



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

(Incorporated in the Cayman Islands with limited liability)

Stock Code 股票代號:842

Annual Report 2021 年報



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	40
Corporate Governance Report	企業管治報告	61
Independent Auditor's Report	獨立核數師報告	81
Consolidated Statement of Profit or Loss	綜合損益表	90
Consolidated Statement of Comprehensive Income	綜合全面收益表	91
Consolidated Statement of Financial Position	綜合財務狀況表	93
Consolidated Statement of Changes in Equity	綜合權益變動表	95
Consolidated Statement of Cash Flows	綜合現金流量表	97
Notes to the Financial Statements	財務報表附註	100
Five Year Financial Summary	五年財務摘要	287

Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

Dr. DONG Li (*Chairman*)
Ms. YIN Haiyan (*Chief Executive Officer*)

Independent Non-Executive Directors

Mr. CAO Yixiong Alan
Mr. LAU Chi Kit
Dr. NAN Xinsheng (resigned on 1 January 2022)
Mr. LU Zhiqiang (appointed on 21 March 2022)

BOARD COMMITTEES

Audit Committee

Mr. CAO Yixiong Alan (*Chairman*)
Mr. LAU Chi Kit
Dr. NAN Xinsheng (resigned on 1 January 2022)
Mr. LU Zhiqiang (appointed on 21 March 2022)

Remuneration Committee

Mr. LAU Chi Kit (*Chairman*)
Dr. DONG Li
Mr. CAO Yixiong Alan

Nomination Committee

Dr. DONG Li (*Chairman*)
Mr. LAU Chi Kit
Dr. NAN Xinsheng (resigned on 1 January 2022)
Mr. LU Zhiqiang (appointed on 21 March 2022)

Company Secretary

Mr. CHOW Kam Keung, Albert

董事會

執行董事

董李博士 (*主席*)
印海燕女士 (*行政總裁*)

獨立非執行董事

曹亦雄先生
劉智傑先生
南新生博士 (於二零二二年一月一日辭任)
盧志強先生 (於二零二二年三月二十一日委任)

董事會委員會

審核委員會

曹亦雄先生 (*主席*)
劉智傑先生
南新生博士 (於二零二二年一月一日辭任)
盧志強先生 (於二零二二年三月二十一日委任)

薪酬委員會

劉智傑先生 (*主席*)
董李博士
曹亦雄先生

提名委員會

董李博士 (*主席*)
劉智傑先生
南新生博士 (於二零二二年一月一日辭任)
盧志強先生 (於二零二二年三月二十一日委任)

公司秘書

周錦強先生

AUTHORISED REPRESENTATIVES

Dr. 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

18/F., Building 1, Huide Building
Beizhan Community, Minzhi Street
Longhua District
Shenzhen, PRC

COMPANY'S WEBSITE

www.leoch.com

STOCK CODE

842

授權代表

董李博士
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
TML廣場
33樓C室

中國總部

中國深圳市
龍華區
民治街道北站社區
滙德大廈1號樓18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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China
China CITIC Bank International Limited
Rural Commercial Bank
Hang Seng Bank Limited
Industrial and Commercial Bank of China
CTBC Bank Co., Limited
China Construction Bank Corporation

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

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
54樓

主要往來銀行

香港上海滙豐銀行有限公司
中國銀行
中信銀行(國際)有限公司
農村商業銀行
恒生銀行有限公司
中國工商銀行
中國信託商業銀行股份有限公司
中國建設銀行

Financial Highlights

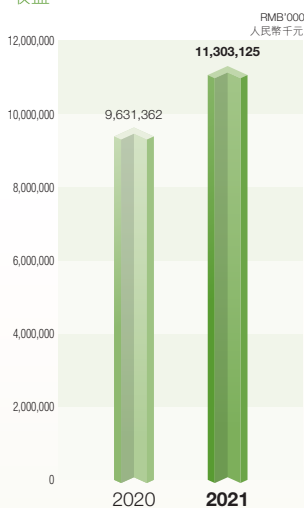
財務摘要

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

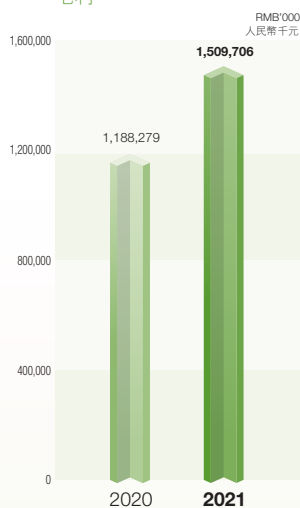
理士國際技術有限公司(「本公司»)及其附屬公司(統稱為「本集團»)欣然宣佈下列財務摘要：

		Year ended 31 December 截至十二月三十一日止年度		
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	Change 變動
Revenue	收益	11,303,125	9,631,362	+17.4%
Gross profit	毛利	1,509,706	1,188,279	+27.0%
Profit for the year	本年度溢利	166,729	137,964	+20.8%
Profit attributable to owners of the parent	母公司擁有人應佔溢利	136,126	123,732	+10.0%
Basic earnings per share, in RMB	每股基本盈利 (人民幣元)	0.10	0.09	

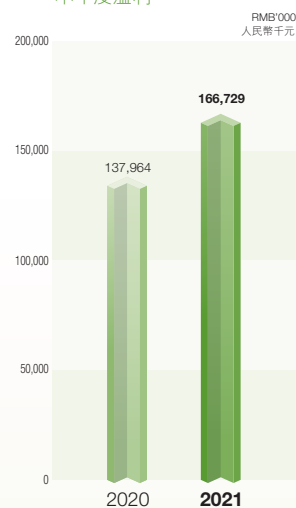
Revenue
收益



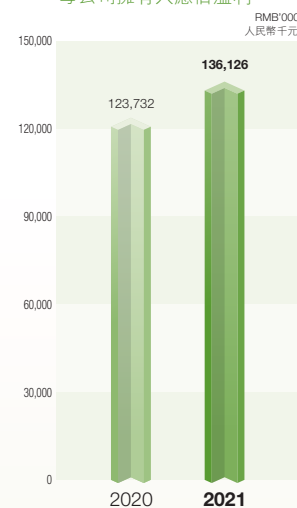
Gross profit
毛利



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 2021 (the “**Period**”), the Group’s audited profit attributable to owners of the parent amounted to approximately RMB136.1 million.

Basic earnings per share was RMB0.10 (2020: RMB0.09), the calculation of such basic earnings per share amount is based on the profit for the year attributable to owners of the parent and the weighted average number of ordinary shares of 1,357,821,402 (2020: 1,357,594,679) in issue during the year.

The board of directors (the “**Board**”) of the Company does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil). The Company had not declared and paid any interim dividend or special dividend during the year ended 31 December 2021.

The register of members of the Company will be closed from Wednesday, 25 May 2022 to Monday, 30 May 2022 (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 Tuesday, 24 May 2022.

Tricor Investor Services Limited
Address: Level 54, Hopewell Centre,
183 Queen’s Road East, Hong Kong

本集團截至二零二一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136.1百萬元。

每股基本盈利為人民幣0.10元（二零二零年：人民幣0.09元），該每股基本盈利金額乃按母公司擁有人應佔本年度溢利及年內已發行普通股加權平均數1,357,821,402股（二零二零年：1,357,594,679股）股份為基準計算。

本公司董事會（「**董事會**」）不建議派付截至二零二一年十二月三十一日止年度的末期股息（二零二零年：無）。截至二零二一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，本公司將於二零二二年五月二十五日（星期三）至二零二二年五月三十日（星期一）（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二零二二年五月二十四日（星期二）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54樓

Chairman's Statement 主席報告

WORDS FROM THE CHAIRMAN

On behalf of the board of directors (the “**Board**”) of Leoch International Technology Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”), I hereby present the Group’s audited annual results for the year ended 31 December 2021 (the “**Period**”) for shareholders’ review.

2021 Review

While the China economic growth slowed down during the last quarter of 2021 due to multiple COVID outbreaks, power shortages, and a regulatory crackdown in certain sectors, the overall economic recovery was stable resulting in a full-year GDP growth of 8.1 percent in 2021. The country’s total GDP in 2021 reached RMB114.37 trillion (USD18 trillion), according to data released by the National Bureau of Statistics. Economic data showed that China’s economy was mainly driven by strong industrial output and exports. In 2021, the two-year average growth of industrial output exceeded the pre-COVID-19 level in 2019 and the year-on-year growth rate of exports in dollar terms hit the highest level since 2011. However, the two-year average growth of services, consumption, and investment all failed to return back to the pre-pandemic trajectory, which dragged down the wider economic performance.

With 85% production capacity located in China, our Group’s manufacturing plants were running smoothly and efficiently to support the rapid increasing demand from our overseas customers when local demand in the PRC was slowing down after a big rebound in 2020.

主席致辭

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**」）提呈本集團截至二零二一年十二月三十一日止年度（「**期內**」）的經審核全年業績，請各位股東省覽。

二零二一年回顧

2021年第四季度，由於多起新冠肺炎疫情爆發、電力短缺及若干行業承受的監管打擊，中國經濟增長放緩，但整體經濟復甦平穩，2021年全年GDP增長達8.1%。根據國家統計局公佈的數據，2021年全國GDP總額達人民幣114.37萬億元（18萬億美元）。經濟數據顯示，中國經濟主要由強勁的工業產出及出口驅動。2021年，工業產出兩年平均增速超過2019年的疫情前水平，出口以美元計同比增速創2011年以來的最高水平。然而，服務、消費及投資的兩年平均增速均未能回到疫情前的軌道，從而在更大範圍上拉低了經濟表現。

在2020年大幅反彈後中國本地需求放緩之際，本集團的製造工廠憑藉85%產能位於中國這一優勢平穩高效地運行，有效支撐了海外客戶快速增長的需求。

Chairman's Statement 主席報告

The global economy staged a strong recovery in 2021 after a deep contraction in 2020. This was aided by robust fiscal stimulus measures, dovish monetary policy and a nearly 50% full vaccination rate. In contrast to that in advanced economies, output in emerging market and developing economies (EMDEs) remained substantially below the pre-pandemic trend due to Omicron outbreaks. Supply chain disruption causing more reliance on China's export resulted in surging exporting ODM business and the Group experienced solid recovery of overseas 5G battery business as well. Accordingly, our business in the EMEA and Americas regions enjoyed more than 36% and 50% year-to-year growth rate respectively during the Period except for Asia-pacific (other than PRC) where most of the EMDEs were still struggling. Nevertheless, all three categories of battery business continue enjoyed growth in various degrees.

During the Period, the Group continued pulling in resources and working on new models of lead-acid and lithium-ion batteries. Production volume of the Group was stable in the PRC but there was small interruption during the lockdown period in Vietnam. However, our overseas business was not affected due to the strong support by our PRC factories. Resources for production capacity will be more concentrated in the PRC in the near future.

PROSPECT & CHALLENGES

The global outlook is clouded by various downside risks, including renewed COVID-19 outbreaks due to Omicron or new virus variants, the possibility of de-anchored inflation expectations, and financial stress in a context of record-high debt levels as well as the war in Ukraine with unpredictable chain effect politically and economically. Although recovery is set to continue into 2022, geopolitical tensions, high inflationary pressures, supply-chain disruptions, and a projected tightening of global financial conditions stand to undermine global GDP growth in 2022. The Group prudently believes that our overseas business will be sustained and the growth momentum can continue. We will pay extra attention to the changing business environment and revise our strategies as and when situation calls for.

全球經濟在2020年大幅收縮後於2021年強勢復甦。此乃得益於強有力的財政刺激措施、溫和的貨幣政策和近50%的疫苗全面接種率。與發達經濟體相比，新興市場及發展中經濟體(EMDE)的產出由於Omicron爆發仍大大低於疫情前的趨勢。供應鏈中斷導致對中國出口的依賴增加，造成出口ODM業務激增，本集團海外5G電池業務亦開始穩健復甦。因此，於本期間，我們在EMEA地區(歐洲、中東及非洲地區)和美洲地區的業務在本期間分別實現了超過36%和50%的同比增長率，惟亞太地區(不含中國)除外。此中大多數新興市場及發展中經濟體仍步履維艱。儘管如此，所有三類電池業務均保持不同程度的增長。

於期內，本集團繼續整合資源，研發新型號的鉛酸及鋰離子電池。本集團在中國的產量穩定，但在越南於封鎖期間出現小幅中斷。然而，由於中國工廠的有力支持，我們的海外業務並未受到影響。在不久的將來，產能資源在中國的集中度將進一步提升。

前景與挑戰

全球前景因各種下行風險而蒙上陰影，包括由於Omicron或新病毒變種導致新冠肺炎再度爆發、通脹預期脫錨的可能性以及在創紀錄的債務水平和烏克蘭戰爭政治經濟上不可預測的連鎖反應的背景下面臨的金融壓力。儘管2022年復甦仍在繼續，但地緣政治的緊張局勢、高通脹壓力、供應鏈中斷以及全球金融狀況的預計緊縮，都將損害2022年全球的GDP增長。本集團謹慎認為，我們的海外業務將會持續，且將繼續維持增長勢頭。我們將特別關注不斷變化的商業環境，並在形勢需要時修改我們的策略。

An economist at Peking University believes China has three favorable conditions to prop up growth in 2022 – China has a full-blown digital economy; its central government wields a powerful fiscal tool and holds effective international policy, such as the Belt and Road Initiative which stood to test during 2021. China's economic outlook for 2022 is predicted to be relatively bright with GDP growth forecast at over 5 percent – higher than the global average. However, sustained pressure from COVID-19 outbreaks and supply chain bottlenecks will continue to have an impact. To counter the economic pressures, China will place particular importance on economic stability and recovery, adopting fiscal and monetary policies to spur growth in strategic portions of the economy. China is also expected to continue its 'zero-COVID' strategy in 2022, with quarantine-free travel to the country unlikely. Despite the relative economic slowdown and closed borders, international trade is reaching record highs, and foreign companies maintain an optimistic outlook.

2022 marks the second year of the country's 14th Five-Year Plan (2021-25). As mentioned in last year, China's economy might witness major improvements in the next five years, as reforms for sustainable development are underway based on the outline of the 14th Five-Year Plan and the long-range objectives through 2035. China is developing strategic technologies and digital infrastructure (including a cryptocurrency) and policies will be implemented to accelerate 5G, big data, and artificial intelligence integration in advanced manufacturing clusters within various industries from which reserve power battery manufacturer will be benefited. The Group will continue allocating resources in relevant technology and products development that can secure our continuous growth and seize any opportunity arising from this fast-evolving and important market.

The Group believes that with supportive global initiatives to eliminate carbon emissions and promote renewable sources, demand for different kinds of battery in near future will push up. The decreasing cost of solar PV equipment and increasing utilization of off-grid solar projects provide great opportunities for battery market.

一名北京大學的經濟學家認為，中國2022年有三大可支撐增長的有利條件—中國擁有成熟的數字經濟；中國中央政府掌握的強大財政工具和其有效的國際政策，例如在2021年經受住考驗的「一帶一路」倡議。預計中國2022年的經濟前景相對光明，GDP增長有望超過5%—高於全球平均水平。然而，來自新冠肺炎爆發及供應鏈瓶頸的持續壓力將持續產生影響。為應對經濟壓力，中國將特別重視經濟穩定及復甦，並採取財政及貨幣政策以在戰略性方面刺激經濟增長。預計中國還將在2022年繼續其「病毒清零」策略，前往中國旅行不太可能豁免檢疫措施。儘管經濟相對放緩且邊境封閉，但國際貿易仍創歷史新高，外國公司仍保持樂觀前景。

2022年為國家十四五規劃（2021-25）的第二年。正如去年所說，由於根據《第十四個五年規劃和2035年遠景目標綱要》正進行可持續發展改革，中國的經濟可於未來五年大幅改善。中國正在開發策略性科技及數碼基礎設施（包括加密貨幣），並將落實政策加快各行業內先進製造業區塊的5G、大數據及人工智能整合，備用電池製造商將從中受惠。本集團將繼續在相關技術和產品開發上配置資源，以確保我們的持續增長，並抓住這個快速發展的重要市場所帶來的任何機遇。

本集團相信，在消除碳排放及推廣可再生能源這一全球倡議的支持下，近期對不同種類電池的需求將會強勢上漲。太陽能光伏設備成本的下降和離網太陽能項目使用率的提高為電池市場提供了巨大的機遇。

COMMITMENT & ACKNOWLEDGEMENT

Our aim is to provide customers with products of competitive prices, reliable quality, timely delivery and comprehensive services. Efforts have been recognised and reflected in our sales growth over the last decade. As usual and consistent with before, we will continue to promote our corporate image, and to increase our customer's satisfactory level to further enhance and solidify our world-class status.

In the coming years, we will continue to focus on and invest in relevant technology and products while increasing production capacity and flexibility to cater for the ever-changing and upgrading of client's demand from time to time.

On behalf of the Board of Directors, I would like to thank our shareholders, customers, suppliers and business partners for their long-term support and trust. I also wish to express my deep appreciation to our management team and our staff members for their diligent work, and members of the Board of Directors for their significant contributions. We will continue to work diligently with dedicated efforts in the international battery platform; in heydays as in challenging moments.

承諾與致謝

我們對客戶以價格合理、質量可靠、供貨及時、服務周到為經營宗旨。過去十年，這些努力已獲得認可，這已反映在我們的銷售增長情況。一如既往，我們會繼續提升我們的企業形象及提高客戶滿意度，以進一步增強及鞏固我們世界級的地位。

未來，我們將繼續專注並投資相關技術及產品，同時提高產能及靈活性，以不時滿足客戶不斷變化及升級的需求。

本人謹代表董事會感謝各位股東、客戶、供應商及業務夥伴長期以來的支持和信任，同時對我們的管理團隊及員工的勤奮工作以及董事會成員的重大貢獻深表謝意。我們將繼續在國際電池平台上竭盡全力，不論是處於繁盛時期還是面臨挑戰時期均將如此。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW

For the year ended 31 December 2021 (the “**Period**”), the Group’s revenue amounted to RMB11,303.1 million, representing an increase of 17.4% from RMB9,631.4 million for the corresponding period in 2020.

During the Period, revenue from batteries (and related items) business amounted to RMB9,249.2 million, representing an increase of 11.1% from RMB8,324.2 million for the corresponding period in 2020. The increase in revenue from batteries was mainly contributed by the 27.3% growth rate in the overseas market while the growth in revenue of the PRC market was 0.4%. The volume delivered in terms of ton was around 4.3% higher than the corresponding period last year and mainly contributed by the overseas business. This reflected that the per ton selling price had increased during the Period due to higher material cost and soaring logistic cost in 2021. Revenue from recycled lead business amounted to RMB2,053.9 million, representing an increase of approximately 57.1% from RMB1,307.1 million for the corresponding period in 2020.

Compared to 2020, export from the PRC was booming having benefited from continuing increase in overseas demand at the time when global production capacity was struggling during the COVID pandemic. By contrast, the growth in the PRC market slowed down after high rebounding rate in 2019. The effect of stringent pandemic control and unclear market outlook resulted in more prudent business behaviors. As a result, the Group’s export sales raised while growth in the PRC domestic market was flat. Nevertheless, all three categories of battery business continued enjoying growth in various degree.

業務回顧

截至二零二一年十二月三十一日止年度（「**期內**」），本集團的收益達人民幣11,303.1百萬元，較二零二零年同期的人民幣9,631.4百萬元增加17.4%。

於期內，來自電池及其他相關產品業務的收益達人民幣9,249.2百萬元，較二零二零年同期的人民幣8,324.2百萬元增加11.1%。來自電池的收益增加主要歸功於27.3%的海外市場增長率，而中國市場收益增長為0.4%。付運量（以噸計）較去年同期提升接近4.3%，主要歸功於海外業務。這反映由於二零二一年材料成本增加及物流成本飆升，期內每噸銷售價格有所上漲。回收鉛業務收益為人民幣2,053.9百萬元，較二零二零年同期的人民幣1,307.1百萬元增加約57.1%。

與二零二零年相比，在全球產能於新冠肺炎疫情期間舉步維艱的情況下，受益於海外需求持續增長，中國出口蓬勃發展。相比之下，中國市場繼二零一九年強勁反彈後增速放緩。受嚴厲疫情管控及不明市場前景的影響，商業活動更為審慎。因此，本集團的出口銷售額上升，而中國國內市場的增長持平。然而，所有三個類別的電池業務繼續獲得不同程度增長。

Reserve power batteries

The Group's sales of reserve power batteries during the Period amounted to RMB4,758.9 million (2020: RMB4,187.1 million), representing an increase of 13.7% as compared to the same period of last year. This accounted for approximately 51.5% of the total revenue from batteries sales for the Period as compared to 50.3% in 2020. The increment in sales revenue of reserve power batteries amounted to RMB571.8 million (2020: RMB274.0 million increment) during the Period.

Benefiting from the recovery of our brand in overseas 5G business and the strong ODM export, the high growth rate overcame the sluggish performance in the PRC market, allowing the Group's reserve power battery business to grow. Although the PRC reserve power battery business did not make any growth contribution in 2021, the huge resources the Group deployed in the PRC on marketing and research and development for new 5G product including lithium-ion battery will definitely be able to capture opportunities from the rising 5G life cycle in 2022 and onward.

SLI batteries

Sales of SLI batteries for the Group during the Period amounted to RMB3,006.0 million (2020: RMB2,883.1 million), representing an increase of 4.3% as compared to the same period last year. This accounted for approximately 32.5% of the total revenue for the Period from batteries sales as compared to 34.6% in 2020. The increment in sales revenue of SLI batteries amounted to RMB122.9 million (2020: RMB412.6 million increment) during the Period.

備用電池

本集團期內的備用電池的銷售金額為人民幣4,758.9百萬元(二零二零年：人民幣4,187.1百萬元)，較去年同期增加13.7%。其佔期內電池銷售收益總額約51.5%，而二零二零年則佔50.3%。期內，備用電池的銷售收益增加人民幣571.8百萬元(二零二零年：增加人民幣274.0百萬元)。

受惠於我們品牌於海外5G業務的復甦以及強勁的ODM出口，海外業務的高增長率彌補了中國市場的低迷表現，令本集團備用電池業務有所增長。雖然中國備用電池業務於二零二一年並無任何增長貢獻，但本集團在中國部署了大量資源進行新5G產品的營銷及研發，包括鋰離子電池，此舉必將能夠於二零二二年及以後把握5G生命週期所帶來的機遇。

起動電池

本集團於期內的起動電池銷售額為人民幣3,006.0百萬元(二零二零年：人民幣2,883.1百萬元)，較去年同期增加4.3%。其佔期內電池銷售收益總額約32.5%，而二零二零年則佔34.6%。期內，起動電池的銷售收益增加人民幣122.9百萬元(二零二零年：增加人民幣412.6百萬元)。

Similar to the demand for the Group's Reserve Power Batteries, export of the Group's SLI batteries outperformed the Group's PRC domestic SLI business in 2021. In order to enlarge our market share in the PRC market, more resources shall be deployed to capture the opportunity in the era of autonomous driving of smart cars. Being one of the major suppliers of domestic new energy automobile lead-acid batteries, the Group has confidence to further extend our customer bases and improve our ranking and status in the future.

Motive power batteries

During the Period, motive power batteries business (which includes but not limited to applications in electric vehicles, electric forklifts and other battery-driven products) of the Group recorded sales revenue of RMB1,223.1 million (2020: RMB1,114.6 million), representing an increase of 9.7% as compared to last year. This accounted for approximately 13.2% of the total revenue from batteries sales for the Period as compared to 13.4% in 2020. The increment in sales revenue of motive power batteries amounted to RMB108.5 million (2020: RMB280.7 million increment) during the Period.

After accomplished a high growth rate in the PRC during 2020, the enlarged base created a bottle neck in sustaining high growth. Supplemented by enlarged export in 2020, the Group managed to maintain growth. The Group will continue deploying enough resources in the development of various battery including lithium models aiming at enlarging applications and market share.

與本集團備用電池的需求相似，二零二一年本集團起動電池出口表現優於本集團中國國內起動電池業務。為擴大我們於中國市場的市場份額，將部署更多資源以把握智能汽車自動駕駛時代的機遇。作為國內新能源汽車鉛酸蓄電池的主要供應商之一，本集團有信心日後進一步擴大我們的客戶基礎，並提升我們的排名及地位。

動力電池

期內，本集團動力電池業務（包括但不限於電動車、電動叉車及其他電池動力產品的應用）錄得銷售收益人民幣1,223.1百萬元（二零二零年：人民幣1,114.6百萬元），較去年增加9.7%。其佔期內電池銷售收益總額約13.2%，而二零二零年則佔13.4%。期內，動力電池銷售收益增加人民幣108.5百萬元（二零二零年：增加人民幣280.7百萬元）。

繼動力電池業務於二零二零年在中國取得高增長後，高企的基數令維持高增長難以為繼。受益於二零二零年出口擴大，本集團成功維持增長。本集團將繼續部署充足的資源開發各類電池（包括鋰型號），致力於擴大應用及提升市場份額。

Recycled lead

Revenue from the sales of recycled lead products amounted to RMB2,053.9 million (2020: RMB1,307.1 million) during the Period, representing an increase of 57.1% as compared to last year. After resumption of full operation in May 2020, production capacity was fully occupied in 2021. Sales to thirds parties reflected the current potential that the plant can contribute to the Group's revenue.

