

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的內容概不負責，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。

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**GOOD FRIEND INTERNATIONAL HOLDINGS INC.**

**友佳國際控股有限公司**

(於開曼群島註冊成立之有限公司)

(股份代號: 2398)

**海外監管公告**

本公告乃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。

以下所附是本公司按臺灣證券交易所股份有限公司的規定於二零一一年四月十三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  
友佳國際控股有限公司  
主席  
朱志洋

香港，二零一一年四月十三日

於本公佈日期，本公司董事會成員包括 (i) 五名執行董事：朱志洋先生、陳向榮先生、陳明河先生、溫吉堂先生及邱榮賢先生；及 (ii) 三名獨立非執行董事：顧福身先生、江俊德先生及余玉堂先生。

友佳國際控股有限公司及子公司

民國 99 年度及 98 年度合併財務報表暨  
會計師複核報告

(募集與發行台灣存託憑證用外國公司財務報告)

友佳國際控股有限公司及子公司  
民國 99 年度及 98 年度合併財務報表暨會計師複核報告  
(募集與發行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

友佳國際控股有限公司 公鑒：

友佳國際控股有限公司及子公司按香港一般公認會計原則編製之民國 99 年 12 月 31 日及民國 98 年 12 月 31 日之綜合資產負債表，暨民國 99 年 1 月 1 日至 12 月 31 日及民國 98 年 1 月 1 日至 12 月 31 日之綜合全面收益表、綜合權益變動表及綜合現金流量表(金額以人民幣為單位)，業經羅兵咸永道會計師事務所(PricewaterhouseCoopers, Hong Kong)審核完竣，並於民國 100 年 3 月 24 日及民國 99 年 2 月 11 日出具無保留意見之查核報告(詳附件五)。隨附友佳國際控股有限公司及子公司民國 99 年度及 98 年度依新台幣換算之綜合財務報表(詳附件二)，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，故無法對上開財務報告之整體是否允當表達表示意見。

依本會計師之複核結果，並未發現第一段所述友佳國際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(詳附件三)，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。

如附件三所述，友佳國際控股有限公司及子公司之合併財務報表格式，係依香港一般公認會計原則及相關法令規定編製，致與中華民國規定部分不同，友佳國際控股有限公司及子公司業已依據中華民國一般公認會計原則及相關法令，予以重分類其民國 99 年 12 月 31 日及民國 98 年 12 月 31 日之合併資產負債表暨民國 99 年度及民國 98 年度之合併損益表。

友佳國際控股有限公司及子公司民國 99 年度及民國 98 年度財務報表附列之新台幣資訊，係將功能性貨幣依附件二所述之方法換算，該換算方法與一般公認會計原則規定之換算方法不同。

資 誠 聯 合 會 計 師 事 務 所

蔡金拋

會計師：

翁世榮

前財政部證券暨期貨管理委員會  
核准簽證文號：(76)台財證(一)第 11412 號  
前財政部證券暨期貨管理委員會  
核准簽證文號：(88)台財證(六)第 95577 號

中華民國 100 年 4 月 12 日

## 附 件 二

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

- 一、 綜合資產負債表。
- 二、 綜合全面收益表。
- 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>月收盤最高</u>	<u>月收盤最低</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\$4.6565
民國 98 年度	RMB\$1：NT\$5.0202	RMB\$1：NT\$4.7249	RMB\$1：NT\$4.8363
民國 97 年度	RMB\$1：NT\$4.8463	RMB\$1：NT\$4.3239	RMB\$1：NT\$4.5395

**友佳國際控股有限公司及子公司**  
**綜合資產負債表**  
**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
<b>資產</b>				
<b>非流動資產</b>				
土地使用權	\$ 41,310	\$ 182,611	\$ 42,253	\$ 197,989
物業、廠房及設備	228,404	1,009,660	183,615	860,383
投資物業	2,042	9,027	8,837	41,408
無形資產	16,623	73,482	2,726	12,776
於共同控制實體的投資	8,192	36,213	-	-
遞延所得稅資產	5,545	24,512	5,235	24,530
購置廠房及設備之按金	20,146	89,055	2,443	11,447
	<u>322,262</u>	<u>1,424,560</u>	<u>245,109</u>	<u>1,148,533</u>
<b>流動資產</b>				
存貨	341,829	1,511,055	209,534	981,834
應收賬款、按金及預付款項	428,298	1,893,291	262,140	1,228,336
應收客戶合約工程款項	22,943	101,420	17,198	80,586
應收最終控股公司款項	139	614	588	2,755
應收及預付最終控股公司 一間同系附屬公司及聯營公司款項	3,436	15,189	-	-
限制性銀行存款	29,158	128,893	23,919	112,080
現金及現金等值物	161,045	711,899	68,137	319,276
	<u>986,848</u>	<u>4,362,361</u>	<u>581,516</u>	<u>2,724,867</u>
<b>總資產</b>	<u>\$ 1,309,110</u>	<u>\$ 5,786,921</u>	<u>\$ 826,625</u>	<u>\$ 3,873,400</u>
<b>權益及負債</b>				
<b>母公司擁有人應佔權益</b>				
普通股	\$ 4,022	\$ 17,779	\$ 3,431	\$ 16,078
股份溢價	271,792	1,201,457	66,596	312,056
資本儲備	77,338	341,873	77,338	362,390
其他儲備	44,764	197,879	37,179	174,213
保留盈利	220,447	974,486	178,311	835,530
- 擬派末期股息	-	-	40,320	188,932
- 其他	220,447	974,486	137,991	646,598
<b>總權益</b>	<u>618,363</u>	<u>2,733,474</u>	<u>362,855</u>	<u>1,700,267</u>
<b>負債</b>				
<b>非流動負債</b>				
借貸	6,614	29,237	10,241	47,987
遞延所得稅負債	15,788	69,791	4,943	23,162
	<u>22,402</u>	<u>99,028</u>	<u>15,184</u>	<u>71,149</u>
<b>流動負債</b>				
應付賬款、其他應付及應計費用	454,057	2,007,159	291,655	1,366,638
應付客戶合約工程款項	15,674	69,287	18,576	87,042
應付直接控股公司款項	2,213	9,783	6,448	30,214
應付一間合資企業款項	7,335	32,424	-	-
即期所得稅負債	11,783	52,087	9,406	44,075
保證撥備	8,099	35,801	5,204	24,385
借貸	169,184	747,878	117,297	549,630
	<u>668,345</u>	<u>2,954,419</u>	<u>448,586</u>	<u>2,101,984</u>
<b>總負債</b>	<u>690,747</u>	<u>3,053,447</u>	<u>463,770</u>	<u>2,173,133</u>
<b>總權益及負債</b>	<u>\$ 1,309,110</u>	<u>\$ 5,786,921</u>	<u>\$ 826,625</u>	<u>\$ 3,873,400</u>
<b>流動資產淨額</b>	<u>\$ 318,503</u>	<u>\$ 1,407,942</u>	<u>\$ 132,930</u>	<u>\$ 622,883</u>
<b>總資產減流動負債</b>	<u>\$ 640,765</u>	<u>\$ 2,832,502</u>	<u>\$ 378,039</u>	<u>\$ 1,771,416</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：朱志洋

經理人：陳向榮

會計主管：葉世強



**友佳國際控股有限公司及子公司**  
**綜合全面收益表**  
**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
收益	\$ 1,374,183	\$ 6,074,576	\$ 776,838	\$ 3,640,108
收益成本	( 1,018,648)	( 4,502,933)	( 562,037)	( 2,633,593)
<b>毛利</b>	355,535	1,571,643	214,801	1,006,515
其他收入	20,674	91,390	12,695	59,486
分銷及銷售成本	( 110,404)	( 488,041)	( 72,738)	( 340,836)
行政費用	( 84,544)	( 373,727)	( 40,951)	( 191,888)
其他營運費用	( 3,000)	( 13,262)	( 1,559)	( 7,305)
已收購業務的可辨識資產、負債及或然負債公平淨值高於成本的部分	19,006	84,016	-	-
<b>營運溢利</b>	197,267	872,019	112,248	525,972
財務費用	( 3,461)	( 15,299)	( 4,564)	( 21,386)
<b>除所得稅前溢利</b>	193,806	856,720	107,684	504,586
所得稅開支	( 35,060)	( 154,983)	( 23,539)	( 110,299)
<b>本公司權益持有人應佔溢利</b>	<u>\$ 158,746</u>	<u>\$ 701,737</u>	<u>\$ 84,145</u>	<u>\$ 394,287</u>
<b>本公司權益持有人應佔年內每股盈利</b>				
<b>每股基本及攤薄盈利</b>	<u>人民幣 0.41 元</u>	<u>新台幣 1.81 元</u>	<u>人民幣 0.25 元</u>	<u>新台幣 1.17 元</u>
<b>股息</b>	<u>\$ 100,800</u>	<u>\$ 445,586</u>	<u>\$ 70,560</u>	<u>\$ 330,630</u>
<b>年內溢利</b>	\$ 158,746	\$ 701,737	\$ 84,145	\$ 394,287
<b>其他全面收入：</b>				
貨幣換算差額	( 161)	( 712)	-	-
<b>年內其他全面收入</b>	( 161)	( 712)	-	-
<b>年內全面收入總額</b>	158,585	701,025	84,145	394,287
<b>以下應佔：</b>				
-公司權益持有人	<u>\$ 158,585</u>	<u>\$ 701,025</u>	<u>\$ 84,145</u>	<u>\$ 394,287</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：朱志洋

經理人：陳向榮

會計主管：葉世強

友佳國際控股有限公司及子公司

綜合權益變動表

民國99年及98年1月1日至12月31日

單位：仟元

	股本		股本溢價		股本儲備		其他儲備		保留盈利		總權益	
	人民幣	新台幣	人民幣	新台幣	人民幣	新台幣	人民幣	新台幣	人民幣	新台幣	人民幣	新台幣
民國98年1月1日	\$ 3,431	\$ 16,495	\$ 66,596	\$ 320,147	\$ 77,338	\$ 371,787	\$ 37,179	\$ 178,731	\$ 144,566	\$ 694,972	\$ 329,110	\$ 1,582,132
已付股息	-	-	-	-	-	-	-	-	( 50,400)	( 236,164)	( 50,400)	( 236,164)
全面收入總額	-	-	-	-	-	-	-	-	84,145	394,287	84,145	394,287
匯率調整數	-	( 417)	-	( 8,091)	-	( 9,397)	-	( 4,518)	-	( 17,565)	-	( 39,988)
民國98年12月31日	<u>\$ 3,431</u>	<u>\$ 16,078</u>	<u>\$ 66,596</u>	<u>\$ 312,056</u>	<u>\$ 77,338</u>	<u>\$ 362,390</u>	<u>\$ 37,179</u>	<u>\$ 174,213</u>	<u>\$ 178,311</u>	<u>\$ 835,530</u>	<u>\$ 362,855</u>	<u>\$ 1,700,267</u>
民國99年1月1日	\$ 3,431	\$ 16,078	\$ 66,596	\$ 312,056	\$ 77,338	\$ 362,390	\$ 37,179	\$ 174,213	\$ 178,311	\$ 835,530	\$ 362,855	\$ 1,700,267
年內溢利	-	-	-	-	-	-	-	-	158,746	701,737	158,746	701,737
貨幣換算差額	-	-	-	-	-	-	( 161)	( 712)	-	-	( 161)	( 712)
全面收入總額	-	-	-	-	-	-	( 161)	( 712)	158,746	701,737	158,585	701,025
發行台灣預託憑證所得款項	591	2,613	205,196	907,069	-	-	-	-	-	-	205,787	909,682
已付股息	-	-	-	-	-	-	-	-	( 108,864)	( 481,233)	( 108,864)	( 481,233)
儲備撥備	-	-	-	-	-	-	7,746	34,241	( 7,746)	( 34,241)	-	-
匯率調整數	-	( 912)	-	( 17,668)	-	( 20,517)	-	( 9,863)	-	( 47,307)	-	( 96,267)
民國99年12月31日	<u>\$ 4,022</u>	<u>\$ 17,779</u>	<u>\$ 271,792</u>	<u>\$ 1,201,457</u>	<u>\$ 77,338</u>	<u>\$ 341,873</u>	<u>\$ 44,764</u>	<u>\$ 197,879</u>	<u>\$ 220,447</u>	<u>\$ 974,486</u>	<u>\$ 618,363</u>	<u>\$ 2,733,474</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99年1月1日之股東權益科目金額，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：朱志洋

經理人：陳向榮

會計主管：葉世強

**友佳國際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
<b>經營活動產生的現金流量</b>				
營運所得現金	\$ 78,398	\$ 346,558	\$ 165,330	\$ 774,703
已繳所得稅及預扣稅	( 31,213)	( 137,977)	( 8,826)	( 41,357)
已退還所得稅	-	-	5,306	24,863
有關業務合併的交易成本	422	1,865	-	-
<b>經營活動所得的現金淨額</b>	<u>47,607</u>	<u>210,446</u>	<u>161,810</u>	<u>758,209</u>
<b>投資活動產生的現金流量</b>				
於一間合營企業的投資	( 8,192)	( 36,213)	-	-
收購一項業務已付現金	( 14,759)	( 65,242)	-	-
購買物業、廠房及設備	( 70,984)	( 313,785)	( 32,427)	( 151,946)
出售物業、廠房及設備所得款項	1,956	8,646	1,576	7,385
購買無形資產	( 524)	( 2,316)	( 1,060)	( 4,967)
已收利息	1,321	5,840	688	3,224
限制性銀行存款增加	( 5,239)	( 23,159)	( 15,137)	( 70,929)
<b>投資活動動用的現金淨額</b>	<u>( 96,421)</u>	<u>( 426,229)</u>	<u>( 46,360)</u>	<u>( 217,233)</u>
<b>融資活動產生的現金流量</b>				
發行台灣存託憑證所得款項	205,787	909,681	-	-
借貸所得款項	345,036	1,525,231	240,591	1,127,361
償還借貸	( 296,776)	( 1,311,898)	( 286,815)	( 1,343,958)
已付權益持有人股息	( 108,864)	( 481,233)	( 50,400)	( 236,164)
已付利息	( 3,461)	( 15,299)	( 4,564)	( 21,386)
<b>融資活動所得/(動用)現金淨額</b>	<u>141,722</u>	<u>626,482</u>	<u>( 101,188)</u>	<u>( 474,147)</u>
<b>現金及現金等值物增加淨額</b>	92,908	410,699	14,262	66,829
年初現金及現金等值物	68,137	319,276	53,875	258,993
匯率調整數	-	( 18,076)	-	( 6,546)
<b>年終現金及現金等值物</b>	<u>\$ 161,045</u>	<u>\$ 711,899</u>	<u>\$ 68,137</u>	<u>\$ 319,276</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 99 年度期初現金及現金等值物之金額，係以民國 98 年 12 月 31 日之匯率 RMB 1=NTD 4.6858 換算。  
民國 98 年度期初現金及現金等值物之金額，係以民國 97 年 12 月 31 日之匯率 RMB 1=NTD 4.8073 換算。

董事長：朱志洋

經理人：陳向榮

會計主管：葉世強

# 附 件 三

友佳國際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

	99 年 12 月 31 日			98 年 12 月 31 日		
	依香港一般公認 會計原則編製之金額	調節金額增(減)	依中華民國會計 原則編製之金額	依香港一般公認 會計原則編製之金額	調節金額增(減)	依中華民國會計 原則編製之金額
<b>資</b>						
<b>產</b>						
流動資產						
現金及約當現金	\$ 711,899	\$ -	\$ 711,899	\$ 319,276	\$ -	\$ 319,276
應收帳款淨額	1,553,748	-	1,553,748	957,065	-	957,065
應收帳款-關係人	614	-	614	2,755	-	2,755
應收客戶合約工程款項(差異說明(三))	101,420	( 101,420)	-	80,586	( 80,586)	-
其他應收款	153,480	-	153,480	127,051	-	127,051
其他金融資產-流動	128,893	-	128,893	112,080	-	112,080
存貨	1,511,055	-	1,511,055	981,834	-	981,834
在建工程-減預收工程款後之淨額(差異說明(三))	-	101,420	101,420	-	80,586	80,586
預付款項	201,252	-	201,252	144,220	-	144,220
遞延所得稅資產-流動(差異說明(二))	-	-	-	-	1,368	1,368
流動資產合計	<u>4,362,361</u>	<u>-</u>	<u>4,362,361</u>	<u>2,724,867</u>	<u>1,368</u>	<u>2,726,235</u>
採權益法評價之長期股權投資	<u>36,213</u>	<u>-</u>	<u>36,213</u>	<u>-</u>	<u>-</u>	<u>-</u>
固定資產淨額(差異說明(一)及(五))	<u>1,098,715</u>	<u>( 8,724)</u>	<u>1,089,991</u>	<u>871,830</u>	<u>41,408</u>	<u>913,238</u>
無形資產(差異說明(六))						
商標及特許權	33,905	( 33,905)	-	-	-	-
電腦軟體成本	8,881	-	8,881	12,776	-	12,776
土地使用權	182,611	-	182,611	197,989	-	197,989
其他無形資產	<u>30,696</u>	<u>( 30,696)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
無形資產合計	<u>256,093</u>	<u>( 64,601)</u>	<u>191,492</u>	<u>210,765</u>	<u>-</u>	<u>210,765</u>
其他資產						
出租資產(差異說明(一))	9,027	( 9,027)	-	41,408	( 41,408)	-
遞延所得稅資產-非流動(差異說明(二))	-	-	-	<u>1,368</u>	<u>( 1,368)</u>	<u>-</u>
其他資產合計	<u>9,027</u>	<u>( 9,027)</u>	<u>-</u>	<u>42,776</u>	<u>( 42,776)</u>	<u>-</u>
<b>資產總計</b>	<u>\$ 5,762,409</u>	<u>(\$ 82,352)</u>	<u>\$ 5,680,057</u>	<u>\$ 3,850,238</u>	<u>\$ -</u>	<u>\$ 3,850,238</u>

(續次頁)

友佳國際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

	99 年 12 月 31 日			98 年 12 月 31 日		
	依香港一般公認 會計原則編製之金額	調節金額增(減)	依中華民國會計 原則編製之金額	依香港一般公認 會計原則編製之金額	調節金額增(減)	依中華民國會計 原則編製之金額
<b>負債及股東權益</b>						
<b>流動負債</b>						
短期借款	\$ 747,878	\$ -	\$ 747,878	\$ 549,630	\$ -	\$ 549,630
應付帳款	739,483	-	739,483	736,487	-	736,487
應付帳款-關係人	42,207	-	42,207	30,214	-	30,214
應付客戶合約工程款項(差異說明(四))	69,287	( 69,287)	-	87,042	( 87,042)	-
應付費用	143,945	-	143,945	78,591	-	78,591
應付所得稅	52,087	-	52,087	44,075	-	44,075
其他應付款項	159,593	-	159,593	106,161	-	106,161
預收款項	964,138	-	964,138	445,399	-	445,399
預收工程款-減在建工程後之淨額(差異說明(四))	-	69,287	69,287	-	87,042	87,042
售後服務準備	35,801	-	35,801	24,385	-	24,385
遞延所得稅負債-流動(差異說明(二)及(七))	-	8,841	8,841	-	-	-
流動負債合計	<u>2,954,419</u>	<u>8,841</u>	<u>2,963,260</u>	<u>2,101,984</u>	<u>-</u>	<u>2,101,984</u>
<b>長期負債</b>						
長期借款	<u>29,237</u>	<u>-</u>	<u>29,237</u>	<u>47,987</u>	<u>-</u>	<u>47,987</u>
<b>其他負債</b>						
遞延所得稅負債-非流動(差異說明(二))	<u>45,279</u>	<u>( 36,009)</u>	<u>9,270</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>負債總計</b>	<u>3,028,935</u>	<u>( 27,168)</u>	<u>3,001,767</u>	<u>2,149,971</u>	<u>-</u>	<u>2,149,971</u>
<b>股東權益</b>						
股本	\$ 17,779	\$ -	\$ 17,779	\$ 16,078	\$ -	\$ 16,078
資本公積	1,543,330	-	1,543,330	674,446	-	674,446
<b>保留盈餘</b>						
法定盈餘公積	198,591	-	198,591	174,213	-	174,213
未分配盈餘	974,486	( 55,184)	919,302	835,530	-	835,530
累積換算調整數	( 712)	-	( 712)	-	-	-
<b>股東權益總計</b>	<u>2,733,474</u>	<u>( 55,184)</u>	<u>2,678,290</u>	<u>1,700,267</u>	<u>-</u>	<u>1,700,267</u>
<b>負債及股東權益總計</b>	<u>\$ 5,762,409</u>	<u>(\$ 82,352)</u>	<u>\$ 5,680,057</u>	<u>\$ 3,850,238</u>	<u>\$ -</u>	<u>\$ 3,850,238</u>

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據中華民國一般公認會計原則之規定予以調整。

董事長：朱志洋

經理人：陳向榮

會計主管：葉世強

友佳國際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  
 (除每股盈餘為新台幣元外)

	99 年 度			98 年 度		
	依香港一般公認 會計原則編製之金額	調節金額增(減)	依中華民國會計 原則編製之金額	依香港一般公認 會計原則編製之金額	調節金額增(減)	依中華民國會計 原則編製之金額
營業收入	\$ 6,074,576	\$ -	\$ 6,074,576	\$ 3,640,108	\$ -	\$ 3,640,108
營業成本(差異說明(八))	( 4,502,933)	1,613	( 4,501,320)	( 2,633,593)	-	( 2,633,593)
營業毛利	1,571,643	1,613	1,573,256	1,006,515	-	1,006,515
其他收入(差異說明(十二))	91,390	( 91,390)	-	59,486	( 59,486)	-
營業費用(差異說明(八)及(九))	( 861,768)	4,966	( 856,802)	( 532,724)	-	( 532,724)
營業淨利	801,265	( 84,811)	716,454	533,277	( 59,486)	473,791
營業外收入及利益 (差異說明(十)及(十二))	84,016	6,826	90,842	-	59,486	59,486
營業外費用及損失	( 28,561)	-	( 28,561)	( 28,691)	-	( 28,691)
繼續營業單位稅前淨利	856,720	( 77,985)	778,735	504,586	-	504,586
所得稅費用	( 154,983)	-	( 154,983)	( 110,299)	-	( 110,299)
繼續營業單位淨利	701,737	( 77,985)	623,752	394,287	-	394,287
非常損益(差異說明(十一))	-	22,801	22,801	-	-	-
合併總損益	\$ 701,737	(\$ 55,184)	\$ 646,553	\$ 394,287	\$ -	\$ 394,287
歸屬於						
合併淨損益	\$ 701,737		\$ 646,553	\$ 394,287		\$ 394,287
基本每股盈餘						
合併淨損益	\$ 1.81	(\$ 0.15)	\$ 1.66	\$ 1.17	\$ -	\$ 1.17

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據中華民國一般公認會計原則之規定予以調整。

董事長：朱志洋

經理人：陳向榮

會計主管：葉世強

友佳國際控股有限公司及子公司  
合併資產負債表及損益表重編說明  
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

友佳國際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 年度合併財務報表，係包括友佳國際控股有限公司(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，因適用之會計原則及報表格式，與「證券發行人財務報告編製準則」、「商業會計法」、「商業會計處理準則」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一般公認會計原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 年及 98 年 12 月 31 日合併資產負債表及民國 99 年度及 98 年度合併損益表，進而影響重編合併財務報表之主要差異，彙總說明如下：



合併公司所適用之

	中華民國一般 公認會計原則	香港一般 公認會計原則	對重編合併 財務報表之影響
(一) 投資物業	無此資產之規範，故分類為固定資產項下，以成本認列，並計提折舊。	符合規定之不動產需分類為投資物業，並得以採成本法或公平價值評價，合併公司係採成本法評價。	已予重分類 99年度：\$ 9,027 98年度：\$41,408
(二) 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。	已予重分類 99年度：\$36,009 98年度：\$ 1,368
(三) 在建工程-減預收工程款後之淨額	同一工程之在建工程成本餘額超過預收工程款餘額時，預收工程款列為在建工程成本之減項，並列為流動資產項下。	已投入成本加計累積認列工程損益大於已計價款項，帳列應收工程合約客戶款項。	已予重分類 99年度：\$101,420 98年度：\$ 80,586
(四) 預收工程款-減在建工程後之淨額	預收工程款餘額超過在建工程成本餘額時，在建工程成本列為預收工程款之減項，並列為流動負債項下。	已投入成本加計累積認列工程損益小於已計價款項，帳列應付工程合約客戶款項。	已予重分類 99年度：\$69,287 98年度：\$87,042
(五) 固定資產淨額	因收購而取得之可辨認淨資產公平價值大於收購成本，差額應就非流動資產分別將其價值等比例減少之。	收購符合業務合併條件，依公平價值認列併購之固定資產。	已予調整 99年度：\$17,751
(六) 無形資產淨額	因收購而取得之可辨認淨資產公平價值大於收購成本，差額應就非流動資產分別將其價值等比例減少之。	收購符合業務合併條件，依公平價值認列併購之無形資產。	已予調整 99年度：\$64,601
(七) 遞延所得稅資產及負債	收購資產入帳金額與課稅基礎之差異，應認列遞延所得稅資產或負債	被合併公司資產與負債之公平價值與課稅基礎之差異，應認列遞延所得稅資產或負債。	已予調整 99年度：\$27,168

合併公司所適用之

	中華民國一般 公認會計原則	香港一般 公認會計原則	對重編合併 財務報表之影響
(八) 營業成本/ 營業費用- 折舊及攤銷	因收購而取得之可辨認淨資產公平價值大於收購成本，差額應就非流動資產分別將其價值等比例減少之，相關資產以沖減後之金額依耐用年限逐期攤銷。	收購之資產依公平價值入帳，並依耐用年限逐期攤銷。	已予調整 99年度：\$4,713
(九) 營業費用	取得被收購公司之成本包括與收購有關之直接成本。	因收購發生之直接成本予以當期費用化。	已予調整 99年度：\$1,866
(十) 其他收入	因收購而取得之可辨認淨資產公平價值大於收購成本，差額應就非流動資產分別將其價值等比例減少之。若減少至零仍有差額時，應將該差額認列非常利益。	收購符合業務合併條件，依公平價值認列收購之資產負債，公平價值大於收購成本部分，認列其他收入。	已予調整 99年度：\$84,564
(十一) 非常損益	因收購而取得之可辨認淨資產公平價值大於收購成本，差額應就非流動資產分別將其價值等比例減少之。若減少至零仍有差額時，應將該差額認列非常利益。	收購符合業務合併條件，依公平價值認列收購之資產負債，公平價值大於收購成本部分，認列其他收入。	已予調整 99年度：\$22,801
(十二) 其他收入	非因經常營業活動所發生之收入或利益應帳列營業外收入項下。	分類為營業溢利之一部分。	已予重分類 99年度：\$91,390 98年度：\$59,486
(十三) 處分固定 資產損失	非因經常性營業活動所發生收入及費用或利益及損失，應分類為營業外支出或收入項下。	分類為行政開支，為營業溢利之一部分。	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

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# 公司資料

## 董事會

### 執行董事

朱志洋 (主席)  
陳向榮 (行政總裁)  
陳明河  
溫吉堂  
邱榮賢

### 獨立非執行董事

顧福身  
江俊德  
余玉堂

## 公司秘書

羅泰安

## 法定代表

陳向榮  
邱榮賢

## 香港法律的法律顧問

胡關李羅律師行

## 審核委員會

顧福身 (委員會主席)  
江俊德  
余玉堂

## 薪酬委員會

顧福身 (委員會主席)  
江俊德  
陳向榮

## 提名委員會

顧福身 (委員會主席)  
江俊德  
陳向榮

## 核數師

羅兵咸永道會計師事務所

## 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## 公司資料

### 香港主要營業地點

香港  
德輔道中317至319號  
啟德商業大廈  
20樓2003室

### 中國主要營業地點

中國  
浙江省  
杭州市  
蕭山區  
蕭山經濟技術開發區  
市心北路120號

### 主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited  
Butterfield House  
68 Fort Street  
George Town  
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  
灣仔  
皇后大道東183號  
合和中心17樓1712-1716室

### 主要往來銀行

中國農業銀行  
中國銀行  
國泰世華銀行  
恒生銀行有限公司  
中國工商銀行  
台灣工業銀行  
兆豐國際商業銀行

### 股份代號

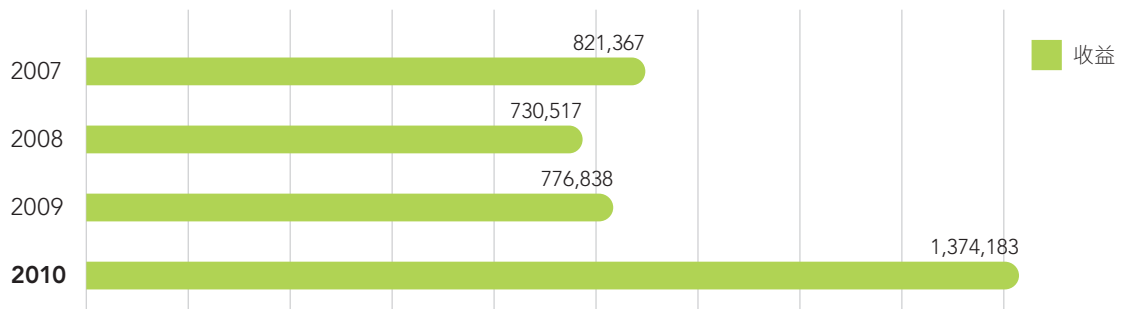
2398

### 網站

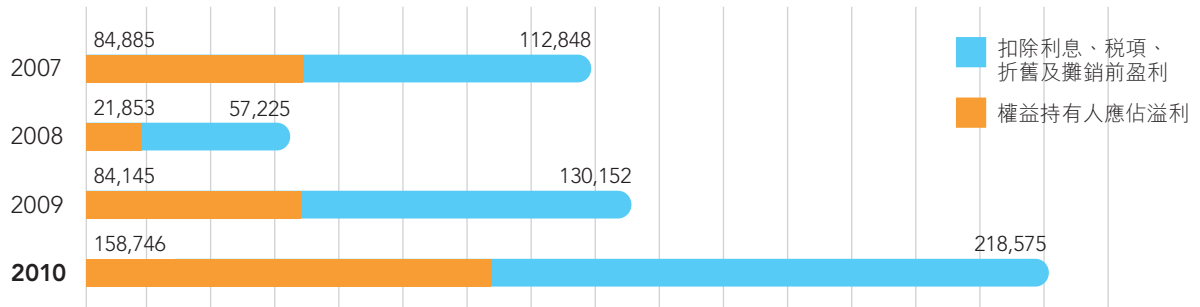
<http://www.goodfriend.hk>

# 財務摘要

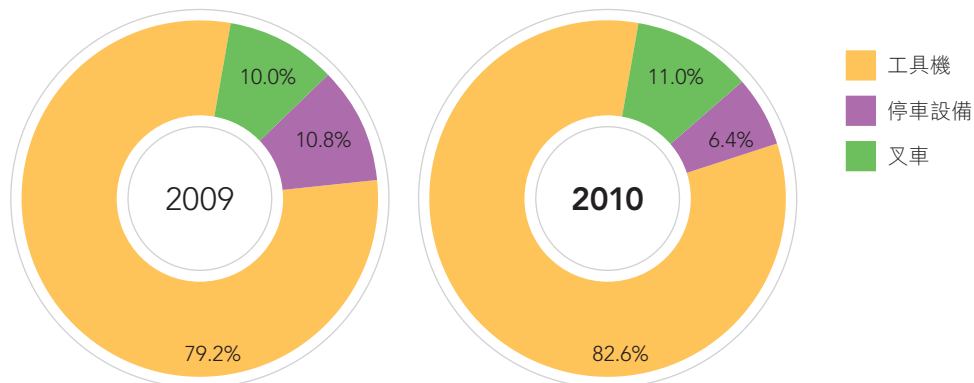
## 收益 (人民幣千元)



## 溢利 (人民幣千元)



## 業務分部 (按收益計算)



## 財務摘要

### 兩年財務數字的比較

截至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	變動 (%)
收益	1,374,183	776,838	76.9%
毛利	355,535	214,801	65.5%
扣除利息、稅項、折舊及攤銷前盈利	218,575	130,152	67.9%
權益持有人應佔溢利	158,746	84,145	88.7%
股東權益	618,363	362,855	70.4%
總資產	1,309,110	826,625	58.4%
每股盈利—基本(人民幣元)	0.41	0.25	64.0%

### 主要財務比率的摘要

截至十二月三十一日止年度

	二零一零年	二零零九年	變動 (%)
毛利率 <sup>附註1</sup>	25.9%	27.7%	-6.5%
純利率 <sup>附註2</sup>	11.6%	10.8%	7.4%
存貨周轉日數 <sup>附註3</sup>	122.5	136.1	-10.0%
應收款項周轉日數 <sup>附註4</sup>	93.4	96.0	-2.7%
應付賬款周轉日數 <sup>附註5</sup>	59.9	102.1	-41.3%
流動比率(倍) <sup>附註6</sup>	1.5	1.3	15.4%
速動比率(倍) <sup>附註7</sup>	1.0	0.8	25.0%
資本負債比率(%) <sup>附註8</sup>	13.4%	15.4%	-13.0%
扣除利息、稅項、折舊及攤銷前 盈利/財務費用(倍) <sup>附註9</sup>	63.15	28.5	121.8%
權益回報率(%) <sup>附註10</sup>	25.7%	23.2%	10.8%

附註1：毛利率按毛利除以收益計算。

附註2：純利率按權益持有人應佔溢利除以收益計算。

附註3：存貨周轉日數乃按期末存貨除以銷售收益成本再乘以365日。

附註4：應收款項周轉日數乃按期末貿易應收賬除以收入再乘以365日。

附註5：應付賬款周轉日數乃按期末貿易應付賬除以銷售成本再乘以365日。

附註6：流動比率以相應年末流動資產總值除以流動負債總額計算。上表的數字以比率(而非百分比)呈列。

附註7：速動比率乃按有關年度完結時之流動資產總值(不包括存貨)除以總流動負債計算。上表數字乃以比率而非百分比形式列示。

附註8：資本負債比率以年末總負債除以總資產計算。總負債指年末具息負債的總額。

附註9：扣除利息、稅項、折舊及攤銷前盈利/財務費用以年度內扣除財務費用、稅項、折舊及攤銷前盈利除以財務費用計算。上表的數字以比率(而非百分比)呈列。

附註10：權益回報率以權益持有人應佔溢利除以相應年末的股東權益總額計算。



# 主席報告

朱志洋  
主席



衷心感謝各位對本集團的支持，本人謹代表董事（「董事」）會（「董事會」），欣然向各位股東提呈友佳國際控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一零年十二月三十一日止年度之全年（「本年度」）業績報告。

## 財務業績

截至二零一零年十二月三十一日止年度，本集團之經營業績再創高峰。於本年度，本集團錄得收入約人民幣1,374,180,000元，較二零零九年上升約76.9%。而本年度的權益持有人應佔溢利錄得約人民幣158,750,000元，較二零零九年上升達約88.7%。

## 末期股息

董事會擬建議從本公司股份溢價中撥資支付截至二零一零年十二月三十一日止年度的末期股息每股人民幣0.10元（相當於根據於二零一一年三月二十四日中國人民銀行公佈人民幣兌港元之平均中間匯率計算所得約0.119港元），總額將為人民幣40,320,000元（相當於約47,980,000港元）派發予於二零一一年五月二十日名列本公司股東名冊之股東。但須獲股東於應屆股東週年大會批准。末期股息之支付日期將於稍後公佈。

## 主席報告

### 業務回顧

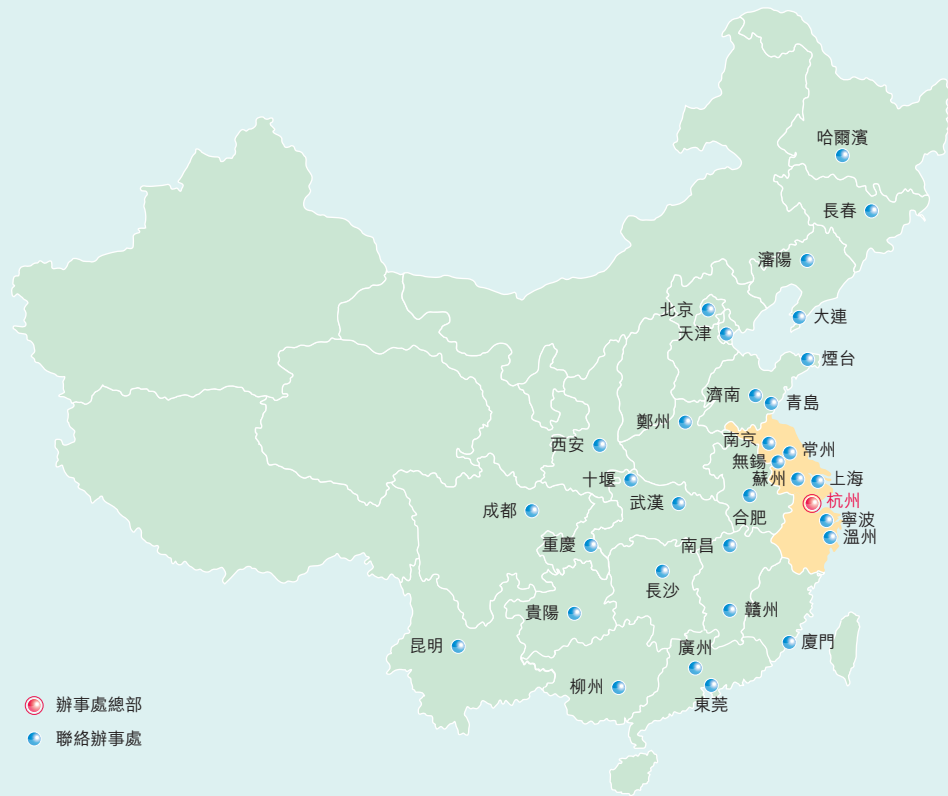
二零一零年中國大陸生產總值達到人民幣 397,983億元，按可比價格計算，比二零零九年增長10.3%。於二零一零年，中國經濟仍然保持良好的發展勢態，推動中國的固定資產投資按年上升23.8%。而中國的工具機總消耗量達約273億美元，比二零零九年的約198億美元有著不俗之增長。

