

LEOCH BATTERY— INNOVATIVE AND RELIABLE POWER SUPPLY

Annual Report 2017 年報



理士國際技術有限公司
LEOCH INTERNATIONAL TECHNOLOGY LIMITED

於開曼群島註冊成立的有限公司 股票代碼：00842.HK
(Incorporated in the Cayman Islands with limited liability) Stock Code：00842.HK





Contents 目錄

Corporate Information	公司資料	2
Financial Highlights	財務摘要	5
Chairman's Statement	主席報告	7
Management Discussion and Analysis	管理層討論及分析	11
Directors and Senior Management	董事及高級管理層	34
Report of the Directors	董事會報告	42
Corporate Governance Report	企業管治報告	65
Independent Auditor's Report	獨立核數師報告	83
Consolidated Statement of Profit or Loss	綜合損益表	92
Consolidated Statement of Comprehensive Income	綜合全面收益表	93
Consolidated Statement of Financial Position	綜合財務狀況表	94
Consolidated Statement of Changes in Equity	綜合權益變動表	96
Consolidated Statement of Cash Flows	綜合現金流量表	98
Notes to the Financial Statements	財務報表附註	101
Five Year Financial Summary	五年財務摘要	275



Corporate Information 公司資料

Board of Directors

Executive Directors

Mr. DONG Li (*Chairman*)

Ms. ZHAO Huan (*Chief Executive Officer*)

Non-Executive Director

Mr. Philip Armstrong NOZNESKY

Independent Non-Executive Directors

Mr. LIU Yangsheng

Mr. CAO Yixiong Alan

Mr. LAU Chi Kit

Dr. GONG Fangxiong (resigned on 16 June 2017)

Board Committees

Audit Committee

Mr. CAO Yixiong Alan (*Chairman*)

Mr. LIU Yangsheng

Mr. LAU Chi Kit

Dr. GONG Fangxiong (resigned on 16 June 2017)

Remuneration Committee

Mr. LAU Chi Kit (*Chairman*)

Mr. DONG Li

Mr. CAO Yixiong Alan

Dr. GONG Fangxiong (resigned on 16 June 2017)

Nomination Committee

Mr. DONG Li (*Chairman*)

Mr. LIU Yangsheng

Mr. LAU Chi Kit

Dr. GONG Fangxiong (resigned on 16 June 2017)

Company Secretary

Mr. CHOW Kam Keung, Albert

董事會

執行董事

董李先生 (*主席*)

趙歡女士 (*行政總裁*)

非執行董事

Philip Armstrong NOZNESKY先生

獨立非執行董事

劉陽生先生

曹亦雄先生

劉智傑先生

龔方雄博士 (二零一七年六月十六日辭任)

董事會委員會

審核委員會

曹亦雄先生 (*主席*)

劉陽生先生

劉智傑先生

龔方雄博士 (二零一七年六月十六日辭任)

薪酬委員會

劉智傑先生 (*主席*)

董李先生

曹亦雄先生

龔方雄博士 (二零一七年六月十六日辭任)

提名委員會

董李先生 (*主席*)

劉陽生先生

劉智傑先生

龔方雄博士 (二零一七年六月十六日辭任)

公司秘書

周錦強先生



Authorised Representatives

Mr. DONG Li
Mr. CHOW Kam Keung, Albert

Auditor

Ernst & Young

Registered Office in the Cayman Islands

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

Unit C, 33rd Floor
TML Tower
No.3 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

Headquarters in the PRC

5th Floor, Xin Bao Hui Building
No. 2061, Nanhai Avenue
Nanshan District
Shenzhen, Guangdong Province
PRC

Company's Website

www.leoch.com

Stock Code

842

授權代表

董李先生
周錦強先生

核數師

安永會計師事務所

開曼群島註冊辦事處

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港主要營業地點

香港
新界荃灣
海盛路3號
億京大廈
33樓C室

中國總部

中國
廣東省深圳市
南山區
南海大道2061號
新保輝大廈5樓

公司網站

www.leoch.com

股份代號

842

Cayman Islands Principal Share Registrar

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

開曼群島股份登記總處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O.Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心
22樓

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
China CITIC Bank International Limited
Hang Seng Bank Limited
Shanghai Pudong Development Bank
Bank of China

主要往來銀行

香港上海滙豐銀行有限公司
中信銀行(國際)有限公司
恒生銀行有限公司
上海浦東發展銀行
中國銀行

Financial Highlights 財務摘要

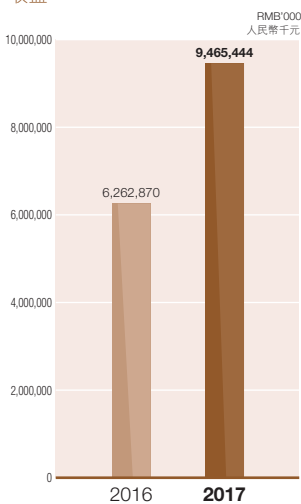


Leoch International Technology Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) are pleased to announce the following financial highlights:

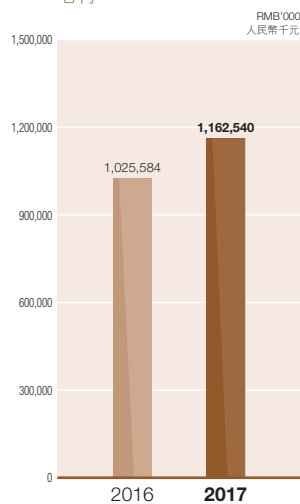
理士國際技術有限公司(「**本公司**」)及其附屬公司(統稱為「**本集團**」)欣然宣佈下列財務摘要：

		Year ended 31 December 截至十二月三十一日止年度		
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	Change 變動
Revenue	收益	9,465,444	6,262,870	+51.1%
Gross profit	毛利	1,162,540	1,025,584	+13.4%
Profit for the year	本年度溢利	271,480	231,787	+17.1%
Profit attributable to owners of the parent	母公司擁有人應佔溢利	242,885	241,898	+0.4%
Basic earnings per share, in RMB	每股基本盈利 (人民幣元)	0.18	0.18	

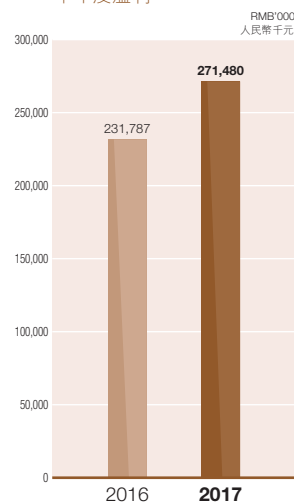
Revenue
收益



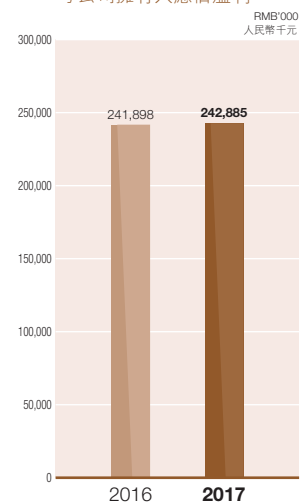
Gross profit
毛利



Profit for the year
本年度溢利



Profit attributable to owners of the parent
母公司擁有人應佔溢利





Financial Highlights 財務摘要

For the year ended 31 December 2017 (the “**Period**”), the Group’s audited profit attributable to owners of the parent amounted to approximately RMB242.9 million.

Basic earnings per share was RMB0.18 (2016: RMB0.18), the calculation of such basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 1,355,932,999 (2016: 1,353,330,795) in issue during the year.

To reserve fund of acceleration of production capacity expansion, the board of directors (the “**Board**”) of the Company does not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: 5.5 HK cents). The Company had not declared and paid any interim dividend or special dividend during the year ended 31 December 2017.

The register of members of the Company will be closed from Tuesday, 15 May 2018 to Friday, 18 May 2018 (both days inclusive) for the purpose of determining shareholders’ entitlement to attend the annual general meeting (the “**AGM**”), during which period no transfer of shares of the Company will be registered. In order to qualify for attending the AGM, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company’s branch share registrar (see below) for registration by no later than 4:30 p.m. on Monday, 14 May 2018.

Tricor Investor Services Limited
Address: Level 22, Hopewell Centre,
183 Queen’s Road East, Hong Kong

本集團截至二零一七年十二月三十一日止年度（「**期內**」）經審核母公司擁有人應佔溢利為約人民幣242.9百萬元。

每股基本盈利為人民幣0.18元（二零一六年：人民幣0.18元），該每股基本盈利金額乃按母公司普通權益擁有人應佔溢利及年內已發行普通股加權平均數1,355,932,999股（二零一六年：1,353,330,795股）股份為基準計算。

為了預留資金以加快推進產能擴張，本公司董事會（「**董事會**」）並不建議派發截至二零一七年十二月三十一日止年度的末期股息（二零一六年：5.5港仙）。截至二零一七年十二月三十一日止年度，本公司未宣派及支付任何中期股息或特別股息。

為確定股東出席股東週年大會（「**股東週年大會**」）的資格，本公司將於二零一八年五月十五日（星期二）至二零一八年五月十八日（星期五）（包括首尾兩日）暫停辦理股東登記手續，期間將不會為本公司股份進行過戶登記。為符合資格出席股東週年大會，股東應確保所有過戶文件連同有關股票不遲於二零一八年五月十四日（星期一）下午四時三十分送交本公司的股份過戶登記分處（見下文），以辦理登記手續。

卓佳證券登記有限公司
地址：香港皇后大道東183號合和中心22樓



Chairman's Statement 主席報告

On behalf of the board of directors (the “**Board**”) of Leoch International Technology Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”), I am pleased to present the Group’s report on its annual results for the year ended 31 December 2017 (the “**Period**”) for shareholders’ review.

Review

During the Period, benefited from the rapid growth in SLI batteries, motive power batteries and recycled lead business, our sales rocketed 51.1% to RMB9,465.4 million. In response to our rapid expansion, we put in a lot of resources to build and enhance our distribution networks in the PRC, especially for application areas of UPS and auto battery aftermarket.

Although the PRC market was the major growth contributor which accounted for 58.1% of the battery revenue increment, all overseas regional markets restored growth momentum. The Group believes that the European market business should be strengthened to capture future potential growth. Accordingly, we acquired 60% equity stake in a United Kingdom battery distributor and established our wholly owned trading company in France with Italy and Germany in process.

Export and overseas sales centers are always under fierce competition and the higher raw material and production cost in the PRC together with the appreciation of RMB against other currencies are the adverse factors to our growth. To cope with the potential trade barriers and maintain our overseas competitiveness, the Group has determined to expand our production arms overseas. We plan to set up two Vietnamese manufacturing companies for both network power and automotive battery factories which will improve our manufacturing competitiveness and reduce our foreign currency exchange risk. The pilot production will start as earliest as first quarter of 2019 according to the plan. Meanwhile, the domestic expansion was also in process for our battery production and recycling lead refining expansion purposes.

本人謹代表理士國際技術有限公司（（「**本公司**」）及其附屬公司（統稱（「**本集團**」））董事會（「**董事會**」）欣然提呈本集團截至二零一七年十二月三十一日止年度（「**期內**」）之全年業績報告，請各位股東省覽。

回顧

期內，由於起動電池、動力電池及回收鉛業務快速發展，我們的銷售額從中獲益，一度飆升51.1%，達人民幣9,465.4百萬元。應對快速擴張，我們投入大量資源於中國搭建及改進我們的分銷網絡，尤其是UPS應用領域及汽車電池售後市場。

雖然中國市場為主要增長貢獻者，佔所增加的電池收益的58.1%，但所有海外地區市場均恢復增長勢頭。本集團認為應鞏固歐洲市場業務，把握日後潛在增長機遇。故我們收購英國電池分銷商60%之股權及已於法國成立全資貿易公司，且於意大利及德國成立公司仍在進行中。

出口及海外銷售中心的競爭一如既往地激烈，而中國的原材料及生產成本較高以及人民幣兌其他貨幣升值均對我們的增長構成負面影響。為應對潛在貿易壁壘及維持海外競爭力，本集團已決定擴張海外生產部門。我們計劃就網絡動力及汽車電池工廠設立兩間越南製造公司，其將提升我們的生產競爭力及降低外匯風險。根據該計劃，我們最早將於二零一九年第一季度開始試生產。與此同時，我們亦正在進行國內擴張，以作電池生產及回收鉛精煉擴張用途。

Outlook

In the short to medium term, the continuous rapid development of international data corporation (“IDC”), clean energy storage and the kick-start of 5G network will provide strong support to the growth of reserve power batteries. The robust demand of SLI batteries due to aging vehicles and high growth of vehicle fleet in China will sustain the growth and make China account for about 50% of global SLI sales by 2020. The development of new energy vehicles that led to the growth of low-speed electric vehicles and the rapid development of e-commerce logistics that continue boosting the local and export demand of electric forklift will provide strong demand for motive power battery in these application areas.

The Group anticipated that the global demand for lead-acid batteries will continue to grow and the PRC annual growth rate of 10% is possible to sustain in next few years. With dedicated sales centers established in the PRC, USA, Asia and the expanding European centers, we are confident and well equipped with professional and devoted sales teams to seize all the positive opportunities in 2018 and near future.

In response to the rapid development, we will expand our battery product categories and one lithium battery factory will be built for production diversification. It will be a good supplement and support to network power battery category. To support the fast growing SLI battery market in the PRC, establishment of a plant equipped with advanced automatic machineries is planned to meet the market demand.

With more production quota being granted, the Group will expand the production capacity in our joint venture lead recycling enterprise. A new recycling plant is also under planning process for future expansion.

前景

就短中期而言，國際數據公司（「IDC」）持續迅猛發展、清潔能源儲存及啟動5G網絡均將為備用電池增長提供強有力支持。由於汽車老化及中國汽車增長率較高，對起動電池的需求較強勁，故增長將得以維持及令中國於二零二零年之前佔全球起動電池銷售約50%。新能源汽車的發展，帶動低速電動車增長及電子商務物流快速發展，從而持續拉動電動叉車的本地及出口需求，這為該等應用領域的動力電池帶來強勁需求。

本集團預計全球對鉛酸蓄電池的需求將繼續增長及中國於未來數年將可能繼續維持10%的年增長率。隨著在中國、美國、亞洲設立專門的銷售中心及歐洲中心持續擴張，依憑配備的專業及盡責的銷售團隊，我們堅信可把握二零一八年及不久將來的全部利好機會。

應對快速發展，我們將擴充電池產品類別及搭建一間鋰電池工廠以實現產品多元化。這為網絡動力電池類別提供良好的補充及支持。為支持中國起動電池市場快速發展，我們計劃成立一間配備先進自動機器的工廠，以滿足市場需求。

由於獲授更多生產配額，本集團將擴張合營鉛回收企業的產能。為便於日後進行擴張，本集團亦正在規劃一間新回收工廠。



The rectification of the PRC recycled lead industry has created a good opportunity for lead-acid battery manufacturing enterprises to enter upstream resource processing. The Group has secured two times of current production quota from the PRC Government and will expand the business prudently step by step.

On the other hand, unstable raw material price and strengthening RMB exchange rate might bring a lot of challenges to the Group's profitability and export business. The recent array of tariffs against numerous countries raised by the US government and the tariff plans for up to USD 50 billion on Chinese imports has put the world on the verge of trade war. The Group is closely monitoring the development and will take necessary actions to mitigate any adverse effects. Moreover, price competition amongst major players in the PRC and overseas market remain ferocious. The Group will keep strict control over its production costs and continue enhancing production efficiency to match these challenges.

The Group will continue providing sufficient resources in research and development, production and quality control in order to maintain our leading position in technology knowhow and product reliability. The Group will constantly review our strategies and developments and perform timely adjustments when required.

The management is fully confident in implementing the Group's production and marketing strategies and intends to seize every growth opportunity in the PRC and around the world. We are fully devoted and will work hard to achieve our vision and goal and in return create value for shareholders and the society.

整改中國回收鉛行業為鉛酸蓄電池生產企業進入上游資源加工領域創造良好機會。本集團已自中國政府已獲得目前生產配額的兩倍配額並將逐步審慎擴張業務。

另一方面，原材料價格不穩定及人民幣匯率走強為本集團盈利能力及出口業務帶來諸多挑戰。美國政府近期提高針對多個國家的關稅及針對中國進口高達500億美元之關稅計劃，令全球貿易戰一觸即發。本集團密切關注動態及將採取必要措施以減輕任何負面影響。此外，中國及海外市場主要參與者之間的價格競爭仍頗為激烈。本集團將嚴格控制其生產成本及繼續提升生產效率以應對該等挑戰。

本集團將繼續投放充足資源於研發、生產及品質管控方面以維持我們於專業技術及產品可靠性的領先地位。本集團將繼續檢討我們的策略及發展，並於需要時及時作出調整。

管理層對執行本集團的生產及營銷策略充滿信心及擬把握中國及全球的每一個增長機會。我們全力投入，努力工作以達成願景及目標，從而為股東及社會創造價值。

Acknowledgement

The continuous development and growth of the Group is attributable to our loyal and hardworking employees with full devotion. I, hereby, on behalf of the Board, would like to take this opportunity to express my sincere gratitude to the contributions of all the Group's employees and to the long-term support and trust by shareholders and business partners. The Group is fully confident that it can make continuous contributions to shareholders and the society.

致謝

本集團的可持續發展及成長，有賴於一批為企業發展努力不懈地付出的忠誠員工。本人謹代表董事會，藉此機會對本集團全體員工的貢獻深表謝意，也衷心感謝各位股東及業務夥伴長期以來的支持和信任。本集團堅信其能夠持續為股東、為社會做出貢獻。

Management Discussion and Analysis

管理層討論及分析



Business Review

The Group is a vertically integrated enterprise primarily engaged in the development, sale and manufacture of lead-acid batteries and other related items. It is one of the leading manufacturers and exporters of lead-acid batteries in the PRC. The Group sells over 2,000 models of lead-acid battery products, with a capacity ranging from 0.251 Ah to 4,055 Ah. Among the battery manufacturers in the PRC, the Group offers one of the broadest lines of lead-acid battery products. It further expanded to lead recycling and remanufacturing business upon the completion of the acquisition 60% of the registered capital of Taihe Dahua Energy Technology Co., Ltd on 9 January 2017.

For the year ended 31 December 2017 (the “**Period**”), the Group’s revenue amounted to RMB9,465.4 million, representing an increase of 51.1% from RMB6,262.9 million for the corresponding period in 2016.

During the Period, revenue from recycled lead products amounted to RMB1,754.8 million (2016: Nil) while revenue from batteries and related items amounted to RMB7,661.3 million, representing an increase of 22.3% from RMB6,262.9 million for the corresponding period in 2016. Since the price linkage mechanism will pass raw material price fluctuation to customers, the growth in revenue was driven partly by the increase in average lead price as compared with the corresponding period in 2016. The growth rate of volume delivered in terms of ton was above 10% as compared to the corresponding period last year.

業務回顧

本集團為一間垂直整合企業，主要從事鉛酸蓄電池及其他相關產品的製造、開發及銷售。其為中國領先的鉛酸蓄電池製造商及出口商之一。本集團所銷售的鉛酸蓄電池產品超過2,000種，容量介乎0.251安時至4,055安時。在眾多中國電池企業中，本集團是提供最廣泛的鉛酸蓄電池系列產品的企業之一。於二零一七年一月九日完成收購太和縣大華能源科技有限公司60%註冊資本後，其進一步擴展至鉛回收及再生產業務。

截至二零一七年十二月三十一日止年度（「**期內**」），本集團的收益為人民幣9,465.4百萬元，比二零一六年同期的人民幣6,262.9百萬元增加51.1%。

期內，回收鉛產品的收益為人民幣1,754.8百萬元（二零一六年：無），而電池及相關產品的收益由二零一六年同期的人民幣6,262.9百萬元增加22.3%至人民幣7,661.3百萬元。由於價格聯動機制將原材料價格波動轉移至客戶，收益增長乃部分由於平均鉛價格較二零一六年同期上漲所致。期內付運量（按噸計）較去年同期增長10%以上。

Lead-acid batteries are generally classified into three major market categories, namely reserve power batteries, SLI batteries and motive power batteries. Details of business operations of the Group in these three categories are as follows:

Reserve power batteries

Reserve power batteries category is one of the major revenue contributors of the Group. The Group's sales of reserve power batteries during the Period amounted to RMB4,674.2 million, representing an increase of 8.2% from 2016.

The increment in sales revenue of reserve power batteries amounted to RMB354.6 million (2016: RMB1,159.2 million) during the Period as compared to last year. Reserve power batteries accounted for approximately 61.0% of batteries revenue as compared to 69.0% in the corresponding period of 2016. Turnover has increased approximately 0.5 time since 2015 from RMB3,160.4 million to RMB4,674.2 million.

After rapid growth in sale of telecommunication application batteries in 2016, a decline in volume delivered in terms of ton was anticipated after the strategic restructuring of the major telecommunication providers was completed in the PRC. The significant drop in volume delivered in telecommunication application batteries in China was partially overcome by increased export business and further mitigated by the increased revenue and volume delivered in all other application areas, namely UPS, other customer products and renewable energy. This was contributed by our sales and marketing efforts to expand our market share in these application areas. Volume delivered in terms of ton decreased by less than 5.0% during the Period as compared to the corresponding period in 2016.

SLI batteries

SLI batteries are used mainly in starting up automobiles and motorcycles. The Group's sales of SLI batteries during the Period amounted to RMB2,164.7 million, representing an increase of 50.0% from 2016.

鉛酸蓄電池的市場一般可細分為備用電池、起動電池及動力電池三個市場類別。本集團在該三類領域的經營情況如下：

備用電池

備用電池為本集團的主要收益貢獻者之一。本集團期內的備用電池的銷售金額為人民幣4,674.2百萬元，較二零一六年增長8.2%。

期內，備用電池銷售收益較去年增加人民幣354.6百萬元（二零一六年：人民幣1,159.2百萬元）。備用電池佔電池收益約61.0%，而二零一六年同期為69.0%。營業額自二零一五年已增長約0.5倍，由人民幣3,160.4百萬元增至人民幣4,674.2百萬元。

電信通訊應用領域的電池銷售於二零一六年錄得快速增長以後，隨着中國主要電信通訊供應商策略性重組完成，付運量（以噸計）有所下降屬預料之中。中國電信通訊應用領域的電池付運量大幅下降，因出口業務增長而得以部分改善，且由於所有其他應用領域（即UPS、其他消費類產品及可再生能源）的收益及付運量均增加而得到進一步緩和。此乃由於我們加大銷售及營銷力度以擴大該等應用領域的市場份額，期內付運量（以噸計）較之二零一六年同期下降了不到5.0%。

起動電池

起動電池主要用於汽車及摩托車的起動。本集團於期內的起動電池銷售額為人民幣2,164.7百萬元，較二零一六年增加50.0%。



The increment in sales revenue of SLI batteries amounted to RMB721.8 million (2016: RMB591.1 million) during the Period as compared to last year. Volume delivered in terms of ton increased by approximately 37.0% during the Period as compared to the corresponding period in 2016. SLI batteries accounted for approximately 28.3% of batteries revenue as compared to 23.0% in the corresponding period of 2016. Turnover has increased approximately 1.5 times since 2015 from RMB851.7 million to RMB2,164.7 million. SLI batteries category became one of the major revenue contributors of the Group. This was contributed by our sales and marketing efforts in enlarging customer bases and building solid distribution networks.

Motive power batteries

Motive power batteries revenue are mainly generated from batteries used to provide power for electric vehicles and electric forklifts. During the Period, the Group recorded sales revenue of RMB497.0 million, representing an increase of 76.4% from 2016.

The increment in sales revenue of motive power batteries amounted to RMB215.2 million (2016: RMB145.0 million) during the Period as compared to last year. Volume delivered in terms of ton increased by approximately 48.0% during the Period as compared to the corresponding period in 2016. Motive power batteries accounted for approximately 6.5% of batteries revenue as compared to 4.5% in the corresponding period of 2016. Turnover has increased approximately 2.6 times since 2015 from RMB136.8 million to RMB497.0 million. With continuing investment in areas like research and development, production, product quality, sales and marketing including distribution networks, motive power batteries category has become a major business of the Group.

期內，起動電池銷售收益較去年增加人民幣721.8百萬元（二零一六年：人民幣591.1百萬元）。期內付運量（以噸計）較之二零一六年同期增加約37.0%。起動電池佔電池收益約28.3%，而二零一六年同期為23.0%。營業額自二零一五年已增長約1.5倍，由人民幣851.7百萬元增至人民幣2,164.7百萬元。起動電池類別已成為本集團主要收益貢獻者之一。此乃由於我們加大銷售及營銷力度，擴大客戶基礎及構建穩固的分銷網絡。

動力電池

動力電池收益主要產生於為電動車及電動叉車提供動力的電池。本集團在期內錄得銷售收益人民幣497.0百萬元，較二零一六年增加76.4%。

期內，動力電池銷售收益較去年增加人民幣215.2百萬元（二零一六年：人民幣145.0百萬元）。期內付運量（以噸計）較之二零一六年同期增加約48.0%。動力電池佔電池收益約6.5%，而二零一六年同期為4.5%。營業額自二零一五年已增長約2.6倍，由人民幣136.8百萬元增至人民幣497.0百萬元。由於持續投資研發、生產、產品質素、銷售及營銷（包括分銷網絡）等領域，動力電池類別已成為本集團的主要業務。

Recycled lead

In November 2016, Leoch acquired a 60% stake in Taihe Dahua Energy Technology Co. Ltd., a company in the PRC principally engaged in the recycling and remanufacturing of lead from disposed batteries. Revenue from the sale of recycled lead products was consolidated to the Group upon the completion of the acquisition and amounted to RMB1,754.8 million (2016: Nil) during the Period. The synergy effect created allow battery factories to act as a constant source of supply of disposed batteries to the refining plant and the refining plant can effectively utilise its product capacity and maintain a relatively high level sales during the year with battery factories in support by absorbing more recycled products especially during low seasons. The Group believes the payback period of the acquisition cost will be less than two years.

Sales network

The Group distributes its products to more than 100 countries and regions across the world. The Group's regional sales centres are located in Beijing, Shenzhen, Zhaoqing, Nanjing, the United States, the European Union, Hong Kong, Singapore, India, Sri Lanka, Malaysia and Australia, together with 39 domestic sales centres across the PRC. As at the date of this report, the Group has over 730 dedicated sales and after-sales employees. The Group will continue expanding its sales teams and marketing network in the PRC and overseas to support the sales, distribution, and after-sales services for all categories of battery products of the Group. In view of accelerating the business development in Europe, on 22 December 2017, the Group has entered into an agreement to acquire 60% stake in DBS Energy Limited, a UK batteries distributor and on 23 November 2017, Leoch France SAS, a wholly owned trading company of the Company, was established in France.

回收鉛

於二零一六年十一月，理士收購太和縣大華能源科技有限公司（中國一間主要從事自廢舊蓄電池回收及再生產鉛的公司）60%股權。銷售回收鉛產品所得收益於期內為人民幣1,754.8百萬元（二零一六年：無），並於完成收購後合併入賬至本集團。所產生的協同效應可令電池廠向精煉廠持續供應廢棄電池，而精煉廠可有效利用其產能及在電池廠的有力支持下吸納更多回收產品（尤其是在淡季），以致銷量於年內可維持相對較高水平。本集團相信，收購成本的回收期將少於兩年。

銷售網絡

本集團在全球100多個國家分銷其產品。本集團的區域銷售中心分別設於北京、深圳、肇慶、南京、美國、歐盟、香港、新加坡、印度、斯里蘭卡、馬來西亞及澳洲，並在中國設有39個國內銷售中心。於本報告日期，本集團有超過730名人員專責進行銷售及售後工作。本集團會繼續於中國及海外擴建銷售隊伍及營銷網絡，以支持本集團的所有類別電池產品的銷售、分銷及售後工作。為加快歐洲業務發展，本集團於二零一七年十二月二十二日訂立協議，以收購英國電池分銷商DBS Energy Limited之60%股權及於二零一七年十一月二十三日，本公司於法國成立一間全資貿易公司Leoch France SAS。



Research and development of new products

The Group is a leader in research and development (“R&D”) and application of lead-acid battery technologies in the PRC. The Group’s battery R&D team consists of more than 400 researchers and technicians. To support its R&D efforts, the Group works closely with international and domestic battery experts and research institutions to develop new technologies. The Group has obtained 287 patents and there are 68 proprietary technologies in the process of patent applications as at the date of this report.

The Group has grasped and applied most of the lead-acid battery technologies in the world, including technologies used in the first generation open-type fluid infusion battery, the second generation Absorbent Glass Mat battery and new energy battery, the third generation pure lead battery, and the fourth generation Stop-Start battery. The Group is among the few enterprises in the world possessing the third and the fourth generations of technologies. The Group’s strong R&D capabilities enable it to produce a broad range of battery products deploying most of the key lead-acid battery technologies. As at the date of this report, the Group has developed more than 2,000 different types of battery products employing various application technologies, making the Group one of the battery enterprises with the broadest range of lead-acid batteries. During the Period, the Group continued to provide sufficient resource in R&D on all categories of product in order to secure growth in the future.

To sustain business growth and development, the Group continues to explore advanced battery technologies. After completion of the investment in series B preferred stock of Gridtential Energy, Inc. (“Gridtential”) on 12 January 2017, additional shares of the same class has been subscribed for a consideration of US\$499,999.54 on 31 August 2017 at price per share same as the original investment.

新產品研究及開發

本集團是中國研究及開發（「研發」）及應用鉛酸蓄電池技術的領導者。本集團的電池研發團隊包括超過400名研究人員及技術人員。本集團與國際及國內電池專家及研究機構緊密合作開發新技術，以支持本集團的研發工作。於本報告日期，本集團持有287項專利，另有68項專利技術正在申請中。

本集團已掌握及應用世界上大部分的鉛酸蓄電池技術，包括第一代的開口式加水電池、第二代的超細玻璃纖維電池及新能源電池、第三代的純鉛電池及第四代的Stop-Start電池技術。本集團為全球少數擁有第三代及第四代技術的企業。本集團強大的研發能力使本集團能利用大部分關鍵的鉛酸蓄電池技術以生產一系列的電池產品。於本報告日期，本集團已開發逾2,000種不同類型及使用不同應用技術的電池，令本集團成為提供最廣泛的鉛酸蓄電池系列產品的電池企業之一。於期內，本集團繼續對所有類別產品的研發提供充足資源，以實現日後增長。

為維持業務增長及發展，本集團持之以恆地開發先進電池技術。於二零一七年一月十二日完成投資Gridtential Energy, Inc.（「Gridtential」）B系列優先股之後，本集團於二零一七年八月三十一日以499,999.54美元之代價按與原始投資相同之每股價格認購相同類別的股份。

Gridtential's Alpha program has been started and in 2017 the Group was involved in testing the prototype and providing feedback for refining. Moving forward, the Group will continue to participate in different phases until products can be commercialized which is targeted as early as 2020. The Group will work closely with Gridtential to apply the technology from lab to commercial production.

Production bases

During the Period, the Group operated eight well-built battery production bases, including four wholly-owned production bases in the PRC, a wholly-owned production base in Sri Lanka, two joint venture production bases in Malaysia and a joint venture production base in India, and one recycling lead factory in the PRC with a total site area of approximately 968,000 square meters (“sq.m.”) As at the end of 2017, the Group had battery capacity of 21.6 million KVAh (2016: 20.7 million KVAh). To cope with potential business expansion, the Group is going to further expand its production and manufacturing capacities in the PRC and overseas.

In May 2017, principle lease agreements for a total land area of approximately 69,000 sq.m. in Vietnam with lease period until August 2065 were signed. The Group will establish two factories in Vietnam, one is for reserve power batteries and the other is for automotive batteries (SLI batteries). Both factories will start construction in April 2018 after the environment permits are granted by the local government. The Group has acquired land area of approximately 623,000 sq.m. in Guizhou and Jiangsu in the PRC and is going to acquire more land in Chongqing for our future battery production and recycling lead refining expansion purposes in the PRC.

Gridtential的Alpha計劃已啟動，且本集團於二零一七年參與進行原型測試及就提供反饋意見。展望未來，本集團將繼續參與各個不同階段，直至產品預計最早於二零二零年達成商業化之目標。本集團將與Gridtential展開密切合作，令此項技術從實驗室走向商業生產。

生產基地

期內，本集團共有八個現有電池生產基地，包括四個位於中國的全資生產基地，一個位於斯里蘭卡的全資生產基地，兩個位於馬來西亞的合營生產基地及一個位於印度的合營生產基地以及一個位於中國的鉛回收工廠，佔地面積合共約為968,000平方米（「平方米」）。於二零一七年底，本集團的電池產能為21.6百萬千伏安時（二零一六年：20.7百萬千伏安時）。為應對潛在業務擴張，本集團將進一步擴大其於中國及海外的生產及製造能力。

於二零一七年五月，就位於越南總面積約69,000平方米的土地簽署原則性租賃協議，租期直至二零六五年八月止。本集團將於越南設立兩間工廠，一間用於備用電池，而另一間用於汽車電池（起動電池）。於當地政府授出環境許可之後，該兩間工廠均於二零一八年四月開始建設。本集團已於中國貴州及江蘇收購面積約623,000平方米的土地及將於中國重慶收購更多土地，以便日後我們於中國作電池生產及回收鉛精煉擴張用途。



Trend of lead price

Lead is the main raw material of lead-acid batteries and accounts for a major product cost for the Group's battery production. According to Shanghai Metals Market ("SMM"), an information service provider of the non-ferrous metal market, the monthly average lead price per ton was moving between the range of RMB15,931 to RMB20,354 during the Period, changed within the range of -18.6% to 4.0% as compared with December 2016 monthly average ("Dec 2016 average") of RMB19,563 per ton.

As compared to December 2016 SMM monthly average, lead price dropped 7.7% in Q1 2017 then dropped heavily by 15.5% and 18.6% in April and May before rebounding in June during the Period and the last six month was changed by -9.2%, -1.9%, 4.1%, 3.8%, -4.6% and -3.0% respectively. Lead price fluctuated up and down during the Period.

To cope with potential fluctuation risks in lead price, the Group adopts a price linkage mechanism, passing raw materials price fluctuations to customers to hedge relevant risks. The Group's centralized procurement of raw materials enables it to trim down costs of raw materials through favorable negotiations on bulk purchase contracts.

Future Prospects

In 2017, the Group continues to drive business growth in the PRC and overseas. Among the RMB1,398.5 million (2016: RMB1,932.0 million) increment in sales revenue of batteries, 58.1% (2016: 84.3%) was contributed from the PRC. Together with the revenue contributed from recycled lead amounted to RMB1,754.8 million (2016: nil), the PRC share of the Group's 2017 annual turnover increased to 67.5% (2016: 60.2%). The Group believes that the turnover will continue to be grown faster in the PRC than overseas in next few years.

鉛價格走勢

鉛為鉛酸蓄電池的主要原材料，並佔本集團電池生產業務生產成本的主要部分。根據上海有色網（「上海有色網」）（有色金屬市場信息服務供應商）的數據，期內每噸的月平均鉛價在人民幣15,931元至人民幣20,354元之間浮動，與二零一六年十二月月平均（「二零一六年十二月月平均」）每噸人民幣19,563元相比，變動範圍介乎-18.6%至4.0%之間。

較之二零一六年十二月上海有色網月平均鉛價，期內鉛價於二零一七年第一季度下跌7.7%，隨後於四月及五月急劇下滑15.5%及18.6%，但之後於六月有所反彈，而上一個六月分別浮動-9.2%、-1.9%、4.1%、3.8%、-4.6%及-3.0%。鉛價於期內上下波動。

為應對潛在的鉛價波動風險，本集團採納價格聯動機制，將原材料價格的波動轉嫁予客戶，以避免相關的風險。本集團原材料採購則已實行中央化，讓其可就大量採購合約進行有利磋商從而降低原材料成本。

未來前景

於二零一七年，本集團繼續推動中國及海外業務增長。電池銷售收入增加達人民幣1,398.5百萬元（二零一六年：人民幣1,932.0百萬元），其中58.1%（二零一六年：84.3%）乃由中國市場貢獻。連同回收鉛產品貢獻的收益為人民幣1,754.8百萬元（二零一六年：無），中國市場佔本集團二零一七年年營業額的份額增至67.5%（二零一六年：60.2%）。本集團相信，中國市場營業額之增長速度在未來數年將快過海外市場。

Although selling and distribution expenses and R&D costs were higher during the Period, the costs invested in building distribution networks and new products development including lithium batteries for telecommunication application would be beneficial to our growth in coming years.

The Group anticipates that business will sustain the growth momentum in most of the application areas of battery in the PRC and overseas market as well as recycled lead business. Below is our view and strategic plans:

Reserve power batteries

In 2017, reserve power batteries contributed 25.4% of total growth in revenue of batteries. In the PRC, volume delivered to UPS market increased by more than 20%, of which sales through distribution channel increased by more than 80%.

The continuing rapid development of IT technologies such as cloud computing, mass data, e-commerce and various types of data centers and servers will be one of the major growth drivers for the UPS market. The Group as a major supplier of UPS batteries in the market has well prepared and determined to grasp this opportunity and expand our market shares in the PRC in 2018.

According to IDC Association prediction, the compound average growth rate (“**CAGR**”) of global data centers will be 17% from 2012 to 2017, while the PRC will achieve CAGR of 40% in the same periods, much higher than the global average. Moreover, other research indicated that the IDC market size of the PRC will reach RMB139 billion in 2018 as compared to 100 billion in 2017, a year-on-year growth of 39%. The growth in overall size of the IDC market will push the demand for UPS batteries in a high growth rate direction.

儘管銷售及分銷開支及研發成本在期內較高，投資搭建分銷網絡及開發新產品（包括電信通訊應用領域的鋰電池）之成本將於未來數年有利於我們的業務增長。

本集團預計於中國及海外市場的大多數電池應用領域及回收鉛業務均會保持增長勢頭。我們的展望及戰略佈置如下：

備用電池

於二零一七年，備用電池為電池收益總增長貢獻25.4%。於中國，UPS市場之付運量增加逾20%，其中，透過分銷渠道作出之銷售增加逾80%。

資訊科技技術（如云計算、大數據、電子商務及各類數據中心及伺服器）持續快速發展將成為UPS市場的主要增長動力之一。於二零一八年，本集團作為市場上UPS電池的主要供應商，已作好充分準備及決心把握此次機會擴大我們於中國的市場份額。

根據IDC Association預測，於二零一二年至二零一七年期間，全球數據中心的複合平均增長率（「**複合平均增長率**」）為17%，而中國同期的複合平均增長率達40%，遠高於全球平均水平。此外，其他研究表明，中國IDC市場規模將於二零一八年達到人民幣1,390億元，而二零一七年為人民幣1,000億元，按年增長39%。IDC市場整體規模增長將拉動UPS電池需求按高增長率增長。



Although the other consumer product application only provided a high single digit volume growth in 2017, the Group always has a solid and strong position in this area and we are confident that the growth momentum will continue. The renewable energy application is another application area that the Group estimated that could obtain an above average growth rate in 2018.

In the medium term, further upgrade and development of the 5G network will provide additional boost to the demand for telecommunications batteries. The Group will continue solidifying our leading position in this area aiming to benefit from the growth in telecommunication application area in the PRC. To cope with product diversification, the Group had put in large amount of resources in the last few years on the development of lithium batteries to cover all application areas in reserve and motive power with priority on telecommunication area. In fact, construction of the first phase of lithium batteries factory will start as early as in April 2018 and be targeted to have pilot production at the end of 2018. The total site area is 150 mu (equivalent to around 100,000 square meters) with designed maximum production capacity of 1.65 GWh and phase one will achieve 20% of it.

To deal with the intense competition and trade barrier in overseas markets, the Group has started our overseas production capacity expansion plan in Vietnam to fulfill part of the demand from other countries and enhance our cost competitiveness in the future.

儘管其他消費類產品應用領域於二零一七年僅帶來高單位數數量增長，但本集團始終於該領域佔據穩健及牢固地位，且我們對其增長勢頭充滿信心。本集團估計可再生能源應用領域乃二零一八年可望錄得高於平均增長率之另一應用領域。

就中期而言，進一步升級及發展5G網路將額外帶動對電信通訊電池的需求。本集團將繼續鞏固我們於該領域的領先地位，旨在從中國電信通訊應用領域的發展中獲益。為解決產品多元化，本集團已於過去幾年投入大量資源開發鋰電池，以涵蓋備用及電力電池的所有應用領域，且優先考慮電信通訊領域。事實上，第一期鋰電池工廠將最早於二零一八年四月開始建設，及於二零一八年末達成試生產目標。佔地總面積為150畝（相等於100,000平方米），設計產能最高為1.65千兆瓦時，第一期將達到其20%。

為應對海外市場日益激烈的競爭及貿易壁壘，本集團已於越南啟動海外產能擴張計劃，以滿足日後其他國家的部分需求及提升我們的成本競爭力。

SLI batteries

In 2017, SLI batteries contributed 51.6% of total growth in revenue of batteries. In the PRC, volume delivered to auto makers and aftermarket distributors increased approximately 45% and 87%, respectively. Although selling and distribution expenses were higher due to investment in distribution network, the Group enjoyed a fast expansion in the aftermarket and maintain high growth rate of sales to auto makers. The Group believes that this category will continue enjoying high growth rate mainly due to the prevailing favorable business environment for SLI batteries in the PRC. Sufficient resources will be put in to continue enlarging our customer bases and penetrate the market. Areas like R&D, production, product quality, sales and marketing including distribution network will be enhanced. The Group is determined and working towards becoming one of the top suppliers of SLI batteries in the PRC.

To cope with the expected growth, the Group has started the production capacity expansion plans in the PRC and Vietnam. The future additional production capacity for SLI batteries is critical for the Group to become one of the leading suppliers of SLI batteries in the PRC and fulfill part of the future demand from other countries. These new production plants will be equipped with the most automatic production machinery and process which will further enhance our cost efficiency and competitive power.

According to various researches and analyses, the PRC will be the largest market for SLI batteries by 2020. The majority of the growth will come from the aftermarket segment mainly due to ageing of the vehicle fleet in the country which accelerates car owners' need to replace the existing batteries. By 2020, about 77% of the vehicles in the PRC will be over 3 years old, the average age at which the battery needs to be replaced as compared to 66% in 2015. With more than 90 million new vehicles expected to be added over the next three years, the demand for SLI batteries will remain robust.

起動電池

於二零一七年，起動電池為電池收益總增長貢獻51.6%。於中國，汽車製造商及售後市場分銷商的付運量分別增加約45%及87%。儘管由於投資分銷網絡，銷售及分銷開支較高，但令本集團享有售後市場快速擴張及維持汽車製造商的銷售增長率較高。本集團相信，此類別將繼續錄得高增長率，乃主要由於中國起動電池當前有利的營商環境。本集團將投入充足資源繼續擴大客戶基礎及深入市場。研發、生產、產品質素、銷售及營銷（包括分銷網絡）等領域之表現將有所提升。本集團致力於成為中國起動電池的主要供應商之一。

為應對預期增長，本集團已開始於中國及越南進行產能擴張計劃。起動電池日後產能增加對本集團成為中國起動電池領先供應商及滿足其他國家日後部分需求至關重要。該等新生產廠房將配備自動化程度最高的生產機器及流程，以進一步提升我們的成本效率及競爭實力。

根據各項研究及分析，中國於二零二零年之前將成為規模最大的起動電池市場。由於中國的車輛老化，促使車主替換現有電池，故該增長大部分將源自售後市場分部。於二零二零年之前，中國約77%的車輛的車齡將超過需替換電池的平均車齡三年，而二零一五年為66%。由於預期未來三年將新增逾9,000萬輛新汽車，故對起動電池的需求將保持穩健。



Motive power batteries

In 2017, motive power batteries contributed 15.4% of total growth in revenue of batteries. In the PRC, volume delivered to low-speed electric vehicles and electric forklifts markets increased by approximately 45% and 53%, respectively. In terms of total revenue and volume delivered, motive power batteries maintain the highest growth rate when we add back the export business. The Group is confident that this category will continue growing at high speed.

In 2018, like other categories, areas like R&D, production, product quality, sales and marketing including distribution network will continue to be enhanced. The Group has started the production capacity expansion plan in existing factories in the PRC in view of the future fast volume growth.

The demand for motive power batteries has been propelled by the extensive promotion and application of the batteries in electric transportation and equipment such as low-speed electric vehicles and electric forklifts.

Low-speed electric vehicles as commuter tools to solve the transportation demand between county and township is the most favorable solution nowadays. The current low-speed electric vehicle market has 5 million vehicles and is expected to reach 10 million by 2020 with battery market size reaching RMB8.4 billion.

In the PRC, the proportion of electrical forklifts increased year-on-year from 38.4% in 2016 to 40.3% in 2017. The market share of electric forklift in the European Union, the United States and Japan is more than 70% and continues growing. The gap is bound to be further narrowed in the PRC at a faster pace. Furthermore, driven by the combination factors of tighter environmental requirements, the rapid development of e-commerce logistics and the competitive advantage of construction machinery export, electric forklift market is expected to enter a new period of rapid growth.

動力電池

於二零一七年，動力電池為電池收益總增長貢獻15.4%。於中國，低速電動車及電動叉車市場的付運量分別增加約45%及53%。就總收益及付運量而言，當我們加回出口業務時，動力電池的增長率仍然維持最高。本集團對本類別將繼續高速增長充滿信心。

於二零一八年，正如其他類別，研發、生產、產品質素、銷售及營銷（包括分銷網絡）等領域將繼續有所提升。本集團已於中國現有工廠開啟產能擴張計劃，以配合日後快速增長。

動力電池在電動車（包括低速電池車及叉車）被廣泛推廣及應用，帶動對動力電池的需求。

低速電動車作為通勤工具乃時下解決城鎮之間交通的最有利解決方式。目前的低速電動車市場擁有500萬輛車，預計於二零二零年之前達到1,000萬輛，且電池市場規模達人民幣84億元。

在中國，電動叉車在市場的比例按年增長，由二零一六年的38.4%增至二零一七年的40.3%。電動叉車於歐盟、美國及日本的市場份額均超過70%，且繼續不斷擴大。中國存在的差距定會以較快速度進一步縮小。此外，由於環保規定更嚴格、電子商務物流的快速發展及工程機械出口的競爭優勢等各項因素，預計電動叉車市場步入新一輪的快速增長期。

Overseas Market

The Group is the top exporter in the PRC for lead-acid battery. In 2016, the Group has around RMB2,489.8 million overseas sales and mostly exported from the PRC. In 2017, overseas sales reached RMB3,075.5 million, a growth rate of 23.5% as compared to 2016 figure. Leoch is a reputable brand in overseas market especially in the reserve power segment. More resources will be put in to sustain or enlarge the growth rate in 2018.

The Group has concluded that more resources should be put in to further develop the business in Europe for the next few years to accelerate the business growth.

On 22 December 2017, the Group signed a joint venture and shareholders' agreement with DBSG (UK) Limited to acquire 60% stake in DBS Energy Limited (the "DBSE"), a trading company in the United Kingdom which imports and sells batteries to the domestic market, in order to strengthen business in the United Kingdom and it is ready for further expansion.

In the last quarter of 2017, the Group has established a wholly owned trading company in France. There are plans to establish other sales operations in Italy and Germany in 2018.

Recycled Lead

The acquisition of 60% stake in Taihe Dahua Energy Technology Co. Ltd. provides the Group with a tremendous opportunity to enter the lead recycling industry and the 2017 financial results were better than expected. Moving forward, expansion to further increase the production capacity has been planned for 2018 and 2019. We believe the size of our recycling business will continue to grow at high CAGR in the next 2-3 years.

海外市場

本集團乃中國最大的鉛酸蓄電池出口商。於二零一六年，本集團擁有約人民幣2,489.8百萬元之海外銷售額，且大部分乃從中國出口。於二零一七年，海外銷售額達人民幣3,075.5百萬元，較二零一六年數據增長23.5%。理士於海外市場（尤其是備用電池分部）有口皆碑。本集團將投入更多資源以於二零一八年繼續保持或提高增長率。

本集團認為於未來數年應投入更多資源以進一步發展歐洲業務，以期加速業務增長。

於二零一七年十二月二十二日，為鞏固英國業務及作好進一步擴張準備，本集團已與DBSG (UK) Limited簽署合營及股東協議，以收購DBS Energy Limited (「DBSE」)60%的股權，該公司為一間負責進口及向當地市場出售電池的英國貿易公司。

於二零一七年最後一季，本集團已於法國成立全資擁有貿易公司，且計劃於二零一八年在意大利及德國設立其他銷售營運地點。

回收鉛

收購太和縣大華能源科技有限公司60%股權為本集團步入鉛回收行業帶來巨大商機，且二零一七年財務業績表現超出預期。展望未來，本集團已規劃於二零一八年及二零一九年進行擴張，以期進一步增加產能。我們相信回收業務規模於未來兩至三年將繼續以較高的複合平均增長率增長。



Due to environment protection policy, the Chinese recycling lead industry became an important component of the Chinese lead industry. The newly implemented “Environmental Protection Law of the People’s Republic of China” eliminated those unqualified capacity because of higher environmental protection standards in place. New policies and regulations promote the regulatory development of recycling lead industry. The rectification of the industry has created a good opportunity for lead-acid battery manufacturing enterprises to enter upstream resource processing.

Compared with other developed countries like the United States and the European Union in which proportion of recycled lead accounted for total annual lead consumption of 90% and 60% respectively, the Chinese recycling lead industry with only around 40% recycled lead in the market has a lot of room to grow.

Financial Review

For the year ended 31 December 2017, the Group’s revenue amounted to RMB9,465.4 million, representing an increase of 51.1% compared to the year ended 31 December 2016. The profit for the year amounted to RMB271.5 million for the year ended 2017 as compared to RMB231.8 million for the year ended 2016, of which the profit attributable to the owners of the parent amounted to RMB242.9 million as compared to RMB241.9 million for the corresponding period in 2016. Basic profit per share for the year ended 31 December 2017 was RMB0.18.

Revenue

The Group’s revenue from battery business increased by 22.3% from RMB6,262.9 million for the year ended 31 December 2016 to RMB7,661.3 million for the year ended 31 December 2017.

The Group’s revenue from recycled lead products amounted to RMB1,754.8 million (2016: Nil).

由於環保政策，中國回收鉛行業乃中國鉛行業的重要組成部分。新近施行的「中華人民共和國環境保護法」載有較高的環保標準，消除了該等不合格產能。新政策及法規推動回收鉛行業的監管發展。整改該行業為鉛酸蓄電池製造企業進入上游資源加工業務帶來良機。

較之美國及歐盟（回收鉛佔鉛的年總消耗量分別為90%及60%）等其他發達國家，中國回收鉛行業佔市場回收鉛僅約40%，仍存在很大的增長空間。

財務回顧

截至二零一七年十二月三十一日止年度，本集團的收益為人民幣9,465.4百萬元，相比截至二零一六年十二月三十一日止年度上升51.1%。截至二零一七年止年度，本年度溢利為人民幣271.5百萬元，而截至二零一六年止年度為人民幣231.8百萬元，其中母公司擁有人應佔溢利為人民幣242.9百萬元，而二零一六年同期則為人民幣241.9百萬元。截至二零一七年十二月三十一日止年度的每股基本溢利為人民幣0.18元。

收益

本集團電池業務收益由截至二零一六年十二月三十一日止年度的人民幣6,262.9百萬元，增加22.3%至截至二零一七年十二月三十一日止年度的人民幣7,661.3百萬元。

本集團回收鉛產品收益為人民幣1,754.8百萬元（二零一六年：無）。

Management Discussion and Analysis 管理層討論及分析

The revenue of reserve power batteries slightly increased by 8.2% from RMB4,319.6 million for the year ended 31 December 2016 to RMB4,674.2 million for the year ended 31 December 2017, as a result of strong market demand of UPS and other consumer product batteries compensating for a plunge in market demand for telecommunication batteries. The revenue of SLI batteries increased by 50.0% from RMB1,442.8 million for the year ended 31 December 2016 to RMB2,164.7 million for the year ended 31 December 2017, which was primarily due to the enlarged customer bases and intensive market penetration as a result of continuing investment in SLI batteries. The revenue of motive power batteries increased by 76.4% from RMB281.8 million for the year ended 31 December 2016 to RMB497.0 million for the year ended 31 December 2017, which was mainly attributable to the substantially increased sales of batteries used by electric vehicles and forklifts. Details of the Group's revenue for the years ended 31 December 2017 and 2016 by category of batteries are set out below:

備用電池的收益由截至二零一六年十二月三十一日止年度的人民幣4,319.6百萬元略上升8.2%至截至二零一七年十二月三十一日止年度的人民幣4,674.2百萬元，主要由於彌補電信通訊電池市場需求驟降，而對UPS及其他消費類產品的市場需求強勁所致。起動電池的收益由截至二零一六年十二月三十一日止年度的人民幣1,442.8百萬元增加50.0%至截至二零一七年十二月三十一日止年度的人民幣2,164.7百萬元，乃主要由於持續投資起動電池致使客戶基礎擴大及加強市場滲透所致。動力電池的收益由截至二零一六年十二月三十一日止年度的人民幣281.8百萬元增加76.4%至截至二零一七年十二月三十一日止年度的人民幣497.0百萬元，此乃主要由於電動車電池及叉車電池銷售大幅增加所致。以下為本集團於截至二零一七年及二零一六年十二月三十一日止年度按電池類型劃分的收益明細：

Product category	產品類型	Revenue 收益 RMB'000 人民幣千元	2017	Percentage increase 增長率	2016	Percentage share
			二零一七年 Percentage share 所佔百分比		二零一六年 Revenue 收益 RMB'000 人民幣千元	
Reserve power batteries	備用電池	4,674,185	49.4%	8.2%	4,319,624	69.0%
SLI batteries	起動電池	2,164,669	22.9%	50.0%	1,442,831	23.0%
Motive power batteries	動力電池	497,012	5.3%	76.4%	281,793	4.5%
Others	其他	325,477	3.4%	48.9%	218,622	3.5%
Sub-total	小計	7,661,343	81.0%	22.3%	6,262,870	100%
Recycling lead products	回收鉛產品	1,754,834	18.5%	N/A 不適用	-	-
Others	其他	49,267	0.5%	N/A 不適用	-	-
Total	合計	9,465,444	100%	51.1%	6,262,870	100%



Geographically, the Group's customers are principally located in the PRC, the European Union, the United States and other Asian countries/areas. The Group recorded different degrees of growth in its sales in the PRC, the United States, the European Union, other Asian countries/areas and other secondary market.