Sales network

The Group maintained to distribute its products to more than 100 countries and regions across the World and has established regional sales offices in Beijing, Shenzhen, Zhaoqing, Nanjing, Hong Kong, Singapore, Malaysia, Australia and other ASEAN countries, India, Sri Lanka, USA and the EU, and United Kingdom. Together with the domestic sales centers in the PRC, the Group has more than 80 sales offices and centers around the world. As at 31 December 2021, the Group has over 700 dedicated sales and marketing and related supporting employees.

Research and development ("R&D")

During the Period, the Group continued working on new models of lead-acid and lithium-ion batteries and rolling out new products tailor-made for applications in each of the network power and motive market segments. New models of battery catering for the era of autonomous driving of smart cars were among these R&D projects. The Group worked closely with international and domestic battery experts and research institutions to perform research on new technologies and develop new products. Resource was pulled in and will continue on boosting model yield and increasing overall running efficiency in view of achieving higher cost competitiveness. As at 31 December 2021, our battery R&D team of the Group consists of more than 350 researchers and related development & sampling technicians.

回收鉛

期內，銷售回收鉛產品所得收益為人民幣2,053.9百萬元（二零二零年：人民幣1,307.1百萬元），較去年增加57.1%。於二零二零年五月全面恢復營運後，二零二一年的產能已經排滿。向第三方的銷售反映了該工廠目前可為本集團收益作出貢獻的潛力。

銷售網絡

本集團維持在全球100多個國家及地區分銷其產品並已分別於北京、深圳、肇慶、南京、香港、新加坡、馬來西亞、澳洲及東盟其他國家、印度、斯里蘭卡、美國及歐盟以及英國設立區域銷售辦事處。連同在中國設有的國內銷售中心，本集團於全球擁有超逾80個銷售辦事處及中心。於二零二一年十二月三十一日，本集團擁有逾700名人員，專責進行銷售、營銷及相關支援工作。

研究及開發（「研發」）

期內，本集團繼續研發新型號鉛酸蓄電池及鋰離子電池，並推出為網絡能源及動力各細分市場應用而設的定制新產品。專為智能汽車自動駕駛時代而設的新型號電池也在這些研發項目中。本集團繼續與國際及國內電池專家及研究機構緊密合作研發新技術及開發新產品。本集團已作出資源投入，並將繼續提高各型號的產量及提升整體運行效率，以取得更高的成本競爭力。於二零二一年十二月三十一日，本集團的電池研發團隊由超過350名研發人員及相關開發及取樣技術人員組成。

Production Base

Vietnam was largely successful in containing new coronavirus infections until spring 2021, when the Delta variant started to spread. The introduction of factory quarantine significantly affected our Vietnam factories' labor supply since large number of workers resigned resulting labor force reduced to less than 20% and affected our normal production in the first half of 2021. Production was gradually ramped up when more workers returned in the third quarter of 2021 after the spread was under control and government tried to strike a balance between fighting the pandemic and battling to get its economy back on track. Eventually, our Vietnam factories, which accounted for 8% of the Group's total production capacity in 2021, overall annual average utilization ratio maintained at low 70% level. With 85% of our production capacity based in China, our overseas business was not affected due to the strong support by our PRC factories in 2021.

Although there was no aggressive expansion in production capacity for lead-acid batteries in 2021, we are gradually expanding lithium-ion batteries production capacity according to our strategic plan. We believe our preparation will start to provide fruitful return starting 2022. Resources for production capacity will be mostly concentrated in the PRC in the near future.

As mentioned earlier under the paragraph "Recycled Lead", recycling plant production capacity was fully utilized under the allowed production capacity of 200,000 tons in 2021.

生產基地

越南已基本成功遏制新型冠狀病毒感染，直至二零二一年春季德爾塔變異開始傳播為止。工廠檢疫的實行嚴重影響我們越南工廠的勞動力供應，因為大量工人辭職，導致勞動力減少至不足20%，從而影響了我們於二零二一年上半年的正常生產。於二零二一年第三季度，在疫情得到控制，及政府盡力平衡抗擊疫情及爭取經濟重回正軌後，更多的工人返回，生產逐步爬坡。最終，我們的越南工廠（佔本集團二零二一年總產能的8%）的整體年平均利用率維持於70%的低水準。由於我們85%的產能位於中國，且受到我們中國工廠的強力支援，因此我們的海外業務於二零二一年並無受到影響。

雖然我們於二零二一年並無積極擴大鉛酸蓄電池的產能，但根據我們的戰略計劃正逐步擴大鋰離子電池產能。我們相信，從二零二二年開始，我們的籌備工作將會開花結果，取得豐厚回報。於不久的將來，產能資源將主要集中於中國。

誠如前述「回收鉛」一段所載，於二零二一年，回收廠的生產能力已達到最大允許的200,000噸產能。

Trend of lead price

Lead is the main raw material of lead-acid batteries and accounts for a major part of the product cost for the Group's battery production. According to Shanghai Metals Market ("SMM"), the monthly average lead price per ton fluctuated within the range of RMB14,651 to RMB15,591 during the Period, representing a change within the range of 0.4% to 6.0% as compared with SMM monthly average of RMB14,710 per ton in December 2020.

The monthly average SMM lead price per ton from January to June 2021 was RMB15,117, increased by 2.8% as compared with SMM monthly average in December 2020, reflected increasing demand for domestic and export battery products in the PRC. The monthly average SMM lead price per ton from July to December 2021 was RMB15,224, increased by 3.5% as compared with SMM monthly average in December 2020, reflected that the pace of increasing demand has slowed down due to various reasons including traffic jam in global logistic jam overseas and temporary electricity supply shortage during the last quarter of 2021 in China.

To cope with the potential pricing risk associated with the fluctuation in future lead price, the Group has adopted a price-linked pricing mechanism to minimise lead price fluctuation exposure. In addition, the Group's centralised procurement of raw materials enables it to trim down costs of raw materials through favorable negotiations on bulk purchase contracts.

鉛價走勢

鉛為鉛酸蓄電池的主要原材料，並佔本集團電池生產業務產品成本的主要部分。根據上海有色網（「上海有色網」）的數據，期內的每噸月平均鉛價於介乎人民幣14,651元至人民幣15,591元的範圍內波動，與二零二零年十二月的上海有色網每噸月平均價人民幣14,710元相比，變動範圍介乎-0.4%至6.0%之間。

二零二一年一月至六月的上海有色網每噸月平均鉛價為人民幣15,117元，較二零二零年十二月的上海有色網月平均價上漲2.8%，反映了因中國國內及出口電池產品需求的增長。二零二一年七月至十二月的上海有色網每噸月平均鉛價為人民幣15,224元，較二零二零年十二月的上海有色網月平均價上漲3.5%，反映了需求增長的步伐由於各種原因已經放緩，包括全球物流堵塞及中國二零二一年最後一個季度電力供應暫時出現短缺。

為應對與日後鉛價波動有關的潛在價格風險，本集團已採納價格聯動定價機制以減少鉛價波動風險。此外，本集團採用集中式原材料採購，有助透過就批量採購合約進行有利條款磋商來降低原材料成本。

Future Prospects

According to the National Bureau of Statistics, China's gross domestic product (GDP) grew by 8.1% in 2021, the largest jump since 2011. On the other hand, the rebound in global activity, together with supply disruptions and higher food and energy prices have pushed up inflation across many countries. China's effective outbreak prevention and control work enabled it to maintain the stable operation of industrial chains attributing China's strong export growth to efficient factory output. The global dependence on Chinese production continued to increase and the trend is expected to continue in 2022. However, a lower GDP target 5.5% set by China government, a thirty-year low, implies a weaker economy expectation reflecting more unstable factors in 2022.

The continuing disruption caused by COVID-19, as well as supply bottlenecks contribute to the expectation that global growth will decelerate markedly in 2022, from 5.5% to 4.1%, according to the World Bank. Output and investment in advanced economies are projected to return to pre-pandemic trends in 2022 but remain below in emerging markets and developing economies. This prediction was arrived before the war in Ukraine broke out. According to an assessment by United Nation Conference on Trade and Development (UNCTAD), rising food, fuel and fertilizer prices rapidly worsening outlook for the world economy.

Compared to the economic outlook of the rest of the world, China is still in a relatively strong position. Its success in containing the COVID-19 pandemic and stimulating productivity has allowed a relatively normal pace of work and life in the country, and its forecast GDP growth for 2022 is expected to exceed the world average. The Group believes that opportunities and challenges are intertwined in 2022 but opportunities are dominant especially in China. We will pay extra attention to the changing macro and micro situations and revise our strategies as and when situation calls for.

未來前景

根據國家統計局的統計數字，中國國內生產總值 (GDP) 於二零二一年上升8.1%，為自二零一一年以來最大幅的跳升。另外，全球活動回升，加上供應中斷以及食品及能源價格上漲，推高了多個國家的通脹情況。有賴中國有效的疫情防控工作，其工業鏈維持穩定營運，為中國強勁的出口增長帶來高效產出。全球對中國生產的依賴持續增加，預期此趨勢於二零二二年會延續下去。然而，中國政府調低GDP目標至5.5%（創30年來新低），意味著較弱的經濟預期，反映二零二二年更多的不穩定因素。

世界銀行指出，在新冠肺炎的持續干擾和供應遇上瓶頸的情況下，預期二零二二年全球增長將顯著放緩，由5.5%降至4.1%。於二零二二年，先進經濟體之產出及投資預計將回復至疫情前態勢，惟新興市場及發展中經濟體仍維持低位。該預測乃於烏克蘭戰爭爆發前作出。聯合國貿易和發展會議的一份評估指出，糧食、燃料和肥料價格上升令全球經濟前景加速惡化。

與世界各國的經濟前景相比，中國仍處於相對強勁的位置。其成功控制新冠肺炎疫情且刺激生產力，使國民工作和生活步伐相對正常，而其二零二二年GDP增長預測預期超過世界平均水平。本集團認為二零二二年將會是機遇和挑戰相互交織的一年，惟中國尤其機遇處處。我們將密切留意不斷變化的宏觀及微觀經濟形勢，並於有需要的情況下修訂策略。

Management Discussion and Analysis 管理層討論及分析

5G & Reserve Power Products

In 2022, most important China's growth engines come from infrastructure. The government report emphasize that part of infrastructure projects will be used on "new infra", which covers digitalization of factory operations, full 5G coverage of the economy. In 2021, China has more than 1.42 million 5G base stations and government has set a goal to build more than 600,000 in 2022, an increase by 42%. China will ramp up 5G coverage for business areas, industrial parks, high-speed trains, transport hubs, shopping centers, and other crowded spaces. The country will heavily promote the innovative development of 5G applications and further advance the demonstration of '5G + industrial internet' scenarios besides '5G + medical health' and '5G + smart education'. With all these development in plan, China will work to ensure the number of 5G base stations tops 2 million.

To achieve the goal in stepping up industrial digitalization, data centers development is pivoted to be a national priority in 2022. Local governments in China are doubling down on plans to accelerate 5G rollout and more than 20 provincial and municipal governments has emphasized that great effort will be put in construction of "new infrastructure" like 5G and data centers in their 2022 work plans. City like Shanghai has push forward the in-depth coverage of the superfast wireless network and has ambitions to build super large computing power platforms to meet growing demand.

The Ministry of Industry and Information Technology revealed that 2022 is a critical year for the large-scale development of 5G applications. Improving 5G network coverage, accelerating the in-depth integration of 5G and vertical industries and moderately speed up the coverage of 5G in counties and rural towns are the goals. Ten ministries, including the Cyberspace Administration of China, recently unveiled a digital rural development action plan for the period from 2022 to 2025, which called for an intensified push to promote digital infrastructure upgrades in rural areas.

5G及備用電池產品

於二零二二年，中國增長的最主要動力來自基礎設施。政府報告強調數碼化帶領部分基礎設施項目使用於「新基礎設施」上，涵蓋於工廠營運數碼化及經濟體的5G全面覆蓋。於二零二一年，中國有超過1.42百萬個5G基站，而中國政府定下二零二二年興建超過600,000個基站的目標，為42%的增幅。中國將提升5G覆蓋至商業區、工業園、高速列車、交通樞紐、購物中心及其他擁擠空間。國家將大力宣傳5G應用的創新發展及進一步促進示範「5G+工業互聯網」場景以及「5G+醫療健康」和「5G+智能教育」。憑藉該等發展計劃，中國將致力確保5G基站數目達至2百萬個。

為達致提升工業數碼化的目標，數據中心開發成為二零二二年的國家優先項目。中國地區政府加大計劃力度以加速5G配置，而超過20個省市府強調會於其二零二二年工作計劃中，為建設5G及數據中心等之「新基礎設施」作出巨大努力。城市如上海已推出超速無線網絡的深度覆蓋，並決心興建超巨大計算能力的平台以迎合上升需求。

中華人民共和國工業和信息化部表明，二零二二年在5G應用的大規模發展上為關鍵之一。目標要改良5G網絡覆蓋、加速5G與垂直行業的深度整合及穩步加快縣和鄉鎮的5G覆蓋。十個部委（包括國家互聯網信息辦公室）近日發佈二零二二年至二零二五年期間進行的數字鄉村發展行動計劃，呼籲加強力度推廣鄉村地區基礎設施的數碼化升級。

As mentioned last year, the global market demand for lithium batteries used for communication base stations is estimated to reach 22.8GWh in 2020. The 5G construction will rapidly push up the demand for lithium batteries using in base stations from 2021 to 2025. It is estimated that the number of communication towers will increase to 13 million by 2025, the global market demand for lithium batteries for communication will reach 60GWh, and the market size will exceed RMB60 billion. We expect the demand for lithium iron phosphate batteries used in communications will continue to expand and the Group's lithium-ion battery plant will provide ground to capture new opportunity in this area.

Since 2020, the "fast forward button" for the new 5G infrastructure development has been pressed. To get prepared for this opportunity, the Group will continue pulling resources in the development of 5G lead-acid and lithium batteries for various applications. Our aggressive sales teams are working hard on expanding our market share in the PRC.

SLI batteries

In spite of industry-wide chip supply shortage and increasing price of raw material, China's new automobile production and sales managed to grow in 2021, ending three years of consecutive decrease, according to the China Association of Automobile Manufacturers (CAAM). In 2021, China produced 26.082 million vehicles, up by 3.4% year over year while the market sold 26.275 million vehicles, up by 3.8% from a year ago. For 2022, the association expects vehicle outputs and sales in the world's largest automobile market will be better than 2021. All of that said, then, the outlook for 2022 is – broadly speaking – one of continued industry recovery, at least in terms of underlying demand.

誠如於去年所述，全球市場對通訊基站所用鋰電池的需求估計於二零二零年達22.8千兆瓦時。5G建設將於二零二一年至二零二五年期間迅速推高對基站所用鋰電池的需求。估計通信塔的數量將於二零二五年增至1,300萬個，全球市場對通訊用鋰電池的需求將達60千兆瓦時，而市場規模將超過人民幣600億元。我們預期，對通訊用磷酸鐵鋰電池的需求將繼續膨脹，而本集團的鋰離子電池廠將為把握此領域的新機遇提供基礎。

自二零二零年起，全新5G基礎設施開發的「快進鍵」已經一觸即發。為迎接此次機遇，本集團將繼續在為各種應用程式開發5G鉛酸蓄電池及鋰電池方面投入資源。我們積極進取的銷售團隊正致力擴大我們於中國的市場份額。

起動電池

中國汽車工業協會指出，即使行業芯片供應短缺及原材料價格上升，中國新汽車產量及銷售於二零二一年取得增長，結束連續三年的下跌。於二零二一年，中國已生產26.082百萬輛汽車，同比增長3.4%，市場售出26.275百萬輛汽車，與去年相較增長3.8%。於二零二二年，該協會預期全球最大汽車市場的汽車產出及銷售將會比二零二一年多。縱觀以上，二零二二年的前景，概括來說，至少就潛在需求而言行業將得以持續復甦。

Management Discussion and Analysis 管理層討論及分析

Car sales in China in 2022 will see positive growth compared with 2021 as the global chip shortages will be solved. Chip shortages have cut vehicle production by over 1 million in China and over 11 million worldwide in 2021, according to statistics from AutoForecast Solutions. New energy vehicle segment (NEV), including battery electric vehicles, plug-in hybrid electric vehicles and fuel cell vehicles, will be the biggest bright spot in 2022. Besides traditional fossil fuel vehicles, our Group is one of the major suppliers of domestic new energy automobile brands such as BYD, Geely Auto, Nio, GWM, BAIO BJEV, Xpeng, ONE, Weltmeister etc. An auxiliary lead-acid battery is required in high-speed electric vehicles for low-voltage power supply. The Group will put enough resource to secure and expand our market share in China.

The auto industry is used to being demand-led, but supply-side issues will continue to shape the global market in 2022. Pressures from energy costs and inflationary sources are rising and will hit businesses and households in the first half. This could bring a slowing in demand even before chip supply is realigned. On the flip side, fiscal stimulus is still abundant in many economies and personal mobility needs are high. The Group has a very solid position in the PRC SLI battery market and export OEM market. Our professional and dedicated sales and marketing staff around the globe with support of our PRC R&D team will continue to extend our market share globally.

於二零二二年，由於全球芯片短缺問題將會解決，中國汽車規模相較於二零二一年將見樂觀增長。芯片短缺令中國車輛減產超過1百萬輛，全球減產超過11百萬輛。汽車行業數據預測公司指出，新能源汽車細分市場（包括純電動車輛、充電式混合動力車輛及燃料電池車輛）將是二零二二年最大亮點。除了傳統的化石燃料汽車外，本集團亦是國內新能源汽車品牌的主要供應商之一，包括比亞迪、吉利汽車、蔚來、長城汽車、北汽新能源、小鵬、理想汽車、威馬汽車等。高速電動汽車中需要輔助鉛酸蓄電池來提供低壓電源。本集團將投放足夠資源以確保及擴大我們在中國市場的份額。

汽車行業一向是需求主導的，惟供應面問題將繼續塑造二零二二年的全球市場。上半年，能源成本及資源通脹上升的壓力會對業務及家庭造成打擊，可能導致需求在芯片供應獲得重整之前就已放緩。不過，財政刺激在眾多經濟體系仍然充足，而個人流動需求亦大。本集團在中國起動電池市場及出口代工生產市場中佔據非常穩固的地位。我們遍佈全球專業和專責銷售及營銷的員工，在我們中國研發團隊的支持下，將繼續擴展我們在全球市場的份額。

Motive power batteries

In China, low-speed electric vehicles have shown a rapid development pattern along with the country's economic and social development. Leading manufacturers have all put forward multiplier growing plan which will drive the continuous development of the power battery industry. At present, the domestic market for low-speed electric vehicles, two-wheelers, and tricycles has reached more than 300 million units and the corresponding power battery market has reached more than RMB70 billion. It is expected that the market size will enjoy healthy growth rate in coming years.

The Group's motive power battery business unit always quickly responds and adapts to market changes. Compound average growth rate in the last two year was around 18% even under unstable economic environment around the world. We believe our high-end batteries and differentiated management strategy is the driving force to continuous future growth. The Group actively deploys lithium motive power battery projects and successively launched a number of models to the market. In 2021, we have continued deepening the franchise store model, optimizing the quality and quantity of agents, improving product turnover efficiency and sales scale of these sales channels and have paved a solid foundation for continuous growth.

動力電池

中國方面，伴隨著國家的經濟社會發展，低速電動汽車呈現出快速發展格局。領先的製造商均提出了倍數增長計劃，此將推進動力電池行業的持續發展。目前，國內低速電動汽車、兩輪車及三輪車市場已達超過3億台，而對應的動力電池市場已達人民幣700億元以上。預期未來數年的市場規模將呈現穩健增速。

本集團的動力電池業務單位向來迅速應對及適應市場變化。縱然面對全球不穩定的經濟環境，過去兩年的複合增長率約18%。我們認為，我們的高端電池及差異化管理策略是未來持續增長的驅動力。本集團積極部署鋰動力電池項目，並先後向市場推出多個型號。於二零二一年，我們已持續深化專營店模式，優化代理商的質量及數量，透過改善此等銷售渠道的產品周轉率及銷售規模，為可持續增長奠下堅實基礎。

Management Discussion and Analysis 管理層討論及分析

International Market

The Group accelerated its growth overseas in 2021. In the Middle East and Africa market, capitalizing on the fast rebound of European economies and the fast development of its li-ion business, our Group's lithium products continue to gain market share with major Telcos and Tower operators in the region, especially in Africa and are also getting traction in the solar and hybrid generators markets. During the Period, the Group has consolidated its presence in Europe by establishing distribution in Spain through the acquisition of Meibat SA, a Spanish distributor. The Group can now offer value added logistics services to its clients in the main European markets of Germany, France, UK, Italy and Spain and has won new pan European leading OE customers in the UPS segment. With the devoting and concentration of our European team, the Group has confidence that the growth moment will continue in 2022.

Turning to APAC, although overall performance in 2021 was not well due to lockdown linked to the COVID-19 pandemic, Our Group continued to diversify its business with strong growth in India and UPS OE segment. With sustained availability of production in spite of tough operational challenges, our Group offered excellent service to its customers and gained significant market share in the regional UPS OE business. While telecom and infrastructure business in ASEAN suffered from further delays in customer investment and projects execution during this phase, the Group continued to diversify its business with new customers and launching successfully new products in Motive Power and Automotive segments. We believe the region recession has bottomed out and growth momentum will prevail in 2022.

國際市場

於二零二一年，本集團加快其海外增長。在中東及非洲市場，借助歐洲經濟的快速反彈及理士鋰電池業務的快速發展，本集團鋰產品繼續獲得地區（尤其在非洲）主要電訊公司及電信塔營運商的市場份額，並在太陽能及混合動力發電機市場獲得動力。於期內，本集團收購一間西班牙分銷商 Meibat SA 以在西班牙建立分銷渠道，鞏固了公司在歐洲的業務。本集團現在可以提供增值物流服務予其在歐洲主要市場（德國、法國、英國、意大利及西班牙）的客戶，並贏得新泛歐洲UPS分部的領先OE客戶的青睞。以我們歐洲團隊的努力和專注，本集團有信心此增長時刻將於二零二二年延續。

環顧亞太地區，縱然由於新冠肺炎疫情進行封城令二零二一年整體表現並不良好，本集團持續令其業務多元化，於印度及UPS OE分部有強勁增長。即使在艱巨的營運挑戰下，本集團有持續且足夠的生產力，提供其客戶出色的服務，並在區域性的UPS OE業務上獲得巨大的市場份額。當東盟國家於這階段在電訊及基礎建設業務上承受客戶投資及項目執行的進一步延誤，本集團持續以新客戶及成功推出動力電池及汽車電池分部新產品使業務多元化。我們認為地區性衰退已見底並將會於二零二二年實現增長動力。

The America market accomplished over 50% growth rate in 2021 contributed by the continued disruption in global production caused by COVID-19 except China. Buyers turn to stable source of supply in China boosted the demand even though delivery time will be significantly widened cause by the global sea freight jam. There was slightly improvement in the logistic traffic jam but recovery will take months or more than a year. The Group expected demand for PRC products will be strong in the first half of 2022 but will be gradually back to normal in the second half of 2022 if global production capacity continues improve.

The global economic outlook is exceptionally uncertain and global growth already expected to be weaker than it would have been after the war in Ukraine broke out. Inflation will be higher and the strength of the recovery is moderate in many countries. The Group will closely monitor the recovering pace and remain prudent in managing our overseas resources.

Recycled Lead

Our recycling plant was running close to its maximum allowed occupying ratio and released its potential benefit to the Group in 2021. Our dedicated scrap battery recycling department, which will utilize our existing sales network capability to collect old batteries, has started making contribution to constant supply of scrap lead-acid batteries to the recycling plant. The Group will continue strengthening this closed-loop business model and highly confident that the output volume in 2022 will be sustained.