本集團之主營產品CNC工具機由於以中國市場為主，本集團也因此成為受益者。在需求大增之情況下，於截至二零一零年十二月三十一日止年度內，本集團的CNC工具機業務之銷售量及銷售額分別為2,546台及約人民幣1,135,470,000元（二零零九年：1,352台及約人民幣 615,450,000元），與二零零九年比較均有大幅之增長。這亦證明客戶對本集團產品質素的肯定和認可，及本集團於中國擁有龐大之銷售網絡以能為客戶提供完善售前及售後服務的優勢。

於二零一零年三月，本公司完成發行台灣存託憑證並於台灣證券交易所上市。台灣存託憑證發行除了可增加及提升本集團之公眾知名度及企業形象外，亦為本集團提供額外集資平台。而本次集資所得款項淨額約人民幣205,800,000元，主要用於杭州友華精密機械有限公司（其位於杭州下沙的第二期生產基地）及杭州友達機械科技有限公司（其位於杭州江東之生產基地）興建廠房以及購置機器設備。加強了本集團之股本基礎，及為本集團進一步擴大其CNC工具機業務之產能提供了堅實的後盾。

另一方面，於二零一零年六月，本集團收購了意大利 Sachman Rambaudi之「Rambaudi」事業部其中一些資產，包括有形資產、存貨及無形資產。Rambaudi是有70年歷史的知名製造廠，主要從事設計及生製大型銑床及加工中心，適用於航天及大型模具方面之應用領域。透過此項收購，本集團提升了產品技術層次及使其產品組合更多元化；並加大開拓本集團於航天方面之應用領域，增強了本集團的整體業務發展。

# 主席報告



## 主席報告

總括而言，在本集團的主營產品CNC工具機之經營業績有著令人鼓舞的增長之情況下，本集團於本年度的權益持有人應佔溢利最後錄得約人民幣158,750,000元。加上發行台灣存託憑證，以及收購Rambaudi之資產，本集團的資產淨值亦從二零零九年十二月三十一日的約人民幣362,860,000元增加至二零一零年十二月三十一日的約人民幣618,360,000元。

### 前景展望

在中國中央政府確定了「十二五」期間（二零一一年至二零一五年）之規劃後，預期中國之高速鐵路、航太、汽車與能源產業對工具機之需求將大幅提升，特別是高端的CNC工具機。而本集團之CNC工具機業務於截至二零一一年二月二十八日止兩個月所接獲客戶訂單總數為1,098台，計及總金額約（除稅後）人民幣421,245,000元。按金額計，較二零一零年同期增長約59.0%。從接單情況可見本集團之CNC工具機業務繼續維持著上升的勢頭。

中國乃全球第一大工具機消耗國，為滿足本地市場的龐大需求，本集團將繼續擴充產能及提升生產效率。本集團位於浙江省杭州江東工業園之第一期廠房，其建造工程亦將於二零一一年中完成並開始生產CNC工具機。此舉將進一步提升本集團CNC工具機業務的產能，為客戶提供高品質的CNC工具機。

展望未來，本集團將繼續積極參與中國的大型工具機展銷會，加大推廣本集團之CNC工具機產品，以鞏固本集團在中國市場的份額。另外，管理層亦會繼續尋求開拓合適之投資合作或併購活動，從而提升本集團的競爭優勢，以帶領本集團邁向成為一家國際性的CNC工具機製造商。

管理層相信憑藉本集團所擁有之龐大銷售網絡、穩固的研發基礎以及先進的生產設施，定能充份滿足客戶不同的需求，管理層將竭誠為本公司的股東創造更佳的回報。

## 主席報告

### 致謝

最後，本人藉此機會代表董事會向本公司的股東，本集團的客戶及供應商一直以來的信任和支持致以衷心的謝意。並謹此致謝所有過去一年為本集團付出努力及貢獻的管理層及員工。

主席  
朱志洋

香港，二零一一年三月二十四日

# 管理層討論及分析

## 財務回顧

截至二零一零年十二月三十一日止年度，本集團之財務表現錄得令人鼓舞之增長。

本集團於本年度的收入及權益持有人應佔溢利分別為約人民幣1,374,180,000元（二零零九年：人民幣776,840,000元）及約人民幣158,750,000元（二零零九年：人民幣84,150,000元），比較二零零九年的數額分別增加約76.9%及約88.7%。於本年度，CNC工具機、停車設備及叉車的銷售數量分別為2,546台、5,861台及2,064台（二零零九年：1,352台、5,668台及1,189台）。

## 收入

於本年度，本集團之主要收入來源仍為銷售CNC工具機。CNC工具機銷售數量由二零零九年的1,352台增至本年度的2,546台，產品的銷售額由二零零九年約人民幣615,450,000元增加至本年度約人民幣1,135,470,000元，增長約84.5%，佔本集團整體收入亦增至約82.6%。CNC工具機以中國市場為主，主要客戶為汽車零部件及機械製造商。於二零一零年中國工具機行業保持著快速增長之勢態，在需求強勁之帶動

下本集團之CNC工具機業務於二零一零年的收入亦因此錄得可觀的增幅。而其中龍門加工中心於本年度之銷售額約為人民幣94,190,000元，龍門加工中心的銷售價格較本集團之平均CNC工具機價格高約2倍以上。於本年度，CNC工具機的經營毛利率約28.3%。

另一方面，受惠於中國市場的需求增長所帶動下，本集團之叉車業務的銷售額亦由二零零九年約人民幣77,610,000元增加約94.1%至本年度約人民幣150,650,000元，佔本集團整體收入約11.0%；而叉車之內銷比例亦因而增至約62.0%。此外，停車設備於本年度的銷售額為約人民幣88,060,000元，較二零零九年增加約5.1%，佔本集團整體收入約6.4%。

## 管理層討論及分析

### 毛利及毛利率

截至二零一零年十二月三十一日止年度，本集團之毛利約人民幣355,540,000元（二零零九年：人民幣214,800,000元）。而本集團的整體毛利率約為25.9%（二零零九年：27.7%）。由於本集團的主營產品CNC工具機於本年度的毛利率較去年下跌，從而令本年度的整體毛利率稍為下跌。

### 分銷及銷售費用

分銷及銷售費用由二零零九年約人民幣72,740,000元增加約51.8%至本年度約人民幣110,400,000元。由於本集團的主營產品CNC工具機之銷售額於本年度錄得增長，有關之費用如銷售人員成本、運輸費用等亦因應增加。於本年度，分銷及銷售費用佔本集團收入百分比為約8.0%（二零零九年：9.4%）。

### 行政費用

行政費用由二零零九年約人民幣40,950,000元增加約106.4%至本年度約人民幣84,540,000元。於本年度，本集團改變了研發費用的呈列方式，將此費用總額列入行政費用之內。截至二零一零年十二月三十一日止年度，有關之高新技術研發及其他相關項目之費用為約人民幣39,430,000元（二零零九年：人民幣22,960,000元），此研發費用之增長與本集團的主營產品CNC工具機於本年度之銷售額增長一致。另外，本集團於本年度就應收帳款作出約人民幣5,540,000元之壞帳準備（去年則為約人民幣12,310,000元之回撥）。

撇除研發費用及應收帳款之壞帳，行政費用增加約30.6%，主要由於中國大陸之員工成本、折舊費用等增加，以及於本年度增加了意大利Rambaudi事業部之相關行政費用所致。

### 財務費用

截至二零一零年十二月三十一日止年度，財務費用減少至約人民幣3,460,000元（二零零九年：人民幣4,560,000元），主要由於本集團於本年度的平均銀行貸款減少所致。



## 管理層討論及分析

### 已收購業務的可識別資產、負債及或然負債公平淨值高於成本的部份

根據香港財務報告準則第3號(經修訂)「業務合併」,本集團需就於二零一零年六月所收購之意大利 Rambaudi 資產(包括存貨等)進行價值評估,並以公允值重新列帳。由於當時收購 Rambaudi 資產時有著折讓(特別是對存貨),因此經評估後之公允值亦大於當時收購之帳面值,而所產生之差別約為2,180,000 歐元或約人民幣19,010,000元,根據有關之會計準則計入本年度本集團的收益表之內。

### 權益持有人應佔溢利

截至二零一零年十二月三十一日止年度,本集團的權益持有人應佔溢利約人民幣158,750,000元,較去年增加約88.7%。

### 流動資金及財務資源

於二零一零年十二月三十一日,本集團擁有流動資產淨額約人民幣318,500,000元(二零零九年:人民幣132,930,000元),股東資金約人民幣618,360,000元(二零零九年:人民幣362,860,000元),以及短期銀行貸款約人民幣169,180,000元(二零零九年:人民幣117,300,000元)。本集團之營運資金乃由內部經營所得現金流量及現有銀行授信額度作融資。

於二零一零年十二月三十一日,現金及現金等值物為數約人民幣161,050,000元(二零零九年:人民幣68,140,000元)。本集團的流動比率(流動資產總額對流動負債總額的比率)約為1.5倍(二零零九年:1.3倍)。資本負債比率(含利息的債項總額對資產總值的比率)約為13.4%(二零零九年:15.4%),反映本集團整體財務狀況保持強勁。

### 資本架構及庫務政策

於二零一零年十二月三十一日,本公司的股本為4,032,000港元,分為403,200,000股每股0.01港元的股份(二零零九年十二月三十一日:3,360,000港元,分為336,000,000股每股0.01港元的股份)。



## 管理層討論及分析

本集團一般透過內部產生的現金流量及銀行給予的信貸額度提供業務所需資金。於二零一零年十二月三十一日，尚未繳清的短期貸款約人民幣169,180,000元（二零零九年：人民幣117,300,000元）。本集團採用的借貸方式主要包括銀行貸款。於本年度，本集團並無作出任何利率對沖安排。在本年，本公司發行67,200,000單位台灣存托憑證，以期優化股權架構；本次台灣存托憑證於二零一零年三月十八日台灣證券交易所上市發行。所得款項中約人民幣155,000,000元乃由本公司收取。董事相信，本集團備有足夠財務資源以清償債務及提供業務及資本開支所需資金。

### 重大投資

截至二零一零年十二月三十一日止年度，本集團並無持有任何重大投資。

### 重大的附屬公司收購及出售事項

除收購Rambaudi之業務外，截至二零一零年十二月三十一日止年度，本集團並無任何重大的附屬公司或聯營公司收購或出售事項。

### 分類資料

截至二零一零年十二月三十一日止年度，有關分類資料的詳情載於綜合財務報表附註5。

### 僱員及薪酬政策

於二零一零年十二月三十一日，本集團在香港及中國僱用合共1,600位（二零零九年：1,230位）全職僱員。本集團的員工總成本（包括董事袍金及酬金）為數約人民幣99,960,000元（二零零九年：人民幣62,890,000元）。本集團的薪酬檢討政策乃依據市場趨勢、未來計劃及個別僱員於各範疇之表現及經定期檢討而釐定。

本公司亦持有購股權計劃，旨在鼓勵及表揚合資格參與者為本集團所作出的貢獻。本集團自採納購股權計劃以來，並無授出購股權。

本公司的附屬公司僱員參加中國當地政府營運的國家管理社會福利計劃，而香港僱員則參與強制性公積金計劃。於回顧年度內，本集團向上述計劃作出供款約人民幣4,100,000元（二零零九年：人民幣2,210,000元）。

## 管理層討論及分析

### 資本承擔及或然負債

本集團主要就有關物業、廠房及設備已訂約但尚未於財務報表撥備的資本支出已作出的承擔約人民幣27,100,000元(二零零九年:人民幣3,430,000元)。本集團亦就一間於中國的共同控制實體的資本注資作出1,520,000美元(二零零九年:630,000美元)之承擔。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(二零零九年:無)。

### 集團資產押記

於二零一零年十二月三十一日,受限制銀行存款約人民幣29,160,000元(二零零九年:人民幣23,920,000元)指作為競投合約的銀行保證按金。

另外,本公司之附屬公司以總帳面值人民幣39,760,000元(二零零九年:人民幣67,250,000元)之土地及樓宇抵押作其獲授一般銀行信貸額度。

### 有關重大投資或資本資產的未來計劃

於二零一零年十二月三十一日,本公司並無有關重大投資及購入重大資本資產之具體計劃。然而,本集團將繼續尋找新業務發展機遇。

### 外匯風險

本集團主要在中國以內經營業務。截至二零一零年十二月三十一日止年度,本集團以人民幣收取大部分收益,部分已兌換為美元、日元及其他外幣等外幣,以支付有關入口零部件的款項。因此,本集團面對若干程度的外匯波動風險。本集團並無進行對沖活動,因其認為對沖活動對本集團的影響相當輕微。

人民幣目前並非自由兌換貨幣。本集團的部分人民幣收益或溢利須轉換為其他貨幣,以履行本集團的外幣義務,例如在宣派股息的情況下派付股息。

## 董事及高級管理人員的履歷詳情

### 執行董事

**朱志洋先生**，64歲，於二零零五年九月獲委任為執行董事，並為董事會主席。彼負責本集團之整體策略計劃、管理、業務開發及本集團企業政策之制訂。朱先生在機械、製造及工具機業累積了逾三十年經驗。朱先生亦為杭州友高精密機械有限公司及杭州友華精密機械有限公司之董事，該兩家公司均為本公司之全資附屬公司。

**陳向榮先生**，65歲，於二零零五年十二月獲委任為本公司執行董事及行政總裁。彼亦為本公司薪酬委員會及提名委員會之成員。彼負責本集團之一般管理。陳先生在機械、製造及工具機業累積了逾三十年經驗。彼亦為杭州友佳精密機械有限公司、杭州友高精密機械有限公司、杭州友華精密機械有限公司及杭州友達機械科技有限公司之董事。陳先生於一九九三年加入本集團。

**陳明河先生**，60歲，於二零零五年十二月獲委任為執行董事。陳先生負責本集團整體業務運作。陳先生在機械、製造及工具機業累積了逾十五年經驗。彼亦為杭州友佳精密機械有限公司、友盛(上海)精密機械有限公司及杭州友達機械科技有限公司之董事。彼於一九九三年加入本集團。

**溫吉堂先生**，46歲，於二零零五年十二月獲委任為執行董事。溫先生為杭州友佳精密機械有限公司工具機械部之副總經理，並由二零一一年一月一日起升任為總經理。彼負責該部門的生產及運作。溫先生於工具機業累積逾二十五年經驗。彼亦為杭州友佳精密機械有限公司、杭州友高精密機械有限公司、杭州友華精密機械有限公司及杭州友達機械科技有限公司之董事。彼於二零零三年加入本集團。

**邱榮賢先生**，53歲，於二零零五年十二月獲委任為執行董事。邱先生為杭州友佳精密機械有限公司停車設備部經理，並由二零一一年一月一日起升任為協理。彼負責該部門的生產及運作。邱先生在機械及製造業累積了逾二十六年經驗。彼於二零零一年加入本集團。

## 董事及高級管理人員的履歷詳情

### 獨立非執行董事

**顧福身先生**，54歲，於二零零五年十二月獲委任為獨立非執行董事，彼亦為本公司審核委員會、薪酬委員會及提名委員會之主席。彼為一家企業財務顧問公司凱利融資有限公司之創辦人兼董事總經理，於投資銀行業及專業會計有逾二十年之豐富經驗。顧先生現為濰柴動力股份有限公司、李寧有限公司、美聯集團有限公司、興達國際控股有限公司及田生集團有限公司（聯交所主板上市公司）之獨立非執行董事。彼為一名註冊會計師。

他曾於二零零五年六月至二零零八年六月期間出任美聯工商舖有限公司（聯交所主板上市公司）之獨立非執行董事。顧先生於二零零九年辭任 (i) 紐約交易所Amex上市的公司2020 ChinaCap Acquirco, Inc.之副主席、司庫、首席會計主任及首席財務官；及 (ii) 聯交所主板上市的公司中國交通建設股份有限公司之獨立非執行董事。

**江俊德先生**，50歲，於二零零五年十二月獲委任為獨立非執行董事，彼亦為本公司審核委員會、薪酬委員會及提名委員會之成員。江先生為台北市進出口商業同業公會會員代表大會第十六屆代表。彼為首席創業投資股份有限公司、首席財務管理顧問股份有限公司及乾坤投資股份有限公司董事及德鎂實業股份有限公司主席兼總經理。彼為榮成紙業股份有限公司之獨立董事。

**余玉堂先生**，74歲，於二零零五年十二月獲委任為獨立非執行董事，彼亦為本公司審核委員會之成員。彼為台灣新竹縣政府及省政府顧問。

## 董事及高級管理人員的履歷詳情

### 高級管理人員

**王桂生先生**，57歲，委任為杭州友高的副總經理，負責廠房的營運及管理。彼於二零零三年二月加入本集團，在叉車及機械行業方面累積逾三十八年經驗。

**強家鑫先生**，52歲，委任為杭州友高的銷售經理，負責國內叉車業務。強先生在一九七九年畢業於台灣復興工業專科學校機械工程系。彼於二零零六年四月加入本集團及在汽車零件及叉車業有逾二十五年設計、製造及生產管理的工作經驗。

**吳立城先生**，49歲，委任為杭州友佳工具機部之售後服務部經理。彼於二零零零年十月加入本集團及在工具機行業有逾二十六年經驗。

**葉明彬先生**，43歲，委任為杭州友佳的副總經理，負責一般行政及管理工作。葉先生於一九九四年畢業於台灣淡江大學，獲頒會計學位。彼於二零零七年一月加入本集團前，在一九九四年至一九九八年間服務於台灣勤業會計師事務所，並在核數、會計及財務方面具有逾十三年經驗。

**葉世強先生**，45歲，獲委任為本公司的財務總監，負責本集團的財務及會計工作。葉先生持有香港大學社會科學學士學位。彼為特許公認會計師公會及香港會計師公會的資深會員。葉先生於二零零七年十一月加入本集團，並在企業融資、審核及會計範疇累積逾二十年經驗。

# 董事會報告

董事會欣然提呈其報告，連同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。

## 主要業務

本公司為一間投資控股公司，其附屬公司主要從事設計及生產CNC工具機、設計及建造立體停車設備，以及設計及組裝叉車。

## 分類資料

本集團截至二零一零年十二月三十一日止年度按業務分類劃分之營業額及業績分析，載於綜合財務報表附註5。

## 業績及分派

本集團截至二零一零年十二月三十一日止年度的溢利，以及本集團於該日的業務狀況載於綜合財務報表第39至103頁。

董事會已宣派中期股息每股人民幣0.15元（約相等於0.172港元），合共約人民幣60,480,000元（相當於約69,350,000港元），已於二零一零年九月二十一日派發予於二零一零年九月十七日名列股東名冊的股東。

董事會擬建議派發截至二零一零年十二月三十一日止年度的末期股息每股人民幣0.10元（相當於根據於二零一一年三月二十四日中國人民銀行公佈人民幣兌港元之平均中間匯率計算所得約0.119港元）派發予於二零一一年五月二十日名列本公司股東名冊之股東，總額將為人民幣40,320,000元（相當於約47,980,000港元）。末期股息之支付日期將於稍後公佈。

## 暫停辦理股份過戶

本公司於二零一一年五月十七日（星期二）至二零一一年五月二十日（星期五）（首尾兩天包括在內）暫停辦理股份過戶登記手續。在此期間，概不辦理任何股份過戶登記。為符合收取建議末期股息之資格及出席應屆股東週年大會並於會上投票，所有股份過戶表格連同有關股票，最遲須於二零一一年五月十六日（星期一）下午四時三十分前送達本公司的股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室，方為有效。

## 董事會報告

### 儲備

年內本公司儲備之變動載於第45頁之綜合權益變動報表。

### 股東週年大會

二零一一年股東週年大會將於二零一一年五月二十日(星期五)舉行。股東應參考載於二零一一年四月十三日之本公司通函及大會通告及隨附之委任代表表格之二零一一年股東週年大會詳情。

### 物業、廠房及設備

年內本集團物業、廠房及設備變動詳情，載於綜合財務報表附註15。

### 股本

本公司截至二零一零年十二月三十一日止年度的股本變動詳情載於綜合財務報表附註26。

### 銀行借貸

本集團於二零一零年十二月三十一日之銀行借貸詳情，載於綜合財務報表附註30。

### 董事

年內及截至本報告日期止，本公司的董事如下：

#### 執行董事

朱志洋先生(主席)  
陳向榮先生(行政總裁)  
陳明河先生  
溫吉堂先生  
邱榮賢先生

#### 獨立非執行董事

顧福身先生  
江俊德先生  
余玉堂先生

根據本公司組織章程細則(「章程細則」)第87(1)條，朱志洋先生、溫吉堂先生及顧福身先生會在即將舉行的股東週年大會上退任，並符合資格且願膺選連任。

### 獨立確認書

本公司已根據聯交所證券上市規則(「上市規則」)第3.13條的規定接獲各獨立非執行董事發出的年度獨立確認書。本公司認為所有獨立非執行董事均為獨立人士。

## 董事會報告

### 董事認購股份或債券的權利

於本年度內任何時間，任何本公司董事或高級行政人員、彼等各自之配偶或未滿18歲子女概無獲授可透過收購本公司股份或債券而獲益之任何權利，彼等亦無行使任何上述權利；本公司或其附屬公司亦無訂立任何安排，使董事可透過收購本公司或任何其他法團之股份或債券以收購該等權利或利益。

### 董事的服務合約

每位執行董事已於二零零九年一月十一日與本公司簽訂服務協議，由二零零九年一月十一日起，初步固定任期為三年，並將於其後繼續，直至任何一方向另一方發出不少於三個月的書面通知或根據各自的服務協議所載條文予以終止為止。各執行董事或可酌情收取花紅，有關金額將參考本公司薪酬委員會的建議而釐定。

每位獨立非執行董事已於二零零五年十二月二十二日與本公司簽訂服務協議，由二零零六年一月十一日起初步固定任期為兩年。各獨立非執行董事與本公司

已訂立新的服務協議，由二零一一年一月十日開始，固定期限為兩年，並將於其後繼續。直至任何一方向另一方發出不少於三個月的書面通知予以終止為止。

本公司概無與任何於即將舉行的股東週年大會上擬膺選連任的董事訂立任何不可於一年內由本公司終止而毋須作出賠償（法定賠償除外）的服務合約。

### 董事的合約權益

除綜合財務報表附註35所載者外，各董事概無實益擁有本公司或其任何附屬公司於本年度內所訂立且與本集團業務有關連的重大合約不論直接或間接的重大利益。

### 董事於競爭業務中之權益

茲參照本公司日期為二零零五年十二月三十日之招股章程第94至106頁之相關披露及第105頁所載不競爭契約之詳情。於二零一零年十二月三十一日，董事及彼等各自之聯繫人（定義見上市規則）概無於與本集團於中國、香港及澳門之業務競爭或可能競爭之業務中擁有權益。



## 董事會報告

### 購股權計劃

本公司於二零零五年十二月二十二日採納購股權計劃（「該計劃」）。該計劃旨在鼓勵合資格人士未來為集團作最大貢獻、表揚彼等過去的貢獻、吸引及與該等合資格人士（對本集團表現、增長或成功起著關鍵作用者）維持持續關係。該計劃的合資格人士包括本公司董事（包括獨立非執行董事）、本集團其他僱員、本集團的貨品或服務供應商、本集團的客戶、向本集團提供研究、開發或其他技術支援的人士或實體、本公司附屬公司的任何少數股東，以及本集團業務發展的諮詢人及任何上述人士的聯繫人。

該計劃之主要條款概述如下：

- (a) 因行使根據該計劃及本集團任何其他計劃授出之所有購股權而可予發行之本公司股份最高數目，不得超過本公司於股份在聯交所上市之日（即二零零六年一月十一日）已發行股本之10%（即280,000,000股股份），除非已獲得股東之批准，惟合共不得超過本公司不時已發行股份之30%。

於本報告日期，該計劃下可供發行之股份總數為28,000,000股，佔本公司股份於聯交所上市之日已發行股份之10%。

- (b) 在任何十二個月期間，行使任何合資格人士獲授之購股權時（包括已行使及未行使之購股權）所涉及之已發行及將予發行之股份總額，不得超過不時已發行股份之1%。
- (c) 根據該計劃之股份認購價乃為董事會於授出購股權時可按其絕對酌情釐定之有關價格，惟認購價將不會低於以下之最高者：(i)於董事會批准授出購股權日期（必須為營業日）（「授出日」）本公司股份在聯交所每日報價表所報之收市價；(ii)於緊接授出日前五個營業日，本公司股份在聯交所每日報價表所報之平均收市價；及(iii)本公司股份之面值。
- (d) 購股權可根據該計劃條款，由緊隨根據該計劃被視為授出或接納購股權之營業日期（「開始生效日期」）起期間內任何時間全部或部份行使，

## 董事會報告

並於開始生效日期後十年內董事會可全權酌情決定之購股權屆滿日期屆滿，惟須受該計劃所載提前終止條文所規限。

- (e) 於接納購股權後，承授人須向本公司支付1港元作為授予之代價。
- (f) 該計劃將由其採納日期（即二零零五年十二月二十二日）起十年期間有效及生效。

本公司自採納該計劃以來並無授出任何購股權。

### 董事的股份權益

於二零一零年十二月三十一日，董事或行政總裁於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中，擁有根據證券及期貨條例第352條須存置的本公司登記冊所記錄，或根據上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉如下：

#### 1. 於本公司及其相聯法團的股份、相關股份及債券的好倉總額

董事姓名	相聯法團名稱	權益性質	證券數目及類別	持股量概約百分比
朱志洋先生	友嘉實業股份有限公司 （「友嘉實業」）	實益擁有人	24,490,347股股份	15.56%
朱志洋先生（附註1）	友嘉實業	配偶權益	4,528,925股股份	2.88%
朱志洋先生（附註2）	友嘉實業	家族權益	685,759股股份	0.44%

## 董事會報告

董事姓名	相聯法團名稱	權益性質	證券數目及類別	持股量概約百分比
陳向榮先生	友嘉實業	實益擁有人	4,572,841股股份	2.90%
朱志洋先生	友迦工業股份有限公司 (附註4)	實益擁有人	21,988股股份	0.22%
朱志洋先生(附註3)	友迦工業股份有限公司 (附註4)	配偶權益	21,988股股份	0.22%
朱志洋先生	佑泰興實業股份有限公司 (附註4)	實益擁有人	1,000股股份	0.01%
朱志洋先生(附註5)	佑泰興實業股份有限公司 (附註4)	配偶權益	1,000股股份	0.01%
朱志洋先生(附註6)	友嘉國際股份有限公司 (附註4)	配偶權益	14,700股股份	0.59%
陳向榮先生	友嘉國際股份有限公司 (附註4)	實益擁有人	2,940股股份	0.12%
朱志洋先生	Fair Fine (Hongzhou) Industrial Co., Ltd. (附註4)	實益擁有人	750股股份	0.03%
陳向榮先生	Fair Fine (Hongzhou) Industrial Co., Ltd. (附註4)	實益擁有人	750股股份	0.03%

## 董事會報告

### 附註：

1. 朱志洋先生(「朱先生」)之配偶王紫緹女士(前稱王錦足)(「王女士」)持有友嘉實業已發行股本2.88%，故根據證券及期貨條例，朱先生被視為於王女士所持的友嘉實業所有股份中擁有權益。
2. 朱先生之兒子朱昱嘉先生(未滿18歲)持有友嘉實業已發行股本0.44%，故根據證券及期貨條例，朱先生被視為於朱昱嘉先生所持的友嘉實業所有股份中擁有權益。
3. 王女士持有友迦工業股份有限公司已發行股本0.22%，故根據證券及期貨條例，朱先生被視為於王女士持有的友迦工業股份有限公司所有股份中擁有權益。
4. 該等公司為友嘉實業的非全資附屬公司，故根據證券及期貨條例為本公司的相聯法團。
5. 王女士持有佑泰興實業股份有限公司已發行股本0.01%，故根據證券及期貨條例，朱先生被視為於王女士所持有的佑泰興實業股份有限公司所有股份中擁有權益。
6. 王女士持有友嘉國際股份有限公司已發行股本0.59%，故根據證券及期貨條例，朱先生被視為於王女士持有的友嘉國際股份有限公司所有股份中擁有權益。

除上文所披露者外，於二零一零年十二月三十一日，本公司董事或高級行政人員概無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、相關股份或債券中擁有須記入根據證券及期貨條例第352條規定須存置的登記冊，或根據標準守則須知會本公司及聯交所的任何權益。

### 2. 於本公司及其相聯法團的股份、相關股份及債券中的淡倉總額

於二零一零年十二月三十一日，本公司董事或高級行政人員概無於本公司或其相聯法團的股份、相關股份或債券中擁有須記入根據證券及期貨條例第352條規定須存置的登記冊或根據標準守則須知會本公司及聯交所的任何淡倉。

## 主要股東

於二零一零年十二月三十一日，每位人士(本公司董事或高級行政人員除外)於本公司股份及相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊所記錄的權益或淡倉如下：

## 董事會報告

## 1. 於本公司股份及相關股份的好倉總額

股東名稱	權益性質	所持普通股數目	約佔本公司已發行股本的百分比
友佳實業(香港)有限公司 (「友佳實業香港」)	實益擁有人	252,000,000股股份 (附註1)	62.50%
友嘉實業	受控制公司的權益	252,000,000股股份 (附註1)	62.50%
摩根士丹利	受控制公司的權益	47,831,538股 (附註2)	11.86%

附註1: 友嘉實業擁有友佳實業香港約99.99%權益, 故根據證券及期貨條例, 友嘉實業被視為於友佳實業香港所持有的252,000,000股本公司股份中擁有權益。

附註2: 根據證券及期貨條例, 摩根士丹利被視為於其全資子公司及非全資子公司所持有的47,831,538股本公司股份中擁有權益。

## 2. 於本公司股份及相關股份的淡倉總額

股東名稱	權益性質	所持普通股數目	約佔本公司已發行股本的百分比
友佳實業香港	實益擁有人	24,000,000股股份 (附註)	5.95%
友嘉實業	受控制公司的權益	24,000,000股股份 (附註)	5.95%

附註: 友嘉實業擁有友佳實業香港約99.99%權益, 故根據證券及期貨條例, 友嘉實業被視為於友佳實業香港所持有的24,000,000股本公司股份中擁有權益。

## 董事會報告

除上文所披露者外，於二零一零年十二月三十一日，根據證券及期貨條例第336條規定須予存置的本公司登記冊所記錄，並無其他人士於本公司股份或相關股份中擁有權益或淡倉。

### 董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的標準守則，作為董事進行證券交易的行為守則。本公司經向全體董事作出特定查詢後確認，全體董事均已遵守標準守則所載的標準規定。

### 薪酬政策

成立薪酬委員會旨在根據本集團之經營業績、個人表現及可資比較之市場慣例，檢討本集團之薪酬政策及全體董事及高級管理層之薪酬架構。

本公司已採納一項購股權計劃，作為對董事及合資格僱員之獎勵，該計劃詳情載於上述購股權計劃內。

### 董事及五位最高薪人士之酬金

本集團董事及五位最高薪人士之酬金詳情載於綜合財務報表附註8。

### 關連人士交易及關連交易

有關年度關連人士交易之詳情載於綜合財務報表附註35。根據上市規則第14A.31或14A.33條（在下列披露），有關年度之關連人士交易，包括關連交易或持續關連交易並不獲豁免。關於該等交易本集團已遵守上市規則第14A章所載之披露要求。

#### 1. 不獲豁免持續關連交易

於二零零八年五月二十一日之公告及二零零八年六月三日之通函所載，本公司已於二零零八年五月二十一日與友嘉實業股份有限公司（「友嘉實業」）訂立有條件框架協議（「框架協議」），友嘉實業乃本公司之非直接控股股東及連繫人（定義見上市規則）。根據框架協議，由二零零八年六月二十三日起三年，本集團向友嘉實業（及／或指定允許公司）供應CKD零部件及CNC工具機及友嘉實業（及／或指定允許公司）向本集團供應CKD零部件。

## 董事會報告

框架協議內之買賣交易被視作為持續關連交易，因此必須遵守根據上市規則第14A章下的申報、公佈、取得獨立股東批准及年度審核之規定。

批准框架協議的決議案、擬進行之交易及有關全年最高交易數額（「年度上限」）已於二零零八年六月二十三日之股東特別大會上取得本公司獨立股東通過。

本公司獨立非執行董事於本年度已審閱框架協議及擬進行之交易並確定如下：

- (i) 按本集團一般及正常業務訂立；
- (ii) 以一般商業條款進行；

(iii) 根據框架協議之相關條款進行，乃公正及合理並符合本公司股東整體利益；及

(iv) 年度合計總額不超過年度上限。

本公司之核數師已就上市規則第14A.38條向本公司之董事會確認彼之調查結果。

## 董事會報告

### 優先購買權

章程細則或開曼群島（為本公司註冊成立之司法管轄區）法例均無規定本公司須按比例向本公司之現有股東提呈發售新股份之優先購買權條文。

### 購買、贖回或出售本公司上市證券

本公司及其附屬公司於截至二零一零年十二月三十一日止年度內概無購買、出售或贖回任何本公司上市證券。

### 主要客戶及供應商

年內，本集團首五大客戶佔本集團總營業額約10.5%，而最大客戶佔本集團總營業額約3.1%。五大供應商於本年度佔本集團總採購額約35.8%，而最大供應商約佔本集團總採購額約14.2%。

### 足夠公眾持股量

根據本公司公開所得的資料及就本公司董事所知，於本報告日期，本公司已發行股本最少25%由公眾股東持有。



## 董事會報告

### 審核委員會及年度業績審閱

本公司已於二零零五年十二月二十二日成立審核委員會(「審核委員會」)，其書面職權範圍符合上市規則附錄十四所載之《企業管治常規守則》的規定。審核委員會的主要職責為檢討及監管本集團的財務匯報程序及內部監控系統。審核委員會的成員包括三位獨立非執行董事，即顧福身先生(為主席)、江俊德先生及余玉堂先生。審核委員會已與管理層共同審閱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。

### 企業管治

有關本公司所採納的主要企業管治常規之報告，載於二零一零年年報第31至36頁。

### 五個年度的財務摘要

本集團過往五個財政年度的業績及資產與負債的概要載於104頁。

### 核數師

截至二零一零年十二月三十一日止年度的財務報表由本公司核數師羅兵咸永道會計師事務所(該會計師行將於二零一一年股東週年大會上依章告退，惟其符合資格且願膺選連任)進行審核。

承董事會命

友佳國際控股有限公司

主席

朱志洋

香港，二零一一年三月二十四日

# 企業管治報告

本公司致力維持良好之企業管治標準，並透過鞏固有效的架構，提倡資料披露之完整性、透明度及質素，藉以提高股東價值。

## 遵守企業管治常規守則

本公司已採納自身符合上市規則附錄十四之企業管治常規守則（「企業管治常規守則」）之企業管治守則。現行常規將會進行檢討及定期更新，以遵循企業管治之最新常規。於回顧年度內，本公司一直遵守企業管治常規守則所載之守則條文，惟偏離企業管治常規守則之守則條文第E1.2條。守則條文第E1.2條規定董事會主席應出席股東週年大會。董事會主席因公務出差而未能出席二零一零年三月三十一日舉行之股東週年大會，及根據公司章程細則，由本公司執行董事陳向榮先生代為主席。

## 董事進行證券交易

本公司已採納上市規則附錄十所載的有關董事進行證券交易的標準守則。經本公司作出查詢後，所有董事已確認於截至二零一零年十二月三十一日止年度，其已遵守標準守則所載有關董事進行證券交易的標準規定。

## 董事會

董事會負責領導及監控本公司，並負責監管本集團之預算、主要政策及重大交易、財務業績、業務、策略方針及表現。董事會亦下放權力及責任予管理層，以便日常管理本集團。此外，董事會亦將各種職責分派至以下董事會各附屬委員會。該等委員會之詳情載於本報告內。

董事會現時由八位董事組成，其中包括五位執行董事及三位獨立非執行董事：

### 執行董事

朱志洋先生（主席）  
陳向榮先生（行政總裁）  
陳明河先生  
溫吉堂先生  
邱榮賢先生

## 企業管治報告

### 獨立非執行董事

顧福身先生  
江俊德先生  
余玉堂先生

董事會以均衡之架構組成，目的在確保整個董事會擁有穩固之獨立客觀性，其組成情況符合企業管治常規守則所推薦董事會成員最少須有三分之一為獨立非執行董事之做法。各董事履歷載於第16至18頁之「董事及高級管理人員的履歷詳情」一節。

董事會制定企業策略、批核整體業務計劃以及評估本公司之財務表現及管理。董事會授權本集團管理層進行之具體工作，包括執行董事會批准之策略；監察經營預算；執行內部監控程序；以及確保本集團符合有關法定要求及其他規則及規例。