The Group's sales revenue in the PRC increased by 69.4% from RMB3,773.1 million for the year ended 31 December 2016 to RMB6,389.9 million for the year ended 31 December 2017, representing 67.5% of the Group's total revenue (2016: 60.2%). The significant increase was mainly due to the contribution from the lead recycling and remanufacturing business, which was acquired on 9 January 2017, and comparatively strong market demand of lead-acid battery in the PRC during the Period.

The Group's sales revenue in the European Union and United States increased by 18.5% and 17.5% from RMB761.7 million and RMB762.2 million for the year ended 31 December 2016 to RMB902.9 million and RMB895.6 million for the year ended 31 December 2017, respectively, which was mainly due to the Group's increased marketing efforts in developing the European Union and United States. The Group's sales revenue in other Asian countries/areas and other countries increased by 29.4% and 39.1% from RMB685.8 million and RMB280.0 million for the year ended 31 December 2016 to RMB887.5 million and RMB389.5 million for the year ended 31 December 2017, respectively, which was mainly due to the increase in sales to existing customers during the Period.

在地域方面，本集團客戶主要位於中國、歐盟、美利堅合眾國及其他亞洲國家／地區。本集團在中國、美國、歐盟、其他亞洲國家／地區及其他次要市場的銷售額取得不同程度的增長。

本集團在中國的銷售收益由截至二零一六年十二月三十一日止年度的人民幣3,773.1百萬元增長69.4%至截至二零一七年十二月三十一日止年度的人民幣6,389.9百萬元，佔本集團總收益的67.5%（二零一六年：60.2%）。該大幅增長乃主要由於二零一七年一月九日收購鉛回收及再生產業務帶來的貢獻及期內中國鉛酸蓄電池市場需求相對強勁所致。

本集團在歐盟及美國的銷售收益分別由截至二零一六年十二月三十一日止年度的人民幣761.7百萬元及人民幣762.2百萬元增加18.5%及17.5%至截至二零一七年十二月三十一日止年度的人民幣902.9百萬元及人民幣895.6百萬元，乃主要由於本集團加大開發歐盟市場及美國市場的營銷力度所致。本集團在其他亞洲國家／地區的及其他國家的銷售收益由截至二零一六年十二月三十一日止年度之人民幣685.8百萬元及人民幣280.0百萬元分別增加29.4%及39.1%至截至二零一七年十二月三十一日止年度之人民幣887.5百萬元及人民幣389.5百萬元，此乃主要由於期內向現有客戶作出之銷售增加所致。

Management Discussion and Analysis 管理層討論及分析

The following revenue information is based on the location of the customers for the years ended 31 December 2017 and 2016:

以下為截至二零一七年及二零一六年十二月三十一日止年度按客戶所在地域劃分的收益資料：

		2017 二零一七年			2016 二零一六年	
		Revenue 收益 RMB'000 人民幣千元	Percentage share 所佔百分比	Percentage increase 增長率	Revenue 收益 RMB'000 人民幣千元	Percentage share 所佔百分比
PRC	中國大陸	6,389,915	67.5%	69.4%	3,773,107	60.2%
European Union	歐盟	902,930	9.5%	18.5%	761,715	12.2%
United States of America	美利堅合眾國	895,555	9.5%	17.5%	762,237	12.2%
Other Asian countries/areas	其他亞洲國家/地區	887,497	9.4%	29.4%	685,775	10.9%
Other countries	其他國家	389,547	4.1%	39.1%	280,036	4.5%
Total	合計	9,465,444	100%	51.1%	6,262,870	100%

Cost of Sales

The Group's cost of sales increased by 58.5% from RMB5,237.3 million for the year ended 31 December 2016 to RMB8,302.9 million for the year ended 31 December 2017, mainly because of the increased lead price and addition of lead recycling and manufacturing business.

Gross Profit

The Group's gross profit increased by 13.4% from RMB1,025.6 million for the year ended 31 December 2016 to RMB1,162.5 million for the year ended 31 December 2017, mainly attributable to the addition of lead recycling and manufacturing business during the Period. The overall gross profit margin decreased from 16.4% for the year ended 31 December 2016 to 12.3% for the year ended 31 December 2017. The decrease was mainly because the lead price hike cannot be fully transferred to customers. It was further compounded by the relatively low gross margin from lead recycling and manufacturing business.

銷售成本

本集團的銷售成本由截至二零一六年十二月三十一日止年度的人民幣5,237.3百萬元·增加58.5%至截至二零一七年十二月三十一日止年度的人民幣8,302.9百萬元。該增幅乃主要由於鉛價上漲及新增鉛回收及生產業務所致。

毛利

本集團的毛利由截至二零一六年十二月三十一日止年度的人民幣1,025.6百萬元·增加13.4%至截至二零一七年十二月三十一日止年度的人民幣1,162.5百萬元·此乃主要由於期內新增鉛回收收入及生產業務所致。整體毛利率由截至二零一六年十二月三十一日止年度的16.4%減少至截至二零一七年十二月三十一日止年度的12.3%。此乃主要由於期內鉛價上漲無法全部轉嫁予客戶所致，並因鉛回收及生產業務相對較低的毛利率而進一步加劇。



Other Income and Gains

Other income and gains increased by 54.7% from RMB65.8 million for the year ended 31 December 2016 to RMB101.7 million for the year ended 31 December 2017, which was primarily due to the recognition of foreign exchange gains and increased government grants during the Period.

Selling and Distribution Expenses

The Group's selling and distribution costs increased by 23.8% from RMB296.7 million for the year ended 31 December 2016 to RMB367.2 million for the year ended 31 December 2017, primarily due to the increased salaries of sale personnel as a result of sale force expansion and distribution network building and freight charges, which was in line with the increased sales during the Period.

Administrative Expenses

The Group's administrative expenses increased by 16.1% from RMB224.6 million for the year ended 31 December 2016 to RMB260.7 million for the year ended 31 December 2017, mainly due to the acquisitions of new business during the period.

R&D Expenses

The development expenditure of the Group increased by 40.5% from RMB101.9 million for the year ended 31 December 2016 to RMB143.1 million for the year ended 31 December 2017. The increase in expenditure was mainly used for performance enhancement of existing products and development of new products in all categories during the Period.

其他收入及收益

其他收入及收益由截至二零一六年十二月三十一日止年度的人民幣65.8百萬元增加54.7%至截至二零一七年十二月三十一日止年度的人民幣101.7百萬元，此乃主要由於期內確認外匯收益及政府補貼增加所致。

銷售及分銷開支

本集團的銷售及分銷成本由截至二零一六年十二月三十一日止年度的人民幣296.7百萬元，增加23.8%至截至二零一七年十二月三十一日止年度的人民幣367.2百萬元，乃主要由於期內擴張及構建分銷網絡致使銷售人員薪金增加及運費增加所致，其增幅與銷售額增幅一致。

行政開支

本集團的行政開支由截至二零一六年十二月三十一日止年度的人民幣224.6百萬元，增加16.1%至截至二零一七年十二月三十一日止年度的人民幣260.7百萬元，此乃主要由於期內收購新業務所致。

研發開支

本集團的研發開支由截至二零一六年十二月三十一日止年度的人民幣101.9百萬元，增加40.5%至截至二零一七年十二月三十一日止年度的人民幣143.1百萬元。增加的開支主要用於期內所有類別產品之現有產品的性能提升及新產品開發。

Other Expenses

The Group's other expenses decreased from RMB75.8 million for the year ended 31 December 2016 to RMB34.6 million for the year ended 31 December 2017, which mainly comprised losses caused by a fire accident on inventories and property, plant and equipment of RMB28.2 million (Please see note 6 of the financial statement for details.) and loss on remeasurement of the previously held interest in an associate of RMB2.1 million for the year ended 31 December 2017, as compared to the impairment of trade receivables of RMB21.9 million and foreign exchange loss of RMB49.2 million for the year ended 31 December 2016. Supplementary to the fire loss above, the Group had sufficient insurance policies in place and most of the loss can be recovered.

Finance Costs

The Group's finance costs increased by 39.3% from RMB108.9 million for the year ended 31 December 2016 to RMB151.8 million for the year ended 31 December 2017, mainly due to the increased bank borrowings and interest hike during the Period.

Profit before Tax

As a result of the foregoing factors, the Group recorded profit before tax of RMB306.8 million for the year ended 31 December 2017 as compared to RMB280.5 million for the year ended 31 December 2016.

Income Tax Expense

Income tax expense decreased by 27.5% from RMB48.7 million for the year ended 31 December 2016 to RMB35.4 million for the year ended 31 December 2017, mainly because assessable profits from the lead-acid battery business decreased while no profit from the lead recycling and remanufacturing business was subject to tax during the Period.

其他開支

本集團的其他開支由截至二零一六年十二月三十一日止年度的人民幣75.8百萬元減少至截至二零一七年十二月三十一日止年度的人民幣34.6百萬元，主要包括截至二零一七年十二月三十一日止年度，有關存貨及物業、廠房及設備的火災所引致的虧損人民幣28.2百萬元（有關詳情請參閱財務報表附註6。）及重新計量先前於一間合營公司持有權益的虧損人民幣2.1百萬元，而截至二零一六年十二月三十一日止年度，其他開支主要包括貿易應收款項減值人民幣21.9百萬元及外匯匯兌虧損人民幣49.2百萬元。本集團設有充分的保險政策，可挽回上文所述之火災損失，大部分損失均會得到補償。

財務成本

本集團的財務成本由截至二零一六年十二月三十一日止年度的人民幣108.9百萬元，增加39.3%至截至二零一七年十二月三十一日止年度的人民幣151.8百萬元，乃主要由於期內的銀行借貸增加及加息所致。

稅前溢利

由於以上因素，本集團於截至二零一七年十二月三十一日止年度錄得稅前溢利人民幣306.8百萬元，而截至二零一六年十二月三十一日止年度則為人民幣280.5百萬元。

所得稅開支

所得稅開支由截至二零一六年十二月三十一日止年度的人民幣48.7百萬元減少27.5%至截至二零一七年十二月三十一日止年度的人民幣35.4百萬元，乃主要由於期內鉛酸蓄電池業務所得應課稅溢利減少，及鉛回收及再生業務無應繳所得稅溢利所致。



Profit for the Year

As a result of the foregoing factors, the Group recorded consolidated net profit of RMB271.5 million (2016: RMB231.8 million) for the year ended 31 December 2017, of which the Group recorded profit attributable to the owners of the parent of RMB242.9 million (2016: RMB241.9 million) for the same period.

Net Current Assets

As at 31 December 2017, the Group had net current assets of RMB209.9 million (2016: RMB759.2 million). The Group's current assets mainly consist of inventories, trade and bills receivables, cash and bank balances, prepayments, deposits and other receivables. The Group's current liabilities mainly consist of trade and bills payables, other payables and accruals, and interest-bearing bank borrowings.

Inventories

Inventories constituted one of the principal components of the Group's current assets. As at 31 December 2017, the Group had inventories of RMB1,872.3 million (2016: RMB1,127.1 million). Inventories increased significantly as a result of a surge of customer orders at the end of the Period which will be delivered in the first quarter of 2018. A surge of raw material prices compared to 2016 also contributed to the increase.

Trade and Other Receivables

(a) Trade and bills receivables

The Group's trade and bills receivables primarily related to receivables for goods sold to its customers. As at 31 December 2017, the Group had trade and bills receivables of RMB2,526.6 million (2016: RMB2,264.4 million). The increase in trade and bills receivables was primarily due to significant increase in shipments at the end of the Period.

本年度溢利

由於以上因素，本集團於截至二零一七年十二月三十一日止年度錄得綜合純利為人民幣271.5百萬元（二零一六年：人民幣231.8百萬元），其中同期本集團錄得母公司擁有人應佔溢利為人民幣242.9百萬元（二零一六年：人民幣241.9百萬元）。

流動資產淨值

於二零一七年十二月三十一日，本集團有流動資產淨值人民幣209.9百萬元（二零一六年：人民幣759.2百萬元）。本集團流動資產主要包括存貨、貿易應收款項及應收票據、現金及銀行結餘、預付款項、訂金及其他應收款項。本集團流動負債主要包括貿易應付款項及應付票據、其他應付款項及應計費用以及計息銀行借貸。

存貨

存貨構成本集團流動資產的其中一個主要部分。於二零一七年十二月三十一日，本集團持有人民幣1,872.3百萬元（二零一六年：人民幣1,127.1百萬元）的存貨。存貨大幅增加乃由於期末的客戶訂單暴增，而該等訂單將於二零一八年第一季度交付所致。原材料價格較之二零一六年暴增亦導致存貨增加。

貿易應收款項及其他應收款項

(a) 貿易應收款項及應收票據

本集團的貿易應收款項及應收票據主要與已售給客戶貨品的應收款項有關。於二零一七年十二月三十一日，本集團有貿易應收款項及應收票據人民幣2,526.6百萬元（二零一六年：人民幣2,264.4百萬元）。貿易應收款項及應收票據增加乃主要由於期末的付運大幅增加所致。

(b) *Prepayments, deposits and other receivables*

The Group's prepayments and deposits mostly related to the purchase of raw materials. As at 31 December 2017, the Group had prepayments, deposits and other receivables of RMB174.4 million (2016: RMB134.7 million). The increase in prepayments, deposits and other receivables as compared to 2016 was primarily because the Group increased its prepayments for raw materials in order to meet the expected strong market demand of lead acid batteries in the early period of 2018.

Trade and Bills Payables

The Group's trade and bills payables primarily relate to its purchase of raw materials for production. As at 31 December 2017, the Group had trade and bills payables of RMB1,665.2 million (2016: RMB1,631.5 million). The trade and bills payables increased slightly because the increase in trade payables as a result of the Group's increased procurement for increased turnover was compensated by the decrease in bill payables as the Group less used the bill payables which were issued on intercompany sales transactions within the Group and discounted to banks for short term financing during the Period.

(b) *預付款項、訂金及其他應收款項*

本集團的預付款項及訂金主要與購買原材料有關。於二零一七年十二月三十一日，本集團有預付款項、訂金及其他應收款項人民幣174.4百萬元（二零一六年：人民幣134.7百萬元）。預付款項、訂金及其他應收款項較之二零一六年增加乃主要由於為滿足鉛酸蓄電池於二零一八年初期強勁的市場需求而增加原材料預付款項所致。

貿易應付款項及應付票據

本集團的貿易應付款項及應付票據主要與購買生產所需的原材料有關。於二零一七年十二月三十一日，本集團有貿易應付款項及應付票據人民幣1,665.2百萬元（二零一六年：人民幣1,631.5百萬元）。貿易應付款項及應付票據小幅增加是因為應付票據的減少彌補了本集團因營業額增加而增加採購導致的貿易應付款項增加，應付票據的減少乃由於本集團較少動用就本集團內公司間銷售交易發出及於期內貼現予銀行作短期融資之應付票據。



Other Payables and Accruals

The Group's other payables and accruals primarily consisted of provision for social insurance and retirement benefits, payments for its expenditures related to construction and renovation of its production facilities, payments in connection with transportation charges, advance payments from customers for shipments, tax payables other than current income tax liabilities and accruals for payroll and benefits for its employees. As at 31 December 2017, the Group had other payables and accruals of RMB706.5 million (2016: RMB542.9 million), the increase was mainly due to loan from non-controlling shareholders and remaining consideration payable to non-controlling shareholders as a result of acquisition of Taihe Dahua Energy technology Co., Ltd and the increased VAT payables and consumption tax payables.

Capital Expenditures

During the Period, the Group invested RMB314.2 million (2016: RMB207.8 million) in property, plant and equipment for its new production facilities.

Liquidity and Financial Resources

As at 31 December 2017, the Group's net current assets amounted to RMB209.9 million (2016: RMB759.2 million), among which cash and bank deposits amounted to RMB941.2 million (2016: RMB705.2 million). As at 31 December 2017, the Group had bank borrowings of RMB3,013.9 million (2016: RMB1,763.5 million), all of which are interest-bearing. Except for borrowings of RMB109.3 million (2016: RMB488.5 million) which has a maturity over one year, all of the Group's bank borrowings were repayable within one year. The Group's borrowings were denominated in RMB, US dollars, HK dollars, Singapore dollars, Malaysian ringgits and Australian dollars, and the effective interest rates of which as of 31 December 2017 were 1.50% to 7.53% (2016: 1.50% to 7.53%).

其他應付款項及應計費用

本集團其他應付款項及應計費用主要包括社會保險及退休福利撥備、支付與建設及翻新生產設施有關的開支、有關運輸費用的付款、客戶預付的付運費用、應付稅項（即期所得稅負債除外）及僱員的工資和福利的應計費用。於二零一七年十二月三十一日，本集團有其他應付款項及應計費用人民幣706.5百萬元（二零一六年：人民幣542.9百萬元），增加乃主要由於應付非控股股東貸款及收購太和縣大華能源科技有限公司所導致的應付非控股股東餘下代價款以及應付增值稅及消費稅增加所致。

資本開支

期內，本集團已投資人民幣314.2百萬元（二零一六年：人民幣207.8百萬元）於新生產設施的物業、廠房及設備。

流動資金及財務資源

於二零一七年十二月三十一日，本集團的流動資產淨值為人民幣209.9百萬元（二零一六年：人民幣759.2百萬元），其中現金及銀行存款為人民幣941.2百萬元（二零一六年：人民幣705.2百萬元）。於二零一七年十二月三十一日，本集團的銀行借貸為人民幣3,013.9百萬元（二零一六年：人民幣1,763.5百萬元），全部均為須計息。除人民幣109.3百萬元（二零一六年：人民幣488.5百萬元）的借貸於一年後到期，本集團所有銀行借貸須於一年內償還。本集團的借貸以人民幣、美元、港元、新加坡元及馬來西亞令吉及澳元計值，於二零一七年十二月三十一日的實際利率介乎1.50%至7.53%（二零一六年：1.50%至7.53%）之間。

A portion of the Group's bank borrowings was secured by pledges over certain assets of the Group including property, plant and equipment, leasehold lands, deposits and trade and bills receivables. As at 31 December 2017, the Group's gearing ratio was 34.9% (2016: 25.7%), which was calculated by dividing total borrowings by total assets as at the end of each respective period, multiplied by 100%.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 December 2017 (2016: Nil).

Foreign Exchange Risk

The Group operated primarily in the PRC. For the Group's companies in the PRC, their principal activities were transacted in RMB. For other companies outside of the PRC, their principal activities were transacted in US dollars. However, as a result of the Group's revenue being denominated in RMB, the conversion into foreign currencies in connection with payments is subject to regulatory restrictions on currency conversion in the PRC. The value of the RMB against the US dollars and other currencies may fluctuate and is affected by, among other things, change in the political and economic conditions in the PRC. The Group's product sales adopted a price mechanism by which the currency fluctuation is basically transferred to the customers, but the Group's foreign currency trade receivables may still be exposed to risk in the credit period. The Group will use forward currency contracts to eliminate the foreign currency exposures arising from sales denominated in US dollars if needed. The forward currency contracts must be in the same currency as the hedged item, i.e. US dollars.

本集團部分銀行借貸以本集團若干資產抵押，包括物業、廠房及設備、租賃土地、存款以及貿易應收款項及應收票據。於二零一七年十二月三十一日，本集團的資本負債比率是34.9%（二零一六年：25.7%），乃將各期間末的總借貸除以同期期末總資產再乘以100%後得出。

或然負債

於二零一七年十二月三十一日，本集團並沒有任何重大或然負債（二零一六年：無）。

匯兌風險

本集團主要在中國營運。就本集團於中國的公司而言，其主要業務以人民幣作交易。就中國境外的其他公司而言，其主要業務使用美元作交易。然而，由於本集團的收益以人民幣計值，而將有關付款兌換為外幣須受中國有關貨幣兌換的監管限制規限。人民幣兌美元及其他貨幣的價值可能會波動，並受（其中包括）中國的政治和經濟狀況變動所影響。本集團的產品銷售採用價格聯動機制，匯率波動風險基本轉到客戶，但本集團的外幣貿易應收款項於信貸期內可能存在風險。本集團將使用遠期貨幣合約，以消除以美元列值的銷售所產生的外幣風險（如需要）。遠期貨幣合約須以對沖項目的相同貨幣（即美元）作出。



Material Acquisition and Disposal

On 18 November 2016, Anhui Uplus New Energy Material Technology Co., Ltd, a subsidiary of the Company, entered into an agreement with independent third parties in relation to the proposed acquisition of 60% of the registered capital of Taihe Dahua Energy Technology Co., Ltd., a company in the PRC principally engaged in the recycle and remanufacture of lead from disposed batteries at a cash consideration of RMB115,200,000. The acquisition was completed on 9 January 2017 and a total amount of RMB115,200,000 has been paid to the vendors as at the date of this report.

Save as disclosed above, there was no other material acquisition or disposal of subsidiary, associated company or joint venture by the Group during the Period.

Employees

As at 31 December 2017, the Group had 13,958 employees. Employee benefit expenses (including directors' remuneration), which comprised wages and salaries, performance-related bonuses, equity-settled share option expenses and retirement benefit scheme contributions, totaled RMB799.0 million for the year ended 31 December 2017 (2016: RMB646.2 million).

The Group has a share option scheme for selected participants as incentive and reward for their contribution to the Group. A mandatory provident fund scheme and local retirement benefit schemes are also in effect. The Group encourages employees to receive continuing education and training to strengthen their work skills and for personal development. The Group also provides workshops for staff at different levels to enhance their knowledge of work safety and to build up team spirit. Staff are rewarded based on performance of the Group as well as on individual performance and contribution.

重大收購及出售事項

於二零一六年十一月十八日，本公司附屬公司安徽力普拉斯新能源材料科技有限公司與獨立第三方訂立協議，內容有關擬以人民幣115,200,000元的現金代價收購太和縣大華能源科技有限公司（中國一間主要從事自廢舊蓄電池回收及再生產鉛的公司）60%的註冊資本。收購已於二零一七年一月九日完成及總額人民幣115,200,000元已於本報告日期支付予賣方。

除上文所披露者外，期內本集團並無任何重大收購或出售附屬公司、聯營公司或合營公司事項。

僱員

於二零一七年十二月三十一日，本集團聘有13,958位僱員。截至二零一七年十二月三十一日止年度，僱員福利開支（包括董事酬金）包括薪酬及工資、與表現掛鈎的獎金、以權益結算的購股權開支及退休福利計劃供款，合計為人民幣799.0百萬元（二零一六年：人民幣646.2百萬元）。

本集團為被甄選的參與者設立一項購股權計劃，以鼓勵及酬謝彼等對本集團的貢獻。本集團亦設有強積金計劃及地方退休福利計劃。本集團鼓勵僱員進行持續進修及培訓，以加強彼等的工作技巧及個人發展。本集團亦為員工提供不同程度的工作坊，以提升彼等的職業安全知識及建立團隊精神。員工獎勵須視乎本集團的業績表現及員工的個人表現及貢獻。



Directors and Senior Management 董事及高級管理層

Executive Directors

DONG Li (董李), aged 51, is an executive director, chairman of the Board and nomination committee, a member of the remuneration committee and founder of the Company. Mr. Dong has been appointed as executive director since 27 April 2010, the date of the incorporation of our Company. Mr. Dong is a controlling shareholder of the Company. He is also one of the authorised representatives of the Company and serving as director for various subsidiaries of the Group. Mr. Dong also serves as director for various private wholly owned companies which include investment holding and manufacturing enterprise.

Mr. Dong obtained an EMBA degree from National University of Singapore in 2015. Mr. Dong graduated from Xi'an International Studies College, the predecessor of Xi'an International Studies University, in 1990 with a Bachelor of Arts degree and Northwest Textile University of Science and Technology, the predecessor of Xi'an Polytechnic University, in 1988 with a Bachelor's degree in Engineering.

Contributing to his business experience and social participation, he received various recognitions and honours in the past including Outstanding China Non governmental Entrepreneur (中國優秀民營科技企業家), Rising Star Entrepreneur of Shenzhen (深圳「創業新星」), Honorary Citizen (榮譽市民) of Zhaoqing City in China and Texas in the United States.

Mr. Dong also holds the positions of part-time professor of National University of Singapore EMBA degree and Shanghai University and visiting professor of the Xi'an Polytechnic University.

執行董事

董李，51歲，本公司執行董事、董事會主席及提名委員會主席、薪酬委員會成員兼創辦人。董先生自二零一零年四月二十七日起（本公司註冊成立日期）獲委任為執行董事。董先生為本公司控股股東。他亦是本公司授權代表之一及擔任若干本集團附屬公司的董事。董先生亦擔任若干私營獨資企業（包括投資控股及生產企業）的董事。

董先生於二零一五年取得新加坡國立大學EMBA學位。董先生於一九九零年獲得西安外國語學院（西安外國語大學的前身）文學學士學位，並於一九八八年獲得西北紡織工學院（西安工程大學的前身）工學學士學位。

鑒於其業務經驗和參與公益，董先生過往獲得多項認可和榮譽，包括被評為中國優秀民營科技企業家、深圳創業新星、中國肇慶市及美國得克薩斯州榮譽市民。

董先生亦擔任新加坡國立大學EMBA及上海大學兼職教授、西安工程大學客座教授。



Mr. Dong also holds social positions including Council Member of China Overseas Exchange Association (中國海外交流協會), overseas member of All-China Federation of Returned Overseas Chinese (中國僑聯), Vice Chairman of Supervisory Board of China Overseas Chinese Entrepreneurs Association (中國僑商投資企業協會), Honorary Chairman of the Chinese CEO Organization (美中工商協會), Honorary Chairman of American Chinese National Chamber of Commerce (美國華人總商會), Vice Chairman of Anhui Province Overseas Exchange Association (安徽省海外交流協會), Honorary Chairman of Shenzhen Federation of Returned Overseas Chinese (深圳僑聯), Council Member of Harmony Club of Shenzhen (深圳市同心俱樂部), and Vice President of Guangdong High-Tech Industry Chamber.

Mr. Dong personally did not hold any share options in the Company as at 31 December 2017.

ZHAO Huan (趙歡), aged 41, is an executive director and chief executive officer of the Company. Ms. Zhao has been appointed as executive director since 11 June 2010.

Ms. Zhao graduated from Guangdong Economics Management Cadre College specializing in Finance in 1996 and from the University of Hertfordshire in the UK in 2004 with a Master of Arts degree in International Business.

Ms. Zhao is experienced in international sales and management. Ms. Zhao first joined the Group in 2004 as a foreign trade officer. She was subsequently promoted to foreign trade manager, deputy general manager of foreign trade department, vice president and finally to her current position, in which her responsibilities focus more on the overall management and strategic development of the Group.

Ms. Zhao personally held 1,800,000 share options in the Company as at 31 December 2017.

董先生亦擔任社會職務，包括中國海外交流協會理事、中國僑聯委員會海外委員、中國僑商投資企業協會副監事長、美中工商協會榮譽會長、美國華人總商會榮譽會長、安徽省海外交流協會副會長、深圳僑聯榮譽主席、深圳市同心俱樂部理事、廣東高科技產業商會常務副會長。

截至二零一七年十二月三十一日，董先生個人並無持有本公司購股權。

趙歡，41歲，本公司執行董事兼行政總裁。趙女士從二零一零年六月十一日起獲委任為執行董事。

趙女士於一九九六年畢業於廣東省經濟管理幹部學院，主修金融，並於二零零四年獲得英國赫特福德大學國際商業文學碩士學位。

趙女士擁有豐富的國際銷售及管理經驗。趙女士於二零零四年加入本集團，起初擔任外貿業務員，其後獲晉升為外貿業務經理、外貿部副總經理、副總裁及最終擔任現有的職位，職責更專注於本集團的整體管理及策略發展。

截至二零一七年十二月三十一日，趙女士個人持有1,800,000份本公司的購股權。

Non-executive Director

Philip Armstrong NOZNESKY, aged 77, is a non-executive director of the Company and former president of Leoch Battery Corporation; a wholly owned subsidiary of the Group. Mr. Noznesky served as an executive director from June 2010 to August 2016. He has been a non-executive director since September 2016.

Mr. Noznesky graduated from Xavier University in 1962 with a Bachelor's degree in Sciences and obtained a Master of Arts degree in Russian History from Georgetown University in 1965. He joined the Group in 2007 as president of Leoch Battery Corp. in charge of the sale and distribution of our products in the U.S. market.

Before joining the Group, Mr. Noznesky served in executive management positions with a number of major battery manufacturers; among them General Battery Corporation, GNB Inc. and Accumuladores Mexicanas. He has over 40 years of management experience in the global battery industry.

Mr. Noznesky personally held 1,500,000 share options and 400,000 shares in the Company as at 31 December 2017 respectively.

非執行董事

Philip Armstrong NOZNESKY，77歲，本公司非執行董事，以及Leoch Battery Corporation（本集團全資附屬公司）的前任總裁（二零一零年六月至二零一六年八月在任）。Noznesky先生自二零一六年九月起獲委任為非執行董事。

Noznesky先生於一九六二年獲得賽維爾大學理學學士學位及於一九六五年獲得喬治城大學俄國歷史文學碩士學位。他於二零零七年加入本集團，擔任Leoch Battery Corp.總裁，負責在美國市場銷售及分銷本公司產品。

加盟本集團前，Noznesky先生曾在電池行業其他公司擔任管理層，包括通用電池公司、GNB Inc.及Accumuladores Mexicanas。他在美國市場銷售電池方面擁有超過40年的經驗。

截至二零一七年十二月三十一日，Noznesky先生個人分別持有本公司1,500,000份購股權及400,000股股份。



Independent Non-executive Directors

LAU Chi Kit (劉智傑), aged 73, has been appointed as an independent non-executive director, the chairman of the remuneration committee, a member of the nomination committee and a member of the audit committee of the Company since 17 September 2014.

He retired from The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) in December 2000 after more than 35 years’ of service. Among the senior positions in HSBC, he was the Assistant General Manager and Head of Personal Banking Hong Kong and Assistant General Manager and Head of Strategic Implementation, Asia-Pacific Region. He is a Fellow of the Hong Kong Institute of Bankers (“**Institute**”). He was the chairman of the Institute’s Executive Committee (from January 1999 to December 2000) and is currently an Honorary Advisor of the Institute’s Executive Committee. He served as a member on a number of committees appointed by the Government of Hong Kong Special Administration Region, including the Advisory Council on the Environment (from October 1998 to December 2001), the Advisory Committee on Human Resources Development in the Financial Services Sector (from June 2000 to May 2001), the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption (from January 2000 to December 2003), the Environment and Conservation Fund Committee (from August 2000 to October 2006), the Innovation and Technology Fund (Environment) Projects Vetting Committee (from January 2000 to December 2004) and the Law Reform Commission’s Privacy Sub-committee (from February 1990 to March 2006). He also served as Chairman of the Business Environment Council Ltd. (from September 1998 to December 2001).

獨立非執行董事

劉智傑，73歲，自二零一四年九月十七日起獲委任為本公司獨立非執行董事、薪酬委員會主席、提名委員會成員及審核委員會成員。

劉先生服務香港上海滙豐銀行有限公司（「滙豐銀行」）逾35年後，於二零零零年十二月退休。於滙豐銀行擔任之各主要職務中，彼曾任職副總經理兼香港個人銀行業務主管及亞太區副總經理兼策略執行業務主管。彼為香港銀行學會（「學會」）資深會士。彼曾於學會之理事會擔任主席（自一九九九年一月至二零零零年十二月），現時擔任學會理事會之榮譽顧問。彼先後獲香港特別行政區政府委任服務多個委員會，包括環境諮詢委員會（自一九九八年十月至二零零一年十二月）、財經界人力資源諮詢委員會（自二零零零年六月至二零零一年五月）、廉政公署防止貪污諮詢委員會（自二零零零年一月至二零零三年十二月）、環境及自然保育基金委員會（自二零零零年八月至二零零六年十月）、創新及科技基金環境項目評審委員會（自二零零零年一月至二零零四年十二月）及香港法律改革委員會私隱問題小組委員會（自一九九零年二月至二零零六年三月）。彼亦曾出任商界環保協會有限公司主席（自一九九八年九月至二零零一年十二月）。



Directors and Senior Management 董事及高級管理層

Currently, he is also an executive director of Chinlink International Holdings Limited (stock code: 997) and is an independent non executive director of Royale Furniture Holdings Limited (stock code: 1198), Century Sunshine Group Holdings Limited (stock code: 509), Janco Holdings Limited (stock code: 8035), Hin Sang Group (International) Holding Co Ltd (stock code: 6893). The shares of Chinlink International Holdings Limited, Royale Furniture Holdings Limited, Century Sunshine Group Holdings Limited, Hin Sang Group (International) Holding Co Ltd, are listed on the Main Board and Janco Holdings Limited on the GEM Board of The Stock Exchange of Hong Kong. He retired from Hua Long Jin Kong Company Limited (formerly known as Highlight China IOT International Limited) (stock code: 1682) as an executive director in 2017.

Mr. Lau personally held 300,000 share options in the Company as at 31 December 2017.

彼現亦為普匯中金國際控股有限公司（股份代號：997）之執行董事及皇朝傢俬控股有限公司（股份代號：1198）、世紀陽光集團控股有限公司（股份代號：509）、駿高控股有限公司（股份代號：8035）、及衍生集團（國際）控股有限公司（股份代號：6893）之非執行董事。普匯中金國際控股有限公司、皇朝傢俬控股有限公司、世紀陽光集團控股有限公司及衍生集團（國際）控股有限公司之股份於香港聯合交易所有限公司主板上市，駿高控股有限公司於GEM上市。彼於二零一七年以執行董事身份從華隆金控有限公司（前稱高銳中國物聯網國際有限公司）（股份代號：1682）退休。

截至二零一七年十二月三十一日，劉先生個人持有300,000份本公司的購股權。



CAO Yixiong Alan (曹亦雄), aged 49, has been appointed as an independent non-executive director, chairman of the audit committee and a member of remuneration committee of the Company since 14 October 2010.

Mr. Cao holds a Bachelor's degree in Accounting from Sonoma State University and an MBA degree from the Anderson School of the University of California, Los Angeles. He worked at the auditing department of Coopers & Lybrand between 1993 and 1996, and obtained his CPA license (California, United States) in 1996. From 1997 to 2002, he worked at J.P. Morgan and Merrill Lynch in their respective private banking divisions. Since 2002, he has been the Executive Director of Etech Capital, a subsidiary of Etech Securities, Inc., responsible for its Greater China private equity advisory business. He is also currently the Chief Executive Officer, Director and Founding Partner of Shanghai Great Wall Etech Capital Management Company, a joint venture between China Great Wall Asset Management Company, one of the largest Chinese asset management companies, and Etech Group. Mr. Cao is also currently the Chairman of the Board of Supervisors of Chongqing Tongli Heavy Machinery Manufacturing Co., LTD.

Mr. Cao personally held 300,000 share options in the Company as at 31 December 2017.

曹亦雄，49歲，自二零一零年十月十四日起獲委任為本公司獨立非執行董事、審核委員會主席及薪酬委員會成員。

曹先生持有加州州立索諾瑪大學頒授的會計學士學位，以及加州大學洛杉磯分校安德森商學院頒授的工商管理碩士學位。曹先生於一九九三年至一九九六年在Coopers & Lybrand的審計部門工作，並於一九九六年取得美國加州的註冊會計師執照。由一九九七年至二零零二年，他分別於J.P.摩根及美林證券公司私人銀行部工作。自二零零二年起，他便擔任美國億泰證券集團的附屬公司億泰資本的執行董事，負責大中華區私募股權投資諮詢業務。他目前亦是上海長城億泰股權投資管理有限公司（中國最大資產管理公司之一的中國長城資產管理公司及美國億泰集團的合營企業）的行政總裁、董事兼發起合夥人。曹先生目前亦是重慶同力重型機器製造有限公司監事會的主席。

截至二零一七年十二月三十一日，曹先生個人持有300,000份本公司的購股權。



Directors and Senior Management 董事及高級管理層

Mr. LIU Yangsheng (劉陽生), aged 71, was appointed as an independent non-executive director and a member of the audit committee as well as the nomination committee on 14 October 2010.

Mr. Liu studied wireless communications at Beijing College of Posts and Telecommunications, the predecessor of Beijing University of Posts and Telecommunications, from 1965 to 1970.

After that, he worked at Beijing College of Posts and Telecommunications for more than 10 years until 1984. Mr. Liu joined the Ministry of Posts and Telecommunications, the predecessor of Ministry of Industry and Information Technology, in 1984, and served as the director of the cadre members department, and deputy director and then director of the human resources department. Mr. Liu retired from the Ministry of Information Industry, the predecessor of Ministry of Industry and Information Technology, in 2007. Ministry of Industry and Information Technology is responsible for the overall management such as promulgation of industry policies and strategies, implementation of laws and regulations, and assessment for approvals and permits of the telecommunication industry in the PRC which covers aspects of telecommunication equipment such as telecommunication batteries. Therefore, during his time with Ministry of Industry and Information Technology and its predecessor, Mr. Liu had the experience in working in the telecommunication battery area. Mr. Liu is now the chairman of Cosmos Posts & Telecommunications International Leasing Co., Ltd. (環宇郵電國際租賃有限公司) and a supervisor of Viton Wireless Technology AG, a company listed on the Frankfurt Stock Exchange (stock code: CHEN99).

Mr. Liu personally held 300,000 share options in the Company as at 31 December 2017.

劉陽生先生，71歲，自二零一零年十月十四日起獲委任為本公司獨立非執行董事以及審核委員會及提名委員會成員。

由一九六五年至一九七零年，劉先生於北京郵電學院（北京郵電大學的前身）修讀無線通訊。

直至一九八四年為止，劉先生於北京郵電學院工作超過10年。劉先生於一九八四年加入郵電部（工業和信息化部的前身），並曾擔任幹部處處長和人事處副處長及隨後擔任處長。劉先生於二零零七年在信息產業部（工業和信息化部的前身）退休。工業和信息化部負責整體管理，如頒佈行業政策及策略、實施法律及法規，以及評估中國電信行業涵蓋電信電池等電信設備方面的批准及許可。因此，在他任職期間，劉先生擁有電信電池方面的經驗。劉先生目前擔任環宇郵電國際租賃有限公司的董事長，亦擔任Viton Wireless Technology AG（一間在法蘭克福證券交易所上市的公司）（股份代號：CHEN99）的監事。

截至二零一七年十二月三十一日，劉先生個人持有300,000份本公司的購股權。



Chief Financial Officer and Company Secretary

Mr. CHOW Kam Keung Albert, aged 53, joined the Company as chief financial officer and company secretary in 1 November 2015.

Mr. Chow has over 30 years of experience in accounting, auditing, tax, information system, corporate finance and management. Prior to joining the Company, he had held various senior positions with public companies listed in Hong Kong which mostly are manufacturing enterprises. Mr. Chow obtained a Bachelor's degree in Business Administration with double majors in Accounting and Management Information Systems in 1986 and a Master's degree in Accounting in 1987 from the University of Hawaii in the United States. He is a member of The Hong Kong Institute of Certified Public Accountants, a CFA charter holder and a member of the Chinese Institute of Certified Public Accountants.

首席財務官及公司秘書

周錦強先生，53歲，自二零一五年十一月一日起加入本公司擔任首席財務官及公司秘書。

周先生擁有超過30年的會計、審計、稅務、資訊系統、企業財務及管理經驗。於加入本公司前，彼曾在於香港上市的多家上市公司（大多為製造企業）擔任多個高級職位。周先生於一九八六年持有美國夏威夷大學工商管理學士學位，主修會計及資訊系統管理學，並於一九八七年擁有會計碩士學位。彼為香港會計師公會會員、特許財經分析師(CFA charter holder)及中國註冊會計師協會會員。



Report of the Directors

董事會報告

The Board is pleased to submit the annual report together with the consolidated financial statements for the year ended 31 December 2017 which have been audited by the Company's auditor Ernst & Young and reviewed by the audit committee of the Company.

Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries as at 31 December 2017 are set out in note 1 to the financial statements.

An analysis of the Group's performance for the year by operating segments is set out in note 4 to the financial statements.

Key Risks and Uncertainties

Risks and uncertainties involved in the business operations of the Group may affect the Group's financial conditions or growth prospects. The Group has been focusing on the control of risks and uncertainties with the aim of understanding and addressing the concerns of stakeholders. Key risk factors and uncertainties affecting the Group are outlined below:

- 1) Substantially all of our revenue is derived from batteries using lead-acid technology. If the lead-acid battery market does not grow at the rate we expect or at all, or if lead-acid technology is replaced by another technology, our business, profitability and future prospects may be materially and adversely affected;
- 2) The recent array of tariffs against numerous countries by the US government and the tariff plans for up to USD50 billion in Chinese imports, any global economic downturn, or changes in the economic, political and social conditions in the PRC may have an adverse effect on our business, financial condition, results of operations and prospects;

董事會欣然提呈已經由本公司核數師安永會計師事務所審核及本公司審核委員會審核截至二零一七年十二月三十一日止年度的年度報告及綜合財務報表。

主要業務及營運地區分析

本公司的主要業務為投資控股。本公司的附屬公司於二零一七年十二月三十一日的主要業務載於財務報表附註1。

年內按業務分部劃分的本集團表現分析載於財務報表附註4。

主要風險及不確定因素

本集團業務營運所涉及的風險及不確定因素可能會影響本集團的財務狀況或發展前景。在處理此等風險及不確定因素時，本集團一直致力於控制風險及不確定因素，以了解及解決股份持有人的擔憂。影響本集團的主要風險及不確定因素概述於下文：

- 1) 我們大部分的收益來自使用鉛酸技術的電池。倘鉛酸蓄電池市場未按我們預期的速度增長，或根本沒有增長，或倘鉛酸技術被其他技術取代，我們的業務、盈利能力及日後前景可能會受到重大不利影響；
- 2) 美國政府近期針對多個國家提出一系列的關稅及針對中國進口高達500億美元的關稅計劃、全球經濟低迷或中國經濟、政治及社會狀況發生變化，可能會對我們的業務、財務狀況、經營業績及前景產生不利影響；



- | | |
|---|--|
| <p>3) If we are unable to successfully develop new technology or new products, our business, results of operations and prospects may be adversely affected;</p> | <p>3) 倘我們不能成功開發新技術或新產品，我們的業務、經營業績及前景可能受到不利影響；</p> |
| <p>4) We derive a significant portion of our income from our major customers, particularly UPS and telecommunications customers, and we have no long-term sales contracts with our customers. Our results of operations could be adversely affected if we lose these customers;</p> | <p>4) 我們從主要客戶，尤其是UPS及通訊客戶取得絕大部分收入，及我們並無與客戶簽訂任何長期合約。倘我們失去該等客戶，我們的經營業績可能受到不利影響；</p> |
| <p>5) We face intense competition in our major markets and continuing pressure to reduce our production costs to remain price competitive;</p> | <p>5) 我們面臨主要市場的激烈競爭及降低生產成本以保持價格具有競爭力的持續壓力；</p> |
| <p>6) Fluctuations in the prices of raw materials, such as lead, could materially and adversely affect our results of operations; in addition, we rely on our major suppliers for our primary raw materials. Our operations could be affected if our major suppliers are not able to supply raw materials as scheduled. More information on major suppliers is set out on page 63 under the heading “Major Suppliers and Customers” of the Report of Directors.</p> | <p>6) 鉛等原材料價格變動，可能對我們的經營業績產生重大不利影響；此外，我們依賴主要供應商供應主要原材料。倘主要供應商不能按計劃供應原材料，我們的業務營運可能受到影響。有關主要供應商的更多資料載於第63頁的本董事會報告「主要供應商及客戶」一節。</p> |

These factors are not exhaustive or comprehensive, and there may be other risks in addition to those shown above which are not known to the Group or which may not be material now but could become material in the future.

此等因素非巨細無遺亦非全面，除上文所示者外，亦可能存在本集團未知或現時非重大但日後可能變成重大的其他風險。

Results and Appropriations

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss on page 92 and consolidated statement of comprehensive income on pages 93.

To reserve fund for acceleration of production capacity expansion, the Board did not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: 5.50 HK cents per share).

業績及股息分派

本集團截至二零一七年十二月三十一日止年度的業績載於第92頁的綜合損益表及93頁的綜合全面收益表。

為了預留資金以加快推進產能擴張，董事會不建議派付截至二零一七年十二月三十一日止年度的末期股息（二零一六年：每股5.50港仙）。

Business Review

A review of the business of the Group during the year and a discussion on the Group's future business development, possible risks and uncertainties that the Group may be facing and an analysis of the performance of the Group during the year using key financial performance indicators are set out in the headed "Management Discussion and Analysis" on pages 11 to 33 of the annual report.

Discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are set out below:

Environmental Policies and Performance (Environmental Protection)

The Group is committed to safety and environmental protection and has implemented stringent environment protection policies to uphold high standards of operating practices.

Pursuant to the applicable environmental laws and regulations in PRC, the Group installed environmental protection equipment in all of our production facilities for the removal of lead dust and particles generated during our production process in order to minimize the amount of pollutants in the air. The equipment includes ventilation systems, dust absorbing and removing systems, acidic mist and lead fumes purifying machines and fresh air pipelines.

The Group installed waste water treatment facilities at our production facilities. The water treatment facility neutralizes the waste water and removes its lead content in accordance with the applicable environmental standards in PRC. At our Zhaoqing and Anhui production facilities, the purified water is collected and reused in our production process, thus achieving "zero discharge".

業務回顧

本集團年內之業務回顧、有關本集團未來業務發展之討論、本集團可能面臨之潛在風險及不確定因素以及年內使用主要財務表現指標對本集團業績進行之分析載於年報第11至33頁「管理層討論及分析」一節。

有關本集團環境政策之討論、與主要利益相關人士之關係及遵守對本集團產生重大影響之相關法律法規載於下文：

環境政策及表現（環境保護）

本集團致力於安全及環境保護並已執行嚴格之環保政策以維持高標準的經營慣例。

根據中國的適用環境法律及法規，本集團已在我們的所有生產設施內安裝環保設備，以去除生產過程中產生的鉛灰塵及顆粒，藉以將空氣中污染物的數量降至最低。有關設備包括通風系統、灰塵吸附及去除系統、酸霧及鉛煙塵淨化器及新鮮空氣管道。

本集團已在我們的生產設施內安裝廢水處理設施。根據中國適用的環保準則，廢水處理設施會中和廢水並去除其含鉛量。在肇慶及安徽的生產設施，淨化後的水會收集並在我們的生產過程中重複使用，從而實現「零排放」。



Our PRC factories management constantly control and monitor the waste level. Monitoring systems that provide ontime reading is connected to local government authorities in charge of environment protection for real-time monitoring purpose.

During the Period, the Group provided sufficient resources to upgrade and enhance the level of environmental protection. Most of our factories have passed the environment protection inspection in 2017 with one factory entered the list of approval of industry access inspection released by the Ministry of Industry and Information Technology.

Compliance with laws and regulations

Compliance procedure are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The Group holds high standards of operating practices and complies with the relevant standards. The Group has stringent requirements to maintain high levels of quality control and responsible business practices. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units on a timely basis to ensure that adjustments are made in our procedures and operations to reflect such changes.

During the year ended 31 December 2017, the Group has complied with the relevant laws and regulations that have a significant impact on the operations of the Group.

Relationship with Employees, Suppliers and Customers

The Group believes that employees are important asset and provides competitive remuneration packages to attract and retain employees. The management regularly reviews the Group's remuneration to its employees to be up to prevailing market standards. Furthermore, the Group provides employee training programs to polish their skills and knowledge and a number of staff activities to enhance employees' sense of belonging and to help create a friendly and harmonious working environment.

我們的中國工廠管理層不斷控制及監控廢水水平。提供實時讀取的監控系統與主管環保的地方政府當局相聯，以進行實時監控。

於期內，本集團已提供充足資金對環境保護水平進行升級及改造。於二零一七年，我們的大部分工廠已通過環保檢查，其中一家工廠名列工業和信息化部公佈的通過行業准入核名名單。

遵守法律法規

本集團已實施合規程序，以確保遵守適用法律、規則及法規，尤其是對本集團具有重大影響者。本集團維持高標準的營運常規，並遵守相關標準。本集團制定嚴格要求，維持高水平的質量管控，並負責相關業務實務。相關僱員及相關營運單位會及時獲悉適用法律、規則及法規所發生之任何變動，以確保我們的程序及營運已針對相關變動作出調整。

截至二零一七年十二月三十一日止年度，本集團已遵守對本集團經營有重大影響之相關法律及法規。

與僱員、供應商及客戶之關係

本集團認為，僱員為寶貴資產，為吸引及挽留僱員，本集團提供具競爭力之薪酬待遇。管理層定期檢討僱員薪酬，確保符合當時市場標準。此外，本集團向客戶提供培訓計劃、打磨彼等技能及知識，並開展多項員工活動，提升僱員的歸屬感，創造和諧友愛的工作環境。

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its long-term goals and development. To maintain its brand competitiveness and dominant status, the Group aims at delivering constantly high standards of quality in the service to its customers. During the year ended 31 December 2017, there was no material and significant dispute between the Group and its suppliers and/or customers.

Reserves

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 96 to 97 and in note 45 to the financial statements.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in note 13 to the financial statements.

Share Capital

Details of the movements in share capital of the Company are set out in note 32 to the financial statements.

Distributable Reserves

The Company's reserves available for distribution comprise the share premium account and shareholder's contribution less accumulated losses. As at 31 December 2017, the reserves of the Company available for distribution to shareholders amounted to approximately RMB1,351.5 million (2016: approximately RMB1,519.0 million).

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company's articles of association (the "**Articles of Association**") or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

本集團亦了解與其供應商及客戶保持良好關係對達到其長期目標及發展十分重要。為維持其品牌競爭力以及主導地位，本集團致力向其客戶提供一貫之優質服務。截至二零一七年十二月三十一日止年度，本集團與其供應商及／或客戶之間概無嚴重及重大糾紛。

儲備

本集團及本公司年內的儲備變動詳情載於第96至97頁的綜合權益變動表及財務報表附註45。

物業、廠房及設備

本集團的物業、廠房及設備變動的詳情載於財務報表附註13。

股本

本公司股本的變動詳情載於財務報表附註32。

可分派儲備

本公司可供分派的儲備包括股份溢價賬及股東出資額減累計虧損。於二零一七年十二月三十一日，本公司可分派予股東的儲備約為人民幣1,351.5百萬元（二零一六年：約人民幣1,519.0百萬元）。

優先認購權

本公司的組織章程細則（「**章程細則**」）或開曼群島法例並無有關優先認購權的條文，致使本公司須按比例向現有股東發售新股份。



Five-Year Financial Summary

A summary of the results of the Group and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on pages 275 to 276 of this annual report.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares for the year ended 31 December 2017.

Directors

The directors of the Company (the "Directors") during the year and up to the date of this report were:

Executive Directors

Mr. DONG Li (*Chairman*)
Ms. ZHAO Huan (*Chief Executive Officer*)

Non-Executive Director

Mr. Philip Armstrong NOZNESKY

Independent non-executive Directors

Mr. LIU Yangsheng
Mr. CAO Yixiong Alan
Mr. LAU Chi Kit
Dr. GONG Fangxiong (resigned on 16 June 2017)

In accordance with the Articles of Association, Mr. DONG Li and Mr. LAU Chi Kit will retire and, being eligible, offer themselves for re-election, at the forthcoming annual general meeting of the Company.

There is no financial, business, family or other material/relevant relationship between the Directors.