於二零二一年，受益於全球（除中國以外）產量持續受新冠肺炎干擾，美國市場達到超過50%的增長率。縱然因全球船運滯後造成送運時間大大擴闊，買家轉向中國穩定的資源供應而刺激需求。物流交通擠塞情況稍為改善，惟復甦需要幾個月以至超過一年時間。本集團預期，中國產品於二零二二年上半年將有強大需求，惟倘全球產能持續改善，於二零二二年下半年將會逐漸回復正常。

全球經濟前景極為不確定，而全球增長於烏克蘭戰爭爆發後已預期較以往弱。通脹將會升溫，而眾多國家的復甦力量減緩。本集團將密切監察復甦的步伐並繼續審慎管理海外資源。

回收鉛

我們的回收廠運行至接近其最大可容許的使用率，並於二零二一年公佈其予本集團的潛在利潤。我們專責廢舊電池回收的部門，憑藉我們現有的銷售網絡能力收集舊電池，已開始在恒常供應回收廠廢舊鉛酸蓄電池上作出貢獻。本集團將繼續鞏固該閉環商業模式，並對二零二二年持續產出量抱持信心。

FINANCIAL REVIEW

For the Period, the Group's revenue amounted to RMB11,303.1 million, representing an increase of 17.4% from RMB9,631.4 million for the corresponding period in 2020. The profit for the Period amounted to RMB166.7 million as compared to RMB138.0 million for the year ended 31 December 2020, of which the profit attributable to the owners of the parent amounted to RMB136.1 million as compared to RMB123.7 million for the corresponding period in 2020. Basic earnings per share for the Period was RMB0.10 (2020: RMB0.09).

Revenue

The Group's revenue from battery business increased by 11.1% from RMB8,324.2 million for the year ended 31 December 2020 to RMB9,249.2 million for the Period.

The Group's revenue from recycled lead products increased by 57.1% from RMB1,307.1 million for the year ended 31 December 2020 to RMB2,053.9 million for the Period, due to the resumption of full operation in late May of 2020.

財務回顧

於期內，本集團的收益由二零二零年同期人民幣9,631.4百萬元增加17.4%至人民幣11,303.1百萬元。期內溢利為人民幣166.7百萬元，而截至二零二零年十二月三十一日止年度則為人民幣138.0百萬元，其中母公司擁有人應佔溢利為人民幣136.1百萬元，而二零二零年同期則為人民幣123.7百萬元。期內的每股基本盈利為人民幣0.10元（二零二零年：人民幣0.09元）。

收益

本集團電池業務收益由截至二零二零年十二月三十一日止年度的人民幣8,324.2百萬元，增加11.1%至期內的人民幣9,249.2百萬元。

本集團回收鉛產品收益由截至二零二零年十二月三十一日止年度的人民幣1,307.1百萬元增加57.1%至期內的人民幣2,053.9百萬元，此乃由於二零二零年五月下旬全面恢復投產所致。

Management Discussion and Analysis 管理層討論及分析

Details of the Group's revenue for the years ended 31 December 2021 and 2020 by product category are set out below:

以下為本集團於截至二零二一年及二零二零年十二月三十一日止年度按產品類型劃分的收益明細：

Product category	產品類型	2021 二零二一年			2020 二零二零年	
		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
Reserve power batteries	備用電池	4,758,929	42.1%	13.7%	4,187,085	43.5%
SLI batteries	起動電池	3,005,998	26.6%	4.3%	2,883,146	29.9%
Motive power batteries	動力電池	1,223,082	10.8%	9.7%	1,114,583	11.6%
Others	其他	261,210	2.3%	87.4%	139,399	1.4%
Sub-total	小計	9,249,219	81.8%	11.1%	8,324,213	86.4%
Recycled lead products	回收鉛產品	2,053,906	18.2%	57.1%	1,307,149	13.6%
Total	合計	11,303,125	100%	17.4%	9,631,362	100%

Geographically, the Group's customers are principally located in the PRC, Europe, Middle East and Africa ("EMEA"), Americas and Asia-Pacific (other than PRC). The Group recorded different degrees of growth in the PRC, EMEA and Americas while sales in Asia-Pacific (other than PRC) decreased.

在地域方面，本集團客戶主要位於中國、歐洲、中東和非洲（「EMEA」）、美洲及亞太地區（不包括中國）。本集團在中國、EMEA及美洲取得不同程度增長，而在亞太地區（不包括中國）的銷售額有所下降。

The Group's sales revenue in the PRC increased by 12.2% from RMB6,326.0 million for the year ended 31 December 2020 to RMB7,094.7 million for the Period, representing 62.8% of the Group's total revenue (2020: 65.7%). The increase was mainly due to the increased production output from recycled lead products.

本集團在中國的銷售收益由截至二零二零年十二月三十一日止年度人民幣6,326.0百萬元，增加12.2%至期內人民幣7,094.7百萬元，佔本集團總收益的62.8%（二零二零年：65.7%）。該增加乃主要由於回收鉛產品產出增加所致。

Management Discussion and Analysis 管理層討論及分析

The following revenue information is based on the customer location for the years ended 31 December 2021 and 2020:

以下為截至二零二一年及二零二零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：

Product category	產品類型	2021 二零二一年			2020 二零二零年	
		Revenue RMB'000 人民幣千元	Percentage share 所佔百分比	Percentage increase/ (decrease) 減少率	Revenue RMB'000 人民幣千元	Percentage share 所佔百分比
PRC	中國	7,094,708	62.8%	12.2%	6,325,994	65.7%
EMEA	EMEA	1,893,018	16.7%	36.2%	1,390,185	14.4%
Americas	美洲	1,534,927	13.6%	50.2%	1,022,021	10.6%
Asia-Pacific (other than PRC)	亞太地區 (不包括中國)	780,472	6.9%	(12.6%)	893,162	9.3%
Total	合計	11,303,125	100%	17.4%	9,631,362	100%

Cost of Sales

The Group's cost of sales increased by 16.0% from RMB8,443.1 million for the year ended 31 December 2020 to RMB9,793.4 million for the Period, mainly because of the increased sales volume from both recycled lead products and battery business.

Gross Profit

The Group's gross profit increased by 27.0% from RMB1,188.3 million for the year ended 31 December 2020 to RMB1,509.7 million for the Period, mainly due to the strong demand from overseas markets and the resumption of full operation from recycled lead products. The gross profit margin increased for both battery business and recycled lead products, resulting in the increase of overall gross profit margin from 12.3% for the year ended 31 December 2020 to 13.4% for the Period. The increase for battery business was mainly due to less operational disruption in the PRC for the Period while the increase for recycled lead products was primarily a result of resumption of full operation in late May of 2020.

銷售成本

本集團的銷售成本由截至二零二零年十二月三十一日止年度的人民幣8,443.1百萬元，增加16.0%至期內的人民幣9,793.4百萬元，主要由於回收鉛產品及電池業務的銷量均有所增加所致。

毛利

本集團的毛利由截至二零二零年十二月三十一日止年度的人民幣1,188.3百萬元，增加27.0%至期內的人民幣1,509.7百萬元，乃主要由於海外市場需求強勁及全面恢復回收鉛產品業務所致。電池業務及回收鉛產品的毛利率均增加，導致整體毛利率由截至二零二零年十二月三十一日止年度的12.3%增加至期內的13.4%。期內電池業務增加主要由於中國營運受到的干擾較少，而回收鉛產品增加乃主要由於二零二零年五月下旬全面恢復營運所致。

Other Income and Gains

Other income and gains decreased by 22.3% from RMB108.4 million for the year ended 31 December 2020 to RMB84.2 million for the Period, mainly due to decrease in government grants during the Period.

Selling and Distribution Expenses

The Group's selling and distribution costs increased by 21.8% from RMB481.2 million for the year ended 31 December 2020 to RMB586.1 million for the Period. The increase was mainly caused by increase in delivery costs and sales commission. The increase in freight charges was partly due to the increase in sales and partly due to the freight charge rate hike at overseas markets because of the COVID-19 pandemic. The increase in sales commission was in line with the increase in sales.

Administrative Expenses

The Group's administrative expenses increased by 15.0% from RMB266.4 million for the year ended 31 December 2020 to RMB306.2 million for the Period. The increase was mainly due to the shutdown of factories in February of 2020 in the PRC because of the COVID-19 pandemic, resulting in less administrative expenses in 2020.

R&D Expenses

R&D expenditure of the Group increased by 38.6% from RMB172.7 million for the year ended 31 December 2020 to RMB239.4 million for the Period. 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二零二零年十二月三十一日止年度的人民幣108.4百萬元減少22.3%至期內的人民幣84.2百萬元，乃主要由於期內政府補貼減少所致。

銷售及分銷開支

本集團的銷售及分銷成本由截至二零二零年十二月三十一日止年度的人民幣481.2百萬元，增加21.8%至期內的人民幣586.1百萬元。增加乃主要由於交付成本及銷售佣金增加所致。運費增加乃部分由於銷售增加所致，及部分由於新冠肺炎疫情導致海外市場運費攀升所致。銷售佣金增加與銷售增長趨勢一致。

行政開支

本集團的行政開支由截至二零二零年十二月三十一日止年度的人民幣266.4百萬元，增加15.0%至期內的人民幣306.2百萬元。增加乃主要由於新冠肺炎疫情導致中國廠房於二零二零年二月停工，令二零二零年行政開支減少所致。

研發開支

本集團的研發開支由截至二零二零年十二月三十一日止年度的人民幣172.7百萬元，增加38.6%至期內的人民幣239.4百萬元。期內開支增加乃主要用於提升現有產品性能及開發各類新產品。

Other Expenses

The Group's other expenses increased by 186.0% from RMB35.9 million for the year ended 31 December 2020 to RMB102.6 million for the Period, which was mainly due to the fair value loss from financial liabilities at fair value through profit or loss during the Period.

Finance Costs

The Group's finance costs decreased by 9.0% from RMB158.2 million for the year ended 31 December 2020 to RMB143.9 million for the Period as the average amount of borrowings during the Period was less than last year.

Profit before Tax

As a result of the foregoing factors, the Group recorded profit before tax of RMB192.0 million for the Period as compared to RMB161.7 million for the year ended 31 December 2020.

Income Tax Expense

Income tax expense increased by 6.5% from RMB23.7 million for the year ended 31 December 2020 to RMB25.2 million for the Period, mainly because assessable profits from the lead-acid battery business increased while profit from the recycled lead products was not subject to tax during the Period.

Profit for the Year

As a result of the foregoing factors, the Group recorded net profit of RMB166.7 million (2020: RMB138.0 million) and profit attributable to the owners of the parent of RMB136.1 million (2020: RMB123.7 million) for the Period.

其他開支

本集團的其他開支由截至二零二零年十二月三十一日止年度的人民幣35.9百萬元，增加186.0%至期內的人民幣102.6百萬元，乃主要由於期內公允價值變動計入損益的金融負債的公允價值虧損所致。

財務成本

本集團的財務成本由截至二零二零年十二月三十一日止年度的人民幣158.2百萬元，減少9.0%至期內的人民幣143.9百萬元，原因為期內平均借貸金額少於去年。

稅前溢利

由於以上因素，本集團於期內錄得除稅前溢利人民幣192.0百萬元，而截至二零二零年十二月三十一日止年度為人民幣161.7百萬元。

所得稅開支

所得稅開支由截至二零二零年十二月三十一日止年度的人民幣23.7百萬元增加6.5%至期內的人民幣25.2百萬元，乃主要由於期內鉛酸蓄電池業務所得應課稅溢利增加，而回收鉛產品溢利毋須繳稅所致。

本年度溢利

由於以上因素，本集團於期內錄得純利人民幣166.7百萬元（二零二零年：人民幣138.0百萬元）及母公司擁有人應佔溢利人民幣136.1百萬元（二零二零年：人民幣123.7百萬元）。

Net Current Assets

As at 31 December 2021, the Group had net current assets of RMB541.8 million (2020: RMB596.4 million). The Group's current assets mainly consist of inventories, trade receivables, debt investments at fair value through other comprehensive income, cash and bank balances, prepayments, other receivables and other assets. 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 2021, the Group had inventories of RMB2,019.3 million (2020: RMB1,776.9 million). Inventories remained stable in recycled lead products while inventories for battery business increased during the Period. The increase in battery business was a result of strong demand from overseas markets.

Trade Receivables

The Group's trade receivables primarily relate to receivables for goods sold to its customers and mainly comprised customers from the battery business. As at 31 December 2021, the Group had trade receivables of RMB2,725.7 million (2020: RMB2,419.7 million). The increase in trade receivables was in line with the increase in sales during the Period.

Prepayments, Other Receivables and Other Assets

The Group's prepayments mostly relate to the purchase of raw materials. As at 31 December 2021, the Group had prepayments, other receivables and other assets of RMB223.5 million (2020: RMB276.1 million), decreasing by 19.1%. The decrease was mainly because more raw material suppliers were asked to be paid on delivery other than prepayment.

流動資產淨值

於二零二一年十二月三十一日，本集團有流動資產淨值人民幣541.8百萬元（二零二零年：人民幣596.4百萬元）。本集團流動資產主要包括存貨、貿易應收款項、公允價值變動計入其他全面收益的債務投資、現金及銀行結餘、預付款項、其他應收款項及其他資產。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。於二零二一年十二月三十一日，本集團持有人民幣2,019.3百萬元（二零二零年：人民幣1,776.9百萬元）的存貨。期內回收鉛產品的存貨維持穩定而電池業務的存貨增加。電池業務的存貨增加乃由於海外市場需求強勁所致。

貿易應收款項

本集團的貿易應收款項主要與已售給客戶（主要包括電池業務客戶）貨品的應收款項有關。於二零二一年十二月三十一日，本集團有貿易應收款項人民幣2,725.7百萬元（二零二零年：人民幣2,419.7百萬元）。貿易應收款項增加與期內銷售額增加一致。

預付款項、其他應收款項及其他資產

本集團的預付款項主要與購買原材料有關。於二零二一年十二月三十一日，本集團有預付款項、其他應收款項及其他資產人民幣223.5百萬元（二零二零年：人民幣276.1百萬元），減少19.1%。減少乃主要由於更多原材料供應商被要求於交貨時付款而非預付貨款所致。

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 2021, the Group had trade and bills payables of RMB2,319.3 million (2020: RMB2,139.4 million). The increase in trade and bills payables was mainly due to increase in bills payables for short term financing. Such bills were issued on intercompany sales transactions within the Group and discounted to banks for short term financing.

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, contract liabilities, tax payables other than current income tax liabilities and accruals for payroll and benefits for its employees. As at 31 December 2021, the Group had other payables and accruals of RMB1,077.3 million (2020: RMB984.0 million). The slight increase was mainly due to increase in loan from non-controlling shareholders.

Capital Expenditures

During the Period, the Group invested RMB282.6 million (2020: RMB520.0 million) in property, plant and equipment for its new production facilities.

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。於二零二一年十二月三十一日，本集團有貿易應付款項及應付票據為人民幣2,319.3百萬元（二零二零年：人民幣2,139.4百萬元）。貿易應付款項及應付票據增加，乃主要由於短期融資產生的應付票據增加所致。有關票據乃就本集團內公司間銷售交易而發行，並貼現至銀行作短期融資。

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、合約負債、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。於二零二一年十二月三十一日，本集團有其他應付款項及應計費用人民幣1,077.3百萬元（二零二零年：人民幣984.0百萬元）。略微增加乃主要由於來自非控股股東貸款增加所致。

資本開支

期內，本集團已投資人民幣282.6百萬元（二零二零年：人民幣520.0百萬元）於新生產設施的物業、廠房及設備。

Liquidity and Financial Resources

As at 31 December 2021, the Group's net current assets amounted to RMB541.8 million (2020: RMB596.4 million), among which cash and bank deposits amounted to RMB951.7 million (2020: RMB848.5 million). As at 31 December 2021, the Group had bank borrowings of RMB2,372.2 million (2020: RMB2,303.3 million), all of which are interest-bearing. Except for borrowings of RMB329.7 million (2020: RMB542.4 million) which have 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 Vietnamese Dong, and the effective interest rates of which as of 31 December 2021 were 1.80% to 7.09% (2020: 1.00% to 7.90%).

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, inventory, trade receivables and equity interests in its subsidiaries. As at 31 December 2021, the Group's gearing ratio was 24.7% (2020: 25.4%), 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 2021 (2020: Nil).

流動資金及財務資源

於二零二一年十二月三十一日，本集團的流動資產淨值為人民幣541.8百萬元（二零二零年：人民幣596.4百萬元），其中現金及銀行存款為人民幣951.7百萬元（二零二零年：人民幣848.5百萬元）。於二零二一年十二月三十一日，本集團的銀行借貸為人民幣2,372.2百萬元（二零二零年：人民幣2,303.3百萬元），均為計息。除人民幣329.7百萬元（二零二零年：人民幣542.4百萬元）的借貸於一年後到期外，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越南盾計值，及截至二零二一年十二月三十一日的實際利率介乎1.80%至7.09%（二零二零年：1.00%至7.90%）之間。

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、存貨、貿易應收款項及於其附屬公司的股權。於二零二一年十二月三十一日，本集團的資產負債比率為24.7%（二零二零年：25.4%），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

於二零二一年十二月三十一日，本集團並無任何重大或然負債（二零二零年：無）。

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.

Material Acquisition and Disposal

There was no material acquisition or disposal of subsidiary, associated company or joint venture by the Group during the Period.

Significant Investments

As at 31 December 2021, the Group had no significant investment with a value of 5% or more of the Group's total assets.

外幣匯兌風險

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。

重大收購及出售事項

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。

重大投資

於二零二一年十二月三十一日，本集團並無超過本集團總資產價值5%或以上的重大投資。

EMPLOYEES

As at 31 December 2021, the Group had 13,746 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 RMB1,020.2 million for the Period (2020: RMB849.2 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.

僱員

於二零二一年十二月三十一日，本集團聘有13,746位僱員。期內，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1,020.2百萬元（二零二零年：人民幣849.2百萬元）。

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

Dr. DONG Li (董李), aged 55, is an executive director, chairman of the Board and nomination committee, a member of the remuneration committee and founder of the Company. Dr. DONG has been appointed as executive director since 27 April 2010, the date of the incorporation of our Company. Dr. 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. Dr. DONG also serves as director for various private wholly owned companies which include investment holding and manufacturing enterprise.

Dr. DONG obtained a Doctor of Science from Shanghai University in 2021 and an EMBA degree from National University of Singapore in 2015. Dr. 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.

Dr. DONG also holds the positions of part-time professor of Shanghai University and visiting professor of the Xi'an Polytechnic University.

Dr. DONG personally did not hold any share options in the Company as at 31 December 2021.

執行董事

董李博士，55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。董博士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。董博士為本公司控股股東。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。董博士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。

董博士於二零二一年取得上海大學理學博士學位及於二零一五年取得新加坡國立大學EMBA學位。董博士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。

董博士亦擔任上海大學兼職教授、西安工程大學客座教授。

截至二零二一年十二月三十一日，董博士個人並無持有本公司購股權。

Directors and Senior Management 董事及高級管理層

Ms. YIN Haiyan, aged 46, is an executive director and chief executive officer of the Company. Ms. YIN has been appointed as executive director since 30 July 2018.

Ms. YIN graduated from JiangSu University of Science and Technology with a degree in Accounting.

Ms. YIN joined the Group in 2004 as manager of the finance department. She was subsequently promoted to deputy general manager of administration department, general manager, vice president of finance department, president, and finally to her current position, in which her responsibilities focus on strategic planning and policy development and make recommendations for the Board's consideration, and leading the management in the day-to-day running of the Group's business in accordance with the business plans and within the budgets approved by the Board.

Ms. YIN personally held 2,650,000 share options in the Company as at 31 December 2021.

印海燕女士，46歲，本公司執行董事兼行政總裁。印女士從二零一八年七月三十日起獲委任為執行董事。

印女士持有江蘇科技大學會計學本科學歷。

印女士於二零零四年加入本集團，起初擔任任財務部經理，其後晉升為行政副總經理、總經理、財務外聯副總裁、財經中心總裁及最終擔任現有的職任，職責主要制定及建議集團戰略及政策予董事會考慮、領導管理層按董事會批准的業務計劃及預算執行日常集團業務運作。

截至二零二一年十二月三十一日，印女士個人持有2,650,000份本公司的購股權。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CAO Yixiong Alan (曹亦雄), aged 53, 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 800,000 share options in the Company as at 31 December 2021.

獨立非執行董事

曹亦雄先生，53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。

截至二零二一年十二月三十一日，曹先生個人持有800,000份本公司的購股權。

Directors and Senior Management 董事及高級管理層

Mr. LAU Chi Kit (劉智傑), aged 77, 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.

Mr. LAU 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).

Currently, Mr. LAU is also an executive director of Chinlink International Holdings Limited (stock code: 997) and is an independent non executive director of Royale Home Holdings Ltd. (stock code: 1198) and Hin Sang Group (International) Holding Co Ltd (stock code: 6893). The shares of Chinlink International Holdings Limited, Royale Home Holdings Ltd. and Hin Sang Group (International) Holding Co Ltd are listed on the Main Board.

劉智傑先生，77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）。

劉先生現亦為普匯中金國際控股有限公司（股份代號：997）之執行董事及皇朝家居控股有限公司（股份代號：1198）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、皇朝家居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。

Directors and Senior Management 董事及高級管理層

Mr. LAU resigned as an independent non-executive director from Janco Holdings Limited (stock code: 8035) with effect from 13 September 2019 and retired as an independent non-executive director from Century Sunshine Group Holdings Limited (stock code: 509) with effect from on 30 June 2021.

Mr. LAU personally held 800,000 share options in the Company as at 31 December 2021.

Mr. LU Zhiqiang (盧志強), aged 47, has been appointed as an independent non-executive director, a member of the nomination committee and a member of the audit committee of the Company since 21 March 2022.

Mr. LU was Asia Fellow in Harvard University from August 2018 to July 2020. Mr. LU holds a Master Degree of Business Administration from Central State University of the United States of America in 2001, a Bachelor Degree of Engineering and a Bachelor Degree of Industry from Nanchang Hangkong University of The People's Republic of China in 1996 and 1997 respectively. Mr. LU attended the program of a Master of Science Degree in International Purchasing & Supply Chain Management organised by Audencia NANTES.Ecole de Management in 2002.

Mr. LU is currently an executive director and the chief executive officer of Hong Kong Life Sciences and Technologies Group Limited whose issued shares were listed on GEM of the Stock Exchange under stock code: 8085 but were delisted on 14 September 2020. He served as an executive director of Extrawell Pharmaceutical Holdings Limited whose issued shares are listed on the Main Board of the Stock Exchange under stock code: 858 from 27 January 2017 to 26 January 2020.

Mr. LU personally did not hold any share options in the Company as at 31 December 2021.

劉先生於二零一九年九月十三日，辭任駿高控股有限公司（股票代碼：8035）之獨立非執行董事的職務及於二零二一年六月三十日，退任世紀陽光集團控股有限公司（股份代號：509）獨立非執行董事的職務。

截至二零二一年十二月三十一日，劉先生個人持有800,000份本公司的購股權。

盧志強先生，47歲，自二零二二年三月二十一日起獲委任為本公司獨立非執行董事、提名委員會成員及審核委員會成員。

盧先生於二零一八年八月至二零二零年七月擔任哈佛大學之亞洲研究員。盧先生於二零零一年獲得美國中央城大學頒授之工商管理學碩士學位及分別於一九九六年及一九九七年獲得中國南昌航空大學頒授之工程學士學位及工業工程學士學位。盧先生於二零零二年曾修讀法國南特歐當斯亞高等商業管理學院舉辦之國際採購及供應鏈管理之理學碩士學位課程。

盧先生現為香港生命科學技術集團有限公司之執行董事兼行政總裁，已發行股份於聯交所創業板上上市，股份代號：8085，但於二零二零年九月十四日除牌。於二零一七年一月二十七日至二零二零年一月二十六日，任職精優藥業控股有限公司之執行董事，其已發行股份於聯交所主板上市，股份代號：858。

截至二零二一年十二月三十一日，盧先生個人並無持有本公司的購股權。

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. CHOW Kam Keung Albert, aged 57, joined the Company as chief financial officer and company secretary in 1 November 2015.