### 主席及行政總裁

董事會主席及本公司行政總裁此等職位由兩名人士分別擔任，確保彼等各自之獨立性、問責性及負責制。主席朱志洋先生負責領導董事會及本集團之策略規

劃。行政總裁陳向榮先生負責本集團業務之日常管理。

### 獨立非執行董事

三名擔任非執行董事的董事皆為獨立，並獲委任為本公司獨立非執行董事。

三位獨立非執行董事均極具才幹，在會計及金融各範疇亦擁有學術及專業資格。加上他們在各行業所累積之經驗，對董事會有效地履行其職責方面提供強大的支持。其中顧福身先生擁有上市規則第3.10(2)條規定之適合專業資格及會計及有關財務專業知識。各獨立非執行董事已向本公司發出年度獨立確認書，而本公司認為彼等各自均屬上市規則第3.13條項下之獨立人士。

三位獨立非執行董事之特定任期為兩年，並須根據細則之規定最少每三年輪值告退一次。

## 企業管治報告

### 董事會會議次數及出席率

董事會每年最少舉行四次定期會議，並在有需要的情況下舉行會議。於截至二零一零年十二月三十一日止年度，董事會共舉行四次會議，以下董事之出席率如下：

董事	出席率
朱志洋先生	4/4
陳向榮先生	4/4
陳明河先生	3/4
溫吉堂先生	2/4
邱榮賢先生	4/4
顧福身先生	4/4
江俊德先生	4/4
余玉堂先生	4/4

董事已於每次董事會會議前收到會議的決策議程及會議記錄之詳情。

董事會會議記錄由公司秘書保存，並可供董事查閱。每位董事會成員均有權查閱董事會文件及相關資料，並可隨時獲公司秘書提供意見及服務，以及於有需要時尋求外部專業意見。

本公司已就針對其董事之相關法律行動，安排適當之保險保障。

### 審核委員會

本公司已於二零零五年十二月二十二日成立審核委員會（「審核委員會」），並遵循企業管治守則以書面制訂職權範圍。本公司之審核委員會由三位獨立非執行董事組成，即顧福身先生（擔任主席）、江俊德先生及余玉堂先生。

審核委員會旨在監控健全的內部監控系統的成立並維持該系統，並遵循此系統。

審核委員會主要負責就外聘核數師之委任、重聘及罷免向董事會作出建議，並審批外聘核數師之酬金及聘任條款，以及與該等核數師之辭任或罷免有關之任何事宜；審閱中期報告及年報和本集團賬目；以及監察財務申報及本集團內部監控系統是否有效。審核委員會已於本年度履行其職責並審閱本公司截至二零一零年六月三十日止六個月之未經審核財務報表。審核委員會亦已審閱截至二零一零年十二月三十一日止年度之經審核財務報表。

## 企業管治報告

審核委員會已向董事會建議，於本公司應屆股東週年大會上提名執業會計師羅兵咸永道會計師事務所續任為本公司之核數師。

### 會議次數及出席率

於二零一零年年度，審核委員會會面三次，本公司管理層及外聘核數師在合適情況下均有出席。有關審核委員會成員的會議出席詳情載列如下：

成員姓名	出席率
顧福身先生	3/3
江俊德先生	3/3
余玉堂先生	3/3

### 董事提名

在考慮提名新董事時，董事會將考慮候選人之資歷、能力、工作經驗、領導能力及專業道德，尤其是彼等於機械工程行業及／或其他專業範疇之經驗。

本公司已於二零零五年十二月二十二日成立提名委員會，並遵循企業管治守則以書面制訂職權範圍，成員包括兩位獨立非執行董事，分別為顧福身先生（擔任主席）及江俊德先生，以及一位執行董事，即陳向榮先生。

提名委員會之功能為檢討及監督董事會之架構、規模及組成；物色合資格人士出任董事會成員；評估獨立非執行董事之獨立性，以及向董事會就委任及重選董事作出推薦建議。

年內及本報告日期前，董事概無任何變動。現有董事會規模足以應付現時運作。此外，委員會已審閱及確信所有獨立非執行董事之獨立性。

根據組織章程細則，三分之一董事將於本公司應屆股東週年大會上退任。根據組織章程細則第87(1)條，朱志洋先生、溫吉堂先生及顧福身先生將於本公司應屆股東週年大會輪值告退，惟合資格並願意膺選連任。

## 企業管治報告

### 會議次數及出席紀錄

提名委員會於截至二零一零年十二月三十一日止年度舉行一次會議，其出席詳情如下：

董事	出席率
顧福身先生	1/1
江俊德先生	1/1
陳向榮先生	1/1

### 董事薪酬

本公司已於二零零五年十二月二十二日成立薪酬委員會，並遵循企業管治守則以書面制訂職權範圍，成員包括兩位獨立非執行董事，分別為顧福身先生（擔任主席）及江俊德先生，以及一位執行董事，即陳向榮先生。

薪酬委員會之功能為制定及檢討董事及高級管理層之薪酬政策及架構。

### 會議次數及出席紀錄

提名委員會於截至二零一零年十二月三十一日止年度舉行一次會議以審閱本公司各董事及高級管理層的現有薪酬，其出席詳情如下：

董事	出席率
顧福身先生	1/1
江俊德先生	1/1
陳向榮先生	1/1

### 薪酬政策

薪酬委員會根據僱員之貢獻、資格及能力決定本集團僱員之薪酬政策。

薪酬委員會根據本公司以往業績、董事個別表現及可比較之市場數據決定董事之薪酬。每名執行董事有權分別支取底薪。此外，每名執行董事亦有權收取董事酌情發放之花紅，惟不可超逾本集團於有關財政年度之經審核綜合純利之2%。此金額須由審核委員會批准。有關董事薪酬詳情載於綜合財務報表附註8。

## 企業管治報告

本公司於二零零五年十二月二十二日採納一項購股權計劃。購股權計劃目的讓董事會向特選之合資格人士授出購股權，以鼓勵及致力提升彼等之表現及效率，以符合本集團利益。購股權計劃之詳情載於董事會報告內之購股權計劃。

### 核數師酬金

於回顧年度內，支付予／應付予本公司核數師羅兵咸永道會計師事務所之酬金載列如下：

向本集團提供的服務	已付／應付費用 千港元
核數服務	1,350
非核數服務（中期財務審閱）	-

### 內部監控系統

董事會負責管理本集團的內部監控系統，並檢討其效用，其中包括財務、經營及合規控制等，同時致力推行有效及完善的內部監控系統，以保障股東利益及本集團資產。有關檢討亦涵蓋本公司在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工接受的訓練課程及有關預算。本年度內，管理層就本集團內

部監控系統的成效進行檢討。涵蓋所有重要監控的報告及審查結果已提交董事會及後跟進計劃已獲採納。有關檢討並無發現本集團的內部監控系統有任何重大不足。

### 董事對財務報表之責任

董事會肩負於每個財政期間編製本公司賬目之職責，該等賬目可真實公平地反映本集團業務狀況及該期間之業績及現金流量。編製截至二零一零年十二月三十一日止年度之財務報表時，董事會已揀選及貫徹應用合適會計政策；作出審慎、公平及合理之判斷及估計，並採納持續經營基準編製有關賬目。董事會負責採取一切合理所需步驟保障本集團資產，並且防止及偵查欺詐及其他不正常情況。

### 核數師聲明

本公司之核數師於本集團截至二零一零年十二月三十一日止年度之財務報表之核數師報告內確認彼等所承擔之責任。

香港，二零一一年三月二十四日

# 獨立核數師報告



羅兵咸永道會計師事務所

羅兵咸永道會計師事務所  
香港中環太子大廈廿二樓  
電話：(852) 2289 8888  
傳真：(852) 2810 9888  
www.pwchk.com

致友佳國際控股有限公司

(於開曼群島註冊成立之有限公司)

列位股東的獨立核數師報告

本行已審核第39至103頁載列之友佳國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零一零年十二月三十一日之綜合及公司資產負債表，以及截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表連同主要會計政策概要及其他說明資料。

## 董事就綜合財務報表須承擔之責任

貴公司董事須負責根據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，以及董事認為為了讓所編製之綜合財務報表不存有由於欺詐或錯誤而導致的重大錯誤陳述屬必要之內部監控，編製提供真實和公平意見的綜合財務報表。

## 核數師之責任

本行之責任是根據本行之審核，對該等綜合財務報表發表意見，僅向全體股東報告本行之意見，除此之外，本報告不可用作其他用途。本行概不就本報告內容向任何其他人士承擔或負上任何責任。

本行乃根據香港會計師公會頒佈之香港審計準則進行審核。該等準則要求本行遵守道德規範，並規劃及執行審核，以合理確定該等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

審核涉及執行情序以取得有關綜合財務報表所載金額及披露事項之審核憑證。所選用之程序取決於核數師之判斷，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。在評估該等風險時，核數師會考慮與該公司編製提供真實及公平意見之綜合財務報表相關之內部控制，以設計適合當時情況之審核程序，但並非就該公司內部控制之成效發表意見。審核亦包括評價董事所採用之會計政策之適當性及所作出之會計判斷之合理性，以及評價綜合財務報表之整體呈報方式。

本行相信，本行已得到足夠及適當之審核憑證以作為提供審核意見之基礎。

### 意見

本行認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一零年十二月三十一日之事務狀況及 貴集團截至該日止年度之溢利及現金流量，並根據香港公司條例之披露規定妥為編製。

**羅兵咸永道會計師事務所**

執業會計師

香港，二零一一年三月二十四日

# 綜合全面收益表

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
收益	5	<b>1,374,183</b>	776,838
收益成本	7	<b>(1,018,648)</b>	(562,037)
<b>毛利</b>		<b>355,535</b>	214,801
其他收入	6	<b>20,674</b>	12,695
分銷及銷售成本	7	<b>(110,404)</b>	(72,738)
行政費用	7	<b>(84,544)</b>	(40,951)
其他營運費用	7	<b>(3,000)</b>	(1,559)
已收購業務的可識別資產、 負債及或然負債公平淨值高於成本的部分	34	<b>19,006</b>	-
<b>營運溢利</b>		<b>197,267</b>	112,248
財務費用	9	<b>(3,461)</b>	(4,564)
<b>除所得稅前溢利</b>		<b>193,806</b>	107,684
所得稅開支	10	<b>(35,060)</b>	(23,539)
<b>本公司權益持有人應佔溢利</b>		<b>158,746</b>	84,145
<b>本公司權益持有人應佔年內每股盈利</b> (以每股人民幣元列示)			
<b>每股基本及攤薄盈利</b>	12	<b>0.41</b>	0.25
第47至103頁的附註為該等綜合財務報表之一部分。			
股息	13	<b>100,800</b>	70,560

# 綜合全面收益表

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
年內溢利		158,746	84,145
其他全面收入：			
貨幣換算差額	27	(161)	-
年內其他全面收入		(161)	-
年內全面收入總額		158,585	84,145
以下應佔：			
—公司權益持有人		158,585	84,145

第47至103頁的附註為該等綜合財務報表之一部分。

# 綜合資產負債表

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
<b>資產</b>			
<b>非流動資產</b>			
土地使用權	14	41,310	42,253
物業、廠房及設備	15	228,404	183,615
投資物業	16	2,042	8,837
無形資產	17	16,623	2,726
於共同控制實體的投資	19	8,192	–
遞延所得稅資產	31	5,545	5,235
購置廠房及設備之按金		20,146	2,443
		<b>322,262</b>	245,109
<b>流動資產</b>			
存貨	22	341,829	209,534
應收賬款、按金及預付款項	21	428,298	262,140
應收客戶合約工程款項	23	22,943	17,198
應收最終控股公司款項	35	139	588
應收及預付最終控股公司 一間同系附屬公司及聯營公司款項	35	3,436	–
限制性銀行存款	24	29,158	23,919
現金及現金等值物	25	161,045	68,137
		<b>986,848</b>	581,516
<b>總資產</b>		<b>1,309,110</b>	826,625
<b>權益及負債</b>			
<b>母公司擁有人應佔權益</b>			
普通股	26	4,022	3,431
股份溢價	27	271,792	66,596
資本儲備	27	77,338	77,338
其他儲備	27	44,764	37,179
保留盈利	27	220,447	178,311
— 擬派末期股息		–	40,320
— 其他		220,447	137,991
<b>總權益</b>		<b>618,363</b>	362,855

## 綜合資產負債表

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
<b>負債</b>			
<b>非流動負債</b>			
借貸	30	6,614	10,241
遞延所得稅負債	31	15,788	4,943
		<b>22,402</b>	15,184
<b>流動負債</b>			
應付賬款、其他應付及應計費用	28	454,057	291,655
應付客戶合約工程款項	23	15,674	18,576
應付直接控股公司款項	35	2,213	6,448
應付一間合資企業款項	35	7,335	–
即期所得稅負債		11,783	9,406
保證撥備	29	8,099	5,204
借貸	30	169,184	117,297
		<b>668,345</b>	448,586
<b>總負債</b>		<b>690,747</b>	463,770
<b>總權益及負債</b>		<b>1,309,110</b>	826,625
<b>流動資產淨額</b>		<b>318,503</b>	132,930
<b>總資產減流動負債</b>		<b>640,765</b>	378,039

第47至103頁的附註為該等財務報表之一部分。

第39至103頁的財務報表已於二零一一年三月二十四日獲董事會批准及代其簽署。

董事  
朱志洋

董事  
陳向榮

# 公司資產負債表

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
<b>資產</b>			
<b>非流動資產</b>			
物業、廠房及設備		8	–
於附屬公司的投資	18	52,837	52,837
於共同控制實體的投資	19	8,192	–
<b>流動資產</b>			
按金及預付款項	21	154	942
應收附屬公司款項	18	312,350	150,585
現金及現金等值物	25	2,745	1,704
		<b>315,249</b>	153,231
<b>總資產</b>			
		<b>376,286</b>	206,068
<b>權益</b>			
<b>母公司擁有人應佔權益</b>			
普通股	26	4,022	3,431
股份溢價	27	271,792	66,596
其他儲備	27	12,136	12,136
保留盈利	27	32,511	73,173
– 擬派末期股息		–	40,320
– 其他		32,511	32,853
<b>總權益</b>			
		<b>320,461</b>	155,336
<b>負債</b>			
<b>非流動負債</b>			
借貸	30	6,614	10,241

## 公司資產負債表

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
<b>流動負債</b>			
其他應付及應計費用		822	797
應付附屬公司款項	18	2,094	2,146
借貸	30	46,295	37,548
		<b>49,211</b>	40,491
<b>總負債</b>			
		<b>55,825</b>	50,732
<b>總權益及負債</b>			
		<b>376,286</b>	206,068
<b>流動資產淨額</b>			
		<b>266,038</b>	112,740
<b>總資產減流動負債</b>			
		<b>327,075</b>	165,577

第47至103頁的附註為該等財務報表的一部分。

第39至103頁的財務報表已於二零一一年三月二十四日獲董事會批准及代其簽署。

董事  
朱志洋

董事  
陳向榮

# 綜合權益變動表

截至二零一零年十二月三十一日止年度

	附註	股本 人民幣千元	股本溢價 人民幣千元	股本儲備 人民幣千元	其他儲備 人民幣千元	保留盈利 人民幣千元	總權益 人民幣千元
於二零零九年一月一日結餘		3,431	66,596	77,338	37,179	144,566	329,110
全面收入總額		-	-	-	-	84,145	84,145
已付股息		-	-	-	-	(50,400)	(50,400)
於二零零九年十二月三十一日		3,431	66,596	77,338	37,179	178,311	362,855
年內溢利		-	-	-	-	158,746	158,746
貨幣換算差額		-	-	-	(161)	-	(161)
全面收入總額		-	-	-	(161)	158,746	158,585
發行台灣預託憑證 (「台灣預託憑證」)所得款項	26	591	205,196	-	-	-	205,787
已付股息	13	-	-	-	-	(108,864)	(108,864)
儲備撥備	27	-	-	-	7,746	(7,746)	-
於二零一零年十二月三十一日 結餘		4,022	271,792	77,338	44,764	220,447	618,363

第47至103頁的附註為該等綜合財務報表之一部分。



# 綜合現金流量表

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
<b>經營活動產生的現金流量</b>			
營運所得現金	32	<b>78,398</b>	165,330
已繳所得稅及預扣稅		<b>(31,213)</b>	(8,826)
已退還所得稅		-	5,306
有關業務合併的交易成本	34	<b>422</b>	-
<b>經營活動所得的現金淨額</b>		<b>47,607</b>	161,810
<b>投資活動產生的現金流量</b>			
於一間合營企業的投資		<b>(8,192)</b>	-
收購一項業務已付現金	34	<b>(14,759)</b>	-
購買物業、廠房及設備(「物業、廠房及設備」)		<b>(70,984)</b>	(32,427)
出售物業、廠房及設備所得款項	32	<b>1,956</b>	1,576
購買無形資產		<b>(524)</b>	(1,060)
已收利息		<b>1,321</b>	688
限制性銀行存款增加		<b>(5,239)</b>	(15,137)
<b>投資活動動用的現金淨額</b>		<b>(96,421)</b>	(46,360)
<b>融資活動產生的現金流量</b>			
發行台灣存託憑證所得款項	26, 27	<b>205,787</b>	-
借貸所得款項		<b>345,036</b>	240,591
償還借貸		<b>(296,776)</b>	(286,815)
已付權益持有人股息		<b>(108,864)</b>	(50,400)
已付利息		<b>(3,461)</b>	(4,564)
<b>融資活動所得／(動用)現金淨額</b>		<b>141,722</b>	(101,188)
<b>現金及現金等值物增加淨額</b>		<b>92,908</b>	14,262
年初現金及現金等值物	25	<b>68,137</b>	53,875
年終現金及現金等值物	25	<b>161,045</b>	68,137

第47至103頁的附註為該等財務報表之一部分。

# 綜合財務報表附註

## 1 一般事項

友佳國際控股有限公司（「本公司」）及其附屬公司（「本集團」）主要從事設計及生產電腦數控工具機、立體停車設備及叉車。

本公司於開曼群島註冊成立，其註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司股份自二零零六年一月十一日起於香港聯合交易所有限公司（「聯交所」）主板上市。此外，於二零一零年三月十八日已發行67,200,000個單位的台灣存託憑證（「台灣存託憑證」）於台灣證券交易所（「台灣證交所」）上市，相當於本公司67,200,000股新近發行的股份。

除另有說明者外，該等財務報表均以人民幣（「人民幣」）呈報。該等財務報表已由董事會於二零一一年三月二十四日批准刊發。

## 2 主要會計政策概要

編製該等綜合財務報表所採用之主要會計政策載於下文。除另有說明者外，該等政策已貫徹應用於所有呈報之年度。

### 2.1 編製基準

本公司綜合財務報表乃按香港財務報告準則（香港財務報告準則）編製。綜合財務報表已按歷史成本法編製。

編製符合香港財務報告準則之財務報表須運用若干重要會計估算，亦需管理層在應用本集團會計政策過程中作出判斷。涉及高度判斷或性質錯綜複雜之範疇，或假設及估計對綜合財務報表有重大影響之範疇於附註4中披露。

#### 2.1.1 會計政策及披露變動

(a) 本集團採納之新訂及經修訂準則

以下新訂準則及準則之修訂首次須於二零一零年一月一日開始之財政年度採納。

- 香港財務報告準則第3號（經修訂）「業務合併」，以及對香港會計準則第27號「綜合及獨立財務報表」、香港會計準則第28號「於聯營公司之投資」及香港會計準則第31號「於合營企業之投資」的往後修訂按預期基準應用於收購日期為二零零九年七月一日或之後開始的首個年度報告期間的業務合併。

## 綜合財務報表附註

## 2 主要會計政策概要 (續)

## 2.1 編製基準 (續)

## 2.1.1 會計政策及披露變動 (續)

## (a) 本集團採納之新訂及經修訂準則 (續)

該項經修訂準則繼續對業務合併應用收購法，但與香港財務報告準則第3號相比有重大變動。比方說，購買業務的所有付款乃按收購日期的公平值入賬，而分類為債務的或然付款其後於全面收益表重新計量。個別購買基準有不同選擇方案，於被購買方之非控股權益，可以公平值或非控股權益應佔被購買方資產淨值之比例計量。所有收購相關成本均予以支銷。

該等經修訂準則應用於年內在意大利收購業務及相關資產組別和僱員。進一步詳情見附註34。

香港會計準則第27號 (經修訂) 規定倘控制權並無變動，且該等交易將不再產生商譽或損益，則與非控股權益進行之所有交易之影響於權益中列賬。此項準則亦訂明失去控制權時之會計處理方法。任何於該實體之剩餘權益按公平值重新計量，並在損益賬確認損益。香港會計準則第27號 (經修訂) 對本期間並無重大影響，理由是並無與非控股權益進行交易。

香港會計準則第38號 (修訂本) 釐清計量於業務合併時收購無形資產之公平值的方法，並允許倘無形資產之可用經濟年期相近，則可將該等無形資產合併為一項單一資產計算。該等經修訂準則應用於年內向一間意大利公司收購業務及相關資產組別和僱員。進一步詳情見附註34。

- 香港會計準則第17號 (修訂本) 「租賃」刪除有關土地租賃分類之特定指引，以消除與租賃分類一般指引的不符之處。因此，土地租賃須根據香港會計準則第17號的一般原則分類為融資或經營租賃。即不論租賃是否將資產擁有權附帶的絕大部份風險及回報轉讓予承租人。於修訂前，租期屆滿後預期不會歸屬於本集團的土地權益根據「租賃土地及土地使用權」分類為經營租賃，並於租期內攤銷。

## 綜合財務報表附註

### 2 主要會計政策概要 (續)

#### 2.1 編製基準 (續)

##### 2.1.1 會計政策及披露變動 (續)

###### (a) 集團採納之新訂及經修訂準則 (續)

- 香港會計準則第17號 (修訂本) 已按照修訂本之生效日期及過渡條文，於二零一零年一月一日開始之年度期間追溯應用。本集團已根據租賃開始時已存在之資料，重新評估於二零一零年一月一日未屆滿之租賃土地及土地使用權分類，結論為毋須按照該項修訂進行分類。

###### (b) 以下新訂及經修訂準則以及詮釋首次須於二零一零年一月一日開始之財政年度採納，但現時與本集團無關 (儘管可能影響未來交易和事件的會計處理方法)

- |                                      |                    |
|--------------------------------------|--------------------|
| • 香港 (國際財務報告詮釋委員會)<br>— 詮釋第17號       | 向擁有人分派非現金資產        |
| • 香港 (國際財務報告詮釋委員會)<br>— 詮釋第18號       | 從客戶轉讓資產            |
| • 香港 (國際財務報告詮釋委員會)<br>— 詮釋第9號 (修訂本)  | 重新評估嵌入式衍生工具        |
| • 香港 (國際財務報告詮釋委員會)<br>— 詮釋第16號 (修訂本) | 海外業務投資淨額對沖         |
| • 香港會計準則第1號 (經修訂)                    | 財務報表之呈報            |
| • 香港會計準則第36號 (經修訂)                   | 資產減值               |
| • 香港財務報告準則第2號 (修訂本)                  | 集團現金結算以股份為基礎付款之交易  |
| • 香港財務報告準則第5號 (修訂本)                  | 持作出售的非流動資產及已終止經營業務 |

###### (c) 於二零一零年一月一日開始之財政年度已頒佈但尚未生效及並無提早採納之新訂準則、修訂本及詮釋

- |                                |  |
|--------------------------------|--|
| • 香港財務報告準則第9號                  | 金融工具   |
| • 香港會計準則第24號 (經修訂)             | 關連人士披露   |
| • 「供股之分類」                      | (國際會計準則/香港會計準則<br>第32號之修訂)                       |
| • 香港 (國際財務報告詮釋委員會)<br>— 詮釋第19號 | 「以股本工具抵銷金融負債」                                    |
| • 最低資金規定的預付款                   | (國際財務報告詮釋委員會/香港<br>(國際財務報告詮釋委員會)<br>— 詮釋第14號之修訂) |

## 綜合財務報表附註

## 2 主要會計政策概要 (續)

## 2.2 綜合基準

## (a) 附屬公司及業務合併

附屬公司指本集團有權控制其財務及營運決策之一切實體（包括特定用途實體），一般擁有其過半數投票權。於評估本集團是否控制另一實體時，會考慮現時可行使或可轉換潛在投票權之存在及影響。附屬公司於控制權轉移至本集團之日起全面綜合入賬。附屬公司於控制權終止之日起停止入賬。

本集團乃採用會計收購法為業務合併列賬。收購一家附屬公司／一項業務的轉讓代價為所轉讓資產、所產生負債及本集團所發行股權的公平值。所轉讓代價包括任何或然代價安排產生的任何資產或負債的公平值。收購相關成本於產生時列為開支。於業務合併時所收購的可識別資產及所承擔的負債及或然負債，初步按收購日的公平值計量。按逐項收購基準，本集團以公平值或非控股權益按比例應佔被收購方資產淨值，確認任何被收購方非控股權益。

所轉讓代價、被收購方的任何非控股權益金額及任何先前於被收購方的股權於收購日期的公平值超逾所收購可識別資產淨值的公平值的差額入賬列作商譽。倘在廉價購入情況下，該等數額低於所收購附屬公司資產淨值的公平值，則有關差額直接於全面收益表內確認。

公司間交易、結餘及因集團公司間交易而產生的未變現收益會予以對銷。未變現虧損亦會對銷。附屬公司的會計政策已按需要作出改動，以確保與本集團所採納者相符。

附屬公司投資按成本扣除減值列賬。成本經調整以反映修改或然代價所產生的代價變動。成本亦包括投資的直接歸屬成本。附屬公司的業績由本公司按股息及應收款項入賬。

## 綜合財務報表附註

### 2 主要會計政策概要 (續)

#### 2.2 綜合基準 (續)

##### (b) 合營企業

合營企業指本集團對其有重大影響但無控制權的實體，合營企業附帶擁有其50%投票權的股權。於合營企業的投資乃以權益會計法入賬，並初步按成本確認。本集團於合營企業的投資包括於收購時已識別的商譽（經扣除任何累計減值虧損）。

本集團所佔合營企業的收購後盈虧乃於收益表內確認，而其所佔收購後其他全面收入變動則於其他全面收入內確認。累計收購後變動乃就投資賬面值作出調整。如本集團應佔合營企業虧損相等於或超過其應佔合營企業的權益（包括任何其他無抵押應收款項），則本集團不會進一步確認虧損，除非本集團已代合營企業承擔負債或支付款項。

本集團與其合營企業之間交易所產生未變現收益，乃以本集團於合營企業的權益為限而抵銷。未變現虧損亦會對銷，惟被當作已轉讓資產的減值證據的交易除外。合營企業的會計政策已作必要更改，以確保與本集團所採納者保持一致。

於合營企業的投資引致的攤薄收益及虧損於收益表確認。

#### 2.3 分部報告

經營分部的呈報方式與向主要經營決策者提供的內部報告所採用者一致。主要經營決策者負責分配資源及評核經營分部表現，已被識別為作出策略決定的執行董事。

## 綜合財務報表附註

## 2 主要會計政策概要 (續)

## 2.4 外幣換算

## (a) 功能及呈報貨幣

本集團旗下各實體之財務報表所包括之項目，乃按該實體經營所在主要經濟環境之貨幣（「功能貨幣」）計量。該等綜合財務報表以人民幣呈報，人民幣為本公司功能貨幣及本集團呈報貨幣。

## (b) 交易及結餘

外幣交易採用交易日期或項目重新計量估值日期之現行匯率換算為功能貨幣。結算該等交易產生之匯兌盈虧以及將外幣計值之貨幣資產及負債按年終匯率換算產生的匯兌盈虧在收益表內確認，但當於權益中作為合資格現金流量對沖合資格淨投資對沖的時候除外。

與借貸及現金及現金等值物有關的匯兌盈虧在收益表內的「融資收入或成本」中呈列。所有其他匯兌盈虧在收益表內的「其他（虧損）／收益淨額」中呈列。

## (c) 集團公司

倘所有實體（全部均非採用嚴重通脹經濟體系的貨幣）的功能貨幣有別於呈報貨幣，則其業績及財務狀況按下列方法兌換為呈報貨幣：

- (i) 每份資產負債表內的資產與負債按該結算日的收市匯率換算；
- (ii) 每份收益表內的收入及開支按平均匯率換算（除非該平均數並非交易日當時現行匯率累計影響的合理約數，屆時收支按交易日期的匯率兌換）；及
- (iii) 所產生的所有兌換差額於其他全面收入確認。

## 綜合財務報表附註

### 2 主要會計政策概要 (續)

#### 2.4 外幣換算 (續)

##### (c) 集團公司 (續)

綜合賬目時，換算境外業務的投資淨額及借貸以及其他指定為該等投資對沖的貨幣工具時產生的匯兌差額乃列入其他全面收入內。當出售或銷售部份境外業務時，記入權益的匯兌差額於收益表中確認為出售收益或虧損的部份。

因收購海外實體而引致的商譽及公平值調整，視作為該海外實體的資產及負債，並按收市匯率換算。

#### 2.5 物業、廠房及設備

物業、廠房及設備乃按歷史成本減折舊列賬。歷史成本包括收購該等項目直接應佔之開支。

只有在與項目有關之未來經濟利益有可能流入本集團及項目成本能可靠計量時，其後成本才會計入資產賬面值或確認為一項獨立資產（如適當）。已更換部分之賬面值取消確認。所有其他維修及維護則於產生所在之財政期間內於收益表內扣除。

— 樓宇	20年
— 機械及設備	10年
— 辦公及電腦設備	3至5年
— 汽車	4年

資產之剩餘價值及可使用年期於各呈報期間末進行審閱，並於適當時作出調整。

倘資產賬面值高於其估計可收回金額時，該項資產的賬面值將即時撇減至其可收回金額（附註2.8）。

在建工程指正在建造以供生產或自用之物業。在建工程以成本減任何已確認減值虧損列賬。在建工程於完成後及可供用於擬定用途時分類為物業、廠房及設備之適當類別。

出售盈虧透過比較所得款項與賬面值釐定，並於收益表之「其他（虧損）／收益－淨額」內確認。



## 綜合財務報表附註

## 2 主要會計政策概要 (續)

### 2.6 投資物業

為長期租金收益或資本升值或上述兩者原因而持有之物業，而並非由本集團佔用之物業，均列作投資物業。

投資物業按歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括收購該等項目直接所佔開支。

折舊採用直線法，按於其估計可使用年期20年計算。

只有在與項目有關之未來經濟利益有可能流入本集團及項目成本能可靠計量時，其後成本才會計入資產賬面值或確認為一項獨立資產（倘適當）。所有其他維修及維護則於產生所在之財政期間內於全面收益表內扣除。

若資產賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額。

出售盈虧透過比較所得款項與賬面值釐定，並於綜合全面收益表內確認。

### 2.7 無形資產

分開購入的商標及特許權按歷史成本列示。在業務合併中購入的商標及特許權於收購日期按公平值確認。商標及許可權有限定可使用年限，並按成本減累計攤銷列賬。攤銷利用直線法將商標及許可權的成本分攤至其估計可使用年限10年計算。

購入電腦軟件特許權按購入及將特定軟件達致使用所產生的成本基準而撥充資本。該等成本於其估計可使用年限攤銷。

## 綜合財務報表附註

### 2 主要會計政策概要 (續)

#### 2.8 非金融資產投資減值

無確定使用年期(例如商譽或尚未可供使用之無形資產)之資產無需攤銷,但每年須就減值進行測試。各項資產於出現事件或情況改變顯示可能無法收回賬面值時就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產公平值減銷售成本或使用價值兩者之較高者為準。就評估減值而言,資產按可獨立識別現金流量之最低水平(現金產生單位)分類。出現減值之非金融資產(除商譽外)於各報告日期檢討是否可能撥回減值。

倘投資附屬公司或共同控制實體收取之股息超過附屬公司或共同控制實體於股息宣派期間之全面收入總額或於獨立財務報表中投資之賬面值超過投資對象資產淨值(包括商譽)於綜合財務報表中之賬面值,則於該等投資收到股息時須對附屬公司或共同控制實體之投資進行減值測試。

#### 2.9 金融資產

##### 2.9.1 分類

本集團將金融資產分為貸款及應收款項。分類視乎收購金融資產之目的而定。管理層於首次確認金融資產時決定其分類。

貸款及應收款項為有固定或可釐定付款的非衍生金融資產,且在活躍市場並無報價。該等項目計入流動資產,惟到期日超過報告期末起計12個月者除外。該等貸款及應收款項歸類為非流動資產。本集團的應收款項包括資產負債表內的「應收賬款、按金及預付款項」、「應收最終控股公司款項」、「應收及預付最終控股公司一間同系附屬公司及聯營公司款項」、「限制性銀行存款」及「現金及現金等值物」(附註2.13及2.14)。

##### 2.9.2 確認及計量

正常買賣的金融資產在交易日(本集團承諾買賣該資產的日期)確認。對於所有並非按公平值透過損益列賬的金融資產,投資初步按公平值加交易成本確認。按公平值透過損益列賬的金融資產初步按公平值確認,而交易成本則於收益表支銷。當從投資收取現金流量的權利已到期或已轉讓,且本集團已將擁有權的絕大部分風險和回報轉讓時,即取消確認金融資產。應收款項其後使用實際利率法按已攤銷成本列賬。

## 綜合財務報表附註

## 2 主要會計政策概要 (續)

## 2.10 對銷金融工具

當存在合法可執行權利對銷已確認金額及當有意按淨額基準償付責任或變現資產與償付負債同時發生時，金融資產及負債於資產負債表呈報淨金額。

## 2.11 金融資產減值

## (a) 以攤銷成本列賬的資產

本集團於每個報告期末評估是否存在客觀證據顯示一項金融資產或一組金融資產出現減值。只有存在客觀證據顯示於首次確認資產後發生一宗或多宗事件導致出現減值(「虧損事件」)，而該宗或該等虧損事件對該項或該組金融資產的估計未來現金流量構成的影響可合理估計，則該項金融資產或該組金融資產會出現減值及產生減值虧損。

本集團用於釐定是否存在減值虧損客觀證據的標準如下：

- 發行人或責任承擔人遇上嚴重財政困難；
- 違反合約，例如逾期或拖欠償還利息或本金；
- 本集團基於與借款人的財政困難有關的經濟或法律原因，向借款人提供貸款人原應不會考慮的特惠條件；
- 借款人有可能破產或進行其他財務重組；
- 因為財政困難而使該項金融資產的活躍市場不再存在；或
- 可觀察資料顯示，某組金融資產自初始確認後的估計未來現金流量出現可計量的減少，惟該減少尚未能在該組合中的個別金融資產內確定，包括：

## 綜合財務報表附註

### 2 主要會計政策概要 (續)

#### 2.11 金融資產減值 (續)

##### (a) 以攤銷成本列賬的資產 (續)

- 組合中借款人的還款狀況出現不利變動；
- 與該組合資產逾期還款相關的全國或地方經濟狀況。

本集團先會評估是否存在減值的客觀證據。

就貸款及應收款項而言，虧損金額乃根據資產賬面值與按金融資產原有效率折現而估計未來現金流量（不包括尚未產生的未來信用虧損）的現值兩者的差額計量。資產賬面值將予削減，而虧損金額則在綜合收益表確認。在實際應用中，本集團可利用可觀察市場價格按工具的公平值計量減值。

倘減值虧損數額於往後期間減少，而此項減少可客觀地與確認減值後發生的事件（例如債務人的信用評級有所改善）有關連，則先前已確認的減值虧損可在綜合收益表撥回。

本集團會於各呈報期間末評估是否存在客觀證據證明某項金融資產或金融資產組別出現減值。就債務證券而言，本集團利用上文(a)所述的準則。倘屬分類為可供出售之股本投資，於釐定資產有否減值時，會考慮證券公平值之重大或持續下跌至低於其成本值。倘存有任何證據顯示可供出售金融資產出現減值，其累計虧損（收購成本與現時公平值之差額）減該金融資產以往於損益內確認之任何減值則於權益撤銷，並於獨立綜合收益表內確認。於獨立綜合收益表內確認的股本工具減值虧損不會透過獨立收益表撥回。倘於其後期間，分類為可供出售的債務工具的公平值增加，而該增幅可客觀地與減值虧損於損益內確認後出現的事件有關，則於獨立綜合收益表中撥回減值虧損。

應收賬款及其他應收款項的減值測試於附註2.14描述。

#### 2.12 存貨

存貨按成本或可變現淨值兩者之較低者列賬。成本以加權平均法計算。製成品及在製品之成本包括原材料、直接勞工、其他直接成本及相關生產開支（根據正常運作能力），惟不包括貸款成本。可變現淨值乃按正常業務過程中之估計售價減去適用變動銷售開支計算。

## 綜合財務報表附註

## 2 主要會計政策概要 (續)

### 2.13 應收貿易款項及其他應收款項

應收貿易款項乃就日常業務過程中出售商品或履行服務而應收客戶的款項。倘預期於一年或少於一年（或倘時間較長，則於業務的正常營運周期內）追收應收貿易款項及其他應收款項，則該等款項會分類為流動資產，否則，呈列為非流動資產。

應收貿易款項及其他應收款項初步按公平值確認，其後使用實際利率法按攤銷成本減減值撥備計算。

### 2.14 現金及現金等值物

在綜合現金流量表內，現金及現金等價物包括手頭現金、可隨時提取的銀行存款及原始投資期限不超過三個月、流動性強的其他短期投資。

### 2.15 股本

普通股分類為股本。

直接歸屬於發行新股份的新增成本在權益中列為所得款項的減項（扣除稅項）。

## 綜合財務報表附註

### 2 主要會計政策概要 (續)

#### 2.16 貿易應付款項

應付貿易款項乃就日常業務過程中購買供應商提供的產品或服務而應支付的義務。倘應付賬款的支付日期在一年或以內(或倘時間較長,則於業務的正常運營周期內),其被分類為流動負債,否則,呈列為非流動負債。

