

Short Form of the Stock: Min Tsann Kuen B

Stock Code: 200512

Public Notice No: 2012-008

TSANN KUEN (CHINA) ENTERPRISE CO., LTD.

SUMMARY OF ANNUAL REPORT 2011

(Prepared under PRC GAAP)

§1. Important Notes
1.1 The Board of Directors, the Supervisory Committee, directors, supervisors and senior executives of TSANN KUEN (CHINA) ENTERPRISE CO., LTD. (hereinafter referred to as "the Company") warrant that this report does not contain any false information, misleading statement or material omission and will assume joint and several liabilities for falsification, accuracy and completeness of the contents of this report.
The Summary of Annual Report 2011 is abstracted from the full text of the Annual Report 2011, which is released at the same time with the Summary on www.cninfo.com.cn. Investors are suggested to read the full text to understand more details.
1.2 No director, supervisor or senior executive has ever declared that he (she) is uncertain of or had any objection to factuality, accuracy and completeness of this annual report.
1.3 All directors have attended the board meeting at which the Annual Report 2011 was reviewed.
1.4 Remuda Certified Public Accountants has produced a standard unqualified auditors' report for the Company.
1.5 Mr. Jian Derong, Chairman of the Board, and Mr. Chen Zongyi, Accounting Manager, hereby guarantee that the financial report enclosed in this annual report are factual and complete.
English Translation for Reference Only. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

§2. Company Profile	
2.1 Basic information	
Short form of the stock	Min Tsann Kuen B
Stock code	200512
Stock exchange listed with	Shenzhen Stock Exchange
Registered address	No.88 Xinglong Road, Huli Industry Zone, Xiamen, P.R. China
Post code	361006
Office address	TSANN KUEN Industrial Park, Longchi Development Zone, Zhangzhou, Fujian
Post code	363107
Internet website of the Company	www.eupa.cn
E-mail of the Company	mm_sun@td.tsannkuen.com
2.2 Contact information	
	Secretary to the Board Securities Affairs Representative
Name	Sun Mei Mei
Contact address	TSANN KUEN Industrial Park, Longchi Development Zone, Zhangzhou, Fujian
Telephone	0596-6268103
Fax	0596-6268104
E-mail	mm_sun@td.tsannkuen.com

§3. Financial and Business Highlights

3.1 Major accounting data

Item	2011	2010	Increase/decrease over last year (%)	2009
Operating income	2,914,395,253.04	3,334,396,248.73	-12.50%	2,749,406,200.90
Operating profit	14,128,267.25	73,143,784.48	-81.92%	39,220,705.54
Total profit	26,842,476.68	91,742,317.25	-70.74%	64,556,409.21
Net profit attributable to the listed company's shareholders	9,758,413.34	64,373,615.28	-84.84%	52,759,688.10
Net profit attributable to the listed company's shareholders after deducting non-recurring gains and losses	(15,417,233.23)	59,082,048.54	-126.09%	38,824,465.74
Net cash flow from operating activities	93,983,342.37	226,182,193.87	-58.45%	304,860,856.66
Item	As at the end of 2011	As at the end of 2010	YoY increase/decrease (%)	As at the end of 2009
Total assets	1,916,130,287.89	1,985,108,875.38	-3.47%	2,117,764,266.23
Total liabilities	1,085,722,971.34	1,146,605,433.00	-5.31%	1,364,084,747.77
Owners' equity attributable to shareholders of the listed company	470,858,567.38	461,411,506.21	2.05%	396,565,377.00
Share capital	1,112,350,077.00	1,112,350,077.00	0.00%	1,112,350,077.00