Mr. Chow has over 33 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，57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33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 present the annual report together with the consolidated financial statements for the year ended 31 December 2021 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 2021 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) Our revenue is substantially 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;

董事會欣然呈報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二零二一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二零二一年十二月三十一日的主要業務載於財務報表附註1。

年內按經營分部劃分的本集團表現分析載於財務報表附註4。

主要風險及不明朗因素

本集團業務營運所涉及的風險及不明朗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明朗因素時，本集團一直致力於控制風險及不明朗因素，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明朗因素概述於下文：

- 1) 我們的收益大部分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) Due to the outbreak of the COVID-19, a series of precautionary and control measures have been implemented across the world such as heightening of hygiene and epidemic prevention requirements in factories and offices and quarantine of certain residents etc. It may adversely affect our business and overall short-term performance. The Group will closely monitor the situation and make timely response and adjustments where necessary.
 - 3) The array of tariffs by the US government, the Ukraine war, 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;
 - 4) If we are unable to successfully develop new technology or new products, our business, results of operations and prospects may be adversely affected;
 - 5) 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 these customers reduce their orders or cease to order from us;
 - 6) We face intense competition in our major markets and continuing pressure to reduce our production costs to remain price competitive;
 - 7) 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 our major suppliers is set out on page 59 under the heading “Major Suppliers and Customers” in this report.
- 2) 由於新冠肺炎的爆發，世界各地已採取一系列預防及控制措施，例如加強工廠及辦公室衛生及防疫要求以及檢測某些居民等。其可能對本集團的業務及整體短期表現產生不利影響。本集團將密切監控情況，並在需要時作出及時應對及調整；
 - 3) 美國政府發起的一系列關稅、烏克蘭戰爭、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；
 - 4) 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；
 - 5) 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銷售合約。倘該等客戶減少訂單或停止向我們下單，我們的經營業績可能受到不利影響；
 - 6) 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；
 - 7) 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。有關我們主要供應商的更多資料載於本報告第59頁的「主要供應商及客戶」一節。

Report of the Directors 董事會報告

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.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2021 are set out in the consolidated statement of profit or loss on page 90 and consolidated statement of comprehensive income on pages 91 to 92.

To reserve fund for acceleration of production capacity expansion, the Board does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

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 section headed "Management Discussion and Analysis" on pages 11 to 33 of the annual report.

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。

業績及股息分派

本集團截至二零二一年十二月三十一日止年度的業績載於第90頁的綜合損益表及第91至92頁的綜合全面收益表。

為了加快產能擴充而預留資金，董事會不建議派付截至二零二一年十二月三十一日止年度的末期股息（二零二零年：無）。

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明朗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13頁「管理層討論及分析」一節。

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".

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

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」。

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。

Compliance with Laws and Regulations

Compliance procedures 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 2021, 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.

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 2021, there was no material dispute between the Group and its suppliers and/or customers.

遵守法律法規

本集團已實施合規程序，以確保本集團遵守（尤其對本集團有重大影響的）適用法律、規則及法規。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。

截至二零二一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。

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。截至二零二一年十二月三十一日止年度，本集團與其供應商及／或客戶之間概無重大糾紛。

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 95 to 96 and in note 41 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 14 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 30 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2021, the reserves of the Company available for distribution to shareholders amounted to approximately RMB1,187.3 million (2020: approximately RMB1,174.6 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.

儲備

本集團及本公司年內的儲備變動詳情載於年報第95至96頁的綜合權益變動表及財務報表附註41。

物業、廠房及設備

本集團的物業、廠房及設備的變動詳情載於財務報表附註14。

股本

本公司股本的變動詳情載於財務報表附註30。

可分派儲備

於二零二一年十二月三十一日，本公司可分派予股東的儲備約為人民幣1,187.3百萬元（二零二零年：約人民幣1,174.6百萬元）。

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 287 to 288 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 2021.

DIRECTORS

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

Executive Directors

Dr. DONG Li (*Chairman*)
Ms. YIN Haiyan (*Chief Executive Officer*)

Independent non-executive Directors

Mr. CAO Yixiong Alan
Mr. LAU Chi Kit
Mr. LU Zhiqiang
(appointed on 21 March 2022)
Dr. NAN Xinsheng (resigned on 1 January 2022)

In accordance with the Articles of Association, Dr. DONG Li, Mr. LAU Chi Kit and Mr. LU Zhiqiang 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287至288頁。

購買、出售或贖回股份

截至二零二一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

董李博士（*主席*）
印海燕女士（*行政總裁*）

獨立非執行董事

曹亦雄先生
劉智傑先生
盧志強先生
(於二零二二年三月二十一日獲委任)
南新生博士 (於二零二二年一月一日辭任)

根據章程細則，董李博士、劉智傑先生及盧志強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

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 2021 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 39 in the annual report of the Company.

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 9 and 10 to the financial statements.

董事服務合約

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。該等條文於截至二零二一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至39頁。

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9和10。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in note 31 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, nor had there been any contract of significance entered into between the Group and a controlling shareholder of the Company during the year ended 31 December 2021.

董事購買股份或債券之權利

除於財務報表附註31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收購於任何其他法人團體的該等權利。

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，本公司或其任何附屬公司於年末或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於其中直接或間接擁有重大利益的重要交易、安排或合約，且本集團與本公司控股股東於截至二零二一年十二月三十一日止年度亦無訂立任何重大合約。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

董事於股份的權益及淡倉

As at 31 December 2021, 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:

於二零二一年十二月三十一日，本公司董事及主要行政人員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」)，各董事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 Schemes 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 [®]
董事姓名	權益性質	證券數目及類別*			合計	概約持股百分比 [®]
Dr. DONG Li 董李博士	Beneficial Owner 實益擁有人	1,009,513,000 ^(L)	-	-	1,009,513,000	74.35%
Ms. YIN Haiyan 印海燕女士	Beneficial Owner 實益擁有人	-	150,000 ^(L)	2,500,000 ^(L)	2,650,000	0.20%
Mr. CAO Yixiong Alan 曹亦雄先生	Beneficial Owner 實益擁有人	-	-	800,000 ^(L)	800,000	0.06%
Mr. LAU Chi Kit 劉智傑先生	Beneficial Owner 實益擁有人	-	-	800,000 ^(L)	800,000	0.06%

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

* 「L」代表股東於股份中的好倉。

Report of the Directors 董事會報告

Notes:

- (1) Dr. DONG Li is deemed to be interested in 1,009,513,000 shares held by Master Alliance Investment Limited, a company wholly owned by Dr. DONG Li.
- (2) Ms. YIN Haiyan has been granted options for 150,000 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. YIN Haiyan has been granted options for 2,500,000 shares under the Share Option Schemes. Please see “Share Option” below for further details of the Share Option Schemes.
- (4) Mr. CAO Yixiong Alan has been granted options for 800,000 shares under the Share Option Schemes. Please see “Share Option” below for further details of the Share Option Schemes.
- (5) Mr. LAU Chi Kit has been granted options for 800,000 shares under the Share Option Schemes. Please see “Share Option” below for further details of the Share Option Schemes.
- (6) This is based on 1,357,854,666 Shares, being the number of issued Shares as at 31 December 2021.

附註：

- (1) 董李博士被視為於Master Alliance Investment Limited (董李博士全資擁有之公司) 持有的1,009,513,000股股份中擁有權益。
- (2) 根據首次公開發售前購股權計劃，印海燕女士已獲授出150,000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」一節。
- (3) 根據購股權計劃，印海燕女士已獲授出2,500,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」一節。
- (4) 根據購股權計劃，曹亦雄先生已獲授出800,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」一節。
- (5) 根據購股權計劃，劉智傑先生已獲授出800,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」一節。
- (6) 該百分比乃以(即於二零二一年十二月三十一日已發行的股份數目) 1,357,854,666股股份為基礎計算。

Save as disclosed above, as at 31 December 2021, 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 2021.

SHARE OPTION

A. Pre-IPO Share Option Scheme

Pursuant to the resolutions in writing passed by all shareholders of the Company dated 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 2021 was 5,942,000 shares (representing approximately 0.44% 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 31 to the financial statements.

除上文所披露者外，於二零二一年十二月三十一日，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，而於截至二零二一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通過的日期為二零二零年五月二十五日的多項書面決議案，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**」），旨在為甄選的參與者提供激勵或回報，以獎勵彼等為促進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。於二零二一年十二月三十一日，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5,942,000股（相當於本公司於當日的已發行股本總額約0.44%）。本公司不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31披露。

B. Share Option Schemes

- (i) Pursuant to the resolutions in writing passed by all shareholders of the Company dated 14 October 2010, the Company approved and adopted another share option scheme (the “**2010 Share Option Scheme**”) (as amended at the Annual General Meeting of the Company held on 18 May 2018) 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 2010 Share Option Scheme as at 31 December 2021 was 32,680,000 shares (representing approximately 2.41% of the issued share capital of the Company as at that date).
- (ii) Pursuant to the resolutions in writing passed by all shareholders of the Company dated 30 October 2020, the Company approved and adopted another share option scheme (the “**New Share Option Scheme**”) for the purpose of providing incentives or rewards to eligible persons for their contribution to or potential contribution to the Group and to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group 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 New Share Option Scheme as at 31 December 2021 was 20,350,000 (representing approximately 1.50% of the issued share capital of the Company as at that date).

Details of the Share Option Schemes are disclosed in note 31 to the financial statements.

B. 購股權計劃

- (i) 根據本公司全體股東通過的日期為二零一零年十月十四日的多項書面決議案，本公司批准及採納另一項購股權計劃（「**2010年購股權計劃**」）（於本公司於二零一八年五月十八日舉行的股東週年大會上修訂），旨在為甄選的參與者提供激勵或回報，以獎勵彼等為促進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。於二零二一年十二月三十一日，根據2010年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32,680,000股（相當於本公司於當日的已發行股本約2.41%）。
- (ii) 根據經本公司全體股東通過的日期為二零二零年十月三十日的書面決議案，本公司批准及採納另一項購股權計劃（「**新購股權計劃**」），旨在為合資格人士提供激勵或回報，以獎勵彼等曾經或可能對本集團作出貢獻，並讓本集團得以招聘和挽留優質的僱員，以及吸納對本集團而言有價值的人力資源，以及用於董事會不時批准的其他用途。於二零二一年十二月三十一日，根據新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20,350,000股（相當於本公司於當日的已發行股本約1.50%）。

購股權計劃的詳情於財務報表附註31披露。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

主要股東的股份權益及淡倉

As at 31 December 2021, the following person (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:

於二零二一年十二月三十一日，下列人士（不包括本公司董事及主要行政人員）於股份中擁有5%以上須記錄於本公司根據證券及期貨條例第336條存置的登記冊的權益及淡倉：

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 ⁽²⁾ 概約持股百分比 ⁽²⁾
Master Alliance Investment Limited ⁽¹⁾	Beneficial Owner 實益擁有人	1,009,513,000 (L)	74.35%

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

* 「L」代表股東於本公司股份中的好倉。

Notes:

附註：

(1) Dr. DONG Li is deemed to be interested in 1,009,513,000 shares held by Master Alliance Investment Limited, a company wholly owned by Dr. DONG Li.

(1) 董李博士被視為於Master Alliance Investment Limited（一間由董李博士全資擁有之公司）持有之1,009,513,000股股份中擁有權益。

(2) This is based on 1,357,854,666 Shares, being the number of issued Shares as at 31 December 2021.

(2) 該百分比乃以1,357,854,666股股份（即於二零二一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, at 31 December 2021, the Directors were not aware of any other person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interest or short position in the shares or underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Part XV of the SFO, or which were 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，於二零二一年十二月三十一日，董事概不知悉所知任何其他人士（不包括本公司董事或主要行政人員）已或被視作於本公司股份或相關股份中擁有根據證券及期貨條例第XV部條文須向本公司及聯交所披露或記錄於本公司根據證券及期貨條例第336條須存置的登記冊的權益或淡倉。

CONNECTED TRANSACTIONS

Details of the Group's related party transactions for the year ended 31 December 2021 are set out in note 36 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 connected transaction and continuing connected transactions entered into by the Group in 2021, which were required to be disclosed under the Listing Rules, are set out as follows:

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 Dr. DONG Li entered into a master agreement dated 16 October 2018 (the "2018 Master Sales Agreement"), which sets out the terms and conditions upon which members of the Group will sell to Dr. DONG Li's associates, and Dr. DONG Li's associates will purchase from members of the Group, products including lead-acid batteries, mainly star lighting and ignition batteries, reserve power batteries and motive power batteries and related parts. The products to be sold and purchased under the 2018 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 2018 Master Sales Agreement is for a term of three years commencing from 1 January 2019, and ending on 31 December 2021. The annual caps for the transactions under the 2018 Master Sales Agreement for each of the three years ending 31 December 2021 have been set at RMB138.0 million, RMB172.0 million and RMB215.0 million respectively. For the year ended 31 December 2021, the aggregate amount received by the Group under the 2018 Master Sales Agreement was approximately RMB116.8 million.

關連交易

本集團於截至二零二一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36，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。本集團於二零二一年進行的關連交易及持續關連交易（須根據上市規則予以披露）載列如下：

須遵守申報、公告、年度審閱及獨立股東批准規定的持續關連交易

(i) 向關連人士銷售產品

本公司與董李博士訂立一項日期為二零一八年十月十六日的主協議（「二零一八年主銷售協議」），當中載列本集團的成員公司將向董李博士聯繫人士出售，以及董李博士聯繫人士將向本集團成員公司購買包括鉛酸蓄電池（主要為星光照明及點火電池、備用動力電池及動力電池）及相關配件等產品的條款及條件。根據二零一八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。二零一八年主銷售協議由二零一九年一月一日起計至二零二一年十二月三十一日止，為期三年。截至二零二一年十二月三十一日止三個年度各年，二零一八年主銷售協議項下交易的年度上限分別為人民幣138.0百萬元、人民幣172.0百萬元及人民幣215.0百萬元。截至二零二一年十二月三十一日止年度，本集團根據二零一八年主銷售協議已收取之款項總額約為人民幣116.8百萬元。

(ii) *Purchase of Products from Connected Persons*

The Company and Dr. DONG Li entered into a master agreement dated 16 October 2018 (the “**2018 Master Purchase Agreement**”), which sets out the terms and conditions upon which members of the Group will purchase from Dr. DONG Li’s associates, and Dr. DONG Li’s associates will sell to members of the Group, products including battery cases, parts, models, charges and electronic products for the manufacturing of the Group’s battery products or sale as accessories of the Group’s battery products. The products to be sold and purchased under the 2018 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 2018 Master Purchase Agreement is for a term of three years commencing from 1 January 2019 and ending on 31 December 2021. The annual caps for the transactions under the 2018 Master Purchase Agreement for each of the three year ending 31 December 2021 have been set at RMB41.0 million, RMB55.0 million and RMB72.0 million respectively. For the year ended 31 December 2021 the aggregate amount paid by the Group under the 2018 Master Purchase Agreement was approximately RMB18.1 million.

(ii) *向關連人士購買產品*

本公司與董李博士訂立一項日期為二零一八年十月十六日的主協議（「**二零一八年主購買協議**」），當中載列本集團的成員公司將向董李博士聯繫人士採購，以及董李博士聯繫人士將向本集團成員公司出售各種產品（包括蓄電池殼體、配件、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）的條款及條件。根據二零一八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。二零一八年主購買協議由二零一九年一月一日起計至二零二一年十二月三十一日止，為期三年。截至二零二一年十二月三十一日止三個年度各年，二零一八年主購買協議項下交易的年度上限分別為人民幣41.0百萬元、人民幣55.0百萬元及人民幣72.0百萬元。截至二零二一年十二月三十一日止年度，本集團根據二零一八年主購買協議已支付及應支付之款項總額約為人民幣18.1百萬元。

Report of the Directors 董事會報告

The 2018 Master Sales Agreement and the 2018 Master Purchase Agreement have been renewed on 22 November 2021 for a further three years up to 31 December 2024.

The independent non-executive Directors have reviewed the continuing connected transactions 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
- (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 or continuing connected transactions.

二零一八年主銷售協議及二零一八年主購買協議已於二零二一年十一月二十二日續期三年，於二零二四年十二月三十一日屆滿。

獨立非執行董事已審閱上述的持續關連交易，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) 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或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 7 May 2020 (as supplemented on 28 January 2021) and entered into, among other parties, the Company as borrower, six 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\$100,000,000 (the “**Loan**”) is made available to the Group for (i) refinance the facility agreement entered into by the Company on 8 May 2017 and (ii) financing the working capital of the Group.

The Loan is repayable in five instalments as to 15%, 15%, 15%, 15% and 40% on the dates falling 12, 18, 24, 30 and 36 months respectively after the utilisation date of the Loan.

If, among other matters: (i) Dr. DONG Li (“**Dr. 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) Dr. DONG does not or ceases to have management control over the Company; and (iii) Dr. 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)、其六間附屬公司(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)於二零二零年五月七日訂立的貸款融資協議(「**融資協議**」)(於二零二一年一月二十八日增補)之條款,本集團獲得100,000,000美元的定期貸款融資(「**貸款**」)作一般公司用作於(i)再融資本集團於二零一七年五月八日訂立的融資協議及(ii)融資本集團營運資金。

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15%、15%、15%、15%及40%。

倘(其中包括)(i)董李博士(「**董博士**」)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)董博士並無或不再擁有本公司的管理控制權;及(iii)董博士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 Dr. 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 2021.

Save as disclosed above, during the year ended 31 December 2021, 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.

EMOLUMENT POLICY

The emolument policy for the employees of the Group is stipulated by the Directors on the basis of the employees' relevant experience, responsibility and qualifications.

The emolument policy for the Directors of the Group is determined by the Remuneration Committee, having regard to the Group's operating results, individual performance.

董事於競爭業務的權益

於二零一零年十二月二十一日，本公司控股股東李博士（亦為執行董事）及Master Alliance Investment Limited（「**控股股東**」）各自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二零二一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，於截至二零二一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。

酬金政策

本集團僱員的酬金政策由董事按照僱員的相關經驗、職責及資歷作出規定。

本集團董事的酬金政策由薪酬委員會考慮到本集團的經營業績及個人表現釐定。

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.

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	9.1%
– five largest suppliers in aggregate	33.4%

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

– the largest customer	12.1%
– five largest customers in aggregate	19.4%

None of the directors, their respective close associates (within the 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

The register of members of the Company will be closed from Wednesday, 25 May 2022, to Monday, 30 May 2022, (both days inclusive (both days inclusive) for the purpose of determining Shareholders' entitlement to attend and vote at the AGM, during which period no transfer of Shares will be registered. In order to be eligible to attending and vote 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, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Tuesday, 24 May 2022.

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。

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	9.1%
–五大供應商合計	33.4%

本集團的主要客戶應佔年內銷售的百分比如下：

–最大客戶	12.1%
–五大客戶合計	19.4%

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

為確定股東出席股東週年大會並於會上投票的資格，本公司將於二零二二年五月二十五日（星期三）至二零二二年五月三十日（星期一）（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並於會上投票，股東應確保所有過戶文件連同有關股票文件不遲於二零二二年五月二十四日（星期二）下午四時三十分送交本公司的股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心54樓），以辦理登記手續。

EVENTS AFTER THE REPORTING PERIOD

As from 31 December 2021 to the date of this annual report, save as disclosed herein, the Board is not aware of any significant events that have occurred which require disclosure herein.

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 2021.

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holding of the Company's shares.

EQUITY FUND RAISING ACTIVITIES

There was no equity fund raising by the Company during the year ended 31 December 2021, nor were there any proceeds brought forward from any issue of equity securities made in previous financial years.

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, 31 March 2022

報告期後事件

於二零二一年十二月三十一日至本年報日期，除本年報所披露者外，董事會並不知悉任何須於本年報中披露之重大事件。

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，本公司於二零二一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%。

稅項減免

就本公司所知，概無股東因持有本公司股份而獲得稅項減免。

股本集資活動

本公司於截至二零二一年十二月三十一日止年度並無進行股本集資活動，亦無自過往財政年度的任何股本證券發行中獲得任何所得款項。

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，本公司核數師並無變動。

代表董事會

董李
主席

香港，二零二二年三月三十一日

Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2021.

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 STATEMENT

The Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules for the year ended 31 December 2021.

The details of the compliance of the CG code are shown below.

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 are 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 2021.

董事會欣然呈報截至二零二一年十二月三十一日止年度的企業管治報告。

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

截至二零二一年十二月三十一日止年度，本公司已遵守上市規則附錄14所載企業管治守則（「企業管治守則」）所載的守則條文。

遵守企業管治守則之詳情於下文載列。

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，本公司於截至二零二一年十二月三十一日止整個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。

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 2021.

Board of Directors

Composition of the Board

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

Executive Directors

Executive Directors comprise Dr. DONG Li (chairman of the Board (the “**Chairman**”)) and Ms. YIN Haiyan (chief executive officer).

Independent non-executive Directors

Independent non-executive Directors comprise Mr. CAO Yixiong Alan, Mr. LAU Chi Kit, Mr. LU Zhiqiang (appointed on 21 March 2022) and Dr. NAN Xinsheng (resigned on 1 January 2022).

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.

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,全體董事確認彼等於截至二零二一年十二月三十一日止整個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

董事會包括兩位執行董事及三位獨立非執行董事。

執行董事

執行董事包括董李博士(董事會主席(「**主席**」))及印海燕女士(行政總裁)。

獨立非執行董事

獨立非執行董事包括曹亦雄先生、劉智傑先生、盧志強先生(於二零二二年三月二十一日委任)及南新生博士(於二零二二年一月一日辭任)。

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。

董事之間並無存在任何財務、業務、家族或其他重大/相關關係。

Corporate Governance Report 企業管治報告

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 2021, 17 Board meetings, 2 Audit Committee meetings, 2 Nomination Committee meetings, 4 Remuneration Committee meetings and 2 general meetings were held.

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。於截至二零二一年十二月三十一日止財政年度，舉行了17次董事會會議、2次審核委員會會議、2次提名委員會會議、4次薪酬委員會會議及2次股東大會。

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

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

董事會會議、委員會會議及股東大會的出席情況

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 Meetings ⁽¹⁾ 出席次數/ 股東大會 數目 ⁽¹⁾
Executive Directors 執行董事					
Dr. DONG Li 董李博士	15/17	-	2/2	4/4	0/2
Ms. YIN Haiyan 印海燕女士	17/17	-	-	-	0/2
Independent Non-executive Directors 獨立非執行董事					
Mr. CAO Yixiong Alan 曹亦雄先生	7/17	2/2	-	4/4	0/2
Mr. LAU Chi Kit 劉智傑先生	7/17	2/2	2/2	4/4	2/2
Dr. NAN Xincheng ⁽²⁾ 南新生博士 ⁽²⁾	6/17	2/2	2/2	-	0/2
Mr. LU Zhiqiang ⁽³⁾ 盧志強先生 ⁽³⁾	0/0	0/0	0/0	0/0	0/0

Notes:

- (1) Being the annual general meeting of the Company held on 28 May 2021 and the extraordinary general meeting of the Company held on 17 December 2021.
- (2) Dr. NAN Xinsheng resigned as an independent non-executive director of the Company on 1 January 2022.
- (3) Mr. LU Zhiqiang was appointed as an independent non-executive director of the Company on 21 March 2022.

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 three 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.

附註：

- (1) 即本公司於二零二一年五月二十八日舉行的股東週年大會及本公司於二零二一年十二月十七日舉行的股東特別大會。
- (2) 南新生博士於二零二二年一月一日辭任本公司獨立非執行董事。
- (3) 盧志強先生於二零二二年三月二十一日獲委任為本公司獨立非執行董事。

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、策略決策及表現。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，董事會已成立三個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 during the year ended 31 December 2021.

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.

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。於截至二零二一年十二月三十一日止年度，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。

Directors' Continuous Training and Professional Development

Every newly appointed Director will receive a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the Company's operations and business and full awareness of director's responsibilities and obligations under the Listing Rules and other legal and regulatory requirements.

The Company will from time to time provide briefings to all Directors to develop and refresh their duties and responsibilities. All Directors are also encouraged to attend relevant training courses provided by legal advisers and/or any appropriate institutions and they have been requested to provide the Company with their training records.

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.

During the year ended 31 December 2021, all Directors provided their records of training to the Company. All Directors, namely Dr. DONG Li, Ms. YIN Haiyan, Mr. CAO Yixiong Alan, Mr. LAU Chi Kit and Dr. NAN Xinsheng (resigned on 1 January 2022) participated in this continuous professional development mainly by reading various materials regarding directors' duties, compliance with Listing Rules and disclosure of inside information, etc.

董事持續培訓及專業發展

每名新任董事將於首次獲委任時獲提供正式、全面及特為其而設之就任須知，確保新任董事對本公司營運及業務有適當理解，並完全了解其根據上市規則以及其他法律及監管規定之責任與義務。

本公司將不時為所有董事提供簡報以發展並更新其職務與責任。本公司亦鼓勵所有董事出席由法律顧問及／或任何適當機構提供的相關培訓課程，並要求彼等向本公司提供其培訓紀錄。

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。

截至二零二一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（即董李博士、印海燕女士、曹亦雄先生、劉智傑先生及南新生博士（於二零二二年一月一日辭任）均已參與持續專業發展，主要透過閱讀有關董事責任、遵守上市規則及內幕資料披露的若干材料。

Chairman and Chief Executive

Dr. DONG Li, the Chairman of the Board, is the founder of the Group and has extensive experience in the lead-acid battery industry. With effect from 30 July 2018, Ms. YIN Haiyan has been appointed as the chief executive officer of the Company.