五年財務概要

本集團過去五個財政年度的業績及本集團的資產、負債及非控股權益的概要載於本公司本年度報告第275至276頁。

購買、出售或贖回股份

截至二零一七年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何股份。

董事

年內及截至本報告日期的本公司董事（「董事」）如下：

執行董事

董李先生（主席）
趙歡女士（行政總裁）

非執行董事

Philip Armstrong NOZNESKY先生

獨立非執行董事

劉陽生先生
曹亦雄先生
劉智傑先生
龔方雄博士（二零一七年六月十六日辭任）

根據章程細則，董李先生及劉智傑先生將於本公司應屆股東週年大會上告退及合資格膺選連任。

董事之間並無存在財務、業務、家族或其他重大／相關關係。

Directors' Service Contracts

Each of the executive Directors has entered into a service contract with the Company for a term of three years from 17 November 2016, which may be terminated by not less than three months' notice in writing served by either party.

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

Permitted Indemnity

Subject to the applicable laws, every director and other officers of the Company shall be entitled to be indemnified by the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur in the execution and discharge of his or her duties or in relation thereto pursuant to the Company's Articles of Association. Such provisions were in force during the course of the financial year ended 31 December 2017 and remained in force as of the date of this report.

The Group has also taken out and maintained directors' liability insurance throughout the year.

Biographical Details of Directors and Senior Management

Brief biographical details of the Directors and senior management members of the Group are set out on pages 34 to 41 in the annual report of the Company.

Changes in Information of Directors

The Company is not aware of other changes in the Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

董事服務合約

各執行董事與本公司訂立服務合約，由二零一六年十一月十七日起計為期三年，除非其中一方發出不少於三個月的書面通知終止有關合約。

擬於應屆股東週年大會上重選的董事，概無與本公司訂立不可於一年內終止而無須支付補償（法定補償除外）的服務合約。

獲准許彌償

根據適用法律，本公司每名董事或其他高級人員有權獲得本公司就其根據組織章程細則執行及履行其職責或就此可能產生之所有訴訟、成本、費用、損失、損害賠償及開支而作出之彌償。該等條文於截至二零一七年十二月三十一日止財政年度生效及截至本報告日期仍具效力。

本集團亦已於整個年內投購及維持董事責任保險。

董事及高級管理層履歷詳情

董事及本集團高級管理層成員履歷詳情載於本公司年度報告第34頁至41頁。

董事資料變動

本公司並不知悉董事資料之其他變更須根據上市規則第13.51B(1)條作出披露。



Remuneration Policy

The remuneration policy for the Directors and senior management members of the Group was based on qualifications, years of experiences and the performance of individual employees and are reviewed regularly.

Details of the remuneration of the Directors and five highest paid employees are set out in notes 8 and 9 to the financial statements.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed in note 33 to the financial statements about the Company's share option schemes, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Directors Interest in Transaction, Arrangement or Contract of Significance

Save as disclosed under the section headed "Connected Transactions" below, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or entity connected with the Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

薪酬政策

本集團董事及高級管理層成員的薪酬政策乃根據資歷、年資及員工個人表現而建立並定期檢討。

董事薪酬及五名最高薪酬僱員薪酬詳情載於財務報表附註8和9。

董事購買股份或債券之權利

除於財務報表附註33就本公司購股權計劃所披露者外，於年內任何時間，各董事或彼等各自之配偶或未成年子女並無獲授或行使可藉收購本公司股份或債券而獲利之權利，且本公司或其任何控股公司、附屬公司或同系附屬公司亦無訂立任何安排而使董事可收購任何其他法人團體之權利。

董事於重大交易、安排或合約的權益

除下文「關連交易」一節所披露者外，本公司及其任何附屬公司於本年度結束時或於年內任何時間概無就本集團業務訂立任何董事或與董事有關連之實體直接或間接擁有重大利益的重要交易、安排或合約。

Directors' Interests and Short Positions in Shares

As at 31 December 2017, the interests and short positions of each Director and chief executives of the Company in the shares of the Company which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required under Section 352 of the SFO, to be entered in the register required to be kept by the Company referred to in that section; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in the Listing Rules were as follows:

董事於股份的權益及淡倉

於二零一七年十二月三十一日，本公司董事及主要行政人員各自於本公司股份中擁有(a)根據證券及期貨條例第XV部第7及8部分須知會本公司及聯交所的權益及淡倉；或(b)根據證券及期貨條例第352條須記錄於該條所述本公司須存置之登記冊的權益及淡倉；或(c)根據上市規則所載，上市發行人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及淡倉如下：

Name of Director	Nature of Interest	Number and class of securities*	Number and class of securities subject to options granted under the Pre-IPO Share Option Scheme 受根據首次公開發售前購股權計劃授出的購股權所限的證券數目及類別	Number and class of securities subject to options granted under the Share Option Scheme 受根據購股權計劃授出的購股權所限的證券數目及類別	Total	Approximate percentage of shareholding ^②
董事姓名	權益性質	證券數目及類別*	證券數目及類別	證券數目及類別	合計	概約持股百分比 ^②
Mr. DONG Li	Interest under a trust	1,003,059,000 ⁽¹⁾ (L)	-	-	1,003,059,000	73.90%
董李先生	信託項下的權益					
Ms. ZHAO Huan	Beneficial Owner	-	1,500,000 ⁽²⁾ (L)	300,000 ⁽³⁾ (L)	1,800,000	0.13%
趙歡女士	實益擁有人					
Mr. Philip Armstrong NOZNESKY	Beneficial Owner	400,000(L)	1,500,000 ⁽⁴⁾ (L)	-	1,900,000	0.14%
Philip Armstrong NOZNESKY先生	實益擁有人					
Mr. LIU Yangsheng	Beneficial Owner	-	-	300,000 ⁽⁵⁾ (L)	300,000	0.02%
劉陽生先生	實益擁有人					
Mr. CAO Yixiong Alan	Beneficial Owner	-	-	300,000 ⁽⁶⁾ (L)	300,000	0.02%
曹亦雄先生	實益擁有人					
Mr. LAU Chi Kit	Beneficial Owner	-	-	300,000 ⁽⁷⁾ (L)	300,000	0.02%
劉智傑先生	實益擁有人					

* The letter "L" denotes long position of the shareholder in the Shares.

* 「L」代表股東於股份中的好倉。



Notes:

- (1) Mr. DONG Li is deemed to be interested in 1,003,059,000 shares held by Master Alliance Investment Limited, a company wholly owned by Jingle Bells Group Limited, which is in turn wholly owned by DB International Trust (Singapore) Limited. DB International Trust (Singapore) Limited is the trustee of a discretionary trust established by Mr. DONG Li and the beneficiaries of such trust are family members of Mr. DONG Li. On 21 March 2018, Jingle Bells Group Limited transferred its entire shareholding in Master Alliance Investment Limited to Mr. Dong. Mr. Dong is therefore deemed to be interested in 1,003,059,000 Shares held by Master Alliance Investment Limited.
- (2) Ms. ZHAO Huan has been granted options for 1,500,000 shares under the Pre-IPO Share Option Scheme. Please see "Share Option" below for further details of the Pre-IPO Share Option Scheme.
- (3) Ms. ZHAO Huan has been granted options for 300,000 shares under the Share Option Scheme. Please see "Share Option" below for further details of the Share Option Scheme.
- (4) Mr. Philip Armstrong NOZNESKY has been granted options for 1,500,000 shares under the Pre-IPO Share Option Scheme. Please see "Share Option" below for further details of the Pre-IPO Share Option Scheme.
- (5) Mr. LIU Yangsheng has been granted options for 300,000 shares under the Share Option Scheme. Please see "Share Option" below for further details of the Share Option Scheme.
- (6) Mr. CAO Yixiong Alan has been granted options for 300,000 shares under the Share Option Scheme. Please see "Share Option" below for further details of the Share Option Scheme.
- (7) Mr. LAU Chi Kit has been granted options for 300,000 shares under the Share Option Scheme. Please see "Share Option" below for further details of the Share Option Scheme.
- (8) This is based on 1,357,271,666 Shares, being the number of issued Shares as at 31 December 2017.

附註：

- (1) 董李先生被視為於Master Alliance Investment Limited (Jingle Bells Group Limited全資擁有之公司)持有的1,003,059,000股股份中擁有權益，而Jingle Bells Group Limited則由DB International Trust (Singapore) Limited全資擁有。DB International Trust (Singapore) Limited則為董李先生所成立的全權信託之受託人，該信託的受益人為董李先生的家族成員。於二零一八年三月二十一日，Jingle Bells Group Limited向董先生轉讓其於Master Alliance Investment Limited的全部股權。故董先生被視為於Master Alliance Investment Limited持有的1,003,059,000股股份中擁有權益。
- (2) 根據首次公開發售前購股權計劃，趙歡女士已獲授出1,500,000股股份的購股權。首次公開發售前購股權計劃的進一步詳情見下述「購股權」。
- (3) 根據購股權計劃，趙歡女士已獲授出300,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」。
- (4) 根據首次公開發售前購股權計劃，Philip Armstrong NOZNESKY先生已獲授出1,500,000股股份的購股權。首次公開發售前購股權計劃的進一步詳情見下述「購股權」。
- (5) 根據購股權計劃，劉陽生先生已獲授出300,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」。
- (6) 根據購股權計劃，曹亦雄先生已獲授出300,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」。
- (7) 根據購股權計劃，劉智傑先生已獲授出300,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」。
- (8) 該百分比乃以1,357,271,666股股份（即於二零一七年十二月三十一日已發行的股份數目）為基礎計算。

Save as disclosed above, as at 31 December 2017, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, nor had there been any grant or exercise of rights of such interests during the year ended 31 December 2017.

Share Option

A. Pre-IPO Share Option Scheme

Pursuant to the resolutions in writing passed by all shareholders of the Company on 25 May 2010, the Company approved and adopted a share option scheme (the “**Pre-IPO Share Option Scheme**”) for the purpose of providing incentive or reward to selected participants for their contribution to, and continuing efforts to promote the interests of, the Company and enabling the Group to recruit and retain high-calibre employees. The number of shares which may be issued pursuant to the outstanding share options (i.e. options which have been granted but not yet lapsed or exercised) under the Pre-IPO Share Option Scheme as at 31 December 2017 was 17,365,000 shares (representing approximately 1.3% of the Company’s total issued share capital as at that date). No further options will be granted under the Pre-IPO Share Option Scheme.

Details of the Pre-IPO Share Option Scheme are disclosed in note 33 to the financial statements.

除上文所披露者外，於二零一七年十二月三十一日，概無本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中，擁有已記錄於本公司根據證券及期貨條例第352條存置的登記冊內的任何權益或淡倉，或擁有已根據標準守則知會本公司及聯交所的任何權益或淡倉，而於截至二零一七年十二月三十一日止年度內，亦概無授出或行使任何有關權益的權利。

購股權

A. 首次公開發售前購股權計劃

根據本公司全體股東於二零一零年五月二十五日通過的一項書面決議案，本公司批准及採納購股權計劃（「**首次公開發售前購股權計劃**」），為甄選的參與者提供激勵或回報，以獎勵他們為本公司的利益作出貢獻和持續效力，並讓本集團得以招聘和挽留優質的僱員。於二零一七年十二月三十一日，根據首次公開發售前購股權計劃項下之尚未行使購股權（即已授出但尚未失效或行使之購股權）可予發行之股份數目為17,365,000股（相當於本公司於當日的已發行股本總額約1.3%）。本公司將不會再根據首次公開發售前購股權計劃授出購股權。

首次公開發售前購股權計劃的詳情於財務報表附註33披露。



B. Share Option Scheme

Pursuant to the resolutions in writing passed by all shareholders of the Company on 14 October 2010, the Company approved and adopted another share option scheme (the “**Share Option Scheme**”) for the purpose of providing incentive or reward to selected participants for their contribution to, and continuing efforts to promote the interests of, the Company and for such other purposes as the Board may approve from time to time. The number of shares which may be issued pursuant to the outstanding share options (i.e. options which have been granted but not yet lapsed or exercised) under the Share Option Scheme as at 31 December 2017 was 29,174,000 shares (representing approximately 2.1% of the issued share capital of the Company as at that date).

Details of the Share Option Scheme are disclosed in note 33 to the financial statements.

B. 購股權計劃

根據本公司全體股東於二零一零年十月十四日通過的一項書面決議案，本公司批准及採納另一項購股權計劃（「**購股權計劃**」），為甄選的參與者提供激勵或回報，以獎勵他們為本公司的利益作出貢獻和持續效力，以及用於董事會不時批准的其他用途。於二零一七年十二月三十一日，根據購股權計劃項下之尚未行使購股權（即已授出但尚未失效或行使之購股權）可予發行之股份數目為29,174,000股（相當於本公司於當日的已發行股本約2.1%）。

購股權計劃的詳情於財務報表附註33披露。

Substantial Shareholders' Interests and Short Positions in Shares

As at 31 December 2017, the following persons (other than the directors and chief executives of the Company) had interests and short positions of 5% or more in the Shares as recorded in the register required to be kept under Section 336 of the SFO:

主要股東的股份權益及淡倉

於二零一七年十二月三十一日，根據按證券及期貨條例第336條所存置的登記冊記錄，下列人士（不包括本公司董事及主要行政人員）持有股份5%或以上的權益及淡倉：

Name of Shareholder 股東名稱	Nature of Interest 權益性質	Number and class of securities* 證券數目及類別*	Approximate percentage of shareholding ⁽³⁾ 概約持股百分比 ⁽³⁾
Master Alliance Investment Limited	Beneficial Owner 實益擁有人	1,003,059,000 (L)	73.90%
Jingle Bells Group Limited ⁽¹⁾	Interest of Controlled Corporation 受控制法團的權益	1,003,059,000 (L)	73.90%
DB International Trust (Singapore) Limited ⁽²⁾	Interest under a Trust 信託項下的權益	1,003,059,000 (L)	73.90%

* The Letter "L" denotes long position of the shareholder in the shares of the Company.

* 「L」代表股東於股份中的好倉。

Notes:

附註：

(1) Jingle Bells Group Limited is deemed to be interested in 1,003,059,000 shares which are held by Master Alliance Investment Limited, a company wholly owned by Jingle Bells Group Limited. On 21 March 2018, Jingle Bells Group Limited transferred its entire shareholding in Master Alliance Investment Limited to Mr. Dong. Mr. Dong is therefore deemed to be interested in 1,003,059,000 Shares held by Master Alliance Investment Limited.

(1) Jingle Bells Group Limited被視為於Master Alliance Investment Limited (Jingle Bells Group Limited全資擁有之公司)擁有的1,003,059,000股股份中擁有權益。於二零一八年三月二十一日，Jingle Bells Group Limited向董先生轉讓其於Master Alliance Investment Limited的全部股權。故董先生被視為於Master Alliance Investment Limited持有的1,003,059,000股股份中擁有權益。

(2) DB International Trust (Singapore) Limited is deemed to be interested in 1,003,059,000 shares held by Master Alliance Investment Limited, a company wholly owned by Jingle Bells Group Limited, which is in turn wholly owned by DB International Trust (Singapore) Limited. DB International Trust (Singapore) Limited is also the trustee of a discretionary trust established by Mr. DONG Li and the beneficiaries of such trust are family members of Mr. DONG Li.

(2) DB International Trust (Singapore) Limited被視為於Master Alliance Investment Limited (由Jingle Bells Group Limited全資擁有之公司)擁有的1,003,059,000股股份中擁有權益，而Jingle Bells Group Limited由DB International Trust (Singapore) Limited全資擁有。DB International Trust (Singapore) Limited亦為由董李先生成立的全權信託的受託人，該信託的受益人為董李先生的家族成員。



(3) This is based on 1,357,271,666 Shares, being the number of issued Shares as at 31 December 2017.

(3) 該百分比乃以1,357,271,666股股份（即於二零一七年十二月三十一日已發行的本公司股份數目）為基礎計算。

Save as disclosed above, at 31 December 2017, no person, other than the Directors whose interests and short positions are set out in the section headed “Directors’ Interests and Short Positions in Shares” above, had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

除上文所披露外，於二零一七年十二月三十一日，概無任何人士（其權益及淡倉載於上文「董事於股份的權益及淡倉」一節的董事除外）於本公司的股份或相關股份中擁有已記錄於本公司根據證券及期貨條例第336條存置的登記冊內的任何權益或淡倉。

Connected Transactions

Details of the Group’s related party transactions for the year ended 31 December 2017 are set out in note 40 to the consolidated financial statements, some of which also constituted connected transactions under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements of Chapter 14A of the Listing Rules in respect of the above-mentioned transactions. The continuing connected transactions and connected transactions entered into by the Group in 2017, which were required to be disclosed under the Listing Rules, are set out as follows:

關連交易

本集團於截至二零一七年十二月三十一日止年度關連人士交易的詳情載於綜合財務報表附註40，部分該等交易亦根據上市規則第14A章構成關連交易。本公司已就上述交易遵守上市規則第14A章的披露規定。本集團於二零一七年進行的持續關連交易及關連交易（須根據上市規則予以披露）載列如下：

A. Continuing connected transaction which is exempted from the independent shareholders' approval requirement, but subject to the reporting, announcement and annual review requirements

Leases with Mr. Dong Li and his Associates

The Company and Mr. DONG Li (our controlling shareholder and executive Director holding about 73.90% of the issued share capital of the Company and thus a connected person) renewed the master leasing agreement dated 8 November 2012 and entered into a new master leasing agreement dated 21 March 2016 (the “**2016 Master Leasing Agreement**”). Pursuant to the 2016 Master Leasing Agreement, members of the Group will lease from Mr. DONG Li and/or his associates properties for the use by members of the Group. Individual tenancy agreement will be entered into between members of the Group and Mr. DONG Li and/or his associates with respect to the leasing arrangement of individual leased property. The 2016 Master Leasing Agreement is for a term of three years from 1 January 2016 to 31 December 2018. Upon expiry of the term, the 2016 Master Leasing Agreement will, subject to the requirements of the Listing Rules, be renewed for further period of three years by mutual agreement. The annual caps for the transactions under the 2016 Master Leasing Agreement for each of the three years ended 31 December 2018 have been set at RMB3.5 million, RMB3.5 million and RMB3.5 million respectively. For the year ended 31 December 2017 the aggregate rent paid by the Group under the 2016 Master Leasing Agreement was approximately RMB3.2 million.

A. 獲豁免遵守獨立股東批准規定但須遵守申報、公佈及年度審閱規定的持續關連交易

與董李先生及其聯繫人士之間的租約

本公司與董李先生（本集團控股股東兼執行董事，彼持有本公司約73.90%之已發行股本，故為本公司關連人士）重續日期為二零一二年十一月八日的主租賃協議並訂立一項日期為二零一六年三月二十一日的新主租賃協議（「**二零一六年主租賃協議**」）。根據二零一六年主租賃協議，本集團成員公司將向董李先生及／或其聯繫人士租賃物業以供本集團成員公司使用。在個別租賃物業的租賃安排方面，個別租賃協議將由本集團成員公司與董李先生及／或其聯繫人士訂立。二零一六年主租賃協議由二零一六年一月一日起計至二零一八年十二月三十一日止，為期三年。於年期屆滿時，在上市規則的規限下，二零一六年主租賃協議將按相互協議而重續三年。截至二零一八年十二月三十一日止三個年度各年，二零一六年主租賃協議項下交易的年度上限分別為人民幣3.5百萬元、人民幣3.5百萬元及人民幣3.5百萬元。截至二零一七年十二月三十一日止年度，本集團根據二零一六年主租賃協議支付的租金總額約為人民幣3.2百萬元。



B. Continuing connected transaction subject to the reporting, announcement, annual review and independent shareholders' approval requirements

(i) Sales of Products to Connected Persons

The Company and Mr. DONG Li renewed the master agreement dated 25 October 2012 and entered into a new master agreement dated 13 October 2015 (the “**2015 Master Sales Agreement**”), which sets out the terms and conditions upon which members of the Group will sell to Mr. DONG Li’s associates, and Mr. DONG Li’s associates will purchase from members of the Group, products including leadacid batteries, mainly start lighting and ignition batteries, reserve power batteries and motive power batteries, and related parts. The products to be sold and purchased under the 2015 Master Sales Agreement shall be at the prevailing market price, namely, the price at which the same type of products is sold by us to independent third parties on normal commercial terms in the ordinary course of business in the PRC. The 2015 Master Sales Agreement is for a term of three years commencing from 1 January 2016 and ending on 31 December 2018. Upon expiry of the term, the 2015 Master Sales Agreement will, subject to the requirements of the Listing Rules, be renewed for further period of three years by mutual agreement. The annual caps for the transactions under the 2015 Master Sales Agreement for each of the three years ending 31 December 2018 have been set at RMB100.0 million, RMB150.0 million and RMB200.0 million respectively. For the year ended 31 December 2017, the aggregate amount received by the Group under the 2015 Master Sales Agreement was approximately RMB84.3 million.

B. 須遵守申報、公佈、年度審閱及獨立股東批准規定的持續關連交易

① 向關連人士銷售產品

本公司與董李先生重續日期為二零一二年十月二十五日的主協議並訂立一項日期為二零一五年十月十三日的新主協議（「二零一五年主銷售協議」），當中載列本集團的成員公司將向董李先生聯繫人士出售，以及董李先生聯繫人士將向本集團成員公司購買包括鉛酸蓄電池（主要為起動照明及點火電池、備用電池及動力電池）和相關零件等產品的條款及條件。根據二零一五年主銷售協議將予出售及購買的產品，將按當時現行市價定價，即我們在中國的一般業務範圍內，按正常商業條款向獨立第三方出售同類產品時所依據的價格。二零一五年主銷售協議由二零一六年一月一日起計至二零一八年十二月三十一日止，為期三年。於年期屆滿時，在上市規則的規限下，二零一五年主銷售協議將按相互協議而重續三年。截至二零一八年十二月三十一日止三個年度各年，二零一五年主銷售協議項下交易的年度上限分別為人民幣100.0百萬元、人民幣150.0百萬元及人民幣200.0百萬元。截至二零一七年十二月三十一日止年度，本集團根據二零一五年主銷售協議收取的總金額約為人民幣84.3百萬元。

(ii) Purchase of Products from Connected Persons

The Company and Mr. DONG Li renewed the master agreement dated 25 October 2012 and entered into a new master agreement dated 13 October 2015 (the “**2015 Master Purchase Agreement**”), which sets out the terms and conditions upon which members of the Group will purchase from Mr. DONG Li’s associates, and Mr. DONG Li’s associates will sell to members of the Group, products including battery cases, parts, models, chargers and electronic products (for the manufacturing of the Group’s battery products or sale as accessories of the Group’s battery products) and electric scooters (for use by members of the Group). The products to be sold and purchased under the 2015 Master Purchase Agreement shall be at the prevailing market price, namely, the price at which the same type of products is sold to the Group by independent third parties on normal commercial terms in the ordinary course of business in the PRC. The 2015 Master Purchase Agreement is for a term of three years commencing from 1 January 2016 and ending on 31 December 2018. Upon expiry of the term, the 2015 Master Purchase Agreement will, subject to the requirements of the Listing Rules, be renewed for further period of three years by mutual agreement. The annual caps for the transactions under the 2015 Master Purchase Agreement for each of the three year ending 31 December 2018 have been set at RMB40.0 million, RMB50.0 million and RMB60.0 million respectively. For the year ended 31 December 2017, the aggregate amount paid by the Group under the 2015 Master Purchase Agreement was approximately RMB30.6 million.

(ii) 向關連人士購買產品

本公司與董李先生重續日期為二零一二年十月二十五日的主協議並訂立一項日期為二零一五年十月十三日的新主協議（「**二零一五年主購買協議**」），當中載列本集團的成員公司將向董李先生聯繫人士採購，以及董李先生聯繫人士將向本集團成員公司出售包括電池盒、零件、模具、充電器及電子產品（以供製造本集團的電池產品或作為本集團的電池產品的配件以供銷售）及電動踏板車（以供本集團成員公司使用）等產品的條款及條件。將根據二零一五年主購買協議出售及購買的產品，將按當時現行市價定價，即獨立第三方在中國的一般業務範圍內，按正常商業條款向本集團出售同類產品時所依據的價格。二零一五年主購買協議由二零一六年一月一日起計至二零一八年十二月三十一日止，為期三年。於年期屆滿時，在上市規則的規限下，二零一五年主購買協議將按相互協議而重續三年。截至二零一八年十二月三十一日止三個年度各年，二零一五年主購買協議項下交易的年度上限分別為人民幣40.0百萬元、人民幣50.0百萬元及人民幣60.0百萬元。截至二零一七年十二月三十一日止年度，本集團根據二零一五年主購買協議支付的總金額約為人民幣30.6百萬元。



(iii) Purchase of Facilities from Connected Persons

The Company entered into a master agreement dated 13 October 2015 with Mr. Dong Li (the “**2015 Master Facilities Purchases Agreement**”) which sets out the terms and conditions upon which members of the Group will purchase from Mr. Dong Li’s associates, and Mr. Dong Li’s associates will sell to members of the Group, battery facilities. The purchase price of battery facilities by the Group shall be determined at 8% discount to the average purchase prices of similar battery facilities as obtained by the Group from two independent third parties 30 days prior to the date of relevant purchase order. The 2015 Master Facilities Purchases Agreement is for a term commencing from 1 November 2015 up to 31 December 2017. The caps for the transactions under the 2015 Master Facilities Purchases Agreement for two months ended 31 December 2015 and each of the two years ending 31 December 2017 have been set at RMB60.0 million, RMB100.0 million and RMB100.0 million. For the year ended 31 December 2017, the aggregate amount paid by the Group under the 2015 Master Facilities Purchase Agreement was approximately RMB27.5 million.

The independent non-executive Directors have reviewed the continuing connected transactions under paragraphs (A) and (B) above and confirmed that the transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) normal commercial terms or better; and

(iii) 向關連人士購買設備

本公司與董李先生訂立日期為二零一五年十月十三日的主協議（「**二零一五年主設備購買協議**」），當中載列本集團成員公司將向董李先生聯繫人士購買蓄電池設備，及董李先生聯繫人士將向本集團成員公司出售蓄電池設備的條款及條件。本集團對有關電池設備之購買價格將按本集團於相關購買訂單日期前30日自兩名獨立第三方獲得之購買同類電池設備之平均價格折讓8%釐定。二零一五年主設備購買協議的期限自二零一五年十一月一日起至二零一七年十二月三十一日止。截至二零一五年十二月三十一日止兩個月及截至二零一七年十二月三十一日止兩個年度各年，二零一五年主設備購買協議項下之交易上限為人民幣60.0百萬元、人民幣100.0百萬元及人民幣100.0百萬元。截至二零一七年十二月三十一日止年度，本集團根據二零一五年主設備購買協議支付的總金額約為人民幣27.5百萬元。

獨立非執行董事已審閱上述(A)段及(B)段的持續關連交易，並確認該等交易：

- (1) 乃於本集團一般及日常業務過程中訂立；
- (2) 按正常或更好的商業條款訂立；及

- (3) in accordance with the relevant agreements governing such transaction on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

The Board confirms that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in relation to the aforementioned connected transaction and continuing connected transactions.

- (3) 按規管交易的有關協議訂立，其條款屬公平合理，且符合本公司股東的整體利益。

本公司核數師已獲聘根據香港會計師公會頒佈的《香港核證工作準則》第3000號「審核或審閱歷史財務資料以外的核證工作」及參照實務說明第740號「關於香港《上市規則》所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。核數師已根據上市規則第14A.56條發出無保留意見函件，當中載有核數師對本集團所披露的持續關連交易的發現及結論。本公司已將核數師函件副本送呈聯交所。

董事會確認，本公司一直遵守上市規則第14A章有關上述關連交易及持續關連交易的披露規定。



Disclosure under Rule 13.21 of the Listing Rules

Pursuant to the term of a loan facility agreement (the “**Facility Agreement**”) dated 8 May 2017 and entered into, among other parties, the Company as borrower, five of its subsidiaries as guarantors, China Citic Bank International Limited, Hang Seng Bank Limited and The Hongkong and Shanghai Banking Corporation Limited as mandated lead arrangers and bookrunners, and various financial institutions as lenders, a term loan facility of US\$200,000,000 (the “**Loan**”) was made available to the Group for general corporate purposes including, but not limited to financing working capital and refinancing or full repayment of existing indebtedness due under the term and revolving facility made available to the Group in 2015.

The Loan is repayable in five instalments as to 10%, 10%, 10%, 20% and 50% on the dates falling 12, 18, 24, 30 and 36 months respectively after the utilisation date of the Loan.

If, among other matters: (i) Mr. Dong Li (“**Mr. Dong**”) does not or ceases to own, directly or indirectly, at least 51% of the beneficial interest in the Company carrying at least 51% of the voting right, free from any security; (ii) Mr. Dong does not or ceases to have management control over the Company; and (iii) Mr. Dong is not or ceases to be the chairman of the Board of Directors of the Company, it will be an event of default under the Facility Agreement, in which event all or any part of the commitments under the Loan may be cancelled and all amounts outstanding under the Loan may immediately become due and payable.

根據上市規則第13.21條之規定作出之披露

根據由（其中包括）本公司（作為借款人）、其五間附屬公司（作為擔保人）、中信銀行（國際）有限公司、恒生銀行有限公司及香港上海滙豐銀行有限公司（作為授權牽頭安排人及賬簿管理人）以及若干金融機構（作為放款人）於二零一七年五月八日訂立的貸款融資協議（「**融資協議**」）之條款，本集團獲得200,000,000美元的定期貸款融資（「**貸款**」）作一般公司用途，包括但不限於撥付營運資金及再融資或悉數償還本集團於二零一五年獲得的定期循環融資項下到期的現有債務。

該貸款分五期償還，分別於動用日期後滿12個月、18個月、24個月、30個月及36個月當日償還貸款之10%、10%、10%、20%及50%。

倘（其中包括）(i)董李先生（「**董先生**」）並無或不再擁有（直接或間接）本公司至少51%的實益權益（隨附至少51%的投票權）（不附任何抵押）；(ii)董先生並無或不再擁有本公司的管理控制權；及(iii)董先生並無或不再出任本公司的董事會主席，其將構成融資協議項下的一項違約事項，在此情況下，貸款的全部或任何部分承擔均可能取消，而貸款的所有未償還金額可能成為即時到期應付。

Directors' Interest in Competing Business

On 21 December 2010, each of the Controlling Shareholders of the company namely Mr. DONG Li (also being the executive Director) and Master Alliance Investment Limited (the “**Controlling Shareholders**”), entered into a deed of non-competition (the “**Deed of Non-Competition**”) with the Company pursuant to which each of the Controlling Shareholders has individually, jointly, unconditionally and irrevocably undertaken and represented to the Company and each member of the Group that, among other things, he/it procures that his/its associates will not engage, directly or indirectly, in businesses which will or may compete with the business carried on or to be carried on by the Group.

Each of the Controlling Shareholders has provided an annual declaration on his/its compliance with the undertakings contained in the Deed of Non-Competition undertaken by them.

The independent non-executive Directors have reviewed and were satisfied that each of the Controlling Shareholders has complied with the Deed of Non-Competition for the year ended 31 December 2017.

Save as disclosed above, during the year ended 31 December 2017, none of the Directors is considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Management Contracts

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

董事於競爭業務的權益

於二零一零年十二月二十一日，本公司各控股股東（即董李先生（亦為執行董事）及Master Alliance Investment Limited（「**控股股東**」））與本公司訂立不競爭契據（「**不競爭契據**」），據此，各控股股東個別及共同向本公司及本集團每一成員公司無條件及不可撤回地承諾及聲明（其中包括），彼促使其聯繫人士不會直接或間接從事將會或可能會與本集團進行或將進行的業務構成競爭的任何業務。

各控股股東已就彼遵守不競爭契據所載承諾的情況提供年度聲明。

獨立非執行董事已審閱並信納各控股股東於截至二零一七年十二月三十一日止年度已遵守不競爭契據。

除上文所披露者外，於截至二零一七年十二月三十一日止年度，董事概無於與本集團業務構成或可能構成直接或間接競爭的任何業務中擁有權益。

管理合約

年內，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存有任何合約。



Major Suppliers and Customers

The percentages of purchases for the year attributable to the Group's major largest suppliers are as follows:

– the largest supplier	5.13%
– five largest suppliers in aggregate	21.31%

The percentages of sales for the year attributable to the Group's major customers are as follows:

– the largest customer	13.41%
– five largest customers in aggregate	31.65%

None of the directors, their respective close associates (within meaning of the Listing Rules) or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in these major suppliers and customers.

Closure of Register of Members

For the purpose of determining Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday 15 May 2018, to Friday 18 May 2018, (both days inclusive). During the closure period, no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the AGM, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar (see below) for registration by no later than 4:30 p.m. on Monday, 14 May 2018.

主要供應商及客戶

本集團主要最大供應商應佔年內採購的百分比如下：

– 最大供應商	5.13%
– 五大供應商合計	21.31%

本集團的主要客戶應佔年內銷售的百分比如下：

– 最大客戶	13.41%
– 五大客戶合計	31.65%

概無任何董事、彼等各自的緊密聯繫人士（定義見上市規則）或任何股東（根據董事所知，擁有本公司5%以上的股本）擁有該等主要供應商及客戶的權益。

暫停股份過戶登記

為釐定股東出席股東週年大會並於會上投票之權利，本公司股東名冊將由二零一八年五月十五日（星期二）至二零一八年五月十八日（星期五）（包括首尾兩日）止期間暫停辦理股東登記，期間將不會辦理本公司股份過戶登記手續。為符合出席股東週年大會並於會上投票的資格，股東應確保所有過戶文件連同有關股票不遲於二零一八年五月十四日（星期一）下午四時三十分送交本公司的股份過戶登記分處（見下文），以辦理登記手續。

The details of the Company's branch share registrar are as follows:

Tricor Investor Services Limited
Address: Level 22, Hopewell Centre,
183 Queen's Road East, Hong Kong

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there was sufficient public float of more than 25% of the Company's issued shares as at 31 December 2017.

Auditor

The financial statements have been audited by Ernst & Young who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

The Company hasn't changed in its auditor in any of the proceeding three years.

On behalf of the Board

DONG Li
Chairman

Hong Kong, 28 March 2018

本公司的股份過戶登記分處詳情如下：

卓佳證券登記有限公司
地址：香港皇后大道東183號合和中心22樓

公眾持股量的足夠性

根據本公司公開所得的資料以及就董事所知，本公司於二零一七年十二月三十一日有足夠的公眾持股量，佔本公司已發行股份超過25%。

核數師

財務報表已經安永會計師事務所審核，該核數師已任滿告退，但表示願意於本公司應屆股東週年大會上應聘連任。

於過往三年，本公司並無變更其核數師。

代表董事會

董李
主席

香港，二零一八年三月二十八日

Corporate Governance Report 企業管治報告



The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31 December 2017.

The Group is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability.

Compliance Statements

The Company has complied with all applicable code provisions and certain recommended best practices set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

The details of the compliance of the CG code set out in the mandatory disclosure requirements, complied by the Company, are shown below.

董事會於本集團截至二零一七年十二月三十一日止年度的年報中欣然呈報本企業管治報告。

本集團致力於達致高標準的企業管治，以保障其股東權益及提升其企業價值及問責性。

合規聲明

本公司已遵守上市規則附錄14所載的企業管治守則載列的所有適用守則條文及若干建議最佳常規。

遵守載於本公司遵循之強制披露規定中之企業管治守則之情況的詳情於下文載列。

Mandatory Disclosure Requirements

Corporate Governance Practices

The Board will continue to review its corporate governance practices from time to time to ensure that the regulatory requirements and principles, such as “comply or explain” regarding the code provisions of the CG Code and mandatory disclosure requirements set out in Appendix 14 to the Listing Rules, are met and the corporate governance practices of the Company is in line with expectations of shareholders and investors.

In the opinion of the Board, the Company had complied with all applicable code provisions set out in the CG Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules throughout the year ended 31 December 2017.

Directors’ Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of the Company (the “**Model Code**”) set out in Appendix 10 of the Listing Rules as the code for dealing in securities of the Company by its directors (the “**Directors**”).

The Company has made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the year ended 31 December 2017.

Board of Directors

Composition of the Board

The Board comprises two executive Directors, one non-executive Director and three independent non-executive Directors.

強制披露規定

企業管治常規

董事會將繼續不時檢討其企業管治常規，以確保符合監管規定及原則，如有關上市規則附錄14載列的企業管治守則的守則條文及強制披露規定的「遵守或解釋」，以及本公司的企業管治常規符合股東及投資者的預期。

董事會認為，本公司於截至二零一七年十二月三十一日止年度一直遵守載於上市規則附錄14載列的企業管治守則及企業管治報告的所有適用守則條文。

董事之證券交易

本公司已採納上市規則附錄10所載之公司董事進行證券交易之標準守則（「**標準守則**」），作為其董事（「**董事**」）進行本公司證券交易之守則。

本公司已向全體董事作出特別查詢，及所有董事確認彼等於截至二零一七年十二月三十一日止年度一直遵守標準守則所載之規定標準及有關董事進行證券交易之行為守則。

董事會

董事會組成

董事會包括二位執行董事、一位非執行董事及三位獨立非執行董事。



Executive Directors

Executive Directors comprise Mr. DONG Li (chairman of the Board (the “**Chairman**”)) and Ms. ZHAO Huan (chief executive officer).

Non-executive Director

Non-executive Director is Mr. Philip Armstrong NOZNESKY.

Independent non-executive Directors

Independent non-executive Directors comprise Mr. CAO Yixiong Alan, Mr. LIU Yangsheng, Mr. LAU Chi Kit and Dr. GONG Fangxiong (resigned on 16 June 2017).

The name of each Director, as at the date of this report is set out under the section headed “Corporate Information” in this annual report and is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

There is no financial, business, family or other material/relevant relationship between the Directors.

Number of Board, Committee and General Meetings Held

The Board meets regularly for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved. During the financial year ended 31 December 2017, 13 Board meetings, 2 Audit Committee meetings, 2 Nomination Committee meetings, 5 Remuneration Committee meetings and one general meeting were held.

執行董事

執行董事包括董李先生（董事會主席（「**主席**」））及趙歡女士（行政總裁）。

非執行董事

非執行董事是Philip Armstrong NOZNESKY先生。

獨立非執行董事

獨立非執行董事包括曹亦雄先生、劉陽生先生、劉智傑先生及龔方雄博士（二零一七年六月十六日辭任）。

於本報告日期的各董事的姓名載於本年報「公司資料」一節，亦在本公司根據上市規則不時發出的所有企業通訊中披露。獨立非執行董事亦已根據上市規則於所有企業通訊中明確識別。

董事之間並無存在財務、業務、家族或其他重大／相關關係。

舉行董事會會議、委員會會議及股東大會的次數

董事會定期舉行會議，以檢討及批准財務及營運表現，以及審閱及批准本公司整體策略及政策。如有重大事件或重要事項須討論及議決，則會舉行額外會議。於截至二零一七年十二月三十一日止財政年度，舉行了13次董事會會議、2次審核委員會會議、2次提名委員會會議、5次薪酬委員會會議及一次股東大會。

Corporate Governance Report 企業管治報告

Attendance at the Board Meetings, Board Committee Meetings and General Meeting

董事會會議、委員會會議及股東大會的出席情況

The attendance of each Director, by name, at the Board meetings, Board committee meetings and general meeting are set out below:

各董事出席董事會會議、董事會委員會會議及股東大會的情況（按姓名）載列如下：

Name of Director 董事姓名		Attendance/ Number of Board Meetings 出席次數/ 董事會 會議數目	Attendance/ Number of Audit Committee Meetings 出席次數/ 審核委員會 會議數目	Attendance/ Number of Nomination Committee Meetings 出席次數/ 提名委員會 會議數目	Attendance/ Number of Remuneration Committee Meetings 出席次數/ 薪酬委員會 會議數目	Attendance/ Number of General Meeting ⁽¹⁾ 出席次數/ 股東大會 數目 ⁽¹⁾
Executive Directors	執行董事					
Mr. DONG Li	董李先生	13/13	-	2/2	5/5	1/1
Ms. ZHAO Huan	趙歡女士	13/13	-	-	-	1/1
Non-executive Director	非執行董事					
Mr. Philip Armstrong NOZNESKY	Philip Armstrong NOZNESKY先生	2/13	-	-	-	1/1
Independent Non-executive Directors	獨立非執行董事					
Mr. LIU Yangsheng	劉陽生先生	2/13	2/2	2/2	-	1/1
Mr. CAO Yixiong Alan	曹亦雄先生	2/13	2/2	-	5/5	1/1
Mr. LAU Chi Kit	劉智傑先生	2/13	2/2	2/2	5/5	1/1
Dr. GONG Fangxiong ⁽²⁾	龔方雄博士 ⁽²⁾	0/13	1/2	1/2	2/5	1/1

Notes:

附註：

(1) Being the annual general meeting of the Company held on 26 May 2017.

(1) 即本公司於二零一七年五月二十六日舉行的股東週年大會。

(2) Dr. GONG Fangxiong resigned from an independent non-executive director of the Company on 16 June 2017.

(2) 龔方雄博士於二零一七年六月十六日辭任本公司獨立非執行董事。



Responsibilities, Accountabilities and Contributions of the Board and Management

The Board, led by the Chairman, is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The Board has delegated to the senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various authority and duties set out in their respective terms of reference. All Directors have carried out their duties in good faith, in compliance with applicable laws and regulations and in the interests of the Company and its shareholders at all times.

The Board reserves for its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

The Board has delegated a schedule of responsibilities to the senior management of the Company. These responsibilities include implementing decisions of the Board, directing and coordinating day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the operating and production plans and budgets, and supervising and monitoring the control system.

董事會及管理層之職責、問責性及貢獻

董事會由本公司主席領導，負責領導及控制本公司及監控本集團的業務、戰略決策及表現。董事會授予高級管理層權力及責任進行本集團的日常管理及經營。此外，董事會已成立董事會委員會並授予該等董事會委員會各項權限及責任，詳情載於其各自之職權範圍。所有董事均真誠地履行職責及遵守適用法律及法規之標準，於任何時候均符合本公司及其股東的利益。

董事會保留本公司所有重要事項的決策權，包括批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是涉及利益衝突的交易）、財務資料、委任董事及其他重要財務及營運事宜。

董事會向本公司高級管理人員委以各自特定的職責。該等責任包括執行董事會的決定；根據董事會所批准的管理策略及計劃指示及協調本公司之日常營運和管理；制定及監察營運及生產計劃及預算；以及監督和監察監控系統。

Independent Non-executive Directors

Each of the independent non-executive Directors possesses different business experience, knowledge and professional background. The Company has at all times met the requirements of the Listing Rules regarding the appointment of at least three independent non-executive Directors representing at least one-third of its Board members with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received a written annual confirmation regarding the independence from each independent non-executive Director pursuant to Rule 3.13 of the Listing Rules and the Company still considers the independent non-executive Directors are independent.

Independent non-executive Directors have been invited to serve on the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”). Through participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive Directors make various contributions to the effective direction of the Company.

Directors' Training

Pursuant to Code Provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. The Directors have been given relevant guideline materials to ensure that they are apprised of the latest changes in the commercial, legal and regulatory requirements in relation to the Company's businesses, and to refresh their knowledge and skills on the roles, functions and duties as a director of a listed company.

獨立非執行董事

各獨立非執行董事擁有不同的業務經驗、知識及專業背景。本公司於所有時候均已遵守上市規則有關委任最少三名獨立非執行董事（至少佔其董事會成員的三分之一）的規定，其中最少一名擁有合適的專業資格或會計或相關財務管理專業知識。

本公司已收到各獨立非執行董事根據上市規則第3.13條作出的獨立性年度書面確認，而本公司仍視獨立非執行董事為獨立人士。

獨立非執行董事已獲邀加入審核委員會（「**審核委員會**」）、薪酬委員會（「**薪酬委員會**」）及提名委員會（「**提名委員會**」）。透過參與董事會會議，率先管理有潛在利益衝突事務及於董事會委員會服務，全體獨立非執行董事對本公司之有效指導均作出多項貢獻。

董事培訓

根據企業管治守則守則條文第A.6.5條，所有董事應參與持續專業發展，發展並更新其知識及技能。董事均已獲提供相關指引材料以確保彼等了解本公司業務相關之商業、法律及監管規定之最新變化，並更新彼等作為上市公司董事之角色、職能及責任之知識及技能。



During the year ended 31 December 2017, all Directors provided their records of training to the Company. All Directors, namely Mr. DONG Li, Ms. ZHAO Huan, Mr. Philip Armstrong NOZNESKY, Mr. LIU Yangsheng, Mr. CAO Yixiong Alan, Mr. LAU Chi Kit and Dr. Gong Fangxiong (resigned Company on 16 June 2017) participated in this continuous professional development mainly by reading various materials regarding directors' responsibilities, prevention of breaching Listing Rules and disclosure of inside information, etc.

Chairman and Chief Executive

The roles of the Chairman and Chief Executive Officer are segregated and not performed by the same person. The Chairman is primarily responsible for the leadership of the Board and formulation of overall strategic development of the Group, while the Chief Executive Officer is primarily responsible for the day-to-day management of the Group's business.

During the year, Mr. DONG Li is the Chairman and Ms. ZHAO Huan is the Chief Executive Officer.

Non-executive Directors

Each of the independent non-executive Directors is engaged for a term of three years commencing from their respective dates of appointment and is subject to retirement by rotation and re-election pursuant to the Articles of Association.

Board Committees

The Board has established three Board committees, namely, the Remuneration Committee, the Audit Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are available to shareholders on the websites of the Company and the Stock Exchange. All Board committees report to the Board on their decisions or recommendations.

截至二零一七年十二月三十一日止年度，所有董事已將其培訓記錄交予本公司。所有董事（即董李先生、趙歡女士、Philip Armstrong NOZNESKY先生、劉陽生先生、曹亦雄先生、劉智傑先生及龔方雄博士（二零一七年六月十六日從本公司辭任））均已參與持續專業發展，主要透過閱讀有關董事責任、防止違反上市規則及洩露內幕資料的若干材料。

主席及行政總裁

主席及行政總裁的職務獨立，不應由同一名人士擔任。主席主要負責領導董事會，並制定本集團的整體策略發展；而行政總裁則主要負責本集團業務的日常管理。

年內，董李先生為主席，而趙歡女士擔任行政總裁。

非執行董事

各獨立非執行董事的任期均由其各自的委任日期起計為三年，並須根據章程細則輪席告退及重選。

董事會委員會

董事會已成立三個董事會委員會，即薪酬委員會、審核委員會及提名委員會，以監察本公司特定範疇的事務。所有董事會委員會均明文確立書面職權範圍，並刊發於本公司及聯交所網站提供予股東查閱。所有董事會委員會均向董事會匯報其決定或推薦建議。

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Remuneration Committee

The principal role and function of the Remuneration Committee are to (a) make recommendations to the Board on the Company's policy and structure of the remuneration of the Directors and the senior management and on the establishment of a formal and transparent procedure for developing remuneration policy; (b) assessing the performance of the executive Directors and approving their terms of their service contracts; (c) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; (d) make recommendations to the Board on the remuneration packages of individual executive director and senior management of the Company which include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment; (e) make recommendations to the Board of on the remuneration of non-executive directors of the Company; (f) to review and approve the remuneration payable to the executive directors and senior management of the Company for any loss or termination of office or appointment to ensure that it is consistent with relevant contractual terms and is otherwise fair and not excessive; (g) review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and (h) ensure that no director of the Company or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

As at 31 December 2017, the Remuneration Committee comprised three members, namely, Mr. DONG Li (the executive Director), Mr. CAO Yixiong Alan and Mr. LAU Chi Kit, the latter two being independent non-executive Directors. Mr. LAU Chi Kit is the chairman of the Remuneration Committee.

所有董事會委員會均獲提供充裕資源以履行其職責，並可合理要求在適當情況下諮詢獨立專業意見，費用由本公司承擔。

薪酬委員會

薪酬委員會的主要職責及職能為(a)就本公司董事及高級管理人員的薪酬政策及架構，及就制訂薪酬政策設立正規而具透明度的程序，向董事會作出推薦建議；(b)評估執行董事的表現及批准其服務合約條款；(c)因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬方案；(d)向董事會建議本公司個別執行董事及高級管理層的薪酬待遇，包括實物福利、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償）；(e)就本公司非執行董事的薪酬待遇向董事會提出推薦建議；(f)檢討及批准向本公司執行董事及高級管理人員就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與相關合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；(g)檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排，與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；及(h)確保本公司任何董事或其任何聯繫人士（按上市規則定義）不得參與釐定彼等自身的薪酬。薪酬委員會之職權範圍於聯交所及本公司網站可供查閱。

於二零一七年十二月三十一日，薪酬委員會由三名成員組成，即董李先生（執行董事）、曹亦雄先生及劉智傑先生，其中後二人為獨立非執行董事。劉智傑先生為薪酬委員會主席。



During the year ended 31 December 2017, the Remuneration Committee held five meetings to discuss, review, analyse and consider any change of the remuneration policy of the Company and performed all functions as disclosed above. The records of attendance of committee members, by name, at the meetings held are set out below:

截至二零一七年十二月三十一日止年度，薪酬委員會舉行了五次會議對本公司薪酬政策的任何變動進行討論、檢討、分析及考慮及執行了上述披露的全部職能。委員會成員之會議出席記錄（按姓名）如下：

Name of Director	Attendance/ Number of Meetings	董事姓名	出席次數/ 會議數目
Mr. LAU Chi Kit	5/5	劉智傑先生	5/5
Mr. DONG Li	5/5	董李先生	5/5
Mr. CAO Yixiong Alan	5/5	曹亦雄先生	5/5
Dr. GONG Fangxiong (resigned on 16 June 2017)	2/5	龔方雄博士（二零一七年 六月十六日辭任）	2/5

The Remuneration Committee adopted the model of making recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

薪酬委員會採納就個別執行董事及高級管理層的薪酬組合向董事會提出推薦建議的模式。

Nomination Committee

提名委員會

The principal role and function of the Nomination Committee are to (a) review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy and Board Diversity Policy which aims to set out the approach to achieve diversity on the Company's Board; (b) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (c) assess the independence of the independent non-executive directors; and (d) make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors, in particular the chairman and the chief executive. The terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

提名委員會的主要職責及職能為(a)檢討董事會的架構、人數及組成（包括技能、知識及經驗方面），並就任何為配合本公司的公司策略及董事會多元化政策（旨在規定實現本公司董事會多元化之途徑）而擬對董事會作出的任何變動提出推薦建議；(b)物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提供推薦意見；(c)評核獨立非執行董事的獨立性；及(d)就董事委任或重新委任以及董事（尤其是主席及行政總裁）繼任計劃向董事會提出推薦建議。提名委員會之職權範圍於聯交所及本公司網站可供查閱。

Corporate Governance Report 企業管治報告

As at 31 December 2017, the Nomination Committee comprised three members, namely, Mr. DONG Li (executive Director), Mr. LIU Yangsheng and Mr. LAU Chi Kit, the latter two being independent non-executive Directors. Mr. DONG Li is the chairman of the Nomination Committee.

During the year ended 31 December 2017, the Nomination Committee held two meetings and performed all functions as disclosed above. The attendance records of each member at the meetings are set out below:

Name of Director	Attendance/ Number of Meetings	董事姓名	出席次數/ 會議數目
Mr. DONG Li	2/2	董李先生	2/2
Mr. LIU Yangsheng	2/2	劉陽生先生	2/2
Mr. LAU Chi Kit	2/2	劉智傑先生	2/2
Dr. GONG Fangxiong (resigned on 16 June 2017)	1/2	龔方雄博士(二零一七年 六月十六日辭任)	1/2

All Board members' appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. According to the Board Diversity Policy adopted by the Nomination Committee in 2013, selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

於二零一七年十二月三十一日，提名委員會由三名成員組成，即董李先生（執行董事）、劉陽生先生及劉智傑先生，其中後二人為獨立非執行董事。董李先生為提名委員會主席。

截至二零一七年十二月三十一日止年度，提名委員會舉行了兩次會議並執行了上述披露的全部職能。各成員之會議出席記錄如下：

所有董事會委任將會持續以用人唯才為原則，同時考慮到董事會成員多元化所帶來之裨益。根據提名委員會於二零一三年採納的董事會多元化政策，甄選候選人時將會根據多元化角度範圍進行，其中包括但不限於性別、年齡、文化及教育背景、經驗（專業或其他）、技能及知識。最終決策將會按甄選候選人之長處及其為董事會帶來之貢獻進行釐定。



Audit Committee

The principal role and function of the Audit Committee are amongst others to (a) review the financial statements and reports and consider any significant or unusual items raised by the staff responsible for the accounting and financial reporting function or external auditor before submission to the Board; (b) review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor; and (c) review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures. The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

As at 31 December 2017, the Audit Committee comprised three members, namely, Mr. CAO Yixiong Alan, Mr. LIU Yangsheng and Mr. LAU Chi Kit, all of whom are independent non-executive Directors. Mr. CAO Yixiong Alan is the chairman of the Audit Committee and he possesses relevant accounting and financial management expertise.

The Audit Committee held two meetings during the year ended 31 December 2017 together with the Company's external auditor and the senior management and performed the following major tasks:

- Reviewed the scope of 2016 annual audit and 2017 interim review work, auditor's fees and terms of engagement; and
- Review and discuss the 2016 annual and 2017 interim financial statements, results announcement and report, the related accounting principles and practices adopted by the Group and the relevant audit findings.