應付貿易款項初步按公平值確認,及隨後使用實際利率法按攤銷成本計量。

#### 2.17 借貸

借貸初步按公平值減產生之交易費用確認,其後按攤餘成本計量。所得款項(經扣除交易費用)與贖回金額之間的差額使用實際利率法於借貸期間內計入收益表。

在信貸很有可能部分或全部提取的情況下,就設立信貸額度支付的費用乃確認為貸款交易成本。在此情況下,該費用將遞延至提取信貸發生時。在並無跡象顯示該信貸很有可能部分或全部提取的情況下,該費用撥充資本作為流動資金服務的預付款項,並於其相關信貸期間內予以攤銷。

除非本集團有權無條件將債務結算日期延遲至報告期末後至少十二個月,否則借貸將被劃分為流動負債。

收購、建造或生產合資格資產直接應佔之借貸成本撥充為該資產成本之一部分。

## 綜合財務報表附註

## 2 主要會計政策概要 (續)

## 2.18 即期及遞延所得稅

期間的稅項開支包括即期稅項及遞延稅項。稅項乃於收益表內確認，惟與於其他全面收入或直接於權益確認的項目有關的稅項除外。在此情況下，稅項亦分別於其他全面收入或直接於權益內確認。

即期所得稅開支根據本公司附屬公司及聯營公司經營業務及產生應課稅收入所在國家於結算日頒佈或實質頒佈的稅法計算。管理層會就對適用稅項法規作出詮釋的情況定期評估報稅中的稅務狀況，並在恰當時按預期須向稅務機關繳納的金額設定撥備。

遞延所得稅採用負債法就資產及負債的稅基與資產及負債在綜合財務報表內的賬面值之間產生的暫時性差額進行確認。然而，若遞延所得稅來自在交易（不包括業務合併）中對資產或負債的初步確認，而在交易時不影響會計處理或應課稅盈虧，則不予列賬。遞延所得稅採用在結算日前頒佈或實質頒佈並預期在有關遞延所得稅項資產變現或遞延所得稅項負債結算時適用的稅率（及法例）釐定。

遞延所得稅項資產僅於日後應課稅溢利可供抵銷暫時性差額時，方予以確認。

遞延所得稅按投資附屬公司及共同控制實體所產生之暫時性差額作出撥備，惟撥回暫時性差額之時間可受本集團控制，且暫時性差額可能不會於可預見未來撥回之遞延所得稅負債除外。

當有依法強制執行權將即期稅項資產與即期稅項負債相抵銷，且遞延所得稅資產及負債與同一財政機構對同一應繳稅實體或者不同應繳稅實體徵收的所得稅有關，且有意按淨額將結餘結算，則可將即期所得稅資產與負債相互抵銷。

## 綜合財務報表附註

### 2 主要會計政策概要 (續)

#### 2.19 僱員福利

##### (a) 僱員休假權利

僱員享有年假之權利在僱員應享有時確認，並會因應僱員於截至結算日止提供服務而應享之年假之估計負債而作出撥備。

##### (b) 退休金責任

本集團於香港根據強制性公積金計劃(「強積金」)條例向定額供款退休計劃供款，該等計劃的資產一般以獨立管理基金形式持有。退休金計劃的資金一般來自僱員及本集團支付的款項。本集團向定額供款退休計劃作出的供款會於產生時支銷。

本集團亦向中國內地市政府設立的僱員退休計劃供款。市政府承諾承擔本集團現時及日後所有退休僱員的退休福利責任。向此等計劃作出的供款會於產生時在綜合全面收益表扣除。

##### (c) 花紅計劃

於結算日起計十二個月內悉數到期的花紅計劃撥備於合約上有責任或過往慣例訂有推定責任時確認。

#### 2.20 政府補貼

倘可合理地保證本集團將會收到補貼及本集團將符合所有附帶條件，則政府補貼按公平值確認。與成本有關之政府補貼將會遞延，並於將補貼與彼等擬補償之成本匹配所需之期間內於綜合全面收益表內確認。



## 綜合財務報表附註

## 2 主要會計政策概要 (續)

## 2.21 撥備

如本集團因過往事件須承擔現時法定或推定責任，而承擔該責任可能須動用資源及該責任所涉及的金額能可靠地估計時，則須確認撥備。毋須就未來經營虧損確認撥備。

如出現多項類似責任，而承擔該等責任是否須動用資源在考慮該等責任的整體類別後釐定。即使同類別責任中任何一項可能須動用資源的機會不大，但仍會確認撥備。

撥備利用反映目前市場評估資金的時間價值及責任的個別風險的除稅前利率，按預計須用作履行責任的支出的現值計量。由於時間消逝導致的撥備增加，會確認為利息支出。

## 2.22 收益確認

收益包括本集團在正常業務過程中出售貨品及服務的已收或應收代價的公平值。收益在扣除增值稅、退貨、回佣及折扣以及對銷本集團內部銷售後列賬。

當收益的金額能夠可靠計量，未來經濟利益有可能流入有關實體，而本集團各相關業務符合下述特定條件時，本集團將確認收益。本集團會根據其過往業績並考慮客戶類別、交易種類和各項安排的特質作出估計。

(a) 工具機及叉車銷售於貨品交付及所有權轉移時確認入賬。

(b) 為合約客戶建造停車設備之收入依據合約完成的百分比確認入賬，惟直至完成合約前的收益、產生的成本及估計成本必須能可靠地計量。完成合約的百分比藉著參照至今成本對比根據合約所導致的總成本來釐定，可預見虧損在管理層預計會出現時便即時作出撥備。

(c) 利息收入

利息收入使用實際利率法確認。當應收款項出現減值，本集團將其賬面值減至其可收回數額（即估計未來現金流量按工具的原本實際利率折現），並繼續將折現的金額作為利息收入入賬。減值應收款項的利息收入使用原本實際利率確認。

## 綜合財務報表附註

### 2 主要會計政策概要 (續)

#### 2.23 停車設備合約

倘若停車設備建造合約的結果能可靠地估算，則於結算日參照合約活動之完成階段確認收益及成本，此乃按工程進行至今所產生的合約成本與估計總合約成本的比例計量。合約工程、申索及獎勵款項的變動會按與客戶所協定者計算在內。

倘不能可靠地估計停車設備建造合約的結果，則合約收益會按所產生而將有可能收回的合約成本確認。合約成本會於產生的期間確認為開支。

倘總合約成本有可能超出總合約收益，則預期之虧損即時確認為開支。

倘由產生時起計至今所產生的合約成本加已確認溢利及減去已確認虧損後，超逾按進度開發賬單的數額，則盈餘會列為應收合約工程客戶的款項。倘按進度開發賬單的數額超逾至今所產生的合約成本加已確認溢利減已確認虧損，則盈餘會列為應付合約工程客戶的款項。有關工程進行前已收取的款項計入綜合資產負債表之負債項下，並入賬列為應付客戶合約工程款項。就已進行工程已開發賬單而客戶尚未支付的款項計入綜合資產負債表之應收客戶合約工程款項。

#### 2.24 經營租賃

資產的大部份風險及回報由出租人保留的租賃，均歸類為經營租賃。根據經營租賃支付的款項（扣除出租人給予的任何獎勵）於租賃期內以直線法從收益表中扣除。

#### 2.25 股息分派

分派予本公司股東的股息於股息經本公司股東或董事（按適用）批准的期間內，於本集團及本公司的財務報表中確認為負債。

## 綜合財務報表附註

## 3 財務風險管理

## 3.1 財務風險因素

本集團業務涉及多項財務風險：外匯風險、利率風險、信貸風險及流動資金風險。本集團之整體風險管理計劃特別注意金融市場無法預計之特點，並尋求盡量降低對本集團財務表現之潛在不利影響。

## (a) 外匯風險

本集團及本公司主要面臨港元及美元兌人民幣產生之外匯風險。此外匯風險因未來商業交易或已確認資產及負債以非實體功能貨幣人民幣列值而產生。本集團透過定期審閱本集團的外匯風險淨額管理其外匯風險，及並無對其外匯風險進行對沖。管理層認為，本集團及本公司面臨之外匯風險甚微。

## 本集團

於二零一零年十二月三十一日，倘人民幣兌港元升值／貶值5%（二零零九年：5%），而所有其他變量保持不變，年內溢利將增加／減少約人民幣2,090,000元（二零零九年：增加／減少約人民幣1,048,000元）。

於二零一零年十二月三十一日，倘人民幣兌美元升值／貶值5%（二零零九年：5%），而所有其他變量保持不變，年內溢利將增加／減少約人民幣4,096,000元（二零零九年：增加／減少約人民幣1,569,000元）。

## 本公司

於二零一零年十二月三十一日，倘人民幣兌美元升值／貶值5%（二零零九年：5%），而所有其他變量保持不變，年內溢利將增加／減少約人民幣2,527,000元（二零零九年：增加／減少約人民幣2,389,000元）。

由於本公司以港元及歐元計值之財務資產及財務負債甚少，本公司面臨港元及歐元產生之外匯風險甚微。

此外，將人民幣兌換為外幣須遵守中國大陸政府頒佈的外匯管制制度及法規。

## 綜合財務報表附註

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (b) 利率風險

本集團及本公司因其浮息銀行借貸而面臨現金流利率風險。於二零一零年十二月三十一日，倘利率上調／下調50個基點，而所有其他變量保持不變，本集團及本公司的除稅前溢利將分別減少／增加約人民幣130,000元（二零零九年：減少／增加約人民幣177,000元）及減少／增加約人民幣60,000元（二零零九年：減少／增加約人民幣230,000元）。敏感度分析乃假設利率已於結算日有所變動而釐定。

##### (c) 信貸風險

於二零一零年十二月三十一日，本集團面臨的最高信貸風險產生於綜合資產負債表內呈列之應收賬款及按金、應收客戶合約工程款項、應收最終控股公司、同系附屬公司及最終控股公司之聯營公司款項以及限制性銀行存款及現金等值物。

於二零一零年十二月三十一日，本公司面臨的最高信貸風險產生於公司資產負債表內呈列之按金、應收附屬公司款項以及現金及現金等值物。

為盡量減低信貸風險，本集團管理層已委託一組人員專責釐定信貸限額、信貸批核及其他監控程序，確保採取後續行動以收回逾期債項。此外，於各結算日，本集團檢討各個別應收貿易客戶的可收回應收金額，以就不可收回金額作出減值虧損。

現金及現金等值物的信貸風險被視為有限，皆因對手方均為國際信貸評級機構評為至少Baa2級（二零零九年：Baa2級）的銀行。

除存放在多間信譽良好銀行的現金及現金等值物外，本集團並無任何其他特別集中的信貸風險。

## 綜合財務報表附註

## 3 財務風險管理 (續)

## 3.1 財務風險因素 (續)

## (d) 流動資金風險

為管理流動資金風險，本集團監察及維持現金及現金等值物以及未使用信貸額度於管理層認為足以應付本集團營運所需的水平，以及減少現金流量波動之影響。於二零一零年十二月三十一日，本集團未使用信貸額度為人民幣115,590,000元（二零零九年：人民幣132,681,000元）。管理層經常監察信貸額度的運用及銀行借貸的提取，以確保符合相關貸款契諾的規定。下表根據結算日至合約到期日之餘下期間將本集團之金融負債按相關到期組別進行分析。

	三個月內 人民幣千元	三個月至一年 人民幣千元	一年至兩年 人民幣千元	兩年至五年 人民幣千元	五年以上 人民幣千元
<b>本集團</b>					
<b>於二零一零年十二月三十一日</b>					
應付賬款·其他應付及					
應計費用	454,057	-	-	-	-
借貸	118,710	50,812	6,627	-	-
應付客戶合約工程款項	15,674	-	-	-	-
應付直接控股公司款項	2,213	-	-	-	-
應付合營企業款項	7,335	-	-	-	-
<b>於二零零九年十二月三十一日</b>					
應付賬款·其他應付及					
應計費用	291,655	-	-	-	-
借貸	43,616	73,780	10,250	-	-
應付客戶合約工程款項	18,576	-	-	-	-
應付直接控股公司款項	6,448	-	-	-	-

## 綜合財務報表附註

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (d) 流動資金風險 (續)

	三個月內 人民幣千元	三個月至一年 人民幣千元	一年至兩年 人民幣千元	兩年至五年 人民幣千元	五年以上 人民幣千元
<b>本公司</b>					
於二零一零年十二月三十一日					
其他應付及應計費用	822	-	-	-	-
應付附屬公司款項	2,094	-	-	-	-
借貸	26,621	19,966	6,656	-	-
於二零零九年十二月三十一日					
其他應付及應計費用	797	-	-	-	-
應付附屬公司款項	2,146	-	-	-	-
借貸	-	37,575	10,248	-	-

#### 3.2 資本風險管理

本集團管理資本以確保本集團內各實體能夠以持續經營基準繼續營運，並透過優化債務及權益比例實現股東回報最大化。本集團的整體策略與過往年度維持不變。

本集團的資本結構包括債務淨額（包括銀行借貸（扣除現金及現金等值物））及本公司權益持有人應佔權益（包括實繳資本、股份溢價及儲備）。

本公司董事定期審閱資本結構。作為此審閱之一環，本公司董事評估不同部門經考慮未來擴展計劃及資金來源後而編製的年度預算。根據建議年度預算，本公司董事考慮資本成本及與各類別資本相關之風險。本公司董事亦透過支付股息、發行新股及新增債務或贖回現有債務以平衡其整體資本結構。

## 綜合財務報表附註

## 3 財務風險管理 (續)

## 3.2 資本風險管理 (續)

	二零一零年 人民幣千元	二零零九年 人民幣千元
借貸總額 (附註30)	175,798	127,538
減：現金及現金等值物 (附註25)	(161,045)	(67,137)
借貸淨額	14,753	60,401
總權益	618,363	362,855
總資本	633,116	423,256
資本負債比率	2%	14%

二零一零年的資本負債比率下降，主要由於發行台灣預託憑證（「台灣預託憑證」）所致（附註26）。

## 3.3 公平值估計

資產負債表內的金融工具以公平值列賬，此舉須按公平值計量層級披露公平值的計量。所界定的不同層級如下：

- 同類資產或負債在交投活躍市場之報價（無調整）（第一層級）。
- 有關資產或負債之輸入值並非包括於第一層級內之報價，惟可直接地（即價格）或間接地（即自價格引伸）可被觀察（第二層級）。
- 有關資產或負債之輸入值並非依據可觀察之市場數據（無法檢視之輸入值）（第三層級）。

於二零一零年十二月三十一日，本集團並無金融工具以公平值列賬。

由於應收款項及應付款項的短期到期性質，彼等的賬面值減去減值撥備為其公平值的合理概約估計。

## 綜合財務報表附註

### 4 關鍵會計估算及判斷

估算及判斷會被持續評估，並根據過往經驗及其他因素進行評價，包括在有關情況下認為對未來事件屬合理的預測。

#### 4.1 關鍵會計估計及假設

本集團就未來作出估算及假設，所得的會計估算如其定義，很少會與其實際結果相同。很有可能導致下個財政年度的資產及負債的賬面值作出重大調整的估算及假設討論如下。

##### (a) 建造停車設備的收益

在能夠可靠地評估停車設備建造合約的結果時，本集團會依據完成百分比的方法，透過參照工程進行至今所產生的合約成本對比估計合約總成本作計算，將相關收益確認入賬。根據各合約將予產生的估計總成本於整個合約期間定期檢討。依據完成衡量基準確認此收益。這涉及估計過程，並面臨預測未來事件附帶的風險及不明朗因素。吾等的估計受多項內部及外部因素影響，包括所建造不同停車設備的不同成本組成部分；以及本集團承造建設員工的效率。已確認收益及溢利於合約一路進展至完工時須予修訂。溢利估算修訂在修訂確定期間內於綜合全面收益表扣除。因此，本集團估算的任何變動將對本集團的未來經營業績構成影響。

##### (b) 貿易應收賬款估計減值

本集團根據對應收賬款可收回性之估算對貿易應收賬款減值作出撥備。於出現事件或情況改變顯示可能無法收回結餘時，撥備應用於應收賬款。確認應收賬款減值時須使用估算。倘預期不同於原有估算，有關差額將會影響有關估算變動所在年度之應收賬款之賬面值及減值虧損撥備。

於二零一零年十二月三十一日，本公司確認貿易應收賬款減值撥備約人民幣29,656,000元（二零零九年：人民幣25,866,000元）。



## 綜合財務報表附註

## 4 關鍵會計估算及判斷 (續)

## (c) 物業、廠房及設備估計減值

倘有事件或情況變動顯示機器及設備之賬面值高於其可收回金額，則就該等資產進行減值評估。可收回數額乃參考機器及設備之公平值減銷售成本或使用價值兩者中較高者而釐定。減值虧損按資產賬面值與可收回金額之差額計量。倘可收回金額少於預期，則可能產生重大減值虧損。

於二零一零年十二月三十一日，本集團就若干機器及設備錄得累積減值虧損人民幣1,369,000元（二零零九年：人民幣1,369,000元）。於釐定上述減值之所在分部中，剩餘機器及設備及香港會計準則第36號「資產減值」所辨識之其他資產之「公平值減銷售成本」評估為超逾其各自之賬面值。並無其他減值屬必要。

## (d) 所得稅

本集團大部份附屬公司須繳納中國之所得稅。釐定所得稅撥備時需要作出重大判斷。在日常業務過程中存在交易，而釐定該等最終稅項之計算方法並不能確認。倘若該等事項之最終稅項結果與最初記錄之金額有差異時，則有關差異將會於作出確定之財務期間內影響即期稅項及遞延稅項撥備。

## (e) Sachman Rambdaudi業務合併中所收購可識別資產、負債及或然負債的公平值

Sachman Rambdaudi業務合併（附註34）中收購的可識別資產於其收購日期的公平值已根據免納專利權使用費法及成本置換法而釐定。該等計算要求使用若干主要假設。該等由管理層選取的主要假設，包括折算率、專利權費率及估訂可使用年限倘有變動，可能對所收購的無形資產及廉價購入收益造成重大影響。

計算中採用之主要假設詳情載列於附註34。

## 綜合財務報表附註

### 5 分類資料

主要經營決策者已確定為本公司執行董事（「執行董事」）。執行董事審閱本集團之內部報告，以評估表現及分配資源。管理層根據執行董事用於作出策略決定所審議之報告釐定經營分類。

執行董事認為本集團有三個應呈報分類：(1)工具機；(2)停車設備；及(3)叉車。

執行董事根據各項毛利評估經營分類之表現。

本集團並無分配經營成本或資產至其分類，因為執行董事並無使用此等資料分配資源至經營分類或評估經營分類之表現。因此，本集團並無報告各呈報分類之溢利及總資產。

	工具機 人民幣千元	停車設備 人民幣千元	叉車 人民幣千元	總計 人民幣千元
<b>截至二零一零年</b>				
十二月三十一日止年度				
收益（均來自外部銷售）	1,135,468	88,062	150,653	1,374,183
收益成本	(813,991)	(73,254)	(131,403)	(1,018,648)
分類溢利	321,477	14,808	19,250	355,535

	工具機 人民幣千元	停車設備 人民幣千元	叉車 人民幣千元	總計 人民幣千元
<b>截至二零零九年</b>				
十二月三十一日止年度				
收益（均來自外部銷售）	615,450	83,776	77,612	776,838
收益成本	(414,185)	(77,146)	(70,706)	(562,037)
分類溢利	201,265	6,630	6,906	214,801

本集團大部分業務及資產均位於中國，及本集團主要向中國市場出售產品。

## 綜合財務報表附註

## 6 其他收入

	二零一零年 人民幣千元	二零零九年 人民幣千元
銷售廢料	6,485	2,265
淨匯兌收益	6,660	2,553
政府補貼	1,825	774
維修收入	2,190	3,374
投資物業所得之租金收入	335	1,679
利息收入	1,321	688
其他	1,858	1,362
	<b>20,674</b>	<b>12,695</b>

## 7 按性質劃分之開支

	二零一零年 人民幣千元	二零零九年 人民幣千元
已售存貨成本	957,498	529,175
銷售佣金	23,285	15,377
物業、廠房及設備折舊	16,880	14,899
投資物業折舊	133	329
無形資產攤銷	1,836	827
土地使用權攤銷	943	943
土地及樓宇之經營租賃租金	5,993	4,437
僱員福利開支(附註8)	89,801	56,500
呆壞賬撥備,淨額	5,540	(12,311)
存貨撥備,淨額	(2,903)	3,765
核數師酬金	1,149	1,220
保證撥備	9,465	4,282
出售物業、廠房及設備的虧損	732	282
研發開支*	39,428	22,962
運輸費用	15,641	8,000
其他	51,175	26,598
<b>收益成本、分銷及銷售開支、行政開支以及其他開支合計</b>	<b>1,216,596</b>	<b>677,285</b>

\* 研發開支內已計入物業、廠房及設備的折舊、無形資產的攤銷及僱員福利開支分別人民幣1,311,000元、人民幣205,000元及人民幣10,156,000元(二零零九年:人民幣1,064,000元、人民幣171,000元及人民幣6,391,000元)。

## 綜合財務報表附註

## 8 僱員福利開支 (包括董事酬金)

	二零一零年 人民幣千元	二零零九年 人民幣千元
工資及薪金	66,101	42,982
花紅	18,844	9,168
福利及其他津貼	10,917	8,528
退休成本—定額供款計劃	4,095	2,213
	<b>99,957</b>	<b>62,891</b>

## (a) 董事酬金

各名董事之酬金載列如下：

## 截至二零一零年十二月三十一日止年度

	朱志洋 人民幣千元	陳向榮 人民幣千元	陳明河 人民幣千元	溫吉堂 人民幣千元	邱榮賢 人民幣千元	顧福身 人民幣千元	江俊德 人民幣千元	余玉堂 人民幣千元	總計 人民幣千元
袍金	180	180	144	144	144	174	87	87	1,140
	180	180	144	144	144	174	87	87	1,140

## 截至二零零九年十二月三十一日止年度

	朱志洋 人民幣千元	陳向榮 人民幣千元	陳明河 人民幣千元	溫吉堂 人民幣千元	邱榮賢 人民幣千元	顧福身 人民幣千元	江俊德 人民幣千元	余玉堂 人民幣千元	總計 人民幣千元
袍金	180	180	144	144	144	176	88	88	1,144
	180	180	144	144	144	176	88	88	1,144

## 綜合財務報表附註

## 8 僱員福利開支(包括董事酬金)(續)

## (b) 五位最高薪人士

本集團五名最高薪酬人士當中，無人(二零零九年：無)為本公司董事，董事的酬金已於上文附註8(a)披露。五名(二零零九年：五名)人士的酬金如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
基本薪金及津貼	3,747	1,544
花紅	2,957	1,011
退休成本—定額供款計劃	139	83
	<b>6,843</b>	<b>2,638</b>

酬金介乎下列範圍：

	二零一零年 人民幣千元	二零零九年 人民幣千元
酬金範圍(港元)		
少於1,000,000港元	1	5
1,000,001港元至1,500,000港元	3	—
2,000,000港元至2,500,000港元	1	—

## 9 財務費用

	二零一零年 人民幣千元	二零零九年 人民幣千元
利息開支：		
—須於五年內償還之銀行借貸	3,461	4,564

## 綜合財務報表附註

## 10 所得稅開支

	二零一零年 人民幣千元	二零零九年 人民幣千元
企業所得稅	33,225	17,370
遞延稅項(附註31)	1,835	6,169
	<b>35,060</b>	<b>23,539</b>

於兩個年度內，由於本集團並無任何於香港產生的應課稅溢利，因此並無就香港利得稅作出撥備。

就中國和意大利的企業而言，企業所得稅(「企業所得稅」)乃按法定財務申報利潤基準計提撥備。於二零零八年，相關政府當局授予杭州友佳精密機械有限公司(「杭州友佳」)高新技術企業稱號，因此杭州友佳可於二零零八年起計之三年期間享受15%的優惠稅率。因此，杭州友佳於二零一零年適用的稅率為15%(二零零九年：15%)。

若干集團公司有未使用稅項虧損。

本集團除稅前溢利之稅項與使用已綜合實體之溢利適用之加權平均稅率所得出之理論金額之差額如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
<b>除所得稅前溢利</b>	<b>193,806</b>	<b>107,684</b>
按加權平均企業所得稅率16%(二零零九年：15%)計算的稅項	31,484	16,153
以下之稅項影響：		
—毋須課稅收入	(6,267)	(1,847)
—不可扣稅開支	1,481	2,301
—動用先前未確認稅項虧損	(363)	—
—並無確認遞延所得稅資產之稅項虧損	399	1,469
中國附屬公司未分派盈利的遞延稅項	7,693	4,943
其他	633	520
<b>稅項支出</b>	<b>35,060</b>	<b>23,539</b>

## 綜合財務報表附註

## 11 本公司權益持有人應佔溢利

於本公司財務報表處理之本公司權益持有人應佔溢利約為人民幣68,202,000元（二零零九年：人民幣75,826,000元）。

## 12 每股盈利

每股基本盈利是按本公司權益持有人應佔溢利人民幣158,746,000元（二零零九年：人民幣84,145,000元）除以年內已發行普通股的加權平均數389,760,000股（二零零九年：336,000,000股）計算。

	二零一零年	二零零九年
每股基本及攤薄盈利（每股人民幣元）	0.41	0.25

兩個年度並無已發行的潛在攤薄股份。

## 13 股息

於二零一零年及二零零九年，已支付股息分別為人民幣108,864,000元（每股人民幣0.28元）及人民幣50,400,000元（每股人民幣0.15元）。於二零一一年三月二十四日舉行的董事會議上，董事議決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每股人民幣0.10元（二零零九年：人民幣0.12元）。是項建議股息並無於截至二零一零年十二月三十一日止年度的綜合財務報表內確認為應付股息。

	二零一零年 人民幣千元	二零零九年 人民幣千元
已付中期股息每股普通股人民幣0.15元 （二零零九年：人民幣0.09元）	60,480	30,240
建議末期股息每股普通股人民幣0.10元 （二零零九年：人民幣0.12元）	40,320	40,320
	100,800	70,560

建議截至二零一零年十二月三十一日止年度末期股息將從本公司股份溢價中宣派。

二零一零年及二零零九年內已支付及建議支付的總股息金額已按照香港公司條例的披露規定披露於綜合收益表內。

## 綜合財務報表附註

### 14 土地使用權—本集團

本集團於土地使用權的權益指於中國按10至50年的租賃持有之預付經營租賃款項，彼等的賬面淨值分析如下：

	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	42,253	43,196
攤銷	(943)	(943)
於十二月三十一日	41,310	42,253

於二零一零年十二月三十一日尚未償還的銀行借貸以賬面值為人民幣13,847,000元（二零零九年：人民幣14,156,000元）的土地使用權作抵押（附註30）。

### 15 物業、廠房及設備—本集團

	樓宇 人民幣千元	機器及設備 人民幣千元	辦公及 電腦設備 人民幣千元	汽車 人民幣千元	在建工程 人民幣千元	總計 人民幣千元
<b>成本</b>						
於二零零九年一月一日	73,812	88,396	16,900	10,036	31,282	220,426
添置	-	26,766	2,235	772	28,745	58,518
轉撥	22,341	1,352	-	-	(23,693)	-
轉撥至投資物業（附註16）	(11,244)	-	-	-	-	(11,244)
出售	-	(46)	(1,498)	(2,128)	-	(3,672)
於二零零九年 十二月三十一日及 二零一零年一月一日	84,909	116,468	17,637	8,680	36,334	264,028
匯兌差額	-	31	4	2	-	37
添置	-	5,191	5,578	3,728	40,188	54,685
業務合併中收購（附註34）	-	3,566	492	227	-	4,285
轉撥	20,665	5,235	-	-	(25,900)	-
轉撥自投資物業（附註16）	8,280	-	-	-	-	8,280
出售	(270)	(3,046)	(1,475)	(1,116)	-	(5,907)
於二零一零年 十二月三十一日	113,584	127,445	22,236	11,521	50,622	325,408



## 綜合財務報表附註

## 15 物業、廠房及設備—本集團(續)

	樓宇 人民幣千元	機器及設備 人民幣千元	辦公及 電腦設備 人民幣千元	汽車 人民幣千元	在建工程 人民幣千元	總計 人民幣千元
累積折舊及減值						
於二零零九年一月一日	18,203	34,428	11,335	4,376	—	68,342
年度撥備	3,833	7,909	2,418	1,803	—	15,963
轉撥至投資物業(附註16)	(2,078)	—	—	—	—	(2,078)
出售	—	(34)	(1,206)	(574)	—	(1,814)
於二零零九年 十二月三十一日及 二零一零年一月一日	19,958	42,303	12,547	5,605	—	80,413
匯兌差額	—	1	—	—	—	1
年度撥備	4,708	10,285	1,953	1,245	—	18,191
轉撥自投資物業(附註16)	1,618	—	—	—	—	1,618
出售	(110)	(1,386)	(1,090)	(633)	—	(3,219)
於二零一零年 十二月三十一日	26,174	51,203	13,410	6,217	—	97,004
賬面淨值						
於二零一零年 十二月三十一日	87,410	76,242	8,826	5,304	50,622	228,404
於二零零九年 十二月三十一日	64,951	74,165	5,090	3,075	36,334	183,615

## 綜合財務報表附註

### 15 物業、廠房及設備—本集團(續)

於「已售貨品成本」、「銷售及市場推廣開支」及「行政費用」中，已分別扣除折舊開支人民幣13,150,000元(二零零九年：人民幣10,622,000元)、人民幣966,000元(二零零九年：人民幣1,375,000元)及人民幣4,075,000元(二零零九年：人民幣3,966,000元)(附註7)。

收益表已計入有關租賃物業的租賃租金開支人民幣5,993,000元(二零零九年：人民幣4,437,000元)(附註7)。

於二零一零年十二月三十一日尚未償還的銀行借貸由價值人民幣25,911,000元(二零零九年：人民幣53,091,000元)的樓宇作抵押(附註30)。

年內，本集團終止其投資物業若干部分的租賃協議並將該等部分留作自用。因此，投資物業於改變用途日期的相關賬面值被轉撥至物業、廠房及設備。

### 16 投資物業—本集團

	二零一零年 人民幣千元	二零零九年 人民幣千元
於一月一日之期初賬面淨值	8,837	-
轉撥自物業、廠房及設備(附註15)	-	9,166
轉撥至物業、廠房及設備(附註15)	(6,662)	-
折舊	(133)	(329)
於十二月三十一日之期末賬面淨值	2,042	8,837

本集團於中國之投資物業乃按50年之租賃持有。根據中國獨立估值師浙江恒基資產評估有限公司按照物業所在地區類似物業之公開市值作出的評估，投資物業於二零一零年十二月三十一日之公平值約為人民幣6,830,000元。

## 綜合財務報表附註

## 17 無形資產—本集團

	商標及特許權 人民幣千元	技術專門知識 人民幣千元	軟件 人民幣千元	總計 人民幣千元
<b>於二零零九一月一日</b>				
成本	—	—	5,293	5,293
累積攤銷及減值	—	—	(2,629)	(2,629)
<b>賬面淨值</b>	<b>—</b>	<b>—</b>	<b>2,664</b>	<b>2,664</b>
<b>截至二零零九年十二月三十一日止年度</b>				
期初賬面淨值	—	—	2,664	2,664
添置	—	—	1,060	1,060
攤銷支出 (附註7)	—	—	(998)	(998)
<b>期末賬面淨值</b>	<b>—</b>	<b>—</b>	<b>2,726</b>	<b>2,726</b>
<b>於二零零九年十二月三十一日</b>				
成本	—	—	6,353	6,353
累積攤銷及減值	—	—	(3,627)	(3,627)
<b>賬面淨值</b>	<b>—</b>	<b>—</b>	<b>2,726</b>	<b>2,726</b>
<b>截至二零一零年十二月三十一日止年度</b>				
期初賬面淨值	—	—	2,726	2,726
匯兌差額	69	58	—	127
添置	—	—	524	524
業務合併中收購 (附註34)	8,037	7,250	—	15,287
攤銷支出 (附註7)	(436)	(364)	(1,241)	(2,041)
<b>期末賬面淨值</b>	<b>7,670</b>	<b>6,944</b>	<b>2,009</b>	<b>16,623</b>
<b>於二零一零年十二月三十一日</b>				
成本	8,102	7,309	6,877	22,888
累積攤銷及減值	(432)	(365)	(4,868)	(5,665)
<b>賬面淨值</b>	<b>7,670</b>	<b>6,944</b>	<b>2,009</b>	<b>16,623</b>

收益成本及行政費用中，已扣除攤銷人民幣364,000元（二零零九年：零）及人民幣1,677,000元（二零零九年：人民幣998,000元）（附註7）。

## 綜合財務報表附註

## 18 於附屬公司的投資—本公司

	二零一零年 人民幣千元	二零零九年 人民幣千元
投資—未上市股份，按成本計：	52,837	52,837
應收附屬公司款項	312,350	150,585
應付附屬公司款項	(2,094)	(2,146)

應收／應付附屬公司款項為無抵押、免息及須於要求時償還。

於二零一零年十二月三十一日，本集團的主要附屬公司如下：

名稱	註冊成立／ 經營地點	主要業務	已發行及繳足股本／ 註冊資本	持有權益
<u>直接持有附屬公司</u>				
永達有限公司	英屬處女群島	投資控股	普通股110美元	100%
友華控股有限公司	英屬處女群島	投資控股	普通股1,500,000美元	100%
海盛國際控股有限公司	英屬處女群島	投資控股	普通股200,000美元	100%
天盛投資有限公司	英屬處女群島	投資控股	普通股5,000,000美元	100%
佳勝集團有限公司	英屬處女群島	投資控股	普通股1美元	100%

## 綜合財務報表附註

## 18 於附屬公司的投資—本公司 (續)

名稱	註冊成立/ 經營地點	主要業務	已發行及繳足股本/ 註冊資本	持有權益
<u>間接持有附屬公司</u>				
忠盛實業有限公司	香港	閒置	普通股1港元	100%
永達香港發展有限公司	香港	投資控股	普通股1,000港元	100%
友華香港實業有限公司	香港	投資控股	普通股1,000港元	100%
海盛國際香港有限公司	香港	投資控股	普通股1,000港元	100%
天盛香港實業有限公司	香港	投資控股	普通股1,000港元	100%
杭州友佳精密機械有限公司	中國	設計及生產電腦數控加工機床、 設計及建造立體停車設備	註冊資本 11,000,000美元	100%
杭州友高精密機械有限公司	中國	設計及組裝叉車	註冊資本 10,000,000美元	100%
杭州友華精密機械有限公司	中國	設計及生產電腦數控加工機床	註冊資本3,000,000美元	100%

## 綜合財務報表附註

## 18 於附屬公司的投資—本公司(續)

名稱	註冊成立/ 經營地點	主要業務	已發行及繳足股本/ 註冊資本	持有權益
杭州友達機械科技有限公司	中國	加工電腦數控加工機床	註冊資本 15,000,000美元	100%
上海友盛精密機械有限公司	中國	買賣電腦數控加工機床	註冊資本200,000美元	100%
Sky Thrive Rambaudi S.r.l.	意大利	設計及生產電腦數控加工機床	普通股10,000歐元	100%

## 19 於共同控制實體的投資—本集團及本公司

	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
於共同控制實體的投資	8,192	—	8,192	—
應付共同控制實體款項	(7,335)	—	—	—

於年內，本公司在中國投資於兩間共同控制實體。詳情如下：

- 於二零一零年一月及七月，本公司向Anest Iwata Feeler Corporation (「AIF」)的註冊資本額外出資1,155,000美元(相當於人民幣7,861,000元)。AIF由本公司、一間第三方公司Anest Iwata Corporation (「AIC」)及本公司最終控股公司的一間合營企業Anest Iwata Taiwan (「AIT」)於二零零九年成立。額外注資後，本公司、AIC及AIT於AIF持有的股權分別為35%、35%及30%。本公司採用權益會計法為其於AIF的權益列賬。
- 於二零一零年十二月，本公司出資約50,000美元(相當於人民幣331,000元)作為Hangzhou Nippon Cable Feeler Corporation (「NC」)的註冊資本。NCF由本公司及一間第三方公司Company and Nippon Cable Co., Ltd (「NC」)成立。本公司及NC持有的權益為各自50%。本公司同樣採用權益會計法為此項投資列賬。

截至二零一零年十二月三十一日止年度，源自共同控制實體的收入淨額並不重大。

## 綜合財務報表附註

## 20 按類別劃分的金融工具

本集團的金融資產分類為貸款及應收款項，而財務負債按攤銷成本計值。

## 21 應收賬款、按金及預付款項—本集團及本公司

	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
貿易應收賬款及應收票據	381,143	230,114	—	—
減：貿易應收賬款減值撥備	(29,656)	(25,866)	—	—
貿易應收賬款—淨額	351,487	204,248	—	—
預付款項	42,091	30,778	—	—
其他應收賬款	34,720	27,114	154	942
應收賬款、按金及預付款項合計	428,298	262,140	154	942

本集團一般給予其客戶30至180天除賬期。本集團亦允許客戶保留若干比例的未償還結餘作為已售產品一年保證期的保留金。

於二零一零年及二零零九年十二月三十一日，貿易應收賬款及應收票據的賬齡分析如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
信貸期內 – 30天	293,558	165,767
31 – 60天	10,508	10,008
61 – 90天	11,510	2,081
91 – 180天	17,326	7,876
180天以上	48,241	44,382
	381,143	230,114