3.2 Major financial index

Item	2011	2010	Increase/decrease over last year (%)	2009
Basic earnings per share (Yuan/share)		0.01	0.06	-83.33%
Diluted earnings per share (Yuan/share)		0.01	0.06	-83.33%
Basic earnings per share after deducting non-recurring gains and losses (Yuan/share)	(0.0139)	0.0531	-126.18%	0.0349
Weighted average ROE (%)	2.09%	15.01%	-12.92%	14.25%
Weighted average ROE after deducting non-recurring gains and losses (%)	-3.31%	13.78%	-17.09%	10.49%
Net cash flow per share arising from operating activities (Yuan/share)	0.0845	0.2033	-58.44%	0.2741
Item	As at the end of 2011	As at the end of 2010	YoY increase/decrease (%)	As at the end of 2009
Net assets per share attributable to shareholders of the listed company (Yuan/share)	0.4233	0.4148	2.05%	0.3565
Debt asset ratio	56.66%	57.76%	-1.10%	64.41%
Items of non-recurring gains and losses	✓ Applicable	□ Inapplicable		

Item	2011	Notes	2010	2009
Add Gains and losses from disposal of non-current assets, including the effect of impairment on disposal of non-current assets	8,235,593.91		5,781,044.33	13,413,835.40
Items and losses from change in fair value of tradable financial assets and liabilities and investment in financial assets from disposal of tradable financial assets	26,237,210.53		(2,215,787.05)	(2,561,989.58)
Investment loss on selling forward contracts and gain on fair value changes				
Government subsidies recorded into current gains and losses, excluding those related closely to the normal operation of the Company	3,896,094.04		3,235,460.00	5,795,350.00
Other non-operating expenses and incomes than the above	584,521.48		854,117.26	1,331,821.34
Other gains/losses satisfying the definition of non-recurring gains/losses	297,175.94	Gain on disposing subsidiaries		
Effect of non-recurring gains and losses on income	(5,784,142.82)		(949,990.11)	(233,152.17)
Net profit attributable to minority shareholders after deducting non-recurring gains and losses	(8,200,805.51)		(1,413,277.69)	(3,810,642.65)
Total	25,175,646.57		2,991,566.74	13,935,222.36

Items measured at fair value

Items	Opening amount	Gains and losses from changes in fair value	Accumulative fair value changes recorded into equities	Impairment withdrawn in this period	Closing amount
Financial assets:					
Of which: 1. Financial assets measured at fair value and whose changes are recorded into current gains and losses	2,301,579.95	2,334,473.27			4,636,053.22
Including derivative financial assets	2,301,579.95	2,334,473.27			4,636,053.22
2. Financial assets available for sale	0.00		0.00		0.00
Subtotal of financial assets	2,301,579.95	2,334,473.27	0.00		4,636,053.22
Financial liabilities					
Investment real estate					
Productive biological assets					
Others					
Total	2,301,579.95	2,334,473.27	0.00		4,636,053.22

3.3 Difference under Chinese Accounting Standard (CAS) and IFRS

Item	2011	2010	31 Dec. 2011	31 Dec. 2010
Under IFRS	11,177,219.00	63,380,479.87	470,858,567.38	499,992,700.55
Under CAS	9,758,413.34	64,373,615.28	470,858,567.38	461,411,506.21
Adjustment pursuant to IFRS:				
Adjustment due to the adoption of swap exchange rates in the calculation of fixed assets acquired before 1994	0.00	(1,264,821.60)	0.00	0.00
Offset the depreciation this year of the added value of fixed assets which value is estimated to increase in 1993	1,418,805.66	271,686.19	0.00	(1,418,805.66)
Total difference under CAS and IFRS	1,418,805.66	(993,135.41)	0.00	(1,418,805.66)

Explanation on the difference under CAS and IFRS
1. Adjustment due to the adoption of swap exchange rates in the calculation of fixed assets acquired before 1994 was fully amortized in Dec. 2010. 2. The depreciation this year of the added value of fixed assets of which value is estimated to increase in 1993 is fully amortized in 2011.

§4. Changes in Share Capital and Particulars about Shareholders

4.1 Statement of changes in shares

		Before the change		Increase/decrease in the change (+/-)	After the change	
		Number	Proportion		Number	Proportion
I. United shares						
1. Sponsor's shares						
Including: State-owned shares						
Shares held by domestic corporations						
Shares held by foreign corporations						
Others						
Shares placed by corporations						
3. Employee shares						
4. Preference shares or others						
II. Listed ordinary shares		1,112,350,077	100%		1,112,350,077	100%
Domestically listed foreign shares		1,112,350,077	100%		1,112,350,077	100%
3. Overseas listed foreign shares						
4. Others						
III. Total shares		1,112,350,077	100%		1,112,350,077	100%

4.2 Particulars about the top ten shareholders and the top ten shareholders holding tradable shares

(I). The Company had a total of 31,177 shareholders by the end of the reporting period.