審核委員會

審核委員會的主要職責及職能包括(a)於提交董事會前審閱財務報表及報告，以及考慮任何負責會計及財務申報職能的員工或外部核數師提出的重大或不尋常項目；(b)經參考核數師進行之工作、其費用及聘用條款後，檢討與外部核數師之關係，並就委任、續聘及罷免外部核數師向董事會提出推薦建議；及(c)檢討本公司財務申報制度、內部監控制度及風險管理制度與相關程序是否充足及有效。審核委員會之職權範圍於聯交所及本公司網站可供查閱。

於二零一七年十二月三十一日，審核委員會由三名成員組成，即曹亦雄先生、劉陽生先生及劉智傑先生，彼等均為獨立非執行董事。曹亦雄先生為審核委員會主席，彼具備相關會計及財務管理專業知識。

審核委員會攜手本公司外部核數師及高級管理層於截至二零一七年十二月三十一日止年度舉行了兩次會議，並處理了下列主要工作：

- 檢討截至二零一六年度審核及二零一七年度中期審閱工作範圍、核數師費用及聘用條款；及
- 審核及討論二零一六年度及二零一七年度中期財務報表、業績公佈及報告、本集團採納的相關會計原則及規例，以及相關審核結果。

Corporate Governance Report 企業管治報告

The Audit Committee has not taken a different view from the Board regarding the selection, appointment, resignation or dismissal of the external auditors.

審核委員會在挑選、委任、辭任或罷免外部核數師方面並無與董事會持有分歧意見。

The attendance records of each member at the meeting are set out below:

各成員的會議出席記錄如下：

Name of Director	Attendance/ Number of Meetings	董事姓名	出席次數/ 會議數目
Mr. CAO Yixiong Alan	2/2	曹亦雄先生	2/2
Mr. LIU Yangsheng	2/2	劉陽生先生	2/2
Mr. LAU Chi Kit	2/2	劉智傑先生	2/2
Dr. GONG Fangxiong (resigned on 16 June 2017)	1/2	龔方雄博士(二零一七年 六月十六日辭任)	1/2

In addition, the Audit Committee has reviewed the financial statements of the Group for the year ended 31 December 2017 and has discussed with the management and the external auditor of the Company on the accounting policies and practices adopted by the Group and the internal controls and financial reporting matters of the Group.

此外，審核委員會已審閱本集團截至二零一七年十二月三十一日止年度的財務報表，並與本公司管理層及外部核數師討論本集團採納的會計政策及規例以及本集團的內部監控及財務申報事宜。

Corporate Governance Functions

企業管治職能

The Board is responsible for performing the following corporate governance duties as required under the CG Code:

董事會負責履行企業管治守則規定之以下企業管治職責：

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- 制定及審閱本公司於企業管治方面之政策及常規；
- 檢討及監察董事及高級管理層之培訓及持續專業發展情況；



- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.
- 檢討及監察本公司於遵守法律及監管規定方面之政策及常規；
- 檢討本公司遵守企業管治守則情況並於企業管治報告中作出披露。

During the year, the Board performed the following corporate governance matters:

- review of the corporate governance duties under the CG Code; and
- review of the compliance with the CG Code.

年內，董事會考慮以下企業管治事項：

- 檢討企業管治守則項下企業管治責任；及
- 檢討遵守企業管治守則情況。

Directors' Responsibilities for Financial Reporting in Respect of the Financial Statements

The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and that relevant statutory and regulatory requirements are met and applicable accounting standards are complied with. The Board has received from the senior management the management accounts and such accompanying explanation and information as are necessary to enable the Board to make an informed assessment for approving the financial statements.

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2017.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

董事就財務報表的財務報告責任

董事負責監督本公司財務報表的編製，以確保該等財務報表能夠真實和公平地反映本集團的事務狀況，以及確保符合相關法規及監管規定以及遵守適用會計準則。董事會已收到高級管理層提供的管理賬目和所需的附隨解釋及資料，以便就批准財務報表作出知情評審。

董事確認其編製截至二零一七年十二月三十一日止年度本公司財務報表的責任。

概無任何可對本公司持續經營能力構成重大疑慮的事件或情況方面的任何重大不明朗因素。

Internal Control and Risk Management

The Board acknowledges its responsibility for maintaining effective internal control and risk management systems to safeguard shareholder investments and the Group's assets on an ongoing basis and for reviewing the effectiveness of such system on an annual basis. Internal audits were carried out on all significant operation units of the Group on an ongoing basis. The senior management reviews and evaluates the control process, monitors any risk factors on a regular basis and reports to the Audit Committee on any findings and measures to address the variances and identified risks.

During the year under review, the Board conducted a review of the effectiveness of the internal control and risk management systems of the Group including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. The Board is of the opinion that the internal control and risk management systems of the Group are effective and adequate. The Board is also reasonably satisfied that there are sufficient resources of staff with appropriate qualifications and experience in its accounting and financial reporting team and that sufficient training and budget have been provided.

External Auditor and Auditor's Remuneration

The statement of the auditor of the Company about their report responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 83 to 91 of this annual report.

For the year ended 31 December 2017, the remuneration paid/payable to Ernst & Young, the Company's external auditor, for annual audit services provided to the Group and for non-audit services which comprise professional tax services, amounted to RMB2.6 million and RMB0.6 million, respectively.

內部監控及風險管理

董事會確認其維持充足的內部監控及風險管理制度，以持續保障股東投資及本集團資產的責任，並會每年檢討有關制度的效用。董事會持續對本集團所有主要經營單位進行內部審核。高級管理層檢討及評估監控過程，定期監察任何風險因素，並向審核委員會匯報任何發現及處理差異性及已識別風險的措施。

於回顧年內，董事會已檢討本集團內部監控及風險管理制度的效能，包括資源的足夠性、本公司負責會計及財務申報職能的員工的資歷及經驗，以及彼等的培訓計劃及預算。董事會認為本集團的內部監控及風險管理系統有效。董事會亦合理信納其會計及財務申報團隊擁有足夠且具備合適資格與經驗的員工資源，並且已提供充足的培訓及預算。

外部核數師及核數師薪酬

本公司核數師對其就本集團財務報表報告責任的聲明載於本年度報告第83頁至91頁的獨立核數師報告。

截至二零一七年十二月三十一日止年度，就本公司外部核數師安永會計師事務所向本集團提供的年度審核服務和非審核服務（包括稅務專業服務），已向其支付／應付的酬金分別為人民幣2.6百萬元和人民幣0.6百萬元。



Shareholders' Rights

Convening an extraordinary general meeting ("EGM")

Pursuant to Article 58 of the Articles of Association, Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

There are no provisions allowing Shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

Enquiries from Shareholders

Shareholders are welcome to send their enquiries and concerns to the Board addressing to the Company Secretary of the Company through the following channels with contact details as set out below:

- i) by mail to the Company's place of business at Unit C, 33/F, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong; or
- ii) by email to ir@leoch.com.

股東權利

召開本公司股東特別大會（「股東特別大會」）

根據章程細則第58條，於遞呈要求日期持有不少於本公司繳足股本（賦有於本公司股東大會上投票的權利）十分之一的股東有權於任何時候透過向董事會或公司秘書提交書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈有關要求後兩個月內舉行。

於開曼群島公司法或章程細則中，概無條文容許股東於股東大會上動議新決議案。有意動議決議案的股東可依循上一段所述的程序要求本公司召開股東大會。

股東查詢

本公司歡迎股東透過本公司的公司秘書以下列聯絡方法向董事會提出查詢及表達意見，聯絡詳情載列如下：

- i) 郵寄至本公司營業地點香港新界荃灣海盛路3號億京大廈33樓C室；或
- ii) 電郵至 ir@leoch.com。

Proposals at Shareholders' Meetings

To safeguard shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at shareholders' meetings.

All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

Changes to Constitutional Documents

There were no significant changes in the Company's constitutional documents during the year ended 31 December 2017, and the Company's constitutional documents are published on the websites of the Company and the Stock Exchange.

Relationship with the Controlling Shareholders

The Company has received, from each of the Controlling Shareholders, an annual declaration on his/its compliance with the undertakings contained in the Deed of Non-Competition entered into by each of them in favour of the Company pursuant to which each of the Controlling Shareholders has individually, jointly, unconditionally and irrevocably undertaken and represented to the Company and each member of the Group that, among other things, he/it and his/its associates will not engage, directly or indirectly, in businesses which will or may compete with the business carried on or to be carried on by the Group. Details of the Deed of Non-Competition were disclosed in the Prospectus under the section headed "Relationship with Our Controlling Shareholders".

The independent non-executive Directors have reviewed and have been satisfied that each of the Controlling Shareholders had complied with the Deed of Non-Competition for the year ended 31 December 2017.

於股東大會上提呈建議

為保障股東的利益及權利，本公司會就各重大獨立事項於股東大會提呈獨立決議案。

根據上市規則，所有於股東大會上提呈的決議案均須以投票方式表決，投票結果將於各股東大會舉行後在本公司及聯交所網站上刊登。

章程文件的變動

截至二零一七年十二月三十一日止年度，本公司章程文件概無任何重大變動，且本公司章程文件已刊載於本公司及聯交所的網頁。

與控股股東的關係

本公司已收到各控股股東就彼等遵守不競爭契據所載承諾的情況提供的年度聲明，不競爭契據由各控股股東以本公司為受益人而訂立，據此，各控股股東個別及共同向本公司及本集團每一成員公司無條件及不可撤回地承諾及聲明（其中包括），彼及其聯繫人士不會直接或間接從事將會或可能會與本公司進行或將進行的業務構成競爭的任何業務。有關不競爭契據的詳情載於招股章程「與控股股東的關係」一節。

獨立非執行董事已審閱並信納各控股股東於截至二零一七年十二月三十一日止年度已遵守不競爭契據。



Communications with Shareholders and Investors

The Board believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The Company maintains a website at www.leoch.com as a communication platform for shareholders and investors, where information and updates on the Group's business developments and operations, financial information and other information are available for public access. Shareholders and investors may write directly to the Company's principal place of business in Hong Kong for any inquiries.

The Board considers that general meetings of the Company provide an important channel for shareholders to exchange views with the Board. The Chairman of the Board as well as the chairmen and/or other members of the Board committees have endeavored to be available to answer questions raised by the shareholders.

The Company continues to enhance communication and relationship with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them informed of the Group's developments.

與股東及投資者溝通

董事會相信，與股東有效溝通是加強投資者關係及加深投資者對本集團業務表現及策略的了解的關鍵。本公司亦認同保持透明度與及時披露公司資料的重要性，其可讓股東及投資者作出最佳的投資決策。

本公司設有網站www.leoch.com作為股東及投資者的溝通平台，其登載有關本集團業務發展及營運的資料及更新、財務資料及其他資料供公眾查閱。股東及投資者可直接致函本公司的香港主要營業地點查詢。

董事會認為，本公司股東大會為股東與董事會交換意見的重要途徑。董事會主席及其他董事會委員會主席及／或成員已盡可能回答股東的提問。

本公司不斷加強與投資者的溝通及關係。指定的高級管理層定期與機構投資者及分析員進行對話，讓彼等了解本集團的發展情況。

Company Secretary

The company secretary of the Company, Mr. CHOW Kam Keung Albert, is the chief financial officer and one of the employees of the Company.

Pursuant to Rule 3.29 of the Listing Rules, the Company Secretary must take no less than 15 hours of relevant professional training in each financial year. Mr. Chow has provided his training records to the Company indicating that he has not less than 15 hours of relevant professional training by means of attending in-house briefings, attending seminars and reading relevant guideline materials.

公司秘書

本公司的公司秘書周錦強先生為本公司的首席財務官及其中一位僱員。

根據上市規則第3.29條，公司秘書必須在每個財政年度參加不少於15小時的相關專業培訓。周先生已向本公司提供培訓記錄，表示已透過出席內部簡報、出席研討會及閱讀相關指引材料完成不少於15小時的相關專業培訓。

Independent Auditor's Report 獨立核數師報告



Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

安永會計師事務所
香港中環添美道1號
中信大廈22樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com



**To the shareholders of
Leoch International Technology Limited**
(Incorporated in the Cayman Islands with limited liability)

致理士國際技術有限公司
全體股東
(於開曼群島註冊成立的有限公司)

Opinion

意見

We have audited the consolidated financial statements of Leoch International Technology Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 92 to 274, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

吾等已完成審核載於第92至274頁之理士國際技術有限公司(「**貴公司**」)及其附屬公司(「**貴集團**」)之綜合財務報表，其中包括於二零一七年十二月三十一日之綜合財務狀況表及截至該日止年度之綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) (which also include International Accounting Standards (“**IASs**”) and Interpretations) issued by the International Accounting Standards Board (the “**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

吾等認為，此等綜合財務報表已根據國際會計準則委員會(「**國際會計準則委員會**」)頒佈的國際財務報告準則(「**國際財務報告準則**」)(亦包含國際會計準則(「**國際會計準則**」)及詮釋)真實而公平地反映 貴集團於二零一七年十二月三十一日之綜合財務狀況及截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定妥為編製。

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

意見之基準

吾等已根據香港會計師公會（「香港會計師公會」）頒佈之香港審計準則（「香港審計準則」）進行審核。吾等於該等準則項下之責任於吾等之報告核數師審核綜合財務報表之責任一節中進一步詳述。吾等根據香港會計師公會頒佈之專業會計師職業道德守則（「守則」）獨立於貴集團，且吾等已根據守則履行吾等之其他道德責任。吾等相信，吾等所獲得的審核憑證充足及適當地為吾等的意見提供基準。

關鍵審核事項

關鍵審核事項乃根據吾等之專業判斷而言，於吾等審核本期綜合財務報表之最重要之事項。該等事項於吾等對綜合財務報表整體進行審核並就此達致吾等之意見時處理，吾等不會對該等事項提供單獨意見。就以下各事項而言，吾等於文中描述吾等之審核如何處理該事項。

吾等已履行於吾等之報告核數師審核綜合財務報表之責任一節所述之責任，包括與該等事項有關者。因此，吾等之審核包括執行旨在應對吾等對綜合財務報表重大錯誤陳述風險之評估之程序。吾等審核程序之結果，包括為處理以下事項執行之程序，為吾等就隨附綜合財務報表之審核意見提供基礎。



Key audit matters (continued)

獨立核數師報告 (續)

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Inventory provision**存貨撥備**

The Company is principally engaged in the manufacture, development and sale of lead-acid batteries and other related items. Since technology develops rapidly in the lead-acid battery industry, the Group's inventories are subject to significant risk of obsolescence and significant management's judgements and estimates were involved in determining the amount of provision against slow-moving and obsolete inventories. We focused on this area because inventory balances amounting to RMB1,872 million were significant to the Group, which represented 22% of the total assets of the Group, and the provision against inventories was made based on subjective estimates and was influenced by assumptions concerning future consumption or sales of inventories.

貴公司主要從事製造、開發和銷售鉛酸蓄電池及其他相關產品。由於鉛酸蓄電池之技術發展迅速，貴集團之存貨承受重大的過時風險及涉及管理層之重大判斷及估計釐定就滯銷及陳舊存貨所計提撥備之金額。吾等專注於該領域，原因是存貨結餘人民幣1,872百萬元對貴集團而言乃屬重大，佔貴集團資產總值之22%，且存貨撥備乃根據主觀估計而作出及受有關日後消耗或存貨銷售額假設之影響。

The disclosures about inventories are included in notes 3 and 22 to the consolidated financial statements.

有關存貨之披露載於綜合財務報表附註3及22。

We obtained an understanding of management's process about how to identify the slow-moving and obsolete inventories and calculate the amount of provision. We evaluated the sales forecasts prepared by management for the purpose of identifying the slow-moving and obsolete inventories by checking, on a sampling basis, to the sales orders and agreements, and assessing the estimated sales taking into account the previous estimations, the historical evidence supporting underlying assumptions and current market conditions. We also checked on a sampling basis the aging reports of inventories and the production record and sales of inventories made after the year end. For the net realisable value of slow-moving and obsolete inventories identified, we checked samples of recent sales invoices for the value.

吾等已了解管理層有關如何確定滯銷及陳舊存貨及計算撥備金額之程序。吾等已評估管理層編製之銷售額預測，旨在通過抽樣核對銷售訂單及協議確定滯銷及陳舊存貨，並經考慮先前估計、支持相關假設之歷史證據及現行市況評估估計銷售額。吾等亦已對存貨之賬齡報告及年末後之生產記錄及作出之存貨銷售進行抽樣檢測。就所確定之滯銷及陳舊存貨之可變現淨值而言，吾等已核對近期銷售發票樣本之價值。

Key audit matters (continued)

獨立核數師報告 (續)

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Impairment of trade receivables

貿易應收款項減值

The Group grants different credit periods to customers. The credit periods for individual customers are considered on a case-by-case basis. Certain customers are required to make partial payments before or upon delivery. As at 31 December 2017, the gross carrying amount of trade receivables was RMB2,344 million, with a significant overdue balance and an impairment loss of RMB30 million was recorded. The Group estimates the impairment allowances for trade receivables by assessing the recoverability based on the historical recovery of overdue trade receivables of respective ages and related prevailing market conditions. We focused on this area because this requires the use of significant estimates and judgements.

貴集團向客戶授予不同的信貸期。各個客戶的信貸期逐一釐定。若干客戶須於交付前或交付時作出部分付款。於二零一七年十二月三十一日，貿易應收款項的賬面總值為人民幣2,344百萬元，錄得重大逾期末付的結餘及減值虧損人民幣30百萬元。貴集團通過對貿易應收款項的可收回性作出評估，估計貿易應收款項的減值撥備，而可收回性乃根據不同賬齡的逾期貿易應收款項的過往收回情況及有關現行市況進行評估。吾等專注於此領域乃由於其須使用重大估計及判斷。

The disclosures about impairment of trade receivables are included in notes 3 and 24 to the consolidated financial statements.

有關貿易應收款項減值之披露載於綜合財務報表附註3及24。

We obtained an understanding of management's analysis of the recoverability of trade receivables, checked the historical settlement history and the subsequent settlements with respective bank slips on a sampling basis. We evaluated the aging analysis prepared by management by checking the related sales contracts and invoices, and the credit terms specified in the sales contracts.

吾等已了解管理層關於貿易應收款項的可收回性分析，抽樣核對各銀行結單確認過往償付記錄及後續償付。吾等通過核查有關銷售合約及發票以及銷售合約所列明的信貸條款，對管理層編製的賬齡分析進行評估。



Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs which comprise standards and Interpretations approved by the IASB 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.

載入年報之其他資料

貴公司董事對其他資料負責。其他資料包括載入年度報告的資料，惟綜合財務報表及吾等的核數師報告除外。

吾等對綜合財務報表作出的意見並未涵蓋其他資料，且吾等不會就此發表任何形式的核證結論。

就吾等對綜合財務報表之審核而言，吾等的責任是閱讀其他資料，並在此過程中考慮其他資料是否與綜合財務報表或吾等在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若基於吾等已履行的工作，吾等認為其他資料出現重大錯誤陳述，吾等須報告該事實。吾等並無就此作出報告。

董事對綜合財務報表之責任

貴公司董事負責根據國際財務報告準則（包括國際會計準則委員會批准的準則及詮釋）及香港公司條例的披露規定編製呈列真實及公平意見的綜合財務報表，並進行董事確定屬必要的內部監控，以使編製綜合財務報表不存在因欺詐或錯誤導致的重大錯誤陳述。

Responsibilities of the directors for the consolidated financial statements *(continued)*

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事對綜合財務報表之責任 (續)

於編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營的會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

貴公司董事由審核委員會協助履行其監督貴集團財務報告程序之責任。

核數師審核綜合財務報表之責任

吾等的目標是對綜合財務報表作為整體是否存在由於欺詐或錯誤導致的重大錯誤陳述以及發佈載入吾等意見之核數師報告獲得合理保證。吾等的報告乃向閣下作為整體而作出，並無其他目的。吾等概不就本報告的內容對任何其他人士負責或承擔責任。

合理保證屬高水平之保證，惟並不保證根據香港審計準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，且倘單獨或匯總起來可合理預期會可能影響綜合財務報表使用者根據該等綜合財務報表所作出的經濟決定，則被視作重大錯誤陳述。



Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師審核綜合財務報表之責任 (續)

作為根據香港審計準則進行審計其中一部分，吾等在整個審核期間運用專業判斷並保持專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審核憑證，作為吾等意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 了解與審核相關之內部控制，以設計在有關情況下屬適當之審核程序，但目的並非對 貴集團內部控制之有效性發表意見。
- 評估董事所採用會計政策之適當性及作出會計估計及相關披露之合理性。
- 對董事採用持續經營會計基礎之適當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請注意綜合財務報表中之相關披露，或倘有關之披露不足，則修訂吾等之意見。吾等之結論乃基於直至核數師報告日期止所取得之審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營業務。

Auditor's responsibilities for the audit of the consolidated financial statements (*continued*)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

核數師審核綜合財務報表之責任 (續)

- 評估綜合財務報表之整體列報方式、結構及內容(包括披露)以及綜合財務報表是否公平反映相關交易及事項。
- 就 貴集團內各實體或業務活動之財務資料獲取充足適當之審核憑證,以就綜合財務報表發表意見。吾等負責指導、監督及執行 貴集團之審核工作。吾等須為吾等之審計意見承擔全部責任。

吾等與審核委員會就(其中包括)審核之計劃範圍及時間以及重大審核發現,包括吾等在審核中識別出內部監控之任何重大不足之處溝通。

吾等亦向審核委員會提交聲明,表明吾等已符合有關獨立性之相關道德要求,並與彼等溝通可能合理被認為會影響吾等獨立性的所有關係及其他事項以及相關防範措施(如適用)。

從與審核委員會溝通之事項中,吾等確定該等對本期間綜合財務報表之審核最為重要的事項,因而構成關鍵審核事項。吾等在核數師報告中闡釋該等事項,除非法律或法規不允許公開披露此等事項,或在極端罕見的情況下,合理預期倘於吾等之報告中溝通某事項而造成的負面後果將會超過產生的公眾利益,則吾等決定不應在報告中溝通該事項。



Auditor's responsibilities for the audit of the consolidated financial statements (*continued*)

核數師審核綜合財務報表之責任 (續)

The engagement partner on the audit resulting in this independent auditor's report is Law Kwok Kee.

出具本獨立核數師報告之審核項目合夥人為羅國基。

Ernst & Young
Certified Public Accountants
Hong Kong
28 March 2018

安永會計師事務所
執業會計師
香港
二零一八年三月二十八日

Consolidated Statement of Profit or Loss

綜合損益表

Year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		Notes	2017	2016
		附註	二零一七年	二零一六年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
REVENUE	收益	5	9,465,444	6,262,870
Cost of sales	銷售成本		(8,302,904)	(5,237,286)
Gross profit	毛利		1,162,540	1,025,584
Other income and gains	其他收入及收益	5	101,744	65,752
Selling and distribution expenses	銷售及分銷開支		(367,199)	(296,682)
Administrative expenses	行政開支		(260,742)	(224,567)
Research and development costs	研發成本	6	(143,084)	(101,865)
Other expenses	其他開支		(34,639)	(75,824)
Finance costs	財務成本	7	(151,788)	(108,931)
Share of profits and losses of a joint venture and an associate	應佔一間合營公司及聯營公司的溢利及虧損		-	(2,931)
PROFIT BEFORE TAX	稅前溢利	6	306,832	280,536
Income tax expense	所得稅開支	10	(35,352)	(48,749)
PROFIT FOR THE YEAR	本年度溢利		271,480	231,787
Attributable to:	以下人士應佔：			
Owners of the parent	母公司擁有人		242,885	241,898
Non-controlling interests	非控股權益		28,595	(10,111)
			271,480	231,787
EARNINGS PER SHARE	母公司普通權益持有人			
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	應佔每股盈利	12		
Basic	基本		RMB人民幣0.18元	RMB人民幣0.18元
Diluted	攤薄		RMB人民幣0.18元	RMB人民幣0.18元

Consolidated Statement of Comprehensive Income

綜合全面收益表

Year ended 31 December 2017
截至二零一七年十二月三十一日止年度



		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
PROFIT FOR THE YEAR	本年度溢利		271,480	231,787
OTHER COMPREHENSIVE INCOME	其他全面收益			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	於隨後期間重新分類至損益的其他全面收益：			
Available-for-sale investments:	可供出售投資：			
Changes in fair value	公允價值變動	20	3,703	35,083
Income tax effect	所得稅影響	31	(926)	(11,771)
			2,777	23,312
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額		(14,193)	25,679
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	於隨後期間重新分類至損益的其他全面收益淨額		(11,416)	48,991
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	本年度其他全面收益，扣除稅項		(11,416)	48,991
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年度全面收益總額		260,064	280,778
Attributable to:	以下人士應佔：			
Owners of the parent	母公司擁有人		235,650	286,380
Non-controlling interests	非控股權益		24,414	(5,602)
			260,064	280,778

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2017
二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	2,046,177	1,877,677
Investment properties	投資物業	14	48,392	31,663
Properties under development	發展中物業	15	40,869	40,869
Prepaid land lease payments	預付土地租賃款項	16	154,819	120,600
Goodwill	商譽	17	8,699	8,660
Other intangible assets	其他無形資產	18	484,215	285,030
Investment in an associate	於一間聯營公司的投資	19	–	4,127
Available-for-sale investments	可供出售投資	20	132,576	123,967
Deposits paid for purchase of items of property, plant and equipment and land lease payments	就收購物業、廠房及設備項目及土地租賃款項支付的訂金		85,016	14,615
Deferred tax assets	遞延稅項資產	31	48,888	54,715
Total non-current assets	非流動資產總值		3,049,651	2,561,923
CURRENT ASSETS	流動資產			
Inventories	存貨	22	1,872,285	1,127,126
Completed properties held for sale	持作待售已落成物業	23	44,205	61,702
Trade and bills receivables	貿易應收款項及應收票據	24	2,526,597	2,264,377
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	25	174,423	134,725
Derivative financial instruments	衍生金融工具	21	4,418	4,625
Equity investments at fair value through profit or loss	公允價值變動計入損益的權益性投資	26	12,545	13,595
Pledged deposits	已抵押存款	27	540,116	490,885
Cash and cash equivalents	現金及現金等價物	27	401,042	214,344
Total current assets	流動資產總值		5,575,631	4,311,379
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易應付款項及應付票據	28	1,665,247	1,631,484
Other payables and accruals	其他應付款項及應計費用	29	706,537	542,867
Interest-bearing bank borrowings	計息銀行借貸	30	2,904,553	1,275,014
Derivative financial instruments	衍生金融工具	21	–	13,636
Income tax payable	應付所得稅		89,406	89,212
Total current liabilities	流動負債總額		5,365,743	3,552,213
NET CURRENT ASSETS	流動資產淨值		209,888	759,166
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		3,259,539	3,321,089

Consolidated Statement of Financial Position 綜合財務狀況表

31 December 2017
二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	31	54,554	31,448
Interest-bearing bank borrowings	計息銀行借貸	30	109,338	488,463
Deferred government grants	遞延政府補貼		48,959	43,249
Total non-current liabilities	非流動負債總額		212,851	563,160
Net assets	資產淨值		3,046,688	2,757,929
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	32	116,192	115,846
Reserves	儲備	34	2,760,418	2,582,042
Non-controlling interests	非控股權益		2,876,610	2,697,888
			170,078	60,041
Total equity	權益總額		3,046,688	2,757,929

Dong Li
董李
Director
董事

Zhao Huan
趙歡
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔										
		Share capital	Share premium account	Merger reserve	Share option reserve	Available-for-sale investment revaluation reserve	Statutory reserve fund	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價賬	合併儲備	購股權儲備	可供出售資產重估儲備	法定儲備金	匯兌波動儲備	保留溢利	合計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Note		(note 32)	(note 45)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)			
附註		(附註32)	(附註45)	(附註34)	(附註34)	(附註34)	(附註34)	(附註34)	(附註34)			
At 1 January 2016	於二零一六年一月一日	115,843	1,237,298	275,105	33,207	25,507	101,538	2,596	648,494	2,439,588	5,994	2,445,582
Profit for the year	本年度溢利	-	-	-	-	-	-	-	241,898	241,898	(10,111)	231,787
Other comprehensive income for the year:	本年度其他全面收益:											
Changes in fair value of available-for-sale investments, net of tax	可供出售投資公允價值變動·扣除稅項	-	-	-	-	23,312	-	-	-	23,312	-	23,312
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	-	-	-	21,170	-	21,170	4,509	25,679
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	23,312	-	21,170	241,898	286,380	(5,602)	280,778
Exercise of share options	行使購股權	32	3	44	-	(25)	-	-	-	22	-	22
Lapse of share options	購股權失效	-	-	-	(6,657)	-	-	-	6,657	-	-	-
Final 2015 dividend paid	已付二零一五年末期股息	-	(29,478)	-	-	-	-	-	-	(29,478)	-	(29,478)
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	-	1,376	-	-	-	-	1,376	-	1,376
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	59,649	59,649
Appropriations to reserves	撥作儲備	-	-	-	-	-	17,947	-	(17,947)	-	-	-
At 31 December 2016	於二零一六年十二月三十一日	115,846	1,207,864*	275,105*	27,901*	48,819*	119,485*	23,766*	879,102*	2,697,888	60,041	2,757,929

Consolidated Statement of Changes in Equity 綜合權益變動表

Year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔											
		Share capital	Share premium account	Merger reserve	Share option reserve	Available-for-sale investment revaluation reserve 可供出售資產重估儲備	Statutory reserve fund 法定儲備金	Exchange fluctuation reserve 匯兌波動儲備	Retained profits	Total	Non-controlling interests	Total equity	
		股本 RMB'000 人民幣千元	股份溢價賬 RMB'000 人民幣千元	合併儲備 RMB'000 人民幣千元	購股權儲備 RMB'000 人民幣千元	可供出售 資產重估 儲備 RMB'000 人民幣千元	法定儲備金 RMB'000 人民幣千元	匯兌波動 儲備 RMB'000 人民幣千元	保留溢利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	非控股權益 RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元	
		Notes 附註	(note 32) (附註32)	(note 45) (附註45)	(note 34) (附註34)	(note 34) (附註34)	(note 34) (附註34)	(note 34) (附註34)	(note 34) (附註34)	(note 34) (附註34)	(note 34) (附註34)	(note 34) (附註34)	
At 1 January 2017	於二零一七年一月一日		115,846	1,207,864	275,105	27,901	48,819	119,485	23,766	879,102	2,697,888	60,041	2,757,929
Profit for the year	本年度溢利		-	-	-	-	-	-	-	242,885	242,885	28,595	271,480
Other comprehensive income for the year:	本年度其他全面收益：												
Changes in fair value of available-for-sale investments, net of tax	可供出售投資公允價值變動，扣除稅項		-	-	-	2,777	-	-	-	2,777	-	-	2,777
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額		-	-	-	-	-	(10,012)	-	(10,012)	(4,181)	-	(14,193)
Total comprehensive income for the year	本年度全面收益總額		-	-	-	2,777	-	(10,012)	242,885	235,650	24,414	-	260,064
Exercise of share options	行使購股權	32	346	5,338	-	(2,652)	-	-	-	3,032	-	-	3,032
Final 2016 dividend paid	已付二零一六年末期股息		-	(64,603)	-	-	-	-	-	(64,603)	-	-	(64,603)
Equity-settled share option arrangements	以權益結算的購股權安排		-	-	-	4,643	-	-	-	4,643	-	-	4,643
Capital contribution from non-controlling shareholders	非控股股東注資		-	-	-	-	-	-	-	-	-	5,477	5,477
Acquisition of subsidiaries	收購附屬公司	35	-	-	-	-	-	-	-	-	-	80,146	80,146
Appropriations to reserves	撥作儲備		-	-	-	-	14,320	-	(14,320)	-	-	-	-
At 31 December 2017	於二零一七年十二月三十一日		116,192	1,148,599*	275,105*	29,892*	51,596*	133,805*	13,754*	1,107,667*	2,876,610	170,078	3,046,688

* These reserve accounts comprise the consolidated reserves of RMB2,760,418,000 (2016: RMB2,582,042,000) in the consolidated statement of financial position.

* 此等儲備賬組成綜合財務狀況表內之綜合儲備人民幣2,760,418,000元(二零一六年:人民幣2,582,042,000元)。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2017
截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES 經營業務的現金流量			
Profit before tax		306,832	280,536
Adjustments for:	就下列各項作出調整：		
Finance costs	財務成本 7	151,788	108,931
Interest income	利息收入 5	(13,374)	(8,717)
Fair value gain from derivative financial instruments, net	衍生金融工具公允價值收益·淨額 6	(1,166)	(3,551)
Fair value loss from equity investments at fair value through profit or loss, net	公允價值變動計入損益的權益性投資的公允價值虧損·淨額 6	1,050	3,366
Gain on remeasurement of the previously held interest in a joint venture	重新計量先前於一間合營公司持有權益的收益 5	-	(10,502)
Loss on remeasurement of the previously held interest in an associate	重新計量先前於一間聯營公司持有權益的虧損 6	2,064	-
Gain on bargain purchase	議價收購收益 5	(880)	-
Loss/(gain) on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的虧損／(收益) 6	611	(956)
Share of profits and losses of a joint venture and an associate	應佔一間合營公司及聯營公司的溢利及虧損	-	2,931
Depreciation of property, plant and equipment	物業、廠房及設備折舊 13	218,888	196,478
Depreciation of investment properties	投資物業折舊 14	1,321	1,188
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷 16	3,656	2,844
Amortisation of intangible assets	無形資產攤銷 18	88,849	59,627
Amortisation of deferred government grants	遞延政府補貼攤銷	(3,200)	(4,709)
(Reversal of impairment)/impairment of trade receivables	貿易應收款項(減值撥回)/減值 24	(7,713)	21,910
Impairment of inventories	存貨減值 6	3,957	14,491
Dividend income from available-for-sale investments	來自可供出售投資的股息收入 5	(1,301)	(15,728)
Loss on a fire accident	火災損失 6	28,153	-
Equity-settled share option expenses	以權益結算的購股權開支 6	4,643	1,376
		784,178	649,515

Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2017
截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Increase in inventories	存貨增加	(758,830)	(229,280)
Increase in trade and bills receivables	貿易應收款項及應收票據增加	(247,009)	(724,653)
Increase in prepayments, deposits and other receivables	預付款項、訂金及其他應收款項增加	(16,310)	(14,170)
Changes in fair value of derivative financial instruments, net	衍生金融工具公允價值變動·淨額	(12,263)	(39,545)
Increase in trade and bills payables	貿易應付款項及應付票據增加	29,164	354,423
Increase in other payables and accruals	其他應付票據及應計費用增加	123,862	234,446
Cash (used in)/generated from operations	經營活動(所用)/所得現金	(97,208)	230,736
Income tax paid	已付所得稅	(34,176)	(41,567)
Net cash flows (used in)/from operating activities	經營活動(所用)/所得現金流量淨額	(131,384)	189,169
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Interest received	已收利息	13,294	12,690
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(332,143)	(232,298)
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備項目的所得款項	13,026	22,871
Dividend income from available-for-sale investments	來自可供出售投資的股息收入	1,301	15,728
Increase in available-for-sale investments	可供出售投資增加	(5,800)	(34,627)
Additions of intangible assets	增加無形資產	(179,908)	(138,580)
Additions of prepaid land lease payments	增加預付土地租賃款項	(32,993)	-
Deposits paid for land lease payments	土地租賃款項已付按金	(11,426)	-
Deposits paid for construction of a property	建造一項物業已付按金	(49,130)	-
Proceeds from disposal of equity investments at fair value through profit or loss	處置公允價值變動計入損益的權益性投資的所得款項	-	5,582
Acquisition of subsidiaries	收購附屬公司	(78,760)	61
Net cash flows used in investing activities	投資活動所用現金流量淨額	(662,539)	(348,573)

Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量			
Issue of shares, net of issuance expenses	股份發行，扣除發行開支	32	3,032	22
New bank borrowings	新借銀行借貸		5,887,649	2,152,428
Repayment of bank borrowings	償還銀行借貸		(4,601,065)	(1,992,285)
Interest paid	已付利息		(151,788)	(108,931)
Capital contribution from non-controlling shareholders	非控股股東注資		5,477	—
Final dividend paid	已付末期股息		(64,603)	(29,478)
(Increase)/decrease in pledged deposits	已抵押存款(增加)/減少		(49,231)	89,516
Receipt of government grants	收取政府補貼		8,910	16,678
Net cash flows from financing activities	融資活動所得現金流量淨額		1,038,381	127,950
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/(減少)淨額		244,458	(31,454)
Cash and cash equivalents at beginning of year	於年初的現金及現金等價物		214,344	207,618
Effect of foreign exchange rate changes, net	匯率變動的影響，淨額		(57,760)	38,180
CASH AND CASH EQUIVALENTS AT END OF YEAR	於年末的現金及現金等價物		401,042	214,344
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析			
Cash and bank balances	現金及銀行結餘	27	401,042	214,344

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

1. Corporate and Group Information

Leoch International Technology Limited (the “**Company**”) was incorporated in the Cayman Islands on 27 April 2010 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the Company’s shares have been listed on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 16 November 2010. The registered office of the Company is located at the office of Conyers Trust Company (Cayman) Limited, at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Group is principally engaged in the manufacture, development and sale of lead-acid batteries and other related items.

In the opinion of the directors of the Company (the “**Directors**”), the immediate holding company is Master Alliance Investment Limited, a company incorporated in the British Virgin Islands. The ultimate holding company is DB International Trust (Singapore) Limited, which is the trustee of a discretionary trust established by Mr. Dong Li and the beneficiaries of the trust are family members of Mr. Dong Li.

On 21 March 2018, Jingle Bells Group Limited, the immediate holding company of Master Alliance Investment Limited and which is in turn wholly owned by DB International Trust (Singapore) Limited, transferred the whole ownership of Master Alliance Investment Limited to Mr. Dong Li at nil consideration. Upon completion of the ownership transfer, in the opinion of the Directors, the immediate holding company and the ultimate holding company is Master Alliance Investment Limited, which is wholly owned by Mr. Dong Li.

1. 公司及集團資料

理士國際技術有限公司(「**本公司**」)乃於二零一零年四月二十七日根據開曼群島公司法(第22章)(一九六一年第3號法案,經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司,而本公司股份自二零一零年十一月十六日起在香港聯合交易所有限公司(「**聯交所**」)上市。本公司的註冊辦事處位於Conyers Trust Company (Cayman) Limited的辦事處(地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands)。本集團主要從事製造、開發和銷售鉛酸蓄電池及其他相關產品。

本公司董事(「**董事**」)認為,直接控股公司為於英屬處女群島註冊成立的Master Alliance Investment Limited。最終控股公司為DB International Trust (Singapore) Limited,其為由董李先生成立的全權信託的受託人,而信託的受益人為董李先生的家族成員。

於二零一八年三月二十一日,Master Alliance Investment Limited之直接控股公司及由DB International Trust (Singapore) Limited全資擁有之Jingle Bells Group Limited以零代價向董李先生轉讓Master Alliance Investment Limited的全部擁有權。完成擁有權轉讓之後,董事認為,直接控股公司及最終控股公司為董李先生全資擁有之Master Alliance Investment Limited。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

1. Corporate and Group Information (continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Subsidiaries 附屬公司	Date of incorporation/ registration 註冊成立/註冊日期	Place of incorporation/ registration and business 註冊成立/註冊 及營運地點	Issued and paid-up capital 已發行及繳足資本	Percentage of equity interest attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
江蘇理士電池有限公司 (Leoch Battery (Jiangsu) Corp.) ("Jiangsu Leoch") 江蘇理士電池有限公司(「江蘇理士」)	11 March 2003 二零零三年三月十一日	PRC* 中國*	RMB562,649,382 人民幣562,649,382元	-	100	Investment holding and manufacture and sale of lead- acid batteries 投資控股、製造和銷售鉛酸蓄電池
肇慶理士電源技術有限公司 (Zhaoqing Leoch Battery Technology Co., Ltd.) ("Zhaoqing Leoch") 肇慶理士電源技術有限公司(「肇慶理士」)	9 May 2005 二零零五年五月九日	PRC* 中國*	US\$34,365,975 34,365,975美元	-	100	Investment holding and manufacture and sale of lead- acid batteries 投資控股、製造和銷售鉛酸蓄電池
安徽力普拉斯電源技術有限公司 (Anhui Uplus Energy Technology Co., Ltd.) ("Anhui Uplus") 安徽力普拉斯電源技術有限公司 (「安徽力普拉斯」)	26 July 2006 二零零六年七月二十六日	PRC* 中國*	US\$10,001,455 10,001,455美元	-	100	Manufacture and sale of lead-acid batteries 製造和銷售鉛酸蓄電池
深圳理士奧電源技術有限公司 (Shenzhen Leoch Battery Technology Co., Ltd.) ("Shenzhen Leoch Battery") 深圳理士奧電源技術有限公司 (「深圳理士奧電源」)	26 April 1999 一九九九年四月二十六日	PRC* 中國*	RMB582,649,382 人民幣582,649,382元	-	100	Investment holding and sale of lead-acid batteries 投資控股和銷售鉛酸蓄電池
東莞市理士易事特電源技術有限公司 (Dongguan Leoch Battery Technology Co., Ltd.) 東莞市理士易事特電源技術有限公司	27 November 2002 二零零二年十一月二十七日	PRC* 中國*	RMB3,500,000 人民幣3,500,000元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池
廣州理士奧電源技術有限公司 (Guangzhou Leoch Battery Technology Co., Ltd.) 廣州理士奧電源技術有限公司	23 July 2013 二零一三年七月二十三日	PRC* 中國*	RMB100,000 人民幣100,000元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池

1. 公司及集團資料 (續)

有關附屬公司之資料

本公司主要附屬公司的詳情如下：



1. Corporate and Group Information (continued)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

有關附屬公司之資料 (續)

Subsidiaries 附屬公司	Date of incorporation/ registration 註冊成立/註冊日期	Place of incorporation/ registration and business 註冊成立/註冊 及營運地點	Issued and paid-up capital 已發行及繳足資本	Percentage of equity interest attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
Leoch International Sales Ltd ("Leoch International Sales") 理士國際銷售有限公司 (「理士國際銷售」)	31 December 2010 二零一零年十二月三十一日	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding and sale of lead-acid batteries 投資控股和銷售鉛酸蓄電池
Leoch Battery Corporation ("Leoch Battery Corp.") Leoch Battery Corporation (「Leoch Battery Corp.」)	17 June 2003 二零零三年六月十七日	USA** 美國**	US\$3,256,000 3,256,000美元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池
Leoch Power Supply (H.K.) Limited ("Leoch Power Supply") 理士電源(香港)有限公司 (「理士電源」)	18 August 2004 二零零四年八月十八日	Hong Kong 香港	HK\$12,000,000 12,000,000港元	-	100	Investment holding and sale of lead-acid batteries 投資控股以及銷售鉛酸蓄電池
Honour Label Investments Limited ("Honour Label") Honour Label Investments Limited (「Honour Label」)	28 February 2005 二零零五年二月二十八日	BVI*** 英屬處女群島***	US\$1 1美元	-	100	Investment holding 投資控股
Peak Year Investments Limited ("Peak Year") Peak Year Investments Limited (「Peak Year」)	25 January 2007 二零零七年一月二十五日	BVI*** 英屬處女群島***	US\$1 1美元	-	100	Investment holding 投資控股
Shieldon International Limited ("Shieldon") Shieldon International Limited (「Shieldon」)	19 January 2007 二零零七年一月十九日	BVI*** 英屬處女群島***	US\$1 1美元	-	100	Investment holding 投資控股
Leoch Battery Company Limited ("Leoch Battery Company") Leoch Battery Company Limited (「Leoch Battery Company」)	25 April 2007 二零零七年四月二十五日	Hong Kong 香港	HK\$1,000,000 1,000,000港元	-	100	Investment holding and sale of lead-acid batteries 投資控股以及銷售鉛酸蓄電池
Nanjing Leoch Battery Technology Co., Ltd. 南京理士奧電源技術有限公司	15 March 2006 二零零六年三月十五日	PRC* 中國*	RMB300,000 人民幣300,000元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

1. Corporate and Group Information (continued)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

有關附屬公司之資料 (續)

Subsidiaries 附屬公司	Date of incorporation/ registration 註冊成立/註冊日期	Place of incorporation/ registration and business 註冊成立/註冊 及營運地點	Issued and paid-up capital 已發行及繳足資本	Percentage of equity interest attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
Beijing Leoch Engineering Technology Co., Ltd. 北京理士奧電源技術有限公司	14 December 2004 二零零四年十二月十四日	PRC* 中國*	RMB1,000,000 人民幣1,000,000元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池
Leoch Battery Shenzhen Corp. 深圳理士電池技術有限公司	27 September 2007 二零零七年九月二十七日	PRC* 中國*	RMB1,000,000 人民幣1,000,000元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池
Catherine Holdings International Company Limited ("Catherine Holdings")	3 May 2010 二零一零年五月三日	BVI*** 英屬處女群島***	US\$6 6美元	100	-	Investment holding 投資控股
Leoch Battery Pte. Ltd. ("Leoch Battery Pte.") Leoch Battery Pte. Ltd. ("Leoch Battery Pte.")	5 April 2010 二零一零年四月五日	Singapore 新加坡	SG\$2,000,000 2,000,000新加坡元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池
Leoch International Holding Pte. Ltd. ("Leoch International Holding") Leoch International Holding Pte. Ltd. ("Leoch International Holding")	21 April 2011 二零一一年四月二十一日	Singapore 新加坡	SG\$1 1新加坡元	-	100	Investment holding 投資控股
Anhui Leoch Power Supply Corp. ("Anhui Leoch Power") 安徽理士電源技術有限公司 ("安徽理士電源")	26 October 2010 二零一零年十月二十六日	PRC* 中國*	HK\$321,000,000 321,000,000港元	-	100	Manufacture and sale of lead-acid batteries 製造及銷售鉛酸蓄電池
Leoch Lanka (Private) Ltd. Leoch Lanka (Private) Ltd.	26 January 2012 二零一二年一月二十六日	Sri Lanka 斯里蘭卡	LKR337,712,000 337,712,000 斯里蘭卡盧比	-	100	Manufacture and sale of lead-acid batteries 製造及銷售鉛酸蓄電池
Leoch Batteries India Private Limited Leoch Batteries India Private Limited	31 October 2012 二零一二年十月三十一日	India 印度	INR223,581,336 223,581,336 印度盧比	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池

1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

Subsidiaries 附屬公司	Date of incorporation/ registration 註冊成立/註冊日期	Place of incorporation/ registration and business 註冊成立/註冊 及營運地點	Issued and paid-up capital 已發行及繳足資本	Percentage of equity interest attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
Big Help Group Limited ("Big Help") Big Help Group Limited (「Big Help」)	19 May 2011 二零一一年五月十九日	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
江蘇思廷置業有限公司 (Jiangsu Siting Real Estate Co., Ltd.) ("Jiangsu Siting") 江蘇思廷置業有限公司(「江蘇思廷」)	29 October 2014 二零一四年十月二十九日	PRC* 中國*	RMB20,000,000 人民幣20,000,000元	-	100	Development and sale of properties 開發及銷售物業
深圳立航電源技術有限公司 (Shenzhen Lihang Battery Technology Co., Ltd.) 深圳立航電源技術有限公司	19 November 2012 二零一二年十一月十九日	PRC* 中國*	HK\$10,000,000 10,000,000港元	-	100	Investment holding 投資控股
理士投資發展(深圳)有限公司 (Leoch Investment Development (Shenzhen) Limited) 理士投資發展(深圳)有限公司	17 June 2014 二零一四年六月十七日	PRC* 中國*	RMB827,456,523 人民幣827,456,523元	-	100	Investment holding 投資控股
Leoch Trontek Battery Pvt Leoch Trontek Battery Pvt	7 August 2015 二零一五年八月七日	India 印度	INR259,110,200 259,110,200 印度盧比	-	51	Manufacture and sale of lead-acid batteries 製造及銷售鉛酸蓄電池
肇慶理士瑪西爾電動車有限公司 (Zhaoqing Leoch Marshall Electric Vehicle Co., Ltd.) 肇慶理士瑪西爾電動車有限公司	12 August 2016 二零一六年八月十二日	PRC* 中國*	RMB160,690,000 人民幣160,690,000元	-	75.34	Leasing of properties 物業租賃
Leoch Accupower (M) Sdn. Bhd ("Accupower") Leoch Accupower (M) Sdn. Bhd ("Accupower")	10 July 2016 二零一六年七月十日	Malaysia 馬來西亞	RM40,000,000 40,000,000馬元	-	51	Manufacture and sale of lead-acid batteries 製造及銷售鉛酸蓄電池
安徽力普拉斯新能源材料科技有限公司 (Anhui Uplus New Energy Material Technology Co., Ltd.) ("Anhui Uplus New Energy") 安徽力普拉斯新能源材料科技有限公司 (「安徽力普拉斯新能源」)	9 September 2016 二零一六年九月九日	PRC* 中國*	RMB5,000,000 人民幣5,000,000元	-	100	Investment holding 投資控股

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

Subsidiaries 附屬公司	Date of incorporation/ registration 註冊成立/註冊日期	Place of incorporation/ registration and business 註冊成立/註冊 及營運地點	Issued and paid-up capital 已發行及繳足資本	Percentage of equity interest attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
太和縣大華能源科技有限公司 (Taihe Dahua Energy Technology Co., Ltd.) ("Taihe Dahua")	9 January 2017	PRC*	RMB110,000,000	-	60	Recycle and remanufacture of lead from batteries disposed of
太和縣大華能源科技有限公司 ("太和縣大華")	二零一七年一月九日	中國*	人民幣110,000,000元			自廢蓄電池回收及再生產鉛
Tele Power Sdn. Bhd. ("Tele Power")	23 January 2017	Malaysia	RM1,000,000	-	51	Manufacture and sale of lead-acid batteries
Tele Power Sdn. Bhd. ("Tele Power")	二零一七年一月二十三日	馬來西亞	1,000,000馬元			製造及銷售鉛酸蓄電池
Leoch Battery (Vietnam) Limited	29 September 2017	Vietnam	US\$504,970	-	100	Manufacture and sale of lead-acid batteries
Leoch Battery (Vietnam) Limited	二零一七年九月二十九日	越南	504,970美元			製造及銷售鉛酸蓄電池
Leoch Super Power (Vietnam) Limited	29 September 2017	Vietnam	US\$464,970	-	100	Manufacture and sale of lead-acid batteries
Leoch Super Power (Vietnam) Limited	二零一七年九月二十九日	越南	464,970美元			製造及銷售鉛酸蓄電池
Leoch France SAS Leoch France SAS	23 November 2017 二零一七年十一月二十三日	France 法國	EUR100,000 100,000歐元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池

* PRC represents the People's Republic of China excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan.

** USA represents the United States of America.

*** BVI represents the British Virgin Islands.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

* 中國指中華人民共和國，不包括中國香港特別行政區、中國澳門特別行政區及台灣。

** 美國指美利堅合眾國。

*** 英屬處女群島指英屬處女群島。

上表列出董事會認為對本集團本年度業績有重大影響或佔本集團資產淨值之重大部分之本公司之附屬公司。董事會認為倘列出其他附屬公司之資料，將使篇幅過於冗長。



2.1 Basis of Preparation

These financial statements have been prepared in accordance with IFRSs, which comprise standards and interpretations approved by the IASB, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, equity investments at fair value through profit or loss and certain available-for-sale investments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

2.1 編製基準

該等財務報表乃根據國際財務報告準則以及香港公司條例的披露規定編製，國際財務報告準則包括國際會計準則委員會已批准的準則和詮釋。該等財務報表乃按照歷史成本慣例編製，惟衍生金融工具、公允價值變動計入損益的權益性投資及若干可供出售投資已按公允價值計量外。該等財務報表以人民幣（「人民幣」）呈列，除另有指明外，所有價值均調整至最接近的千元。

合併基準

該等綜合財務報表包括本集團於截至二零一七年十二月三十一日止年度的財務報表。附屬公司乃本公司直接或間接控制之實體（包括結構性實體）。當本集團就參與被投資公司營運所得之可變動回報有風險承擔或享有權利，並能夠向被投資公司運用其權力以影響回報金額（即現存之權利以致本集團能夠指示被投資公司之相關活動），即代表本集團擁有控制權。

31 December 2017
二零一七年十二月三十一日

2.1 Basis of Preparation (*continued*) 2.1 編製基準 (續)

Basis of consolidation (*continued*)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangement; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

合併基準 (續)

倘本公司直接或間接擁有被投資公司的投票權或類似權利少於大多數，則本集團於評估其是否擁有對被投資公司之權力時會考慮一切相關事實及情況，包括：

- (a) 與被投資公司其他投票持有人之合約安排；
- (b) 其他合約安排所產生之權利；及
- (c) 本集團之投票權及潛在投票權。

附屬公司與本公司之財務報表之報告期間相同，並採用一致之會計政策編製。附屬公司之業績由本集團取得控制權之日起計綜合入賬，並繼續綜合入賬至該等控制權終止之時為止。

損益及其他全面收益各項目歸屬於本集團母公司之擁有人及非控股權益，即使導致非控股權益結餘出現虧絀。與集團成員公司間交易有關的所有集團內部資產及負債、股權、收入、開支及現金流已於綜合賬目時全數對銷。



2.1 Basis of Preparation (continued) 2.1 編製基準 (續)

Basis of consolidation (continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

合併基準 (續)

倘有事實及情況顯示上述附屬公司會計政策中所述的三項控制權要素其中一項或多項出現變動，本集團會重新評估其是否對被投資方擁有控制權。附屬公司擁有權益之變動（並未失去控制權）乃按權益交易處理。

倘本集團失去對一間附屬公司之控制權，則其撤銷確認(i)該附屬公司之資產（包括商譽）及負債，(ii)任何非控股權益之賬面值及(iii)於權益內記錄之累計交易差額；及確認(i)所收代價之公允價值，(ii)所保留任何投資之公允價值及(iii)損益賬中任何因此產生之盈餘或虧絀。先前於其他全面收益內確認的本集團股份部分，按照本集團直接出售有關資產或負債的相同基準重新分類至損益或保留溢利（如適當）。

31 December 2017
二零一七年十二月三十一日

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IAS 7	<i>Disclosure Initiative</i>
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to IFRS 12 included in Annual Improvements to IFRSs 2014-2016 Cycle	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of IFRS 12</i>

None of the above amendments to IFRSs has had a significant financial effect on these financial statements. Disclosure has been made in note 36 to the financial statements upon the adoption of amendments to IAS 7, which require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes

The nature and the impact of the amendments are described below:

- (a) Amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Disclosure of the changes in liabilities arising from financing activities is provided in note 36 to the financial statements.