## 綜合財務報表附註

### 21 應收賬款、按金及預付款項—本集團及本公司(續)

提供予供應商的按金及其他按金的賬齡一般為一年內。

本集團的貿易應收賬款包括總賬面值約為人民幣66,351,000元(二零零九年:人民幣46,479,000元)的應收賬款,該款項於二零一零年十二月三十一日已逾期未還,而本集團並無就此作出減值虧損撥備。經考慮該等個別貿易應收賬款的貿易關係、信用狀況及過往還款記錄後,董事認為該等尚未償還結餘將可收回。本集團並無就該等結餘持有任何抵押品。該等貿易應收賬款並無拖欠支付記錄。

過期但並未減值的貿易應收賬款的賬齡分析如下:

	二零一零年 人民幣千元	二零零九年 人民幣千元
0 – 30天	10,208	7,998
31 – 60天	10,164	10,008
61 – 90天	10,998	2,081
91 – 180天	16,382	7,876
180天以上	18,599	18,516
	<b>66,351</b>	<b>46,479</b>

截至二零一零年十二月三十一日,人民幣29,656,000元(二零零九年:人民幣25,866,000元)的貿易應收賬款出現減值並作出撥備。個別出現減值的應收款項主要涉及突然陷入經濟困境的客戶。該等應收賬款的賬齡如下:

	二零一零年	二零零九年
91 – 180天	14	–
6個月以上	29,642	25,866
	<b>29,656</b>	<b>25,866</b>



## 綜合財務報表附註

## 21 應收賬款、按金及預付款項—本集團及本公司(續)

應收貿易款項減值撥備的變動如下：

	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	25,866	38,177
應收款項減值撥備	5,540	—
年內於證實無法收回時撇銷的應收款項 撥備撥回	(1,750)	—
	—	(12,311)
於十二月三十一日	29,656	25,866

應收款項減值撥備的增加及解除，已計入綜合收益表的「其他營運費用」內(附註7)。於撥備賬扣除的款項一般會於預期不能收回額外現金時撇銷。

應收貿易款項及其他應收款項的其他類別不包含已減值資產。

本集團應收賬款、按金及預付款項的賬面值以下列貨幣計值：

	二零一零年 人民幣千元	二零零九年 人民幣千元
人民幣元	395,317	239,097
美元	23,862	20,898
歐元	3,487	—
其他貨幣	5,632	2,145
	428,298	262,140

於報告日期，面臨的最高信貸風險為上述各類應收款項的賬面值。本集團並無持有任何抵押品作為抵押。

## 綜合財務報表附註

## 22 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	126,894	103,496
在製品	101,499	53,420
製成品	115,356	57,416
	343,749	214,332
撥備	(1,920)	(4,798)
	341,829	209,534

確認為開支及包括於「收益成本」的存貨成本為人民幣957,498,000元（二零零九年：人民幣529,175,000元）（附註7）。

年內，本集團撥回結轉撥備人民幣3,675,000元作為收益成本的進賬額。本集團已運用相關存貨項目作本身的研發和生產。該等項目的賬面值作為研發開支扣除。

## 23 應收／（應付）客戶合約工程款項—本集團

	二零一零年 人民幣千元	二零零九年 人民幣千元
已產生合約成本加經確認溢利減經確認虧損	202,114	192,639
減：工程進度款項	(194,845)	(194,017)
	7,269	(1,378)
	二零一零年 人民幣千元	二零零九年 人民幣千元
應收合約客戶款項	22,943	17,198
應付合約客戶款項	(15,674)	(18,576)
應收／（應付）客戶合約工程款項淨額	7,269	(1,378)

於二零一零年十二月三十一日，應收賬款中包括客戶就合約工程持有的保留款項人民幣2,061,000元（二零零九年：人民幣2,019,000元）。

## 綜合財務報表附註

## 24 限制性銀行存款

該筆款項指本集團為所使用的貿易融資工具發出的擔保而存放於銀行的存款。有關存款於一年內到期，並按固定年利率0.36%（二零零九年：0.36%）計息。

## 25 現金及現金等值物—本集團及本公司

	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
銀行及手頭現金	61,645	66,137	2,745	1,704
短期銀行存款	99,400	2,000	-	-
現金及現金等值物	161,045	68,137	2,745	1,704

## 26 股本—本集團及本公司

	股份數目 (千股)	面值 人民幣千元
每股面值0.01港元的普通股		
法定：		
於二零一零年十二月三十一日及二零零九年十二月三十一日	1,000,000	10,211
已發行及繳足：		
於二零零九年十二月三十一日	336,000	3,431
二零一零年一月一日的期初結餘	336,000	3,431
發行台灣存託憑證	67,200	591
於二零一零年十二月三十一日	403,200	4,022

於二零一零年三月十八日，本公司按每份（代表本公司一股新發行的普通股）14.5新台幣（人民幣3.121元）發行67,200,000份台灣存託憑證，及該等台灣存託憑證在台灣證券交易所上市。本公司獲取所得款項淨額約956,000,000新台幣（相當於約人民幣206,000,000元）。所得款項中約人民幣155,000,000元乃由本公司注入其於中國的附屬公司以作為額外註冊資本及餘額約人民幣51,000,000元乃動用以償付銀行借貸。

## 綜合財務報表附註

## 27 儲備—本集團及本公司

## 本集團

	股份溢價 人民幣千元	股本儲備 人民幣千元	其他儲備				保留溢利 人民幣千元	總計 人民幣千元
			一般儲備 人民幣千元	企業 擴充儲備 人民幣千元	換算 人民幣千元	其他儲備		
於二零零九年一月一日	66,596	77,338	28,090	9,089	-	144,566	325,679	
已付股息	-	-	-	-	-	(50,400)	(50,400)	
全面收入總額	-	-	-	-	-	84,145	84,145	
儲備撥款	-	-	-	-	-	-	-	
於二零零九年十二月三十一日	66,596	77,338	28,090	9,089	-	178,311	359,424	
發行台灣存託憑證	205,196	-	-	-	-	-	205,196	
已付股息	-	-	-	-	-	(108,864)	(108,864)	
年內溢利	-	-	-	-	-	158,746	158,746	
貨幣換算差額	-	-	-	-	(161)	-	(161)	
儲備撥款	-	-	7,746	-	-	(7,746)	-	
於二零一零年十二月三十一日	271,792	77,338	35,836	9,089	(161)	220,447	614,341	

## 附註：

- (i) 資本儲備指於本公司股份於香港聯合交易所有限公司上市前本集團進行的公司重組中本公司按面值發行股份收購的附屬公司實繳股本／股本與股份溢價的差額。
- (ii) 一般儲備及企業擴充儲備根據中國法定規定設立。

## 綜合財務報表附註

## 27 儲備—本集團及本公司(續)

公司

	股份溢價 人民幣千元	其他儲備 人民幣千元	保留溢利 人民幣千元	總計 人民幣千元
於二零零九年一月一日	66,596	12,136	47,747	126,479
已付股息	—	—	(50,400)	(50,400)
全面收入總額	—	—	75,826	75,826
於二零零九年十二月三十一日	66,596	12,136	73,173	151,905
發行台灣存託憑證	205,196	—	—	205,196
已付股息	—	—	(108,864)	(108,864)
全面收入總額	—	—	68,202	68,202
於二零一零年十二月三十一日	271,792	12,136	32,511	316,439

## 28 應付賬款、其他應付及應計費用—本集團

	二零一零年 人民幣千元	二零零九年 人民幣千元
貿易應付賬款	167,285	157,174
來自客戶的預付按金	218,106	95,053
其他應付款項	36,103	22,656
應計開支	32,563	16,772
	454,057	291,655

本集團一般獲得30至60天的信貸期。於二零一零年及二零零九年十二月三十一日，貿易應付賬款之賬齡分析如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
信貸期內 – 30天	128,544	108,094
31 – 60天	25,296	13,224
61 – 90天	6,418	14,864
91 – 180天	4,373	20,846
180天以上	2,654	146
	167,285	157,174

## 綜合財務報表附註

## 28 應付賬款、其他應付及應計費用—本集團(續)

應付賬款、其他應付及應計費用以下列貨幣計值：

	二零一零年 人民幣千元	二零零九年 人民幣千元
人民幣元	433,351	288,498
美元	8,531	3,157
歐元	12,175	—
	<b>454,057</b>	291,655

## 29 保證撥備—本集團

	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	5,204	4,426
年度撥備	9,465	4,282
動用撥備	(6,570)	(3,504)
於十二月三十一日	<b>8,099</b>	5,204

## 30 借貸—本集團及本公司

	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
<b>非即期</b>				
無抵押	6,614	10,241	6,614	10,241
<b>即期</b>				
有抵押	980	32,973	—	—
無抵押	168,204	84,324	46,295	37,548
	<b>169,184</b>	117,297	<b>46,295</b>	37,548
借貸總額	<b>175,798</b>	127,538	<b>52,909</b>	47,789

## 綜合財務報表附註

## 30 借貸—本集團及本公司 (續)

本集團借貸的實際利率範圍如下：

	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
實際利率	每年 <b>1.45%</b> 至 <b>5.35%</b>	每年1.20%至 5.75%	每年 <b>1.47%</b> 至 <b>2.57%</b>	每年1.62% 至4.18%

於二零一零年十二月三十一日，本集團借貸的償還情況如下：

	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
一年內	<b>169,184</b>	117,297	<b>46,295</b>	37,548
一至兩年	<b>6,614</b>	10,241	<b>6,614</b>	10,241

於二零一零年十二月三十一日，本集團抵押其賬面值分別約人民幣13,847,000元（附註14）元及人民幣25,911,000元（附註15）（二零零九年：分別人民幣14,156,000元及人民幣53,091,000元）的土地使用權及樓宇，以擔保其獲授的一般銀行融資。

於二零一零年十二月三十一日，即期借貸的公平值等於其賬面值，原因是折算的影響並不重大所致。該公平值乃使用借貸年利率2.37%（二零零九年：每年3.11%）折算的現金流量釐定。

短期借貸的賬面值與其公平值相若。

## 綜合財務報表附註

### 30 借貸—本集團及本公司 (續)

本集團借貸的賬面值以下列貨幣計值：

	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
人民幣元	10,100	34,000	-	-
港元	49,594	22,745	-	-
美元	116,104	70,793	52,909	47,789
	175,798	127,538	52,909	47,789

於二零一零年十二月三十一日，本集團有下列未提取的借貸額度：

	本集團	
	二零一零年 人民幣千元	二零零九年 人民幣千元
浮動利率貸款：		
—一年內到期	115,590	132,681

一年內到期的額度為銀行授予的年度額度，該等額度須於二零一一年內多個日期接受覆審。

### 31 遞延所得稅—本集團

遞延稅項資產及遞延稅項負債的分析如下：

	本集團	
	二零一零年 人民幣千元	二零零九年 人民幣千元
遞延稅項資產：		
—將於12個月內收回的遞延稅項資產	5,545	5,235
遞延稅項負債：		
—將於12個月後收回的遞延稅項負債	2,097	-
—將於12個月內收回的遞延稅項負債	13,691	4,943



## 綜合財務報表附註

## 31 遞延所得稅—本集團(續)

年內，遞延所得稅資產的變動如下：

	本集團	
	二零一零年 人民幣千元	二零零九年 人民幣千元
於一月一日	5,235	6,461
於綜合全面收益表內計入／(扣除)	310	(1,226)
於十二月三十一日	5,545	5,235

遞延稅項資產	本集團			
	應收款項 呆賬撥備 人民幣千元	存貨撥備 人民幣千元	保證撥備 人民幣千元	總計 人民幣千元
於二零零九年一月一日	5,700	141	620	6,461
於綜合全面收益表內扣除／(計入)	(1,820)	504	90	(1,226)
於二零零九年十二月三十一日	3,880	645	710	5,235
於綜合全面收益表內扣除／(計入)	463	(549)	396	310
於二零一零年十二月三十一日	4,343	96	1,106	5,545

年內，遞延稅項負債的總變動分析如下：

	本集團	
	二零一零年 人民幣千元	二零零九年 人民幣千元
於一月一日	4,943	2,859
於綜合全面收益表內扣除	6,206	4,943
結算	(4,426)	(2,859)
業務合併引致的遞延稅項負債(附註34)	8,700	—
匯兌差額	365	—
於十二月三十一日	15,788	4,943

## 綜合財務報表附註

## 31 遞延所得稅—本集團 (續)

遞延稅項負債	本集團		
	中國附屬公司 可分派利潤的 預扣稅	業務合併	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	2,859	—	2,859
於綜合全面收益表內扣除／(計入)	4,943	—	4,943
結算	(2,859)	—	(2,859)
於二零零九年十二月三十一日	4,943	—	4,943
於綜合全面收益表內扣除／(計入)	7,693	(1,487)	6,206
結算	(4,426)	—	(4,426)
業務合併引致的遞延稅項負債 (附註34)	—	8,700	8,700
匯兌差額	—	365	365
於二零一零年十二月三十一日	8,210	7,578	15,788

於結算日，本集團擁有未使用稅項虧損約人民幣14,551,000元(二零零九年：人民幣12,993,000元)可供抵銷未來溢利。由於日後應課稅溢利不可能抵銷未使用稅項虧損，故並未確認遞延稅項資產。

該等稅項虧損之屆滿日期載列如下：

	二零一零年 人民幣千元	二零零九年 人民幣千元
於下列年度屆滿：		
二零一三年	6,814	3,060
二零一四年	6,142	140
二零一五年	1,595	9,793

## 綜合財務報表附註

## 32 營運所得現金

	二零一零年 人民幣千元	二零零九年 人民幣千元
除所得稅前溢利	193,806	107,684
調整：		
— 土地使用權攤銷 (附註7)	943	943
— 物業、廠房及設備折舊 (附註7)	18,191	15,963
— 投資物業折舊 (附註7)	133	329
— 無形資產攤銷 (附註7)	2,041	998
— 出售物業、廠房及設備虧損 (見下文)	732	282
— 利息收入 (附註6)	(1,321)	(688)
— 財務費用 (附註9)	3,461	4,564
— 貨幣換算差額的影響	41	—
— 已收購業務的可識別資產、負債及或然負債公平淨值高於成本的部分 (附註34)	(19,006)	—
營運資金變動 (不包括收購的影響及綜合賬目的匯兌差額)：		
— 存貨 (增加) / 減少	(104,429)	3,497
— 應收賬款、按金及預付款項增加	(166,158)	(93,047)
— 應收客戶合約工程款項增加	(5,745)	(2,539)
— 應收最終控股公司款項減少 / (增加)	449	(588)
— 應收最終控股公司一間同系附屬公司及一間聯營公司款項 (增加) / 減少	(3,436)	1
— 應付賬款、其他應付賬款及應計費用增加	155,603	111,983
— 應付客戶合約工程款項 (減少) / 增加	(2,902)	11,174
— 應付最終控股公司款項 (減少) / 增加	(4,235)	4,156
— 應付合營企業款項增加	7,335	—
— 保證撥備增加	2,895	778
— 應付最終控股公司款項減少	—	(160)
<b>營運所得現金</b>	<b>78,398</b>	<b>165,330</b>

## 綜合財務報表附註

### 32 營運所得現金 (續)

於現金流量表內，出售物業、廠房及設備所得款項包括：

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 (附註15)	2,688	1,858
出售物業、廠房及設備虧損	(732)	(282)
出售物業、廠房及設備所得款項	1,956	1,576

### 33 承擔

#### (a) 資本承擔

於報告期末已訂約但尚未產生的資本支出分析如下：

本集團	二零一零年 人民幣千元	二零零九年 人民幣千元
就下列各項已訂約，但尚未於綜合財務報表撥備的資本支出：		
— 資本注入共同控制實體	10,067	4,300
— 收購機器及設備	27,097	3,425
	37,164	7,725

## 綜合財務報表附註

## 33 承擔 (續)

## (b) 經營租賃承擔

## 本集團作為承租人

於結算日，本集團根據不可撤銷之經營租賃而須就未來最低租金支出履行之承擔如下：

本集團	二零一零年 人民幣千元	二零零九年 人民幣千元
一年內	2,402	2,478
一年後及五年內	2,795	2,061
五年以上	456	608
	5,653	5,147

## 本集團作為出租人

於結算日，本集團對租戶負有以下最低租賃付款承擔：

本集團	二零一零年 人民幣千元	二零零九年 人民幣千元
一年內	-	683
一年後及五年內	-	680
	-	1,363

## 綜合財務報表附註

### 34 業務合併

於二零一零年六月二十四日，本公司透過於意大利新註冊成立的附屬公司Sky Thrive Rambaudi S.r.l.（「ST Rambaudi」）與接管人就一間第三方意大利公司Sachman Rambaudi S.p.a.（「Sachman Rambaudi」）的清盤訂立一份「轉讓業務股份」協議。根據協議，ST Rambaudi承諾收購由Sachman Rambaudi擁有有關若干電腦數控工具機品種附帶的若干有形及無形資產（「業務」），總代價為2,259,000歐元（相當於約人民幣18,890,000元）。此外，ST Rambaudi亦同意接收該等營運附帶的若干人手。本公司於二零一零年七月十九日完成有關交易。董事認為，該項收購構成香港財務報告準則所界定的業務合併。

由意大利一間第三方估值機構就所收購業務的可識別資產各相關公平值的分析及其與購買代價的比較如下：

	人民幣千元
<b>代價：</b>	
於二零一零年七月十九日	
—已付	14,759
—應付	4,973
<b>總代價</b>	<b>19,732</b>
<b>收購相關成本</b> （包括於截至二零一零年十二月三十一日止年度綜合收益表的行政費用內）	<b>422</b>
<b>所收購可識別資產及所承擔負債的已確認金額</b>	
物業、廠房及設備（附註15）	4,285
商標（包括於無形資產）（附註17）	8,037
技術專門知識（包括於無形資產）（附註17）	7,250
存貨	27,866
遞延稅項負債（附註31）	(8,700)
<b>可識別資產淨值合計</b>	<b>38,738</b>
已收購業務的可識別資產、負債及或然負債公平淨值高於成本的部分	(19,006)
	<b>19,732</b>

## 綜合財務報表附註

## 34 業務合併(續)

該項交易確認的收益人民幣190,006,000元主要由於此乃一間清盤中公司於全球經濟危機中在公開拍賣中以折價銷售方出售的業務。因此，本集團能以有利的競投價贏得拍賣。

商標的公平價採用免納專利權使用費法而評估。公平值主要估計是根據：

- (a) 假設專利費比率為1.75%；
- (b) 假設可使用期限為10年；及
- (c) 假設折算率為16.68%。

技術專門知識的公平值採用置換成本法而評估。公平值主要估計是根據：

- (a) 假設可使用期限為10年；
- (b) 假設折算率為16.68%。

本集團綜合全面收益表自二零一零年七月十九日起包括的收益由ST Rambaudi貢獻的部分為人民幣10,897,000元。ST Rambaudi同期亦貢獻溢利約人民幣90,000元。

由於所收購的業務於收購前並無活動，故倘有關業務於二零一零年一月一日起已經綜合入賬，則綜合全面收益表所顯示之收益和溢利金額仍然相同。

## 綜合財務報表附註

### 35 關連人士交易及結餘

除本財務報表其他章節所披露者外，年內，本集團與其關連人士曾進行以下交易：

(a) 交易

公司名稱	關係	交易性質	二零一零年 人民幣千元	二零零九年 人民幣千元
杭州友嘉高松機械有限公司	最終控股公司的 聯繫人	銷售貨品	499	774
友迦工業股份有限公司	最終控股公司的 聯繫人	銷售貨品	-	31
友嘉實業股份有限公司 (「友嘉實業」)	最終控股公司	銷售貨品	1,627	972
		採購貨品	248	21,023
友佳實業(香港)有限公司 (「友佳實業(香港)」)	直接控股公司	採購貨品	148,123	108,410
杭州友維機電有限公司 (「友維」)	同系附屬公司	銷售貨品	152	4
Hangzhou Anest Iwata Feeler Corporation (「Anest Iwata Feeler」)	共同控制實體	銷售貨品	813	-
Hangzhou Best Friend Technology Co., Ltd. (「Best Friend」)	最終控股公司的 聯繫人	銷售貨品	236	-

附註：

上述交易的條款乃根據本公司與友嘉實業或其附屬公司／聯營公司訂立的框架協議規管。



## 綜合財務報表附註

## 35 關連人士交易及結餘 (續)

## (b) 結餘

公司名稱	關係	結餘性質	二零一零年內 最高未償還 金額		
			二零一零年 人民幣千元	二零零九年 人民幣千元	
友維	同系附屬公司	應收貿易款項 (附註(a))	22	–	2,481
Best Friend	最終控股公司的 聯繫人	採購預付款項及 應收貿易款項 (附註(a))	3,276	–	3,276
Feeler Takamatsu	最終控股公司的 聯繫人	應收貿易款項 (附註(a))	138	–	441
友嘉實業	最終控股公司	應收貿易款項 (附註(a))	139	588	1,237
友佳實業(香港)	直接控股公司	應付貿易款項 (附註(b))	(2,213)	(10,084)	(17,450)
		應收貿易款項 (附註(a))	–	3,636	–
			<b>(2,213)</b>	(6,448)	(17,450)
Anest Iwata Feeler	共同控制實體	應付貿易款項 (附註(b))	(7,335)	–	(7,335)

## 綜合財務報表附註

### 35 關連人士交易及結餘 (續)

#### (b) 結餘 (續)

附註：

(a) 就與同系附屬公司及最終控股公司以及其聯營公司進行的銷售而言，本集團一般給予的信貸期為90日。於二零一零年及二零零九年十二月三十一日，上列結餘的賬齡大部份為六個月內。

(b) 結餘為無抵押、免息及須於要求時償還。

(c) 主要管理人員報酬

年內，董事及其他主要管理人員的酬金如下：

	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	2,917	2,595

### 36 控股公司

董事將友佳實業(香港)有限公司(一間於香港註冊成立之公司)及友嘉實業股份有限公司(一間在台灣註冊成立之公司)分別視為直接控股公司及最終控股公司。

### 37 比較數字

於以往年度／期間，本公司於收益成本、分銷及銷售費用及行政費用分開呈報其研發開支。截至二零一零年十二月三十一日止年度，本公司更改其呈報該等費用的模式，並僅將其合計為行政費用的一個組成部分。本公司董事認為，這個呈報格式向財務報表的讀者提供更有用的訊息。因此，上一期間的比較數字已重新分類，以符合本期間的呈列方式。

### 38 結算日後事項

於二零一一年一月一日起直至該等財務報表獲批准的日期，並無發生重大結算日後事項。

# 五年概要

## 經營業績

截至十二月三十一日止年度

	二零零六年 人民幣千元	二零零七年 人民幣千元	二零零八年 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
收益	611,003	821,367	730,517	776,838	<b>1,374,183</b>
毛利	153,158	214,351	180,017	214,801	<b>355,535</b>
除稅前溢利	57,370	95,954	32,141	107,684	<b>193,806</b>
本公司權益持有人應佔年內溢利	53,082	84,885	21,853	84,145	<b>158,746</b>
每股盈利－基本（人民幣元）	0.16	0.25	0.07	0.25	<b>0.41</b>

## 資產與負債

於十二月三十一日

	二零零六年 人民幣千元	二零零七年 人民幣千元	二零零八年 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
非流動資產	145,077	177,064	232,939	245,109	<b>322,262</b>
流動資產淨值	151,775	170,513	99,030	132,930	<b>318,503</b>
<b>總資產減流動負債</b>	<b>296,852</b>	<b>347,577</b>	<b>331,969</b>	<b>378,039</b>	<b>640,765</b>
股本	2,882	3,431	3,431	3,431	<b>4,022</b>
儲備	293,970	344,146	325,679	359,424	<b>614,341</b>
<b>股東權益</b>	<b>296,852</b>	<b>347,577</b>	<b>329,110</b>	<b>362,855</b>	<b>618,363</b>
非流動負債	—	—	2,859	15,184	<b>22,402</b>
	<b>296,852</b>	<b>347,577</b>	<b>331,969</b>	<b>378,039</b>	<b>640,765</b>

# 附件五

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# Corporate Information

## BOARD OF DIRECTORS

### *Executive Directors*

CHU Chih-Yaung (*Chairman*)  
CHEN Hsiang-Jung (*Chief Executive Officer*)  
CHEN Min-Ho  
WEN Chi-Tang  
CHIU Rung-Hsien

### *Independent Non-Executive Directors*

KOO Fook Sun, Louis  
CHIANG Chun-Te  
YU Yu-Tang

## COMPANY SECRETARY

LO Tai On

## AUTHORISED REPRESENTATIVES

CHEN Hsiang-Jung  
CHIU Rung-Hsien

## LEGAL ADVISERS AS TO HONG KONG LAW

Woo Kwan Lee & Lo

## AUDIT COMMITTEE

KOO Fook Sun, Louis (*Chairman of the Committee*)  
CHIANG Chun-Te  
YU Yu-Tang

## REMUNERATION COMMITTEE

KOO Fook Sun, Louis (*Chairman of the Committee*)  
CHIANG Chun-Te  
CHEN Hsiang-Jung

## NOMINATION COMMITTEE

KOO Fook Sun, Louis (*Chairman of the Committee*)  
CHIANG Chun-Te  
CHEN Hsiang-Jung

## AUDITORS

PricewaterhouseCoopers

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Corporate Information

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2003, 20th Floor  
Kai Tak Commercial Building  
317-319 Des Voeux Road Central  
Hong Kong

### PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 120 Shixin North Road  
Xiaoshan Economic and Technological  
Development Zone  
Xiaoshan District  
Hangzhou City  
Zhejiang Province  
The PRC

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited  
Butterfield House  
68 Fort Street  
George Town  
Grand Cayman  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services  
Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### PRINCIPAL BANKERS

Agricultural Bank of China  
Bank of China  
Cathay United Bank  
Hang Seng Bank Limited  
Industrial and Commercial Bank of China  
Industrial Bank of Taiwan  
Mega International Commercial Bank

### STOCK CODE

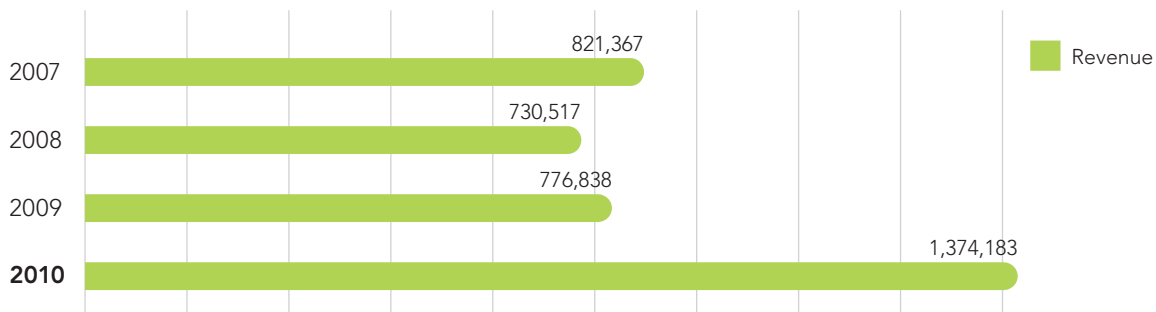
2398

### WEBSITE

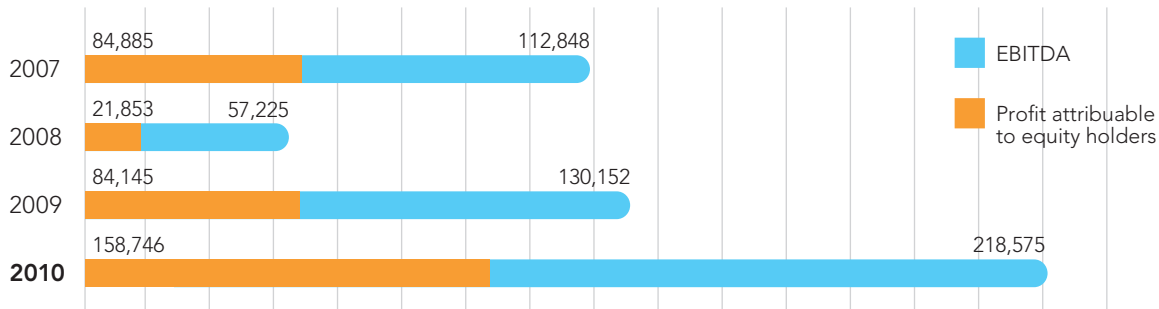
<http://www.goodfriend.hk>

# Financial Highlights

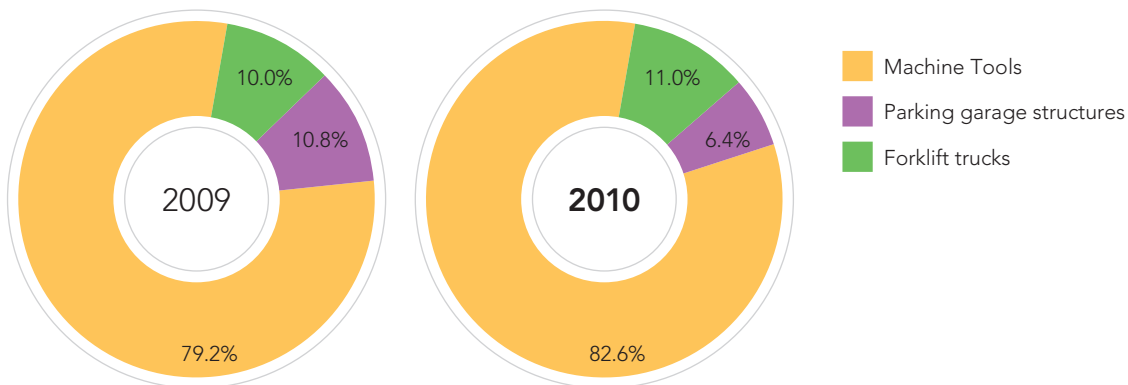
## REVENUE (RMB'000)



## PROFIT (RMB'000)



## BUSINESS SEGMENTS (In terms of revenue)





## Financial Highlights

### TWO-YEAR COMPARISON OF FINANCIAL FIGURES

For the year ended 31 December

	2010 RMB'000	2009 RMB'000	Change (%)
Revenue	1,374,183	776,838	76.9%
Gross profit	355,535	214,801	65.5%
EBITDA	218,575	130,152	67.9%
Profit attributable to equity holders	158,746	84,145	88.7%
Shareholders' equity	618,363	362,855	70.4%
Total assets	1,309,110	826,625	58.4%
Earnings per share – basic (RMB)	0.41	0.25	64.0%

### SUMMARY OF KEY FINANCIAL RATIOS

For the year ended 31 December

	2010	2009	Change (%)
Gross profit margin <sup>Note 1</sup>	25.9%	27.7%	-6.5%
Net profit margin <sup>Note 2</sup>	11.6%	10.8%	7.4%
Inventory turnover days <sup>Note 3</sup>	122.5	136.1	-10.0%
Debtors' turnover days <sup>Note 4</sup>	93.4	96.0	-2.7%
Creditors' turnover days <sup>Note 5</sup>	59.9	102.1	-41.3%
Current ratio (Times) <sup>Note 6</sup>	1.5	1.3	15.4%
Quick ratio (Times) <sup>Note 7</sup>	1.0	0.8	25.0%
Gearing ratio (%) <sup>Note 8</sup>	13.4%	15.4%	-13.0%
EBITDA/Finance costs (Times) <sup>Note 9</sup>	63.15	28.5	121.8%
Return on equity (%) <sup>Note 10</sup>	25.7%	23.2%	10.8%

*Note 1:* Gross profit margin is calculated as gross profit divided by revenue.

*Note 2:* Net profit margin is calculated as profit attributable to equity holders divided by revenue.

*Note 3:* Inventory turnover days is calculated as the ending inventory divided by cost of revenue and multiplied by 365 days.

*Note 4:* Debtors' turnover days is calculated as the ending trade debtors divided by revenue and multiplied by 365 days.

*Note 5:* Creditors' turnover days is calculated as the ending trade creditors divided by cost of sales and multiplied by 365 days.

*Note 6:* Current ratio is calculated as total current assets divided by total current liabilities at the end of the corresponding year. The numbers in the above table are expressed in the form of ratio and not as a percentage.

*Note 7:* Quick ratio is calculated as total current assets excluding inventories divided by total current liabilities at the end of the corresponding year. The numbers in the above table are expressed in the form of ratio and not as a percentage.

*Note 8:* Gearing ratio is calculated as total debts divided by total assets at the end of the year. Total debts refer to total interest bearing liabilities at the end of the year.

*Note 9:* EBITDA/Finance costs is calculated as earnings before finance costs, taxation, depreciation and amortization divided by finance costs for the year. The numbers in the above table are expressed in the form of ratio and not as a percentage.

*Note 10:* Return on equity is calculated as profit attributable to equity holders divided by total shareholders' equity at the end of the corresponding year.

# Chairman's Statement

Chu Chih-Yaung  
Chairman



My heartfelt thanks to all of you for your support to our Group. I am pleased to present on behalf of the board (the "Board") of directors (the "Directors") to the shareholders the report on the results of Good Friend International Holdings Inc. (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2010 (the "year").

## FINANCIAL PERFORMANCE

For the year ended 31 December 2010, the Group's operating results scored a new high. During the year, the Group recorded revenue of approximately Rmb 1,374.18 million, representing an increase of approximately 76.9% compared to previous year; profit attributable to equity holders for the year amounted to approximately Rmb 158.75 million, representing an increase of approximately 88.7% compared to 2009.

## FINAL DIVIDEND

The Board proposed, subject to approval of the shareholders at the forthcoming annual general meeting of the Company, a final dividend out of the share premium account of the Company of RMB0.10 (equivalent to approximately HK\$0.119 according to the average middle rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on 24 March 2011) per share for the year ended 31 December 2010, amounting to RMB40.32 million (equivalent to approximately HK\$47.98 million) payable to shareholders whose names appear on the register of members of the Company on Friday, 20 May 2011. The payment date of the final dividend will be announced later.

## Chairman's Statement

### BUSINESS REVIEW

The gross domestic product of the mainland China was RMB39,798.3 billion in 2010, representing a growth of 10.3% over 2009 on a comparable price basis. The economy of China maintained its good momentum of development and had driven the country's fixed assets investment to leap by 23.8% year-on-year in 2010. Also purchases of machine tools in China amounted to US\$27.3 billion in 2010, representing an encouraging growth when compared to that of US\$19.8 billion in 2009.

The Group stands to benefit accordingly by virtue of the fact that its mainstream product CNC machine tools focuses mainly in China market. For the year ended 31 December 2010, sales volume and sales revenue of the Group's CNC machine tools business amounted to 2,546 units and approximately RMB1,135.47 million respectively (2009: 1,352 units and approximately RMB 615.45 million), representing significant growth when compared with 2009 driven by the robust demand. This is also a testimonial to the good acceptance of the Group's products by the customers, as well as the Group's advantage in the comprehensive sales services provided by its existing sales network in China.

Moreover, the Company completed the offering and listing of Taiwan Depositary Receipts ("TDR") on the Taiwan Stock Exchange Corporation in March 2010. Apart from increasing the public awareness of the Group as well as promoting the Group's corporate image, the issue of TDR also provides an additional fundraising platform for the Group. The net proceeds raised from the issue of TDR amounted to approximately RMB205.8 million. Such funds will mainly be utilized for purchases of machineries and equipments and construction of plants by Hangzhou Ever Friend Precision Machinery Co., Ltd. (in respect of its second phase production base in Xiasha, Hangzhou) and Hangzhou Glory Friend Machinery Technology Co., Ltd. (in respect of its production base in Jiangdong, Hangzhou). With such strong financial backup, the Group could therefore further expand its production capacity in respect of its CNC machine tools business.

Furthermore, the Group had acquired specific assets of the "Rambaudi" business division of Sachman Rambaudi, including tangible assets, inventories and intangible assets in June 2010. The "Rambaudi" business division of Sachman Rambaudi has over 70 years history, and was principally engaged in the design and production of milling and machining centers for aerospace and mould and die. This acquisition provides an opportunity for the Group to enhance its product portfolio in particular for the application sectors of aerospace and mould and die, which is beneficial to the Group's overall business development.

## Chairman's Statement



## Chairman's Statement

In conclusion, given the encouraging growth of the operating results of its CNC machine tools (the Group's mainstream product), the Group finally recorded a profit attributable to equity holders of RMB158.75 million for the year. Coupled with the issue of TDR as well as the acquisition of assets of "Rambaudi", the Group's shareholders' equity was therefore increased from approximately RMB362.86 million as at 31 December 2009 to approximately RMB618.36 million as at 31 December 2010.

### PROSPECTS

Following the formulation of the 12th Five Year Plan (2011-2015) by the central government of China, it is expected that the demand of machine tools from the industries of high-speed railway, aerospace, motor vehicle and energy will be increased considerably, especially demand of those hi-tech CNC machine tools. For the two months ended 28 February 2011, the Group received sales orders from customers of 1,098 units in respect of its CNC machine tools business, amounting to approximately RMB421.24 million (excluding tax), representing an increase of 59.0% when compared to the same period in 2010. Accordingly, the Group's CNC machine tools business continued to maintain its increasing trend.