The roles of the Chairman and chief executive officer of the Company are separate and performed by different individuals.

Independent Non-executive Directors

Mr. CAO Yixiong Alan, Mr. LAU Chi Kit and Dr. NAN Xinsheng (resigned on 1 January 2022) are engaged for a term of three years commencing from their respective dates of appointment and are subject to retirement by rotation and re-election pursuant to the Articles of Association of the Company.

Mr. LU Zhiqiang (appointed on 21 March 2022) is engaged for a term of two years commencing from the date of appointment and is subject to retirement by rotation and re-election pursuant to the Articles of Association of the Company.

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 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.

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.

主席及行政總裁

董李博士為董事會主席兼本集團創辦人及於鉛酸蓄電池行業擁有豐富經驗。印海燕女士已獲委任為本公司之行政總裁，自二零一八年七月三十日起生效。

本公司主席及行政總裁的職務獨立，且應由不同人士擔任。

獨立非執行董事

曹亦雄先生、劉智傑先生及南新生博士（於二零二二年一月一日辭任）的任期均由其各自的委任日期起計為三年，並須根據本公司章程細則輪席告退及重選。

盧志強先生（於二零二二年三月二十一日獲委任）的任期均由其各自的委任日期起計為兩年，並須根據本公司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設有書面職權範圍，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。

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。

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 2021, the Remuneration Committee comprised three members, namely, Dr. 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.

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（包括如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。

於二零二一年十二月三十一日，薪酬委員會由三名成員組成，即董李博士（執行董事）、曹亦雄先生及劉智傑先生（後兩位為獨立非執行董事）。劉智傑先生為薪酬委員會主席。

During the year ended 31 December 2021, the Remuneration Committee held four 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:

截至二零二一年十二月三十一日止年度，薪酬委員會舉行了四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	4/4	劉智傑先生	4/4
Dr. DONG Li	4/4	董李博士	4/4
Mr. CAO Yixiong Alan	4/4	曹亦雄先生	4/4
Mr. LU Zhiqiang (appointed on 21 March 2022)	0/0	盧志強先生 (於二零二二年 三月二十一日獲委任)	0/0

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 the board diversity policy the " (the **"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(「**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

Nomination policy and process for the independent nonexecutive Directors

The nomination committee of the Company will consider the structure, size and diversity (including gender, age, cultural and educational background, length of service, skills, knowledge and experience etc.) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. All appointments to the Board are based on meritocracy and the candidates will be assessed based on criteria such as education background and relevant skills and experience for consideration of the operation of the Board as a whole, with a view to maintaining a sound balance of the Board's composition.

As at 31 December 2021, the Nomination Committee comprised three members, namely, Dr. DONG Li (executive Director), Mr. LAU Chi Kit and Dr. NAN Xinsheng (resigned on 1 January 2022), the latter two being independent non-executive Directors. Dr. DONG Li is the chairman of the Nomination Committee.

During the year ended 31 December 2021, 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:

獨立非執行董事的提名政策及程序

本公司提名委員會將最少每年一次檢討董事會的架構、人數及多元化(包括性別、年齡、文化與教育背景、服務年期、技能、知識及經驗等),並就任何為配合本公司的公司策略而擬對董事會作出的任何變動提出推薦建議。所有董事會委任均以用人唯才為原則,按教育背景以及相關技能與經驗等準則評估候選人,並計及董事會的整體運作,旨在保持董事會組成的適當平衡。

於二零二一年十二月三十一日,提名委員會由三名成員組成,即董李博士(執行董事)、劉智傑先生及南新生博士(於二零二二年一月一日辭任),後兩位為獨立非執行董事。董李博士為提名委員會主席。

截至二零二一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:

Name of Director	Attendance/ Number of Meetings	董事姓名	出席次數/ 會議數目
Dr. DONG Li	2/2	董李博士	2/2
Mr. LAU Chi Kit	2/2	劉智傑先生	2/2
Dr. NAN Xinsheng (resigned on 1 January 2022)	2/2	南新生博士 (於二零二二年 一月一日辭任)	2/2
Mr. LU Zhiqiang (appointed on 21 March 2022)	0/0	盧志強先生 (於二零二二年 三月二十一日獲委任)	0/0

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.

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 2021, the Audit Committee comprised three members, namely, Mr. CAO Yixiong Alan, Mr. LAU Chi Kit and Dr. NAN Xinsheng (resigned on 1 January 2022) 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.

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。

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報告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)檢討本公司財務報告制度、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。

於二零二一年十二月三十一日，審核委員會由三名成員組成，即曹亦雄先生、劉智傑先生及南新生博士（於二零二二年一月一日辭任），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。

Corporate Governance Report 企業管治報告

The Audit Committee held two meetings during the year ended 31 December 2021 together with the Company's external auditor and the senior management and performed the following major tasks:

- Reviewed the scope of 2020 annual audit and 2021 interim review work, auditor's fees and terms of engagement; and
- Review and discuss the 2020 annual and 2021 interim financial statements, results announcements and reports, the related accounting principles and practices adopted by the Group and the relevant audit findings.

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

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

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. LAU Chi Kit	2/2	劉智傑先生	2/2
Dr. NAN Xincheng (resigned on 1 January 2022)	2/2	南新生博士 (於二零二二年 一月一日辭任)	2/2
Mr. LU Zhiqiang (appointed on 21 March 2022)	0/0	盧志強先生 (於二零二二年 三月二十一日獲委任)	0/0

In addition, the Audit Committee has reviewed the financial statements of the Group for the year ended 31 December 2021 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.

審核委員會攜手本公司外部核數師及高級管理層於截至二零二一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：

- 檢討截至二零二零年年度審核及二零二一年中期審閱工作範圍、核數師費用及聘用條款；及
- 審核及討論二零二零年年度及二零二一年中期財務報表、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。

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。

各成員的會議出席記錄如下：

此外，審核委員會已審閱本集團截至二零二一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報告事宜。

Corporate Governance Functions

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

- 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;
- 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.

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

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

Directors' and Officers' Insurance

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

企業管治職能

董事會負責履行企業管治守則規定之以下企業管治職責：

- 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；
- 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。

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守則條文；及
- 檢討遵守企業管治守則情況。

董事及高級職員之保險

本公司已就其董事及高級職員可能面對之法律行動作出適當之投保安排。

Anti-corruption

The Group formulates the “Business Ethics Control Procedure” which requires both employees and suppliers to sign the agreement for integrity. In addition, the “Anti-Corruption Procedure” is also formulated to cover lawful business, avoidance of conflict of interests, and fair competition, etc. The Group requests all employees to abide by the business ethics, employees must not ask for or receive any improper form or other improper benefits, which include but not limited to rebates, commissions, improper gifts or hospitality; avoidance of conflicts of interest at work. All employees are required to avoid any activities which might involve potential conflict of interests and they are required to receive regular training on anti-corruption.

Whistleblowing Policy

Employees are encouraged to report any non-conformity or violation of the anti-bribery and corruption policy in writing to management directly or to our dedicated response team. All cases will be investigated in a timely and confidential manner and the personnel who are involved in whistleblowing will be protected.

The Group formulates a policy on the “Regulations for Management of Whistle-blowing and Appeals” which stipulates in detail the procedure of whistle-blowing, the methodology of investigation and the way of appeal by the person under investigation. Employees can complain or report in a confidential manner to the Group’s senior management through the General Manager’s letterbox, telephone, and face-to-face communication, etc. The Group protects the personal privacy and the related rights of the whistle-blower.

反貪污

集團制定《商業道德規範控制程序》的要求，與員工、供應商分別簽訂廉潔協議。此外，亦制定了《反商業賄賂程序》，整體內容包括合法經營、避免利益衝突、公平競爭等。集團要求所有員工應遵守商業道德，員工不得索取或者收受不恰當形式或其他不正當利益，包括但不限於回扣、佣金、不當饋贈或招待；避免工作中的利益衝突。所有員工均需避免任何可能涉及潛在利益衝突的活動，並需接受定期的反貪污培訓。

舉報政策

我們鼓勵員工直接致函管理層或我們的專職回應小組，以報告任何不符合或違反反賄賂及貪污政策的情況。所有案件將會不時以保密方式進行調查，而牽涉舉報之人士將會受到保護。

集團制定了有關《舉報及上訴管理規章》的政策，詳細規定舉報程序、調查方法及受調查人士的上訴途徑。員工可通過總經理信箱、電話及當面交流等途徑向集團高層管理者投訴或告密。集團保護告密者的個人私隱和相關權利。

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 2021.

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.

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.

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。

董事已確認其編製截至二零二一年十二月三十一日止年度本公司財務報表的責任。

並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。

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。我們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。

During the year ended 31 December 2021, 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 81 to 89 of this annual report.

For the year ended 31 December 2021, 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 RMB2.9 million and RMB0.4 million, respectively.

Dividend Policy

The Company has a dividend policy (the "**Dividend Policy**"), pursuant to which the Company may distribute dividends to the Shareholders of the Company by way of (i) cash or (ii) shares. The profit distribution policy of the Company shall achieve continuity, stability and sustainability.

於截至二零二一年十二月三十一日止年度，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報告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及充足。董事會亦合理信納其會計及財務報告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81至89頁的獨立核數師報告。

截至二零二一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2.9百萬元和人民幣0.4百萬元。

股息政策

本公司設有一項股息政策（「**股息政策**」），據此，本公司可透過(i)現金或(ii)股份方式向本公司股東派發股息。本公司的利潤分配政策應實現連續性、穩定性及可持續性。

The Board will continually review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period. When considering the declaration and payment of dividends, the Board will take into account the Group's financial results, business conditions and strategies and future operations and earnings.

The payment of dividend is also subject to any restrictions under the Laws of Hong Kong, the Companies Law of the Cayman Islands and the Articles of Association of the Company.

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.

董事會將不時檢討該股息政策，並不保證會在任何指定期間派付任何特定金額的股息。於考慮宣派及派付股息時，董事會將考慮本集團的財務業績、業務狀況及策略以及未來營運及盈利。

本公司能否派付股息亦受香港法律、開曼群島公司法及本公司章程細則規定所規限。

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。

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 principal 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.

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 changes in the Company's constitutional documents during the year ended 31 December 2021, and the Company's constitutional documents are published on the websites of the Company and the Stock Exchange.

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) 郵寄至本公司主要營業地點香港新界荃灣海盛路3號TML廣場33樓C室；或
- ii) 電郵至ir@leoch.com。

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

截至二零二一年十二月三十一日止年度，本公司章程文件概無任何變動，且本公司章程文件已刊載於本公司及聯交所的網頁。

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 satisfied that each of the Controlling Shareholders had complied with the Deed of Non-Competition for the year ended 31 December 2021.

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.

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於招股章程「與控股股東的關係」一節中披露。

獨立非執行董事已審閱並信納各控股股東於截至二零二一年十二月三十一日止年度已遵守不競爭契據。

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。

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 any 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.

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.

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任何提問。

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。

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
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27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

We have audited the consolidated financial statements of Leoch International Technology Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 90 to 286, which comprise the consolidated statement of financial position as at 31 December 2021, 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.

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 2021 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.

意見

吾等已完成審核載於第90至286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，其中包括於二零二一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)。

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 貴集團於二零二一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)

關鍵審核事項 (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 were subject to significant risk of obsolescence. Significant management's judgements and estimates were involved in determining the amount of provision of slow-moving and obsolete inventories. As the inventory balance amounting to RMB2,019million was significant to the Group, which represented 21% of the total assets of the Group, and the provision of inventories was made based on subjective estimates and assumptions concerning future consumption or sales of inventories, we identified this as a key audit matter.

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。釐定滯銷及陳舊存貨所計提撥備之金額時，涉及管理層之重大判斷及估計。由於存貨結餘達人民幣2,019百萬元對貴集團而言乃屬重大，佔貴集團資產總值之21%，且存貨撥備乃根據有關日後消耗或存貨銷售額之主觀估計及假設作出，因此吾等將此識別為關鍵審核事項。

The disclosures about inventories are included in notes 3 and 20 to the financial statements.

有關存貨之披露載於財務報表附註3及20。

We obtained an understanding of management's process about how to identify the slow-moving and obsolete inventories and calculate the amount of provision.

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。

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, 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.

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。

We also checked on a sampling basis the ageing reports of inventories and the production records and sales of inventories made after the year end.

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。

For the net realisable value of the slow-moving and obsolete inventories identified, we checked samples of recent sales invoices for the value.

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)

關鍵審核事項 (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 trade receivable balance was significant to the Group, which amounted to RMB2,781 million and represented approximately 29% of the total assets as at 31 December 2021. Assessment of the recoverability of trade receivables involves a high level of management judgement and estimation. During the year, management used a provision matrix to calculate expected credit losses for receivables. The matrix was initially based on the Group's historical default rates, and specific factors that management considered in the estimation of the rates including the type of customers, ageing of the balances and recent historical payment patterns. Management then calibrated the matrix to adjust the historical credit loss experience with forward-looking information, such as forecasted economic conditions.

貿易應收款項結餘對 貴集團而言乃屬重大，其金額為人民幣2,781百萬元，佔於二零二一年十二月三十一日之資產總值約29%。對貿易應收款項之可收回性作出評估時涉及重大管理層判斷及估計。年內，管理層採用撥備矩陣計量應收款項之預期信貸虧損。該矩陣初始乃基於 貴集團的過往違約率及管理層於估計該等違約率時考慮的具體因素，包括客戶類型、結餘賬齡及近期過往支付模式。其後，管理層對矩陣進行校準，透過前瞻性資料（如預測經濟狀況）調整過往信貸虧損經驗。

The relevant disclosures are contained in notes 3 and 21 to the financial statements.

有關披露載於財務報表附註3及21。

We evaluated the design, implementation and operating effectiveness of key internal controls which govern credit control, debt collection and estimate of expected credit losses ("ECLs").

吾等已評估管理信貸控制、債務追討及預期信貸虧損（「預期信貸虧損」）估計之關鍵內部控制的設計、實施及運營有效性。

We assessed, on a sampling basis, whether items in the trade receivable ageing report were classified with the appropriate ageing bracket by comparing individual items in the report with the relevant sales invoices.

吾等按樣本基準透過比較報告中不同項目與相關銷售發票，評估貿易應收款項賬齡報告中的項目是否歸入適當的賬齡級別。

We assessed the adequacy of the ECL provision by (i) evaluating the reasonableness of management's assumptions used in establishing the ECL provision matrix; (ii) examining the information used by management to form such estimations, including testing the accuracy of historical default data, evaluating whether the historical loss rates were appropriately adjusted based on current economic conditions and forward-looking information; and (iii) examining the actual losses recorded during the current financial year.

吾等透過以下方式評估預期信貸虧損撥備之充足性：(i)評估管理層於建立預期信貸虧損撥備矩陣時採用假設之合理性；(ii)檢查管理層達致此等估計所採用之資料，包括檢測過往違約率數據之準確性及評估過往虧損率是否已根據現時經濟狀況及前瞻性資料進行適當調整；及(iii)檢查本財務年度錄得之實際虧損。

We checked the relevant disclosures in the financial statements.

吾等已核對載於財務報表之有關披露。

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 issued 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頒佈的準則及詮釋)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 HKSA's 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不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 HKSA's, 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明朗因素，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明朗因素，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, actions taken to eliminate threats or safeguards applied.

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所採取以消除威脅之行動或所實行之防範措施 (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
31 March 2022

安永會計師事務所
執業會計師
香港
二零二二年三月三十一日

Consolidated Statement of Profit or Loss

綜合損益表

Year ended 31 December 2021
截至二零二一年十二月三十一日止年度

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
REVENUE	收益	5	11,303,125	9,631,362
Cost of sales	銷售成本		(9,793,419)	(8,443,083)
Gross profit	毛利		1,509,706	1,188,279
Other income and gains	其他收入及收益	5	84,221	108,360
Selling and distribution expenses	銷售及分銷開支		(586,076)	(481,179)
Administrative expenses	行政開支		(306,212)	(266,359)
Research and development costs	研發成本	6	(239,446)	(172,720)
Impairment losses on assets	資產減值虧損	6	(23,761)	(20,675)
Other expenses	其他開支	7	(102,594)	(35,874)
Finance costs	財務成本	8	(143,874)	(158,180)
PROFIT BEFORE TAX	稅前溢利	6	191,964	161,652
Income tax expense	所得稅開支	11	(25,235)	(23,688)
PROFIT FOR THE YEAR	本年度溢利		166,729	137,964
Attributable to:	以下人士應佔：			
Owners of the parent	母公司擁有人		136,126	123,732
Non-controlling interests	非控股權益		30,603	14,232
			166,729	137,964
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益持有人 應佔每股盈利	13		
Basic	基本		RMB人民幣0.10元	RMB人民幣0.09元
Diluted	攤薄		RMB人民幣0.10元	RMB人民幣0.09元

Consolidated Statement of Comprehensive Income

綜合全面收益表

Year ended 31 December 2021
截至二零二一年十二月三十一日止年度

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
PROFIT FOR THE YEAR	本年度溢利		166,729	137,964
OTHER COMPREHENSIVE INCOME	其他全面收益			
Other comprehensive income that may 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：			
Debt investments at fair value through other comprehensive income:	公允價值變動計入其他全面收益的債務投資：			
Changes in fair value	公允價值變動	22	1,683	(776)
Income tax effect	所得稅影響	29	(421)	194
			1,262	(582)
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額		(1,312)	1,325
Net other comprehensive income that may 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		(50)	743

Consolidated Statement of Comprehensive Income 綜合全面收益表

Year ended 31 December 2021

截至二零二一年十二月三十一日止年度

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	於隨後期間不會重新分類至損益的其他全面收益：			
Equity investments designated at fair value through other comprehensive income:	指定按公允價值變動計入其他全面收益的權益性投資：			
Changes in fair value	公允價值變動		8,736	(541)
Income tax effect	所得稅影響	29	659	10,328
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	於隨後期間不會重新分類至損益的其他全面收益淨額		9,395	9,787
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	本年度其他全面收益，扣除稅項		9,345	10,530
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年度全面收益總額		176,074	148,494
Attributable to:	以下人士應佔：			
Owners of the parent	母公司擁有人		145,247	134,569
Non-controlling interests	非控股權益		30,827	13,925
			176,074	148,494

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2021
二零二一年十二月三十一日

			2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
NON-CURRENT ASSETS				
Property, plant and equipment	物業、廠房及設備	14	2,291,795	2,371,715
Investment property	投資物業	15	345	356
Right-of-use assets	使用權資產	16(a)	152,860	147,424
Goodwill	商譽	17	2,213	2,213
Other intangible assets	其他無形資產	18	771,009	715,537
Equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資	19	182,680	143,027
Deposits paid for purchase of items of property, plant and equipment	就收購物業、廠房及設備項目支付的訂金		34,650	36,656
Deferred tax assets	遞延稅項資產	29	66,263	61,724
Total non-current assets	非流動資產總值		3,501,815	3,478,652
CURRENT ASSETS	流動資產			
Inventories	存貨	20	2,019,256	1,776,904
Trade receivables	貿易應收款項	21	2,725,702	2,419,676
Debt investments at fair value through other comprehensive income	公允價值變動計入其他全面收益的債務投資	22	106,349	197,128
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	23	223,469	276,059
Financial assets at fair value through profit or loss	公允價值變動計入損益的金融資產	24	67,798	75,912
Pledged deposits	已抵押存款	25	602,513	461,353
Cash and cash equivalents	現金及現金等價物	25	349,229	387,148
Total current assets	流動資產總值		6,094,316	5,594,180
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易應付款項及應付票據	26	2,319,251	2,139,389
Other payables and accruals	其他應付款項及應計費用	27	1,077,303	983,974
Financial liabilities at fair value through profit or loss	公允價值變動計入損益的金融負債	24	851	2,679
Interest-bearing bank borrowings	計息銀行借貸	28	2,042,493	1,760,846
Lease liabilities	租賃負債	16(b)	4,046	6,032
Income tax payable	應付所得稅		108,576	104,841
Total current liabilities	流動負債總值		5,552,520	4,997,761
NET CURRENT ASSETS	流動資產淨值		541,796	596,419
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		4,043,611	4,075,071

Consolidated Statement of Financial Position 綜合財務狀況表

31 December 2021
二零二一年十二月三十一日

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank borrowings	計息銀行借貸	28	329,713	542,438
Lease liabilities	租賃負債	16(b)	16,422	5,099
Deferred tax liabilities	遞延稅項負債	29	53,282	55,503
Deferred government grants	遞延政府補貼		65,129	72,095
Total non-current liabilities	非流動負債總額		464,546	675,135
Net assets	資產淨值		3,579,065	3,399,936
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	30	116,241	116,224
Reserves	儲備	32	3,271,687	3,123,402
			3,387,928	3,239,626
Non-controlling interests	非控股權益		191,137	160,310
Total equity	權益總額		3,579,065	3,399,936

Dong Li
董李
Director
董事

Yin Haiyan
印海燕
Director
董事

Consolidated Statement of Changes In Equity

綜合權益變動表

Year ended 31 December 2021
截至二零二一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	Fair value reserve 公允	Statutory reserve fund	Exchange fluctuation reserve 匯兌	Retained profits	Total	Non-controlling interests	Total equity
		股本 RMB'000 人民幣千元	股份溢價類 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	價值儲備 RMB'000 人民幣千元	法定儲備金 RMB'000 人民幣千元	波動儲備 RMB'000 人民幣千元	保留溢利 RMB'000 人民幣千元	合計 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
Note		(note 30)	(note 41)	(note 32)	(note 32)	(note 32)	(note 32)	(note 32)	(note 32)			
附註		(附註30)	(附註41)	(附註32)	(附註32)	(附註32)	(附註32)	(附註32)	(附註32)			
At 1 January 2020	於二零二零年一月一日	116,213	1,148,909	272,534	34,715	58,306	145,619	24,519	1,316,931	3,117,746	156,443	3,274,189
Profit for the year	本年度溢利	-	-	-	-	-	-	-	123,732	123,732	14,232	137,964
Other comprehensive income for the year:	本年度其他全面收益：											
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	指定按公允價值變動計入其他全面收益的權益性投資的公允價值變動，扣除稅項	-	-	-	-	9,787	-	-	-	9,787	-	9,787
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	公允價值變動計入其他全面收益的債務投資公允價值變動，扣除稅項	-	-	-	-	(582)	-	-	-	(582)	-	(582)
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	-	-	-	1,632	-	1,632	(307)	1,325
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	9,205	-	1,632	123,732	134,569	13,925	148,494
Exercise of the share options	行使購股權	11	183	-	(172)	-	-	-	-	22	-	22
Lapse of the share options	購股權失效	-	-	-	(1,410)	-	-	-	1,410	-	-	-
Transfer of fair value reserve of equity investments at fair value through other comprehensive income	轉撥按公允價值變動計入其他全面收益的權益性投資的公允價值儲備	19	-	-	-	(40,770)	-	-	40,770	-	-	-
Appropriations to reserves	撥作儲備	-	-	-	-	-	25,219	-	(25,219)	-	-	-
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	-	2,034	-	-	-	-	2,034	-	2,034
Acquisition of non-controlling interests	收購非控股權益	-	-	10,058	-	-	-	-	-	10,058	(10,058)	-
Final 2019 dividend paid	已付二零一九年末期股息	-	-	-	-	-	-	-	(24,803)	(24,803)	-	(24,803)
At 31 December 2020	於二零二零年十二月三十一日	116,224	1,149,092	282,592	35,167	26,741	170,838	26,151	1,432,821	3,239,626	160,310	3,399,936

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

Year ended 31 December 2021
截至二零二一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	Fair value reserve 公允 價值儲備	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	價值儲備 RMB'000 人民幣千元	法定儲備金 RMB'000 人民幣千元	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
Note 附註		(note 30) (附註30)	(note 41) (附註41)	(note 32) (附註32)	(note 32) (附註32)	(note 32) (附註32)	(note 32) (附註32)	(note 32) (附註32)				
	At 1 January 2021	116,224	1,149,092	282,592	35,167	26,741	170,838	26,151	1,432,821	3,239,626	160,310	3,399,936
	Profit for the year	-	-	-	-	-	-	-	136,126	136,126	30,603	166,729
	Other comprehensive income for the year:											
	Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	9,395	-	-	-	9,395	-	9,395
	Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	-	-	-	-	1,262	-	-	-	1,262	-	1,262
	Exchange differences on translation of foreign operations	-	-	-	-	-	-	(1,536)	-	(1,536)	224	(1,312)
	Total comprehensive income for the year	-	-	-	-	10,657	-	(1,536)	136,126	145,247	30,827	176,074
	Exercise of the share options	17	273	-	(167)	-	-	-	-	123	-	123
	Transfer of fair value reserve of equity investments at fair value through other comprehensive income	-	-	-	-	(4,369)	-	-	4,369	-	-	-
	Appropriations to reserves	-	-	-	-	-	12,682	-	(12,682)	-	-	-
	Equity-settled share option arrangements	-	-	-	2,932	-	-	-	-	2,932	-	2,932
	At 31 December 2021	116,241	1,149,365*	282,592*	37,932*	33,029*	183,520*	24,615*	1,560,634*	3,387,928	191,137	3,579,065

* These reserve accounts comprise the consolidated reserves of RMB3,271,687,000 (2020: RMB3,123,402,000) in the consolidated statement of financial position.