2.2 會計政策及披露事項的變動

本集團在本年度財務報表首次採用了下列經修訂的國際財務報告準則。

國際會計準則第7號的修訂本	披露計劃
國際會計準則第12號的修訂本	就未變現虧損確認遞延稅項資產
國際財務報告準則第12號的修訂本 (包括於國際財務報告準則二零一四年至二零一六年週期的年度改進)	於其他實體之權益披露：澄清國際財務報告準則第12號的範圍

概無上述國際財務報告準則的修訂本已對該等財務報表產生重大財務影響。國際會計準則第7號的修訂本規定實體須披露資料，讓財務報表使用者可評估融資活動所產生負債的變動，包括因現金流量及非現金變動而產生的變動；本公司已於採用該修訂本後相應於財務報表附註36作出披露。

該等修訂本之性質與影響描述如下：

- (a) 國際會計準則第7號的修訂本規定實體須披露資料，讓財務報表使用者可評估融資活動所產生負債的變動，包括因現金流量及非現金變動而產生的變動。融資活動所產生負債的變動於財務報表附註36作出披露。



2.2 Changes in Accounting Policies and Disclosures (continued)

- (b) Amendments to IAS 12 clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.
- (c) Amendments to IFRS 12 clarify that the disclosure requirements in IFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of IFRS 12, apply to an entity's interest in a subsidiary, a joint venture or an associate, or a portion of its interest in a joint venture or an associate that is classified as held for sale or included in a disposal group classified as held for sale. The amendments have had no impact on the Group's financial statements as the Group did not have any interest that is classified as held for sale as at 31 December 2017.

2.2 會計政策及披露事項的變動 (續)

- (b) 國際會計準則第12號的修訂本澄清實體於評估是否有應課稅溢利可用作抵扣可扣減暫時差額時，需要考慮稅務法例是否對於可扣減暫時差額轉回時可用作抵扣的應課稅溢利的來源有所限制。此外，該等修訂本就實體應如何釐定未來應課稅溢利提供指引，並解釋應課稅溢利可包括收回超過賬面值的部分資產的情況。由於本集團並無任何可扣減暫時差額或該等修訂範圍內的資產，故應用該等修訂對本集團的財務狀況及表現並無任何影響。
- (c) 國際財務報告準則第12號的修訂本釐清國際財務報告準則第12號之披露規定（國際財務報告準則第12號第B10至B16段之披露規定除外）適用於實體於附屬公司、合營公司或聯營公司的權益，或其於分類為持作出售或列於分類為持作出售的出售組別的合營公司或聯營公司的權益。由於本集團於二零一七年十二月三十一日並無擁有分類為持作出售的任何權益，因此，該等修訂本對本集團的財務報表並無影響。

31 December 2017
二零一七年十二月三十一日

2.3 Issued but not yet Effective International Financial Reporting Standards

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ¹
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i> ¹
IFRS 9	<i>Financial Instruments</i> ¹
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
IFRS 15	<i>Revenue from Contracts with Customers</i> ¹
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i> ¹
IFRS 16	<i>Leases</i> ²
Amendments to IAS 40	<i>Transfers of Investment Property</i> ¹
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> ²

2.3 已頒佈惟未生效的國際財務報告準則

本集團於該等財務報表內並無應用以下已頒佈惟未生效的新訂及經修訂的國際財務報告準則。

國際財務報告準則第2號的修訂本	以股份為基礎的付款的交易的分類及計量 ¹
國際財務報告準則第4號的修訂本	與國際財務報告準則第4號保險合約一併應用國際財務報告準則第9號金融工具 ¹
國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第9號的修訂本	提早還款特性及負補償 ²
國際財務報告準則第10號及國際會計準則第28號的修訂本	投資者與其聯營公司或合營公司之間的銷售或注資 ⁴
國際財務報告準則第15號	客戶合約收入 ¹
國際財務報告準則第15號的修訂本	對國際財務報告準則第15號客戶合約收入的澄清 ¹
國際財務報告準則第16號	租賃 ²
國際會計準則第40號的修訂本	轉讓投資物業 ¹
國際財務報告詮釋委員會第22號	外幣交易及墊付代價 ¹
國際財務報告詮釋委員會第23號	所得稅處理的不確定性 ²

2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

2.3 已頒佈惟未生效的國際財務報告準則 (續)

IFRS 17	<i>Insurance Contracts</i> ³	國際財務報告準則第17號	保險合約 ³
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ²	國際會計準則第19號的修訂本	計劃修訂、縮減或清償 ²
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ²	國際會計準則第28號的修訂本	於聯營公司及合營企業的長期權益 ²
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to IFRS 1 and IFRS 28 ¹	二零一四年至二零一六年週期的年度改進	國際財務報告準則第1號及國際財務報告準則第28號的修訂本 ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 ²	二零一五年至二零一七年週期的年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂本 ²

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for annual periods beginning on or after 1 January 2019
- ³ Effective for annual periods beginning on or after 1 January 2021
- ⁴ No mandatory effective date yet determined but available for adoption

- ¹ 於二零一八年一月一日或之後開始之年度期間生效
- ² 於二零一九年一月一日或之後開始之年度期間生效
- ³ 於二零二一年一月一日或之後開始之年度期間生效
- ⁴ 尚未釐定強制生效日期惟可供採納

31 December 2017
二零一七年十二月三十一日

2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

Further information about those IFRSs that are expected to be applicable to the Group is described below:

The IASB issued amendments to IFRS 2 in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if they elect to adopt for all three amendments and other criteria are met. The Group will adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈惟未生效的國際財務報告準則 (續)

預期將適用於本集團之該等國際財務報告準則之進一步資料載列如下：

國際會計準則委員會於二零一六年六月頒佈的國際財務報告準則第2號的修訂本主要涉及三個主要方面：歸屬條件對現金結算的以股份為基礎付款的交易計量的影響；對具淨額結算特徵的以股份為基礎付款的交易而預扣若干金額的以滿足僱員與以股份為基礎付款有關的納稅義務的分類；及對以股份為基礎付款的交易中條款及條件的修訂導致其分類從現金結算變更為權益結算的會計處理。該等修訂本澄清在衡量權益結算的以股份為基礎的付款時用於計算歸屬條件的方法亦適用於現金結算的以股份為基礎的付款。該等修訂本引入一項例外規定，在符合若干條件時，為滿足僱員的納稅義務而預扣若干金額的具有淨額結算特徵的以股份為基礎付款的交易乃整項分類為股權結算的以股份為基礎付款的交易。此外，該等修訂本澄清，倘現金結算以股份為基礎付款的交易條款及條件被修改，令其成為股權結算以股份為基礎付款的交易，則該交易自修改之日起作為以股權結算的交易入賬。實體於採用該修訂時無需重述過往期間，但允許追溯採用，前提是追溯採用所有三項修訂並滿足其他條件。本集團預期自二零一八年一月一日起採納該等修訂本。預期該等修訂本不會對本集團的財務報表產生任何重大影響。



2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt IFRS 9 from 1 January 2018. The Group will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018. During 2017, the Group has performed a detailed assessment of the impact of the adoption of IFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements and are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of IFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available for sale will be measured at fair values through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised.

2.3 已頒佈惟未生效的國際財務報告準則 (續)

於二零一四年七月，國際會計準則委員會頒佈國際財務報告準則第9號之最終版本，將金融工具項目的所有階段集於一起以代替國際會計準則第39號及國際財務報告準則第9號之全部先前版本。該準則引入分類及計量、減值及對沖會計處理之新規定。本集團預期自二零一八年一月一日起採納國際財務報告準則第9號。本集團將不會重述比較資料，並將就二零一八年一月一日之權益期初結餘確認任何過渡調整。於二零一七年，本集團就採納國際財務報告準則第9號的影響進行詳細評估。有關分類及計量的預期影響及減值要求概述如下：

(a) 分類及計量

本集團預期採納國際財務報告準則第9號不會對其金融資產的分類及計量造成重大影響且本集團預期繼續按公允價值計量現時按公允價值持有的所有金融資產。由於該等投資擬於可見未來仍然持有，且本集團選擇於其他全面收益呈列公允價值變動，現時持作出售的權益性投資將以按公允價值計入其他全面收益的方式計量。該等投資終止確認時，於其他全面收益表列賬的權益性投資收益及虧損不得重新計入損益。

31 December 2017
二零一七年十二月三十一日

2.3 Issued but not yet Effective International Financial Reporting Standards *(continued)*

(b) Impairment

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The Group has determined that the standard is not expected to have any significant impact on the Group's financial statements upon the initial adoption of the standard.

2.3 已頒佈惟未生效的國際財務 報告準則 (續)

(b) 減值

國際財務報告準則第9號規定按攤銷成本或按公允價值計入其他全面收益的債務工具、租賃應收款項、貸款承擔及財務擔保合約(並非根據國際財務報告準則第9號按公允價值計入損益的項目)所作減值,須根據預期信貸虧損模式或按十二個月基準或可用年期基準入賬。本集團預期應用簡化方式,將根據於其所有應收貿易賬款餘下可用年期內的所有現金差額現值估計的可用年期預期虧損入賬。此外,本集團將應用一般方式並將基於未來十二個月本集團其他應收款項可能遭遇之違約事件所估計之十二個月預期信貸損失入賬。本集團認為首次採納該等準則不會對本集團財務報表產生任何重大影響。



31 December 2017
二零一七年十二月三十一日

2.3 Issued but not yet Effective International Financial Reporting Standards (*continued*)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈惟未生效的國際財務報告準則 (續)

國際財務報告準則第10號及國際會計準則第28號的修訂本針對國際財務報告準則第10號及國際會計準則第28號之間有關投資者與其聯營公司或合營公司之間的資產出售或注資兩者規定的不一致性。該等修訂本規定，當投資者與其聯營公司或合營公司之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營公司的權益為限。該等修訂本即將應用。國際財務報告準則第10號及國際會計準則第28號修訂本之前的強制性生效日期已於二零一五年十二月被國際會計準則委員會移除，新強制性生效日期將於對聯營公司及合營公司的會計處理進行更廣泛檢討完成後決定。然而，該等修訂本現已可供應用。

31 December 2017
二零一七年十二月三十一日

2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

IFRS 15, issued in May 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In April 2016, the IASB issued amendments to IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group will adopt IFRS 15 from 1 January 2018 and plans to adopt the transitional provisions in IFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. During 2017, the Group has performed a detailed assessment on the impact of the adoption of IFRS 15.

2.3 已頒佈惟未生效的國際財務報告準則 (續)

於二零一四年五月頒佈之國際財務報告準則第15號建立一個新五步模式，以將來自客戶合約的收益列賬。根據國際財務報告準則第15號，收益按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。國際財務報告準則第15號的原則為計量及確認收益提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額，關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代國際財務報告準則項下所有現時收益確認的規定。在首次應用該準則時須作出全面的追溯應用或修訂後的追溯採納。於二零一六年四月，國際會計準則委員會頒佈國際財務報告準則第15號的修訂本，以解決確定履約義務、主體與代理的應用指引、知識產權牌照及過渡安排的實施問題。該等修訂本亦旨在幫助確保於實體採納國際財務報告準則第15號時更貫徹應用及降低應用該準則之成本及複雜性。本集團預期將於二零一八年一月一日採納國際財務報告準則第15號，並計劃採用國際財務報告準則第15號的過渡性條文，通過調整保留盈利於二零一八年一月一日期初結餘，確認初始採納的累計影響。此外，本集團計劃將新規定的應用局限於二零一八年一月一日之前尚未完成的合同。於二零一七年，本集團對採納國際財務報告準則第15號的影響已作出高度評估。



2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

The Group's principal activities consist of the manufacture, development and sale of lead-acid batteries and other related items. Upon the adoption of IFRS 15, revenue from the sale of products will be recognised at a point in time when control of the asset is transferred to the customer. The standard is not expected to have any significant impact on the Group's financial statements upon the initial adoption of the standard.

IFRS 16, issued in January 2016, replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a

2.3 已頒佈惟未生效的國際財務報告準則 (續)

本集團主要從事製造、開發和銷售鉛酸蓄電池及其他相關項目。一旦採納國際財務報告準則第15號，銷售產品所得收益將於資產控制權轉讓予客戶時予以確認。首次採納該等準則預期不會對本集團財務報表產生任何重大影響。

於二零一六年一月頒佈之國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會第4號釐定安排是否包括租賃、常務詮釋委員會－第15號經營租賃－優惠及常務詮釋委員會－第27號評估涉及租賃法律形式之交易之內容。該準則載列確認、計量、呈列及披露租賃之原則，並要求承租人就大多數租賃確認資產及負債。該準則包括就兩類租賃給予承租人確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認作出租賃付款之負債（即租賃負債）以及代表有權於租期內使用相關資產之資產（即使用權資產）。除非使用權資產符合國際會計準則第40號有關投資物業之定義或有關採納重估模式之物業、廠房及設備類別，否則使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債的後續增減變動將分別反映租賃負債利息及租賃付款。承租人將須分開確認租賃負債之利息開支及使用權資產之折舊開支。承租人亦須於發生若干事件（例如租賃期變動及因用於釐定未來租賃付款之指數或費率變動而導致該等付款變動）時重新計量租賃負債。承租人將一般確認重新計量租賃負債之金額，作為對使用權資產之調整。國際財務報告準則第16號項下之出租人會計對比國際會計準則第17號項下之會計並無大幅改變。出租人將繼續使用國際會計準則第17號中之相同分類原則分類所有租賃，並區分經營租賃及融資租賃。與國際會計準則第17號相比，國

31 December 2017
二零一七年十二月三十一日

2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt IFRS 16 from 1 January 2019. The Group is currently assessing the impact of IFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 38(b) to the financial statements, at 31 December 2017, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately RMB5,842,000. Upon adoption of IFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

2.3 已頒佈惟未生效的國際財務報告準則 (續)

際財務報告準則第16號要求承租人及出租人作出更廣泛的披露。承租人於應用該項準則時，可選擇進行全面追溯採用，或經調節的追溯採用。本集團預期自二零一九年一月一日起採納國際財務報告準則第16號，目前正在評估採納國際財務報告準則第16號的影響，並考慮是否利用現有的實際可行方法及採納的過渡性方式及豁免。誠如財務報表附註38(b)所披露，於二零一七年十二月三十一日，本集團根據不可撤銷經營租賃的未來最低租賃付款合共約為人民幣5,842,000元。採納國際財務報告準則第16號後，當中部分金額或須確認為新增有使用權資產及租賃負債。然而，須進一步分析待確認的新增有使用權資產及租賃負債的金額，包括但不限於與低價值資產租賃及短期租賃有關的金額，所選擇的其他實際可行方法及豁免，以及於採納日期前訂立的新租賃。



31 December 2017
二零一七年十二月三十一日

2.3 Issued but not yet Effective International Financial Reporting Standards *(continued)*

Amendments to IAS 40, issued in December 2016, clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to the changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at the date that it first applies the amendments and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application is only permitted if it is possible without the use of hindsight. The Group expects to adopt the amendments prospectively from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈惟未生效的國際財務報告準則 (續)

國際會計準則第40號的修訂本於二零一六年十二月頒佈，釐清實體將物業（其中包括在建或發展中物業）轉入或轉出投資物業的時間。修訂本訂明當物業符合或不再符合投資物業的定義時，以及有證據顯示用途變動時，發生用途變動。如管理層僅有意改變物業用途，並不構成用途變動的證據。該修訂本應於日後應用於實體初次應用該修訂本的年度報告期間起發生的用途變動。實體應重新評估及分類首次應用該修訂本當日持有的物業，及（如適用）重新分類物業以反映當日出現的情況。追溯應用僅適用於毋須利用後見之明的情況。本集團預期自二零一八年一月一日起提前採納該修訂本。該修訂本預期不會對本集團的財務報表產生重大影響。

31 December 2017
二零一七年十二月三十一日

2.3 Issued but not yet Effective International Financial Reporting Standards *(continued)*

IFRIC 22, issued in December 2016, provides guidance on how to determine the date of the transaction when applying IAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈惟未生效的國際財務報告準則 (續)

國際財務報告詮釋委員會第22號於二零一六年十二月頒佈，當國際會計準則第21號適用時，該詮釋就實體為釐定以外幣收取或支付墊付代價的交易之日期，以及確認非貨幣資產或非貨幣負債提供指引。該詮釋指明，釐定首次確認相關資產、開支或收益（或當中部分）所使用之匯率之交易日期為實體首次確認支付或收取墊付代價產生的非貨幣資產（例如預付款項）或非貨幣負債（例如遞延收入）之日。倘確認有關項目時存在多次付款或提前收取，實體必須釐定每次支付或收取墊付代價的交易日期。實體可自首次應用該詮釋的報告期初起或自前一個報告期初起，全面追溯應用或日後應用該詮釋，呈列為實體首次應用該詮釋的報告期的財務報表中載列之比較資料。本集團預期自二零一八年一月一日起提前採納該詮釋。該修訂本預期不會對本集團的財務報表產生重大影響。

31 December 2017
二零一七年十二月三十一日

2.3 Issued but not yet Effective International Financial Reporting Standards *(continued)*

IFRIC 23, issued in June 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈惟未生效的國際財務報告準則 (續)

國際財務報告詮釋委員會第23號於二零一七年六月頒佈，該詮釋有關當會計處理涉及會影響國際會計準則第12號應用的不確定性因素（常稱為「不確定課稅情況」）時，如何將所得稅（即期或遞延）入賬。該詮釋並不適用於國際會計準則第12號範疇以外的稅項或徵費，亦無載列與不確定稅務處理有關的利息及罰款之特定要求。詮釋具體處理(i)實體有否單獨考慮不確定稅務處理；(ii)稅務當局調查稅務處理時，實體作出的假設；(iii)實體如何釐定應課稅溢利或稅務虧損、稅基、未動用稅務虧損、未動用稅務抵免及稅率；以及(iv)實體如何考慮事實及情況變動。該詮釋即將在不利用後見之明的情況下全面追溯應用，或按應用的累積影響追溯應用（作為初始採納當日期初權益的調整，且並不會重列比較資料）。本集團預期自二零一九年一月一日起採納該詮釋。該修訂本預期不會對本集團的財務報表產生重大影響。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

2.4 主要會計政策概要

於聯營公司及合營公司之投資

聯營公司為本集團持有其一般不少於20%投票權的長期股本權益，並可對其施以重大影響的實體。重大影響力指有權力參與投資對象的財務及經營決策，但並非對該等政策擁有控制或聯合控制權。

合營企業為一項合營安排，據此，擁有該安排之共同控制權之各方均有權享有合營企業之資產淨值。共同控制權乃按合約協定下共享控制權之安排，其僅在相關活動決策必須獲共享控制權之各方一致同意時方屬存在。

本集團於聯營公司的投資乃使用權益會計法，按本集團應佔淨資產減任何減值虧損後於綜合財務狀況表中列賬。



2.4 Summary of Significant Accounting Policies (continued)

Investments in associates and joint ventures (continued)

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures are included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 主要會計政策概要 (續)

於聯營公司及合營公司之投資 (續)

本集團應佔聯營公司及合營企業收購後業績及其他全面收益分別計入綜合損益及其他全面收益表。此外，倘於聯營公司或合營企業的權益直接確認出現變動，則本集團會於綜合權益變動表確認其應佔任何變動（倘適用）。本集團與其聯營公司或合營企業之間交易的未變現收益及虧損將以本集團於聯營公司或合營企業的投資為限對銷，惟倘未變現虧損為所轉讓資產減值的憑證則除外。收購聯營公司或合營企業所產生的商譽已計入作本集團於聯營公司或合營企業投資的一部份。

倘聯營公司之投資成為合營企業之投資或反之亦然，則保留之權益不會進行重新計量，該投資將繼續按權益法進行核算。在所有其他情況下，當不再對聯營公司擁有重大影響力或合營企業擁有共同控制權時，本集團會按公允價值計量並確認任何保留之投資。於本集團失去對聯營公司之重大影響力或合營企業之共同控制權後，聯營公司或合營企業之賬面值與保留之投資之公允價值及出售所得款項之差額乃於損益確認。

當於聯營公司或合營企業之投資分類為持作出售，其根據國際財務報告準則第5號持作出售非流動資產及已終止業務列賬。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2.4 主要會計政策概要 (續)

業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期的公允價值計算，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團自被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公允價值或被收購方可識別資產淨值的應佔比例，計算於被收購方屬現時擁有權益並賦予其持有人有權於清盤時按比例分佔實體的淨資產的非控股權益。非控股權益的一切其他成分乃按公允價值計量。收購相關成本於產生時列為開支。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適當的分類及標示，其中包括分離被收購方主合約中的嵌入式衍生工具。

倘業務合併分階段進行，以往持有的股本權益會以收購日期的公允價值重新計量，任何因此帶來的利益或虧損於損益中確認。



2.4 Summary of Significant Accounting Policies (continued)

Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

將由收購方轉讓的任何或然代價於收購日期按公允價值確認。分類為資產或負債的或然代價按公允價值計量且其變動於損益確認。分類為權益的或然代價不會重新計量，其後結算於權益列賬。

商譽初始按成本計量，即已轉讓代價、已確認非控股權益金額及本集團先前持有被收購方股本權益的任何公允價值之總額超出所收購可識別資產淨值及所承擔負債的差額。倘此代價及其他項目的總和低於所收購淨資產的公允價值，則再評估後的差額於損益確認為議價收購所得利益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年進行減值測試，若有事件發生或情況改變顯示賬面值可能減值，則會更頻密地進行測試。本集團將於十二月三十一日進行商譽的年度減值測試。為進行減值測試，無論本集團其他資產或負債是否已分配至現金產生單位或現金產生單位組別，因業務合併而購入的商譽自收購日期起分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies *(continued)*

Business combinations and goodwill *(continued)*

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

減值乃通過評估與商譽有關的現金產生單位(現金產生單位組別)的可收回金額釐定。當現金產生單位(現金產生單位組別)的可收回金額低於賬面值時，則確認減值虧損。已確認商譽減值虧損不得於其後期間撥回。

倘商譽已分配至現金產生單位(或現金產生單位組別)而該單位的部分業務已出售，則與所出售業務相關的商譽會在釐定出售的利益或虧損時計入該業務的賬面值。在該等情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額計量。



2.4 Summary of Significant Accounting Policies (continued)

Fair value measurement

The Group measures its derivative financial instruments, equity investments at fair value through profit or loss and certain available-for-sale investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 主要會計政策概要 (續)

公允價值計量

本集團於各報告期末按公允價值計量其衍生金融工具、公允價值變動計入損益的權益性投資及若干可供出售投資。公允價值為市場參與者於計量日期在有序交易中出售資產所收取或轉讓負債所支付的價格。公允價值計量乃假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行。主要或最具優勢市場須為本集團可進入的市場。資產或負債的公允價值乃基於市場參與者為資產或負債定價時所用的假設計量(假設市場參與者依照彼等的最佳經濟利益行事)。

非金融資產的公允價值計量須計及市場參與者通過使用該資產之最高及最佳用途或將該資產出售予將使用其最高及最佳用途的另一市場參與者而產生經濟效益的能力。

本集團採納適用於不同情況且具備充分數據以供計量公允價值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要 (續)

公允價值計量 (續)

所有公允價值於本財務報表計量或披露的資產及負債乃基於對公允價值計量整體而言屬重大的最低層輸入數據按以下公允價值層級分類：

- 第一級 – 基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級 – 基於對公允價值計量而言屬重大的可觀察(直接或間接)最低層輸入數據的估值方法
- 第三級 – 基於對公允價值計量而言屬重大的不可觀察最低層輸入數據的估值方法

就按經常性基準於本財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允價值計量整體而言屬重大的最低層輸入數據)釐定是否發生不同等級轉移。



2.4 Summary of Significant Accounting Policies (continued)

Impairment of non-financial assets

When an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2.4 主要會計政策概要 (續)

非金融資產減值

如有跡象顯示出現減值，或須就資產進行年度減值測試（不包括存貨、金融資產及遞延稅項資產），則會估計資產的可收回金額。資產的可收回金額按資產或現金產生單位的使用價值及公允價值減銷售成本（以較高者為準）計算，並就個別資產而釐定，除非有關資產並無產生在頗大程度上獨立於其他資產或資產類別的現金流入，在此情況下，可收回金額就資產所屬的現金產生單位而釐定。

減值虧損僅於資產賬面值超逾其可收回金額時確認。於評估使用價值時，估計日後現金流量按可反映貨幣時間價值的現時市場評估及資產特定風險的稅前貼現率貼現至現值。減值虧損按與該減值資產功能相符的開支類別於產生期間的損益表內扣除。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Impairment of non-financial assets (continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2.4 主要會計政策概要 (續)

非金融資產減值 (續)

於各報告期間結束時均會就是否有任何跡象顯示先前確認的減值虧損不再存在或可能已經減少進行評估。倘存在任何上述跡象，則會估計可收回金額。僅當用於釐定資產的可收回金額的估計有所改變時，先前就資產（商譽除外）所確認的減值虧損方可撥回，但撥回的金額不可高於假設過往年度並無確認該資產的減值虧損的情況下資產的賬面值（已扣除折舊／攤銷）。撥回的減值虧損於其產生期間計入損益表。

關連人士

在下列情況下，有關方會被認為與本集團關連：

- (a) 有關人士為一名人士或該人士之關係密切家庭成員，而該人士
 - (i) 控制本集團或共同控制本集團；
 - (ii) 可對本集團發揮重大影響力；或
 - (iii) 為本集團或其母公司的主要管理人員；

或



2.4 Summary of Significant Accounting Policies (continued)

Related parties (continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要 (續)

關連人士 (續)

- (b) 有關人士為適用任何以下條件的實體：
- (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 一實體為另一實體（或另一實體的母公司、附屬公司或同集團附屬公司）的聯營或合營企業；
 - (iii) 該實體與本集團為同一第三方的合營企業；
 - (iv) 一實體為一第三方的合營企業，而另一實體為同一第三方的聯營公司；
 - (v) 該實體為本集團或與本集團有關連的實體就僱員利益而設的僱員離職後福利計劃；
 - (vi) 該實體為(a)所述人士控制、或共同控制；
 - (vii) 於(a)(i)所識別人士對實體有重大影響或屬該實體（或該實體母公司）主要管理人員的一名成員；及
 - (viii) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供管理層關鍵人員服務。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Buildings	20 years
Plant and machinery	8 – 10 years
Office equipment	3 – 5 years
Motor vehicles	4 – 5 years
Tooling and equipment	3 – 5 years

2.4 主要會計政策概要 (續)

物業、廠房及設備折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損後列賬。物業、廠房及設備項目成本包括其購入價及使資產達致其擬定用途的運作狀況及地點的任何直接應佔成本。

物業、廠房及設備項目投入運作後所產生的支出（例如維修及保養費用），一般於其產生期間從損益表中扣除。倘達到確認標準，則重大檢查的開支將視同更換該資產並予以資本化在該資產的賬面淨值中列示。倘須定期重置大部分物業、廠房及設備，則本集團會將該等部分確認為有特定可使用年期及相應折舊其個別資產。

折舊以直線法計算，以按每項物業、廠房及設備項目的估計可使用年期撇銷其成本至其剩餘價值。物業、廠房及設備的估計可使用年期如下：

樓宇	20年
廠房及機器	8 – 10年
辦公室設備	3 – 5年
汽車	4 – 5年
工具及設備	3 – 5年

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Property, plant and equipment and depreciation (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings, plant and machinery under construction or installation and testing. It is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction or installation and testing and capitalised borrowing costs on related borrowed funds during the period of construction or installation and testing. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要 (續)

物業、廠房及設備折舊 (續)

倘物業、廠房及設備項目的各部分有不同的可使用年期，該項目的成本將在各部分之間作合理分配，而每部分將個別計提折舊。剩餘價值、可使用年期及折舊方法於每個報告日期進行評估，並在適當時候作出調整。

物業、廠房及設備項目於處置時或當其使用或處置預期不會產生任何日後經濟利益時終止確認。被終止確認的資產因其處置或報廢而產生的任何損益，為有關資產的銷售所得款項淨額與賬面值的差額，於該資產終止確認的年度計入損益表。

在建工程指在建或安裝及測試的樓宇、廠房及機器，按成本減任何減值虧損列賬，並不會計提折舊。成本包括建築或安裝和測試期間的直接建築或安裝和測試成本以及對有關借貸資金撥充資本的借款成本。在建工程於完工及可使用時重新分類為適當類別的物業、廠房及設備。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight-line basis over the estimated useful lives ranging from 20 to 48 years.

If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use.

Properties under development

Properties under development are stated at the lower of cost and net realisable value. Cost comprises the land costs, construction costs, capitalised borrowing costs and other cost directly attributed to such properties during the period of construction.

2.4 主要會計政策概要 (續)

投資物業

投資物業為就賺取租金收入及／或資本增值而持有之土地及樓宇之權益(包括可能符合投資物業之定義而根據物業經營租約之租賃權益)，而非用作生產或供應貨物或服務或用作行政用途、或就於日常業務進行銷售而持有之土地及樓宇權益。該等物業首次以成本(包括交易成本)計算。於首次確認後，投資物業按成本減任何累計折舊及任何累計減值虧損列賬。折舊按介乎於20年至48年至估計可使用年期，以直線法計算。

倘本集團佔用的物業(作為擁有人自用物業)成為投資物業，本集團會根據「物業、廠房及設備與折舊」項下訂明的政策對該物業列賬，直至用途改變當日。

發展中物業

發展中物業乃按成本與可變現淨值之較低者列賬。成本包括土地成本、建築成本、資本化借貸成本及建築期間有關物業應佔的其他直接成本。



2.4 Summary of Significant Accounting Policies (continued)

Properties under development (continued)

Properties under development are initially classified as non-current assets and transferred to current assets under the category of properties held for sale when the construction of the relevant properties commences and the construction period of the relevant property development project is expected to complete within the normal operating cycle.

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and buildings costs attributable to unsold properties. Net realisable value is estimated by the directors based on the prevailing market prices, on an individual property basis.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition as cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 主要會計政策概要 (續)

發展中物業 (續)

發展中物業初步分類為非流動資產，並於有關物業動工時轉為流動資產中持作出售之物業類別，預計有關物業開發項目之動工期將於正常營運期間內完成。

持作出售已落成物業

持作待售已落成物業乃按成本及可變現淨值之較低者列賬。成本乃藉分配未出售單位應佔之總土地及樓宇成本而釐定。可變現淨值乃按個別物業基準由董事按當時市況估算。

無形資產 (商譽除外)

分開收購的無形資產於初始確認時按成本確認。於業務合併中購入的無形資產的成本為收購當日的公允價值。無形資產的可使用年期乃評估為有限。具有有限可使用年期的無形資產在可使用經濟年期內攤銷，並於有跡象顯示無形資產可能減值時評估減值。具有有限可使用年期的無形資產的攤銷年期及攤銷方法最低限度於每個財務年度結算日作評估。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Intangible assets (other than goodwill) (continued)

Computer software

Computer software of the Group is amortised on the straight-line basis over the estimated useful life of 10 years.

Customer relationship

Customer relationship of the Group is amortised on the straight-line basis over the estimated useful life of 10 years.

Trademark

Trademark of the Group is amortised on the straight-line basis over the estimated useful life of 8 years.

Licence

Licence of the Group is amortised on the straight-line basis over the estimated useful life of 10 years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

電腦軟件

本集團的電腦軟件於估計可使用年限10年內按直線基準攤銷。

客戶關係

本集團的客戶關係以直線法於其10年的估計可使用年內攤銷。

商標

本集團的商標以直線法於其8年的估計可使用年內攤銷。

牌照

本集團牌照以直線法於其10年的估計可使用年內攤銷。

研究及開發成本

所有研究成本會於產生時列支於損益表。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Intangible assets (other than goodwill) (continued)

Research and development costs (continued)

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five years, commencing from the date when the products are put into commercial production.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases, net of any incentives received from the lessor, are charged to the statement of profit or loss on the straight-line basis over the lease terms.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

研究及開發成本 (續)

研發新產品項目所產生的開支只會在本集團能夠顯示其在技術上能夠完成無形資產以能供使用或出售、打算完成資產並能夠加以使用或將之出售、資產將可能產生的未來經濟實益、有足夠資源以完成項目並且有能力可靠地計算發展期間的開支的情況下，才會撥作資本及遞延。倘未能符合以上準則，產品研發開支會在產生時支銷。

遞延開發成本按成本減任何減值虧損列賬，並按直線法在有關產品不超出五年商業壽命（由產品投入商業生產之日期起計）之期間予以攤銷。

經營租賃

凡資產所有權的絕大部分回報及風險仍歸出租人所有的租約，均以經營租賃入賬。倘本集團為出租人，則本集團根據經營租賃出租的資產均計入非流動資產，而根據經營租賃應收的租金於租賃期內以直線法計入損益表。倘本集團為承租人，則根據經營租賃應付的租金扣除獲出租人給予的任何優惠後於租賃期內以直線法自損益表扣除。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies *(continued)*

Operating leases *(continued)*

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 主要會計政策概要 (續)

經營租賃 (續)

經營租賃下的預付土地租賃款項初始按成本列值，其後於租賃年期內以直線法基準確認。

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為按公允價值變動計入損益之金融資產、貸款及應收款項以及可供出售金融投資。金融資產初始確認時，以公允價值加收購該金融資產時產生的交易成本計量，惟公允價值變動計入損益的金融資產除外。

任何正常方式購買及出售的金融資產應於交易日，即本集團承諾購買或出售資產的日期確認。正常方式指遵循相關市場中的規則或慣例在約定時間內交付該項金融資產。

2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量

金融資產的後續計量方法按其分類如下：

公允價值變動計入損益之金融資產

公允價值變動計入損益的金融資產包括持作買賣的金融資產和初始確認時指定為公允價值變動計入損益的金融資產。購入目的為於短期內出售的金融資產歸類為持作買賣的金融資產。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作交易金融資產，惟根據國際會計準則第39號獲指定為實際對沖工具之衍生工具則除外。

按公允價值計入損益的金融資產在財務狀況表以公允價值列示，公允價值變動淨增加於損益表確認。該等公允價值淨變動不包括該等金融資產賺取的任何股息或利息，該等股息或利息會根據下文「收益確認」所述政策確認。

初始確認時指定為公允價值計入損益的金融資產在初始確認當日指定，且必須符合國際會計準則第39號的標準。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies *(continued)*

Investments and other financial assets *(continued)*

Subsequent measurement (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

貸款及應收款項

貸款及應收款項指有固定或可確定付款(在活躍市場上沒有報價)的非衍生金融資產。於初始計量後,該等資產的賬面值採用實際利率法以攤銷成本減去任何減值撥備計量。計算攤銷成本時已考慮購買產生的任何折價或溢價,並已包括作為實際利率不可或缺的費用和交易費用。實際利率攤銷計入損益表。減值產生的虧損在損益表確認。

可供出售金融投資

可供出售金融投資指上市及非上市股本投資及債務證券中的非衍生金融資產。既非持作買賣,又非指定為按公允價值變動計入損益的股本投資歸類為可供出售,無固定持有期限且可因流動資金需求或市況改變而出售的債務證券歸類至該類別。

2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for “Revenue recognition” below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

可供出售金融投資 (續)

初始確認後，可供出售金融投資其後以公允價值計量，未變現收入或虧損於可供出售投資重估儲備確認為其他全面收益，直至終止確認投資（累計收益或虧損於損益表確認）或投資被釐定已減值（累計收益或虧損自可供出售投資重估儲備重新分類至損益表）為止。持有可供出售金融投資所賺取的利息及股息分別呈報為利息收益及股息收益，根據下文「收益確認」所載政策於損益表內確認為其他收益。

當非上市股本投資的公允價值由於(a)公允價值合理估計範圍的變化對該投資而言屬重大或(b)上述範圍內各種預計的機率難以合理評估並用於估計公允價值而無法可靠計量時，該等投資以成本減任何減值虧損列賬。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies *(continued)*

Investments and other financial assets *(continued)*

Subsequent measurement (continued)

Available-for-sale financial investments *(continued)*

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to the statement of profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

可供出售金融投資 (續)

本集團評估是否有能力及意向以及是否適宜在短期內出售可供出售金融資產。在很少情況下，當本集團由於缺乏活躍市場而無法買賣該等金融資產時，倘管理層有能力及意向在可見將來持有該等資產或持有至到期，本集團或會選擇對該等金融資產進行重新分類。

倘金融資產從可供出售類別重新劃分為其他類別，則重新分類當日的公允價值賬面值為其新攤銷成本，之前於權益確認的該資產的收益或虧損採用實際利率法於剩餘投資年期內在損益表攤銷。新攤銷成本與到期金額的差額亦採用實際利率法於資產剩餘年期內攤銷。倘資產其後釐定為已減值，則計入權益的金額重新分類至損益表。



2.4 Summary of Significant Accounting Policies (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continued to recognise the transferred asset to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要 (續)

終止確認金融資產

金融資產 (或倘適用, 一項金融資產的一部分或一組同類金融資產的一部分) 在下列情況下將予終止確認 (即自本集團之綜合財務狀況表中撇除):

- 自資產收取現金流量的權利已屆滿; 或
- 本集團已轉讓自資產收取現金流量的權利, 或已根據一項「轉付」安排承擔責任, 在無重大延誤情況下, 將所得現金流量全數付予第三方; 及本集團(a)已轉讓資產的絕大部分風險及回報; 或(b)並無轉讓或保留資產的絕大部分風險及回報, 但已轉讓資產的控制權。

當本集團已轉讓其自一項資產收取現金流量的權利或已訂立轉付安排, 但並無轉讓或保留該資產的絕大部分風險及回報, 亦無轉讓該資產的控制權, 則本集團繼續確認該轉讓資產, 以參與該資產的程度而確認入賬。於該情況下, 本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團保留的權利及義務的基準計量。

以就已轉讓資產作出保證形式的持續參與, 按該項資產的原有賬面值及本集團或須償還的最高代價金額 (以較低者為準) 計量。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets

The Group assesses at the end of the reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the financial asset or a group of financial assets have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2.4 主要會計政策概要 (續)

金融資產減值

本集團於報告期末評估是否存在客觀跡象顯示一項或一組金融資產出現減值。倘於初始確認一項或一組金融資產後發生一宗或多宗事件，而該事件對該項或該組金融資產的估計未來現金流量所造成的影響乃能夠可靠地估計，則會被視作減值。減值證據可包括一名或一群債務人正面臨重大財務困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先會按個別基準就個別屬重大的金融資產或按組合基準就個別不屬重大的金融資產，個別評估是否存在客觀減值跡象。倘本集團認定按個別基準經評估的金融資產（無論具重要性與否）並無客觀跡象顯示存有減值，則該項資產會歸入一組具有相似信貸風險特性的金融資產內，並共同評估該組金融資產是否存在減值。經個別評估減值的資產，其減值虧損會予確認或繼續確認入賬，而不會納入綜合減值評估之內。



2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

The amount of any impairment loss identified is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

按攤銷成本列賬的金融資產 (續)

任何已確認的減值虧損金額按該資產賬面值與估計未來現金流量(不包括並未產生的未來信貸虧損)現值的差額計量。估計未來現金流量的現值以金融資產的初始實際利率(即初次確認時計算的實際利率)折現。

該資產的賬面值會直接減少或通過使用備抵賬而減少，而虧損金額會於損益表確認。利息收益於減少後賬面值中持續產生，且採用計量減值虧損時用以折現未來現金流量的利率累計。若日後收回不可實現，並且所有抵押品已變現或已轉往本集團，則撇清貸款及應收款項連同任何相關撥備。

倘若在其後期間估計減值虧損金額由於確認減值之後發生的事項增加或減少，則透過調整撥備金額增加或減少先前確認的減值虧損。倘於其後收回未來撇清，該項收回將計入損益表中。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

可供出售金融投資

就可供出售金融投資而言，本集團會於各報告期末評估有否客觀證據顯示一項投資或一組投資出現減值。

當可供出售資產減值時，其成本（扣除任何本金付款和攤銷）和其現有公允價值，扣減之前曾在損益表內被確認之任何減值虧損之差額，將自其他全面收益移除，並在損益表內確認。

倘權益性投資被列作可出售類別，則客觀證據將包括該項投資之公允價值大幅或長期跌至低於其成本值。「大幅」是相對於投資之原始成本評估，而「長期」則相對於公允價值低於原始成本之時期而評估。倘出現減值證據，則累計虧損（按收購成本與現時公允價值之差額減該項投資先前在損益表內確認之任何減值虧損計量）將從其他全面收益中移除，並於損益表內確認。歸類為可供出售之股權工具之減值虧損不可透過損益表撥回。公允價值扣除減值後的增加額乃於其他全面收益內直接確認。

2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments (continued)

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or loans and borrowings as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and bills payables, other payables and accruals, derivative financial instruments and interest-bearing bank borrowings.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

可供出售金融投資 (續)

對於「大幅」以及「長期」定義需要進行判斷。本集團根據一項投資的公允價值低於其成本的持續時間或程度，結合其他因素進行判斷。

金融負債

初始確認及計量

金融負債於初始確認時被分類為按公允價值變動計入損益表之金融負債、貸款及借貸（如適用）。

所有金融負債初始按公允價值確認，而如屬貸款或借貸，則扣除直接應佔交易成本。

本集團的金融負債包括貿易應付款項及應付票據、其他應付款項及應計費用、衍生金融工具及計息銀行借貸。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

2.4 主要會計政策概要 (續)

金融負債 (續)

後續計量

金融負債按其分類之隨後計量如下：

公允價值變動計入損益的金融負債

公允價值變動計入損益的金融負債包括持作交易用途的金融負債及於初始確認時指定為按公允價值變動計入損益的金融負債。

倘購買該金融負債的目的為於近期出售，則該金融負債應分類為持作交易用途。此分類包括本集團根據國際會計準則第39號所界定之對沖關係不被指定為對沖工具之衍生金融工具。獨立嵌入式衍生工具亦分類為持作交易用途，除非其被指定為有效的對沖工具則另作別論。持作交易用途的負債損益於損益表內確認。於損益表內確認的公允價值收益或虧損淨額並不包括任何向該等金融負債所扣除的任何利息。

於初始確認時指定為透過損益按公允價值變動計入損益的金融負債在初始確認日期且僅在符合國際會計準則第39號項下標準時指定。



2.4 Summary of Significant Accounting Policies (continued)

Financial liabilities (continued)

Loans and borrowings

After initial recognition, interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融負債 (續)

貸款及借貸

初始計量後，計息銀行借貸其後採用實際利率法按攤銷成本計量，除非貼現的影響屬非重大，則按成本計量。當負債終止確認以及透過實際利率法攤銷過程時，收益及虧損於損益表內確認。

計算攤銷成本時，應考慮購買產生的任何折價或溢價，並包括作為實際利率不可或缺的费用或成本。實際利率攤銷列入損益表內財務成本中。

終止確認金融資產

金融負債於債項下的責任被解除或取消或屆滿時終止確認。

倘現有金融負債由同一貸方授予條款迥異的其他債項取代，或現有負債的條款經重大修訂，則該等變更或修訂視作終止確認原負債及確認新負債，各賬面值的差額於損益表內確認。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are recognised directly in the statement of profit or loss.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The costs of raw materials comprise the purchasing costs of the materials and other costs incurred in bringing the materials to their present locations and conditions. The costs of work in progress and finished goods comprise direct materials, direct labour and an appropriate proportion of manufacturing overheads. Net realisable value is based on estimated selling prices, less estimated costs to be incurred to completion and disposal.

2.4 主要會計政策概要 (續)

抵銷金融工具

倘現時存在一項可依法強制執行的權利，可抵銷已確認金額，且亦有意以淨額結算或同時變現資產及償付債務，則金融資產及金融負債均可予抵銷，並將淨金額列入財務狀況表內。

衍生金融工具

初始確認及後續計量

本集團採用衍生金融工具，比如遠期貨幣合約，對外匯風險進行套期保值。此類衍生金融工具於訂立衍生合約日按公允價值初始確認，後續按公允價值重新計量。如衍生品公允價值為正，則按資產入賬，如公允價值為負，則按負債入賬。

衍生工具公允價值變動所產生之任何收益或損失直接於損益表中確認。

存貨

存貨按成本值及可變現淨值兩者的較低者列賬。成本值按加權平均法計算。原材料成本包括材料的購買成本及將材料運至現有地點並達致現時狀況的其他成本。在製品及製成品的成本包括直接物料成本、直接勞動成本及製造過程經常性開支中的適當部分。可變現淨值乃根據估計售價扣除完成及處置時預期產生的成本計算。



2.4 Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is included in finance costs in the statement of profit or loss.

Provisions for product warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

2.4 主要會計政策概要 (續)

現金及現金等價物

就編製綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時轉換為已知數額現金並一般於購入後三個月內到期且受價值變動風險影響輕微的短期高流通性投資，再扣除須於要求時償還並構成本集團的現金管理一部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行現金（包括定期存款），而其用途不受限制。

撥備

倘本集團因過往事件導致現有債務（法定或推定）及日後可能需要有經濟利益外流以償還債務，並在能對有關債務金額作出可靠估計的情況下，方可確認撥備。

倘貨幣的時間價值的影響屬重大，則確認撥備的數額將按反映（如適用）有關債務獨有風險的現有除稅前貼現率進行貼現。倘使用貼現方法，因時間流逝而引致撥備的增加將在損益表的財務成本內確認。

本集團就若干產品提供產品保證而作出的撥備，乃按銷量及過去的維修及退貨情況確認，並在適當的情況下貼現至其現值。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the jurisdictions in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要 (續)

所得稅

所得稅由即期及遞延稅項組成。與確認於損益外的項目相關的所得稅，會在損益外確認為其他全面收益或直接計入權益。

現行稅項資產及負債以預期從稅務主管部門返還或獲支付的金額計量。採用的稅率（及稅法）為於報告期末已頒佈或大致上已頒佈的稅率（及稅法），並需考慮本集團經營所處地區現行的詮釋及常規作法。

遞延稅項採用負債法，就財務報告目的而言，對所有於各報告期末就資產和負債的賬面值與計稅基礎不同而引致的暫時性差額提撥準備。

遞延稅項負債乃就所有應課稅暫時性差額確認，除非：

- 遞延稅項負債來自於一項非業務合併交易中初始確認的一項資產或負債，且於交易之時，既不影響會計溢利亦不影響應課稅溢利或虧損；及
- 乃關乎於附屬公司及聯營公司的投資的應課稅暫時性差額，惟暫時性差額的撥回時間可予控制，且暫時性差額可能不會於可見將來撥回。



2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產乃就所有可扣減暫時性差額、結轉未動用稅項抵免及未動用稅項虧損確認，惟以將來有應課稅溢利用於抵銷可扣減暫時性差額，以及結轉未動用稅項抵免及未動用稅項虧損為限，除非：

- 遞延稅項資產關乎因資產或負債於一項非業務合併交易中被初始確認的可扣減暫時性差額，並於交易進行時既不影響會計溢利亦不影響應課稅溢利或虧損；及
- 乃關乎於附屬公司及聯營公司的投資的應扣減暫時性差額，遞延稅項資產的確認僅限於暫時性差額可能於可見將來撥回而且將來有應課稅溢利用於抵銷可動用的暫時性差額。

於各報告期末時審閱遞延稅項資產的賬面值，並減低至不再有足夠應課稅溢利可用以全部或部分抵銷可確認遞延稅項資產為止。未確認的遞延稅項資產將於各報告期末再被評估，並在有足夠應課稅溢利抵銷全部或部分可用遞延稅項資產時被確認。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred government grant account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產及負債乃根據各報告期末已頒佈或大致上已頒佈的稅率(及稅法)·按資產變現或負債清償期間的預期適用稅率計算。

當且僅當本集團擁有法定行使權可將當期稅項資產與當期稅項負債相互抵銷及遞延稅項資產與遞延稅項負債與由同一稅務機關對同一應課稅實體或不同的應課稅實體所徵收的所得稅有關·而該等實體有意在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內·按淨額基準清償當期稅項負債及資產·或同時變現該資產及清償該負債·即遞延稅項資產可與遞延稅項負債互相抵銷。

政府補貼

倘能合理確定能收到補貼及遵循補貼的所有相關條件·政府補貼會按公允價值確認。倘補貼與開支項目相關·會在按擬用以彌償成本的期間以系統化基準確認為收益。倘補貼與資產相關·公允價值會計入遞延政府補貼賬目·並於有關資產預計可使用年期內以數額相等的年度款項撥入損益表。



2.4 Summary of Significant Accounting Policies (continued)

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding other sales taxes or duties. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred, the title has been passed to the buyer and the amount of revenue can be measured reliably, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

(b) Sale of properties

Revenue from the sale of properties is recognised when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the properties sold.

2.4 主要會計政策概要 (續)

收益確認

收益於經濟利益很可能歸向本集團並且收益能可靠計量時確認。收益乃按已收代價(不包括其他銷售稅項或關稅)的公允價值計量。於確認收益前亦須達致下列特定確認情況：

(a) 銷售貨品

銷售貨品的收益款項於所有權的重大風險及報酬轉移及所有權轉移至買方，且收益金額能予可靠計量時確認，惟本集團須對已售貨品已再無參與涉及所有權的管理，亦對已售貨品再無有效控制權。

(b) 出售物業

銷售物業的收益款項於所有權的重大風險及報酬轉移至買方時確認，惟本集團須對已售物業已再無參與涉及所有權的管理，亦對已售物業再無有效控制權。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

(c) Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.

(d) Rental income

Rental income is recognised on a time proportion basis over the lease terms.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial lattice model, further details of which are given in note 33 to the financial statements.