(II). Particulars about the top ten shareholders

No.	Name of shareholder	Nature of shareholder	Proportion of shares held	Total shares held	Non-tradable shares pledged or frozen	Shares pledged or frozen
1	FORDCHEE DEVELOPMENT LIMITED	Foreign corporation	29.10%	323,643,179	0	0
2	EUPA INDUSTRY CORPORATION LIMITED	Foreign corporation	13.83%	153,802,306	0	0
3	FILLMAN INVESTMENTS LIMITED	Foreign corporation	2.49%	27,729,575	0	0
4	TIMMERTON CO INC	Foreign corporation	1.30%	14,505,644	0	0
5	CHEN YONGQIAN	Domestic natural person	0.30%	10,012,483	0	0
6	CHEN YONGQING	Foreign natural person	0.55%	6,076,746	0	0
7	SHANGHAI INTERNATIONAL (HK) SECURITIES CO LTD	Foreign corporation	0.43%	4,810,002	0	0
8	CSC SECURITIES (HK) LTD	Foreign corporation	0.41%	4,528,179	0	0
9	TSIAI SHUHI	Foreign natural person	0.39%	4,294,433	0	0

(III). Particulars about the top ten shareholders holding tradable shares

No.	Name of shareholder	Tradable shares held	Variety of shares
1	FORDCHEE DEVELOPMENT LIMITED	323,643,179	B shares
2	EUPA INDUSTRY CORPORATION LIMITED	153,802,306	B shares
3	FILLMAN INVESTMENTS LIMITED	27,729,575	B shares
4	TIMMERTON CO INC	14,505,644	B shares
5	CHEN YONGQIAN	10,012,483	B shares
6	CHEN YONGQING	6,076,746	B shares
7	CHEN YONGQING	5,889,589	B shares
8	SHANGHAI INTERNATIONAL (HK) SECURITIES CO LTD	4,810,002	B shares
9	CSC SECURITIES (HK) LTD	4,528,179	B shares
10	TSIAI SHUHI	4,294,433	B shares

Explanation on associated relationship among the above-mentioned shareholders or acting-in-concert companies:
The top three shareholders are the Company's s corporate controlling shareholders. Shareholder Tsai Shuhui is the wife of Wu Tsann Kuen, the Company's s actual controller. It is unknown to the Company whether there exists associated relationship among the shareholders above or they are acting-in-concert entities as stipulated in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies.

4.3 Particulars about the controlling shareholder and actual controller of the Company

4.3.1 Changes in the controlling shareholder and actual controller of the Company

4.3.2 Details of the controlling shareholder and actual controller

(I) Controlling shareholder

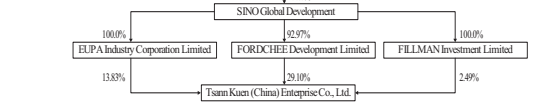
Name of shareholder	Legal representative	Date of incorporation	Business scope	Registered capital	Pledge
FORDCHEE DEVELOPMENT LTD	Jian Derong	3 Jan. 1990	Investment	HKD 134,246,851	Naught
EUPA INDUSTRY CORPORATION LTD	Jan Derong	21 Jul. 1989	Investment	HKD 126,002,760	Naught
FILLMAN INVESTMENTS LTD	Jian Derong	21 Jul. 1992	Investment	HKD 82,400,000	Naught

(II) Actual controller

Name: Wu Tsann Kuen
Nationality: Taiwan China
Whether he has the right of residence in other countries or territories: Nil

Employment and position over the past five years: Promoter of TSANN KUEN Group in China mainland and Taiwan