* 此等儲備賬包括綜合財務狀況表內之綜合儲備人民幣3,271,687,000元(二零二零年:人民幣3,123,402,000元)。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2021
截至二零二一年十二月三十一日止年度

			2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務所得現金流量			
Profit before tax	稅前溢利		191,964	161,652
Adjustments for:	就下列各項作出調整：			
Finance costs	財務成本	8	143,874	158,180
Interest income	利息收入	5	(10,567)	(11,276)
Fair value loss(gain) from financial assets at fair value through profit or loss, net	公允價值變動計入損益的金融資產的公允價值虧損(收益), 淨額	6	8,114	(10,309)
Fair value loss from financial liabilities at fair value through profit or loss, net	公允價值變動計入損益的金融負債的公允價值虧損, 淨額	6	860	2,679
Fair value gain from structured bank deposits	結構性銀行存款的公允價值收益	5	-	(1,276)
Loss on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的虧損	6	5,927	6,762
Loss on lease modifications	租賃修改虧損		11	163
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14	338,687	260,257
Depreciation of investment property	投資物業折舊	15	11	11
Depreciation of right-of-use assets	使用權資產折舊	16(a)	10,467	11,161
Amortisation of intangible assets	無形資產攤銷	18	199,279	183,347
Amortisation of deferred government grants	遞延政府補貼攤銷		(11,793)	(6,098)
Impairment of trade receivables	貿易應收款項減值	21	23,761	12,252
Impairment/(reversal of impairment) of inventories	存貨減值/(減值撥回)	20	7,331	(1,430)
Impairment of goodwill	商譽減值	17	-	8,423
Dividend income from equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資的股息收入	5	-	(672)
Equity-settled share option expenses	以權益結算的購股權開支	6	2,932	2,034
			910,858	775,860

Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2021

截至二零二一年十二月三十一日止年度

	Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
(Increase)/decrease in inventories	存貨 (增加) / 減少	(249,683)	41,492
Increase in trade receivables	貿易應收款項增加	(329,787)	(125,057)
Decrease/(Increase) in debt investments at fair value through other comprehensive income	按公允價值變動計入其他全面收益的債務投資減少 / (增加)	92,462	(63,120)
Decrease/(Increase) in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少 / (增加)	52,590	(114,016)
Decrease in financial liabilities at fair value through profit or loss	按公允價值變動計入損益的金融負債減少	(2,688)	(5,457)
Increase in trade and bills payables	貿易應付款項及應付票據增加	179,862	129,688
Increase in other payables and accruals	其他應付款項及應計費用增加	93,093	136,701
Cash generated from operations	經營活動所得現金	746,707	776,091
Income tax paid	已付所得稅	(27,971)	(13,044)
Net cash flows from operating activities	經營活動所得現金流量淨額	718,736	763,047
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Interest received	已收利息	10,567	11,276
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(280,598)	(416,452)
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	7,384	9,457
Dividend income from equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資的股息收入	5	672
Proceeds from disposal of equity investments designated at fair value through other comprehensive income	出售指定按公允價值變動計入其他全面收益的權益性投資的所得款項	19	53,095
Disposal of right-of-use assets	出售使用權資產	-	30,793
Additions of equity investments designated at fair value through other comprehensive income	增加指定按公允價值變動計入其他全面收益的權益性投資	(40,500)	(33,262)
Additions of intangible assets	增加無形資產	(255,096)	(228,471)
Additions of right-of-use assets	增加使用權資產	16(a)	(230)
Decrease in structured bank deposits	結構性銀行存款減少	-	61,069
(Increase)/decrease in pledged deposits	已抵押存款 (增加) / 減少	(141,160)	2,793
Receipt of deferred government grants	收取遞延政府補貼	971	18,423
Net cash flows used in investing activities	投資活動所用現金流量淨額	(689,435)	(490,837)

Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2021
截至二零二一年十二月三十一日止年度

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 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	30	123	22
New bank borrowings	新借銀行借貸		5,353,553	5,230,216
Repayment of bank borrowings	償還銀行借貸		(5,244,223)	(5,152,011)
Interest paid	已付利息		(143,689)	(157,839)
Principal portion of lease payments	租賃付款本金部分		(6,995)	(7,450)
Final dividend paid	已付末期股息		-	(24,803)
Net cash flows used in financing activities	融資活動所用現金流量淨額		(41,231)	(111,865)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			(11,930)	160,345
現金及現金等價物 (減少) / 增加淨額				
Cash and cash equivalents at beginning of year	於年初的現金及現金等價物		387,148	280,903
Effect of foreign exchange rate changes, net	匯率變動的影響，淨額		(25,989)	(54,100)
CASH AND CASH EQUIVALENTS AT END OF YEAR	於年末的現金及現金等價物		349,229	387,148
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	25	349,229	387,148

Notes to Financial Statements

財務報表附註

31 December 2021
二零二一年十二月三十一日

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 Act, Chapter 22 (Act 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 and the ultimate holding company of the Company is Master Alliance Investment Limited, a company incorporated in the British Virgin Islands and wholly owned by Dr. 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，本公司直接控股公司及最終控股公司為於英屬處女群島註冊成立的Master Alliance Investment Limited，其為董李博士全資擁有。

1. CORPORATE AND GROUP INFORMATION (continued)

1. 公司及集團資料 (續)

Information about subsidiaries

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

有關附屬公司之資料

本公司主要附屬公司的詳情如下：

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") (i)	11 March 2003	PRC*	RMB577,909,382	-	100	Investment holding and manufacture and sale of lead-acid batteries
江蘇理士電池有限公司 (「江蘇理士」) (i)	二零零三年三月十一日	中國*	人民幣577,909,382元			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") (ii)	9 May 2005	PRC*	US\$103,780,000	-	100	Investment holding and manufacture and sale of lead-acid batteries
肇慶理士電源技術有限公司 (「肇慶理士」) (ii)	二零零五年五月九日	中國*	103,780,000美元			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") (ii)	26 July 2006	PRC*	US\$10,000,000	-	100	Manufacture and sale of lead-acid batteries
安徽力普拉斯電源技術有限公司 (「安徽力普拉斯」) (ii)	二零零六年七月二十六日	中國*	10,000,000美元			製造和銷售鉛酸蓄電池
深圳市理士新能源發展有限公司 (Leoch Shenzhen Renewable Energy Co., Ltd.) ("Leoch New Energy") (i)	26 April 1999	PRC*	RMB846,456,523	-	100	Investment holding and sale of lead-acid batteries
深圳市理士新能源發展有限公司 (「理士新能源」) (i)	一九九九年四月二十六日	中國*	人民幣846,456,523元			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.) (i)	27 November 2002	PRC*	RMB3,500,000	-	100	Leasing of properties
東莞市理士易事特電源技術有限公司(i)	二零零二年十一月二十七日	中國*	人民幣3,500,000元			租賃物業
廣州理士奧電源技術有限公司 (Guangzhou Leoch Battery Technology Co., Ltd.) (i)	23 July 2013	PRC*	RMB100,000	-	100	Sale of lead-acid batteries
廣州理士奧電源技術有限公司(i)	二零一三年七月二十三日	中國*	人民幣100,000元			銷售鉛酸蓄電池

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

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 %	
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	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
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 投資控股和銷售鉛酸蓄電池

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		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
南京理士奧電源技術有限公司 (Nanjing Leoch Battery Technology Co., Ltd.) (i)	15 March 2006	PRC*	RMB300,000	-	100	Sale of lead-acid batteries
南京理士奧電源技術有限公司(ii)	二零零六年三月十五日	中國*	人民幣300,000元			銷售鉛酸蓄電池
北京理士奧電源技術有限公司 (Beijing Leoch Engineering Technology Co., Ltd.) (i)	14 December 2004	PRC*	RMB1,000,000	-	100	Sale of lead-acid batteries
北京理士奧電源技術有限公司(ii)	二零零四年十二月十四日	中國*	人民幣1,000,000元			銷售鉛酸蓄電池
深圳理士電池技術有限公司 (Leoch Battery Shenzhen Corp.) (i)	27 September 2007	PRC*	RMB1,000,000	-	100	Sale of lead-acid batteries
深圳理士電池技術有限公司(ii)	二零零七年九月二十七日	中國*	人民幣1,000,000元			銷售鉛酸蓄電池
Catherine Holdings International Company Limited ("Catherine Holdings")	3 May 2010	BVI***	US\$4	100	-	Investment holding
Catherine Holdings International Company Limited ("Catherine Holdings")	二零一零年五月三日	英屬處女群島***	4美元			投資控股
Leoch Battery Pte. Ltd. ("Leoch Battery Pte.")	5 April 2010	Singapore	SG\$2,000,000	-	100	Sale of lead-acid batteries
Leoch Battery Pte. Ltd. ("Leoch Battery Pte.")	二零一零年四月五日	新加坡	2,000,000新加坡元			銷售鉛酸蓄電池
Leoch International Holding Pte. Ltd. ("Leoch International Holding")	21 April 2011	Singapore	SG\$1	-	100	Investment holding
Leoch International Holding Pte. Ltd. ("Leoch International Holding")	二零一一年四月二十一日	新加坡	1新加坡元			投資控股
安徽理士電源技術有限公司 (Anhui Leoch Power Supply Corp.) ("Anhui Leoch Power") (i)	26 October 2010	PRC*	RMB625,817,381	-	100	Manufacture and sale of lead-acid batteries
安徽理士電源技術有限公司 ("安徽理士電源") (i)	二零一零年十月二十六日	中國*	人民幣625,817,381元			製造和銷售鉛酸蓄電池

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

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 %	
Leoch Lanka (Private) Ltd.	26 January 2012	Sri Lanka	LKR337,712,000	-	100	Manufacture and sale of lead-acid batteries
Leoch Lanka (Private) Ltd.	二零一二年一月二十六日	斯里蘭卡	337,712,000 斯里蘭卡盧比			製造和銷售鉛酸蓄電池
Leoch Batteries India Private Limited	31 October 2012	India	INR305,988,330	-	100	Sale of lead-acid batteries
Leoch Batteries India Private Limited	二零一二年十月三十一日	印度	305,988,330 印度盧比			銷售鉛酸蓄電池
Big Help Group Limited ("Big Help")	19 May 2011	Hong Kong	HK\$1	-	100	Investment holding
Big Help Group Limited ("Big Help")	二零一一年五月十九日	香港	1港元			投資控股
理士投資發展(深圳)有限公司 (Leoch Investment Development (Shenzhen) Limited) (i)	23 June 2014	PRC*	RMB1,607,458,555	-	100	Investment holding
理士投資發展(深圳)有限公司(ii)	二零一四年六月二十三日	中國*	人民幣1,607,458,555元			投資控股
深圳立航電源技術有限公司 (Shenzhen Lihang Battery Technology Co., Ltd.) (i)	29 November 2012	PRC*	HK\$10,000,000	-	100	Investment holding
深圳立航電源技術有限公司(ii)	二零一二年十一月二十九日	中國*	10,000,000港元			投資控股
Leoch Super Power India Pvt	7 August 2015	India	INR259,110,200	-	100	Manufacture and sale of lead-acid batteries
Leoch Super Power India Pvt	二零一五年八月七日	印度	259,110,200 印度盧比			製造和銷售鉛酸蓄電池
Energymax Power (M) Sdn Bhd ("Energymax")	10 July 2016	Malaysia	MYR40,000,000	-	51	Manufacture and sale of lead-acid batteries
Energymax Power (M) Sdn Bhd ("Energymax")	二零一六年七月十日	馬來西亞	40,000,000 馬來西亞令吉			製造和銷售鉛酸蓄電池
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") (i)	9 September 2016	PRC*	RMB5,000,000	-	100	Investment holding
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") (ii)	二零一六年九月九日	中國*	人民幣5,000,000元			投資控股

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		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") (i)	9 January 2017	PRC*	RMB110,000,000	-	60	Recycling 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」) (i)	二零一七年一月九日	中國*	人民幣110,000,000元			廢舊蓄電池回收及再生產鉛
Tele Power Sdn. Bhd. ("Tele Power")	23 January 2017	Malaysia	MYR1,000,000	-	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馬來西亞令吉			製造和銷售鉛酸蓄電池
Leoch Battery (Vietnam) Limited	29 September 2017	Vietnam	US\$3,750,000	-	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	3,750,000美元			製造和銷售鉛酸蓄電池
Leoch Super Power (Vietnam) Limited	29 September 2017	Vietnam	US\$2,100,000	-	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	2,100,000美元			製造和銷售鉛酸蓄電池
Leoch France SAS	23 November 2017	France	EUR100,000	-	100	Sale of lead-acid batteries
Leoch France SAS	二零一七年十一月二十三日	法國	100,000歐元			銷售鉛酸蓄電池
Leoch Nordeuropa GmbH	22 February 2018	Germany	EUR100,000	-	100	Sale of lead-acid batteries
Leoch Nordeuropa GmbH	二零一八年二月二十二日	德國	100,000歐元			銷售鉛酸蓄電池
Leoch Italia s.r.l.	11 October 2018	Italy	EUR100,000	-	100	Sale of lead-acid batteries
Leoch Italia s.r.l.	二零一八年十月十一日	意大利	100,000歐元			銷售鉛酸蓄電池
Leoch DBS Limited ("LDBS")	28 June 2017	United Kingdom	GBP3,516,723	-	100	Investment holding
Leoch DBS Limited (「LDBS」)	二零一七年六月二十八日	英國	3,516,723英鎊			投資控股

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

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 %	
Leoch Battery UK Ltd. ("LBUK") Leoch Battery UK Ltd. ("LBUK")	20 October 2015 二零一五年十月二十日	United Kingdom 英國	GBP1 1英鎊	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池
深圳理士電源發展有限公司 (Shenzhen Leoch Power Development Co., Ltd.) (i)	21 September 2020	PRC*	RMB10,000,000	-	100	Sale of lead-acid batteries
深圳理士電源發展有限公司(i)	二零二零年九月二十一日	中國*	人民幣10,000,000元			銷售鉛酸蓄電池
安徽理士新能源發展有限公司 (Anhui Leoch New Energy Development Ltd.) ("Anhui Leoch New Energy") (i)	3 September 2018	PRC*	RMB37,030,000	-	100	Manufacture and sale of lithium battery
安徽理士新能源發展有限公司 (「安徽理士新能源」) (i)	二零一八年九月三日	中國*	人民幣37,030,000元			製造及銷售鋰電池
安徽輝隼貿易有限公司(ii) 安徽輝隼貿易有限公司(ii)	11 August 2021 二零二一年八月十一日	PRC* 中國*	USD35,000,254 35,000,254美元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池
江蘇理士新能源科技有限公司(ii) 江蘇理士新能源科技有限公司(ii)	9 December 2021 二零二一年十二月九日	PRC* 中國*	RMB200,000,000 人民幣200,000,000元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池
Leoch Battery Australia Pty. Ltd. Leoch Battery Australia Pty. Ltd.	20 September 2019 二零一九年九月二十日	Australia 澳洲	AUD200,000 200,000澳元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池

1. CORPORATE AND GROUP INFORMATION *(continued)***Information about subsidiaries**
(continued)

- * PRC represents the People's Republic of China which excludes, for the purpose of this report, 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.
- (i) Limited companies under PRC law.
- (ii) Wholly-foreign-owned enterprises under PRC law.

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，就本報告而言，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。
- (i) 根據中國法律成立之有限公司。
- (ii) 根據中國法律成立之外商獨資企業。

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。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRSs, which comprise standards and interpretations issued by the IASB, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income, debt investments at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss 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 2021. 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頒佈的準則和詮釋。該等財務報表乃按照歷史成本慣例編製，惟指定按公允價值變動計入其他全面收益的權益性投資、公允價值變動計入其他全面收益的債務投資、公允價值變動計入損益的金融資產及公允價值變動計入損益的金融負債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二零二一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。

2.1 BASIS OF PREPARATION (continued)

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.

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.

2.1 編製基準 (續)

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。

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。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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.

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 IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform—Phase 2</i>
Amendment to IFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i>

2.1 編製基準 (續)

合併基準 (續)

倘本集團失去對一間附屬公司之控制權，則其終止確認(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換算差額；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)。

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。

國際財務報告準則第9號、 國際會計準則第39號、 國際財務報告準則第7號、 國際財務報告準則第4號 及國際財務報告準則 第16號的修訂本	<i>利率基準改革— 第二階段</i>
國際財務報告準則 第16號的修訂本	<i>二零二一年 六月三十日 之後的新冠肺炎 相關的租金寬免 (提早採納)</i>

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and the impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy.

2.2 會計政策及披露事項的變動 (續)

經修訂國際財務報告準則的性質及影響列述如下：

- (a) 國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號的修訂本於現有利率基準被替代無風險利率（「無風險利率」）取代時解決先前修訂中未處理但影響財務報告的問題。該等修訂提供可行權宜方法，於入賬釐定金融資產及負債合約現金流量的基準變動時，倘變動因利率基準改革直接引致，且釐定合約現金流量的新基準經濟上相當於緊接變動前的先前基準，在不調整金融資產及負債賬面值的情況下更新實際利率。此外，該等修訂允許利率基準改革要求對對沖指定及對沖文件作出的變動，而不中斷對沖關係。過渡期間可能產生的任何收益或虧損均通過國際財務報告準則第9號的一般規定處理，以計量及確認對沖無效性。當無風險利率被指定為風險組成部分時，該等修訂亦暫時寬免實體須符合可單獨識別的規定。倘實體合理預期無風險利率風險組成部分於未來24個月內將變得可單獨識別，則該寬免允許實體於指定對沖後假定已符合可單獨識別的規定。此外，該等修訂要求實體披露額外資料，以使財務報告使用者了解利率基準改革對實體金融工具及風險管理策略的影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

The Group had certain interest-bearing bank borrowings denominated in Hong Kong dollars based on the Hong Kong Interbank Offered Rate (“**HIBOR**”) and United States dollars based on the London Interbank Offered Rate (“**LIBOR**”) as at 31 December 2021. The Group expects that HIBOR will continue to exist and the interest rate benchmark reform has not had an impact on the Group’s HIBOR-based borrowings. For the LIBOR-based borrowings, since the interest rates of these instruments were not replaced by RFRs during the year, the amendments did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply the above-mentioned practical expedient upon the modification of these instruments provided that the “economically equivalent” criterion is met. Additional information about the transition and the associated risks is disclosed in note 39 to the financial statements.

2.2 會計政策及披露事項的變動 (續)

(a) (續)

於二零二一年十二月三十一日，本集團擁有若干以港元及美元計價的計息銀行借款，利息分別按香港銀行同業拆息（「**HIBOR**」）及倫敦銀行同業拆息（「**LIBOR**」）計算。本集團預期HIBOR將繼續存在及利率基改革對本集團的HIBOR基準的借款並無影響。就LIBOR基準的借款而言，由於年內該等工具的利率並未由無風險利率取代，修訂本對本集團的財務狀況及業績並無任何影響。若此等借款的利率於一段未來期間被無風險利率取代，則本集團將於符合「經濟等價」條件時，對此等借款的修正應用上述實務簡便方法。有關過渡和相關風險的其他信息在財務報表附註39中披露。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) Amendment to IFRS 16 issued in March 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021. However, the Group has not received covid-19-related rent concessions and plans to apply the practical expedient when it becomes applicable within the allowed period of application.

2.2 會計政策及披露事項的變動 (續)

- (b) 於二零二一年三月頒佈的國際財務報告準則第16號的修訂本將承租人可選擇不就直接由於新冠肺炎疫情產生的租金寬減應用租賃變更會計處理的實務簡便方法延長12個月。因此，在符合適用該實務簡便方法的其他條件下，該實務簡便方法適用於租賃付款之任何減幅僅影響原先於二零二二年六月三十日或之前到期之付款。該修訂於二零二一年四月一日或之後開始的年度期間追溯生效，而初始應用該項修訂產生的任何累積影響於本會計期間開始時確認為對保留溢利期初結餘的調整，並容許提前應用。

本集團已於二零二一年一月一日提早採納該修訂本。然而，本集團並無獲得新冠肺炎相關的租金減讓，並計劃於允許應用期間內適用時採用實際權宜方法。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

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 3	<i>Reference to the Conceptual Framework¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
IFRS 17	<i>Insurance Contracts²</i>
Amendments to IFRS 17	<i>Insurance Contracts^{2,4}</i>
Amendment to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 – Comparative Information²</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current²</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies²</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates²</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction²</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use¹</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract¹</i>
Annual Improvements to IFRSs Standards 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41 ¹

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3號的修訂本	提述概念框架 ¹
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企業之間的出售或注資 ³
國際財務報告準則第17號	保險合約 ²
國際財務報告準則第17號的修訂本	保險合約 ^{2,4}
國際財務報告準則第17號的修訂本	首次應用國際財務報告準則第17號及國際財務報告準則第9號—比較資料 ²
國際會計準則第1號的修訂本	將負債分類為流動負債或非流動負債 ²
國際會計準則第1號及國際財務報告準則實務報告第2號的修訂本	會計政策披露 ²
國際會計準則第8號的修訂本	會計估計的定義 ²
國際會計準則第12號的修訂本	與單一交易產生之資產及負債相關之遞延稅項 ²
國際會計準則第16號的修訂本	物業、廠房及設備：作擬定用途前的所得款項 ¹
國際會計準則第37號的修訂本	有償合約—履行合約的成本 ¹
二零一八至二零二零年國際財務報告準則年度改進	國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號隨附示例及國際會計準則第41號的修訂本 ¹

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

- 1 Effective for annual periods beginning on or after 1 January 2022
- 2 Effective for annual periods beginning on or after 1 January 2023
- 3 No mandatory effective date yet determined but available for adoption
- 4 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

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

Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

2.3 已頒佈惟未生效的國際財務報告準則 (續)

- 1 於二零二二年一月一日或之後開始的年度期間生效
- 2 於二零二三年一月一日或之後開始的年度期間生效
- 3 尚未釐定強制生效日期惟可供採納
- 4 由於二零二零年六月刊發了國際財務報告準則第17號的修訂本，因此修訂了國際財務報告準則第4號以延長暫時性豁免，有關豁免允許承保人就於二零二三年一月一日之前開始的年度期間應用國際會計準則第39號而非國際財務報告準則第9號

預期將適用於本集團的國際財務報告準則的更多資料如下載列。

國際財務報告準則第3號的修訂本旨在對於二零一八年三月刊發的*財務報告概念框架*的提述，以取代對先前的*財務報表編製及呈列框架*的提述，而不對其規定作出重大改動。該等修訂亦於實體引述概念框架來釐定何者構成資產或負債的確認原則對國際財務報告準則第3號加入例外規定。例外規定列明，就在獨立產生而非在業務合併時承擔的情況下將屬國際會計準則第37號或國際財務報告詮釋委員會第21號範圍內的負債及或然負債而言，實體應用國際財務報告準則第3號時，應分別提述國際會計準則第37號或國際財務報告詮釋委員會第21號，而非概念框架。再者，該等修訂澄清，或有資產於收購日期不符合確認資格。本集團預期按前瞻基準於二零二二年一月一日起採納該等修訂。由於該等修訂按前瞻基準適用於收購日期為首次應用當日或之後的業務合併，因此本集團於過渡日期將不會受此等修訂影響。

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 resulting from a downstream transaction 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 January 2016 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.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. 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號與國際會計準則第28號在處理投資者與其聯營公司或合營企業之間的出售或注資方面的規定的不一致性。該等修訂規定當投資者與其聯營公司或合營企業之間的出售或注資構成一項業務時，須全面確認下游交易造成的收益或虧損。就涉及不構成業務的資產的交易而言，來自有關交易的收益或虧損僅在非相關投資者於該聯營公司或合營企業中擁有權益的程度上，方會於投資者的損益中確認。該等修訂按前瞻基準應用。國際會計準則委員會於二零一六年一月移除了國際財務報告準則第10號及國際會計準則第28號的修訂本的先前強制生效日期，新的強制生效日期將於完成廣泛審閱有關聯營公司及合營企業的會計處理後釐定。然而，該等修訂目前可供採納。

