contingent liabilities.

PLEDGE OF ASSETS

As at 31 December 2014, (i) the Group's certain buildings and production equipment with a net carrying amount of RMB198.7 million (2013: RMB75.1 million), (ii) the Group's leasehold land with a carrying amount of RMB103.4 million (2013: RMB64.2 million) has been pledged to secure the Group's bank loan facilities.

As at 31 December 2014, the Group's certain restricted bank balances with a carrying amount of RMB84.3 million (2013: RMB55.0 million) were pledged to secure the Group's bank bills due within six months, which were issued to suppliers as a pledge for the purchase of raw materials by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

For the year ended 31 December 2014, the Group did not have other plans for material investment and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 31 December 2014, the Company entered into an agreement for acquiring 100% equity interest and a shareholder's loan of approximately HK$5,000,000 of a company from an individual who is a relative of a substantial shareholder of the Company at a consideration of HK$7,138,443. Upon the completion of the acquisition, such company will become a wholly-owned subsidiary of the Company. As at the date of this announcement, the acquisition has not been completed. Details of the acquisition are set out in the announcement of the Company dated 31 December 2014.

For the year ended 31 December 2014, save as above, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

SIGNIFICANT INVESTMENT HELD

Except for the investment in First Capital Automotive Component Industry M&A Fund L.P. as set out in note 20 to the Financial Statements of 2013 annual report, the Group did not hold any significant investment as at 31 December 2014.

FINAL DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

For the year ended 31 December 2014, the Company has complied with Code Provisions of the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix 14 to the Listing Rules so as to enhance the corporate governance standard of the Company. None of the Directors is aware of any information which would reasonably indicate that the Company was not in compliance with the Code Provisions of the Corporate Governance Code for the year ended 31 December 2014.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") pursuant to Rules 3.21 and 3.22 of the Listing Rules, with written terms of reference in compliance with the requirements of the Corporate Governance Code in order to review and supervise the Group's financial reporting process and internal control practices. The Audit Committee comprises four independent non-executive Directors. The Audit Committee has reviewed the consolidated financial statements and the final results announcement of the Group for the year ended 31 December 2014.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules has been adopted by the Company as the code of conduct for securities transactions by the Directors. Having made specific enquiries to the Directors and to the best of their knowledge, all Directors had complied with the required standards set out in the Model Code for the year ended 31 December 2014.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or any of their respective associates (as defined under the Listing Rules) had any interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or had any other conflict of interests with the Group as at the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company for the year ended 31 December 2014.

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2014, the Group has not been involved in any significant legal proceedings or arbitration. To the best of the knowledge and belief of the Directors, there are no significant legal proceedings or claims pending or threatened against the Company.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on 9 June 2015, notice of which will be published and dispatched to the shareholders as soon as practicable in accordance with the Company's articles of association and the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The Registers of Members of the Company will be closed from Friday, 5 June 2015 to Tuesday, 9 June 2015 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited at 22nd Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 4 June 2015.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the website of the Stock Exchange (www.hkex.com.hk) and the Company's website (www.china-cvct.com). The Company's 2014 annual report will be dispatched to shareholders on or before 30 April 2015 and will be available on the above websites in due course for inspection.

APPRECIATION

I would like to express my sincere appreciation for the unremitted effort and dedication made by the Board, the management and all staff members of the Group, as well as the continuous support from shareholders, the government, business partners, professional advisers and loyal customers.

By Order of the Board
China Vehicle Components Technology Holdings Limited
Wilson Sea
Chairman

Hong Kong, the PRC
27 March 2015

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Wilson Sea, Mr. Zhao Zhijun and Mr. Yan Haiting, Mr. Wang Wenbo, Ms. YANG Weixia and Mr. Wang Ping; four independent non-executive Directors, namely Mr. Chu Kin Wang, Peleus, Mr. Li Zhiqiang, Mr. Zhang Jinhua and Ms. Shi Hongmei.