4.3.3 The property right and controlling relationship between the Company and the actual controller are as follows:



§5. Particulars about Directors, Supervisors and Senior Executives

5.1 Changes in shares held by directors, supervisors and senior executives and particulars about remuneration

Name	Title	Gender	Age	Beginning and ending dates of office term	Share s held at year-begin	Share s held at year-end	Reasons for change	Total payment received from the company (RMB Ten thousand)	Equity incentive received in the reporting period	Whether receive payment from the shareholding companies or other related parties or not
Jian Derong	Chairman of the Board	Male	50	21 May 2011-20 May 2014	0	0		49.30	No	Yes
Zhang Xing	Director	Male	57	21 May 2011-20 May 2014	0	0		3.60	No	Yes
Pan Zhong	Director	Male	50	21 May 2011-20 May 2014	0	0		3.60	No	Yes
Jian Yanjun	Independent director	Male	65	21 May 2011-20 May 2014	0	0		7.00	No	No
Tu Liandong	Independent director	Male	45	21 May 2011-20 May 2014	0	0		7.00	No	No
Ge Xiaoping	Independent director	Female	49	21 May 2011-20 May 2014	0	0	No	15.00	No	No
Luo Qingxing	Chairman of the Supervisory Committee	Male	57	21 May 2011-20 May 2014	0	0		12.31	No	No
Wei Xuechao	Supervisor	Male	46	21 May 2011-20 May 2014	0	0		28.25	No	No
Tai Shuren	Supervisor	Male	47	21 May 2011-20 May 2014	0	0		19.72	No	No
Pan Zhong	General manager	Male	45	25 Jul 2010-25 Jul 2013	0	0		59.78	No	No
Sun Meimei	Secretary of the Board	Female	37	From 23 Apr. 2011	0	0		10.48	No	No
Accounting Manager	Accounting Manager	Male	35	From 17 Jul. 2008	0	0		22.01	No	No
Total					0	0		241.65	0	0

Equity incentives granted to directors, supervisors and senior executives during the reporting period:
□ Applicable ✓ Inapplicable

5.2 Directors' attendance at board meetings

Name	Title	Times of default presence	Times of presence on site	Times of attendance through telecommunication	Times of attendance by entrusting a proxy	Times of absence	Absent for more than a row
Jian Derong	Chairman of the Board	7	6	1	0	0	No
Zhuang Xing	Director	7	1	6	0	0	No
Chen Yanjun	Director	7	2	5	0	0	No
Pan Zhong	Director	7	7	0	0	0	No
Tu Liandong	Independent Director	5	5	0	0	0	No
Luo Jianxin	Independent Director	7	7	0	0	0	No
Ge Xiaoping	Independent Director	7	7	0	0	0	No

Explanation on absence for twice in a row: Naught

5.3 Changes of directors, supervisors and senior executives

On 23 Apr. 2011, the Company's s original Secretary to the Board Mr. Luo Qingxing offered his resignation to the Board of Directors and left office for the reason of his personal career planning. On the same day, the Company convened the 2nd board meeting in 2011, at which the original Securities Affairs Representative, Sun Meimei was engaged as Secretary to the Board of the Company. For details, please refer to the Public Notice on Secretary to the Board Leaving Office and Resolutions Made at 2nd Board Meeting in 2011 disclosed on Securities Times, Hong Kong Ta Kung Pao and www.cninfo.com.cn dated 26 Apr. 2011.

5.6 Report of the Board of Directors

Discussion and Decision by the Board of Directors and the Supervisors Committee due to the expiration of their office terms. There is no original independent director Xu Rentang left his office, and Jian Derong, Zhuang Xing, Chen Yanjun, Pan Zhong, Luo Jianxin (independent director), Tu Liandong (independent director) and Ge Xiaoping (independent director) were elected and approved as the members of the 7th Board of Directors. Meanwhile, the original Shareholders-representative Supervisor of the 6th Supervisors Committee Zhou Zhongheng, Dian Weiren left their office. Luo Qingxing, Wei Xuechao and Tai Shuren were engaged as the supervisors for the 7th Supervisory Committee. For details, please refer to the Public Notice on Resolutions Made at the First Special Shareholders' General Meeting for Y2011 disclosed on Securities Times, Hong Kong Ta Kung Pao and www.cninfo.com.cn dated 24 May 2011.