China is the largest machine tools consuming country. The Group will continue to expand its production capacity and enhance its production efficiency, in order to meet the robust demand from the domestic market. Moreover, the relevant construction work for the Group's phase one production base located at Jiangdong, Hangzhou shall be completed in the middle of 2011 and will commence to manufacture CNC machine tools. This could further enhance the Group's production capacity in respect of its CNC machine tools business, and provide high quality CNC machine tools to the customers.

Looking ahead, the Group will continue to participate actively in machine tools fairs in China, and enhance the promotion of the Group's CNC machine tools products so as to solidify the Group's market share in China. On the other hand, the management will continue to look for appropriate investing and acquisition activities so as to increase the competitive edge of our Group. The Group is committed to becoming an international CNC machine tools manufacturer.

The management believes that with its extensive sales network, solid research and development foundation as well as advanced manufacturing facilities, the Group is capable of meeting customers' different needs. The management will strive to bring favorable returns to the shareholders of the Company.

## Chairman's Statement

### APPRECIATION

Last but not least, I on behalf of the Board, would like to thank the Company's shareholders, the Group's customers and suppliers for their continued support. I would also like to thank all the management and staff for their efforts and contributions to the Group over the last year.

**Chu Chih-Yaung**

*Chairman*

Hong Kong, 24 March 2011

# Management Discussion and Analysis

## FINANCIAL REVIEW

For the year ended 31 December 2010, the Group recorded remarkable growth in its financial performance.

The Group's revenue and profit attributable to equity holders of the Company for the year amounted to approximately RMB1,374.18 million (2009: RMB776.84 million) and approximately RMB158.75 million (2009: RMB84.15 million) respectively, representing an increase of approximately 76.9% and 88.7% respectively as compared with that in 2009. During the year, sales volume of CNC machine tools, parking garage structures and forklift trucks amounted to 2,546 units, 5,861 units and 2,064 units respectively (2009: 1,352 units, 5,668 units and 1,189 units).

## REVENUE

During the year, CNC machine tools remained the major source of the Group's revenue. The number of CNC machine tools sold increased from 1,352 units in 2009 to 2,546 units this year. Sales of the product rose from approximately RMB615.45 million to RMB1,135.47 million this year, an increase of approximately 84.5% and represented approximately 82.6% of the Group's total revenue. CNC machine tools focuses mainly in China, with the major customers of the product being those automobile and mechanical manufacturers. The

machine tools industry in China maintained its increasing trend in 2010. Sales revenue of the Group's CNC machine tools business in 2010 therefore recorded encouraging growth under such strong demand. Amongst this, sales revenue of double column machining centre amounted to approximately RMB94.19 million for this year, whilst selling price of such product is approximately 2 times or more the average selling price of the Group's CNC machine tools products. The operating gross profit for CNC machine tools during the year was approximately 28.3%.

On the other hand, driven by robust demand in China, sales revenue of the Group's forklift trucks business increased by approximately 94.1% from RMB77.61 million to RMB150.65 million, and approximately 11.0% of the Group's total revenue. Accordingly the proportion of the domestic sales of the forklift trucks was increased to 62.0%. Moreover, sales revenue of parking garage structures amounted to approximately RMB88.06 million during the year, representing an increase of approximately 5.1% as compared to last year and accounted for approximately 6.4% of the total revenue.



## Management Discussion and Analysis

### GROSS PROFIT AND MARGIN

For the year ended 31 December 2010, gross profit of the Group amounted to approximately RMB355.54 million(2009: RMB214.80 million). Overall gross profit margin of the Group was approximately 25.9% (2009: 27.7%). The gross profit margin of CNC machine tools during the year decreased as compared to last year. As a result, the overall gross profit margin for the year decreased.

### DISTRIBUTION AND SELLING EXPENSES

Distribution and selling expenses increased by approximately 51.8% from approximately RMB72.74 million in 2009 to approximately RMB110.40 million for the year. Such increase was mainly due to the increase in sales volume of its major product CNC machine tools during the year. The relevant expenditures including costs of sales staff, transportation costs therefore increased accordingly. During the year, distribution and selling expenses as a percentage of the Group's revenue was approximately 8.0% (2009: 9.4%)

### ADMINISTRATIVE EXPENSES

Administrative expenses increased by approximately 106.4% from approximately RMB40.95 million to approximately RMB84.54 million. During the year, the Group changed its mode of presentation by aggregate the total research and development expenses as a component of administrative expenses. During the year ended 31 December 2010, the relevant research & development expenses and other related items amounted to approximately RMB39.43 million(2009: RMB22.96 million). Such increase was in line with the increase of the sales revenue of CNC machine tools (the Group's major product) during the year. On the other hand, there was a provision of approximately RMB5.54 million allowances for trade and doubtful debts during the year, compared with approximately RMB12.31 million write-back in 2009.

Despite that, administrative expenses increased by approximately 30.6%. This was mainly attributable to the increase of those general expenses including depreciation charges and the staff costs as well as the additional expenditures in relation to the Rambaudi business.

### FINANCE COSTS

During the year ended 31 December 2010, finance costs decreased to approximately RMB3.46 million (2009: RMB4.56 million). The decrease was primarily due to the decrease of average bank borrowings of the Group during the year.



## Management Discussion and Analysis

### EXCESS OF THE NET FAIR VALUE OF IDENTIFIABLE ASSETS, LIABILITIES AND CONTINGENT LIABILITIES OF BUSINESS ACQUIRED OVER COST

Pursuant to Hong Kong Financial Reporting Standard 3 (revised) "Business combinations", the Group has to perform valuation on those Rambaudi assets (including inventories etc.) acquired in June 2010, and to be recorded at fair values. Since discounting (in particular inventories) were offered upon the acquisition of those Rambaudi assets, accordingly the fair values after valuation was greater than the book values as at acquisition. The resulting difference amounted to approximately EUR2.18 million or RMB19.01 million was properly accounted for in the Group's income statement of the year in accordance with the relevant accounting standard.

### PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

The Group's profit attributable to equity holders of the Company amounted to approximately RMB158.75 million, representing an increase of approximately 88.7% as compared to the previous year.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2010, the Group had net current assets of approximately RMB318.50 million (2009: RMB132.93 million), shareholders' fund of approximately RMB618.36 million (2009: RMB362.86 million) and short-term bank borrowings of approximately RMB169.18 million (2009: RMB117.30 million). The Group's working capital was financed by internal cash flows generated from its operation and existing banking facilities.

Cash and cash equivalents as at 31 December 2010 amounted to approximately RMB161.05 million (2009: RMB68.14 million). The current ratio (ratio of total current assets to total current liabilities) of the Group was approximately 1.5 times (2009: 1.3 times). The gearing ratio (ratio of total debts to total assets) was approximately 13.4% (2009: 15.4%), indicating that the Group continued to maintain solid financial position.

### CAPITAL STRUCTURE AND TREASURY POLICIES

The share capital of the Company as at 31 December 2010 was HK\$4,032,000 divided into 403,200,000 shares of HK\$0.01 each (at 31 December 2009: HK\$3,360,000 divided into 336,000,000 shares of HK\$0.01 each).

## Management Discussion and Analysis

The Group generally finances its operations with internally generated cash flows and loans facilities provided by banks. As of 31 December 2010, the total outstanding short-term borrowings stood at approximately RMB169.18 million (2009: RMB117.30 million). Borrowing methods used by the Group mainly include bank loans. The Group had no interest rate hedging arrangement during the year. During the year, the Company further improved its capital structure by issuing 67,200,000 ordinary shares in the form of TDRs. These TDRs have been listed on Taiwan Stock Exchange since 18 March 2010. Net proceeds of RMB155 million was received by the Company. The Directors believe that the Group has sufficient financial resources to discharge its debts and to finance its operations and capital expenditures.

### SIGNIFICANT INVESTMENT

The Group had no significant investment held for the year ended 31 December 2010.

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

Save for the acquisition of Rambaudi business, the Group did not have any material acquisition or disposal of subsidiaries or associates during the year ended 31 December 2010.

### SEGMENTAL INFORMATION

Details of segmental information for the year ended 31 December 2010 are set out in note 5 to the consolidated financial statements.

### STAFF AND REMUNERATION POLICIES

At 31 December 2010, the Group employed a total of 1,600 (2009: 1,230) full-time employees in Hong Kong and China. The total staff costs (including Directors' fee and emoluments) amounted to approximately RMB99.96 million (2009: RMB62.89 million). The salary review policies of the Group are determined with reference to the market trends, future plans and the performance of individuals in various aspects and are reviewed periodically.

The Company also holds a share option scheme, for the purpose of providing incentive and rewards to eligible participants for their contributions to the Group. No share option was granted by the Group since its adoption of the share option scheme.

The employees of the Company's subsidiaries join a state-managed social welfare scheme operated by the local government of China and the employees in Hong Kong participate in the Mandatory Provident Fund Scheme. During the year under review, the Group contributed approximately RMB4.10 million (2009: RMB2.21 million) to the said schemes.

## Management Discussion and Analysis

### CAPITAL COMMITMENTS AND CONTINGENCIES

The Group has made capital expenditure commitments mainly for property, plant and equipment of approximately RMB27.10 million (2009: RMB3.43 million) which are contracted but not provided in the financial statements. The Group also had commitments of USD1.52 million (2009: USD0.63 million) in respect of capital contribution to a jointly controlled entity in China. The Group had no material contingent liabilities as at 31 December 2010 (2009: Nil).

### CHARGES ON THE GROUP'S ASSETS

As at 31 December 2010, restricted bank deposits with an amount of approximately RMB29.16 million (2009: RMB23.92 million) represented guarantee deposit in banks for the purpose of bidding contracts.

Meanwhile, subsidiaries of the Company pledged its land and buildings with an aggregate carrying amount of approximately RMB39.76 million (2009: RMB67.25 million) to secure general banking facilities granted to them.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments and acquisition of material capital assets as at 31 December 2010. However, the Group will continue to seek new business development opportunities.

### FOREIGN EXCHANGE RISK

The Group mainly operates in China. During the year ended 31 December 2010, the Group collected most of its revenue in Renminbi, some of which were converted into foreign currencies such as United States dollars, Japanese Yen and other foreign currencies for the payment of imported parts and components. As such, the Group had a certain level of exposure to foreign exchange fluctuations. The Group has no hedging activities as it is considered that the impact to the Group is insignificant.

Renminbi currently is not a freely convertible currency. A portion of the Group's Renminbi revenue or profit must be converted into other currencies to meet foreign currency obligations of the Group such as the payment of dividends, if declared.

## Biographical Details of Directors and Senior Management

### EXECUTIVE DIRECTORS

**Mr. Chu Chih-Yaung** (朱志洋先生), aged 64, was appointed as an executive Director in September 2005 and Chairman of the Board. He is responsible for the Group's overall strategic planning, management, business development, and the formulation of the Group's corporate policies. Mr. Chu has more than 30 years of experience in the mechanics, manufacturing and machine tools industry. Mr. Chu is also a director of Hangzhou Global Friend Precision Machinery Co., Ltd. and Hangzhou Ever Friend Precision Machinery Co., Ltd., both are wholly-owned subsidiaries of the Company.

**Mr. Chen Hsiang-Jung** (陳向榮先生), aged 65, was appointed as an executive Director in December 2005 and chief executive officer. He is also a member of remuneration committee and nomination committee of the Company. He is responsible for general management of the Group. Mr. Chen has more than 30 years of experience in the mechanics, manufacturing and machine tools industry. He is also a director of Hangzhou Good Friend Precision Machinery Co., Ltd., Hangzhou Global Friend Precision Machinery Co., Ltd., Hangzhou Ever Friend Precision Machinery Co., Ltd. and Hangzhou Glory Friend Machinery Technology Co., Ltd. Mr. Chen joined the Group in 1993.

**Mr. Chen Min-Ho** (陳明河先生), aged 60, was appointed as an executive Director in December 2005. He is responsible for the overall business operation of the Group. Mr. Chen has more than 15 years of experience in mechanics, manufacturing and machine tools industry. He is also a director of Hangzhou Good Friend Precision Machinery Co., Ltd., Rich Friend (Shanghai) Precision Machinery Co., Ltd. and Hangzhou Glory Friend Machinery Technology Co., Ltd. He joined the Group in 1993.

**Mr. Wen Chi-Tang** (溫吉堂先生), aged 46, was appointed as an executive Director in December 2005. He was the vice general manager of machine tools division of Hangzhou Good Friend Precision Machinery Co., Ltd. and then was promoted as the general manager with effect from 1 January 2011. He is responsible for the production and operation of this division. Mr. Wen has more than 25 years of experience in the machine tools industry. He is also a director of Hangzhou Good Friend Precision Machinery Co., Ltd., Hangzhou Global Friend Precision Machinery Co., Ltd., Hangzhou Ever Friend Precision Machinery Co., Ltd. and Hangzhou Glory Friend Machinery Technology Co., Ltd. He joined the Group in 2003.

**Mr. Chiu Rung-Hsien** (邱榮賢先生), aged 53, was appointed as an executive Director in December 2005. He was the manager of the parking garage structures division of Hangzhou Good Friend Precision Machinery Co., Ltd. and then was promoted as the senior manager with effect from 1 January 2011. He is responsible for the production and operation of this division. Mr. Chiu has more than 26 years of experience in the mechanics and manufacturing industry. He joined the Group in 2001.

## Biographical Details of Directors and Senior Management

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Koo Fook Sun, Louis** (顧福身先生), aged 54, was appointed as an independent non-executive Director in December 2005 and is the chairman of audit committee, remuneration committee and nomination committee of the Company. He is the founder and managing director of Hercules Capital Limited, a corporate finance advisory firm. He has more than 20 years of experience in investment banking and professional accounting. Mr. Koo currently act as an independent non-executive director of Weichai Power Co., Ltd., Li Ning Company Limited, Midland Holdings Limited, Xingda International Holdings Limited and Richfield Group Holdings Limited, which are companies listed on the Main Board of the Stock Exchange. He is a certified public accountant.

From June 2005 to June 2008, Mr. Koo served as an independent non-executive director of Midland IC&I Limited, which is listed on the Main Board of the Stock Exchange. In 2009, Mr. Koo retired (i) as vice chairman, treasurer, principal accounting officer and chief financial officer of 2020 ChinaCap Acquirco, Inc., which is a company listed on the New York Stock Exchange Amex; and (ii) as independent non-executive director of China Communications Construction Company Limited, which is a company listed on the Main Board of the Stock Exchange.

**Mr. Chiang Chun-Te** (江俊德先生) aged 50, was appointed as an independent non-executive Director in December 2005 and is a member of audit committee, remuneration committee and nomination committee of the Company. Mr. Chiang is the 16th Representative of the Delegates Committee of the Importers and Exporters Association of Taipei (台北市進出口商業同業公會會員代表大會). He is the director of Premier Venture Capital Corp. (首席創業投資股份有限公司), Premier Capital Management (首席財務管理顧問股份有限公司) and 乾坤投資股份有限公司 and chairman and general manager of Istra Corp. (德鎂實業股份有限公司). He is the independent director of Long Chen Paper Co., Ltd. (榮成紙業股份有限公司).

**Mr. Yu Yu-Tang** (余玉堂先生), aged 74, was appointed as an independent non-executive Director in December 2005 and is a member of the audit committee of the Company. He is a consultant of the Taiwan Hsin Chu County Government (台灣新竹縣政府) and the Provincial Government.

## Biographical Details of Directors and Senior Management

### SENIOR MANAGEMENT

**Mr. Wang Gui Sheng** (王桂生先生), aged 57, was appointed as the vice general manager of Hangzhou Global Friend and is responsible for the operation and management of the factory. He joined the Group in February 2003 and has over 38 years of experience in forklift and mechanical industry.

**Mr. Chiang Chia-Shin** (強家鑫先生), aged 52, was appointed as the marketing manager of Hangzhou Global Friend and is responsible for the business of forklifts trucks in Mainland China. Mr. Chiang graduated from mechanical engineering department of Taiwan Fushin Institute Technology School (台灣復興工業專科學校) in 1979. He joined the Group in April 2006 and has over 25 years of experience in the design, manufacturing and production of the motor vehicle parts and forklifts trucks.

**Mr. Wu Li-Chen** (吳立城先生), aged 49, was appointed as the manager of after sales services division of machine tools of Hangzhou Good Friend. He joined the Group in October 2000 and has over 26 years of experience in the machine tools industry.

**Mr. Yeh Ming-Pin** (葉明彬先生), aged 43, was appointed as the vice general manager of Hangzhou Good Friend and is responsible for the general administrative and management functions. Mr. Yeh graduated from Tamkang University, Taiwan (台灣淡江大學) in 1994 with a degree in Accounting. Before he joined the Group in January 2007, Mr. Yeh worked in TNS CPA firm in Taiwan from 1994 to 1998 and has over 13 years of experience in the fields of auditing, accounting and finance.

**Mr. Yip Sai Keung, Esmond** (葉世強先生), aged 45, was appointed as the financial controller of the Company and is responsible for the finance and accounting functions of the Group. Mr. Yip holds a Bachelor of Social Sciences degree from the University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Yip joined the Group in November 2007 and has over 20 years of experience in the fields of corporate finance, auditing and accounting.

# Report of the Directors

The Board is pleased to submit their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2010.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company and the subsidiaries are principally engaged in the design and production of CNC machine tools, design and construction of three-dimensional car parking garage structures and design and assembling of forklift trucks.

## SEGMENTAL INFORMATION

An analysis of the Group's turnover and results by business segments for the year ended 31 December 2010 is set out in note 5 to the consolidated financial statements.

## RESULTS AND APPROPRIATIONS

The Group's profit for the year ended 31 December 2010 and the state of affairs of the Group as at that date are set out in the consolidated financial statements on pages 39 to 103.

The Directors declared an interim dividend of RMB 0.15 (equivalent to approximately HK\$ 0.172) per share to those shareholders whose names appear on the register of members on 17 September 2010, amounted to approximately RMB60.48 million (equivalent to approximately HK\$69.35 million) which was paid on 21 September 2010.

The Directors proposed a final dividend of RMB0.10 (equivalent to approximately HK\$0.119 according to the average middle rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on 24 March 2011) per share for the year ended 31 December 2010, amounting to approximately RMB40.32 million (equivalent to approximately HK\$47.98 million), payable to shareholders whose names appear on the register of members of the Company on Friday, 20 May 2011. The payment date of final dividend will be announced later.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 17 May 2011 to Friday, 20 May 2011, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for the proposed final dividend and attending and voting at the forthcoming annual general meeting, all transfers of shares accompanied by the relevant share certificates and transfer forms, 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 for registration not later than 4:30 p.m. on Monday, 16 May 2011.

## Report of the Directors

### RESERVES

Movements in the reserves of the Company during the year are set out in consolidated statement of changes in equity on page 45.

### ANNUAL GENERAL MEETING

The 2011 annual general meeting will be held on Friday, 20 May 2011. Shareholders should refer to details regarding the 2011 annual general meeting in the circular of the Company of 13 April 2011 and the notice of meeting and form of proxy accompanying thereto.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the year are set out in note 15 to the consolidated financial statements.

### SHARE CAPITAL

Details of movements in the Company's share capital for the year ended 31 December 2010 are set out in note 26 to the consolidated financial statements.

### BANK BORROWINGS

Details of bank borrowings of the Group as at 31 December 2010 are set out in note 30 to the consolidated financial statements.

### DIRECTORS

The Directors of the Company during the year and up to the date of this report were as follows:

#### Executive Directors

Mr. Chu Chih-Yaung (*Chairman*)  
 Mr. Chen Hsiang-Jung (*Chief Executive Officer*)  
 Mr. Chen Min-Ho  
 Mr. Wen Chi-Tang  
 Mr. Chiu Rung-Hsien

#### Independent non-executive Directors

Mr. Koo Fook Sun, Louis  
 Mr. Chiang Chun-Te  
 Mr. Yu Yu-Tang

In accordance with article 87(1) of the articles of association of the Company ("Articles") Mr. Chu Chih-Yaung, Mr. Wen Chi-Tang and Mr. Koo Fook Sun, Louis will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

### INDEPENDENCE CONFIRMATION

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). The Company considers all of the independent non-executive Directors are independent.



## Report of the Directors

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were the rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or Chief Executive of the Company or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire such rights or benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

### DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement dated 11 January 2009 with the Company for a term of three years commencing from 11 January 2009 and will continue thereafter until terminated by not less than three months' notice in writing served by either party to the other or in accordance with the provisions set out in the respective service agreement. Each of the executive Directors may receive a discretionary bonus, the amount of which will be determined by reference to the comments of the remuneration committee of the Company.

Each of the independent non-executive Directors entered into a service agreement dated 22 December 2005 with the Company for an initial fixed term of two years commencing from 11 January 2006. A new service agreement has been entered into between each of the independent non-executive Directors and the Company for a

fixed term of 2 years commencing from 10 January 2010, and may be terminated by not less than three months' notice in writing served by either party to the other.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

### DIRECTORS' INTERESTS IN CONTRACTS

Save as those set out in note 35 to the consolidated financial statements, none of the Directors had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

Reference is made to the relevant disclosures on pages 94 to 106 and details on the deed of non-competition on page 105 of the prospectus of the Company dated 30 December 2005. As at 31 December 2010, none of the Directors and their respective associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete with the business of the Group in the PRC, Hong Kong and Macau.

## Report of the Directors

### SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 22 December 2005. The purpose of the Scheme is to motivate eligible persons to optimise their future contributions to the Group, to reward them for their past contributions, to attract and maintain on-going relationships with such eligible persons who contribute to the performance, growth or success of the Group. Eligible persons of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, persons or entity that provides research, development or other technological support to the Group, any minority shareholder in the Company's subsidiaries, and adviser to business development of the Group and an associate of any of the foregoing persons.

The principal terms of the Scheme are summarised as follows:

- (a) The maximum number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group must not exceed 10% of issued share capital of the Company as at the date of listing of the Company's shares on the Stock Exchange, i.e. 11 January 2006 (which were 280,000,000 shares) unless shareholders' approval has been obtained, and which must not in aggregate exceed 30% of the shares of the Company in issue from time to time.
- (b) The maximum number of shares issued and to be issued upon exercise of the options granted to any eligible person (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued shares from time to time.
- (c) The subscription price for the shares under the Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the option but the subscription price shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of the Board approving the grant of an option, which must be a business day ("Offer Date"); (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of the Company's shares.
- (d) An option may be exercised in whole or in part in accordance with the terms of the Scheme at any time during the period commencing immediately after the business day on which the option is deemed to be granted and accepted in accordance with the Scheme ("Commencement Date") and expiring on such date of the expiry of the option as the Board

## Report of the Directors

of Directors may in its absolute discretion determine and which shall not exceed ten years from the Commencement Date but subject to the provisions for early termination thereof as set out in the Scheme.

- (e) Upon acceptance of the option, the grantee shall pay HK\$1 to the Company as consideration for the grant.
- (f) The Scheme shall be valid and effective for a period of ten years commencing on the date of adoption of the Scheme, i.e. 22 December 2005.

No option has been granted since the adoption of the Scheme.

### DIRECTORS' INTEREST IN SHARES

As at 31 December 2010, the interests or short positions of the Directors or chief executive in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), are set out below:

#### 1. Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations

Name of Director	Name of associated corporation	Nature of interest	Number and class of securities	Approximate percentage of shareholding
Mr. Chu Chih-Yaung	友嘉實業股份有限公司 (Fair Friend Enterprise Company Limited) ("Taiwan FF")	Beneficial owner	24,490,347 shares	15.56%
Mr. Chu Chih-Yaung ( <i>Note 1</i> )	Taiwan FF	Spouse interest	4,528,925 shares	2.88%
Mr. Chu Chih-Yaung ( <i>Not 2</i> )	Taiwan FF	Family interest	685,759 shares	0.44%

## Report of the Directors

Name of Director	Name of associated corporation	Nature of interest	Number and class of securities	Approximate percentage of shareholding
Mr. Chen Hsiang-Jung	Taiwan FF	Beneficial owner	4,572,841 shares	2.90%
Mr. Chu Chih-Yaung	友迦工業股份有限公司 (Fairseq (Taiwan) Co., Ltd.) (Note 4)	Beneficial owner	21,988 shares	0.22%
Mr. Chu Chih-Yaung (Note 3)	友迦工業股份有限公司 (Fairseq (Taiwan) Co., Ltd.) (Note 4)	Spouse interest	21,988 shares	0.22%
Mr. Chu Chih-Yaung	佑泰興實業股份有限公司 (Yu Thai Xin Ent. Co., Ltd.) (Note 4)	Beneficial owner	1,000 shares	0.01%
Mr. Chu Chih-Yaung (Note 5)	佑泰興實業股份有限公司 (Yu Thai Xin Ent. Co., Ltd.) (Note 4)	Spouse interest	1,000 shares	0.01%
Mr. Chu Chih-Yaung (Note 6)	友嘉國際股份有限公司 (Decaview Asia Corporation) (Note 4)	Spouse interest	14,700 shares	0.59%
Mr. Chen Hsiang-Jung	友嘉國際股份有限公司 (Decaview Asia Corporation) (Note 4)	Beneficial owner	2,940 shares	0.12%
Mr. Chu Chih-Yaung	Fair Fine (Hongzhou) Industrial Co., Ltd. (Note 4)	Beneficial owner	750 shares	0.03%
Mr. Chen Hsiang-Jung	Fair Fine (Hongzhou) Industrial Co., Ltd. (Note 4)	Beneficial owner	750 shares	0.03%

## Report of the Directors

### Notes:

1. Ms. Wang Tz-Ti (formerly known as Wang Jin-Zu) ("Ms. Wang"), the spouse of Mr. Chu Chih-Yaung ("Mr. Chu"), holds 2.88% of the issued share capital of Taiwan FF. Mr. Chu is deemed to be interested in all the shares held by Ms. Wang in Taiwan FF under the SFO.
2. Mr. Chu Yi-Chia, the son of Mr. Chu under the age of 18, holds 0.44% of the issued share capital of Taiwan FF. Mr. Chu is deemed to be interested in all the shares held by Mr. Chu Yi-Chia in Taiwan FF under the SFO.
3. Ms. Wang holds 0.22% of the issued share capital of Fairskq (Taiwan) Co., Ltd.. Mr. Chu is deemed to be interested in all the shares held by Ms. Wang in Fairskq (Taiwan) Co., Ltd. under the SFO.
4. These companies are non-wholly-owned subsidiaries of Taiwan FF and are therefore associated corporations of the Company for the purpose of the SFO.
5. Ms. Wang holds 0.01% of the issued share capital of Yu Thai Xin Ent. Co., Ltd.. Mr. Chu is deemed to be interested in all the shares held by Ms. Wang in Yu Thai Xin Ent. Co., Ltd. under the SFO.
6. Ms. Wang holds 0.59% of the issued share capital of Decaview Asia Corporation. Mr. Chu is deemed to be interested in all the shares held by Ms. Wang in Decaview Asia Corporation under the SFO.

Save as disclosed above, as at 31 December 2010, none of the Directors or chief executive of the Company had any interest in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

### 2. Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 December 2010, none of the Directors or chief executive of the Company, had any short position in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS

As at 31 December 2010, the interests or short positions of every person, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, are set out below:

## Report of the Directors

### 1. Aggregate long position in the shares and underlying shares of the Company

Name of shareholder	Nature of interest	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Good Friend (H.K.) Corporation Limited ("Hong Kong GF")	Beneficial owner	252,000,000 shares <i>(Note 1)</i>	<u>62.50%</u>
Taiwan FF	Interest of controlled corporation	252,000,000 shares <i>(Note 1)</i>	<u>62.50%</u>
Morgan Stanley	<u>Interest of controlled corporation</u>	47,831,538 shares <i>(Note 2)</i>	11.86%

*Note 1:* Hong Kong GF is owned as to approximately 99.99% by Taiwan FF. Accordingly, Taiwan FF was deemed to be interested in 252,000,000 shares of the Company held by Hong Kong GF under the SFO.

*Note 2:* Morgan Stanley was deemed to be interested in 47,831,538 shares of the Company held by a number of its wholly-owned and non wholly-owned subsidiaries under the SFO.

### 2. Aggregate short position in the shares and underlying shares of the Company

Name of shareholder	Nature of interest	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Hong Kong GF	Beneficial owner	24,000,000 shares <i>(Note)</i>	5.95%
Taiwan FF	Interest of controlled corporation	24,000,000 shares <i>(Note)</i>	5.95%

*Note:* Hong Kong GF is owned as to approximately 99.99% by Taiwan FF. Accordingly, Taiwan FF was deemed to be interested in 24,000,000 shares of the Company held by Hong Kong GF under the SFO.

## Report of the Directors

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 December 2010.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code.

### EMOLUMENT POLICY

A remuneration committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Company has adopted a share option scheme as incentive to Directors and eligible employees, details of the Scheme are set out in the section headed "Share Option Scheme" above.

### REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the top five highest paid individuals of the Group are set out in note 8 to the consolidated financial statements.

### RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details on related party transactions for the year are set out in note 35 to the consolidated financial statements. Details of any related party transaction which also constitute connected transaction or continuing connected transaction not exempted under Rule 14A.31 or Rule 14A.33 of the Listing Rules are disclosed below. The Group has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of such transactions.

#### 1. Non-exempt continuing connected transactions

As disclosed in the announcement of the Company of 21 May 2008 and circular of the Company of 3 June 2008, the Company had on 21 May 2008 entered into a conditional framework agreement (the "Framework Agreement") with Fair Friend Enterprise Company Limited ("Taiwan FF"), the indirect controlling shareholder and connected person of the Company (such terms as defined in the

## Report of the Directors

Listing Rules), pursuant to which the Group shall supply CKD components and CNC machine tools to Taiwan FF (and/or permitted designates) and Taiwan FF (and/or permitted designates) shall supply CKD components to the Group, for a term of three years commencing from 23 June 2008.

The supply transactions under the Framework Agreement constituted continuing connected transactions subject to reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The resolution approving the Framework Agreement, the transactions contemplated thereunder and the relevant annual maximum transaction amounts (the "Annual Cap(s)") was duly passed by the independent shareholders of the Company at the extraordinary general meeting held on 23 June 2008.

The independent non-executive directors of the Company have reviewed the Framework Agreement and the transactions thereunder conducted during the year and confirmed that they were:–

- (i) entered into in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms;

- (iii) in accordance with the terms of the Framework Agreement and on terms which were fair and reasonable and in the interests of the shareholders of the Company as a whole; and

- (iv) the aggregate transactions amount for the year was within the relevant Annual Cap.

The auditors of the Company have undertaken to report their factual findings to the board of directors of the Company in respect of Rule 14A.38 of the Listing Rules.



## Report of the Directors

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the year ended 31 December 2010.

### MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers accounted for approximately 10.5% of the Group's total turnover for the year and the largest customer accounted for approximately 3.1% of the Group's total turnover. The five largest suppliers accounted for approximately 35.8% of the Group's total purchases for the year and the largest supplier accounted for approximately 14.2% of the Group's total purchases.

### SUFFICIENCY OF PUBLIC FLOAT

As far as the information publicly available to the Company is concerned and to the best knowledge of the Directors of the Company, at least 25% of the Company's issued share capital were held by members of the public as at the date of this report.

## Report of the Directors

### AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Company established an audit committee (the "Audit Committee") on 22 December 2005 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee comprises three independent non-executive Directors, Mr. Koo Fook Sun, Louis (as Chairman), Mr. Chiang Chun-Te and Mr. Yu Yu-Tang. The Audit Committee has reviewed with the management the audited consolidated financial statements of the Group for the year ended 31 December 2010.

### CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 31 to 36 of the 2010 Annual Report.

### FIVE-YEAR FINANCIAL SUMMARY

A summary of results and of the assets and liabilities of the Group for the last five financial years is set out on page 104.

### AUDITORS

The financial statements for the year ended 31 December 2010 have been audited by the auditors of the Company, PricewaterhouseCoopers (who shall retire and, being eligible, offer themselves for re-appointment at the 2011 annual general meeting).

On behalf of the Board  
**Good Friend International Holdings Inc.**  
**Chu Chih-Yaung**  
*Chairman*

Hong Kong, 24 March 2011

# Corporate Governance Report

The Company is committed to maintaining good corporate governance standard through a solid and efficient framework to promote the integrity, transparency and quality of disclosure in order to enhance shareholders' value.

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted its own code of corporate governance practices which meets the code provisions in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance. During the year under review, the Company has complied with the code provisions set out in the CG Code except for the deviations from code provision E 1.2 of the CG Code which stipulates that the chairman of the board should attend the annual general meeting. The chairman of the Board was unable to attend the annual general meeting held on 31 March 2010 due to his business trip and Mr. Chen Hsiang-Jung as Executive Director of the Company took the chair pursuant to the Articles of Association of the Company.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules for securities transaction by the Directors. Upon enquiry by the Company, all Directors have confirmed that, for the year ended 31 December 2010, they have complied with the required standards set out in the Model Code regarding securities transactions by the Directors.

## BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group's budget, significant policies and transactions, financial results, businesses, strategic decisions and performance. The management was delegated the authority and responsibility by the Board for the day-to-day management of the Group. In addition, the Board has also delegated various responsibilities to the various board committees referred to below. Further details of these committees are set out in this report.

The Board currently consists of eight Directors including five executive Directors and three independent non-executive Directors:

### Executive Directors

Mr. CHU Chih-Yaung (*Chairman*)  
 Mr. CHEN Hsiang-Jung (*Chief Executive Officer*)  
 Mr. CHEN Min-Ho  
 Mr. WEN Chi-Tang  
 Mr. CHIU Rung-Hsien

## Corporate Governance Report

### Independent non-executive Directors

Mr. KOO Fook Sun, Louis

Mr. CHIANG Chun-Te

Mr. YU Yu-Tang

Such balanced board composition is formed to ensure a strong independent objectivity exists across the Board and has adhered to the recommended practice under the CG Code for the Board to have at least one-third of its members comprising independent non-executive Directors. The biographical information of the Directors are set out on pages 16 to 18 under the section headed "Biographical Details of Directors and Senior Management".

The Board decides on corporate strategies, approves overall business plans and evaluates the Group's financial performance and management. Specific tasks that the Board delegates to the Group's management include the implementation of strategies approved by the Board, the monitoring of operating budgets, the implementation of internal controls procedures, and the ensuring of compliance with relevant statutory requirements and other rules and regulations.

### Chairman and Chief Executive Officer

The positions and roles of Chairman of the Board and Chief Executive Officer of the Company are held and performed separately by two individuals to ensure their respective independence, accountability and responsibility. The Chairman, being Mr. Chu Chih-Yaung, is in-charge of the leadership of the Board and strategies planning of

the Group. The Chief Executive Officer, being Mr. Chen Hsiang-Jung, is responsible for the day-to-day management of the Group's business.

### Independent non-executive Directors

The three Directors serving the non-executive role are all independent and are appointed as the independent non-executive Directors of the Company.

The three independent non-executive Directors are persons of high caliber, with academic and professional qualifications in the fields of accounting and finance. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Amongst them, Mr. Koo Fook Sun, Louis has the appropriate professional qualifications and accounting and related financial management expertise required under Rule 3.10(2) of the Listing Rules. Each independent non-executive Director has provided an annual confirmation of his independence to the Company, and the Company considers each of them to be independent under Rule 3.13 of the Listing Rules.

The three independent non-executive Directors are appointed for a specific term of two years and are subject to retirement by rotation, at least once every three years, in accordance with the Articles.

## Corporate Governance Report

### Frequency of Board Meetings and Attendance

Board meetings are held at least four times a year and the Board meets as and when required. During the financial year ended 31 December 2010, the Board convened a total of four regular meetings and the attendances of the Directors at these Board meetings are as follows:

Directors	Number of attendance
Mr. CHU Chih-Yaung	4/4
Mr. CHEN Hsiang-Jung	4/4
Mr. CHEN Min-Ho	3/4
Mr. WEN Chi-Tang	2/4
Mr. CHIU Rung-Hsien	4/4
Mr. KOO Fook Sun, Louis	4/4
Mr. CHIANG Chun-Te	4/4
Mr. YU Yu-Tang	4/4

The Directors received details of agenda items for decision and minutes of Board meetings in advance of each Board meeting.

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

Appropriate insurance cover has been arranged in respect of relevant actions against its Directors.

### AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 22 December 2005 with written terms of reference in compliance with the CG Code. The Audit Committee of the Company comprises three independent non-executive Directors, namely Mr. Koo Fook Sun, Louis (as chairman), Mr. Chiang Chun-Te and Mr. Yu Yu-Tang.

The role of the Audit Committee is to monitor the establishment and maintenance of an adequate system of internal control and compliance with such system.

The chief responsibilities of the Audit Committee include making recommendations to the Board on the appointment, reappointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; reviewing the interim and annual reports and accounts of the Group; and supervising the financial reporting process and effectiveness of internal control system of the Group. The Audit Committee had during the year performed such functions and reviewed the unaudited financial statements of the Company for the six months period ended 30 June 2010. The audited financial statements of the Company for the year ended 31 December 2010 has also been reviewed by the Audit Committee.

## Corporate Governance Report

The Audit Committee has recommended to the Board that PricewaterhouseCoopers, Certified Public Accountants, be nominated for re-appointment as auditors of the Company at the forthcoming annual general meeting of the Company.

### Frequency of Meetings and Attendance

During the year 2010, the Audit Committee met three times, during which the management of the Company and the external auditors were also in attendance, if appropriate. Details of the attendance by audit committee members of such meetings are as follows:

Name of members	Number of attendance
Mr. KOO Fook Sun, Louis	3/3
Mr. CHIANG Chun-Te	3/3
Mr. YU Yu-Tang	3/3

## NOMINATION OF DIRECTORS

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the mechanics industry and/or other professional area.