2.4 主要會計政策概要 (續)

收益確認 (續)

(c) 利息收益

利息收益按應計基準以實際利率法將金融工具估計未來在預計可使用年期期間收取的現金貼現至金融資產賬面淨值的利率確認。

(d) 租金收益

租金收益按時間比率基準在租約年期內確認。

以股份為基礎的付款

本公司設有一項購股權計劃，旨在為對本集團業務成功作出貢獻的合資格參與者，提供鼓勵與獎賞。本集團僱員（包括董事）獲支付以股份為基礎的付款的方式收取報酬，而僱員則提供服務作為權益工具的代價（「以權益結算的交易」）。

於二零零二年十一月七日後與僱員之間以權益結算的交易的成本乃參考授出權益當日的公允價值計算。該公允價值乃由外部估值師採用二項式點陣模型釐定，有關其他詳情載於財務報表附註33。



2.4 Summary of Significant Accounting Policies (continued)

Share-based payments (continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of the reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2.4 主要會計政策概要 (續)

以股份為基礎的付款 (續)

以權益結算的交易的成本在績效及／或服務條件得到履行的期間內，連同相應增加的股權於僱員福利開支內確認。於歸屬日期前的報告期末，以權益結算的交易所確認的累計費用，反映了歸屬期屆滿的程度及本集團對於最終將歸屬的權益工具數量的最佳估計。期內於損益表的借記或貸記金額，指該期初及期終所確認的累計費用的變動。

釐定獎勵之授出日公允價值並不考慮服務及非市場表現條件，惟能達成條件之可能性則被評定為將最終歸屬為本集團權益工具數目之最佳估計之一部份。市場表現條件將反映在授出日之公允價值內。附帶於獎勵中但並無相關聯服務要求之其他任何條件皆視為非歸屬條件。除非亦有服務及／或表現條件，否則非歸屬條件乃於獎勵之公允價值中反映並導致獎勵即時支銷。

對於由於未達成非市場表現及／或服務條件而最終並無歸屬的報酬並不確認為開支。倘報酬包括市場或非歸屬條件，在所有其他績效及／或服務條件均獲履行的情況下，不論市場條件或非歸屬條件是否符合，有關交易均視作已歸屬。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Share-based payments (continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 主要會計政策概要 (續)

以股份為基礎的付款 (續)

倘若以權益結算的獎勵的條款有所變更，則在達致獎勵原定條款的情況下，所確認的開支最少須達到猶如條款並無任何變更的水平。此外，倘若按變更日期計算，任何變更導致以股份為基礎的付款的公允價值總額有所增加，或對僱員帶來其他利益，則應就該等變更確認開支。

倘若以權益結算的獎勵被註銷，應被視為已於註銷日期歸屬，任何尚未確認的授予獎勵的開支，均須即時確認。這包括在本集團或其僱員控制內的非歸屬條件並未達成的任何獎勵。然而，若授予新獎勵代替已註銷的獎勵，並於授出日期指定為替代獎勵，則已註銷之獎勵及新獎勵，誠如前段所述，均應被視為原獎勵的變更。

計算每股盈利時，尚未行使購股權之攤薄效應則反映為額外股份攤薄。

2.4 Summary of Significant Accounting Policies (continued)

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.4 主要會計政策概要 (續)

其他僱員福利

退休金計劃

本集團根據強制性公積金計劃條例，為香港所有僱員提供定額供款強制性公積金退休福利計劃（「**強積金計劃**」）。供款乃根據僱員基本薪金之百分比計算，並於有關款項根據強積金計劃之規則須予支付時計入損益表。強積金計劃之資產乃獨立於本集團之資產，並由獨立管理之基金持有。本集團之僱主供款於向強積金計劃作出供款時全數歸於僱員。

本集團於中國內地經營的附屬公司的僱員須參與地方市政府運作的中央養老金計劃。該等附屬公司須按其工資成本的若干比例向中央養老金計劃供款。供款於根據中央退休金計劃規則應付時自損益表扣除。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies *(continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 主要會計政策概要 (續)

借貸成本

因收購、建設或生產合規格資產(需於一段長時間方能達致其擬定用途或出售者)而直接產生的借貸成本撥充該等資產的部分成本。倘資產已大致上可作其擬定用途或出售,則該等借貸成本將會停止資本化。臨時投資待用於合規格資產開支的特定借貸而賺取的投資收益,從已資本化借貸成本中扣除。其他所有的借貸成本均在發生時確認為開支。借貸成本包括實體涉及有關資金借貸的利息及其他成本。

股息

末期股息在股東大會上獲股東批准時確認為負債。擬定末期股息於財務報表附註披露。

中期股息於建議的同時宣派,因為本公司的組織章程大綱及細則授予董事權力宣派中期股息。因此,中期股息於建議及宣派時即時確認為負債。



2.4 Summary of Significant Accounting Policies (continued)

Foreign currencies

The financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要 (續)

外幣

財務報表以本公司的功能貨幣人民幣呈列。本集團內各實體自行決定其功能貨幣及各實體的財務報表項目以該功能貨幣計算。本集團內各實體錄得的外幣交易最初以交易當日的各自適用功能貨幣匯率記錄入賬。以外幣列值的貨幣性資產及負債，則按報告期末的功能貨幣匯率換算。貨幣項目結算或交易產生的差額於損益表中確認。

按外幣歷史成本計量的非貨幣項目按首次交易日期的匯率換算。按外幣公允價值計量的非貨幣項目採用釐定公允價值當日的匯率換算。換算按公允價值計量的非貨幣項目產生之收益或虧損的處理方式，與有關項目公允價值變動之收益或虧損的確認方式相符（即公允價值收益或虧損於其他全面收益或損益中確認之項目的換算差額，亦會分別於其他全面收益或損益中確認）。

31 December 2017
二零一七年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries and associates are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

2.4 主要會計政策概要 (續)

外幣 (續)

若干海外附屬公司及聯營公司的功能貨幣並非人民幣。於報告期末，該等實體的資產及負債按報告期末的匯率折算為人民幣，該等實體的損益表按本年度的加權平均兌換率折算為人民幣。

因此而產生的匯兌差額於其他全面收益確認並於匯兌波動儲備累計。出售國外業務時，有關其特定國外業務的其他全面收益的組成部份於損益表內確認。

任何由於收購海外業務產生的商譽及任何因收購帶來的資產及負債的賬面值的公允價值調整，均被視作海外業務的資產及負債處理，並按年終匯率換算。

就編製綜合現金流量表而言，海外附屬公司的現金流量按現金流量日期適用的匯率換算為人民幣。附屬公司在年內產生的經常性現金流量會按該年度的加權平均匯率換算為人民幣。



31 December 2017
二零一七年十二月三十一日

3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

3. 重大會計判斷及估計

本集團財務報表的編製需要管理層作出影響收益、開支、資產及負債呈報金額的判斷、估計及假設，並需作出相應披露及披露或有負債。然而，該等假設及估計不明朗因素會導致未來須對受影響資產或負債的賬面值進行重大調整。

判斷

在應用本集團會計政策過程中，管理層所作之以下判斷（除涉及估計外）乃對財務報表所確認之金額有最重大的影響：

經營租賃承擔—本集團作為出租人

本集團已就其投資物業組合訂立商業物業租約。本集團已根據對安排之條款及條件的評估釐定，其保留該等根據經營租約出租的物業的絕大部分風險及回報。

31 December 2017
二零一七年十二月三十一日

3. Significant Accounting Judgements and Estimates (continued)

Judgements (continued)

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計 (續)

判斷 (續)

投資物業與擁有人自用物業之劃分

本集團決定物業是否符合投資物業的條件，並制定出此類判斷的標準。投資物業指為賺取租金或資本升值或同時為這兩個目的而持有的物業。因此，本集團考慮一項物業產生的現金流是否大部分獨立於本集團持有的其他資產。若干物業的一部分是為賺取租金或資本升值而持有，而另一部分是為用於生產或提供商品或服務或行政用途而持有。倘該等部分可以分開出售（或按融資租賃分開出租），則本集團分開對這些部分進行會計處理。如果這些部分不能分開出售，則只有在為用於生產或提供商品或服務或行政用途而持有的部分不重大的情況下，該物業才是投資物業。判斷是對各單項物業作出，以確定配套服務是否如此重要而使物業不符合投資物業。



3. Significant Accounting Judgements and Estimates (continued)

Judgements (continued)

Recognition of a deferred tax liability for withholding taxes

The PRC New Corporate Income Tax Law, which became effective on 1 January 2008, states that the distribution of dividends by a foreign-invested enterprise established in Mainland China to its foreign investors, from its earnings of 2008 or thereafter, shall be subject to withholding taxes at an applicable rate of 5% or 10%. The Directors had assessed whether it is probable for the Group's PRC subsidiaries to distribute dividends out of their profits earned after 1 January 2008. For details, refer to note 31 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2017 was RMB8,699,000 (2016: RMB8,660,000). Further details are given in note 17 to the financial statements.

3. 重大會計判斷及估計 (續)

判斷 (續)

就預扣稅確認遞延稅項負債

於二零零八年一月一日生效的中國新企業所得稅法規定，於中國內地成立的外資企業自其二零零八年或其後的收益向其境外投資者分派股息須繳納適用稅率5%或10%的預扣稅。董事會評估於二零零八年一月一日後由本集團中國附屬公司賺取的溢利分派股息的可能性。有關詳情請參閱財務報表附註31。

估計不確定性

下文描述有關未來的主要假設及於報告日期估計不明朗因素的其他主要來源，該等因素於下個財政年度極有可能會導致資產及負債賬面值作出重大調整。

商譽減值

本集團至少每年釐定商譽是否減值。此乃需要估計已分配商譽的現金產生單位的可使用價值。於估計可使用價值時，本集團須估計該現金產生單位預期未來現金流量，選取合適的貼現率以計算該等現金流量的現值。於二零一七年十二月三十一日，商譽的賬面值為人民幣8,699,000元（二零一六年：人民幣8,660,000元）。有關詳情見財務報表附註17。

31 December 2017
二零一七年十二月三十一日

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Impairment of trade receivables

Impairment of trade receivables is made based on an assessment of the recoverability of trade receivables. The identification of doubtful debts requires management's judgement and estimates. Provision is made when there is objective evidence that the Group will not be able to collect the debts. Where the actual outcome or future expectation is different from the original estimate, the differences will impact the carrying value of the receivables, doubtful debt expenses and write-back of impairment of trade receivables in the period in which the estimate has been changed.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

貿易應收款項減值

貿易應收款項的減值乃根據對貿易應收款項的可收回性作出評估。分辨呆賬需要管理層作出判斷及估計。當有客觀證據顯示本集團無法收回債項時，將會作出撥備。倘實際結果或進一步的預期有別於原先估計，則有關差額將對估計變更期間的應收款項的賬面值、貿易應收款項的減值的呆賬開支及撥回有所影響。

非金融資產減值 (商譽除外)

本集團於各報告期末評估所有非金融資產有否任何減值跡象。其他非金融資產在有跡象顯示賬面值可能無法收回時進行減值測試。倘資產的賬面值或現金產生單位超逾其可收回金額（即公允價值減出售成本與使用價值的較高者），則視為已減值。公允價值減出售成本按自同類資產公平交易中具約束力的銷售交易的可得數據或可觀察市價減出售資產的增量成本計算。倘採用使用價值計算，則管理層須估計資產或現金產生單位的預計未來現金流量，選取合適的貼現率以計算該等現金流量的現值。



31 December 2017
二零一七年十二月三十一日

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations, competitor actions in response to severe industry cycles or unforeseeable change in legal enforcement rights in future. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Useful lives of intangible assets

The Group determines the estimated useful lives and related amortisation charges for its intangible assets. This estimate is based on the historical experience of the actual useful life of intangible assets of similar functions. It could change significantly as a result of technical innovations. Management reassesses the useful lives at each reporting date.

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

物業、廠房及設備的可使用年期

本集團釐定物業、廠房及設備的估計可使用年期及相關折舊支出。該估計基於性質及功能相若的物業、廠房及設備的實際可使用年期的過往經驗而作出，或會因技術革新、競爭對手因應嚴峻的行業週期作出相應行動或日後合法執行權出現不可預見的變更而有大幅改動。管理層會於可使用年期較原先估計為短時增加折舊支出，或會撤銷或撤減技術陳舊或已廢棄或出售的非策略資產。

無形資產的可使用年期

本集團釐定其無形資產的估計可使用年期及相關攤銷支出。該估計基於功能相若的無形資產的實際可使用年期的過往經驗而作出，或會因技術創新而發生重大改變。管理層會於各報告日期重估可使用年期。

31 December 2017
二零一七年十二月三十一日

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Net realisable value of inventories

Net realisable value of an inventory is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of a similar nature which could change significantly as a result of competitor actions. Management reassesses these estimates at each reporting date. During the year ended 31 December 2017, the amount of inventories provision recognised in the consolidated statement of profit or loss was RMB3,957,000 (2016: RMB14,491,000) (note 6).

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses as at 31 December 2017 was RMB75,857,000 (2016: RMB67,143,000). Further details are included in note 31 to the financial statements.

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

存貨的可變現淨值

存貨的可變現淨值指日常業務中的估計售價減估計完成及處置的成本。該等估計乃基於當時市況及出售同類性質產品的過往經驗，或會因競爭對手的行動而重大改變。管理層會於各報告日期重估該等估計。截至二零一七年十二月三十一日止年度，於綜合損益表確認的存貨撥備金額為人民幣3,957,000元（二零一六年：人民幣14,491,000元）（附註6）。

遞延稅項資產

倘有應課稅溢利可動用作可扣稅暫時性差額，以及有可供動用的未動用稅項抵免及未動用稅項虧損結轉，則會就所有可扣稅暫時性差額確認遞延稅項資產。釐定可確認的遞延稅項資產金額需要管理層依據日後應課稅溢利的時間與水平及日後稅務規劃策略作出重大判斷。於二零一七年十二月三十一日未確認的稅項虧損金額為人民幣75,857,000元（二零一六年：人民幣67,143,000元）。進一步詳情載於財務報表附註31內。



31 December 2017
二零一七年十二月三十一日

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Valuation of share options

As described in note 33 to the financial statements, the fair value of options granted under the share option scheme is determined using the binomial lattice model. The significant inputs into the model were the weighted average share price at the grant date, risk-free interest rate, exercise price, expected volatility of the underlying shares, expected dividend yield and expected life of options.

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. At 31 December 2017, the best estimate of the carrying amount of capitalised development costs was RMB361,968,000 (2016: RMB257,121,000). Further details are included in note 18 to the financial statements.

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

購股權的估值

誠如財務報表附註33所述，根據購股權計劃授出的購股權公允價值，乃採用二項式點陣模型釐定。該模型計入的主要項目是授出日期的加權平均股價、無風險利率、行使價、預期相關股份波幅、預期股息率及預期購股權年期。

開發成本

開發成本按照財務報表附註2.4所載有關研究及開發成本的會計政策撥充資本。釐定資本化的數額需管理層對該資產預計日後產生的現金、適用的折現率及預計產生利益期限等作出假設。於二零一七年十二月三十一日，管理層對撥充資本的開發成本賬面值作出的最佳估計為人民幣361,968,000元（二零一六年：人民幣257,121,000元）。進一步詳情載於財務報表附註18。

31 December 2017
二零一七年十二月三十一日

4. Operating Segment Information 4. 經營分部資料

The Group is principally engaged in the manufacture, development and sale of lead-acid batteries and other related items.

International Financial Reporting Standard 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“CODM”) in order to allocate resources to segments and to assess their performance. The information reported to the executive directors of the Company, who is the Group’s CODM for the purpose of resource allocation and assessment of performance, does not contain profit or loss information of each product line and the executive directors reviewed the gross profit of the Group as a whole reported under IFRSs. Therefore, the operation of the Group constitutes one reportable segment. Accordingly, no segment information is presented.

No segment assets and liabilities, and related other segment information were presented as no such discrete financial information is provided to the CODM.

Information about products

An analysis of revenue by products is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Lead-acid batteries	鉛酸蓄電池	7,661,343	6,262,870
Recycled lead products	回收鉛產品	1,754,834	-
Others	其他	49,267	-
		9,465,444	6,262,870

本集團主要從事製造、開發和銷售鉛酸蓄電池以及其他相關產品。

國際財務報告準則第8號經營分部規定須根據本集團各部門之內部報告識別經營分部，有關內部報告由主要經營決策者（「主要經營決策者」）定期審閱，以分配資源予分部及評估分部表現。向本公司執行董事（即本集團主要經營決策者）呈報以供分配資源及評估表現的資料不包括各產品線的損益資料，執行董事審閱根據國際財務報告準則呈報之本集團整體毛利。因此，本集團營運包括一個可呈報分部，故並未呈列分部資料。

並無呈列分部資產及負債以及其他相關的分部資料，原因為主要經營決策者未獲提供有關獨立財務資料。

產品資料

按產品劃分的收益分析如下：



4. Operating Segment Information (continued) 4. 經營分部資料 (續)

Geographical information

地區資料

(a) Revenue from external customers

(a) 來自外部客戶的收益

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
PRC	中國	6,389,915	3,773,107
European Union	歐盟	902,930	761,715
USA	美國	895,555	762,237
Other Asian countries/areas	其他亞洲國家／地區	887,497	685,775
Other countries	其他國家	389,547	280,036
		9,465,444	6,262,870

The revenue information above is based on the locations of the customers.

上述收益資料乃基於客戶的地點分析。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

4. Operating Segment Information (continued)

Geographical information (continued)

(b) Non-current assets

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
PRC	中國	2,709,583	2,195,708
Other countries/areas	其他國家/地區	158,604	187,533
		2,868,187	2,383,241

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue from each major customer, including sales to a group of entities which are known to be under common control with that customer, which accounted for 10% or more of the Group's revenue for the years ended 31 December 2017 and 2016, is set out below:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Customer A	客戶甲	1,269,150	—
Customer B	客戶乙	1,099,791	1,589,080
		2,368,941	1,589,080

Except for the aforesaid, no single external customer accounted for 10% or more of the Group's revenue.

4. 經營分部資料 (續)

地區資料 (續)

(b) 非流動資產

上述非流動資產資料乃基於該等資產的位置分析，且不包括金融工具及遞延稅項資產。

有關主要客戶的資料

佔本集團截至二零一七年及二零一六年十二月三十一日止年度收益的10%或以上，來自各主要客戶的收益（包括向一組據悉受該客戶共同控制的實體進行的銷售）載列如下：

除上文所述者外，並無其他單一外部客戶佔本集團收益10%或以上。



5. Revenue, Other Income and Gains

Revenue represents the net invoiced value of goods sold. An analysis of revenue, other income and gains is as follows:

5. 收益、其他收入及收益

收益為所售貨物的淨發票值。有關收益、其他收入及收益的分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收益		
Sale of goods	銷售貨物	9,465,444	6,262,870
Other income and gains	其他收入及收益		
Rental income	租金收入	4,765	3,563
Bank interest income	銀行利息收入	13,374	8,717
Government grants*	政府補貼*	24,096	15,655
Sale of scrap materials	銷售廢料	6,685	3,577
Foreign exchange gains, net	外匯匯兌收益，淨額	37,121	-
Reversal of impairment of trade receivables	貿易應收款項減值撥回	7,713	-
Gains on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的收益	-	956
Fair value gain from derivative financial instruments, net	衍生金融工具公允價值收益，淨額	1,166	3,551
Dividend income from available-for-sale investments	來自可供出售投資的股息收入	1,301	15,728
Gain on remeasurement of the previously held interest in a joint venture	重新計量先前於一間合營公司持有權益的收益	-	10,502
Gain on bargain purchase (note 35)	議價收購收益（附註35）	880	-
Others	其他	4,643	3,503
		101,744	65,752

* The government grants represent various cash payments and subsidies provided by the local government authorities to the Group as encouragement to its investment and technological innovation. There are no unfulfilled conditions or contingencies relating to these grants.

* 政府補貼乃指地方政府部門給予本集團的各種現金款項及補貼，以鼓勵投資及技術創新。概無有關該等補貼的未獲達成條件或或然事項。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

6. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

6. 稅前溢利

本集團的稅前溢利乃經扣除／（計入）以下項目後得出：

	Note 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost of inventories sold	所售存貨成本	7,219,119	4,323,388
Employee benefit expense (including directors' remuneration (note 8)):	僱員福利開支 (包括董事酬金 (附註8)):		
Wages and salaries	工資及薪金	731,043	598,075
Performance-related bonuses	績效掛鈎花紅	-	1,645
Equity-settled share option expenses	以權益結算的購股權 開支	4,643	1,376
Pension scheme contributions	退休金計劃供款	63,283	45,144
		798,969	646,240
Amortisation of other intangible assets except for deferred development costs	其他無形資產攤銷 (遞延開發成本除外)	18 15,040	2,586
Research and development costs:	研發成本:		
Deferred development costs amortised*	遞延開發成本攤銷*	18 73,809	57,041
Current year expenditure	年內開支	143,084	101,865
		216,893	158,906
Auditor's remuneration	核數師酬金	2,600	2,500
Derivative financial instruments:	衍生金融工具:		
Unrealised loss	未變現虧損	207	6,946
Realised gain	已變現收益	(1,373)	(10,497)
Fair value gain from derivative financial instruments, net	衍生金融工具公允價值 收益, 淨額	(1,166)	(3,551)



6. Profit Before Tax (continued)

6. 稅前溢利 (續)

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Equity investments at fair value through profit or loss:	公允價值變動計入損益的權益性投資：			
Unrealised loss/(gain)	未變現虧損／(收益)		1,050	(648)
Realised loss	已變現虧損		-	4,014
Fair value loss from equity investments at fair value through profit or loss, net [#]	公允價值變動計入損益的權益性投資的公允價值虧損，淨額 [#]		1,050	3,366
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13	218,888	196,478
Depreciation of investment properties	投資物業折舊	14	1,321	1,188
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	16	3,656	2,844
(Reversal of impairment)/impairment of trade receivables [#]	貿易應收款項(減值撥回)／減值 [#]	24	(7,713)	21,910
Impairment of inventories [*]	存貨減值 [*]		3,957	14,491
Loss/(gain) on disposal of items of property, plant and equipment, net [#]	處置物業、廠房及設備項目的虧損／(收益)，淨額 [#]		611	(956)
Loss on remeasurement of the previously held interest in an associate [#] (note 35)	重新計量先前於一間聯營公司持有權益的虧損 [#] (附註35)		2,064	-
Foreign exchange (gain)/loss, net [#]	外匯匯兌(收益)／虧損，淨額 [#]		(37,121)	49,191
Minimum lease payments under operating leases	經營租賃下的最低租賃款項		9,717	9,260
Loss on a fire incident ^{#^}	火災損失 ^{#^}		28,153	-

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

6. Profit Before Tax (continued)

- * The amortisation of deferred development costs and impairment of inventories are included in "Cost of sales" in the consolidated statement of profit or loss.
- # The net fair value loss from equity investments at fair value through profit or loss, impairment of trade receivables, net loss on disposal of items of property, plant and equipment, loss on remeasurement of the previously held interest in an associate, net foreign exchange loss and loss on a fire incident are included in "Other expenses" in the consolidated statement of profit or loss.
- ^ On 13 December 2017, one of the battery assembly plants of the Group's production factory in Malaysia, caught fire, resulting in losses on inventories and property, plant and equipment of RMB17,879,000 and RMB10,274,000, respectively. A net loss of RMB28,153,000 was recognised in the consolidated statement of profit or loss in the current year.

7. Finance Costs

An analysis of finance costs is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest on bank borrowings	銀行借貸利息	114,274	74,645
Interest arising from discounted bills	貼現票據產生的利息	37,514	34,286
		151,788	108,931

6. 稅前溢利 (續)

- * 遞延開發成本攤銷及存貨減值計入綜合損益表「銷售成本」中。
- # 公允價值變動計入損益的權益性投資的公允價值虧損淨額、貿易應收款項減值、處置物業、廠房及設備項目的虧損淨額、重新計量先前於一間聯營公司持有權益的虧損、外匯虧損淨額及火災損失計入綜合損益表「其他開支」中。
- ^ 於二零一七年十二月十三日，本集團馬來西亞生產廠房的一個電池組裝車間失火，分別造成存貨以及物業、廠房及設備損失人民幣17,879,000元及人民幣10,274,000元。人民幣28,153,000元之虧損淨額於本年度綜合損益表內確認。

7. 財務成本

財務成本分析如下：



8. Directors' Remuneration

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露之年內董事酬金如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Fees	袍金	728	824
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,862	2,153
Performance-related bonuses	績效掛鈎花紅	-	1,645
Equity-settled share option expenses	以權益結算的購股權開支	269	42
Pension scheme contributions	退休金計劃供款	86	85
		2,217	3,925
		2,945	4,749

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

8. Directors' Remuneration (continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors were as follows:

8. 董事酬金 (續)

(a) 獨立非執行董事

向獨立非執行董事支付之袍金如下:

		Fees	Salaries, allowances and benefits in kind	Performance- related bonuses	Equity-settled share option expenses	Pension scheme contributions	Total
		RMB'000 人民幣千元	薪金、津貼及 實物福利 RMB'000 人民幣千元	績效掛鈎花紅 RMB'000 人民幣千元	以權益結算的 購股權開支 RMB'000 人民幣千元	退休金 計劃供款 RMB'000 人民幣千元	RMB'000 人民幣千元
2017	二零一七年						
Mr. Lau Chi Kit	劉智傑先生	201	-	-	87	-	288
Dr. Gong Fangxiong*	龔方雄博士*	125	-	-	-	-	125
Mr. Liu Yangsheng	劉陽生先生	201	-	-	87	-	288
Mr. Cao Yixiong Alan	曹亦雄先生	201	-	-	87	-	288
		728	-	-	261	-	989
2016	二零一六年						
Mr. Lau Chi Kit	劉智傑先生	206	-	-	14	-	220
Dr. Gong Fangxiong*	龔方雄博士*	206	-	-	-	-	206
Mr. Liu Yangsheng	劉陽生先生	206	-	-	14	-	220
Mr. Cao Yixiong Alan	曹亦雄先生	206	-	-	14	-	220
		824	-	-	42	-	866

There were no other emoluments payable to the independent non-executive directors during the year (2016: Nil).

年內並無向獨立非執行董事支付其他酬金(二零一六年:無)。

* Dr. Gong Fangxiong resigned as an independent non-executive director of the Company on 16 June 2017.

* 龔方雄博士於二零一七年六月十六日辭任本公司獨立非執行董事。

8. Directors' Remuneration
(continued)

8. 董事酬金 (續)

(b) Executive directors and a non-executive director

(b) 執行董事及非執行董事

		Fees	Salaries, allowances and benefits in kind	Performance- related bonuses	Equity-settled share option expenses	Pension scheme contributions	Total
		袍金	薪金、津貼及 實物福利	績效掛鈎花紅	以權益結算的 購股權開支	退休金 計劃供款	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2017	二零一七年						
Executive directors:	執行董事:						
Mr. Dong Li	董李先生	-	830	-	-	78	908
Ms. Zhao Huan*	趙歡女士*	-	836	-	8	8	852
		-	1,666	-	8	86	1,760
Non-executive director:	非執行董事:						
Mr. Philip Armstrong Noznesky	Philip Armstrong Noznesky 先生	-	196	-	-	-	196
		-	1,862	-	8	86	1,956
2016	二零一六年						
Executive directors:	執行董事:						
Mr. Dong Li	董李先生	-	830	-	-	77	907
Ms. Zhao Huan*	趙歡女士*	-	857	-	-	8	865
		-	1,687	-	-	85	1,772
Non-executive director:	非執行董事:						
Mr. Philip Armstrong Noznesky	Philip Armstrong Noznesky 先生	-	466	1,645	-	-	2,111
		-	2,153	1,645	-	85	3,883

* Ms. Zhao Huan is also the chief executive of the Company.

* 趙歡女士亦為本公司的行政總裁。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2016: Nil).

年內概無任何有關董事放棄或同意放棄任何酬金的安排(二零一六年:無)。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

9. Five Highest Paid Employees

The five highest paid employees during the year included two (2016: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2016: two) non-director, highest paid employees are as follows:

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	2,747	1,457
Equity-settled share option expenses 以權益結算的購股權開支	927	342
Pension scheme contributions 退休金計劃供款	33	15
	3,707	1,814

9. 五名最高薪酬僱員

年內五名最高薪酬僱員中，包括兩名（二零一六年：三名）董事，其薪酬詳情載於上文附註8。年內，其餘三名（二零一六年：兩名）非董事之最高薪酬僱員的薪酬詳情如下：

The number of non-director, highest paid employees whose remuneration fell within the following band is as follows:

薪酬屬下列範圍之非董事的最高薪酬僱員人數如下：

	Number of employees 僱員人數	
	2017 二零一七年	2016 二零一六年
Nil to RMB1,000,000 人民幣零元至 人民幣1,000,000元	1	1
RMB1,000,000 to RMB2,000,000 人民幣1,000,000元至 人民幣2,000,000元	2	1
	3	2



31 December 2017
二零一七年十二月三十一日

10. Income Tax

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in this jurisdiction.

The subsidiaries, Honour Label, Peak Year, Sheldon, and Catherine Holdings, which were incorporated in the British Virgin Islands, are not subject to income tax as these subsidiaries do not have a place of business (other than a registered office only) or carry on any business in the British Virgin Islands.

Leoch Battery Corp., incorporated in the United States, is subject to corporate income tax in the United States. The applicable federal corporate income tax rate is in the range of 15% to 35% (2016: 15% to 35%) on taxable income.

The provision for Hong Kong profits tax is based on the statutory rate of 16.5% (2016: 16.5%) of the assessable profits of the subsidiary incorporated in Hong Kong, i.e., Leoch Power Supply. No provision for Hong Kong profits tax has been made by Leoch Battery Company and Big Help as they did not carry on any business in Hong Kong or had no assessable profits arising in or derived from Hong Kong during the year.

The Singapore authority approved Leoch Battery Pte.'s application for the Global Trader Programme status on 24 May 2014. The provision for Leoch Battery Pte.'s current income tax is based on the tax rate of 10% (2016: 10%).

10. 所得稅

本集團須就本集團成員公司於其註冊及經營所在的司法管轄區所產生或賺取的溢利按實體基準繳付所得稅。

根據開曼群島的規則及規例，本公司毋須於該司法管轄區繳納任何所得稅。

由於在英屬處女群島註冊成立的附屬公司（即 Honour Label、Peak Year、Sheldon 及 Catherine Holdings）於英屬處女群島並無擁有營業地點（註冊辦事處除外）或經營任何業務，因此該等附屬公司無須繳納所得稅。

Leoch Battery Corp. 乃於美國註冊成立，須於美國繳納企業所得稅。就應課稅收益而言，適用的聯邦企業所得稅率介乎 15% 至 35% 之間（二零一六年：介乎 15% 至 35%）。

香港利得稅的撥備，是就於香港註冊成立的附屬公司，即理士電源的應課稅溢利，按法定稅率 16.5%（二零一六年：16.5%）計算。由於 Leoch Battery Company 及 Big Help 並無於香港從事任何業務，或於本年度內並無於香港產生或賺取任何應課稅溢利，故其並無計提香港利得稅撥備。

新加坡當局於二零一四年五月二十四日批准 Leoch Battery Pte. 有關全球貿易商計劃地位的申請。Leoch Battery Pte. 即期所得稅乃按稅率 10%（二零一六年：10%）計提撥備。

31 December 2017
二零一七年十二月三十一日

10. Income Tax (continued)

The provision for PRC current income tax is based on the statutory rate of 25% of the assessable profits of the Group's subsidiaries in the PRC as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in the PRC which are taxed at preferential rates.

Jiangsu Leoch, Anhui Leoch Power and Anhui Uplus were designated as high-tech enterprises by the PRC tax authorities in 2015 and were entitled to a preferential tax rate of 15% for the year 2017.

Taihe Dahua with respect to qualified recycling businesses is entitled to claim 10% deduction of revenue for manufacturing qualified products with main qualified raw materials.

The major components of income tax charge for the year are as follows:

10. 所得稅 (續)

除本集團於中國的若干附屬公司獲稅務優惠外，中國即期所得稅撥備乃根據中國企業所得稅法（於二零零八年一月一日獲批准及生效）按本集團於中國的附屬公司的應課稅溢利以25%的法定稅率計算。

江蘇理士、安徽理士電源及安徽力普拉斯於二零一五年獲中國稅務當局確認為高新科技企業，二零一七年的優惠所得稅率為15%。

就合資格回收業務而言，太和縣大華可要求扣除使用主要合資格原材料生產合資格產品所得收益的10%。

年內所得稅開支的主要組成部分如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current – PRC	即期稅項－中國	18,036	39,031
Current – Hong Kong	即期稅項－香港	5,248	3,819
Current – Singapore	即期稅項－新加坡	7,202	5,958
Current – USA	即期稅項－美國	3,884	891
Deferred tax	遞延稅項	982	(950)
Total tax charge for the year	年內稅項支出總額	35,352	48,749

10. Income Tax (continued)

A reconciliation of the income tax expense applicable to profit before tax at the statutory rate for the country in which the majority of the companies of the Group are domiciled (i.e., the PRC) to the tax expense at effective tax rate is as follows:

10. 所得稅 (續)

按本集團大部分公司註冊所在國家(即中國)的法定稅率計算的適用於稅前溢利的所得稅開支與按實際稅率計算的稅項開支的對賬如下:

		2017 二零一七年		2016 二零一六年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Profit before tax	稅前溢利	306,832		280,536	
Tax at the applicable tax rate	按適用稅率計算的稅項	86,092	28.0	52,866	18.9
Tax concession for certain subsidiaries	若干附屬公司的稅務優惠	(46,827)	(15.3)	(32,478)	(11.6)
Additional deductible research and development expenses	額外可扣減研發開支	(8,059)	(2.6)	(7,832)	(2.8)
Income not subject to tax	毋須課稅收益	(9,459)	(3.1)	(2,520)	(0.9)
Expenses not deductible for tax	不可扣稅開支	4,649	1.5	23,513	8.4
Tax losses not recognised	未確認稅項虧損	11,509	3.8	15,200	5.4
Tax losses utilised from previous periods	動用前期之稅項虧損	(2,553)	(0.8)	-	-
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項開支	35,352	11.5	48,749	17.4

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

11. Dividends

11. 股息

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Final – Nil (2016: 5.50 HK cents) per share	末期–每股零港仙 (二零一六年: 5.50港仙)	-	66,582

The Company does not intend to declare the payment of any final dividend in respect of the year ended 31 December 2017.

本公司並不擬就截至二零一七年十二月三十一日止年度宣派任何末期股息。

12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

12. 母公司普通權益持有人應佔每股盈利

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,355,932,999 (2016: 1,353,330,795) in issue during the year.

每股基本盈利金額乃按母公司普通權益持有人應佔年度溢利及年內已發行普通股加權平均數1,355,932,999股(二零一六年: 1,353,330,795股)為基準計算。

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

每股攤薄盈利金額乃按母公司普通權益持有人應佔年內溢利為基準計算。計算所用的普通股加權平均數指年內已發行普通股數目(與計算每股基本盈利所用者相同), 以及假設於全部具潛在攤薄普通股視作被行使兌換為普通股時無償發行的普通股的加權平均數。

12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent (continued)

12. 母公司普通權益持有人應佔每股盈利(續)

The calculations of basic and diluted earnings per share are based on:

每股基本及攤薄盈利乃根據下列數據計算：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Earnings	盈利		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	用於計算每股基本及攤薄盈利之母公司普通權益持有人應佔溢利	242,885	241,898
		Number of shares 股份數目	
		2017 二零一七年	2016 二零一六年
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算每股基本盈利之年內已發行普通股加權平均數	1,355,932,999	1,353,330,795
Effect of dilution – weighted average number of ordinary shares: Share options	攤薄影響 – 普通股加權平均數： 購股權	6,579,244	784,213
		1,362,512,243	1,354,115,008

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

13. Property, Plant and Equipment 13. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Tooling and equipment 工具及設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2017	二零一七年十二月三十一日							
Cost:	成本:							
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日	753,217	1,573,863	29,965	32,827	198,640	253,292	2,841,804
Additions	添置	41,387	156,244	2,382	11,534	25,437	77,259	314,243
Transfer to investment properties (note 14)	轉撥至投資物業(附註14)	-	-	-	-	-	(14,380)	(14,380)
Acquisition from a subsidiary (note 35)	向一間附屬公司收購 (附註35)	-	106,015	-	-	-	-	106,015
Transfers	轉撥	83,000	18,322	-	-	-	(101,322)	-
Disposals	處置	(2,337)	(12,427)	(599)	(941)	(920)	-	(17,224)
Exchange realignment	匯兌調整	(3,114)	(1,781)	(45)	(61)	(278)	-	(5,279)
At 31 December 2017	於二零一七年十二月三十一日	872,153	1,840,236	31,703	43,359	222,879	214,849	3,225,179
Accumulated depreciation and impairment:	累計折舊及減值:							
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日	(165,013)	(593,710)	(22,527)	(24,073)	(157,235)	(1,569)	(964,127)
Depreciation provided during the year	年內折舊撥備	(35,730)	(152,982)	(3,334)	(4,227)	(22,615)	-	(218,888)
Acquisition from a subsidiary (note 35)	向一間附屬公司收購 (附註35)	-	(4,065)	-	-	-	-	(4,065)
Disposals	處置	94	4,899	161	756	671	-	6,581
Exchange realignment	匯兌調整	989	444	8	12	44	-	1,497
At 31 December 2017	於二零一七年十二月三十一日	(199,660)	(745,414)	(25,692)	(27,532)	(179,135)	(1,569)	(1,179,002)
Net carrying amount:	賬面淨值:							
At 31 December 2017	於二零一七年十二月三十一日	672,493	1,094,822	6,011	15,827	43,744	213,280	2,046,177

13. Property, Plant and Equipment
(continued)

13. 物業、廠房及設備 (續)

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Tooling and equipment 工具及設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2016	二零一六年十二月三十一日							
Cost:	成本:							
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日	705,430	1,461,150	27,517	31,366	178,851	187,536	2,591,850
Additions	添置	1,970	99,058	2,112	1,771	16,108	86,771	207,790
Acquisition from a subsidiary	向一間附屬公司收購	39,212	28,720	482	1,181	3,910	231	73,736
Transfers	轉撥	10,766	8,040	-	-	1,426	(20,232)	-
Disposals	處置	(9,006)	(23,473)	(183)	(1,547)	(1,660)	(1,014)	(36,883)
Exchange realignment	匯兌調整	4,845	368	37	56	5	-	5,311
At 31 December 2016	於二零一六年十二月三十一日	753,217	1,573,863	29,965	32,827	198,640	253,292	2,841,804
Accumulated depreciation and impairment:	累計折舊及減值:							
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日	(135,619)	(468,184)	(20,264)	(21,622)	(125,608)	(1,569)	(772,866)
Depreciation provided during the year	年內折舊撥備	(29,442)	(131,227)	(2,273)	(3,139)	(30,397)	-	(196,478)
Acquisition from a subsidiary	向一間附屬公司收購	(942)	(5,426)	(121)	(392)	(2,046)	-	(8,927)
Disposals	處置	1,656	11,210	162	1,123	817	-	14,968
Exchange realignment	匯兌調整	(666)	(83)	(31)	(43)	(1)	-	(824)
At 31 December 2016	於二零一六年十二月三十一日	(165,013)	(593,710)	(22,527)	(24,073)	(157,235)	(1,569)	(964,127)
Net carrying amount:	賬面淨值:							
At 31 December 2016	於二零一六年十二月三十一日	588,204	980,153	7,438	8,754	41,405	251,723	1,877,677

At 31 December 2017, certain of the Group's buildings and machinery with a net carrying amount of approximately RMB747,778,000 (2016: RMB643,415,000) were pledged to secure general banking facilities granted to the Group. For details of pledged assets, please refer to note 37 to the financial statements.

於二零一七年十二月三十一日，本集團賬面淨值約人民幣747,778,000元（二零一六年：人民幣643,415,000元）之若干樓宇及機器已抵押作為本集團獲授一般銀行融資之擔保。已抵押資產詳情請參閱財務報表附註37。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

14. Investment Properties

14. 投資物業

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost:	成本：		
At 1 January	於一月一日	33,013	23,760
Transferred from property, plant and equipment (note 13)	轉撥自物業、廠房及設備 (附註13)	14,380	-
Transferred from prepaid land lease payments (note 16)	轉撥自預付土地租賃款項 (附註16)	3,800	9,253
At 31 December	於十二月三十一日	51,193	33,013
Accumulated depreciation:	累計折舊：		
At 1 January	於一月一日	(1,350)	-
Depreciation provided during the year	年內折舊撥備	(1,321)	(1,188)
Transferred from prepaid land lease payments (note 16)	轉撥自預付土地租賃款項 (附註16)	(130)	(162)
At 31 December	於十二月三十一日	(2,801)	(1,350)
Carrying amount at 31 December	於十二月三十一日的賬面值	48,392	31,663

The Group's investment properties consist of five industrial properties in Mainland China which were subsequently measured using the cost model. The directors of the Company have determined that the investment properties consist of one class of assets, i.e., industrial properties, based on the nature, characteristics and risk of each property. The Group's investment properties were revalued on 31 December 2017 based on the valuation by management. Management has reviewed the valuation assumptions and valuation results once a year when the valuation is performed for annual financial reporting.

本集團的投資物業包括中國內地的五個工業物業，該等物業其後使用成本模型計量。本公司董事已根據各物業的性質、特點及風險，確認投資物業由一類資產（即工業物業）組成。本集團已根據管理層作出的估值，於二零一七年十二月三十一日對投資物業進行重估。倘估值乃為年度財務呈報作出，則管理層每年會檢討估值假設及估值結果。

14. Investment Properties (continued)

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 38 to the financial statements.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

14. 投資物業 (續)

該等投資物業根據經營租賃出租給第三方，其進一步詳情概要載於財務報表附註38。

公允價值層級

下表載列本集團投資物業的公允價值計量層級：

		Fair value measurement as at 31 December 2017 using 於二零一七年十二月三十一日公允價值計量所用層級			
		Quoted prices in active markets 活躍市場 報價 (Level 1) (第1層) RMB'000 人民幣千元	Significant observable inputs 重大可觀察 輸入數據 (Level 2) (第2層) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察 輸入數據 (Level 3) (第3層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Industrial properties	工業物業	-	-	71,550	71,550

		Fair value measurement as at 31 December 2016 using 於二零一六年十二月三十一日公允價值計量所用層級			
		Quoted prices in active markets 活躍市場 報價 (Level 1) (第1層) RMB'000 人民幣千元	Significant observable inputs 重大可觀察 輸入數據 (Level 2) (第2層) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察 輸入數據 (Level 3) (第3層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Industrial properties	工業物業	-	-	49,780	49,780

31 December 2017
二零一七年十二月三十一日

14. Investment Properties (continued)

Fair value hierarchy (continued)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2016: Nil).

The fair values of the investment properties are determined using the comparison method by making references to comparable sale evidence as available in the relevant market. Comparable properties of similar size, character and location are analysed and selected for each investment property in order to arrive at a fair comparison of their fair values. The fair value measurement is positively correlated to the market unit sale rate.

14. 投資物業 (續)

公允價值層級 (續)

年內，第一級與第二級之間之公允價值計量並無轉撥，亦無撥入或撥出第三級（二零一六年：無）。

投資物業公允價值乃參照有關市場上可供比較之銷售憑證，使用比較法釐定。為達致公允價值之公平比較，各投資物業將選擇類似規模、特點及位置的可資比較物業進行分析。公允價值計量與市場單位售價呈正相關性。

15. Properties Under Development

15. 發展中物業

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	40,869	45,050
Additions	添置	24,379	25,537
Transfer to completed properties held for sale	轉撥至持作待售已落成物業	(24,379)	(29,718)
Carrying amount at 31 December	於十二月三十一日的賬面值	40,869	40,869

16. Prepaid Land Lease Payments 16. 預付土地租賃款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost:	成本：		
At 1 January	於一月一日	139,867	100,424
Transfer to investment properties (note 14)	轉撥至投資物業 (附註14)	(3,800)	(9,253)
Additions	添置	32,993	-
Acquisition of a subsidiary (note 35)	收購附屬公司 (附註35)	9,600	48,696
At 31 December	於十二月三十一日	178,660	139,867
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	(16,373)	(13,691)
Transfer to investment properties (note 14)	轉撥至投資物業 (附註14)	130	162
Recognised during the year	於年內確認	(3,656)	(2,844)
At 31 December	於十二月三十一日	(19,899)	(16,373)
Impairment:	減值：		
At 1 January and 31 December	於一月一日及十二月三十一日	(54)	(54)
Carrying amount:	賬面值：		
At 31 December	於十二月三十一日	158,707	123,440
Less: Current portion included in prepayments, deposits and other receivables (note 25)	減：列入預付款項、訂金及 其他應收款項的 即期部分 (附註25)	(3,888)	(2,840)
Non-current portion	非即期部分	154,819	120,600

At 31 December 2017, certain of the Group's prepaid land lease payments with a net carrying amount of approximately RMB50,094,000 (2016: RMB78,520,000) were pledged to secure general banking facilities granted to the Group. For details of pledged assets, please refer to note 37 to the financial statements.

於二零一七年十二月三十一日，本集團若干賬面淨值約為人民幣50,094,000元（二零一六年：人民幣78,520,000元）的預付土地租賃款項已抵押作為本集團獲授一般銀行融資之擔保。有關已抵押資產之詳情，請參閱財務報表附註37。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

17. Goodwill

17. 商譽

		RMB'000 人民幣千元
Cost and net carrying amount:	成本及賬面值：	
At 1 January 2016	於二零一六年一月一日	-
Acquisition of a subsidiary	收購附屬公司	8,660
At 31 December 2016	於二零一六年十二月三十一日	8,660
At 1 January 2017	於二零一七年一月一日	8,660
Acquisition of a subsidiary (note 35)	收購附屬公司(附註35)	39
At 31 December 2017	於二零一七年十二月三十一日	8,699

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the respective cash-generating units ("CGUs") for impairment testing.

The carrying amount of goodwill has been allocated to CGUs as follows:

商譽減值測試

透過業務合併收購的商譽已分配至各自現金產生單位(「現金產生單位」)作減值測試。

分配至現金產生單位之商譽賬面值如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Accupower	Accupower	8,660	8,660
Taihe Dahua	太和縣大華	39	-
Total	總計	8,699	8,660



31 December 2017
二零一七年十二月三十一日

17. Goodwill (*continued*)

Impairment testing of goodwill (*continued*)

The recoverable amounts of the above CGUs have been determined based on value-in-use calculations using cash flow projections based on financial budgets covering a five-year period approved by senior management.

The key assumptions adopted on the growth rate and discount rate used in the value-in-use calculations are based on management's best estimates. The growth rate of 3% is determined by considering both internal and external factors relating to the CGUs. The discount rate applied to the cash flow projections is 15% for Accupower and 18% for Taihe Dahua.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of goodwill is based would not cause the carrying amount of goodwill to exceed its recoverable amount.

17. 商譽 (續)

商譽減值測試 (續)

現金產生單位的可收回金額乃根據現金流量預測以可使用價值方式計算，而該現金流量預測乃以高級管理層批准的五年期財務預算為基準。

計算可使用價值所採用的增長率及折現率的主要假設乃基於管理層的最佳估計。3%的增長率乃經考慮與現金產生單位相關的內部及外部因素後釐定。Accupower與太和縣大華現金流量預測所採用的折現率分別為15%及18%。

管理層認為，商譽可收回金額所依據之主要假設出現任何合理變動，不會導致商譽的賬面值超出其可收回金額。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

18. Other Intangible Assets

18. 其他無形資產

		Computer software	Deferred development costs	Customer relationship	Licence	Trademark	Total
		電腦軟件	開發成本	客戶關係	牌照	商標	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2017	二零一七年十二月三十一日						
Cost at 1 January 2017,	於二零一七年一月一日的成本						
net of accumulated amortisation	扣除累計攤銷	3,776	257,121	4,364	-	19,769	285,030
Additions	添置	1,250	178,656	-	-	2	179,908
Acquisition of a subsidiary (note 35)	收購附屬公司(附註35)	-	-	-	108,126	-	108,126
Amortisation provided during the year	年內攤銷撥備	(1,161)	(73,809)	(447)	(10,813)	(2,619)	(88,849)
At 31 December 2017	於二零一七年十二月三十一日	3,865	361,968	3,917	97,313	17,152	484,215
At 31 December 2017:	於二零一七年十二月三十一日:						
Cost	成本	10,954	556,866	4,588	108,126	21,490	702,024
Accumulated amortisation	累計攤銷	(7,089)	(194,898)	(671)	(10,813)	(4,338)	(217,809)
Net carrying amount	賬面淨值	3,865	361,968	3,917	97,313	17,152	484,215
31 December 2016	二零一六年十二月三十一日						
At 1 January 2016:	於二零一六年一月一日:						
Cost	成本	9,096	240,566	-	-	1,036	250,698
Accumulated amortisation	累計攤銷	(4,937)	(64,048)	-	-	(348)	(69,333)
Net carrying amount	賬面淨值	4,159	176,518	-	-	688	181,365
Cost at 1 January 2016,	於二零一六年一月一日的成本						
net of accumulated amortisation	扣除累計攤銷	4,159	176,518	-	-	688	181,365
Additions	添置	608	137,644	-	-	328	138,580
Acquisition of a subsidiary	收購附屬公司	-	-	4,588	-	20,124	24,712
Amortisation provided during the year	年內攤銷撥備	(991)	(57,041)	(224)	-	(1,371)	(59,627)
At 31 December 2016	於二零一六年十二月三十一日	3,776	257,121	4,364	-	19,769	285,030
At 31 December 2016 and	於二零一六年十二月三十一日						
at 1 January 2017:	及二零一七年一月一日:						
Cost	成本	9,704	378,210	4,588	-	21,488	413,990
Accumulated amortisation	累計攤銷	(5,928)	(121,089)	(224)	-	(1,719)	(128,960)
Net carrying amount	賬面淨值	3,776	257,121	4,364	-	19,769	285,030

19. Investment in an Associate

19. 於一間聯營公司之投資

Investment in an associate

於聯營公司之投資

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Share of net assets	應佔資產淨值	-	4,127

On 23 January 2017, the Group obtained control over MSB Manufacturing Sdn. Bhd., the name of which was changed to Tele Power Sdn. Bhd on 1 June 2017, which then became a subsidiary of the Group (note 35).

於二零一七年一月二十三日，本集團取得MSB Manufacturing Sdn. Bhd.之控制權（其名稱於二零一七年六月一日更改為Tele Power Sdn. Bhd），後者自此成為本集團之附屬公司（附註35）。

The following table illustrates the aggregate financial information of the associate:

下表概述聯營公司的整體財務資料：

		For the period from 1 January 2017 to 23 January 2017 自二零一七年一月一日至二零一七年一月二十三日期間 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Share of the associate's profit for the year	應佔聯營公司年內溢利	-	551
Share of the associate's total comprehensive income for the year	應佔聯營公司年內全面收益總額	-	551
Aggregate carrying amount of the Group's investment in the associate	本集團於聯營公司的投資的賬面值總額	-	4,127

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

20. Available-for-Sale Investments 20. 可供出售投資

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Unlisted equity investment, at cost 非上市股本投資，按成本	9,748	6,938
Unlisted equity investments, at fair value 非上市股本投資，按公允價值	122,828	117,029
	132,576	123,967

As at 31 December 2017, an unlisted equity investment of the Group with a carrying amount of RMB9,748,000 (2016: RMB6,938,000) was stated at cost less impairment because the variability in the range of reasonable fair value estimates was so significant that the directors were of the opinion that its fair value could not be measured reliably.

During the year, the gross gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to RMB3,703,000 (2016: RMB35,083,000).

The above equity investments which were designated as available-for-sale financial assets have no fixed maturity dates or coupon rates.

於二零一七年十二月三十一日，本集團賬面值為人民幣9,748,000元（二零一六年：人民幣6,938,000元）之非上市股本投資乃按成本減減值列賬，此乃由於其公允價值合理估計範圍變化重大，致令董事認為其公允價值無法可靠計量。

於年內，有關本集團於其他全面收入確認的可供出售投資收益總額為人民幣3,703,000元（二零一六年：人民幣35,083,000元）。

上述指定為可供出售金融資產的權益性投資，且並無固定到期日或票息率。

21. Derivative Financial Instruments 21. 衍生金融工具

	2017 二零一七年		2016 二零一六年	
	Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元	Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元
Forward currency contracts 遠期貨幣合約	4,418	-	4,625	13,636

Forward currency contracts

The Group has entered into various forward currency contracts to manage its exchange rate exposures. These forward currency contracts are measured at fair value through profit or loss. The net gain, including realised and unrealised, on changes in the fair value of the forward currency contracts amounting to RMB1,166,000 (2016: RMB3,551,000) was recognised in the consolidated statement of profit or loss during the year. The maturity dates of the derivative financial instruments are within one year.

遠期貨幣合約

本集團已訂立多份遠期貨幣合約管理其外匯風險。該等遠期貨幣合約按公允價值變動計入損益計量。年內，遠期貨幣合約的公允價值變動的淨收益（包括已變現及未變現）為人民幣1,166,000元（二零一六年：人民幣3,551,000元），已於綜合損益表內確認。衍生金融工具的到期日在一年內。

22. Inventories

22. 存貨

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Raw materials	原料	445,494	155,153
Work in progress	在製品	1,008,957	699,257
Finished goods	製成品	417,834	272,716
		1,872,285	1,127,126

31 December 2017
二零一七年十二月三十一日

23. Completed Properties Held for Sale

23. 持作持售已落成物業

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Completed properties held for sale 持作待售已落成物業	44,205	61,702

In 2014, Jiangsu Siting, a subsidiary of the Company, entered into an arrangement (the “**Arrangement**”) with a constructor (the “**Constructor**”), an independent third party, to develop a residential property project for, among others, staff quarters (the “**Project**”). The Constructor is responsible for the management and funding of the Project and sale of the properties after they are completed. There are certain profit sharing arrangements between Jiangsu Siting and the Constructor in accordance with the Arrangement, including that Jiangsu Siting will retain certain units of the properties. The performance of the Constructor under the Arrangement will be guaranteed by an independent third party.

As at 31 December 2017, the carrying amounts of the properties under development and the completed properties held for sale under the Project were RMB40,869,000 (note 15) and RMB44,205,000, respectively.