6.1 Business review for the reporting period

For the reporting period, the Company achieved operating revenue of RMB 2,914 billion, down 12.60% from RMB 3,334 billion of last year; net profit of RMB 0.01 billion, down 84.84% from RMB 0.064 billion of last year; and a debt ratio improved from 57.76% at the end of 2010 to 56.66% at the end of 2011. The YoY decrease in both operating revenue and net profit was mainly due to external unfavorable factors such as the European debt crisis, sharp fluctuations of raw material prices and Renminbi appreciation, as well as the fact that the deferred income tax assets deducted for loss were due and restated as income tax expenses according to relevant regulations in the reporting period. According to the strategic goals set—focusing on main business, improving operational management and expanding emerging market, with cash and profit growth as the highest guiding principal, the Company's needs as the orientation, product quality as a guarantee and technical innovation as the means, the Company will continue to build a high-end service mode featuring "high speed, low cost and effective solution", rapidly create leading advantages in areas from R&D to the marketing system, and enhance the supporting supply chain management, so as to reduce cost and provide products with high quality but competitive prices to our customers. In the future, we will continue to input for small household appliance R&D, increase competitiveness of our products through technical innovation, and take product innovation as the core of the Company's operation. Meanwhile, we will draw up plans for overseas production bases, beef up LED and green products, proactively expand domestic sales and sales in emerging countries, and stabilize and develop our long-term cooperation relationship with customers so as to achieve stable development on all business lines of the Company.

(I) Outlook for the Company
The Company has been working towards the sustainable development of its main business—home appliance manufacturing, and has been following the main guideline—"to build a world-class life industry with designing and integration as its core". In face of an adverse external economic environment in 2011, the Company set up an Indonesian plant to increase its competitiveness over manufacturing cost. Meanwhile, it increased its input for designing healthy, energy-saving, green, fresh-keeping and anti-microbial products, showing its attention on green, innovative products. It also continued to input resources to work on sustainable development for the purpose of injecting new power for its continuous growth.

To expand the Chinese market
The marketing strategy for the Chinese market has been revised to reinforce the combined effect of product groups and brand integration. The Company will focus on planning and marketing for food, home assistant and green, energy-saving brands. And it is well positioned to make 2012 the first year for the great promotion of its brands in the Chinese market.

2. To work on green products and lead innovations
Keeping green products and a global innovative platform in mind, the Company will reposition its design team and increase its resource input for design. Meanwhile, it will continue to improve healthy tea bag series and bread four capsule series developed upon innovations with the capsule structure of coffee capsule machines. It will also continue to integrate cross-border designs, make innovations over its marketing mode and brand concept, try to be to boost, with innovations, its transformation, as well as its new business.

3. To set up overseas manufacturing bases to increase competitiveness over manufacturing, the main business of the Company
As the Indonesian plant was set up and went through trial production in 2011, some preliminary results have come out. Due to the European debt crisis, the global economic growth is still weak. However, along with the growth of emerging economies and the rise of economies around South East Asia, the Company will continue to increase its competitive turning cost attributable to the overseas production base, beef up integration of the supply chain and expansion of Asian markets in 2012.

(III) Development trends in the industry and market perspectives

The world today is one dominated by more and more wireless, IT and intelligent products. The popularity of intelligent home appliances also boosts more intelligent, healthy and fashionable small household appliances that combine humanities and technology. The Company will continue to integrate cross-border designs, make innovations over its marketing mode and brand concept, and expand its LED business. The following factors need

to be noticed in the 2012 market environment:

1. Despite the recovery of global economy, the domestic market will remain active. China's home appliance industry has entered a period where top brands win. Different from traditional home appliances, small home appliances are still active in terms of domestic sale. Along with transformation of the way of spending, launch and popularity of more new products and upgrading of traditional products, domestic demand for small home appliances is expected to rise sharply. China's small home appliance industry shows great promise for the future, and the coming few years are expected to be a development peak for the industry.