國際會計準則第1號的修訂本將負債分類為流動負債或非流動負債澄清了將負債分類為流動負債或非流動負債的規定。該等修訂列明，倘實體延遲清償負債的權利受限於實體須符合指定條件的情況，則實體有權於報告期末延遲清償負債（倘其於當日符合該等條件）。負債分類並不受實體將很可能行使其延遲清償負債的權利影響。該等修訂亦澄清了被視為清償負債的情況。該等修訂對於二零二三年一月一日或之後開始的年度期間有效並須追溯應用。允許提前應用該等修訂。預期該等修訂對本集團的財務報表並無任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Amendments to IAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to IFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. 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1號的修訂本會計政策披露要求實體披露其重大會計政策資料，而非其重大會計政策。倘會計政策資料與實體財務報表所載其他資料一併考慮時，可合理預期影響一般用途財務報表之主要使用者根據該等財務報表作出之決定，則有關會計政策資料屬重大。國際財務報告準則實務報告第2號的修訂本就如何將重要性概念應用於會計政策披露提供非強制性指引。國際會計準則第1號的修訂本於二零二三年一月一日或之後開始之年度期間生效，並可提早應用。由於國際財務報告準則實務報告第2號的修訂本所提供之指引並非強制性，故該等修訂之生效日期並非必要。預期該等修訂不會對本集團財務報表構成任何重大影響。

國際會計準則第8號的修訂本釐清會計估計變動與會計政策變動之間之區別。會計估計定義為財務報表中受計量不確定性影響之貨幣金額。該等修訂亦釐清實體如何使用計量技術及輸入值以制定會計估計。該等修訂於二零二三年一月一日或之後開始之年度報告期間生效，並適用於該期間開始時或之後發生之會計政策變動及會計估計變動。可提早應用。預期該等修訂不會對本集團財務報表構成任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

Amendments to IAS 12 narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. 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12號的修訂本縮小了初始確認豁免之範圍，使其不再適用於產生相同應課稅及可扣減暫時差額之交易，如租賃及棄置義務。因此，實體須就該等交易產生之暫時差額確認遞延稅項資產及遞延稅項負債。該等修訂於二零二三年一月一日或之後開始之年度報告期間生效，並將應用於所呈列之最早比較期間開始時與租賃及棄置義務有關之交易，而任何累計影響確認為對保留溢利或權益之其他組成部分（如適用）於該日之期初結餘之調整。此外，該等修訂將追溯應用於租賃及棄置義務以外之交易。可提早應用。預期該等修訂不會對本集團財務報表構成任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. 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16號的修訂本禁止實體從物業、廠房及設備項目的成本中，扣除任何來自出售在使有關資產達致能按管理層擬定方式營運所需的地點及狀況時所產生項目的所得款項。反之，實體於損益中須確認任何來自出售有關項目的所得款項及該等項目的成本。該等修訂對於二零二二年一月一日或之後開始的年度期間有效，並僅須追溯應用於財務報表所呈列實體首次應用該等修訂的最早期間開始當日或之後可供使用的物業、廠房及設備項目。允許提前應用該等修訂。預期該等修訂對本集團的財務報表並無任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. 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37號的修訂本澄清，就評估合約根據國際會計準則第37號是否屬於有償性質的目的而言，履行合約的成本包含直接與合約相關的成本。直接與合約相關的成本包括履行該合約的遞增成本（如直接勞工成本及材料成本）及分配直接與履行該合約相關的其他成本（如分配用於履行該合約的物業、廠房及設備項目的折舊費用以及合約管理及監工成本）。一般及行政成本並非直接與合約相關，除非根據合約訂明須由對手方支付，否則不包括在內。該等修訂對於二零二二年一月一日或之後開始的年度期間有效，須應用於實體在其首次應用該等修訂的年度報告期開始時尚未履行其全部責任的合約。允許提前應用該等修訂。任何首次應用該等修訂的累計影響須確認為於首次應用日期對期初權益所作的調整，而毋須重列比較資料。預期該等修訂對本集團的財務報表並無任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Annual Improvements to IFRS Standards 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.
- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

2.3 已頒佈惟未生效的國際財務報告準則 (續)

二零一八至二零二零年國際財務報告準則年度改進載列國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號隨附示例及國際會計準則第41號的修訂本。預期將適用於本集團的修訂詳情如下：

- 國際財務報告準則第9號**金融工具**：澄清了實體在評估新訂或經更改金融負債的條款是否大致與原先金融負債的條款不同時所包括的費用。此等費用僅包括借方與貸方之間所支付或收取的費用，包括借方或貸方代表另一方支付或收取的費用。實體將該修訂應用於在實體首次應用該修訂的年度報告期間開始時或之後更改或交換的金融負債。該修訂對於二零二二年一月一日或之後開始的年度期間有效。允許提前應用該修訂。預期該修訂對本集團的財務報表並無重大影響。
- 國際財務報告準則第16號**租賃**：移除了國際財務報告準則第16號隨附示例第13項中有關租賃裝修的出租人付款的闡述。此避免了在應用國際財務報告準則第16號時可能引起有關租賃激勵處理方面的混淆。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

2.4 主要會計政策概要

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資產淨值的非控股權益。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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

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.

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 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.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

當所獲得之一系列活動及資產包括一項投入及一個實質過程且兩者共同為創造產出的能力作出重大貢獻，本集團確定已收購一項業務。

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。

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資產淨值的公允價值，則再評估後的差額於損益確認為議價收購所得利益。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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.

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.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

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。

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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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.

Fair value measurement

The Group measures its equity investments designated at fair value through other comprehensive income, debt investments at fair value through other comprehensive income, financial assets at fair value through profit or loss, structured bank deposits and financial liabilities at fair value through profit or loss 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.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

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。

公允價值計量

於各報告期末, 本集團按公允價值計量指定按公允價值變動計入其他全面收益的權益性投資、公允價值變動計入其他全面收益的債務投資、公允價值變動計入損益的金融資產、結構性銀行存款及公允價值變動計入損益的金融負債。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)。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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.

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

2.4 主要會計政策概要 (續)

公允價值計量 (續)

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。

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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.

Impairment of non-financial assets

When an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial 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. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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)

公允價值計量 (續)

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。

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、遞延稅項資產及金融資產），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。在對現金產生單位進行減值測試時，倘公司資產（例如，總部大樓）的賬面價值的一部分能夠在合理及一致的基礎上分配，則分配予個別現金產生單位，否則將分配予最小組別的現金產生單位。

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折現率折現至現值。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。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

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)

於各報告期末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）的聯營公司或合營公司；
 - (iii) 該實體與本集團為同一第三方的合營公司；
 - (iv) 一實體為一第三方的合營公司，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。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

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，列示於該資產的賬面值。倘若於此期間物業、廠房及設備須更換重要零部件，則本集團會將該等部分確認為有特定可使用年期之個別資產及相應予以折舊。

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

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貸成本。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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset 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 life of 48 years.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use.

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)

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經營租約之持作為使用權資產)，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。該等物業初始以成本(包括交易成本)計算。於初始確認後，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。折舊按估計可使用年期48年，以直線法計算。

就由投資物業轉撥至自用物業而言，就其後會計處理視作的物業成本為其於使用變動日期的公允價值。

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。

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

本集團的電腦軟件以直線法於其10年的估計可使用年期內攤銷。

客戶關係

本集團的客戶關係以直線法於其10年的估計可使用年期內攤銷。

商標

本集團的商標以直線法於其8年的估計可使用年期內攤銷。

牌照

本集團的牌照以直線法於其10年的估計可使用年期內攤銷。

研發成本

所有研究成本會於產生時自損益表扣除。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

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.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

研發成本 (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。

租賃

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	46 to 50 years
Properties	2 to 5 years
Plant and machinery	3 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 主要會計政策概要 (續)

租賃 (續)

本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃款項,而使用權資產指使用相關資產的權利。

(a) 使用權資產

本集團於租賃開始日期(即相關資產可供使用當日)確認使用權資產。使用權資產按成本減任何累計折舊及減值虧損計量,並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債的款額、已產生初始直接成本及於開始日期或之前作出的租賃付款減任何已收租賃激勵。使用權資產按直線法於租期及資產的估計使用年期(以較短期間為準)折舊,如下:

租賃土地	46至50年
物業	2至5年
廠房及機器	3至5年

倘租賃資產的擁有權於租期結束時轉移至本集團或成本反映行使購買選擇權,則使用資產的估計可使用年期計算折舊。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2.4 主要會計政策概要 (續)

租賃 (續)

本集團作為承租人 (續)

(b) 租賃負債

於租賃開始日，本集團以租賃期內的租賃付款現值確認租賃負債。租賃付款包括固定付款（包括實質固定付款），扣除任何應收的租賃激勵，取決於指數或利率的可變租賃付款，以及根據餘值擔保預計的應付金額。如果租賃期反映出本集團將行使終止租賃的選擇權，租賃付款亦包括本集團可合理確定將行使購買選擇權的行權價及終止租賃的罰款金額。不取決於指數或利率的可變租賃付款在觸發付款的事件或條件發生的期間確認為開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in other payables and accruals and other liabilities.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2.4 主要會計政策概要 (續)

租賃 (續)

本集團作為承租人 (續)

(b) 租賃負債 (續)

在計算租賃付款的現值時，如果無法直接釐定租賃內含利率，本集團使用租賃開始日的增量借貸利率。在租賃開始日後，承租人將增加租賃負債賬面值以反映增加的利息，減少賬面值以反映支付的租賃付款。此外，如果存在修改、租期變更、租賃付款變動（如由指數或利率變動引起的未來租賃付款變動）或購買相關資產選擇權的評估變更，則需要重新計量租賃負債的賬面值。

本集團之租賃負債計入其他應付款項及應計費用以及其他負債。

(c) 短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於其機器及設備的短期租賃（即自租賃開始日期起計租期為12個月或以下，並且不包含購買選擇權的租賃）。當本集團就低價值資產訂立租賃時，本集團按個別租賃基準決定是否將租賃資本化。

短期租賃及低價值資產租賃的租賃付款於租期內按直線法確認為開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

2.4 主要會計政策概要 (續)

租賃 (續)

本集團作為出租人

本集團作為出租人時，於租賃開始時（或存在租賃修改時）將其各項租賃分類為經營租賃或融資租賃。

所有本集團並未轉讓資產所有權所附帶的絕大部分風險及回報的租賃歸類為經營租賃。當合約包含租賃及非租賃組成部分時，本集團將合約代價按相對獨立售價基準分配至各組成部分。租金收入因其經營性質於租期內按直線法列賬並計入損益表之收益。於磋商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面值，並於租期內按相同方法確認為租金收入。或然租金乃於所賺取的期間內確認為收益。

轉讓相關資產所有權所附帶的絕大部分風險及回報予承租人的租賃按融資租賃入賬。

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其後按攤銷成本、按公允價值變動計入其他全面收益及按公允價值變動計入損益計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

初始確認及計量 (續)

初始確認時，金融資產的分類取決於金融資產的合約現金流量特性及本集團管理該等金融資產的業務模式。除並無重大融資部分或本集團已就其應用不調整重大融資部分的影響的實際可行權宜方法的貿易應收款項外，本集團初始按公允價值加上交易成本（倘金融資產並非按公允價值變動計入損益）計量金融資產。並無重大融資部分或本集團已應用實際可行權宜方法的貿易應收款項根據下文「收益確認」載列的政策按國際財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公允價值變動計入其他全面收益進行分類及計量，需產生純粹支付本金及未償還本金利息（「純粹支付本金及利息」）的現金流量。現金流量並非純粹支付本金及利息的金融資產，不論其業務模式，均按公允價值變動計入損益進行分類及計量。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured 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)

投資及其他金融資產 (續)

初始確認及計量 (續)

本集團管理金融資產的業務模式指其管理其金融資產以產生現金流量的方式。業務模式將決定現金流量是否由於收取合約現金流量、出售金融資產，或兩者所致。按攤銷成本分類及計量之金融資產於旨在持有金融資產以收取合約現金流量的業務模式中持有，而按公允價值變動計入其他全面收益分類及計量之金融資產以收取合約現金流量及出售為目標而持有之業務模式下所持有。並非按上述業務模式持有之金融資產按公允價值變動計入損益分類及計量。

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 amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled 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

金融資產的後續計量方法按其分類如下：

按攤銷成本計量之金融資產 (債務工具)

按攤銷成本計量之金融資產後續使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益表確認。

公允價值變動計入其他全面收益之金融資產 (債務工具)

就按公允價值變動計入其他全面收益的債務投資而言，利息收益、外匯重估及減值虧損或撥回於損益表確認，並按與按攤銷成本計量的金融資產相同的方式計量。其餘公允價值變動於其他全面收益確認。終止確認時，於其他全面收益中確認的累計公允價值變動將重新計入損益表。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

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)

指定按公允價值變動計入其他全面收益之金融資產 (權益性投資)

於初始確認時，本集團可選擇於權益性投資符合國際會計準則第32號金融工具：呈報項下的權益定義且並非持作買賣時，將其權益性投資不可撤回地分類為指定按公允價值變動計入其他全面收益的權益性投資。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會被重新計入損益表。當確立支付權時，股息於損益表確認為其他收入，有關股息的經濟利益可能流入本集團且股息金額會被可靠計量，惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他全面收益入賬。指定按公允價值變動計入其他全面收益的權益性投資不受減值評估影響。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

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.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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)

公允價值變動計入損益之金融資產

按公允價值變動計入損益的金融資產在財務狀況表以公允價值列示，公允價值變動淨額於損益表確認。

該類別包括本集團並無不可撤回地選擇分類為按公允價值變動計入其他全面收益的衍生工具及權益性投資。分類為按公允價值變動計入損益的金融資產的權益性投資股息亦於取得支付權時於損益表確認為其他收入，與股息相關的經濟利益很可能會流入本集團並能可靠地計量股息金額。

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, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. 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.

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,則本集團會評估有否保留該資產所有權的風險及回報以及其程度。於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時,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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

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.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2.4 主要會計政策概要 (續)

終止確認金融資產 (續)

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。

金融資產減值

本集團就所有並非按公允價值變動計入損益的債務工具確認預期信貸虧損 (「預期信貸虧損」) 撥備。預期信貸虧損基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而計算，並以原實際利率的近似值折現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

一般方法

預期信貸虧損分兩階段確認。就初始確認以來信貸風險並無大幅增加的信貸敞口而言，會為未來12個月可能發生的違約事件所產生的信貸虧損 (12個月預期信貸虧損) 計提預期信貸虧損撥備。就初始確認以來信貸風險大幅增加的信貸敞口而言，須就預期於敞口的餘下年期產生的信貸虧損計提減值撥備 (不論違約的時間) (全期預期信貸虧損)。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are one year past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般方法 (續)

本集團於各報告日期評估金融工具的信貸風險是否自初始確認以來顯著增加。於評估時，本集團將於報告日期金融工具發生違約的風險與初始確認日期金融工具發生違約的風險進行比較，並考慮無需不必要成本或精力即可取得的合理及可靠資料，包括歷史及前瞻性資料。

倘合約付款已逾期超過一年，則本集團認為金融資產屬違約。然而，在若干情況下，倘內部或外界資料顯示，在計及本集團作出的任何現有信貸升級措施前，本集團悉數收回未償還合約款項的可能偏低，則本集團亦可認為金融資產屬違約。倘無合理預期可收回合約現金流量時，金融資產將予以撇銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般方法 (續)

按公允價值變動計入其他全面收益的債務投資及按攤銷成本計量之金融資產於一般方法下會出現減值，且於以下階段就預期信貸虧損計量予以分類，惟採用下文所述簡化方法計量的貿易應收款項及合約資產除外。

- 第1階段 – 信貸風險自初始確認起並未大幅增加且其虧損撥備按等於12個月預期信貸虧損的數額計量的金融工具
- 第2階段 – 信貸風險自初始確認起大幅增加但並非信貸減值金融資產且其虧損撥備按等於全期預期信貸虧損的數額計量的金融工具
- 第3階段 – 於報告日期出現信貸減值（但並非購入或源生信貸減值）且其虧損撥備按等於全期預期信貸虧損的數額計量的金融資產

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, financial liabilities at fair value through profit or loss and interest-bearing bank borrowings.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

簡化方法

就並無重大融資部分或本集團就其應用不調整重大融資部分的影響的實際可行權宜方法的貿易應收款項而言，本集團採用簡化方法計算預期信貸虧損。根據簡化方法，本集團並未追蹤信貸風險變動，轉而於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已根據其過往信貸虧損經驗建立撥備矩陣，並就並按與債務人相關的前瞻性因素及經濟狀況調整。

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之金融負債、貸款及借貸或應付款項 (如適用)。

所有金融負債初始按公允價值確認，而如屬貸款及借貸以及應付款項，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、按公允價值變動計入損益之金融負債及計息銀行借貸。

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 amortised cost (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)

後續計量

金融負債按其分類之隨後計量如下：

按攤銷成本計量之金融負債 (貸款及借貸)

初始計量後，計息銀行借貸後續採用實際利率法按攤銷成本計量，除非折現的影響屬非重大，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。

終止確認金融負債

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。

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 commodity future contracts to hedge its price fluctuation 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，比如商品期貨合約，對價格波動風險進行套期保值。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.

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折現率進行折現。倘使用折現方法，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。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions (continued)

The Group provides for warranties in relation to the sale of certain industrial products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

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.

2.4 主要會計政策概要 (續)

撥備 (續)

本集團就銷售若干工業產品提供保修金，以對保修期內發生的缺陷進行一般維修。本集團就該等保證型保修金作出的撥備乃按銷量及過去的維修及退貨情況確認，並在適當的情況下折現至其現值。

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。

即期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計提撥備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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.

Deferred tax assets are recognised for all deductible temporary differences, and the 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:

- when 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

2.4 主要會計政策概要 (續)

所得稅 (續)

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。

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

- 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.

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.

2.4 主要會計政策概要 (續)

所得稅 (續)

- 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。

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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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, for 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)

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入。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 from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2.4 主要會計政策概要 (續)

收益確認

客戶合約收益

客戶合約收益於貨物或服務的控制權轉讓予客戶時確認，其金額反映本集團預期於轉讓該等貨物或服務時有權享有的代價。

倘合約代價包含可變金額，則其根據本集團於就交換向客戶轉讓貨物或服務時將享有的代價金額進行估計。可變代價於合約開始時估計並受到限制，直至與可變金額相關的不明朗因素於其後解除時，有關累計已確認收益金額的重大收益撥回極可能不會產生時方可解除。

倘合約包括給予客戶有關向其轉讓貨物或服務的重大融資利益(一年以上)的融資部分，則收益以應收金額現值計量，並按可反映於合約開始時本集團及客戶獨立融資交易的折現率進行折現。倘合約包括向本集團提供超過一年的重大融資利益的融資部分時，則合約項下確認的收益包括按實際利率法於合約負債列賬的利息開支。倘合約中有關客戶付款與轉讓承諾貨物或服務的期間少於一年，則交易價格不會根據重大融資部分的影響予以調整，而是應用國際財務報告準則第15號項下的實際可行權宜方法。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(a) Sale of industrial products

Revenue from the sale of industrial products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the industrial products.

(b) Sale of properties

Revenue from the sales of properties is recognised at the point in time when control of the ownership is transferred to the buyer.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.4 主要會計政策概要 (續)

收益確認 (續)

客戶合約收益 (續)

(a) 銷售工業產品

銷售工業產品的收益於資產控制權轉移至客戶時獲確認，一般為交付工業產品時。

(b) 出售物業

出售物業的收益於所有權轉移至買方時獲確認。

其他來源所得收益

租金收益按時間比率基準在租約年期內確認。

其他收入

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或較短期間(倘適用)收取的現金準確折現至金融資產賬面淨值的利率確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

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.

2.4 主要會計政策概要 (續)

合約負債

合約負債於本集團將相關貨物或服務轉讓之前自客戶收取付款或付款到期 (以較早者為準) 時確認。合約負債於本集團履行合約 (即向客戶轉讓相關貨物或服務之控制權) 時確認為收益。

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。

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表現及／或服務條件得以履行的期間內，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分。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，在所有其他表現及／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。

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。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

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。其他所有借貸成本均在產生時確認為開支。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. In prior years, the Company's functional currency was RMB. As at 1 July 2018, the Directors had re-evaluated the economic environment of the Company and determined that the functional currency of the Company has been changed from RMB to USD given its major funding and financing activities were raised increasingly in USD. 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

財務報表以人民幣呈列。於過往年度，本公司的功能貨幣為人民幣。於二零一八年七月一日，董事已重新評估本公司的經濟環境，由於以美元計值的主要集資及融資活動持續增長，故決定將本公司的功能貨幣由人民幣更改為美元。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。貨幣項目結算或換算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）。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries 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 exchange rates that approximate to those prevailing at the dates of the transactions.

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.

2.4 主要會計政策概要 (續)

外幣 (續)

於釐定相關資產初始確認的匯率、終止確認與墊付代價有關的非貨幣資產或非貨幣負債的開支或收入時，首次交易日期為本集團初始確認墊付代價產生的非貨幣資產或非貨幣負債之日。倘存在多筆預付款或預收款，則本集團就每筆預付代價款或收取預付代價款釐定交易日期。

若干海外附屬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，其的損益表按交易日期的近似匯率折算為人民幣。

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分於損益表內確認。

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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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.

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:

2.4 主要會計政策概要 (續)

外幣 (續)

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。

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然負債。該等假設及估計不確定性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：

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Property lease classification – 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, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Tax

Determining income tax provisions requires the Group to make judgements on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and practices and makes tax provisions accordingly.

The Group's determination as to whether to recognise deferred tax liability for withholding taxes from the distribution of dividends from the subsidiaries in the PRC according to the relevant tax jurisdictions is subject to judgement on the timing of distribution of dividends. 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 29 to the financial statements.

3. 重大會計判斷及估計 (續)

判斷 (續)

物業租賃分類 – 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賃。根據對有關安排條款及條件之評估，如租期不構成商用物業之經濟壽命的主要部分且最低租賃款項現值不等於商用物業之絕大部分公允價值，本集團已釐定其保留該等已出租物業所有權附帶的絕大部分風險及回報，並將有關合約以經營租賃入賬。

稅項

釐定所得稅撥備要求本集團對未來若干交易的稅務處理作出判斷。本集團根據現行稅務法規及慣例仔細評估交易的稅務影響，並據此作出稅項撥備。

本集團於釐定是否就相關稅務司法權區來自中國附屬公司的股息分派引致的預扣稅確認遞延稅項負債時，須對派付股息的時間作出判斷。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29。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

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 2021 was RMB2,213,000 (2020: RMB2,213,000). Further details are given in note 17 to the financial statements.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

3. 重大會計判斷及估計 (續)

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確定性的其他主要來源，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，選取合適的折現率以計算該等現金流量的現值。於二零二一年十二月三十一日，商譽的賬面值為人民幣2,213,000元（二零二零年：人民幣2,213,000元）。進一步詳情見財務報表附註17。

貿易應收款項之預期信貸虧損撥備

本集團採用撥備矩陣計算貿易應收款項之預期信貸虧損。撥備率乃基於因就擁有類似虧損模式的多個客戶分部進行分組（即地理區域、產品類別、客戶類別及評級及信用證或其他信貸保險形式的保障範圍）而逾期的日數計算。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables (continued)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 21 to the financial statements.

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

貿易應收款項之預期信貸虧損撥備 (續)

撥備矩陣最初基於本集團的過往觀察違約率。本集團將對矩陣進行校準，透過前瞻性資料調整過往信貸虧損經驗。例如，倘預測經濟狀況（如國內生產總值）預期於未來一年內惡化，並可能導致製造業的違約次數上升，則過往違約率將予以調整。於各報告日期，過往觀察違約率將予以更新並分析前瞻性估計的變動。

對過往觀察違約率、預測經濟狀況及預期信貸虧損間的相關性評估是一項重要估計。預期信貸虧損的金額對環境變化及預測經濟狀況敏感。本集團的過往信貸虧損經驗及對經濟狀況的預測亦或不能代表客戶未來的實際違約。有關本集團貿易應收款項的預期信貸虧損資料於財務報表附註21中披露。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“**IBR**”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

租賃－估算增量借貸利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借貸利率（「**增量借貸利率**」）計量租賃負債。增量借貸利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品於類似期間借入所需資金應支付之利率。因此，增量借貸利率反映了本集團「應支付」的利率，當無可觀察的利率時（如就並無訂立融資交易之附屬公司而言）或當須對利率進行調整以反映租賃之條款及條件時（如當租賃並非以附屬公司之功能貨幣訂立時），則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估算增量借貸利率並須作出若干實體特定的估計（如附屬公司之獨立信貸評級）。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use 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.

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.