於二零一四年，本公司附屬公司江蘇思廷與一名建築商（「**建築商**」）（一名獨立第三方）訂立一項安排（「**安排**」）發展一項住宅物業項目，包括但不限於員工宿舍（「**該項目**」）。建築商負責該項目的管理及融資，以及於項目完成後銷售物業。根據安排，江蘇思廷及建築商之間已訂立若干溢利分拆安排，包括江蘇思廷將保留若干物業單位。根據安排，建築商的履約將由一名獨立第三方作出擔保。

於二零一七年十二月三十一日，該項目項下的發展中物業及持作待售已落成物業的賬面值分別為人民幣40,869,000元（附註15）及人民幣44,205,000元。



24. Trade and Bills Receivables

24. 貿易應收款項及應收票據

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	2,343,791	2,226,964
Bills receivable	應收票據	213,159	75,479
Impairment	減值	(30,353)	(38,066)
		2,526,597	2,264,377

The Group grants different credit periods to its customers. Credit periods for individual customers are considered on a case-by-case basis. Certain customers are required to make partial payments before or upon delivery. The Group seeks to maintain strict control over its outstanding receivables and closely monitors them to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables of RMB261,715,000 (2016: RMB271,596,000) were under short term credit insurance and RMB71,912,000 (2016: RMB48,688,000) were under letters of credit. In addition, the Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing.

As at 31 December 2017, the Group pledged certain trade receivables amounting to RMB61,467,000 (2016: RMB86,651,000) to banks with recourse in exchange for cash (note 37). The proceeds from pledging the trade receivables of RMB37,279,000 (2016: RMB54,222,000) were accounted for as collateralised bank advances until the trade receivables were collected or the Group made good of any losses incurred by the banks. The details of the transfer of factored trade receivables are included in note 44 to the financial statements.

本集團向客戶授予不同的信貸期。各個客戶的信貸期逐一釐定。若干客戶須於交付前或交付時作出部分付款。本集團尋求對其未獲償還的應收款項維持嚴格控制，並密切監察該等賬款，以減低信貸風險。高級管理層會定期審閱逾期未付的結餘。貿易應收款項中人民幣261,715,000元（二零一六年：人民幣271,596,000元）訂有短期信用保險，而人民幣71,912,000元（二零一六年：人民幣48,688,000元）則訂有信用證。此外，本集團概無就該等結餘持有任何抵押品或採取其他信貸提升措施。貿易應收款項為不計息。

於二零一七年十二月三十一日，本集團向銀行抵押若干有追索權的貿易應收款項，金額為人民幣61,467,000元（二零一六年：人民幣86,651,000元），藉以換取現金（附註37）。抵押貿易應收款項所得款項人民幣37,279,000元（二零一六年：人民幣54,222,000元）乃列作有抵押銀行墊款，直至該等貿易應收款項獲收回或本集團彌補銀行產生的任何虧損為止。有關轉讓保理貿易應收款項之詳情載列於財務報表附註44。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

24. Trade and Bills Receivables (continued)

An ageing analysis of the trade and bills receivables as at 31 December 2017 and 2016 based on the invoice date, net of provisions, is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 3 months	3個月內	1,862,076	1,641,807
3 to 6 months	3至6個月	405,764	386,401
6 to 12 months	6至12個月	202,361	176,558
1 to 2 years	1至2年	53,181	49,930
Over 2 years	2年以上	3,215	9,681
		2,526,597	2,264,377

Movements in the provision for impairment of trade receivables are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	38,066	16,156
Impairment losses (reversed)/recognised (note 6)	已(撥回)/確認減值虧損 (附註6)	(7,713)	21,910
At 31 December	於十二月三十一日	30,353	38,066

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB30,353,000 (2016: RMB38,066,000) with a carrying amount before provision of RMB30,353,000 (2016: RMB38,066,000).

24. 貿易應收款項及應收票據 (續)

於二零一七年及二零一六年十二月三十一日之貿易應收款項及應收票據按發票日(扣除撥備)的賬齡分析如下:

貿易應收款項減值撥備的變動載列如下:

計入上述貿易應收款項的減值撥備為就個別已減值的貿易應收款項人民幣30,353,000元(二零一六年:人民幣38,066,000元)計提的撥備,其於作出撥備前的賬面值為人民幣30,353,000元(二零一六年:人民幣38,066,000元)。

24. Trade and Bills Receivables (continued)

The above provision for impairment of trade receivables relates to individual customers that were in financial difficulties.

The bills receivable will be matured within one year from 31 December 2017.

The aging analysis of trade and bills receivables that were not individually nor collectively considered to be impaired is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦未減值	2,470,201	2,204,766
Past due but not impaired	逾期但未減值	56,396	59,611
		2,526,597	2,264,377

Receivables that were neither past due nor impaired relate to a large number of diversified customers that have not had a history of default recently.

Receivables that were past due but not impaired relate to a number of independent customers that have a good payment track record with the Group. Based on past experience, the directors believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality of the customers and the balances are still considered fully recoverable.

24. 貿易應收款項及應收票據 (續)

上述貿易應收款項的減值撥備與陷於財困的個別客戶有關。

應收票據將於二零一七年十二月三十一日起計一年內到期。

被認為並無個別或共同減值的貿易應收款項及應收票據的賬齡分析如下：

未逾期亦未減值的應收款項與多名無近期違約記錄的客戶有關。

已逾期但未減值的應收款項乃與多名與本集團有良好付款往績記錄的獨立客戶有關。由於客戶的信貨質素並無重大變動及結餘仍被認為可以完全收回，根據過往經驗，董事認為並無必要就該等結餘作出減值撥備。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

25. Prepayments, Deposits and Other Receivables

25. 預付款項、訂金及其他應收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Prepayments	預付款項	130,365	94,525
Deposits and other receivables	訂金及其他應收款項	32,926	30,561
Loans to employees	向僱員作出的貸款	7,130	6,765
Interest receivables	應收利息	114	34
Current portion of prepaid land lease payments (note 16)	預付土地租賃款項的即期部分 (附註16)	3,888	2,840
		174,423	134,725

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

上述資產並無逾期或減值。上述結餘所包括的金融資產與無近期違約記錄的應收款項有關。

26. Equity Investments at Fair Value Through Profit or Loss

26. 公允價值變動計入損益之權益性投資

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Listed equity investments, at market value	上市權益性投資，按市值	12,545	13,595

The above equity investments at 31 December 2017 were classified as held for trading and were, upon initial recognition, designated by the Group as financial assets at fair value through profit or loss.

上述於二零一七年十二月三十一日之權益性投資分類為持作買賣，及於初步確認後，由本集團指定作公允價值變動計入損益的金融資產。

27. Cash and Bank Balances and Time Deposits

27. 現金及銀行結餘以及定期存款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	401,042	214,344
Time deposits	定期存款	540,116	490,885
		941,158	705,229
Less: Pledged for interest-bearing bank borrowings	減：已就計息銀行借貸抵押	(179,899)	(9,020)
Pledged for bills payable	已就應付票據抵押	(260,099)	(404,771)
Pledged for letters of credit	已就信用證抵押	(100,118)	(77,094)
		(540,116)	(490,885)
Cash and cash equivalents	現金及現金等價物	401,042	214,344
Denominated in RMB	以人民幣計值	755,673	606,720
Denominated in US\$	以美元計值	155,742	67,282
Denominated in HK\$	以港元計值	19,201	25,156
Denominated in Malaysian Dollar ("MYR")	以馬來西亞令吉 (「馬來西亞令吉」) 計值	4,146	2,354
Denominated in Indian Rupee	以印度盧比計值	3,207	335
Denominated in Australian Dollar ("AUD")	以澳元 (「澳元」) 計值	2,417	179
Denominated in Singapore Dollar ("SG\$")	以新加坡元 (「新元」) 計值	618	2,709
Denominated in Sri Lankan Rupee	以斯里蘭卡盧比計值	88	189
Denominated in Euro ("EUR")	以歐元 (「歐元」) 計值	66	305
		941,158	705,229

31 December 2017
二零一七年十二月三十一日

27. Cash and Bank Balances and Time Deposits (continued)

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposit are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

28. Trade and Bills Payables

27. 現金及銀行結餘以及定期存款 (續)

人民幣不得自由兌換作外幣，然而，根據中國外匯管制條例及結匯、售匯及付匯管理規定，本集團獲批准透過授權銀行將人民幣兌換作外幣以進行外匯業務。

存於銀行的現金按每日銀行存款利率的浮動息率賺取利息。短期存款之存款期由一日至三個月不等，視乎本集團之實時現金要求而定，各自按短期存款利率獲取利息。銀行結餘及抵押存款已存入近期無拖欠記錄且信譽良好的銀行。

28. 貿易應付款項及應付票據

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade payables	貿易應付款項	803,985	641,357
Bills payable	應付票據	861,262	990,127
		1,665,247	1,631,484



28. Trade and Bills Payables (continued)

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 3 months	3個月內	702,362	754,551
3 to 6 months	3至6個月	364,800	575,338
6 to 12 months	6至12個月	582,439	291,347
1 to 2 years	1至2年	12,266	3,563
2 to 3 years	2至3年	898	662
Over 3 years	超過3年	2,482	6,023
		1,665,247	1,631,484

The trade payables are non-interest-bearing and are normally settled on 90-day terms. All the bills payable have maturity dates within 365 days. As at 31 December 2017, bills payable amounting to RMB745,450,000 (2016: RMB860,452,000) were issued on intercompany sales transactions within the Group and these bills were discounted to banks for short term financing.

As at 31 December 2017, certain of the Group's bills payable were secured by the pledge of certain of the Group's time deposits amounting to RMB260,099,000 (2016: RMB404,771,000) (note 37).

28. 貿易應付款項及應付票據 (續)

於報告期末，貿易應付款項及應付票據按發票日期的賬齡分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 3 months	3個月內	702,362	754,551
3 to 6 months	3至6個月	364,800	575,338
6 to 12 months	6至12個月	582,439	291,347
1 to 2 years	1至2年	12,266	3,563
2 to 3 years	2至3年	898	662
Over 3 years	超過3年	2,482	6,023
		1,665,247	1,631,484

貿易應付款項為不計息，且一般須於90日內支付。所有應付票據均於365日內到期。於二零一七年十二月三十一日，本集團就集團內公司間進行的銷售交易發行金額為人民幣745,450,000元（二零一六年：人民幣860,452,000元）的應付票據，且該等票據貼現予銀行作短期融資。

於二零一七年十二月三十一日，本集團若干應付票據以本集團金額為人民幣260,099,000元（二零一六年：人民幣404,771,000元）的若干定期存款的質押作擔保（附註37）。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

29. Other Payables and Accruals

29. 其他應付款項及應計費用

		Note 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Provision for social insurance and retirement benefits	社會保險及退休福利撥備		141,570	130,577
Advances from customers	客戶預付款		133,257	146,716
Accrued expenses	應計開支		90,041	73,450
Accrued payroll	應計工資		53,027	45,523
Payables for purchase of items of property, plant and equipment	購買物業、廠房及設備項目的應付款項		17,677	12,464
Provision for product warranties	產品保修金撥備		13,239	10,583
Tax payables other than current income tax liabilities	應付稅項(即期所得稅負債除外)		161,632	103,554
Payables to non-controlling shareholders	應付非控股股東之款項	40	76,238	-
Others	其他		19,856	20,000
			706,537	542,867

31 December 2017
二零一七年十二月三十一日

30. Interest-Bearing Bank Borrowings

30. 計息銀行借貸

		31 December 2017 二零一七年十二月三十一日			31 December 2016 二零一六年十二月三十一日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期	RMB'000 人民幣千元
Current	即期						
Interest-bearing bank borrowings, secured	計息銀行借貸·有抵押	1.50 to 7.53 1.50至7.53	2018 二零一八年	1,175,362	1.50 to 6.77 1.50至6.77	2017 二零一七年	1,103,711
Collateralised bank advances, secured	有抵押銀行墊款·有抵押	2.00 to 2.40 2.00至2.40	2018 二零一八年	37,279	2.00 to 3.50 2.00至3.50	2017 二零一七年	54,222
Interest-bearing bank borrowings, guaranteed	計息銀行借貸·有擔保	2.87 to 5.22 2.87至5.22	2018 二零一八年	405,401	-	-	-
Interest-bearing bank borrowings, guaranteed	計息銀行借貸·有擔保	LIBOR + 2.50	on demand* 按要求償還*	1,286,511	LIBOR + 3.00	2017 二零一七年	117,081
				2,904,553			1,275,014
Non-current	非即期						
Interest-bearing bank borrowings, secured	計息銀行借貸·有抵押	1.50 to 7.53 1.50至7.53	2019-2028 二零一九年至 二零二八年	81,338	1.50 to 7.53 1.50至7.53	2018-2028 二零一八年至 二零二八年	78,680
Interest-bearing bank borrowings, guaranteed	計息銀行借貸·有擔保	4.89	2019 二零一九年	28,000	LIBOR + 3.00	2018 二零一八年	409,783
				109,338			488,463
				3,013,891			1,763,477
Denominated in RMB	以人民幣計值			1,038,680			634,970
Denominated in US\$	以美元計值			1,438,764			674,702
Denominated in HK\$	以港元計值			471,434			412,809
Denominated in S\$	以新元計值			14,135			18,214
Denominated in MYR	以馬來西亞令吉計值			30,815			22,782
Denominated in AUD	以澳元計值			20,063			-
				3,013,891			1,763,477

31 December 2017
二零一七年十二月三十一日

30. Interest-Bearing Bank Borrowings (continued)

30. 計息銀行借貸 (續)

Analysed into:

分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Bank loans and advances repayable:	須償還的銀行貸款及墊款：		
On demand*	按要求*	1,286,511	-
Within one year	一年內	1,618,042	1,275,014
In the second year	第二年	71,687	429,342
In the third to fifth years, inclusive	第三年至第五年， 包括首尾兩年	28,371	49,225
Beyond five years	五年後	9,280	9,896
		3,013,891	1,763,477

The Group's bank borrowings are secured by the following pledge or guarantees:

本集團的銀行借貸以下述質押或擔保作抵押：

(i) pledge of the Group's assets with a total value of RMB1,039,238,000 (2016: RMB817,606,000) for the bank borrowings as disclosed in note 37.

(i) 就銀行借貸以本集團總價值人民幣1,039,238,000元(二零一六年：人民幣817,606,000元)的資產作出的質押(於附註37披露)。

(ii) cross guarantees executed by companies within the Group.

(ii) 本集團內公司簽訂的相互擔保。



30. Interest-Bearing Bank Borrowings (continued)

- * The Group entered into a three-year term loan facility agreement amounting to US\$200,000,000 on 8 May 2017 (the “Facility Agreement”) with certain financial institutions (the “Lenders”).

Under the Facility Agreement, there are specific performance obligations on Mr. Dong Li, the controlling shareholder of the Company, to not cease to own, directly or indirectly, at least 51% of the beneficial interest in the Company, carrying at least 51% of the voting right, free from any security. Further, Mr. Dong Li shall not cease to have management control over the Company or cease to be the Chairman of the board of directors of the Company. At the date of approval of these audited consolidated financial statements, such obligations have been complied with.

Five of the Company’s wholly-owned subsidiaries, namely Catherine Holdings, Leoch Power Supply, Leoch Battery Company, Leoch Battery Pte. and Leoch International Sales were parties who act as guarantors, to guarantee punctual performance of the Group’s obligations under the Facility Agreement.

30. 計息銀行借貸 (續)

- * 本集團於二零一七年五月八日與若干金融機構(「放款人」)訂立金額為200,000,000美元的三年期貸款融資協議(「融資協議」)。

根據融資協議，有特定履約責任，即董李先生(本公司控股股東)不得終止擁有(直接或間接)本公司至少51%的實益權益(附至少51%的表決權)(不附任何抵押)。此外，董李先生不得終止擁有本公司的管理控制權或不出任本公司的董事會主席。於批准該等經審核綜合財務報表日期，有關責任已得到遵守。

本公司五間全資附屬公司，即Catherine Holdings、理士電源、Leoch Battery Company、Leoch Battery Pte.及理士國際營銷為擔保人，擔保本集團準時履行融資協議項下的責任。

31 December 2017
二零一七年十二月三十一日

30. Interest-Bearing Bank Borrowings (continued)

* (continued)

As at 31 December 2017, the Group had fully utilised the amount of US\$200,000,000 under the Facility Agreement. As at 31 December 2017, the outstanding term loan balance amounted to RMB1,286,511,000, of which RMB257,302,000 and RMB1,029,209,000 are repayable within one year and in the second to third years inclusive, respectively, under the terms of the Facility Agreement. The term loan bears interest at LIBOR + 2.5% per annum.

As at 31 December 2017, one of the financial covenants under the Facility Agreement was not satisfied. According to the relevant accounting standard, the long term portion of RMB1,029,209,000 of the term loan under the Facility Agreement was classified as a current liability as at 31 December 2017.

Prior to the date of approval of these financial statements, the Group had applied for and the Lenders of the Facility Agreement had granted to the Group waivers from strict compliance with the said financial covenant.

30. 計息銀行借貸 (續)

* (續)

於二零一七年十二月三十一日，本集團已悉數動用融資協議項下的款項200,000,000美元。於二零一七年十二月三十一日，未償還定期貸款結餘為人民幣1,286,511,000元，其中，根據融資協議，人民幣257,302,000元及人民幣1,029,209,000元分別須於一年內及第二至第三年內（包括首尾兩年）償還。定期貸款按LIBOR + 2.5%的年利率計息。

於二零一七年十二月三十一日，融資協議項下其中一項財務契諾未獲達成。根據相關會計準則，於二零一七年十二月三十一日，融資協議項下長期貸款中人民幣1,029,209,000元的長期部分乃歸類為流動負債。

於批准該等財務報表之日之前，本集團已申請且融資協議之放款人已向本集團授出豁免嚴格遵守上述財務契諾。

31. Deferred Tax

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Provision for impairment of trade receivables	Depreciation and impairment of property, plant and equipment	Tax losses	Equipment invested in subsidiaries with revalued amounts	Unused tax credit	Unpaid payroll and accruals	Provision for impairment of inventories	Unrealised profit	Deferred government grants	Total	
	貿易應收款項減值撥備	物業、廠房及設備折舊及減值	稅項虧損	金額經重估的投資於附屬公司的設備	未動用稅項抵免	未付工資及應計費用	存貨減值撥備	未變現溢利	遞延政府補貼	合計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Gross deferred tax assets at 1 January 2016	於二零一六年一月一日的遞延稅項資產總值	1,649	6,883	23,644	4,939	1,338	2,517	-	14,631	-	55,601
Deferred tax credited/(charged) to the statement of profit or loss during the year	年內計入/(扣除自)損益表的遞延稅項	5,477	(1,300)	(2,381)	(712)	-	129	1,773	(5,614)	1,742	(886)
Gross deferred tax assets at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日的遞延稅項資產總值	7,126	5,583	21,263	4,227	1,338	2,646	1,773	9,017	1,742	54,715
Deferred tax credited/(charged) to the statement of profit or loss during the year	年內計入/(扣除自)損益表的遞延稅項	(1,937)	(1,286)	(4,195)	(712)	(1,338)	2,688	475	(529)	1,107	(5,827)
Gross deferred tax assets at 31 December 2017	於二零一七年十二月三十一日的遞延稅項資產總值	5,189	4,297	17,068	3,515	-	5,234	2,248	8,488	2,849	48,888

31. 遞延稅項

年內遞延稅項資產及負債的變動情況如下：

遞延稅項資產

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

31. Deferred Tax (continued)

Deferred tax liabilities

31. 遞延稅項 (續)

遞延稅項負債

		Capitalised interest expense	Change in fair value of available- for-sale investments	Fair value adjustments arising from acquisition of subsidiaries	Others	Total
		已資本化的 利息開支	可供出售 投資的公允 價值變動	收購附屬 公司產生之 公允價值調整	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Gross deferred tax liabilities at 1 January 2016	於二零一六年一月一日的遞延稅項負債總值	10,508	4,501	-	920	15,929
Acquisition of a subsidiary	收購附屬公司	-	-	5,584	-	5,584
Deferred tax credited to the statement of profit or loss during the year	年內計入損益表的遞延稅項	(1,383)	-	(346)	(107)	(1,836)
Deferred tax charged to other comprehensive income during the year	年內扣除自其他全面收益的遞延稅項	-	11,771	-	-	11,771
Gross deferred tax liabilities at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日的遞延稅項負債總值	9,125	16,272	5,238	813	31,448
Acquisition of a subsidiary (note 35)	收購附屬公司 (附註35)	-	-	27,025	-	27,025
Deferred tax credited to the statement of profit or loss during the year	年內計入損益表的遞延稅項	(1,384)	-	(3,407)	(54)	(4,845)
Deferred tax charged to other comprehensive income during the year	年內扣除自其他全面收益的遞延稅項	-	926	-	-	926
Gross deferred tax liabilities at 31 December 2017	於二零一七年十二月三十一日遞延稅項負債總值	7,741	17,198	28,856	759	54,554



31. Deferred Tax (continued)

The Group has tax losses arising in Mainland China of RMB75,857,000 (2016: RMB67,143,000) that will expire in five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings generated from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2017, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future and therefore, no deferred tax liabilities have been recognised as at 31 December 2017 and 2016. As at 31 December 2017, the aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB579,883,000 (2016: RMB333,112,000).

31. 遞延稅項 (續)

本集團於中國內地產生稅項虧損人民幣75,857,000元(二零一六年:人民幣67,143,000元),該款項可五年內用於抵銷未來應課稅溢利。由於該等虧損乃由已虧損一段時日的附屬公司所產生,故並無就此確認遞延稅項資產,及被認為不太可能有應課稅溢利可經動用稅項虧損抵減。

根據中國企業所得稅法,於中國內地成立的外商投資企業向外國投資者宣派股息須按10%徵收預扣稅。該規定由二零零八年一月一日起生效及適用於二零零八年一月一日起產生的盈利。倘中國內地與外國投資者的司法權區簽訂稅務協定,則適用較低預扣稅率。就本集團而言,適用稅率為5%或10%。因此,本集團有責任就於中國內地所成立附屬公司對於二零零八年一月一日起所得盈利而所分派股息繳付預扣稅。

於二零一七年十二月三十一日,並無就本集團在中國內地成立的附屬公司的未匯出盈利(須繳納預扣稅)應付的預扣稅確認遞延稅項。董事認為,該等附屬公司在可見將來不太可能分配盈利,因而於二零一七年及二零一六年十二月三十一日並未就此確認遞延稅項負債。於二零一七年十二月三十一日,與於中國內地附屬公司的投資有關而並無就此確認遞延稅項負債的暫時性差額總額合共約為人民幣579,883,000元(二零一六年:人民幣333,112,000元)。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

32. Share Capital

32. 股本

Shares		股份	
		2017 二零一七年	2016 二零一六年
Authorised:	法定:		
10,000,000,000 ordinary shares of HK\$0.1 each (HK\$'000)	10,000,000,000股每股面值0.1港元的普通股(千港元)	1,000,000	1,000,000
Issued and fully paid:	已發行及繳足:		
1,357,271,666 (2016: 1,353,349,666) ordinary shares of HK\$0.1 each (HK\$'000)	1,357,271,666股(二零一六年: 1,353,349,666股)每股面值0.1港元的普通股(千港元)	135,727	135,335
Equivalent to RMB'000	相當於人民幣千元	116,192	115,846

A summary of movements in the Company's share capital is as follows:

本公司股本變動概述如下:

		Notes 附註	Number of shares in issue 已發行 股份數目	Share capital 股本 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日		1,353,319,666	115,843
Exercise of share options	行使購股權	(i)	30,000	3
At 31 December 2016	於二零一六年 十二月三十一日		1,353,349,666	115,846
At 31 December 2016 and 1 January 2017	於二零一六年 十二月三十一日及 二零一七年一月一日		1,353,349,666	115,846
Exercise of share options	行使購股權	(ii)	3,922,000	346
At 31 December 2017	於二零一七年 十二月三十一日		1,357,271,666	116,192



32. Share Capital (continued)

Shares (continued)

- (i) The subscription rights attaching to 30,000 share options were exercised at a subscription price of HK\$0.80 per share, resulting in the issue of 30,000 shares of HK\$0.10 each for a total cash consideration, before expenses, of RMB22,000. An amount of RMB25,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.
- (ii) The subscription rights attaching to 3,922,000 share options were exercised at subscription prices ranging from HK\$0.20 to HK\$1.40 per share, resulting in the issue of 3,922,000 shares of HK\$0.10 each for a total cash consideration, before expenses, of RMB3,032,000. An amount of RMB2,652,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

Share options

Details of the Company's share option schemes and the share options issued under the schemes are included in note 33 to the financial statements.

32. 股本 (續)

股份 (續)

- (i) 30,000份購股權隨附的認購權已按每股0.80港元的認購價行使，導致發行30,000股每股面值0.10港元的股份，未扣除開支的總現金代價為人民幣22,000元。購股權獲行使後，人民幣25,000元即自購股權儲備轉撥至股份溢價賬內。
- (ii) 3,922,000份購股權隨附的認購權已按每股0.20港元至1.40港元的認購價行使，導致發行3,922,000股每股面值0.10港元的股份，未扣除開支的總現金代價為人民幣3,032,000元。購股權獲行使後，人民幣2,652,000元即自購股權儲備轉撥至股份溢價賬內。

購股權

本公司購股權計劃及根據該計劃發行之購股權之詳情載於財務報表附註33。

31 December 2017
二零一七年十二月三十一日

33. Share Option Schemes

Pre-IPO Share Option Scheme

The Company operates a pre-IPO share option scheme (the “**Pre-IPO Share Option Scheme**”) for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group’s operations. Eligible persons of the Pre-IPO Share Option Scheme include the Company’s directors and other employees of the Group. The Pre-IPO Share Option Scheme became effective on 1 June 2010 and unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The Pre-IPO Share Option Scheme is available to the directors and employees (whether full time or part time) of any member of the Group.

The maximum number of the shares in respect of which options may be granted under the Pre-IPO Share Option Scheme shall be 60,000,000 shares representing approximately 4.5% of the total issued share capital of the Company immediately after the completion of the global offering, taking no account of the exercise of the over-allotment option.

33. 購股權計劃

首次公開發售前購股權計劃

本公司運作首次公開發售前購股權計劃（「**首次公開發售前購股權計劃**」），旨在向對本集團的成功營運作出貢獻的合資格人士提供獎勵和獎賞。首次公開發售前購股權計劃的合資格人士包括本公司的董事及本集團的其他僱員。首次公開發售前購股權計劃於二零一零年六月一日生效，除非另行註銷或修訂外，否則將由該日起一直生效十年。

首次公開發售前購股權計劃乃提供予本集團任何成員公司的董事及僱員（不論全職或兼職）。

涉及根據首次公開發售前購股權計劃可能授出購股權的股份數目上限將為60,000,000股股份，相當於本公司於緊隨全球發售完成後（不計及行使超額配股權）的已發行股本總額約4.5%。



31 December 2017
二零一七年十二月三十一日

33. Share Option Schemes (continued)

Pre-IPO Share Option Scheme (continued)

The subscription price in respect of each share under the Pre-IPO Share Option Scheme is determined by the board of directors at its discretion and set out in the relevant offer letters provided that it should not be less than the nominal value of the shares.

After 28 October 2010, no further options will be offered or granted under the Pre-IPO Share Option Scheme but in other respects the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme, and options which are granted on or before 28 October 2010 may continue to be exercisable in accordance with their terms of issue.

Any exercise of an option granted under the Pre-IPO Share Option Scheme is subject to conditions as may be specified in the offer letter in respect of the grant of options.

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

33. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

首次公開發售前購股權計劃項下每股股份的認購價乃由董事會按其酌情權釐定，並載於有關要約函件內，但其不得少於股份的面值。

於二零一零年十月二十八日後，不會再根據首次公開發售前購股權計劃發售或授出任何其他購股權，但首次公開發售前購股權計劃的條文在其他方面依然具十足效力和作用，以致在此之前授出的任何購股權仍可行使或根據首次公開發售前購股權計劃的條文規定而另行行使，而於二零一零年十月二十八日或之前授出的購股權，均可根據彼等的發行條款繼續予以行使。

行使根據首次公開發售前購股權計劃授出的購股權以授出購股權的要約函件所列明之條件為準。

購股權並無賦予持有人任何權利，以享有股息或於股東大會上投票。

31 December 2017
二零一七年十二月三十一日

33. Share Option Schemes (continued)

Pre-IPO Share Option Scheme (continued)

The following share options were outstanding under the Pre-IPO Share Option Scheme during the year:

		2017 二零一七年		2016 二零一六年	
		Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	1.42	20,388	1.66	23,272
Exercised during the year	年內行使	0.85	(2,953)	0.80	(30)
Forfeited during the year	年內沒收	2.00	(70)	3.35	(2,854)
At 31 December	於十二月三十一日	1.52	17,365	1.42	20,388

The weighted average closing price of the Company's shares at the dates on which the options were exercised during the year was HK\$1.83 per share (2016: HK\$1.13 per share).

33. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

於年內首次公開發售前購股權計劃項下尚未行使的購股權如下：

年內，本公司股份於購股權獲行使日期之加權平均收市價為每股1.83港元（二零一六年：每股1.13港元）。

33. Share Option Schemes
(continued)Pre-IPO Share Option Scheme
(continued)

Movements in the Company's share options under the Pre-IPO Share Option Scheme during the year are as follows:

Name or category of participant	參與者名稱或姓名或類別	Number of share options 購股權數量			At 31 December 2017 於二零一七年十二月三十一日	Date of grant of share options 購股權授出日期	Exercise period of share options 購股權行使期	Exercise price of share options 購股權行使價 HK\$ per share 每股港元
		At 1 January 2017 於二零一七年一月一日	Exercised during the year 年內行使	Forfeited during the year 年內沒收				
Directors	董事							
Ms. Zhao Huan	趙歡女士	1,500,000	-	-	1,500,000	1 June 2010 二零一零年六月一日	1 June 2012 to 1 June 2022 二零一二年六月一日 至二零二二年六月一日	1.400
Mr. Philip Armstrong Noznesky	Philip Armstrong Noznesky先生	1,500,000	-	-	1,500,000	1 June 2010 二零一零年六月一日	1 June 2012 to 1 June 2022 二零一二年六月一日至 二零二二年六月一日	2.000
		3,000,000	-	-	3,000,000			
Other employees in aggregate	其他僱員共計	17,388,000	(2,953,000)	(70,000)	14,365,000	1 June 2010 二零一零年六月一日	1 June 2012 to 1 June 2022 二零一二年六月一日至 二零二二年六月一日	0.200 – 2.000
		20,388,000	(2,953,000)	(70,000)	17,365,000			

33. 購股權計劃 (續)

首次公開發售前購股權計劃
(續)

年內，本公司於首次公開發售前購股權計劃項下的購股權變動如下：

31 December 2017
二零一七年十二月三十一日

33. Share Option Schemes (continued)

Pre-IPO Share Option Scheme (continued)

The exercise prices and exercise periods of the Pre-IPO Share Options outstanding at 31 December 2017 are as follows:

33. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

於二零一七年十二月三十一日尚未行使的首次公開發售前購股權的行使價及行使期如下：

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
10,000	HK\$0.200 0.200港元	1 June 2012 to 1 June 2022 二零一二年六月一日至二零二二年六月一日
10,000	HK\$0.200 0.200港元	1 June 2013 to 1 June 2022 二零一三年六月一日至二零二二年六月一日
40,000	HK\$0.200 0.200港元	1 June 2014 to 1 June 2022 二零一四年六月一日至二零二二年六月一日
43,000	HK\$0.200 0.200港元	1 June 2015 to 1 June 2022 二零一五年六月一日至二零二二年六月一日
20,000	HK\$0.400 0.400港元	1 June 2012 to 1 June 2022 二零一二年六月一日至二零二二年六月一日
20,000	HK\$0.400 0.400港元	1 June 2013 to 1 June 2022 二零一三年六月一日至二零二二年六月一日
20,000	HK\$0.400 0.400港元	1 June 2014 to 1 June 2022 二零一四年六月一日至二零二二年六月一日
20,000	HK\$0.400 0.400港元	1 June 2015 to 1 June 2022 二零一五年六月一日至二零二二年六月一日
65,000	HK\$0.600 0.600港元	1 June 2012 to 1 June 2022 二零一二年六月一日至二零二二年六月一日



33. Share Option Schemes (continued)

Pre-IPO Share Option Scheme (continued)

33. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
80,000	HK\$0.600 0.600港元	1 June 2013 to 1 June 2022 二零一三年六月一日至二零二二年六月一日
80,000	HK\$0.600 0.600港元	1 June 2014 to 1 June 2022 二零一四年六月一日至二零二二年六月一日
80,000	HK\$0.600 0.600港元	1 June 2015 to 1 June 2022 二零一五年六月一日至二零二二年六月一日
165,750	HK\$0.800 0.800港元	1 June 2012 to 1 June 2022 二零一二年六月一日至二零二二年六月一日
173,750	HK\$0.800 0.800港元	1 June 2013 to 1 June 2022 二零一三年六月一日至二零二二年六月一日
240,750	HK\$0.800 0.800港元	1 June 2014 to 1 June 2022 二零一四年六月一日至二零二二年六月一日
240,750	HK\$0.800 0.800港元	1 June 2015 to 1 June 2022 二零一五年六月一日至二零二二年六月一日
402,750	HK\$1.000 1.000港元	1 June 2012 to 1 June 2022 二零一二年六月一日至二零二二年六月一日
634,750	HK\$1.000 1.000港元	1 June 2013 to 1 June 2022 二零一三年六月一日至二零二二年六月一日
703,250	HK\$1.000 1.000港元	1 June 2014 to 1 June 2022 二零一四年六月一日至二零二二年六月一日

31 December 2017
二零一七年十二月三十一日

33. Share Option Schemes (continued)

Pre-IPO Share Option Scheme (continued)

33. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
715,250	HK\$1.000 1.000港元	1 June 2015 to 1 June 2022 二零一五年六月一日至二零二二年六月一日
287,500	HK\$1.200 1.200港元	1 June 2012 to 1 June 2022 二零一二年六月一日至二零二二年六月一日
287,500	HK\$1.200 1.200港元	1 June 2013 to 1 June 2022 二零一三年六月一日至二零二二年六月一日
412,500	HK\$1.200 1.200港元	1 June 2014 to 1 June 2022 二零一四年六月一日至二零二二年六月一日
412,500	HK\$1.200 1.200港元	1 June 2015 to 1 June 2022 二零一五年六月一日至二零二二年六月一日
700,000	HK\$1.400 1.400港元	1 June 2012 to 1 June 2022 二零一二年六月一日至二零二二年六月一日
800,000	HK\$1.400 1.400港元	1 June 2013 to 1 June 2022 二零一三年六月一日至二零二二年六月一日
800,000	HK\$1.400 1.400港元	1 June 2014 to 1 June 2022 二零一四年六月一日至二零二二年六月一日
800,000	HK\$1.400 1.400港元	1 June 2015 to 1 June 2022 二零一五年六月一日至二零二二年六月一日
455,000	HK\$1.600 1.600港元	1 June 2012 to 1 June 2022 二零一二年六月一日至二零二二年六月一日

33. Share Option Schemes
(continued)Pre-IPO Share Option Scheme
(continued)

33. 購股權計劃 (續)

首次公開發售前購股權計劃
(續)

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
455,000	HK\$1.600 1.600港元	1 June 2013 to 1 June 2022 二零一三年六月一日至二零二二年六月一日
455,000	HK\$1.600 1.600港元	1 June 2014 to 1 June 2022 二零一四年六月一日至二零二二年六月一日
455,000	HK\$1.600 1.600港元	1 June 2015 to 1 June 2022 二零一五年六月一日至二零二二年六月一日
787,500	HK\$1.800 1.800港元	1 June 2012 to 1 June 2022 二零一二年六月一日至二零二二年六月一日
787,500	HK\$1.800 1.800港元	1 June 2013 to 1 June 2022 二零一三年六月一日至二零二二年六月一日
787,500	HK\$1.800 1.800港元	1 June 2014 to 1 June 2022 二零一四年六月一日至二零二二年六月一日
787,500	HK\$1.800 1.800港元	1 June 2015 to 1 June 2022 二零一五年六月一日至二零二二年六月一日
1,032,500	HK\$2.000 2.000港元	1 June 2012 to 1 June 2022 二零一二年六月一日至二零二二年六月一日
1,032,500	HK\$2.000 2.000港元	1 June 2013 to 1 June 2022 二零一三年六月一日至二零二二年六月一日

31 December 2017
二零一七年十二月三十一日

33. Share Option Schemes (continued)

Pre-IPO Share Option Scheme (continued)

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
1,032,500	HK\$2.000 2.000港元	1 June 2014 to 1 June 2022 二零一四年六月一日至二零二二年六月一日
1,032,500	HK\$2.000 2.000港元	1 June 2015 to 1 June 2022 二零一五年六月一日至二零二二年六月一日
17,365,000		

The 2,953,000 share options exercised during the year resulted in the issue of 2,953,000 ordinary shares of the Company and additional share capital of HK\$295,000 (equivalent to RMB261,000) and share premium of HK\$2,217,000 (equivalent to RMB1,961,000).

At the end of the reporting period, the Company had outstanding Pre-IPO Share Options for the subscription of 17,365,000 shares under the Pre-IPO Share Option Scheme, which represented approximately 1.3% of the issued share capital of the Company as at that date. The exercise in full of the outstanding Pre-IPO Share Options would, under the present capital structure of the Company, result in the issue of 17,365,000 additional ordinary shares of the Company and additional share capital of HK\$1,737,000 (equivalent to RMB1,452,000) and share premium of HK\$24,592,000 (equivalent to RMB20,557,000), before related issuance expenses.

33. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

年內行使2,953,000份購股權導致發行2,953,000股本公司普通股及額外股本295,000港元(相當於人民幣261,000元)及股份溢價2,217,000港元(相當於人民幣1,961,000元)。

於本報告期末，本公司擁有未行使首次公開發售前購股權，可認購首次公開發售前購股權計劃項下17,365,000股股份，相當於本公司於當日的已發行股本約1.3%。根據本公司的現有股本架構，全面行使未行使首次公開發售前購股權會導致發行17,365,000股本公司額外普通股股份，以及額外股本1,737,000港元(相等於人民幣1,452,000元)及股份溢價24,592,000港元(相等於人民幣20,557,000元)(扣除相關發行開支前)。

33. Share Option Schemes (continued)

Pre-IPO Share Option Scheme (continued)

At the date of approval of these financial statements, the Company had 17,365,000 share options outstanding under the Pre-IPO Share Option Scheme, which represented approximately 1.3% of the Company's shares in issue as at that date.

Share Option Scheme

The Company operates a share option scheme (the "Share Option Scheme") which was approved and adopted by the written resolutions of all the shareholders of the Company passed on 14 October 2010 for the purpose of providing incentives or rewards to eligible persons for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the board of directors may approve from time to time. Eligible persons of the Scheme include any director or employee (whether full time or part time), consultant or advisor of the Group who, in the sole discretion of the board of directors, has contributed to or will contribute to the Group.

The Share Option Scheme is available to the directors and employees (whether full time or part time) of any member of the Group.

33. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

於該等財務報表獲批當日，本公司根據首次公開發售前購股權計劃擁有17,365,000份尚未行使的購股權，相當於當日本公司已發行股份之約1.3%。

購股權計劃

本公司實行一項購股權計劃（「購股權計劃」），經本公司所有股東於二零一零年十月十四日通過的書面決議案批准及採納，旨在向為本集團作出貢獻或不斷努力提升本集團利益之合資格人士提供獎勵或獎賞，或為董事會不時批准的其他目的。計劃的合資格人士包括董事會全權認為已對或將對本集團作出貢獻的本集團任何董事或僱員（不論全職或兼職）、顧問或諮詢人。

購股權計劃乃提供予本集團任何成員公司的董事及僱員（不論全職或兼職）。

31 December 2017
二零一七年十二月三十一日

33. Share Option Schemes (continued)

Share Option Scheme (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting and certain disclosure and reporting requirements.

The maximum number of unexercised share options currently permitted to be granted under the Scheme and any other share option schemes, must not, in aggregate, exceed 30% of the total number of shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting and certain disclosure and reporting requirements.

The subscription price of share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the shares of the Company. A consideration of RMB1.00 is payable on acceptance of the offer of an option or options.

33. 購股權計劃 (續)

購股權計劃 (續)

授予本公司董事、主要行政人員或主要股東或彼等的任何聯繫人士的購股權，須事先取得獨立非執行董事的批准。此外，在任何十二個月期間授予本公司的主要股東或獨立非執行董事，或彼等的任何聯繫人士的任何購股權，倘超逾本公司於任何時間的發行股份的0.1%或總值逾5百萬港元（根據於授出日期本公司的股價而釐定）者，則須事先在股東大會上取得股東批准，並須遵守若干披露及申報規定。

按計劃及任何其他購股權計劃目前可授予之尚未行使購股權之最高數目，不得超過本公司於任何時間已發行股份總數之30%。於任何十二個月期間，根據購股權計劃授予每位合資格參與者之購股權可發行股份之最高數目在任何時候均限於本公司已發行股份之1%。超越此限制之任何進一步授出之購股權須先獲得股東於股東大會批准，並遵守若干披露及申報規定。

購股權之認購價由董事會決定，但不得低於(i)於授出購股權之日本公司股份在聯交所之收市價；(ii)緊接授出日期前五個交易日本公司股份在聯交所之平均收市價；及(iii)本公司股份之面值（以最高者為準）。接受購股權要約或購股權時應支付人民幣1.00元的代價。



33. Share Option Schemes (continued)

Share Option Scheme (continued)

The Share Option Scheme became effective on 16 November 2010, unless otherwise cancelled or amended, will remain in force for 10 years from the date of adoption of the Share Option Scheme by shareholders by resolution at a general meeting.

Any exercise of an option granted under the Share Option Scheme is subject to conditions as may be specified in the offer letter in respect of the grant of options.

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

The following share options were outstanding under the Share Option Scheme during the year:

33. 購股權計劃 (續)

購股權計劃 (續)

購股權計劃於二零一零年十一月十六日生效，除另行註銷或修訂外，將自股東於股東大會通過決議案採納購股權計劃日期起十年內持續有效。

行使根據購股權計劃授出的購股權以行使購股權的要約函件所列明之條件為準。

購股權並無賦予持有人任何權利，以享有股息或於股東大會上投票。

以下為年內購股權計劃項下的尚未行使購股權：

		2017 二零一七年		2016 二零一六年	
		Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	1.04	17,910	1.71	21,720
Granted during the year	年內授出	1.60	12,850	1.02	7,860
Lapsed during the year	年內失效	-	-	2.39	(9,520)
Exercised during the year	年內行使	0.95	(969)	-	-
Forfeited during the year	年內沒收	1.02	(617)	1.76	(2,150)
At 31 December	於十二月三十一日	1.29	29,174	1.04	17,910

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

33. Share Option Schemes (continued)

Share Option Scheme (continued)

Movements in the Company's share options under the Share Option Scheme during the year are as follows:

Name or category of participant	參與者姓名或類別	Number of share options 購股權數量				At 31 December 2017 於二零一七年十二月三十一日	Date of grant of share options 購股權授出日期	Exercise period of share options 購股權行使期	Exercise price of share options 購股權行使價 HK\$ per share 每股港元
		At 1 January 2017 於二零一七年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收				
Directors	董事								
Mr. Cao Yixiong Alan	曹亦雄先生	300,000	-	-	-	300,000	22 November 2016 二零一六年十一月二十二日	1 December 2017 to 21 November 2026 二零一七年十二月一日至 二零二六年十一月二十一日	1.020
Mr. Liu Yangsheng	劉陽生先生	300,000	-	-	-	300,000	22 November 2016 二零一六年十一月二十二日	1 December 2017 to 21 November 2026 二零一七年十二月一日至 二零二六年十一月二十一日	1.020
Mr. Lau Chi Kit	劉智傑先生	300,000	-	-	-	300,000	22 November 2016 二零一六年十一月二十二日	1 December 2017 to 21 November 2026 二零一七年十二月一日至 二零二六年十一月二十一日	1.020
Ms. Zhao Huan	趙歡女士	-	300,000	-	-	300,000	4 December 2017 二零一七年十二月四日	16 December 2018 to 3 December 2027 二零一八年十二月十六日至 二零二七年十二月三日	1.442
		900,000	300,000	-	-	1,200,000			

33. 購股權計劃 (續)

購股權計劃 (續)

年內本公司購股權計劃項下購股權之變動如下：

31 December 2017
二零一七年十二月三十一日33. Share Option Schemes
(continued)

33. 購股權計劃 (續)

Share Option Scheme (continued)

購股權計劃 (續)

Name or category of participant	參與者姓名或類別	Number of share options 購股權數量				At 31 December 2017 於二零一七年十二月三十一日	Date of grant of share options 購股權授出日期	Exercise period of share options 購股權行使期	Exercise price of share options 購股權行使價 HK\$ per share 每股港元
		At 1 January 2017 於二零一七年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收				
Other employees in aggregate	其他僱員合計	4,200,000	-	(540,000)	-	3,660,000	20 November 2013 二零一三年十一月二十日	1 December 2014 to 19 November 2018 二零一四年十二月一日至 二零一八年十一月十九日	0.900
		1,300,000	-	-	-	1,300,000	21 July 2014 二零一四年七月二十一日	20 August 2015 to 20 July 2019 二零一五年八月二十日至 二零一九年七月二十日	1.860
		3,050,000	-	(429,000)	(467,000)	2,154,000	1 April 2015 二零一五年四月一日	1 May 2016 to 31 March 2020 二零一六年五月一日至 二零二零年三月三十一日	1.018
		1,500,000	-	-	-	1,500,000	26 November 2015 二零一五年十一月二十六日	1 December 2016 to 25 November 2020 二零一六年十二月一日至 二零二零年十一月二十五日	0.810
		6,960,000	-	-	(150,000)	6,810,000	22 November 2016 二零一六年十一月二十二日	1 December 2017 to 21 November 2026 二零一七年十二月一日至 二零二六年十一月二十一日	1.020
		-	1,500,000	-	-	1,500,000	16 May 2017 二零一七年五月十六日	1 June 2018 to 15 May 2027 二零一八年六月一日至 二零二七年五月十五日	1.822
		-	4,500,000	-	-	4,500,000	25 May 2017 二零一七年五月二十五日	1 June 2018 to 24 May 2027 二零一八年六月一日至 二零二七年五月二十四日	1.760
		-	6,550,000	-	-	6,550,000	4 December 2017 二零一七年十二月四日	16 December 2018 to 3 December 2027 二零一八年十二月十六日至 二零二七年十二月三日	1.442
				17,010,000	12,550,000	(969,000)	(617,000)	27,974,000	
		17,910,000	12,850,000	(969,000)	(617,000)	29,174,000			

31 December 2017
二零一七年十二月三十一日

33. Share Option Schemes (continued)

Share Option Scheme (continued)

The exercise prices and exercise periods of the share options outstanding at 31 December 2017 are as follows:

33. 購股權計劃 (續)

購股權計劃 (續)

於二零一七年十二月三十一日尚未行使的購股權的行使價及行使期如下：

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
1,500,000	HK\$0.810 0.810港元	1 December 2016 to 25 November 2020 二零一六年十二月一日至二零二零年十一月二十五日
3,660,000	HK\$0.900 0.900港元	1 December 2014 to 19 November 2018 二零一四年十二月一日至二零一八年十一月十九日
2,154,000	HK\$1.018 1.018港元	1 May 2016 to 31 March 2020 二零一六年五月一日至二零二零年三月三十一日
7,710,000	HK\$1.020 1.020港元	1 December 2017 to 21 November 2026 二零一七年十二月一日至二零二六年十一月二十一日
1,300,000	HK\$1.860 1.860港元	20 August 2015 to 20 July 2019 二零一五年八月二十日至二零一九年七月二十日
1,500,000	HK\$1.822 1.822港元	1 June 2018 to 15 May 2027 二零一八年六月一日至二零二七年五月十五日
4,500,000	HK\$1.760 1.760港元	1 June 2018 to 24 May 2027 二零一八年六月一日至二零二七年五月二十四日
6,850,000	HK\$1.442 1.442港元	16 December 2018 to 3 December 2027 二零一八年十二月十六日至二零二七年十二月三日
29,174,000		



33. Share Option Schemes (continued)

Share Option Scheme (continued)

On 16 May 2017, 1,500,000 share options under the Share Option Scheme were granted to 1 employee of the Group. The fair value of these options was HK\$1,591,000 (equivalent to RMB1,405,000), of which the Group recognised a share option expense of HK\$589,000 (equivalent to RMB520,000) in the current year.

On 25 May 2017, 4,500,000 share options under the Share Option Scheme were granted to 22 employees of the Group. The fair value of these options was HK\$4,645,000 (equivalent to RMB4,097,000), of which the Group recognised a share option expense of HK\$1,682,000 (equivalent to RMB1,483,000) in the current year.

On 4 December 2017, 6,850,000 share options under the Share Option Scheme were granted to 47 employees of the Group. The fair value of these options was HK\$4,965,000 (equivalent to RMB4,201,000), of which the Group recognised a share option expense of HK\$182,000 (equivalent to RMB215,000) in the current year.

33. 購股權計劃 (續)

購股權計劃 (續)

於二零一七年五月十六日，根據購股權計劃，1,500,000份購股權已向本集團1名僱員撥出。該等購股權的公允價值為1,591,000港元（相當於人民幣1,405,000元），當中，本集團已於本年度確認購股權開支589,000港元（相當於人民幣520,000元）。

於二零一七年五月二十五日，根據購股權計劃，4,500,000份購股權已向本集團22名僱員撥出。該等購股權的公允價值為4,645,000港元（相當於人民幣4,097,000元），當中，本集團已於本年度確認購股權開支1,682,000港元（相當於人民幣1,483,000元）。

於二零一七年十二月四日，根據購股權計劃，6,850,000份購股權已向本集團47名僱員撥出。該等購股權的公允價值為4,965,000港元（相當於人民幣4,201,000元），當中，本集團已於本年度確認購股權開支182,000港元（相當於人民幣215,000元）。

31 December 2017
二零一七年十二月三十一日

33. Share Option Schemes (continued)

Share Option Scheme (continued)

The fair value of the share options granted under the Share Option Scheme was estimated as at the date of grant by management, using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Grant date	授出日期	4 December 2017 二零一七年 十二月四日	25 May 2017 二零一七年 五月二十五日	16 May 2017 二零一七年 五月十六日
Exercise price (HK\$ per share)	行使價 (每股港元)	1.442	1.760	1.822
Expected dividend yield (%)	預期股息率 (%)	-	-	-
Expected volatility (%)	預期波幅 (%)	51.46	50.30	50.30
Risk-free interest rate (%)	無風險利率 (%)	1.87	1.29	1.29
Expected life of share options (years)	預期購股權的年期 (年)	10	10	10
Weighted average share price at grant date (HK\$ per share)	於授出日期的 加權平均股價 (每股港元)	1.442	1.760	1.822

The expected life of the share options is not necessarily indicative of the exercise patterns that may occur. The expected volatility may not necessarily reflect the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

33. 購股權計劃 (續)

購股權計劃 (續)

根據購股權計劃授出的購股權的公允價值於授出日期獲管理層採用二項式點陣模型，並考慮授出購股權所依據的條款及條件而進行估計。下表載列採用該模型時輸入的資料：

購股權的預期年期未必是可能發生的行使模式的指標。預期波幅未必一定反映實際結果。

已授出購股權的其他特徵並無被納入公允價值的計量內。



33. Share Option Schemes (continued)

Share Option Scheme (continued)

The 969,000 share options exercised during the year resulted in the issue of 969,000 ordinary shares of the Company and additional share capital of HK\$97,000 (equivalent to RMB85,000) and share premium of HK\$826,000 (equivalent to RMB725,000).

At the end of the reporting period, the Company had outstanding share options for the subscription of 29,174,000 shares under the Share Option Scheme, which represented approximately 2.1% of the issued share capital of the Company as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 29,174,000 additional ordinary shares of the Company and additional share capital of HK\$2,917,000 (equivalent to RMB2,438,000) and share premium of HK\$34,605,000 (equivalent to RMB28,927,000), before related issuance expenses.

At the date of approval of these financial statements, the Company had 28,974,000 share options outstanding under the Share Option Scheme, which represented approximately 2.1% of the Company's shares in issue as at that date.

33. 購股權計劃 (續)

購股權計劃 (續)

年內已行使969,000份購股權致使發行969,000股本公司普通股股份，及額外股本97,000港元（相當於人民幣85,000元）及股份溢價826,000港元（相當於人民幣725,000元）。

於報告期末，本公司擁有未行使購股權，可認購購股權計劃項下29,174,000股股份，相當於本公司於當日的已發行股本約2.1%。根據本公司的現有股本架構，全面行使未行使購股權會導致發行29,174,000股本公司額外普通股股份，以及額外股本2,917,000元（相等於人民幣2,438,000元）及股份溢價34,605,000港元（相等於人民幣28,927,000元）（扣除相關發行開支前）。

於該等財務報表獲批日期，根據購股權計劃，本公司擁有28,974,000份未行使購股權，相當於本公司於當日已發行股本約2.1%。

31 December 2017
二零一七年十二月三十一日

34. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

Merger reserve

The merger reserve of the Group represents the capital contributions by Mr. Dong Li, a director and controlling shareholder of the Company, to the subsidiaries directly held by Mr. Dong Li before the group reorganisation on 8 June 2010.