The Company established a Nomination Committee, with written terms of reference, on 22 December 2005 in compliance with the CG Code and consists of two independent non-executive Directors, namely Mr. Koo Fook Sun, Louis (as chairman) and Mr. Chiang Chun-Te, and one executive Director, namely Mr. Chen Hsiang-Jung.

The functions of the Nomination Committee are reviewing and supervising the structure, size and composition of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors.

During the year and prior to the date of this report, there were no changes of the Directors. The Committee considered the current Board size as adequate for the Company's present operations. In addition, the Committee has reviewed and satisfied the independency of all independent non-executive Directors.

In accordance with the Articles, at least one-third of the Directors will retire from office at the forthcoming annual general meeting. In accordance with the Article 87(1) of the Articles of Association of the Company, Mr. Chu Chih-Yaung, Mr. Wen Chi-Tang and Mr. Koo Fook Sun, Louis will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

## Corporate Governance Report

### Frequency of Meetings and Attendance

The Nomination Committee has convened one meeting during the year ended 31 December 2010 and details of the attendance of its meeting are as follows:

<u>Directors</u>	<u>Number of attendance</u>
Mr. KOO Fook Sun, Louis	1/1
Mr. CHIANG Chun-Te	1/1
Mr. CHEN Hsiang-Jung	1/1

### REMUNERATION OF DIRECTORS

The Company established a Remuneration Committee, with written terms of reference, on 22 December 2005 in compliance with the CG Code and consists of two independent non-executive Directors, namely Mr. Koo Fook Sun, Louis (as chairman) and Mr. Chiang Chun-Te, and one executive Director, namely Mr. Chen Hsiang-Jung.

The functions of the Remuneration Committee are establishing and reviewing the policy and structure of the remuneration for the Directors and senior management.

### Frequency of Meetings and Attendance

The Remuneration Committee has convened one meeting during the year ended 31 December 2010 to review the existing remuneration packages of each of the Directors and senior management of the Company and details of the attendance of its meeting are as follows:

<u>Directors</u>	<u>Number of attendance</u>
Mr. KOO Fook Sun, Louis	1/1
Mr. CHIANG Chun-Te	1/1
Mr. CHEN Hsiang-Jung	1/1

### Emolument policy

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

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. Each of the executive Directors is entitled to the respective basic salary which is reviewed annually. In addition, each of the executive Directors may receive a discretionary bonus as the Board may suggest, the amount of which shall not exceed 2% of the audited consolidated net profits of the Group for the relevant financial year. Such amount has to be approved by the Remuneration Committee. Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements.

## Corporate Governance Report

The Company has adopted a share option scheme on 22 December 2005. The purpose of the share option scheme is to enable the Board, at its discretion, to grant options to selected eligible participants to motivate them and to optimize their performance and efficiency for the benefit of the Group. Details of the share option scheme are set out in the section headed "Share Option Scheme" of the "Report of the Directors".

### AUDITORS' REMUNERATION

During the year under review, the remuneration paid/payable to the Company's auditors, PricewaterhouseCoopers, is set out below:

Services rendered to the Group	Fee paid/payable HK\$'000
Audit services	1,350
Non-audit services	–

### INTERNAL CONTROL SYSTEM

The Board is responsible for the Group's system of internal control and has the responsibility for reviewing its effectiveness including financial, operational and compliance controls, etc.. The Board is committed to implementing an effective and sound internal control system to safeguard the interest of shareholders and the Group's assets. Such review also covers adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting

function and their training programmes and budget. During the year, the management had conducted a review of the effectiveness of the internal control system of the Group. The report and findings of the review had been submitted to the Board and follow up plan had been adopted. The review did not find any material deficiencies in the internal control system of the Group.

### DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board of Directors acknowledges its responsibility to prepare the Company's accounts for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31 December 2010, the Board has selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable and prepared the accounts on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

### AUDITORS' STATEMENT

The auditors of the Company acknowledge their responsibilities in the auditors' report on the financial statements of the Group for the year ended 31 December 2010.

Hong Kong, 24 March 2011



# Independent Auditor's Report



羅兵咸永道會計師事務所

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOOD FRIEND INTERNATIONAL HOLDINGS INC.

*(incorporated in Cayman Islands with limited liability)*

We have audited the consolidated financial statements of Good Friend International Holdings Inc. (the "Company") and its subsidiaries (together, the "Group") set out on pages 39 to 103, which comprise the consolidated and company balance sheets 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 flow 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.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, 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 Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the 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.

#### **PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 24 March 2011

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2010

	NOTE	2010 RMB'000	2009 RMB'000
Revenue	5	1,374,183	776,838
Cost of revenue	7	(1,018,648)	(562,037)
<b>Gross profit</b>		<b>355,535</b>	214,801
Other income	6	20,674	12,695
Distribution and selling expenses	7	(110,404)	(72,738)
Administrative expenses	7	(84,544)	(40,951)
Other operating expenses	7	(3,000)	(1,559)
Excess of the net fair value of identifiable assets, liabilities and contingent liabilities of business acquired over cost	34	19,006	–
<b>Operating profit</b>		<b>197,267</b>	112,248
Finance costs	9	(3,461)	(4,564)
<b>Profit before income tax</b>		<b>193,806</b>	107,684
Income tax expense	10	(35,060)	(23,539)
<b>Profit attributable to equity holders of the Company</b>		<b>158,746</b>	84,145
<b>Earnings per share attributable to the equity holders of the Company during the year (expressed in RMB per share)</b>			
<b>Basic and diluted earnings per share</b>	12	<b>0.41</b>	0.25
The notes on page 47 to 103 are an integral part of these consolidated financial statement.			
Dividends	13	100,800	70,560

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2010

	NOTE	2010 RMB'000	2009 RMB'000
<b>Profit for the year</b>		<b>158,746</b>	84,145
<b>Other comprehensive income:</b>			
Currency translation differences	27	(161)	–
<b>Other comprehensive income for the year</b>		<b>(161)</b>	–
<b>Total comprehensive income for the year</b>		<b>158,585</b>	84,145
<b>Attributable to:</b>			
– Equity holders of the company		<b>158,585</b>	84,145

The notes on pages 47 to 103 are an integral part of these consolidated financial statements.

# Consolidated Balance Sheet

As at 31 December 2010

	NOTE	2010 RMB'000	2009 RMB'000
<b>Assets</b>			
<b>Non-current assets</b>			
Land use rights	14	41,310	42,253
Property, plant and equipment	15	228,404	183,615
Investment property	16	2,042	8,837
Intangible assets	17	16,623	2,726
Investment in jointly controlled entities	19	8,192	–
Deferred income tax assets	31	5,545	5,235
Deposits for purchases of plant and equipment		20,146	2,443
		<b>322,262</b>	245,109
<b>Current assets</b>			
Inventories	22	341,829	209,534
Debtors, deposits and prepayments	21	428,298	262,140
Amounts due from customers for contract work	23	22,943	17,198
Amount due from ultimate holding company	35	139	588
Amounts due from and prepayment to a fellow subsidiary and associates of ultimate holding company	35	3,436	–
Restricted bank deposits	24	29,158	23,919
Cash and cash equivalents	25	161,045	68,137
		<b>986,848</b>	581,516
<b>Total assets</b>		<b>1,309,110</b>	826,625
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Ordinary shares	26	4,022	3,431
Share premium	27	271,792	66,596
Capital reserves	27	77,338	77,338
Other reserves	27	44,764	37,179
Retained earnings	27	220,447	178,311
–Proposed final dividend		–	40,320
–Others		220,447	137,991
<b>Total equity</b>		<b>618,363</b>	362,855

## Consolidated Balance Sheet

As at 31 December 2010

	NOTE	2010 RMB'000	2009 RMB'000
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	30	6,614	10,241
Deferred income tax liabilities	31	15,788	4,943
		<b>22,402</b>	15,184
<b>Current liabilities</b>			
Creditors, other payables and accrued charges	28	454,057	291,655
Amounts due to customers for contract work	23	15,674	18,576
Amount due to immediate holding company	35	2,213	6,448
Amount due to a joint venture company	35	7,335	–
Current income tax liabilities		11,783	9,406
Warranty provision	29	8,099	5,204
Borrowings	30	169,184	117,297
		<b>668,345</b>	448,586
<b>Total liabilities</b>		<b>690,747</b>	463,770
<b>Total equity and liabilities</b>		<b>1,309,110</b>	826,625
<b>Net current assets</b>		<b>318,503</b>	132,930
<b>Total assets less current liabilities</b>		<b>640,765</b>	378,039

The notes on pages 47 to 103 are an integral part of these financial statements.

The financial statements on pages 39 to 103 were approved by the Board of Directors on 24 March 2011 and were signed on its behalf.

**Chu Chih-Yaung**  
Director

**Chen Hsiang-Jung**  
Director

# Company Balance Sheet

As at 31 December 2010

	Note	2010 RMB'000	2009 RMB'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		8	–
Investment in subsidiaries	18	52,837	52,837
Investment in jointly controlled entities	19	8,192	–
<b>Current assets</b>			
Deposit and prepayments	21	154	942
Amounts due from subsidiaries	18	312,350	150,585
Cash and cash equivalents	25	2,745	1,704
		<b>315,249</b>	153,231
<b>Total assets</b>		<b>376,286</b>	206,068
<b>Equity</b>			
<b>Equity attributable to owners of the parent</b>			
Ordinary shares	26	4,022	3,431
Share premium	27	271,792	66,596
Other reserves	27	12,136	12,136
Retained earnings	27	32,511	73,173
– Proposed final dividend		–	40,320
– Others		32,511	32,853
<b>Total equity</b>		<b>320,461</b>	155,336
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	30	6,614	10,241

## Company Balance Sheet

As at 31 December 2010

	Note	2010 RMB'000	2009 RMB'000
<b>Current liabilities</b>			
Other payables and accrued charges		822	797
Amounts due to subsidiaries	18	2,094	2,146
Borrowings	30	46,295	37,548
		<b>49,211</b>	40,491
<b>Total liabilities</b>		<b>55,825</b>	50,732
<b>Total equity and liabilities</b>		<b>376,286</b>	206,068
<b>Net current assets</b>		<b>266,038</b>	112,740
<b>Total assets less current liabilities</b>		<b>327,075</b>	165,577

The notes on pages 47 to 103 are an integral part of these financial statements.

The financial statements on pages 39 to 103 were approved by the Board of Directors on 24 March 2011 and were signed on its behalf.

**Chu Chih-Yaung**

*Director*

**Chen Hsiang-Jung**

*Director*



# Consolidated Statement of Changes in Equity

For the year ended 31 December 2010

	Note	Share capital RMB'000	Share premium RMB'000	Capital reserves RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
<b>Balance at 1 January 2009</b>		3,431	66,596	77,338	37,179	144,566	329,110
<b>Total comprehensive income</b>		–	–	–	–	84,145	84,145
<b>Dividends paid</b>		–	–	–	–	(50,400)	(50,400)
<b>Balance at 31 December 2009</b>		3,431	66,596	77,338	37,179	178,311	362,855
<b>Profit for the year</b>		–	–	–	–	158,746	158,746
<b>Currency translation difference</b>		–	–	–	(161)	–	(161)
<b>Total comprehensive income</b>		–	–	–	(161)	158,746	158,585
<b>Proceeds from issuance of Taiwan Depository Receipts ("TDRs")</b>	26	591	205,196	–	–	–	205,787
<b>Dividends paid</b>	13	–	–	–	–	(108,864)	(108,864)
<b>Appropriations to reserve</b>	27	–	–	–	7,746	(7,746)	–
<b>Balance at 31 December 2010</b>		4,022	271,792	77,338	44,764	220,447	618,363

The notes on pages 47 to 103 are an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

Year ended 31 December 2010

	NOTE	2010 RMB'000	2009 RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	32	78,398	165,330
Income tax and withholding tax paid		(31,213)	(8,826)
Income tax refunded		–	5,306
Transaction costs in relation to a business combination	34	422	–
<b>Net cash generated from operating activities</b>		<b>47,607</b>	<b>161,810</b>
<b>Cash flows from investing activities</b>			
Investment in a joint venture company		(8,192)	–
Cash paid for acquiring a business	34	(14,759)	–
Purchases of property, plant and equipment ("PPE")		(70,984)	(32,427)
Proceeds from sale of PPE	32	1,956	1,576
Purchases of intangible assets		(524)	(1,060)
Interest received		1,321	688
Increase in restricted bank deposits		(5,239)	(15,137)
<b>Net cash used in investing activities</b>		<b>(96,421)</b>	<b>(46,360)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of TDRs	26, 27	205,787	–
Proceeds from borrowings		345,036	240,591
Repayments of borrowings		(296,776)	(286,815)
Dividends paid to equity holders		(108,864)	(50,400)
Interests paid		(3,461)	(4,564)
<b>Net cash generated from/(used in) financing activities</b>		<b>141,722</b>	<b>(101,188)</b>
<b>Net increase in cash and cash equivalents</b>		<b>92,908</b>	<b>14,262</b>
<b>Cash and cash equivalents at beginning of year</b>	25	<b>68,137</b>	<b>53,875</b>
<b>Cash and cash equivalents at end of year</b>	25	<b>161,045</b>	<b>68,137</b>

The notes on pages 47 to 103 are an integral part of these financial statements.

# Notes to the Consolidated Financial Statements

## 1 GENERAL INFORMATION

Good Friend International Holdings Inc. ("the Company") and its subsidiaries ("the Group") are engaged in design and production of computer numerical control machine tools, three dimensional car parking garage structures and forklift trucks.

The Company was incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman Ky-1111, Cayman Islands.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited ("the Stock Exchange") since 11 January 2006. In addition, 67,200,000 units of Taiwan depository receipts ("TDRs"), representing 67,200,000 newly issued shares of the Company, were issued and listed on the Taiwan Stock Exchange Corporation ("Taiwan Stock Exchange") on 18 March 2010.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 24 March 2011.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

#### 2.1.1 Changes in accounting policy and disclosures

##### (a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

- HKFRS 3 (revised), 'Business combinations', and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates', and HKAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

## Notes to the Consolidated Financial Statements

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.1 Basis of preparation *(Continued)*

##### 2.1.1 Changes in accounting policy and disclosures *(Continued)*

###### *(a) New and amended standards adopted by the Group (Continued)*

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

The revised standards were applied to the acquisition of a business and the related group of assets and employees in Italy during the year. See note 34 for further details.

HKAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. HKAS 27 (revised) had no significant impact on the current period, as there were no transactions with non-controlling interests.

HKAS 38 (amendment) clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The revised standards were applied to the acquisition of a business and the related group of assets and employees from an Italian company during the year. See note 34 for further details.

- HKAS 17 (amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Leasehold land and land use rights", and amortised over the lease term.

## Notes to the Consolidated Financial Statements

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.1 Basis of preparation *(Continued)*

##### 2.1.1 Changes in accounting policy and disclosures *(Continued)*

###### (a) New and amended standards adopted by the Group *(Continued)*

- HKAS 17 (amendment) has been applied retrospectively for annual periods beginning 1 January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases, and concluded that no classification was required to be made according to the amendment.

###### (b) The following new and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)

- |                            |  |
|----------------------------|--|
| • HK(IFRIC) 17             | Distribution of non-cash assets to owners                        |
| • HK(IFRIC) 18             | Transfers of assets from customers                               |
| • HK(IFRIC) 9 (amendment)  | Reassessment of embedded derivatives                             |
| • HK(IFRIC) 16 (amendment) | Hedges of a net investment in<br>a foreign operation             |
| • HKAS 1 (amendment)       | Presentation of financial statements                             |
| • HKAS 36 (amendment)      | Impairment of assets   |
| • HKFRS 2 (amendments)     | Group cash-settled share-based<br>payment transactions,          |
| • HKFRS 5 (amendment)      | Non-current assets held for sale and discontinued<br>operations' |

###### (c) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted

- |  |   |
|--|---|
| • HKFRS 9  | Financial instruments   |
| • HKAS 24 (revised)                                | Related party disclosures                                     |
| • 'Classification of rights issues'                | (amendment to IAS/HKAS 32)                                    |
| • IFRIC/HK (IFRIC) – Int 19                        | 'Extinguishing financial liabilities with equity instruments' |
| • Prepayments of a minimum<br>funding requirement' | (amendments to IFRIC/HK (IFRIC) – Int 14)                     |

## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.2 Consolidation

##### *(a) Subsidiaries and Business Combination*

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary/a business is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend and receivable.

## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.2 Consolidation *(Continued)*

##### *(b) Joint venture*

Joint venture is an entity over which the Group has significant influence but not control, joint venture accompanying a shareholding of 50% of the voting right. Investments in joint venture are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in joint venture includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its joint venture's post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in joint venture are recognised in the income statement.

#### 2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.4 Foreign currency translation

##### *(a) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

##### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other (losses)/gains – net'.

##### *(c) Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.



## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.4 Foreign currency translation *(Continued)*

##### *(c) Group companies (Continued)*

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

#### 2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

– Buildings	20 years
– Machinery and equipments	10 years
– Office and computer equipment	3-5 years
– Motor vehicles	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (*note 2.8*).

Construction in progress represents property in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in the income statement.

## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.6 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment properties are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method over their estimated useful lines of 20 years.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the statement of comprehensive income during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in the statement of consolidated comprehensive income.

#### 2.7 Intangible assets

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 10 years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.8 Impairment of investments non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing of the investments in subsidiaries or jointly controlled entities is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary or jointly controlled entities in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

#### 2.9 Financial assets

##### 2.9.1 *Classification*

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's receivables comprise 'Debtors, deposit and prepayments', 'Amount due from ultimate holding company', 'Amounts due from and prepayment to a fellow subsidiary and associates of ultimate holding company', 'restricted bank deposit' and 'cash and cash equivalents' in the balance sheet (*notes 2.13 and 2.14*).

##### 2.9.2 *Recognition and measurement*

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Receivables are subsequently carried at amortised cost using the effective interest method.

## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### 2.11 Impairment of financial assets

##### *(a) Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.11 Impairment of financial assets *(Continued)*

##### *(a) Assets carried at amortised cost (Continued)*

- adverse changes in the payment status of borrowers in the portfolio;
- national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria refer to (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the separate consolidated income statement. Impairment losses recognised in the separate consolidated income statement on equity instruments are not reversed through the separate consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the separate consolidated income statement.

Impairment testing of trade and other receivables is described in note 2.14.

#### 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.13 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### 2.14 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

#### 2.15 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.18 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and jointly controlled entities, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.19 Employee benefits

##### *(a) Employee leave entitlements*

Employee entitlements to annual leaves are recognised when they accrue to employees. Provisions are made for the estimated liability for annual leaves as a result of services rendered by employees up to the balance sheet date.

##### *(b) Pension obligations*

The Group makes contributions to defined contribution retirement schemes under the Mandatory Provident Fund Schemes ("MPF") Ordinance in Hong Kong, the assets of which are generally held in separate trustee administered funds. The pension plans are generally funded by payments from employees and by the Group. The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

The Group also contributes to employee retirement schemes established by municipal governments in Mainland China. The municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group. Contributions to these schemes are charged to the statement of consolidated comprehensive income as incurred.

##### *(c) Bonus plans*

Provisions for bonus plan due wholly within twelve months after the balance sheet date are recognised where contractually obliged or where there is a past practice that has created a constructive obligation.

#### 2.20 Government grants

Government grants are recognised at their fair values where there is reasonable assurance that grant will be received and all attaching conditions will be complied with. Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the cost that they are intended to compensate.

## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### 2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (a) Sales of machine tools and forklift trucks are recognised when goods are delivered and title has been passed.
- (b) Revenue from construction of parking garage structures for contract customers is recognised based on the percentage of completion of the contract, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is estimated by reference to the costs incurred to date as compared to the total costs to be incurred under the contract. Provision is made for foreseeable losses as soon as they are anticipated by the management.

#### (c) *Interest income*

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables are recognised using the original effective interest rate.

## Notes to the Consolidated Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.23 Parking garage structures contracts

Where the outcome of a parking garage structures construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

Where the outcome of a parking garage structures construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as an amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as an amount due to customers for contract work. Amounts received before the related work is performed are included in the consolidated balance sheet, as a liability, as amounts due to customers for contract work. Amount billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under amounts due from customers for contract work.

#### 2.24 Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

#### 2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

## Notes to the Consolidated Financial Statements

### 3 FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### (a) Foreign exchange risk

The Group and the Company are mainly exposed to foreign exchange risk arising from Hong Kong dollars and United States dollars against RMB. This foreign exchange risk arises from future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency of RMB. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and it has not hedged its foreign exchange risk. Management considers that the Group's and Company's foreign exchange risk is significant.

##### *Group*

At 31 December 2010, if RMB had strengthened/weakened by 5% (2009: 5%) against the Hong Kong dollars with all other variables held constant, profit for the year would have been approximately RMB2,090,000 higher/lower (2009: approximately RMB1,048,000 higher/lower).

At 31 December 2010, if RMB had strengthened/weakened by 5% (2009: 5%) against the United States dollars with all other variables held constant, profit for the year would have been approximately RMB4,096,000 higher/lower (2009: approximately RMB1,569,000 higher/lower).

##### *Company*

At 31 December 2010, if RMB had strengthened/weakened by 5% (2009: 5%) against the United States dollars with all other variables held constant, profit for the year would have been approximately RMB2,527,000 higher/lower (2009: approximately RMB2,389,000 higher/lower)

The Company does not have significant foreign exchange risk arising from Hong Kong dollars and Euro as the Company does not have significant financial assets and financial liabilities denominated in Hong Kong dollars or Euro.

In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the Mainland China Government.

## Notes to the Consolidated Financial Statements

### 3 FINANCIAL RISK MANAGEMENT *(Continued)*

#### 3.1 Financial risk factors *(Continued)*

##### *(b) Interest rate risk*

The Group and the Company are exposed to cash flow interest rate risk in relation to its variable-rate bank borrowings. As at 31 December 2010, if interest rates had been 50 basis points higher/lower with all other variables held constant, the Group's and the Company's profit before taxation would have been approximately RMB130,000 (2009: approximately RMB177,000 lower/higher) and approximately RMB60,000 lower/higher (2009: approximately RMB230,000 lower/higher) respectively. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date.

##### *(c) Credit risk*

As at 31 December 2010, the Group's maximum exposure to credit risk is arising from debtors and deposits, amounts due from customers for contract work, amounts due from ultimate holding company, a fellow subsidiary and an associate of ultimate holding company, as well as restricted bank deposits and cash equivalents as stated in the consolidated balance sheet.

As at 31 December 2010, the Company's maximum exposure to credit risk is arising from deposits, amounts due from subsidiaries and cash and cash equivalents as stated in the company standalone balance sheet.

In order to minimise the credit risk, management of the Group has delegated a team of personnel responsible for determination of credit limits, credit approvals and implementation of monitoring procedures to ensure follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount due from each individual trade customer at each balance sheet date in order provide for impairment losses for irrecoverable amounts.

The credit risk on cash and cash equivalents is considered insignificant because the counterparties are banks with credit ratings not lower than Baa2 (2009: Baa2) assigned by international credit-rating agencies.

Other than cash and cash equivalents which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

## Notes to the Consolidated Financial Statements

### 3 FINANCIAL RISK MANAGEMENT *(Continued)*

#### 3.1 Financial risk factors *(Continued)*

##### *(d) Liquidity risk*

In order to manage the liquidity risk, the Group monitors and maintains cash and cash equivalents and unused credit facilities at a level which is deemed to be adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group had unused credit lines of RMB115,590,000 (2009: RMB132,681,000) as at 31 December 2010. Management monitor the utilisation of credit facilities and draw-down of bank borrowings and ensure compliance with the relevant loan covenants. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period between balance sheet date to the contractual maturity dates.

	Less than 3 months RMB'000	Between 3 months and 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
<b>Group</b>					
<b>At 31 December 2010</b>					
Creditors, other payables					
and accrued charges	454,057	-	-	-	-
Borrowings	118,710	50,812	6,627	-	-
Amounts due to customers					
for contract work	15,674	-	-	-	-
Amounts due to immediate holding company	2,213	-	-	-	-
Amounts due to a Joint venture company	7,335	-	-	-	-
<b>At 31 December 2009</b>					
Creditors, other payables					
and accrued charges	291,655	-	-	-	-
Borrowings	43,616	73,780	10,250	-	-
Amounts due to customers					
for contract work	18,576	-	-	-	-
Amounts due to immediate holding company	6,448	-	-	-	-

## Notes to the Consolidated Financial Statements

## 3. FINANCIAL RISK MANAGEMENT (Continued)

## 3.1 Financial risk factors (Continued)

## (d) Liquidity risk (Continued)

	Less than 3 months RMB'000	Between 3 months and 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
<b>Company</b>					
<b>At 31 December 2010</b>					
Other payables and accrued charges	822	–	–	–	–
Amounts due to subsidiaries	2,094	–	–	–	–
Borrowings	26,621	19,966	6,656	–	–
<b>At 31 December 2009</b>					
Other payables and accrued charges	797	–	–	–	–
Amounts due to subsidiaries	2,146	–	–	–	–
Borrowings	–	37,575	10,248	–	–

## 3.2 Capital risk management

The Group manage its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debts, which includes bank borrowings, net of cash and cash equivalents and equity attributable to equity holders of the Company, comprising paid-in capital, share premium and reserves.

The directors of the Company review the capital structure periodically. As a part of this review, the directors of the Company assess the annual budget prepared by various departments, which takes into account future expansion plans and sources of funding. Based on the proposed annual budget, the directors of the Company consider the cost of the capital and the risk associated with each class of capital. The directors of the Company also balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts or the redemption of existing debts.

## Notes to the Consolidated Financial Statements

### 3. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 3.2 Capital risk management *(Continued)*

	2010 RMB'000	2009 RMB'000
<b>Total borrowings (note 30)</b>	<b>175,798</b>	127,538
<b>Less: cash and cash equivalents (note 25)</b>	<b>(161,045)</b>	(67,137)
<b>Net debt</b>	<b>14,753</b>	60,401
<b>Total equity</b>	<b>618,363</b>	362,855
<b>Total capital</b>	<b>633,116</b>	423,256
<b>Gearing ratio</b>	<b>2%</b>	14%

The decrease in the gearing ratio during 2010 resulted primarily from the issue of Taiwan depository receipts ("TDRs") (note 26).

#### 3.3 Fair value estimation

Financial instruments are measured in the balance sheet at fair value, which requires disclosure of fair value measurements by level of fair value measurement hierarchy. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 31 December 2010, the Group had no financial instrument which had been stated at fair value.

The carrying amounts less impairment provision of receivables and payables are a reasonable approximation of their fair values due to their short-term maturities.



## Notes to the Consolidated Financial Statements

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### (a) *Revenue from construction of parking garage structures*

When the outcome of a parking garage structures construction contract can be estimated reliably, the Group recognises the related revenue based on the percentage-of-completion method, which is measured by the proportion of contract costs incurred for work performed to date to the estimated total contract costs. Estimated total costs to be incurred under each contract are regularly reviewed during the whole term of the contract. Recognition of this revenue is made based on performance measurement. It involves an estimation process and is subject to risks and uncertainties inherent in projecting future events. A number of internal and external factors can affect our estimates, including different cost components applied to different parking garage structures being constructed; and efficiency of the Group's employees undertaking the construction. Recognised revenue and profit are subject to revisions as the respective contract progress to completion. Revisions in profit estimates are charged to the consolidated statement of comprehensive income in the period in which the revision becomes known. Accordingly, any changes in the Group's estimates would impact the Group's future operating results.

##### (b) *Estimated impairment of trade debtors*

The Group makes provision for impairment of trade debtors based on an estimate of the recoverability of the debtors. Provisions are applied to debtors where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of debtors requires the use of estimates. Where the expectation is different from the original estimate, such difference will impact carrying amount of the debtors and provision for impairment losses in the year in which such estimate has been changed.

As at 31 December 2010, provision for impairment of trade debtors amounting to approximately RMB29,656,000 (2009: RMB25,866,000) had been recognised.

## Notes to the Consolidated Financial Statements

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

#### *(c) Estimated impairment of property, plant and equipment*

Machinery and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the higher of fair value of the machinery and equipment less costs to sell or the value-in-use calculations. An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Where the recoverable amount is less than expected, a material impairment loss may arise.

As at 31 December 2010, the Group reported accumulated impairment loss for certain machinery and equipment at RMB1,369,000 (2009: RMB1,369,000). In the segments where the above-mentioned impairment was determined, the 'fair value less costs to sell' of the remaining machinery and equipment and other assets identified within the scope of HKAS 36 "Impairment of Assets" had been assessed to be in excess of their respective carrying values. No additional impairment was considered necessary.

#### *(d) Income taxes*

Most of the subsidiaries of the Group are subject to income taxes in the PRC. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the financial period in which such determination is made.

#### *(e) Fair value of identifiable assets, liabilities and contingent liabilities acquired in the business combination from Sachman Rambaudi*

The fair value of the identifiable assets acquired in the business combination from Sachman Rambaudi (Note 34) at its acquisition date have been determined based on relief from royalty method and cost replacement method. These calculations require the use of certain key assumptions. Changing such key assumptions selected by management, including the discount rate, royalty rate and estimate useful life, could materially affect the fair value of the acquired intangible assets and the gain on bargain purchases.

The details of key assumptions used for calculations are stated in note 34.

## Notes to the Consolidated Financial Statements

### 5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors (the "Executive Directors") of the Company. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports reviewed by the Executive Directors that are used to make strategic decisions.

The Executive Directors consider that the Group has three reportable segments: (1) machine tools; (2) parking garage structure; and (3) forklift trucks.

The Executive Directors assess the performance of the operating segments based on their respective gross profit.

The Group does not allocate operating costs or assets to its segments, as the Executive Directors do not use this information to allocate resources to or evaluate the performance of the operating segments. Therefore, the Group does not report a measure of profit for each reportable segment and total assets.

	Machine Tools RMB'000	Parking Garage structures RMB'000	Forklift Trucks RMB'000	Total Group RMB'000
<b>For the year ended</b>				
<b>31 December 2010</b>				
Revenue				
(all from external sales)	1,135,468	88,062	150,653	1,374,183
Cost of revenue	(813,991)	(73,254)	(131,403)	(1,018,648)
Segment profit	321,477	14,808	19,250	355,535

	Machine Tools RMB'000	Parking Garage structures RMB'000	Forklift Trucks RMB'000	Total Group RMB'000
<b>For the year ended</b>				
<b>31 December 2009</b>				
Revenue				
(all from external sales)	615,450	83,776	77,612	776,838
Cost of revenue	(414,185)	(77,146)	(70,706)	(562,037)
Segment profit	201,265	6,630	6,906	214,801

Majority of all the Group's operations and assets are located in the PRC and the Group mainly sells to the PRC market.

## Notes to the Consolidated Financial Statements

## 6 OTHER INCOME

	2010 RMB'000	2009 RMB'000
Sales of scrap materials	6,485	2,265
Net exchange gain	6,660	2,553
Government subsidies	1,825	774
Repair income	2,190	3,374
Rental income from investment properties	335	1,679
Interest income	1,321	688
Others	1,858	1,362
	<b>20,674</b>	<b>12,695</b>

## 7 EXPENSES BY NATURE

	2010 RMB'000	2009 RMB'000
Cost of inventories sold	957,498	529,175
Sales commission	23,285	15,377
Depreciation of property, plant and equipment	16,880	14,899
Depreciation of investment <u>properties</u>	133	329
Amortisation of intangible <u>assets</u>	1,836	827
Amortisation of land use rights	943	943
Operating lease rental on land and buildings	5,993	4,437
Employee benefit expenses (note 8)	89,801	56,500
Allowance for bad and doubtful debts, net	5,540	(12,311)
Allowance for inventories, net	(2,903)	3,765
Auditor's remuneration	1,149	1,220
Provision for warranty	9,465	4,282
Loss on disposal of property, plant and equipment	732	282
Research and development expense*	39,428	22,962
Transportation Fees	15,641	8,000
Others	51,175	26,598
<b>Total cost of revenue, distribution and selling expenses, administrative expenses and other expenses</b>	<b>1,216,596</b>	<b>677,285</b>

\* Depreciation of property, plant and equipment, amortisation of intangible assets and employee benefit expenses amounting to RMB1,311,000, RMB205,000 and RMB10,156,000 was included in research and development expenses respectively (2009: RMB1,064,000, RMB171,000 and RMB6,391,000 respectively.)

## Notes to the Consolidated Financial Statements

## 8 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' REMUNERATION)

	2010 RMB'000	2009 RMB'000
Wages and salaries	66,101	42,982
Bonus	18,844	9,168
Welfare and other allowance	10,917	8,528
Pension costs – defined contribution plans	4,095	2,213
	<b>99,957</b>	<b>62,891</b>

## (a) Directors' emoluments

The remuneration of each director is set out below:

## Year ended 31 December 2010

	Chu Chih- Yaung RMB'000	Chen Hsiang- Jung RMB'000	Chen Min-Ho RMB'000	Wen Chi-Tang RMB'000	Chiu Rung- Hsien RMB'000	Koo Fook Sun, Louis RMB'000	Chiang Chun-Te RMB'000	Yu Yu-Tang RMB'000	Total RMB'000
Fees	180	180	144	144	144	174	87	87	1,140
	180	180	144	144	144	174	87	87	1,140

## Year ended 31 December 2009

	Chu Chih- Yaung RMB'000	Chen Hsiang- Jung RMB'000	Chen Min-Ho RMB'000	Wen Chi-Tang RMB'000	Chiu Rung- Hsien RMB'000	Koo Fook Sun, Louis RMB'000	Chiang Chun-Te RMB'000	Yu Yu-Tang RMB'000	Total RMB'000
Fees	180	180	144	144	144	176	88	88	1,144
	180	180	144	144	144	176	88	88	1,144

## Notes to the Consolidated Financial Statements

### 8 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' REMUNERATION) *(Continued)*

#### (b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, none (2009: none) was a director of the Company whose emoluments are included in the disclosures in note 8(a) above. The emoluments of the five (2009: five) individuals were as follows:

	2010 RMB'000	2009 RMB'000
Basic salaries and allowances	3,747	1,544
Bonus	2,957	1,011
Pension costs – defined contribution plans	139	83
	<b>6,843</b>	<b>2,638</b>

The emolument fell within the following bands:

	Number of individuals	
	2010 RMB'000	2009 RMB'000
Emolument bands (in HKD)		
Less than HKD1,000,000	1	5
HKD1,000,001 – HKD1,500,000	3	–
HKD2,000,000 – HKD2,500,000	1	–

### 9 FINANCE COSTS

	2010 RMB'000	2009 RMB'000
Interest expense:		
– Bank borrowings wholly repayable within 5 years	3,461	4,564

## Notes to the Consolidated Financial Statements

## 10 INCOME TAX EXPENSE

	2010 RMB'000	2009 RMB'000
Enterprise income tax	33,225	17,370
Deferred tax (note 31)	1,835	6,169
	<b>35,060</b>	23,539

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profit arising in Hong Kong for both years.

Enterprise income tax ("EIT") is provided for enterprises in the PRC and Italy based on the profit reported for statutory financial reporting purposes. In 2008, Hangzhou Good Friend Precision Machinery Co., Ltd. ("Hangzhou Good Friend") was approved the New and High-Tech Enterprise status by the relevant government authorities, it is entitled to a reduced tax rate of 15% for a three-year period commencing 2008. Accordingly, the applicable tax rate for Hangzhou Good Friend in 2010 is 15% (2009: 15%).

Certain group companies have unused tax loss.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2010 RMB'000	2009 RMB'000
<b>Profit before income tax</b>	<b>193,806</b>	107,684
Tax calculated at weighted <u>average</u> enterprise income tax rates at 16% (2009: 15%)	31,484	16,153
Tax effects of:		
– Income not subject to tax	(6,267)	(1,847)
– Expenses not deductible for tax purposes	1,481	2,301
– Utilisation of previously unrecognised tax losses	(363)	–
– Tax losses for which no deferred income tax asset was recognised	399	1,469
Deferred tax on undistributed earnings of subsidiaries in the PRC	7,693	4,943
Others	633	520
<b>Tax charge</b>	<b>35,060</b>	23,539

## Notes to the Consolidated Financial Statements

### 11 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the company is dealt with in the financial statements of the company to the extent of approximately RMB68,202,000 (2009: RMB75,826,000).

### 12 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company of RMB158,746,000 (2009: RMB84,145,000) by the weighted average number of ordinary shares in issue during the year of 389,760,000 (2009: 336,000,000).

	2010	2009
Basic and Diluted earnings per share ( <i>RMB per share</i> )	<b>0.41</b>	0.25

There were no potential dilutive shares in issue for both years.

### 13 DIVIDENDS

The dividends paid in 2010 and 2009 were RMB108,864,000 (RMB0.28 per share) and RMB50,400,000 (RMB0.15 per share) respectively. At a meeting of directors held on 24 March 2011, the directors resolved to recommend a final dividend of RMB0.10 (2009: RMB0.12) per share for the year ended 31 December 2010. This proposed dividend was not recognised as dividend payable in the consolidated financial statements for the year ended 31 December 2010.

	2010 RMB'000	2009 RMB'000
Interim dividend paid of RMB0.15 (2009: RMB0.09) per ordinary share	<b>60,480</b>	30,240
Proposed final dividend of RMB0.10 (2009: RMB0.12) per ordinary share	<b>40,320</b>	40,320
	<b>100,800</b>	70,560

The proposed final dividend for the year ended 31 December 2010 is to be declared out of the share premium of the Company.

The aggregate amounts of the dividends paid and proposed during 2010 and 2009 have been disclosed in the consolidated income statement in accordance with the disclosure requirements of Hong Kong Companies Ordinance.



## Notes to the Consolidated Financial Statements

## 14 LAND USE RIGHTS – GROUP

The Group's interests in land use rights represent prepaid operating lease payments in the PRC held on leases of between 10 to 50 years and their net book value are analysed as follows:

	2010 RMB'000	2009 RMB'000
At 1 January	42,253	43,196
Amortisation	(943)	(943)
At 31 December	41,310	42,253

Bank borrowings outstanding as at 31 December 2010 were secured by land use rights of carrying value of RMB13,847,000 (2009: RMB14,156,000) (note 30).

## 15 PROPERTY, PLANT AND EQUIPMENT – GROUP

	Buildings RMB'000	Machinery and equipment RMB'000	Office and computer equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
<b>Cost</b>						
At 1 January 2009	73,812	88,396	16,900	10,036	31,282	220,426
Additions	–	26,766	2,235	772	28,745	58,518
Transfers	22,341	1,352	–	–	(23,693)	–
Transferred to investment properties (note 16)	(11,244)	–	–	–	–	(11,244)
Disposals	–	(46)	(1,498)	(2,128)	–	(3,672)
At 31 December 2009 and 1 January 2010	84,909	116,468	17,637	8,680	36,334	264,028
Exchange differences	–	31	4	2	–	37
Additions	–	5,191	5,578	3,728	40,188	54,685
Acquisition from a business combination (note 34)	–	3,566	492	227	–	4,285
Transfers	20,665	5,235	–	–	(25,900)	–
Transferred from investment properties (note 16)	8,280	–	–	–	–	8,280
Disposals	(270)	(3,046)	(1,475)	(1,116)	–	(5,907)
At 31 December 2010	113,584	127,445	22,236	11,521	50,622	325,408

## Notes to the Consolidated Financial Statements

## 15 PROPERTY, PLANT AND EQUIPMENT – GROUP (Continued)

	Buildings RMB'000	Machinery and equipment RMB'000	Office and computer equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Accumulated depreciation and impairment						
At 1 January 2009	18,203	34,428	11,335	4,376	–	68,342
Provided for the year	3,833	7,909	2,418	1,803	–	15,963
<u>Transferred to investment</u> properties (note 16)	(2,078)	–	–	–	–	(2,078)
Disposals	–	(34)	(1,206)	(574)	–	(1,814)
At 31 December 2009 and 1 January 2010	19,958	42,303	12,547	5,605	–	80,413
Exchange differences	–	1	–	–	–	1
Provided for the year	4,708	10,285	1,953	1,245	–	18,191
<u>Transferred from investment</u> properties (note 16)	1,618	–	–	–	–	1,618
<u>Disposals</u>	(110)	(1,386)	(1,090)	(633)	–	(3,219)
At 31 December 2010	26,174	51,203	13,410	6,217	–	97,004
Net book amount						
At 31 December 2010	87,410	76,242	8,826	5,304	50,622	228,404
At 31 December 2009	64,951	74,165	5,090	3,075	36,334	183,615

## Notes to the Consolidated Financial Statements

### 15 PROPERTY, PLANT AND EQUIPMENT – GROUP (Continued)

Depreciation expense of RMB13,150,000 (2009: RMB10,622,000) had been charged in 'cost of goods sold', RMB966,000 (2009: RMB1,375,000) in 'selling and marketing costs' and RMB4,075,000 (2009: RMB3,966,000) in 'administrative expenses' (note 7).

Lease rental expenses amounting to RMB5,993,000 (2009: RMB4,437,000) relating to leasing of property were included in the income statement (note 7).

Bank borrowings outstanding as at 31 December 2010 were secured by buildings for the value of RMB25,911,000 (2009: RMB53,091,000) (note 30).

During the year, the Group terminated the lease agreements of certain portions of its investment property and kept them for own use. Accordingly, the relevant carrying amount of the investment properties as at the date of change of usage was transferred to property, plant and equipment.

### 16 INVESTMENT PROPERTIES – GROUP

	2010 RMB'000	2009 RMB'000
Opening net book amount at 1 January	8,837	–
Transfer from property, plant and equipment (note 15)	-	9,166
Transfer to property, plant and equipment (note 15)	(6,662)	–
Depreciation	(133)	(329)
Closing net book amount at 31 December	<b>2,042</b>	8,837

The Group's investment properties are held in PRC with leases under 50 years. The fair value of the investment properties as at 31 December 2010 was approximately RMB6,830,000, which was assessed by Zhejiang Henji Appraisal Co., Ltd ("浙江 基資產評估有限公司"), an independent valuer in the PRC, based on open market values of similar properties in the region where these properties are located.

## Notes to the Consolidated Financial Statements

## 17 INTANGIBLE ASSETS – GROUP

	Trademarks and licences RMB'000	Technology know-how RMB'000	Software RMB'000	Total RMB'000
<b>At 1 January 2009</b>				
Cost	–	–	5,293	5,293
Accumulated amortisation and impairment	–	–	(2,629)	(2,629)
<b>Net book amount</b>	–	–	2,664	2,664
<b>Year ended 31 December 2009</b>				
Opening net book amount	–	–	2,664	2,664
Additions	–	–	1,060	1,060
Amortisation charge ( <i>note 7</i> )	–	–	(998)	(998)
<b>Closing net book amount</b>	–	–	2,726	2,726
<b>At 31 December 2009</b>				
Cost	–	–	6,353	6,353
Accumulated amortisation and impairment	–	–	(3,627)	(3,627)
<b>Net book amount</b>	–	–	2,726	2,726
<b>Year ended 31 December 2010</b>				
Opening net book amount	–	–	2,726	2,726
Exchange difference	69	58	–	127
Additions	–	–	524	524
Acquisition from a business combination ( <i>note 34</i> )	8,037	7,250	–	15,287
Amortisation charge ( <i>note 7</i> )	(436)	(364)	(1,241)	(2,041)
<b>Closing net book amount</b>	7,670	6,944	2,009	16,623
<b>At 31 December 2010</b>				
Cost	8,102	7,309	6,877	22,888
Accumulated amortisation and impairment	(432)	(365)	(4,868)	(5,665)
<b>Net book amount</b>	7,670	6,944	2,009	16,623

Amortisation of RMB364,000 (2009: Nil) and RMB1,677,000 (2009: RMB998,000) have been charged in cost of revenue and administrative expenses (*note 7*).

## Notes to the Consolidated Financial Statements

## 18 INVESTMENT IN SUBSIDIARIES – COMPANY

	2010 RMB'000	2009 RMB'000
Investments – unlisted shares, at cost:	52,837	52,837
Amount due from subsidiaries	312,350	150,585
Amount due to subsidiaries	(2,094)	(2,146)

The amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

The following is a list of principal subsidiaries of the Group at 31 December 2010:

Name	Place of incorporation/ operation	Principal activities	Issued and fully paid-up share capital/ registered capital	Interest held
<b>Directly held subsidiaries</b>				
Winning Steps Ltd	BVI	Investment Holding	Ordinary shares USD110	100%
Yu Hwa Holdings Ltd.	BVI	Investment Holding	Ordinary shares USD1,500,000	100%
Hai Sheng International Holdings Inc	BVI	Investment Holding	Ordinary shares USD200,000	100%
Sky Thrive Investment Ltd	BVI	Investment Holding	Ordinary shares USD5,000,000	100%
Kai Win Group Ltd	BVI	Investment Holding	Ordinary shares USD1	100%

## Notes to the Consolidated Financial Statements

## 18 INVESTMENT IN SUBSIDIARIES – COMPANY (Continued)

Name	Place of incorporation/ operation	Principal activities	Issued and fully paid-up share capital/ registered capital	Interest held
<b>Indirectly held subsidiaries</b>				
Full Moral Industrial Ltd	Hong Kong	Inactive	Ordinary shares HKD1	100%
Winnings Steps Hong Kong Development Ltd	Hong Kong	Investment Holding	Ordinary shares HKD1,000	100%
Yu Hwa Hong Kong Enterprise Ltd	Hong Kong	Investment Holding	Ordinary shares HKD1,000	100%
Hai Sheng International Hong Kong Ltd	Hong Kong	Investment Holding	Ordinary shares HKD1,000	100%
Sky Thrive Hong Kong Enterprise Ltd	Hong Kong	Investment Holding	Ordinary shares HKD1,000	100%
Hangzhou Good Friend Precision Machinery Co Ltd	PRC	Design and production of computer numerical control machine tools, design and construction of three dimensional car parking garage structure	Registered Capital USD11,000,000	100%
Hangzhou Global Friend Precision Machinery Co Ltd	PRC	Design and assembling of forklift trucks	Registered Capital USD10,000,000	100%
Hangzhou Ever Friend Precision Machinery Co Ltd	PRC	Design and production of computer numerical control machine tools	Registered Capital USD3,000,000	100%

## Notes to the Consolidated Financial Statements

## 18 INVESTMENT IN SUBSIDIARIES – COMPANY (Continued)

Name	Place of incorporation/ operation	Principal activities	Issued and fully paid-up share capital/ registered capital	Interest held
Hangzhou Glory Friend Precision Machinery Co Ltd	PRC	Processing of computer numerical control machine tools	Registered Capital USD15,000,000	100%
Rich Friend (Shanghai) Precision Machinery Co Ltd	PRC	Trading of computer numerical control machine tools	Registered Capital USD200,000	100%
Sky Thrive Rambaudi S.r.l.	Italy	Design and production of computer numerical control machine tools	Ordinary shares EUR10,000	100%

## 19 INVESTMENT IN JOINT CONTROLLED ENTITIES – GROUP AND COMPANY

	Group		Company	
	2010 RMB'000	2009 RMB'000	2010 RMB'000	2009 RMB'000
Investments in joint controlled entities	<b>8,192</b>	–	<b>8,192</b>	–
Amount due to joint controlled entities	<b>(7,335)</b>	–	–	–

During the current year, the Company invested in two jointly controlled entities in China. Details are as follows:

- In January and July 2010, the Company contributed approximately USD1,155,000 (equivalent to RMB7,861,000) additional registered capital into Anest Iwata Feeler Corporation (“AIF”). AIF was established by the Company; a third party company, Anest Iwata Corporation (“AIC”); and Anest Iwata Taiwan (“AIT”), a joint venture company of the Company’s ultimate holding company in 2009. After the additional capital injection, equity interests held by the Company, AIC and AIT in AIF became 35%, 35% and 30% respectively. The Company adopts equity accounting to account for its interests in AIF.
- In December 2010, the Company contributed approximately USD50,000 (equivalent to RMB331,000 as registered capital into Hangzhou Nippon Cable Feeler Corporation (“NCF”). NCF was established by the Company and Nippon Cable Co., Ltd (“NC”), a third party company. Interests held by the Company and NC are 50% each. The Company also adopts equity method of accounting to account for this investment.

For the year ended 31 December 2010, the net income derived from the joint controlled entities was immaterial.

## Notes to the Consolidated Financial Statements

### 20 FINANCIAL INSTRUMENTS BY CATEGORY

The Group's financial assets are classified as loans and receivables and financial liabilities are at amortised cost.

### 21 DEBTORS, DEPOSITS AND PREPAYMENT – GROUP AND COMPANY

	Group		Company	
	2010 RMB'000	2009 RMB'000	2010 RMB'000	2009 RMB'000
Trade debtors and bills receivables	<b>381,143</b>	230,114	–	–
Less: provision for impairment of trade receivables	<b>(29,656)</b>	(25,866)	–	–
Trade receivables – net	<b>351,487</b>	204,248	–	–
Prepayments	<b>42,091</b>	30,778	–	–
Other debtors	<b>34,720</b>	27,114	<b>154</b>	942
<b>Total Debtors, deposits and prepayment</b>	<b>428,298</b>	262,140	<b>154</b>	942

The Group generally allows a credit period of 30 to 180 days to its customers. The Group also allows its customers to retain certain percentage of the outstanding balances as retention money for a one-year warranty period of the products sold.

At 31 December 2010 and 2009, the ageing analysis of trade debtors and bills receivable were as follows:

	2010 RMB'000	2009 RMB'000
Current – 30 days	<b>293,558</b>	165,767
31 – 60 days	<b>10,508</b>	10,008
61 – 90 days	<b>11,510</b>	2,081
91 – 180 days	<b>17,326</b>	7,876
Over 180 days	<b>48,241</b>	44,382
	<b>381,143</b>	230,114



## Notes to the Consolidated Financial Statements

**21 DEBTORS, DEPOSITS AND PREPAYMENT – GROUP AND COMPANY** *(Continued)*

Deposits to suppliers and other deposits are generally aged within one year.

Included in the Group's trade debtors are debtors with an aggregate carrying amount of approximately RMB66,351,000 (2009: RMB46,479,000) which were past due as at 31 December 2010 but the Group had not provided for impairment loss. The directors, after considering the trade relationship, credit status and past settlement history of these individual trade debtors, had concluded that these outstanding balances would be recovered. The Group does not hold any collateral over these balances. There are no historical defaults in payments from these trade debtors.

The following is an aging analysis of trade debtors which are past due but not impaired:

	2010 RMB'000	2009 RMB'000
0 – 30 days	10,208	7,998
31 – 60 days	10,164	10,008
61 – 90 days	10,998	2,081
91 – 180 days	16,382	7,876
Over 180 days	18,599	18,516
	<b>66,351</b>	46,479

As of 31 December 2010, trade debtors of RMB29,656,000 (2009:RMB25,866,000) were impaired and provided for. The individually impaired receivables mainly relate to customers which are in unexpected financial difficulties. The ageing of these receivables is as follows:

	2010	2009
91 – 180 days	14	–
Over 6 months	29,642	25,866
	<b>29,656</b>	25,866

## Notes to the Consolidated Financial Statements

### 21 DEBTORS, DEPOSITS AND PREPAYMENT – GROUP AND COMPANY *(continued)*

Movements of provision for impairment of trade receivables are as follows:

	2010 RMB'000	2009 RMB'000
At 1 January	25,866	38,177
Provision for receivables impairment	5,540	–
Receivables written off during the year when proved to be uncollectible	(1,750)	–
Write-back of allowance	–	(12,311)
At 31 December	<b>29,656</b>	25,866

The creation and release of provision for impaired receivables have been included in 'other operating expenses' in the consolidated income statement (note 7). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The carrying amounts of the Group's debtors, deposits and prepayment are denominated in the following currencies:

	2010 RMB'000	2009 RMB'000
RMB	395,317	239,097
US dollar	23,862	20,898
Euro	3,487	–
Other currencies	5,632	2,145
	<b>428,298</b>	262,140

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

## Notes to the Consolidated Financial Statements

## 22 INVENTORIES – GROUP

	2010 RMB'000	2009 RMB'000
Raw materials	126,894	103,496
Work in progress	101,499	53,420
Finished goods	115,356	57,416
	<b>343,749</b>	214,332
Provision	(1,920)	(4,798)
	<b>341,829</b>	209,534

The cost of inventories recognised as expense and included in 'cost of revenue' amounted to RMB957,498,000 (2009: RMB529,175,000) (note 7).

During the year, the Group reversed RMB3,675,000 of the provision brought forward as a credit to cost of revenue. The Group had utilised the related inventory items for its own research and development and production. The carrying amount of these items were charged as research and development expenses.

## 23 AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK – GROUP

	2010 RMB'000	2009 RMB'000
Contract costs incurred plus recognised profits less recognised losses	202,114	192,639
Less: Progress billings	(194,845)	(194,017)
	<b>7,269</b>	(1,378)

	2010 RMB'000	2009 RMB'000
Amounts due from contract customers	22,943	17,198
Amounts due to contract customers	(15,674)	(18,576)
Net amounts due from/(to) customers for contract work	<b>7,269</b>	(1,378)

As at 31 December 2010, retention money held by customers for contract work included in debtors amounted to RMB2,061,000 (2009: RMB2,019,000).

## Notes to the Consolidated Financial Statements

### 24 RESTRICTED BANK DEPOSITS

The amounts represent deposits placed in banks for guarantees issued for trade finance instruments used by the Group. The deposits have a maturity period within one year and they carry fixed rate interest at 0.36% (2009: 0.36%) per annum.

### 25 CASH AND CASH EQUIVALENTS – GROUP AND COMPANY

	Group		Company	
	2010 RMB'000	2009 RMB'000	2010 RMB'000	2009 RMB'000
Cash at bank and on hand	61,645	66,137	2,745	1,704
Short-term bank deposits	99,400	2,000	–	–
Cash and cash equivalents	161,045	68,137	2,745	1,704

### 26 SHARE CAPITAL – GROUP AND COMPANY

	Number of shares (thousands)	Nominal value RMB'000
<b>Ordinary share of HK\$0.01 each</b>		
Authorised:		
At 31 December 2010 and 31 December 2009	1,000,000	10,211
Issued and fully paid:		
At 31 December 2009	336,000	3,431
Opening balance 1 January 2010	336,000	3,431
Issuance of TDRs	67,200	591
At 31 December 2010	403,200	4,022

On 18 March 2010, the Company issued 67.2 million units of TDRs at NTD14.5 (RMB3.121) per unit (representing one newly issued ordinary share of the Company) and they have been listed on the Taiwan Stock Exchange. The Company received net proceeds amounting to approximately NTD956 million (equivalent to approximately RMB206 million). Approximately RMB155 million of the proceeds were injected by the Company into its subsidiaries in the PRC as additional registered capital and the remaining balance of approximately RMB51 million was utilised for repayment of bank borrowings.

## Notes to the Consolidated Financial Statements

## 27 RESERVES – GROUP AND COMPANY

## Group

	Share premium RMB'000	Capital reserve RMB'000	Other reserve			Retained profits RMB'000	Total RMB'000
			General reserve RMB'000	Enterprise expansion reserve RMB'000	Translation RMB'000		
At 1 January 2009	66,596	77,338	28,090	9,089	–	144,566	325,679
Dividends paid	–	–	–	–	–	(50,400)	(50,400)
Total comprehensive income	–	–	–	–	–	84,145	84,145
Appropriation to reserves	–	–	–	–	–	–	–
At 31 December 2009	66,596	77,338	28,090	9,089	–	178,311	359,424
Issuance of TDRs	205,196	–	–	–	–	–	205,196
Dividends paid	–	–	–	–	–	(108,864)	(108,864)
Profit for the year	–	–	–	–	–	158,746	158,746
Currency translation difference	–	–	–	–	(161)	–	(161)
Appropriation to reserves	–	–	7,746	–	–	(7,746)	–
At 31 December 2010	271,792	77,338	35,836	9,089	(161)	220,447	614,341

## Notes:

- (i) Capital reserve represents the difference between the paid-in capital/share capital and share premium of the subsidiaries acquired at nominal value of the Company's shares issued during the time of the corporate reorganisation of the Group prior to the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited.
- (ii) General reserve and enterprise expansion reserve are set up in accordance with statutory requirements in the PRC.

## Notes to the Consolidated Financial Statements

## 27 RESERVES – GROUP AND COMPANY (Continued)

## Company

	Share premium RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2009	66,596	12,136	47,747	126,479
Dividends paid	–	–	(50,400)	(50,400)
Total comprehensive income	–	–	75,826	75,826
At 31 December 2009	66,596	12,136	73,173	151,905
Issuance of TDRs	205,196	–	–	205,196
Dividends paid	–	–	(108,864)	(108,864)
Total comprehensive income	–	–	68,202	68,202
At 31 December 2010	271,792	12,136	32,511	316,439

## 28 CREDITORS, OTHER PAYABLES AND ACCRUED CHARGES – GROUP

	2010 RMB'000	2009 RMB'000
Trade creditors	167,285	157,174
Advance deposits from customers	218,106	95,053
Other payables	36,103	22,656
Accrued expenses	32,563	16,772
	<b>454,057</b>	291,655

The Group normally receives credit terms of 30 to 60 days. At 31 December 2010 and 2009, the ageing analysis of the trade payables were as follows:

	2010 RMB'000	2009 RMB'000
Current – 30 days	128,544	108,094
31 – 60 days	25,296	13,224
61 – 90 days	6,418	14,864
91 – 180 days	4,373	20,846
Over 180 days	2,654	146
	<b>167,285</b>	157,174

## Notes to the Consolidated Financial Statements

**28 CREDITORS, OTHER PAYABLES AND ACCRUED CHARGES – GROUP** (Continued)

Creditors, other payables and accrued charges are dominated in the following currencies:

	2010 RMB'000	2009 RMB'000
RMB	433,351	288,498
US dollars	8,531	3,157
Euro	12,175	–
	<b>454,057</b>	291,655

**29 WARRANTY PROVISION – GROUP**

	2010 RMB'000	2009 RMB'000
At 1 January	5,204	4,426
Provision for the year	9,465	4,282
Utilisation of provision	(6,570)	(3,504)
At 31 December	<b>8,099</b>	5,204

**30 BORROWINGS – GROUP AND COMPANY**

	Group		Company	
	2010 RMB'000	2009 RMB'000	2010 RMB'000	2009 RMB'000
<b>Non-current</b>				
Unsecured	6,614	10,241	6,614	10,241
<b>Current</b>				
Secured	980	32,973	–	–
Unsecured	168,204	84,324	46,295	37,548
	<b>169,184</b>	117,297	<b>46,295</b>	37,548
Total borrowings	<b>175,798</b>	127,538	<b>52,909</b>	47,789

## Notes to the Consolidated Financial Statements

### 30 BORROWINGS – GROUP AND COMPANY (Continued)

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

	Group		Company	
	2010	2009	2010	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Effective interest rates	<b>1.45% to 5.35%</b>	1.20% to 5.75%	<b>1.47% to 2.57%</b>	1.62% to 4.18%
	<b>per annum</b>	per annum	<b>per annum</b>	per annum

At 31 December 2010, the Group's borrowings were repayable as follows:

	Group		Company	
	2010	2009	2010	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	<b>169,184</b>	117,297	<b>46,295</b>	37,548
Between 1 and 2 years	<b>6,614</b>	10,241	<b>6,614</b>	10,241

The Group had pledged its land use rights and buildings with carrying amounts of approximately RMB13,847,000 (note 14) and RMB25,911,000 (note 15) respectively (2009: RMB14,156,000 and RMB53,091,000 respectively) as at 31 December 2010 in order to secure the general banking facilities granted to it.

The fair value of current borrowings as at 31 December 2010 equals their carrying amount because the impact of discounting is not significant. The fair value was determined based on cash flows discounted using a rate of borrowing at 2.37% per annum (2009: 3.11% per annum).

The carrying amounts of short-term borrowings approximate their fair value.



## Notes to the Consolidated Financial Statements

**30 BORROWINGS – GROUP AND COMPANY** (Continued)

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Group		Company	
	2010 RMB'000	2009 RMB'000	2010 RMB'000	2009 RMB'000
RMB	10,100	34,000	–	–
HK dollars	49,594	22,745	–	–
US dollars	116,104	70,793	52,909	47,789
	<b>175,798</b>	127,538	<b>52,909</b>	47,789

The Group had the following undrawn borrowing facilities as at 31 December 2010:

	Group	
	2010 RMB'000	2009 RMB'000
Floating rate loans:		
– Expiring within one year	115,590	132,681

The facilities expiring within one year are annual facilities granted by banks which are subject to review at various dates throughout 2011.

**31 DEFERRED INCOME TAX – GROUP**

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group	
	2010 RMB'000	2009 RMB'000
Deferred tax assets:		
– Deferred tax asset to be recovered within 12 months	5,545	5,235
Deferred tax liabilities:		
– Deferred tax liability to be recovered after more than 12 months	2,097	–
– Deferred tax liability to be recovered within 12 months	13,691	4,943

## Notes to the Consolidated Financial Statements

## 31 DEFERRED INCOME TAX – GROUP (Continued)

The movement on the deferred income tax assets during the years are as follows:

	Group	
	2010	2009
	RMB'000	RMB'000
At 1 January	5,235	6,461
Credit to/(Charge to) consolidated statement of comprehensive income	310	(1,226)
At 31 December	5,545	5,235

Deferred tax assets	Group			Total RMB'000
	Allowance for doubtful receivables RMB'000	Allowance for inventories RMB'000	Warranty provision RMB'000	
At 1 January 2009	5,700	141	620	6,461
Charge to/(Credit to) consolidated statement of comprehensive income	(1,820)	504	90	(1,226)
At 31 December 2009	3,880	645	710	5,235
Charge to/(Credit to) consolidated statement of comprehensive income	463	(549)	396	310
<b>At 31 December 2010</b>	4,343	96	1,106	5,545

The gross movements in deferred tax liabilities during the year are analysed as follows:

	Group	
	2010	2009
	RMB'000	RMB'000
At 1 January	4,943	2,859
Charge to consolidated statement of comprehensive income	6,206	4,943
Settlement	(4,426)	(2,859)
Deferred tax liabilities arising from a business combination (note 34)	8,700	–
Exchange difference	365	–
At 31 December	15,788	4,943

## Notes to the Consolidated Financial Statements

## 31 DEFERRED INCOME TAX – GROUP (Continued)

Deferred tax liabilities	Withholding tax on distributable profit of subsidiaries in the PRC RMB'000	Group	
		Business combination RMB'000	Total RMB'000
At 1 January 2009	2,859	–	2,859
Charge to/(Credit to) consolidated statement of comprehensive income	4,943	–	4,943
Settlement	(2,859)	–	(2,859)
At 31 December 2009	4,943	–	4,943
Charge to/(Credit to) consolidated statement of comprehensive income	7,693	(1,487)	6,206
Settlement	(4,426)	–	(4,426)
Deferred tax liabilities arising from a business combination (note 34)	–	8,700	8,700
Exchange difference	–	365	365
At 31 December 2010	8,210	7,578	15,788

At the balance sheet date, the Group has unused tax losses of approximately RMB14,551,000 (2009: RMB12,993,000) available for offsetting against future profits. No deferred tax asset has been recognised as it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

The expiry dates of these tax losses are as follows:

	2010 RMB'000	2009 RMB'000
With expiry in:		
2013	6,814	3,060
2014	6,142	140
2015	1,595	9,793

## Notes to the Consolidated Financial Statements

## 32 CASH GENERATED FROM OPERATIONS

	2010 RMB'000	2009 RMB'000
Profit before income tax	193,806	107,684
Adjustments for:		
– Amortisation of land use rights ( <i>note 7</i> )	943	943
– Depreciation of property, plant and equipment ( <i>note 7</i> )	18,191	15,963
– Depreciation of investment properties ( <i>note 7</i> )	133	329
– Amortisation of intangible assets ( <i>note 7</i> )	2,041	998
– Loss on disposal of property, plant and equipment (see below)	732	282
– Interest income ( <i>note 6</i> )	(1,321)	(688)
– Finance costs ( <i>note 9</i> )	3,461	4,564
– Effect on currency exchange difference	41	–
– Excess of net fair value of identifiable assets, liabilities and contingent liabilities of a business acquired over cost ( <i>note 34</i> )	(19,006)	–
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
– (Increase)/decrease in inventories	(104,429)	3,497
– Increase in debtors, deposits and prepayments	(166,158)	(93,047)
– Increase in amounts due from customers for contract work	(5,745)	(2,539)
– Decrease/(increase) in amount due from ultimate holding company	449	(588)
– (Increase)/decrease in amounts due from a fellow subsidiary and an associate of ultimate holding company	(3,436)	1
– Increase in creditors, other payables and accrued charges	155,603	111,983
– (Decrease)/increase in amounts due to customers for contract work	(2,902)	11,174
– (Decrease)/increase in amount due to immediate holding company	(4,235)	4,156
– Increase in amount due to a joint venture company	7,335	–
– Increase in warranty provision	2,895	778
– Decrease in amount due to ultimate holding company	–	(160)
<b>Cash generated from operations</b>	<b>78,398</b>	<b>165,330</b>

## Notes to the Consolidated Financial Statements

**32 CASH GENERATED FROM OPERATIONS** *(Continued)*

In the statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

<b>Group</b>	<b>2010</b> <b>RMB'000</b>	2009 RMB'000
Net book amount <i>(note 15)</i>	<b>2,688</b>	1,858
Loss on disposal of property, plant and equipment	<b>(732)</b>	(282)
Proceeds from disposal of property, plant and equipment	<b>1,956</b>	1,576

**33 COMMITMENTS****(a) Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not yet incurred is analysed as follows:

<b>Group</b>	<b>2010</b> <b>RMB'000</b>	2009 RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– Capital injection into jointly controlled entities	<b>10,067</b>	4,300
– Acquisition of machinery and equipment	<b>27,097</b>	3,425
	<b>37,164</b>	7,725

## Notes to the Consolidated Financial Statements

### 33 COMMITMENTS (Continued)

#### (b) Operating lease commitments

##### *The Group as lessee*

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases as follows:

Group	2010 RMB'000	2009 RMB'000
No later than 1 year	2,402	2,478
Later than 1 year and no later than 5 years	2,795	2,061
Later than 5 years	456	608
	5,653	5,147

##### *The Group as lessor*

At the balance sheet date, the Group had commitments with tenants for the following minimum lease payments as follows:

Group	2010 RMB'000	2009 RMB'000
No later than 1 year	–	683
Later than 1 year and no later than 5 years	–	680
	–	1,363

## Notes to the Consolidated Financial Statements

## 34 BUSINESS COMBINATIONS

On 24 June 2010, the Company, through a newly incorporated subsidiary in Italy named Sky Thrive Rambaudi S.r.l. ("ST Rambaudi"), entered into a "Transfer of a Business Concern" agreement with the receiver for the liquidation of Sachman Rambaudi S.p.a. ("Sachman Rambaudi"), a third party Italian company. Pursuant to the agreement, ST Rambaudi undertook to acquire certain tangible and intangible assets pertaining certain models of computer numerical control machine tools owned by Sachman Rambaudi (the "Business") at an aggregate consideration of EUR2,259,000 (equivalent to approximately RMB18,890,000). In addition, ST Rambaudi also agreed to take up certain of the workforce pertaining to these operations. The Company completed the transaction on 19 July 2010. The directors consider that this acquisition constitute a business combination as defined under HKFRS3R.

An analysis of the respective fair values of the identifiable assets, performed by a third party valuer in Italy, of the business so acquired and its comparison against the purchase consideration is as follows:

	RMB'000
<b>Consideration:</b>	
<b>At 19 July 2010</b>	
– Paid	14,759
– Payable	4,973
<b>Total consideration</b>	<b>19,732</b>
<b>Acquisition-related costs</b> (included in administrative expenses in the consolidated income statement for the year ended 31 December 2010)	422
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Property, plant and equipment ( <i>note 15</i> )	4,285
Trademarks (included in intangibles) ( <i>note 17</i> )	8,037
Technology know-how (included in intangibles) ( <i>note 17</i> )	7,250
Inventories	27,866
Deferred tax liabilities ( <i>note 31</i> )	(8,700)
<b>Total identifiable net assets</b>	<b>38,738</b>
Excess of net fair value of identifiable assets, liabilities and contingent liabilities of the <u>business</u> acquired over cost	(19,006)
	<b>19,732</b>

## Notes to the Consolidated Financial Statements

### 34 BUSINESS COMBINATIONS *(Continued)*

The gain of RMB19,006,000 recognised in this transaction was mainly due to the fact that it was a bargain sales of the business from a company under liquidation in an open auction during the time of the global economic crisis. As a result, the Group was able to offer a preferential bidding price to win the auction.

The fair value of the trademark was assessed by applying the relief from royalty method. The fair value key estimates are based on:

- (a) an assumed royalty rate of 1.75%;
- (b) an assumed useful life of 10 years; and
- (c) an assumed discount rate of 16.68%.

The fair value of the technological know-how was assessed by applying the replacement cost method. The fair value key estimates are based on:

- (a) an assumed useful life of 10 years;
- (b) an assumed discount rate of 16.68%.

The revenue included in the consolidated statement of comprehensive income of the Group since 19 July 2010 which was contributed by ST Rambaudi was RMB10,897,000. ST Rambaudi also contributed profit of approximately RMB90,000 over the same period.

Due to the fact that the business acquired was left idle before the acquisition, had the business been consolidated from 1 January 2010, the consolidated statement of comprehensive income would show revenue and profit of the same amounts as above.



## Notes to the Consolidated Financial Statements

## 35 RELATED-PARTY TRANSACTIONS

Save as disclosed elsewhere in the financial statements, during the year, the Group also had the following transactions with its related parties:

## (a) Transactions

Name of company	Relationship	Nature of transactions	2010 RMB'000	2009 RMB'000
Hangzhou Feeler Takamatsu Machinery Co., Ltd.	Associate of ultimate holding company	Sales of goods	499	774
Fairsq (Taiwan) Co., Ltd	Associate of ultimate holding company	Sales of goods	–	31
Fair Friend Enterprise Company Limited ("Fair Friend")	Ultimate holding company	Sales of goods	1,627	972
		Purchases of goods	248	21,023
Good Friend (H. K.) Corporation Limited ("Hong Kong GF")	Immediate holding company	Purchases of goods	148,123	108,410
Hangzhou Fair Fine Electric & Machinery Co., Ltd. ("Fair Fine")	Fellow subsidiary	Sales of goods	152	4
Hangzhou Anest Iwata Feeler Corporation ("Anest Iwata Feeler")	Jointly controlled entity	Sales of goods	813	–
Hangzhou Best Friend Technology Co., Ltd. ("Best Friend")	Associate of ultimate holding company	Sales of goods	236	–

*Note:*

The terms of the above transactions are governed based on framework agreements entered into between the Company and fair Friend or its subsidiaries/associates.

## Notes to the Consolidated Financial Statements

## 35 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

## (b) Balances

Name of company	Relationship	Nature of balances	2010	2009	Max amount outstanding during 2010
			RMB'000	RMB'000	
Fair Fine	Fellow subsidiary	Trade receivable <i>(note (a))</i>	22	–	2,481
Best Friend	Associate of ultimate holding company	Prepayments for purchase and trade receivable <i>(note (a))</i>	3,276	–	3,276
Feeler Takamatsu	Associate of ultimate holding company	Trade receivable <i>(note (a))</i>	138	–	441
Fair Friend	Ultimate holding company	Trade receivable <i>(note (a))</i>	139	588	1,237
Hong Kong GF	Immediate holding company	Trade payable <i>(note (b))</i>	(2,213)	(10,084)	(17,450)
		Trade receivable <i>(note (a))</i>	–	3,636	–
			<b>(2,213)</b>	(6,448)	<b>(17,450)</b>
Anest Iwata Feeler	Jointly controlled entities	Trade payable <i>(note (b))</i>	<b>(7,335)</b>	–	(7,335)

## Notes to the Consolidated Financial Statements

### 35 RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

#### (b) Balances *(Continued)*

Notes:

- (a) The Group allowed a normal credit period of 90 days for sales made to the fellow subsidiary and the ultimate holding company and its associates. Balances are unsecured and interest free. As of 31 December 2010 and 2009, the aging of above balances were mostly within 6 months.
- (b) Balances are unsecured, interest free and repayable on demand.
- (c) Key management compensation

The remuneration of directors and other members of key management during the year was as follows:

	2010 RMB'000	2009 RMB'000
Salaries and other allowances	<b>2,917</b>	2,595

### 36 HOLDING COMPANIES

The directors regard Good Friend (H.K.) Corporation Limited, a company incorporated in Hong Kong, and Fair Friend Enterprise Company Limited, a company incorporated in Taiwan, as being the immediate holding company and the ultimate holding company respectively.

### 37 COMPARATIVE FIGURES

In prior years/periods, the Company presented its research and development expenses separately in cost of revenue, distribution and selling expenses, and administrative expenses. During the year ended 31 December 2010, the Company changed its mode of presentation of these expenses by aggregating them as a component of its administrative expenses only. The directors of the Company consider this presentation format would give readers of the financial statements more useful information. Accordingly, the prior period comparative figures were reclassified to conform with the current period's presentation.

### 38 EVENTS AFTER THE BALANCE SHEET DATE

There were no significant subsequent events occurred from 1 January 2011 up to the date of approval of these financial statements.

# Five-Year Summary

## OPERATING RESULTS

For the year ended 31 December

	2006	2007	2008	2009	2010
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	611,003	821,367	730,517	776,838	<b>1,374,183</b>
Gross profit	153,158	214,351	180,017	214,801	<b>355,535</b>
Profit before taxation	57,370	95,954	32,141	107,684	<b>193,806</b>
<b>Profit for the year attributable to equity holders of the Company</b>	<b>53,082</b>	<b>84,885</b>	<b>21,853</b>	<b>84,145</b>	<b>158,746</b>
<b>Earnings per share – basic (RMB)</b>	<b>0.16</b>	<b>0.25</b>	<b>0.07</b>	<b>0.25</b>	<b>0.41</b>

## ASSETS AND LIABILITIES

As at 31 December

	2006	2007	2008	2009	2010
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	145,077	177,064	232,939	245,109	<b>322,262</b>
Net current assets	151,775	170,513	99,030	132,930	<b>318,503</b>
<b>Total assets less current liabilities</b>	<b>296,852</b>	<b>347,577</b>	<b>331,969</b>	<b>378,039</b>	<b>640,765</b>
Share capital	2,882	3,431	3,431	3,431	<b>4,022</b>
Reserves	293,970	344,146	325,679	359,424	<b>614,341</b>
<b>Shareholders' equity</b>	<b>296,852</b>	<b>347,577</b>	<b>329,110</b>	<b>362,855</b>	<b>618,363</b>
Non-current liabilities	–	–	2,859	15,184	<b>22,402</b>
	<b>296,852</b>	<b>347,577</b>	<b>331,969</b>	<b>378,039</b>	<b>640,765</b>