Statutory reserve fund

In accordance with the PRC Company Law, the PRC subsidiaries of the Group are required to allocate 10% of their profit after tax to the reserve fund until this reserve reaches 50% of the registered capital of the PRC subsidiaries. Subject to certain restrictions set out in the Company Law of the PRC, part of the reserve fund may be converted to increase paid-up capital/ issued capital of the PRC subsidiaries, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital. The reserve fund of the PRC subsidiaries amounted to RMB133,805,000 and RMB119,485,000 as at 31 December 2017 and 2016, respectively.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies outside the PRC. The reserve is dealt with in accordance with the accounting policy set out in note 2.4.

34. 儲備

本集團本年度或過往年度的儲備金額及其變動情況在財務報表的綜合權益變動表中呈列。

合併儲備

本集團的合併儲備指本公司董事兼控股股東董李先生於二零一零年六月八日集團重組前向其直接持有的附屬公司注資。

法定公積金

根據中國公司法，本集團的中國附屬公司須將其釐定的稅後溢利10%撥入法定公積金，直至該儲備達到註冊資本的50%為止。在中國公司法訂明的若干限制規限下，部分法定公積金可予以轉換以增加中國附屬公司繳足資本／已發行股本，惟於資本化後的剩餘結餘須不低於註冊資本的25%。中國附屬公司的公積金於二零一七年及二零一六年十二月三十一日分別為人民幣133,805,000元及人民幣119,485,000元。

匯兌波動儲備

匯兌波動儲備包括所有因換算中國以外公司財務報表而產生的匯兌差額。該儲備按載於附註2.4的會計政策處理。



34. Reserves (continued)

Share option reserve

Details of the Company's share option schemes and the share options issued under the schemes are included in note 33 to the financial statements.

Available-for-sale investment revaluation reserve

The available-for-sale investment revaluation reserve comprises the fair value differences arising from the revaluation for the available-for-sale investments.

35. Acquisition of Subsidiaries

Taihe Dahua

On 18 November 2016, Anhui Uplus New Energy, a subsidiary of the Company, entered into an agreement with independent third parties (the "Vendors") in relation to the proposed acquisition of 60% of the registered capital of Taihe Dahua, a company in the PRC principally engaged in the recycle and remanufacture of lead from disposed batteries, at a cash consideration of RMB115,200,000. On 9 January 2017, Anhui Uplus New Energy obtained control over Taihe Dahua, which then became a subsidiary of the Company. On 12 January 2017 and 12 July 2017, Anhui Uplus New Energy paid an amount of RMB23,040,000 and RMB57,600,000 of the consideration, respectively. The remaining amount of RMB34,560,000 of the consideration was paid on 30 January 2018.

The Group has elected to measure the non-controlling interests in Taihe Dahua at the non-controlling interest's proportionate share of Taihe Dahua's identifiable net assets.

34. 儲備 (續)

購股權儲備

有關本公司的購股權計劃及按計劃發行的購股權詳情，載於財務報表附註33。

可供出售投資重估儲備

可供出售投資重估儲備由來自重估可供出售投資的公允價值差額組成。

35. 收購附屬公司

太和縣大華

於二零一六年十一月十八日，本公司附屬公司安徽力普拉斯新能源與獨立第三方（「賣方」）訂立協議，內容有關擬以人民幣115,200,000元的現金代價收購太和縣大華（中國一間主要從事自廢舊蓄電池回收及再生產鉛的公司）60%的註冊資本。於二零一七年一月九日，安徽力普拉斯新能源取得太和縣大華的控制權，自此成為本公司之附屬公司。於二零一七年一月十二日及二零一七年七月十二日，安徽力普拉斯新能源分別支付人民幣23,040,000元及人民幣57,600,000元之代價。餘下人民幣34,560,000元之代價金額已於二零一八年一月三十日支付。

本集團已選擇以非控股權益應佔太和縣大華可識別資產淨值的比例，計算於太和縣大華的非控股權益。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

35. Acquisition of Subsidiaries (continued)

Taihe Dahua (continued)

The fair values of the identifiable assets and liabilities of Taihe Dahua as at the date of acquisition were as follows:

35. 收購附屬公司 (續)

太和縣大華 (續)

太和縣大華於收購日期之可識別資產及負債公允價值如下：

		Notes 附註	Fair value recognised on acquisition 於收購時確認 之公允價值 RMB\$'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	13	101,234
Prepaid land lease payments	預付土地租賃款項	16	9,600
Other intangible assets	其他無形資產	18	108,126
Deferred tax liabilities	遞延稅項負債	31	(27,025)
Total identifiable net assets at fair value	按公允價值計量的 可識別資產淨值總額		191,935
Non-controlling interests	非控股權益		(76,774)
			115,161
Goodwill on acquisition	收購時產生的商譽	17	39
			115,200
Satisfied by:	以下列方式支付：		
Cash	現金		80,640
Cash considerations payable to the Vendors as at 31 December 2017	於二零一七年十二月三十一日 應付賣方的現金代價		34,560
Contingent consideration	或然代價	(i)	–
Total consideration	代價總額		115,200



35. Acquisition of Subsidiaries (continued)

Taihe Dahua (continued)

Note:

- (i) Pursuant to the agreement, the Vendors have guaranteed that the audited aggregate net profit (the “**Net Profit**”) attributable to shareholders of Taihe Dahua shall not be less than RMB40,000,000 (the “**Guaranteed Profit**”) for each of the financial years ended 31 December 2017, 2018 and 2019 (the “**Relevant Financial Year**”). In the event that the Net Profit of Taihe Dahua for any Relevant Financial Year is less than the Guaranteed Profit, the Group shall be entitled to a cash compensation from the Vendors equivalent to the difference between the Net Profit and the Guaranteed Profit for the Relevant Financial Year (the “**Profit Guarantee**”).

As at the date of acquisition and as at 31 December 2017, the fair values of the Profit Guarantee were both nil. The fair value of the Profit Guarantee was the probability-weighted average of the present values of the shortfalls between the Profit Guarantee and the Net Profit under three scenarios, i.e. whether the actual profit for 2018 and 2019 is the same as the Profit Guarantee, more than the Profit Guarantee by 15% or less than the Profit Guarantee by 15%. A discount rate of 18% has been used to calculate the present value of cash flows of the Profit Guarantee.

Anhui Uplus New Energy incurred transaction costs of RMB150,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

None of the goodwill recognised is expected to be deductible for income tax purposes.

35. 收購附屬公司 (續)

太和縣大華 (續)

附註：

- (i) 根據協議，賣方已保證截至二零一七年、二零一八年及二零一九年十二月三十一日止財政年度（「**有關財政年度**」）各年，太和縣大華股東應佔經審核總純利（「**純利**」）將不少於人民幣40,000,000元（「**保證溢利**」）。倘於任意有關財政年度太和縣大華純利少於保證溢利，則本集團將有權自賣方獲得相等於有關財政年度純利與保證溢利之間差額的現金補償（「**溢利保證**」）。

於收購日期及於二零一七年十二月三十一日，溢利保證之公允價值均為零。溢利保證之公允價值為三個期間的溢利保證與純利之間差額現值的概率加權平均值，即二零一八年及二零一九年的實際溢利是否與溢利保證相同、是否超逾溢利保證15%或是否較溢利保證少15%。於計算溢利保證現金流量的現值時已採用18%的折扣率。

安徽力普拉斯新能源就該收購產生交易成本人民幣150,000元。該等交易成本已列賬支銷並計入綜合損益表中之行政開支。

概無已確認之商譽預期可用作扣除所得稅。

31 December 2017
二零一七年十二月三十一日

35. Acquisition of Subsidiaries (continued)

Taihe Dahua (continued)

An analysis of the cash flows for the year ended 31 December 2017 in respect of the acquisition of a subsidiary is as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	(80,640)
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量的現金及現金等價物流出淨額	(80,640)
Transaction costs of the acquisition included in cash flows from operating activities	計入經營活動所得現金流量的收購的交易成本	(150)
		(80,790)

Since the acquisition, Taihe Dahua contributed RMB1,754,834,000 to the Group's turnover and RMB66,937,000 to the consolidated profit for the year ended 31 December 2017.

Had the combination taken place at the beginning of the year, the revenue and the profit of the Group for the year would have been RMB9,465,444,000 and RMB271,480,000, respectively.

35. 收購附屬公司 (續)

太和縣大華 (續)

截至二零一七年十二月三十一日止年度，有關收購附屬公司的現金流量分析如下：

		RMB'000 人民幣千元
現金代價		(80,640)
計入投資活動所得現金流量的現金及現金等價物流出淨額		(80,640)
計入經營活動所得現金流量的收購的交易成本		(150)
		(80,790)

自是次收購後，截至二零一七年十二月三十一日止年度，太和縣大華為本集團營業額貢獻人民幣1,754,834,000元及為綜合溢利貢獻人民幣66,937,000元。

由於該合併於年初發生，則本集團年內的收益及溢利分別為人民幣9,465,444,000元及人民幣271,480,000元。



35. Acquisition of Subsidiaries (continued)

Tele Power

As at 31 December 2016, Leoch International Holding, a subsidiary of the Company, held a 40% equity interest in MSB Manufacturing Sdn. Bhd., the name of which was changed to Tele Power Sdn. Bhd. on 1 June 2017, which was accounted for as an investment in an associate.

On 1 September 2016, Leoch International Holding entered into a share purchase agreement with the then existing shareholders of Tele Power to acquire 11% equity interests in Tele Power at a cash consideration of MYR366,000 (equivalent to RMB567,000). Upon completion of the share purchase, Leoch International Holding held 51% of the equity interest in Tele Power. On 23 January 2017, the Group obtained control over Tele Power, which then became a subsidiary of the Company. The total consideration for the investments in Tele Power consists of (i) cash of RMB567,000; and (ii) the fair value of the equity interest in Tele Power previously held by Leoch International Holding immediately before the acquisition of RMB2,063,000. As a result of the remeasurement of the equity interest in Tele Power from its carrying amount immediately before the acquisition of RMB4,127,000 to its fair value of RMB2,063,000, a loss of RMB2,064,000 (note 6) was recognised in the consolidated statement of profit or loss during the year ended 31 December 2017.

The Group has elected to measure the non-controlling interests in Tele Power at the non-controlling interest's proportionate share of Tele Power's identifiable net assets.

35. 收購附屬公司 (續)

Tele Power

於二零一六年十二月三十一日，本公司附屬公司Leoch International Holding持有MSB Manufacturing Sdn. Bhd. (於二零一七年六月一日更名為Tele Power Sdn. Bhd.) 40%股權，入賬列作於一間聯營公司的投資。

於二零一六年九月一日，Leoch International Holding與Tele Power當時現任股東訂立股份購買協議，以現金代價366,000馬來西亞令吉(相等於人民幣567,000元)收購Tele Power的11%股權。於股份購買完成後，Leoch International Holding持有Tele Power的51%股權。於二零一七年一月二十三日，本集團取得Tele Power的控制權，其後，該公司成為本公司的附屬公司。於Tele Power的投資總代價包括(i)現金人民幣567,000元；及(ii)緊接收購前Leoch International Holding之前持有的Tele Power股權的公允價值人民幣2,063,000元。由於緊接收購前，於Tele Power之股本權益從賬面值人民幣4,127,000元重新計量為公允價值人民幣2,063,000元，故於截至二零一七年十二月三十一日止年度之綜合損益表中確認虧損人民幣2,064,000元(附註6)。

本集團已選擇以非控股權益應佔Tele Power可識別資產淨值的比例，計算於Tele Power的非控股權益。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

35. Acquisition of Subsidiaries (continued)

Tele Power (continued)

The fair values of the identifiable assets and liabilities of Tele Power as at the date of acquisition were as follows:

35. 收購附屬公司 (續)

Tele Power (續)

Tele Power於收購日期之可識別資產及負債公允價值如下：

		Notes 附註	Fair value recognised on acquisition 於收購時確認 之公允價值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	13	716
Inventories	存貨		8,165
Trade and bills receivables	貿易應收款項及應收票據		7,498
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		4,763
Cash and bank balances	現金及銀行結餘		2,447
Trade and bills payables	貿易應付款項及應付票據		(4,599)
Other payables and accruals	其他應付款項及應計費用		(35)
Interest-bearing bank borrowings	計息銀行借貸	36	(12,073)
Total identifiable net assets at fair value	按公允價值計量的 可識別資產淨值總額		6,882
Non-controlling interests	非控股權益		(3,372)
			3,510
Gain on bargain purchase	議價收購收益	5	(880)
			2,630
Satisfied by:	以下列方式支付：		
Cash	現金		567
Previously held equity interest remeasured at acquisition-date fair value	按收購日期公允價值重新計量的 先前持有的股權		2,063
Total consideration	代價總額		2,630



35. Acquisition of Subsidiaries (continued)

Tele Power (continued)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	(567)
Cash and bank balances acquired	所獲現金及銀行結餘	2,447
Net inflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動現金流量的現金及 現金等價物流入淨額	1,880

Since the acquisition, Tele Power contributed RMB26,760,000 to the Group's turnover and RMB961,000 to the consolidated profit for the year ended 31 December 2017.

Had the combination taken place at the beginning of the year, the revenue and the profit of the Group for the year would have been RMB9,465,473,000 and RMB271,480,000, respectively.

35. 收購附屬公司 (續)

Tele Power (續)

有關收購附屬公司的現金流量分析如下：

		RMB'000 人民幣千元
Cash consideration	現金代價	(567)
Cash and bank balances acquired	所獲現金及銀行結餘	2,447
Net inflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動現金流量的現金及 現金等價物流入淨額	1,880

自是次收購後，截至二零一七年十二月三十一日止年度，Tele Power為本集團營業額貢獻人民幣26,760,000元及為綜合溢利貢獻人民幣961,000元。

由於該合併於年初發生，則本集團年內的收益及溢利分別為人民幣9,465,473,000元及人民幣271,480,000元。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

36. Notes to the Consolidated Statement of Cash Flows

Changes in liabilities arising from financing activities

36. 綜合現金流量表附註

融資活動產生之負債變動

		Bank and other loans
		銀行及其他貸款
		RMB'000
		人民幣千元
At 1 January 2017	於二零一七年一月一日	1,763,477
Changes from financing cash flows	融資現金流量變動	1,286,584
Foreign exchange movement	外匯變動	(48,243)
Increase arising from acquisition of subsidiaries (note 35)	收購附屬公司所得增加 (附註35)	12,073
At 31 December 2017	於二零一七年十二月三十一日	3,013,891

37. Pledge of Assets

37. 資產抵押

		Prepaid land lease payments 預付土地 租賃款項 RMB'000 人民幣千元 (note 16) (附註16)	Property, plant and equipment 物業·廠房 及設備 RMB'000 人民幣千元 (note 13) (附註13)	Pledged deposits 已抵押存款 RMB'000 人民幣千元 (note 27) (附註27)	Trade receivables 貿易應收 款項 RMB'000 人民幣千元 (note 24) (附註24)	Total 總計 RMB'000 人民幣千元
31 December 2017	二零一七年 十二月三十一日					
Interest-bearing bank borrowings (note 30)	計息銀行借貸 (附註30)	50,094	747,778	179,899	61,467	1,039,238
Bills payable (note 28)	應付票據 (附註28)	-	-	260,099	-	260,099
Issue of letters of credit	發出信用證	-	-	100,118	-	100,118
		50,094	747,778	540,116	61,467	1,399,455
31 December 2016	二零一六年 十二月三十一日					
Interest-bearing bank borrowings (note 30)	計息銀行借貸 (附註30)	78,520	643,415	9,020	86,651	817,606
Bills payable (note 28)	應付票據 (附註28)	-	-	404,771	-	404,771
Issue of letters of credit	發出信用證	-	-	77,094	-	77,094
		78,520	643,415	490,885	86,651	1,299,471

31 December 2017
二零一七年十二月三十一日

38. Operating Lease Arrangements

(a) As lessor

The Group leases its staff quarters and office premises under operating lease arrangements, with leases negotiated for terms ranging from one to eighteen years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

As at 31 December 2017, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

38. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排出租員工宿舍及辦公室物業，經磋商的租期介乎1年至18年。租約一般亦要求租戶支付保證金及訂明可根據當時市況定期對租金作出調整。

於二零一七年十二月三十一日，本集團根據與其租戶訂立的不可撤銷經營租賃於下列期間到期的未來最低租賃應收款項總額如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	979	2,786
In the second to fifth years, inclusive	第二至第五年，包括首尾兩年	1,491	11,277
After five years	五年後	1,493	8,757
		3,963	22,820



38. Operating Lease Arrangements (continued)

(b) As lessee

The Group leases certain of its office properties from its related companies (note 40(c)) and independent third parties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to four years.

As at 31 December 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

38. 經營租賃安排 (續)

(b) 作為承租人

本集團根據經營租賃安排向其關連公司(附註40(c))及獨立第三方租用若干辦公室物業。物業租賃的經磋商租期介乎1至4年。

於二零一七年十二月三十一日，本集團根據不可撤銷經營租賃於下列期間到期的未來最低租賃付款總額如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	4,847	5,341
In the second to fifth years, inclusive	第二至第五年，包括首尾兩年	995	4,968
		5,842	10,309

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

39. Commitments

In addition to the operating lease commitments detailed in note 38(b) above, the Group had the following capital commitments at the end of the reporting period:

39. 承諾

除上文附註38(b)詳述的經營租賃承諾外，於報告期結束時，本集團有以下資本承諾：

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：			
Land and buildings	土地及樓宇		17,727	13,191
Construction of a property	建築物業	(i)	442,174	–
Plant and machinery	廠房及機器		2,827	18,145
Capital contribution payable to available-for-sale investments	應付可供出售投資的注資		39,034	36,937
Acquisition of a subsidiary	收購附屬公司	(ii)	18,524	115,200
			520,286	183,473



39. Commitments (continued)

Notes:

- (i) On 26 July 2017, Shenzhen Leoch Battery, Leoch Battery Shenzhen Corp., and Shenzhen Lihang Battery Technology Co., Ltd., subsidiaries of the Company, collectively entered into a construction contract with Shenzhen Shekou Coastal Realty Company Limited, a company in the PRC principally engaged in property development, in relation to the construction of a property at a consideration capped at RMB516,000,000. The property is located at the development site situated at Tower E, Taizhi Bay Commercial Plaza, Shekou Gangwan Road, Nanshan District, Shenzhen, the PRC, with an estimated floor area of approximately 6,141.30 square meters. The property will be for commercial use and upon acquisition by the Group, is expected to be used as the principal office of the Group. Based on the currently estimated floor area of the property upon its completion, the consideration is RMB491,304,000. As at 31 December 2017, Shenzhen Leoch Battery had paid an amount of RMB49,130,400 of the consideration. On 2 January 2018, Shenzhen Leoch Battery had paid an amount of RMB49,130,400 of the consideration. An amount of RMB147,391,200 will be payable by 15 June 2018 and the remaining amount of RMB245,652,000 will be payable by 30 August 2018.
- (ii) On 22 December 2017, Leoch International Holding, entered into an agreement with an independent third party in relation to the proposed acquisition of 60% of the enlarged registered capital of BS 003 Limited, an investment holding company in the United Kingdom (“U.K.”) and wholly holding DBS Energy Limited, a company in the U.K. principally engaged in importing and selling batteries in the U.K., at a cash consideration of US\$2,835,000 (equivalent to RMB18,524,000). As at 31 December 2017, Leoch International Holding has not yet paid the consideration. As at the date of approval of these financial statements, Leoch International Holding has paid up all the consideration.

39. 承諾 (續)

附註：

- (i) 於二零一七年七月二十六日，深圳理士奧電源、深圳理士電池技術有限公司及深圳立航電源技術有限公司（本公司之附屬公司）共同與深圳市蛇口海濱置業有限公司（一間於中國主要從事物業開發之公司）訂立建造合約，內容有關建造一項物業，代價上限為人民幣516,000,000元。該物業位於中國深圳市南山區蛇口港灣大道太子灣商務廣場E座之發展地盤，估計樓面面積約為6,141.30平方米。該物業將用作商業用途，而預期於本集團收購後將用作為本集團之主要辦事處。根據現時估計之該物業於竣工後之樓面面積計算，代價為人民幣491,304,000元。於二零一七年十二月三十一日，深圳理士奧電源已支付金額為人民幣49,130,400元之代價。於二零一八年一月二日，深圳理士奧電源已支付金額為人民幣49,130,400元之代價。金額人民幣147,391,200元將於二零一八年六月十五日支付，而餘下金額人民幣245,652,000元將於二零一八年八月三十日支付。
- (ii) 於二零一七年十二月二十二日，Leoch International Holding與獨立第三方訂立協議，內容有關建議以2,835,000美元（相等於人民幣18,524,000元）之現金代價收購英國（「英國」）一間投資控股公司BS 003 Limited 60%的經擴大註冊資本，且該公司全資擁有一間於英國主要從事電池進口及銷售業務的公司DBS Energy Limited。於二零一七年十二月三十一日，Leoch International Holding尚未支付該代價。於批准該等財務報表之日，Leoch International Holding已結清全部代價。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

40. Related Party Transactions

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

40. 關連人士交易

- (a) 除於該等財務報表其他地方詳述的交易外，本集團與關連人士在年內有以下主要交易：

		Note 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Purchases of raw materials from related companies	向關連公司購買原材料			
Related companies wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司	(i)	30,591	26,818
Purchases of facilities from related companies	向關連公司購買設施			
Related companies wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司	(i)	27,541	74,200
Sales of products to related companies	向關連公司銷售產品			
Joint venture	合營公司	(i)	–	30,070
Associate	聯營公司		–	9,155
Related companies wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司		84,261	56,603
			84,261	95,828

40. Related Party Transactions
(continued)

40. 關連人士交易 (續)

(a) (continued)

(a) (續)

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Lease of office premises from two related companies	自兩間關連公司租賃辦公室物業	(i)		
Related companies wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司		657	703
Related company wholly owned by Mr. Dong Li's spouse	董李先生的配偶全資擁有的關連公司		2,542	2,661
			3,199	3,364
Lease of office premises to related companies	向關連公司租賃辦公室物業	(i)		
Related companies wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司		1,029	–
Interest expense to related parties	向關連人士支付利息	40(b)(ii)		
Non-controlling shareholders of a subsidiary	附屬公司之非控股股東		1,678	–

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

40. Related Party Transactions (continued)

(a) (continued)

Note:

- (i) The purchases of raw materials, purchases of facilities, sales of products and lease of office premises with the related companies were made according to prices mutually agreed between the two parties after arm's length negotiations on normal commercial terms or on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties.

The related party transactions in respect of the purchases of raw materials, purchases of facilities, sales of products and lease of office above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Outstanding balances with related parties:

40. 關連人士交易 (續)

(a) (續)

附註：

- (i) 與關連公司進行原材料購買、設施購買、產品銷售及辦公室物業租賃乃根據雙方公平磋商後共同議定的價格並按正常商業條款或按對本集團而言不遜於向獨立第三方提供或獲獨立第三方(如適合)提供的條款進行。

上述關於購買原材料、購買設施、銷售產品及租賃辦公室物業的關連人士交易亦構成上市規則第十四A章定義的關連交易或持續關連交易。

(b) 與關連人士的未償還結餘：

	Notes 附註	Due from related parties 應收關連人士款項		Due to related parties 應付關連人士款項	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current:	即期：				
The associate	聯營公司 (i)	-	4,504	-	-
Non-controlling shareholders of a subsidiary	附屬公司非控股股東 (ii)	-	-	76,238	-
Related companies wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司 (i)	29,210	21,262	15,708	14,329
		29,210	25,766	91,946	14,329



40. Related Party Transactions (continued)

(b) Outstanding balances with related companies: (continued)

Notes:

- (i) As at 31 December 2017 and 31 December 2016, all balances with the associate and related companies wholly owned by Mr. Dong Li were trade in nature, unsecured, interest-free and have no fixed terms of repayment.
- (ii) As at 31 December 2017, a loan amounting to RMB40,000,000 from the non-controlling shareholders of a subsidiary was unsecured, bore interest rate at 4.35% per annum and had no fixed terms of repayment. The balance amounting to RMB34,560,000 due to non-controlling shareholders of a subsidiary was unpaid consideration related to the acquisition of Taihe Dahua (note 35). The balance was unsecured, interest-free and was paid on 30 January 2018.

(c) Commitments with related companies

In September 2010, the Group entered into an agreement with a lease term ended on 31 August 2012 with Shenzhen Marshall Power Supply Co., Ltd., a company which is wholly owned by Mr. Dong Li, in relation to the lease of two office premises. The Group extended the lease term of this agreement to 23 December 2018. The lease expenses to be paid to Shenzhen Marshall Power Supply Co., Ltd. will be RMB690,000 during the year of 2018.

40. 關連人士交易 (續)

(b) 與關連公司的未償還結餘： (續)

附註：

- (i) 於二零一七年十二月三十一日及二零一六年十二月三十一日，所有與聯營公司及董李先生全資擁有的關連公司的結餘皆為貿易性質、無抵押、免息及無固定還款期。
- (ii) 於二零一七年十二月三十一日，來自一間附屬公司之非控股股東之貸款人民幣40,000,000元為無抵押、按年利率4.35%計息及無固定還款期。應付一間附屬公司之非控股股東之餘額人民幣34,560,000元為與收購太和縣大華有關之未支付代價（附註35），其為無抵押及免息，且已於二零一八年一月三十日支付。

(c) 與關連公司的承諾

於二零一零年九月，本集團與深圳市瑪西爾能源技術有限公司（由董李先生全資擁有的公司）就租賃兩間辦公室物業訂立租期至二零一二年八月三十一日為止的協議。本集團已將該協議延期至二零一八年十二月二十三日。二零一八年支付予深圳市瑪西爾能源技術有限公司的租賃開支將為人民幣690,000元。

31 December 2017
二零一七年十二月三十一日

40. Related Party Transactions (continued)

(c) Commitments with related companies (continued)

In August 2008, the Group entered into an agreement with a lease term ended on 31 December 2012 with Eastern International LLC, a company which is wholly owned by Mr. Dong Li's spouse, in relation to the lease of office premises. The Group extended the lease term of this agreement to 31 December 2018. The lease expenses to be paid to Eastern International LLC will be RMB2,542,000 during the year of 2018.

(d) Compensation of key management personnel of the Group:

40. 關連人士交易 (續)

(c) 與關連公司的承諾 (續)

於二零零八年八月，本集團與Eastern International LLC (由董李先生的配偶全資擁有的公司)就租賃辦公室物業訂立租期至二零一二年十二月三十一日為止的協議。本集團已將該協議租期延期至二零一八年十二月三十一日。於二零一八年，將支付予Eastern International LLC的租賃開支將為每年人民幣2,542,000元。

(d) 本集團主要管理人員的酬金：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Basic salaries and other benefits	6,416	5,170
Performance-related bonuses	-	1,645
Equity-settled share option expenses	1,194	447
Pension scheme contributions	119	126
	7,729	7,388

Further details of directors' emoluments are included in note 8 to the financial statements.

有關董事酬金之詳情載於財務報表附註8。

41. Financial Instruments by Category

41. 按類別分析的金融工具

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

各類別金融工具於報告期末的賬面值如下：

Financial assets

金融資產

		Financial assets at fair value through profit or loss 公允價值變動計入損益的金融資產 RMB'000 人民幣千元	Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Available-for-sale financial assets 可供出售金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2017	二零一七年				
Available-for-sale investments	可供出售投資	-	-	132,576	132,576
Trade and bills receivables	貿易應收款項及應收票據	-	2,526,597	-	2,526,597
Deposits and other receivables	訂金及其他應收款項	-	40,170	-	40,170
Derivative financial instruments	衍生金融工具	4,418	-	-	4,418
Equity investments at fair value through profit or loss	公允價值變動計入損益的權益性投資	12,545	-	-	12,545
Pledged deposits	已抵押存款	-	540,116	-	540,116
Cash and cash equivalents	現金及現金等價物	-	401,042	-	401,042
		16,963	3,507,925	132,576	3,657,464
2016	二零一六年				
Available-for-sale investments	可供出售投資	-	-	123,967	123,967
Trade and bills receivables	貿易應收款項及應收票據	-	2,264,377	-	2,264,377
Deposits and other receivables	訂金及其他應收款項	-	37,360	-	37,360
Derivative financial instruments	衍生金融工具	4,625	-	-	4,625
Equity investments at fair value through profit or loss	公允價值變動計入損益的權益性投資	13,595	-	-	13,595
Pledged deposits	已抵押存款	-	490,885	-	490,885
Cash and cash equivalents	現金及現金等價物	-	214,344	-	214,344
		18,220	3,006,966	123,967	3,149,153

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

41. Financial Instruments by Category (continued)

Financial liabilities

41. 按類別分析的金融工具 (續)

金融負債

		Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
		公允價值變動計入損益的金融負債	按攤銷成本計量的金融負債	總額
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
2017	二零一七年			
Trade and bills payables	貿易應付款項及應付票據	-	1,665,247	1,665,247
Other payables	其他應付款項	-	113,771	113,771
Interest-bearing bank borrowings	計息銀行借貸	-	3,013,891	3,013,891
		-	4,792,909	4,792,909
2016	二零一六年			
Trade and bills payables	貿易應付款項及應付票據	-	1,631,484	1,631,484
Other payables	其他應付款項	-	32,464	32,464
Derivative financial instruments	衍生金融工具	13,636	-	13,636
Interest-bearing bank borrowings	計息銀行借貸	-	1,763,477	1,763,477
		13,636	3,427,425	3,441,061



31 December 2017
二零一七年十二月三十一日

42. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments approximate to their fair values.

Management has assessed that the fair values of cash and cash equivalents, the pledged deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables and financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

42. 金融工具公允價值及公允價值層級

本集團金融工具的賬面值及公允價值與其公允價值相近。

管理層已評估現金及現金等價物、已抵押存款、貿易應收款項及應收票據、貿易應付款項及應付票據、計入預付款項、訂金及其他應收款項的金融資產，以及計入其他應付款項及應計費用的金融負債的公允價值，與其賬面值相若，主要由於該等工具屬短期性質。

本集團由財務經理領導的融資部門負責制定金融工具公允價值計量的政策及程序。財務經理直接向首席財務官及審核委員會彙報。於各報告日期，財務部門分析金融工具價值的變動情況，並釐定估值所用的主要投入。該估值由首席財務官審閱及批准。審核委員會每年兩次就有關中期及年度財務報告的估值過程及結果進行討論。

金融資產及負債的公允價值以該工具自願交易方（強迫或清盤出售除外）當前交易下可交易金額入賬。以下方法及假設均用來估算公允價值。

31 December 2017
二零一七年十二月三十一日

42. Fair Value and Fair Value Hierarchy of Financial Instruments *(continued)*

The fair values of the non-current portion of interest-bearing bank borrowings approximate to their amortised costs which have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2017 was assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices. The Group enters into derivative financial instruments with various counterparties, principally financial institutions with good credit ratings. Derivative financial instruments, including forward currency contracts, are measured using valuation techniques similar to forward pricing models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, and foreign exchange spot and forward rates. The carrying amounts of forward currency contracts are the same as their fair values.

42. 金融工具公允價值及公允價值層級 (續)

計息銀行借貸非即期部分之公允價值與其攤銷成本相若，其攤銷成本乃使用類似條款工具之現行利率、信貸風險及剩餘年期折現預期未來現金流計算。本集團於二零一七年十二月三十一日的計息銀行借貸自身不履約風險被評定為微不足道。

上市權益性投資的公允價值乃基於已報市場價格計算。本集團與多個對手方（主要是具良好信貸評級的金融機構）訂立衍生工具合約。衍生金融工具（包括遠期貨幣合約），採用現值計算法按類似遠期計價模型估計技術計量。該等模型載入多項市場可觀察數據，包括對手方的信貸素質、外幣現貨及遠期匯率曲線。遠期貨幣合約的賬面值相當於其公允價值。



31 December 2017
二零一七年十二月三十一日

42. Fair Value and Fair Value Hierarchy of Financial Instruments *(continued)*

The fair value of certain available-for-sale equity investments in an unlisted company is measured using the asset-based approach. The assets of the unlisted company include cash and cash equivalents, short-term principal-protected investment and investments in portfolio companies. Management has assessed that the fair values of cash and cash equivalents, the short-term principal-protected investment and the liabilities approximate to their carrying amounts with consideration of the nature and the short-term maturities of these instruments. The fair value of the investments in portfolio companies is estimated using different valuation methodologies according to the nature of individual investments, such as the trading price of listed shares, price of recent investments, market multiples and the discounted cash flow method.

42. 金融工具公允價值及公允價值層級 (續)

於非上市公司的若干可供出售權益性投資公允價值採用資產基礎法計算。非上市公司資產包括現金及現金等價物、短期保本投資及組合公司投資。管理層已評估現金及現金等價物、短期保本投資及負債的公允價值，約至該等工具性質代價及短期內到期的賬面值。於組合公司的投資的公允價值根據個別投資的性質採用不同的估值方法估值，包括上市股份的交易價格、近期投資的價格、市場倍數及現金流量折現法。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

42. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

42. 金融工具公允價值及公允價值層級 (續)

公允價值層級

下表載列本集團金融工具的公允價值計量層級：

按公允價值計量的資產

		Fair value measurement using 公允價值計量所用層級			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		活躍市場報價 (第1層)	重大可觀察 輸入數據 (第2層)	重大不可觀察 輸入數據 (第3層)	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
2017	二零一七年				
Available-for-sale investments	可供出售投資	-	-	122,828	122,828
Derivative financial instruments	衍生金融工具	-	4,418	-	4,418
Equity investments at fair value through profit or loss	公允價值變動計入損益的權益性投資	12,545	-	-	12,545
		12,545	4,418	122,828	139,791
2016	二零一六年				
Available-for-sale investments	可供出售投資	-	-	117,029	117,029
Derivative financial instruments	衍生金融工具	-	4,625	-	4,625
Equity investments at fair value through profit or loss	公允價值變動計入損益的權益性投資	13,595	-	-	13,595
		13,595	4,625	117,029	135,249



42. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Fair value hierarchy (continued)

Assets measured at fair value (continued)

The movements in fair value measurements within Level 3 during the year are as follows:

42. 金融工具公允價值及公允價值層級 (續)

公允價值層級 (續)

按公允價值計量的資產 (續)

年內第3層公允價值計量變動如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Available-for-sale investments – unlisted:	可供出售投資 – 非上市：		
At 1 January	於一月一日	117,029	54,257
Total gains recognised in other comprehensive income	已於其他全面收益確認之收益總額	3,703	35,083
Additions	添置	2,096	27,689
At 31 December	於十二月三十一日	122,828	117,029

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

42. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

42. 金融工具公允價值及公允價值層級 (續)

Liabilities measured at fair value

按公允價值計量的負債

		Fair value measurement using 公允價值計量所用層級			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		活躍市場報價 (第1層)	重大可觀察 輸入數據 (第2層)	重大不可觀察 輸入數據 (第3層)	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
2017	二零一七年				
Derivative financial instruments	衍生金融工具	-	-	-	-
2016	二零一六年				
Derivative financial instruments	衍生金融工具	-	13,636	-	13,636

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2016: Nil).

年內，公允價值計量概無在第一層級和第二層級之間發生轉移，及金融資產及金融負債也沒有轉入或轉出第三層級(二零一六年：無)。



31 December 2017
二零一七年十二月三十一日

43. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank borrowings, and cash and pledged deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligation with floating rates.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax and the Group's equity.

43. 金融風險管理目的及政策

本集團的主要金融工具(衍生工具除外)為計息銀行借貸及現金及有抵押存款。該等金融工具的主要用途乃本集團的營運融資。本集團擁有各種其他金融資產及負債,例如貿易應收款項及貿易應付款項,乃由其經營直接產生。

本集團亦訂立衍生交易,主要包括遠期貨幣合約。目的旨在管理本集團營運產生的貨幣風險及其融資來源。

本集團金融工具產生的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會已審閱並同意各項風險的管理政策,有關政策於下文概述。本集團有關衍生工具的會計政策載於財務報表附註2.4。

利率風險

本集團因市場利率變動而面對的風險主要與本集團以浮動利率計息的長期債務有關。

下表列示在所有變量維持不變情況下,利率合理可能變動對本集團稅前溢利及本集團權益於報告期末的敏感度。

31 December 2017
二零一七年十二月三十一日

43. Financial Risk Management Objectives and Policies (continued)

Interest rate risk (continued)

43. 金融風險管理目的及政策 (續)

利率風險 (續)

		Increase/ (decrease) in basis points 基點增加/ (減少)	Increase/ (decrease) in profit before tax 稅前溢利 增加/(減少) RMB'000 人民幣千元	Increase/ (decrease) in equity* 股權增加/ (減少)* RMB'000 人民幣千元
2017	二零一七年			
RMB	人民幣	50	(380)	-
RMB	人民幣	(50)	380	-
SG\$	新加坡元	50	(71)	-
SG\$	新加坡元	(50)	71	-
US\$	美元	50	-	-
US\$	美元	(50)	-	-
MYR	馬來西亞令吉	50	(96)	-
MYR	馬來西亞令吉	(50)	96	-
2016	二零一六年			
RMB	人民幣	50	(201)	-
RMB	人民幣	(50)	201	-
SG\$	新加坡元	50	(82)	-
SG\$	新加坡元	(50)	82	-
US\$	美元	50	(2,049)	-
US\$	美元	(50)	2,049	-
MYR	馬來西亞令吉	50	(111)	-
MYR	馬來西亞令吉	(50)	111	-

* Excluding retained profits

* 不包括保留溢利

31 December 2017
二零一七年十二月三十一日

43. Financial Risk Management Objectives and Policies (continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. The Group operates in Hong Kong, the United States, Singapore, Malaysia and Mainland China. For companies in Mainland China, their principal activities are transacted in RMB. For other companies outside of Mainland China, their principal activities are transacted in currencies other than the units' functional currencies. Approximately 33% (2016: 40%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sales, whilst approximately 69% (2016: 71%) of costs were denominated in the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

43. 金融風險管理目的及政策 (續)

外幣風險

本集團承受交易貨幣風險。該等風險源自經營單位以單位功能貨幣以外的貨幣進行買賣。本集團於香港、美國、新加坡、馬來西亞及中國內地經營業務。就中國內地的公司而言，彼等的主要業務以人民幣進行交易。就中國內地境外的其他公司而言，彼等的主要業務以單位功能貨幣以外之貨幣進行交易。本集團約33%（二零一六年：40%）的銷售以經營單位功能貨幣以外的貨幣計值，但約69%（二零一六年：71%）的成本乃以經營單位功能貨幣列值。

下表列示在所有變量維持不變情況下，匯率合理可能變動對本集團稅前溢利（由於貨幣資產及負債的公允價值變動）及本集團權益於報告期末的敏感度。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

43. Financial Risk Management Objectives and Policies (continued)

Foreign currency risk (continued)

43. 金融風險管理目的及政策 (續)

外幣風險 (續)

		Increase/ (decrease) in exchange rate 匯率上漲/ (下跌) %	Increase/ (decrease) in profit before tax 稅前溢利 增加/(減少) RMB'000 人民幣千元	Increase/ (decrease) in equity* 股權增加/ (減少)* RMB'000 人民幣千元
2017	二零一七年			
If RMB weakens against US\$	倘人民幣兌美元貶值	5	(79,850)	-
If RMB strengthens against US\$	倘人民幣兌美元升值	(5)	79,850	-
If RMB weakens against HK\$	倘人民幣兌港元貶值	5	(22,391)	-
If RMB strengthens against HK\$	倘人民幣兌港元升值	(5)	22,391	-
2016	二零一六年			
If RMB weakens against US\$	倘人民幣兌美元貶值	5	(10,697)	-
If RMB strengthens against US\$	倘人民幣兌美元升值	(5)	10,697	-
If RMB weakens against HK\$	倘人民幣兌港元貶值	5	(19,206)	-
If RMB strengthens against HK\$	倘人民幣兌港元升值	(5)	19,206	-
* Excluding retained profits				* 不包括保留溢利

43. Financial Risk Management Objectives and Policies (continued)

Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, and therefore, the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and bank balances and pledged deposits, deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Significant concentration of credit risk

Concentration of credit risk exists when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group had certain concentrations of credit risk as 15% (2016: 20%) and 20% (2016: 33%) of the Group's trade receivables were due from the Group's largest customer and five largest customers, respectively. Sales to the five largest customers accounted for 32% (2016: 35%) of the Group's total sales for the year ended 31 December 2017.

43. 金融風險管理目的及政策 (續)

信貸風險

本集團僅與獲公認兼信譽可靠的客戶進行交易。按照本集團的政策，所有擬按信貸條款進行交易的客戶，必須先通過信貸核實程序。此外，本集團持續監察應收結餘的情況，因此本集團的壞賬風險並不重大。

本集團其他金融資產（包括現金及銀行結餘，以及已抵押存款、訂金及其他應收款項）的信貸風險源自交易對方的違約，最大風險程度等於這些工具的賬面值。

信貸風險高度集中

若一組交易對手同時受類似經濟、行業或地區因素影響，而該組別的信貸風險對本集團整體信貸風險影響重大，即構成集中信貸風險。因本集團15%（二零一六年：20%）及20%（二零一六年：33%）的貿易應收款項分別來自本集團的最大客戶及五大客戶，本集團須承擔若干集中信貸風險。截至二零一七年十二月三十一日止年度，向五大客戶作出的銷售佔本集團銷售總額的32%（二零一六年：35%）。

31 December 2017
二零一七年十二月三十一日

43. Financial Risk Management Objectives and Policies (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. In addition, banking facilities have been put in place for contingency purposes.

The maturity profile of the Group's financial liabilities, based on the contractual undiscounted payments, is as follows:

43. 金融風險管理目的及政策 (續)

流動資金風險

本集團採用週期性流動資金計劃工具監控資金短缺的風險。此工具考慮其金融工具與金融資產(如貿易應收款項)的到期日以及來自業務的估計現金流量。

本集團的目的是以銀行借貸，維持本集團資金的延續性和靈活性的平衡。此外，本集團亦備有銀行融資以應付或有事件。

本集團的金融負債的到期狀況按合約未貼現付款分析如下：

		On demand 於要求時 RMB'000 人民幣千元	Less than 1 year 少於1年 RMB'000 人民幣千元	1 to 5 years 1至5年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2017	二零一七年				
Interest-bearing bank borrowings	計息銀行借貸	1,286,511	1,639,818	136,464	3,062,793
Trade and bills payables	貿易應付款項及應付票據	-	1,665,247	-	1,665,247
Other payables and accruals	其他應付款項及應計費用	-	113,771	-	113,771
		1,286,511	3,418,836	136,464	4,841,811



43. Financial Risk Management Objectives and Policies (continued)

43. 金融風險管理目的及政策 (續)

Liquidity risk (continued)

流動資金風險 (續)

		On demand 於要求時 RMB'000 人民幣千元	Less than 1 year 少於1年 RMB'000 人民幣千元	1 to 5 years 1至5年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2016	二零一六年				
Interest-bearing bank borrowings	計息銀行借貸	-	1,299,253	527,156	1,826,409
Trade and bills payables	貿易應付款項及應付票據	-	1,631,484	-	1,631,484
Other payables and accruals	其他應付款項及應計費用	-	32,464	-	32,464
Derivative financial instruments	衍生金融工具	-	13,636	-	13,636
		-	2,976,837	527,156	3,503,993

31 December 2017
二零一七年十二月三十一日

43. Financial Risk Management Objectives and Policies (continued)

Capital management

The primary objectives of the Group's capital management are to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2017 and 31 December 2016.

The Group monitors capital using a gearing ratio, which is interest-bearing bank borrowings divided by total assets. The gearing ratios as at the end of the reporting periods were as follows:

43. 金融風險管理目的及政策 (續)

資本管理

本集團資本管理的主要目標為確保本集團維持強勁信貸評級以及維持健康的資本比率支持其業務，以及將股東的價值提升至最高。

本集團根據經濟狀況變動管理其資本架構及作出調整。本集團可通過支付予股東的股息、向股東發還資本或發行新股等方法，維持或調整資本架構。截至二零一七年十二月三十一日及二零一六年十二月三十一日止年度內，管理資本的目標、政策或程序並無變動。

本集團以資產負債比率監控資本，該比率為計息銀行借貸除以總資產。報告期末的資產負債比率如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest-bearing bank borrowings	計息銀行借貸	3,013,891	1,763,477
Total assets	總資產	8,625,282	6,873,302
Gearing ratio	資產負債比率	35%	26%

44. Transfers of Financial Assets

Transferred financial assets that are not derecognised in their entirety

As part of its normal business, the Group entered into a trade receivable factoring arrangement (the “**Factoring Arrangement**”) and transferred certain trade receivables to banks. The Group is exposed to default risks of the trade debtors after the transfer. Subsequent to the transfer, the Group did not retain any rights on the use of the trade receivables, including the sale, transfer or pledge of the trade receivables to any other third parties. The original carrying value of the trade receivables transferred under the Factoring Arrangement that have not been settled as at 31 December 2017 amounted to RMB61,467,000 (2016: RMB86,561,000). The carrying amount of the assets that the Group continued to recognise as at 31 December 2017 was RMB61,467,000 (2016: RMB86,561,000) and that of the associated liabilities as at 31 December 2017 was RMB37,279,000 (2016: RMB54,222,000) which were recognised as collateralised bank advances, secured (note 30).

Financial assets that are derecognised in their entirety

During the years ended 31 December 2017 and 2016, the Group factored trade receivables to a bank on a non-recourse basis for cash. In the opinion of the Directors, the Group has transferred substantially all risks and rewards associated with the factored trade receivables. Accordingly, the Group derecognised the full carrying amount of the trade receivables factored. The carrying amount of the trade receivables derecognised as at 31 December 2017 was RMB21,091,000 (2016: RMB48,625,000).

44. 轉讓金融資產

未被全部終止確認的已轉讓金融資產

作為正常業務的一部分，本集團已訂立貿易應收款項保理安排（「該保理安排」），將若干貿易應收款項轉讓予銀行。本集團承受於轉讓後貿易債務人的違約風險。於進行轉讓後，本集團並無保留使用貿易應收款項（包括向任何其他第三方銷售、轉讓或質押貿易應收款項）的任何權利。於二零一七年十二月三十一日，根據該保理安排轉讓而尚未清償的貿易應收款項的原賬面值為人民幣61,467,000元（二零一六年：人民幣86,561,000元）。於二零一七年十二月三十一日，本集團繼續確認的資產的賬面金額為人民幣61,467,000元（二零一六年：人民幣86,561,000元），而於二零一七年十二月三十一日的相關負債的賬面金額為人民幣37,279,000元（二零一六年：人民幣54,222,000元），並確認為有抵押的抵押化的銀行墊款（附註30）。

已全部終止確認的金融資產

於截至二零一七年及二零一六年十二月三十一日止年度，本集團按非追索基準向一間銀行保理貿易應收款項以獲取資金。董事認為，本集團已將保理貿易應收款項的絕大部分風險及回報轉讓。因此，本集團終止確認保理貿易應收款項之全部賬面金額。已終止確認的貿易應收款項於二零一七年十二月三十一日之賬面金額為人民幣21,091,000元（二零一六年：人民幣48,625,000元）。

Notes to the Financial Statements 財務報表附註

31 December 2017
二零一七年十二月三十一日

45. Statement of Financial Position of the Company 45. 本公司之財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

有關本公司於報告期末之財務狀況表之資料如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司之投資	2,802,633	2,192,238
CURRENT ASSETS	流動資產		
Cash and cash equivalents	現金及現金等價物	242	183
Equity investments at fair value through profit or loss	公允價值變動計入損益的權益性投資	12,545	13,595
Total current assets	流動資產總值	12,787	13,778
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	2,055	329
Interest-bearing bank borrowings	計息銀行借貸	1,315,768	133,182
Total current liabilities	流動負債總值	1,317,823	133,511
NET CURRENT LIABILITIES	流動負債淨值	(1,305,036)	(119,733)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	1,497,597	2,072,505
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank borrowings	計息銀行借貸	-	409,783
Net assets	資產淨值	1,497,597	1,662,722
EQUITY	權益		
Share capital	股本	116,192	115,846
Reserves (note)	儲備(附註)	1,381,405	1,546,876
Total equity	權益總額	1,497,597	1,662,722



45. Statement of Financial Position of the Company (continued)

45. 本公司之財務狀況表 (續)

Note:

附註:

A summary of the Company's reserves is as follows:

本公司之儲備概要如下:

		Share premium account 股份溢價賬 RMB'000 人民幣千元	Shareholders' contribution 股東出資 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	1,237,298	337,830	33,207	(60,691)	1,547,644
Profit and total comprehensive income for the year	年內溢利及全面溢利總額	-	-	-	33,972	33,972
Exercise of share options	行使購股權	44	-	(25)	-	19
Lapse of share options	購股權失效	-	-	(6,657)	-	(6,657)
Final 2015 dividend paid	已付二零一五年末期股息	(29,478)	-	-	-	(29,478)
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	1,376	-	1,376
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	1,207,864	337,830	27,901	(26,719)	1,546,876
Profit and total comprehensive income for the year	年內溢利及全面溢利總額	-	-	-	(108,197)	(108,197)
Exercise of share options	行使購股權	5,338	-	(2,652)	-	2,686
Final 2016 dividend paid	已付二零一六年末期股息	(64,603)	-	-	-	(64,603)
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	4,643	-	4,643
At 31 December 2017	於二零一七年十二月三十一日	1,148,599	337,830	29,892	(134,916)	1,381,405

31 December 2017
二零一七年十二月三十一日

45. Statement of Financial Position of the Company (continued)

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire.

46. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 28 March 2018.

45. 本公司之財務狀況表 (續)

購股權儲備包括已授出而未行使的購股權的公允價值，有關詳情於財務報表附註2.4有關以股份為基礎的付款的會計政策中進一步解釋。該金額在有關購股權獲行使時會轉撥至股份溢價賬或在有關購股權屆滿時轉撥至保留溢利。

46. 批准財務報表

該等財務報表已於二零一八年三月二十八日獲董事會批准並授權刊發。

Five Year Financial Summary

五年財務摘要



A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements is set out below:

摘錄自己刊印經審核財務報表的本集團於過往五個財政年度的業績及資產、負債及非控股權益概要載列如下：

		Year ended 31 December 截至十二月三十一日止年度				
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
RESULTS	業績					
REVENUE	收益	9,465,444	6,262,870	4,330,893	4,248,351	3,646,874
Cost of sales	銷售成本	(8,302,904)	(5,237,286)	(3,561,184)	(3,531,691)	(3,063,671)
Gross profit	毛利	1,162,540	1,025,584	769,709	716,660	583,203
Other income and gains	其他收入及收益	101,744	65,752	70,567	75,644	102,139
Selling and distribution expenses	銷售及分銷開支	(367,199)	(296,682)	(216,466)	(202,255)	(168,595)
Administrative expenses	行政開支	(260,742)	(224,567)	(216,802)	(220,072)	(240,521)
Research and development costs	研發成本	(143,084)	(101,865)	(84,859)	(154,430)	(125,006)
Reversal/(recognition) of impairment losses due to suspension of Zhaoqing Leoch Battery Technology Co., Ltd. ("Zhaoqing Leoch")	由於肇慶理士電源技術有限公司(「肇慶理士」)停產而撥回/(確認)的減值虧損	-	-	-	58,809	(168,049)
Other expenses	其他開支	(34,639)	(75,824)	(75,568)	(50,093)	(5,646)
Finance costs	財務成本	(151,788)	(108,931)	(104,673)	(108,505)	(98,813)
Share of profit and loss of a joint venture and an associate	應佔一間合營企業及聯營公司的溢利及虧損	-	(2,931)	(7,352)	(3,894)	394
PROFIT/(LOSS) BEFORE TAX	稅前溢利/(虧損)	306,832	280,536	134,556	111,864	(120,894)
Income tax expense	所得稅開支	(35,352)	(48,749)	(28,251)	(30,073)	(8,395)
PROFIT/(LOSS) FOR THE YEAR	本年度溢利/(虧損)	271,480	231,787	106,305	81,791	(129,289)
Profit/(loss) for the year attributable to:	以下人士應佔本年度溢利/(虧損):					
Owners of the parent	母公司擁有人	242,885	241,898	106,579	81,791	(129,289)
Non-controlling interests	非控股權益	28,595	(10,111)	(274)	-	-
		271,480	231,787	106,305	81,791	(129,289)

Assets, Liabilities and
Non-Controlling Interests

資產、負債及非控股權益

		As at 31 December 於十二月三十一日				
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
TOTAL ASSETS	資產總值	8,625,282	6,873,302	5,733,508	5,260,686	5,006,006
TOTAL LIABILITIES	負債總額	(5,578,594)	(4,115,373)	(3,287,926)	(2,930,010)	(2,795,705)
NON-CONTROLLING INTERESTS	非控股權益	(170,078)	(60,041)	(5,994)	-	-
		2,876,610	2,697,888	2,439,588	2,330,676	2,210,301

理士国际——

保持可靠与创新的电力供应



理士國際技術有限公司

LEOCH INTERNATIONAL TECHNOLOGY LIMITED

Unit C,33/F,TML Tower, No.3 Hoi Shing Road,
Tsuen Wan ,New Territories ,Hong Kong

Tel:+852 3578 6666 Fax:+852 2117 0016

www.leoch.com