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

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 (包括使用權資產) 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，選取合適的折現率以計算該等現金流量的現值。

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，或會撇銷或撇減技術陳舊或已廢棄或出售的非策略資產。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

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 lives 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.

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 2021, the amount of recognition of inventory provision in the consolidated statement of profit or loss was RMB7,331,000 (2020: reversed RMB1,430,000) (note 6).

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

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。

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出現重大改變。管理層會於各報告日期重估該等估計。截至二零二一年十二月三十一日止年度，於綜合損益表的存貨撥備確認金額為人民幣7,331,000元(二零二零年：撥回人民幣1,430,000元)(附註6)。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

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 2021 was RMB386,479,000 (2020: RMB177,586,000). Further details are included in note 29 to the financial statements.

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 2021, the best estimate of the carrying amount of capitalised development costs was RMB690,888,000 (2020: RMB622,325,000). 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)

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。於二零二一年十二月三十一日未確認的稅項虧損金額為人民幣386,479,000元（二零二零年：人民幣177,586,000元）。進一步詳情載於財務報表附註29。

開發成本

開發成本按照財務報表附註2.4所載有關研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。於二零二一年十二月三十一日，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690,888,000元（二零二零年：人民幣622,325,000元）。進一步詳情載於財務報表附註18。

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture, development and sale of lead-acid batteries and other related items.

IFRS 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 are 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 review 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 product is as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Lead-acid batteries	鉛酸蓄電池	9,249,219	8,324,213
Recycled lead products	回收鉛產品	2,053,906	1,307,149
		11,303,125	9,631,362

4. 經營分部資料

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：

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
PRC	中國	7,094,708	6,325,994
Europe, the Middle East and Africa	歐洲、中東及非洲	1,893,018	1,390,185
Americas	美洲	1,534,927	1,022,021
Asia-Pacific (other than the PRC)	亞太地區 (不包括中國)	780,472	893,162
		11,303,125	9,631,362

The revenue information above is based on the locations of the customers.

上述收益資料乃基於客戶所在地分析。

(b) Non-current assets

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
PRC	中國	2,715,069	2,750,088
Other countries/areas	其他國家/地區	537,803	523,813
		3,252,872	3,273,901

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

上述非流動資產資料乃基於該等資產所在地分析，且不包括金融工具及遞延稅項資產。

4. 經營分部資料 (續)

地區資料

(a) 來自外部客戶的收益

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
PRC	中國	7,094,708	6,325,994
Europe, the Middle East and Africa	歐洲、中東及非洲	1,893,018	1,390,185
Americas	美洲	1,534,927	1,022,021
Asia-Pacific (other than the PRC)	亞太地區 (不包括中國)	780,472	893,162
		11,303,125	9,631,362

(b) 非流動資產

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
PRC	中國	2,715,069	2,750,088
Other countries/areas	其他國家/地區	537,803	523,813
		3,252,872	3,273,901

4. OPERATING SEGMENT INFORMATION (continued)

Information about major customers

During the year ended 31 December 2021, revenue from continuing operations of approximately RMB1,366,728,000 was derived from sales of recycled lead products to a single customer which contributed to over 10% of the total revenue of the Group, including sales to a group of entities which are known to be under common control with that customer. During the year ended 31 December 2020, no revenue from sales to a single customer amounted to 10% or more of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue from contracts with customers 客戶合約收益	11,303,125	9,631,362

Revenue from contracts with customers

(i) Disaggregated revenue information

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Types of goods Sale of industrial products 貨物類型 銷售工業產品	11,303,125	9,631,362
Timing of revenue recognition Goods transferred at a point in time 收益確認時間 於某個時點轉讓之貨物	11,303,125	9,631,362

4. 經營分部資料 (續)

有關主要客戶的資料

於截至二零二一年十二月三十一日止年度，持續經營業務收益中的約人民幣1,366,728,000元來自向一名單一客戶銷售回收鉛產品（包括向一組已知與該客戶處於共同控制之下的實體的銷售額），佔本集團總收入的10%以上。於截至二零二零年十二月三十一日止年度，並無來自對單一客戶的銷售收益佔本集團收益的10%或以上。

5. 收益、其他收入及收益

收益分析如下：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue from contracts with customers 客戶合約收益	11,303,125	9,631,362

客戶合約收益

(i) 收益資料細分

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Types of goods Sale of industrial products 貨物類型 銷售工業產品	11,303,125	9,631,362
Timing of revenue recognition Goods transferred at a point in time 收益確認時間 於某個時點轉讓之貨物	11,303,125	9,631,362

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of industrial products	189,666	143,635

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation for the sale of industrial products is satisfied upon delivery of the industrial products and payment is generally due within 60 to 90 days from delivery, except for new customers, where payment in advance is normally required.

5. 收益、其他收入及收益

客戶合約收益 (續)

(i) 收益資料細分 (續)

下表列示於報告期初計入合約負債內而於當前報告期間確認之收益金額：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of industrial products	189,666	143,635

(ii) 履約責任

有關本集團履約責任之資料概述如下：

銷售工業產品

銷售工業產品的履約責任於交付時達成，付款通常於交付起計60日至90日內到期，惟新客戶通常需要預先付款除外。

5. REVENUE, OTHER INCOME
AND GAINS (continued)

5. 收益、其他收入及收益

Revenue from contracts with customers
(continued)

客戶合約收益 (續)

(ii) Performance obligations (continued)

(ii) 履約責任 (續)

Sale of industrial products (continued)

銷售工業產品 (續)

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Other income and gains	其他收入及收益		
Bank interest income	銀行利息收入	10,567	11,276
Government grants*	政府補貼*	37,767	60,161
Dividend income from equity investments designated at fair value through other comprehensive income	指定為按公允價值變動計入其他全面收益的權益性投資股息收入	-	672
Sale of scrap materials	銷售廢料	7,594	4,016
Foreign exchange gains, net	外匯匯兌收益，淨額	-	7,221
Gross rental income from investment property operating leases: Other lease payments, including fixed payments	投資物業經營租賃之租金收入總額：其他租賃付款，包括固定付款	3,282	4,120
Fair value gains, net: Financial assets at fair value through profit or loss	公允價值收益，淨額：公允價值變動計入損益之金融資產	-	10,309
Structured bank deposits	結構性銀行存款	-	1,276
Others	其他	25,011	9,309
		84,221	108,360

* The government grants represent various cash payments and subsidies provided by the local government authorities to the Group as encouragement for its investment and technological innovation. There are no unfulfilled conditions or contingencies relating to these subsidies.

* 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 Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

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：

	Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Cost of inventories sold	所售存貨成本	8,355,437	7,132,172
Employee benefit expense (including directors' remuneration (note 9)):	僱員福利開支(包括董事酬金(附註9)):		
Wages and salaries	工資及薪金	941,935	804,177
Equity-settled share option expenses	以權益結算的購股權開支	2,932	2,034
Pension scheme contributions	退休金計劃供款	75,340	43,029
		1,020,207	849,240
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 17,501	17,843
Research and development costs:	研發成本:		
Deferred development costs amortised*	遞延開發成本攤銷*	18 181,778	165,504
Current year expenditure	年內開支	239,446	172,720
		421,224	338,224
Auditor's remuneration	核數師酬金	2,900	2,800
Financial liabilities at fair value through profit or loss:	公允價值變動計入損益之金融負債:		
Unrealised loss	未變現虧損	860	2,679
Realised loss	已變現虧損	72,273	23,265
Fair value loss from financial liabilities at fair value through profit or loss, net	公允價值變動計入損益之金融負債公允價值虧損,淨額	7 73,133	25,944

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日6. PROFIT BEFORE TAX
(continued)

6. 稅前溢利 (續)

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Financial assets at fair value through profit or loss: Unrealised loss/(gain)	公允價值變動計入損益之金融資產：未變現虧損／(收益)		8,114	(10,309)
Structured bank deposits: Realised gain	結構性銀行存款：已變現收益	5	-	(1,276)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14	338,687	260,257
Depreciation of investment property	投資物業折舊	15	11	11
Depreciation of right-of-use assets	使用權資產折舊	16(a)	10,467	11,161
Impairment of trade receivables	貿易應收款項減值	21	23,761	12,252
Impairment/(reversal of impairment) of inventories*	存貨減值／(減值撥回)*	20	7,331	(1,430)
Impairment of goodwill	商譽減值	17	-	8,423
Loss on disposal of items of property, plant and equipment, net	處置物業、廠房及設備項目的虧損，淨額	7	5,927	6,762
Foreign exchange differences, net	外匯匯兌差額，淨額		11,532	(7,221)
Lease payment not included in the measurement of lease liabilities	不計入租賃負債計量之租賃付款	16(c)	5,108	5,706

* The amortisation of deferred development costs and impairment of inventories are included in "Cost of sales" in the consolidated statement of profit or loss.

* 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。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

7. OTHER EXPENSES

An analysis of other expenses is as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Foreign exchange differences, net	外匯匯兌差額，淨額	11,532	-
Loss on disposal of items of property, plant and equipment, net	處置物業、廠房及設備項目虧損，淨額	5,927	6,762
Fair value loss from financial liabilities at fair value through profit or loss, net	公允價值變動計入損益的金融負債的公允價值虧損，淨額	73,133	25,944
Fair value loss from financial assets at fair value through profit or loss, net	公允價值變動計入損益的金融資產的公允價值虧損，淨額	8,114	-
Others	其他	3,888	3,168
		102,594	35,874

7. 其他開支

其他開支的分析如下：

8. FINANCE COSTS

An analysis of finance costs is as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interest on bank borrowings	銀行借貸利息	103,058	120,592
Interest arising from discounted bills	貼現票據產生的利息	38,836	36,630
Interest on lease liabilities	租賃負債利息	1,980	958
		143,874	158,180

8. 財務成本

財務成本分析如下：

9. DIRECTORS' REMUNERATION 9. 董事酬金

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:

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：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Fees	袍金	597	639
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,562	1,630
Equity-settled share option expenses	以權益結算的購股權開支	147	175
Pension scheme contributions	退休金計劃供款	76	66
		1,785	1,871
		2,382	2,510

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

9. DIRECTORS' REMUNERATION (continued) 9. 董事酬金 (續)

(a) Independent non-executive directors

The fees paid to independent non-executive directors were as follows:

(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
2021	二零二一年						
Mr. Lau Chi Kit	劉智傑先生	199	-	-	17	-	216
Dr. Nan XinSheng	南新生博士	199	-	-	-	-	199
Mr. Cao Yixiong Alan	曹亦雄先生	199	-	-	17	-	216
		597	-	-	34	-	631
2020	二零二零年						
Mr. Lau Chi Kit	劉智傑先生	213	-	-	29	-	242
Dr. Nan XinSheng	南新生博士	62	-	-	-	-	62
Mr. Cao Yixiong Alan	曹亦雄先生	213	-	-	29	-	242
Dr. Zhu Ping	朱評博士	151	-	-	24	-	175
		639	-	-	82	-	721

There were no other emoluments payable to the independent non-executive directors during the year (2020: Nil).

年內並無向獨立非執行董事支付其他酬金(二零二零年：無)。

9. DIRECTORS' REMUNERATION
(continued)

9. 董事酬金 (續)

(b) Executive directors

(b) 執行董事

		Fees	Salaries, allowances and benefits in kind	Performance- related bonuses	Equity-settled share option expenses 以權益 結算的 購股權開支	Pension scheme contributions 退休金 計劃供款	Total
		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	RMB'000 人民幣千元	RMB'000 人民幣千元
2021	二零二一年						
Executive directors:	執行董事:						
Dr. DONG Li	董李博士	-	762	-	-	62	824
Ms. Yin Haiyan	印海燕女士	-	800	-	113	14	927
		-	1,562	-	113	76	1,751
2020	二零二零年						
Executive directors:	執行董事:						
Dr. DONG Li	董李博士	-	830	-	-	61	891
Ms. Yin Haiyan	印海燕女士	-	800	-	93	5	898
		-	1,630	-	93	66	1,789

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2020: 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 (二零二零年：無)。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2020: two) director, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining four (2020: three) non-director, highest paid employees are as follows:

10. 五名最高薪酬僱員

年內五名最高薪酬僱員中，包括一名（二零二零年：兩名）董事，其薪酬詳情載於上文附註9。年內，其餘四名（二零二零年：三名）非董事之最高薪酬僱員的薪酬詳情如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	4,735	3,415
Equity-settled share option expenses	以權益結算的購股權開支	417	278
Pension scheme contributions	退休金計劃供款	67	16
		5,219	3,709

10. FIVE HIGHEST PAID
EMPLOYEES (continued)

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

10. 五名最高薪酬僱員 (續)

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	
		2021 二零二一年	2020 二零二零年
Nil to RMB1,000,000	人民幣零元至人 民幣1,000,000元	2	1
RMB1,000,001 to RMB1,500,000	人民幣1,000,001至 人民幣1,500,000元	1	1
RMB1,500,001 to RMB2,000,000	人民幣1,500,001至 人民幣2,000,000元	-	1
RMB2,000,001 to RMB2,500,000	人民幣2,000,001至 人民幣2,500,000元	1	-
		4	3

11. 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 out any business in the British Virgin Islands.

11. 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。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

11. INCOME TAX (continued)

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 21% (2020: 21%) on taxable income.

The provision for Hong Kong profits tax is based on the statutory rate of 16.5% (2020: 16.5%) of the assessable profits of subsidiaries incorporated in Hong Kong.

The Singapore authority approved the application of Leoch Battery Pte. for the Global Trader Programme on 24 May 2014 and it was renewed on 30 August 2019, the effective period of which is from 1 January 2019 to 31 December 2023. The provision for the current income tax of Leoch Battery Pte. is based on the tax rate of 10% (2020: 10%).

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.

11. 所得稅 (續)

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為21%（二零二零年：21%）。

香港利得稅乃就於香港註冊成立的附屬公司的應課稅溢利，按法定稅率16.5%（二零二零年：16.5%）計提撥備。

新加坡當局於二零一四年五月二十四日批准及於二零一九年八月三十日續新Leoch Battery Pte. 有關全球貿易商計劃的申請，有效期由二零一九年一月一日起至二零二三年十二月三十一日止。Leoch Battery Pte. 即期所得稅乃按稅率10%（二零二零年：10%）計提撥備。

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。

11. INCOME TAX (continued)

Jiangsu Leoch, Anhui Leoch Power, Anhui Uplus and Anhui Leoch New Energy were designated as high-tech enterprises by the PRC tax authorities and were entitled to a preferential tax rate of 15% for the year 2021.

Taihe Dahua, which engages in qualified recycling businesses, is entitled to a 10% deduction of revenue from manufacturing qualified products with main qualified raw materials.

The major components of income tax charge for the year are as follows:

11. 所得稅 (續)

於二零二一年，江蘇理士、安徽理士電源、安徽力普拉斯及安徽理士新能源獲中國稅務當局確認為高新科技企業，享有優惠所得稅率為15%。

太和縣大華從事合資格回收業務，可享有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：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Current – PRC	即期稅項—中國	11,080	22,951
Current – Hong Kong	即期稅項—香港	(8,010)	(10,300)
Current – Singapore	即期稅項—新加坡	28,414	14,180
Current – USA	即期稅項—美國	3,796	1,517
Current – Vietnam	即期稅項—越南	(3,574)	3,909
Deferred tax	遞延稅項	(6,471)	(8,569)
Total tax charge for the year	年內稅項支出總額	25,235	23,688

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

11. INCOME TAX (continued)

A reconciliation of the income tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the majority of the companies of the Group are domiciled to the tax expense at effective tax rate is as follows:

11. 所得稅 (續)

按本集團大部分公司註冊所在司法管轄區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：

		2021 二零二一年		2020 二零二零年	
		RMB'000 人民幣千元	% %	RMB'000 人民幣千元	% %
Profit before tax	稅前溢利	191,964		161,652	
Tax at the applicable tax rates	按適用稅率計算的稅項	43,775	22.7	42,243	26.1
Tax concession for certain subsidiaries	若干附屬公司的稅務優惠	(29,407)	(15.3)	(29,309)	(18.1)
Additional deductible research and development expenses	額外可扣減研發開支	(28,667)	(14.9)	(14,801)	(9.2)
Expenses not deductible for tax	不可扣稅開支	1,983	1.0	450	0.3
Tax losses not recognised	未確認稅項虧損	37,995	19.8	29,028	18.0
Tax losses utilised from previous periods	動用前期之稅項虧損	(444)	(0.2)	(3,923)	(2.4)
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項開支	25,235	13.1	23,688	14.7

12. DIVIDENDS

12. 股息

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Final – Nil (2020: Nil) per share	末期—無 (二零二零年：無)	-	-

The Company does not intend to declare the payment of any final dividend in respect of the year ended 31 December 2021.

本公司不擬就截至二零二一年十二月三十一日止年度宣派任何末期股息。

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

13. 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 1,357,821,402 (2020: 1,357,594,679) 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1,357,821,402股 (二零二零年：1,357,594,679股) 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本年度溢利基準計算。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。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

13. 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：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 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	136,126	123,732
		Number of shares 股份數目	
		2021 二零二一年	2020 二零二零年
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	1,357,821,402	1,357,594,679
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	2,400,353	92,127
		1,360,221,755	1,357,686,806

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT

14. 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 2021	二零二一年十二月三十一日							
Cost:	成本：							
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	1,151,754	2,638,918	48,179	52,190	277,014	115,377	4,283,432
Additions	添置	11,393	144,725	5,814	6,552	12,833	101,287	282,604
Transfers	轉撥	4,672	175,389	742	568	2,535	(183,906)	-
Disposals	處置	(3,614)	(27,240)	(461)	(5,823)	(3,753)	-	(40,891)
Exchange realignment	匯兌調整	(6,446)	(7,882)	(225)	(174)	(324)	(188)	(15,239)
At 31 December 2021	於二零二一年十二月三十一日	1,157,759	2,923,910	54,049	53,313	288,305	32,570	4,509,906
Accumulated depreciation and impairment:	累計折舊及減值：							
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	(313,524)	(1,283,152)	(34,593)	(39,259)	(239,620)	(1,569)	(1,911,717)
Depreciation provided during the year	年內折舊撥備	(55,071)	(250,706)	(5,684)	(6,031)	(21,195)	-	(338,687)
Disposals	處置	517	21,713	449	3,810	1,091	-	27,580
Exchange realignment	匯兌調整	1,578	2,754	45	136	200	-	4,713
At 31 December 2021	於二零二一年十二月三十一日	(366,500)	(1,509,391)	(39,783)	(41,344)	(259,524)	(1,569)	(2,218,111)
Net carrying amount:	賬面淨值：							
At 31 December 2021	於二零二一年十二月三十一日	791,259	1,414,519	14,266	11,969	28,781	31,001	2,291,795

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT (continued)

14. 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 2020	二零二零年十二月三十一日							
Cost:	成本：							
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	961,774	2,305,303	47,361	48,056	266,647	209,509	3,838,650
Additions	添置	123,580	210,472	2,176	5,980	16,592	161,200	520,000
Transfers	轉撥	80,292	166,456	407	57	935	(248,147)	-
Disposals	處置	(440)	(30,065)	(583)	(1,567)	(6,654)	(6,992)	(46,301)
Exchange realignment	匯兌調整	(13,452)	(13,248)	(1,182)	(336)	(506)	(193)	(28,917)
At 31 December 2020	於二零二零年十二月三十一日	1,151,754	2,638,918	48,179	52,190	277,014	115,377	4,283,432
Accumulated depreciation and impairment:	累計折舊及減值：							
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	(270,152)	(1,121,533)	(32,501)	(35,326)	(226,317)	(1,569)	(1,687,398)
Depreciation provided during the year	年內折舊撥備	(46,153)	(187,059)	(2,671)	(5,491)	(18,883)	-	(260,257)
Disposals	處置	184	22,670	511	1,335	5,382	-	30,082
Exchange realignment	匯兌調整	2,597	2,770	68	223	198	-	5,856
At 31 December 2020	於二零二零年十二月三十一日	(313,524)	(1,283,152)	(34,593)	(39,259)	(239,620)	(1,569)	(1,911,717)
Net carrying amount:	賬面淨值：							
At 31 December 2020	於二零二零年十二月三十一日	838,230	1,355,766	13,586	12,931	37,394	113,808	2,371,715

At 31 December 2021, certain of the Group's buildings and machinery with a net carrying amount of approximately RMB800,281,000 (2020: RMB628,945,000) were pledged to secure general banking facilities granted to the Group. For details of the pledged assets, please refer to note 34 to the financial statements.

於二零二一年十二月三十一日，本集團賬面淨值約人民幣800,281,000元(二零二零年：人民幣628,945,000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34。

15. INVESTMENT PROPERTY

15. 投資物業

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Cost:	成本：		
At 1 January and 31 December	於一月一日及十二月三十一日	561	561
Accumulated depreciation:	累計折舊：		
At 1 January	於一月一日	(205)	(194)
Depreciation provided during the year	年內折舊撥備	(11)	(11)
At 31 December	於十二月三十一日	(216)	(205)
Carrying amount at 31 December	於十二月三十一日的賬面值	345	356

The Group's investment property represents one (2020: one) industrial property in Mainland China which was subsequently measured using the cost model. The Directors have determined that the investment property consists of one class of assets, i.e., industrial property, based on the nature, characteristics and risk of the property. The Group's investment property was revalued on 31 December 2021 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.

本集團的投資物業指中國內地的一個(二零二零年：一個)工業物業，該等物業其後使用成本模型計量。董事已根據該物業的性質、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，於二零二一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報告作出，則管理層每年會檢討估值假設及估值結果。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

15. INVESTMENT PROPERTY (continued)

The investment property is leased to a third party under operating leases.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment property:

15. 投資物業 (續)

該等投資物業根據經營租賃出租給一名第三方。

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 2021 using 於二零二一年十二月三十一日的公允價值計量使用			
		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 property	工業物業	-	-	14,680	14,680

		Fair value measurement as at 31 December 2020 using 於二零二零年十二月三十一日的公允價值計量使用			
		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 property	工業物業	-	-	13,255	13,255

15. INVESTMENT PROPERTY (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 (2020: Nil).

The fair value of the investment property is determined using the comparison method with reference to comparable sale evidence as available in the relevant market. Comparable properties of similar size, character and location are analysed and selected for the investment property in order to arrive at a fair comparison of its fair value. The fair value measurement is positively correlated to the market unit sale rate.

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of property, plant and machinery and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 46 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of properties generally have lease terms between 2 and 5 years, while plant and machinery generally have lease terms between 3 and 5 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

15. 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（二零二零年：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。

16. 租賃

本集團作為承租人

本集團有用於其業務營運的物業、廠房及機器以及其他設備多個項目的租賃合約。已提前作出一次性付款以向業主收購租賃土地，租期為46至50年，而根據該等土地租賃的條款，將不會繼續支付任何款項。物業租賃的租期通常為2至5年，而廠房及機器的租期通常為3至5年。其他設備的租期通常為12個月或以下及／或個別設備的價值較低。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

16. LEASES (continued)

The Group as a lessee (continued)

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Leasehold land 租賃土地 RMB'000 人民幣千元	Properties 物業 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2020	於二零二零年一月一日	171,864	19,000	109	190,973
Additions	添置	230	386	161	777
Disposal	出售	(30,793)	(1,053)	-	(31,846)
Depreciation charge	折舊費用	(3,760)	(7,280)	(121)	(11,161)
Exchange realignment	匯兌調整	(453)	(921)	55	(1,319)
As at 31 December 2020 and 1 January 2021	於二零二零年 十二月三十一日及 二零二一年一月一日	137,088	10,132	204	147,424
Additions	添置	7	16,886	203	17,096
Disposal	出售	-	(43)	-	(43)
Depreciation charge	折舊費用	(3,049)	(7,218)	(200)	(10,467)
Exchange realignment	匯兌調整	(501)	(633)	(16)	(1,150)
As at 31 December 2021	於二零二一年 十二月三十一日	133,545	19,124	191	152,860

At 31 December 2021, certain of the Group's prepaid land lease payments with a net carrying amount of approximately RMB38,998,000 (2020: RMB49,168,000) were pledged to secure general banking facilities granted to the Group. For details of the pledged assets, please refer to note 34 to the financial statements.

16. 租賃 (續)

本集團作為承租人 (續)

(a) 使用權資產

本集團使用權資產的賬面值及於年內的變動如下：

於二零二一年十二月三十一日，本集團若干賬面淨值約為人民幣38,998,000元（二零二零年：人民幣49,168,000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34。

16. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	11,131	19,426
New leases	新租賃	17,089	547
Accretion of interest recognised during the year	年內已確認利息增幅	1,980	958
Payments	付款	(8,975)	(8,408)
Revision of a lease term arising from a change in the non-cancellable period of a lease	租賃不可撤銷期間的變動所造成的租期修訂	(32)	(890)
Exchange realignment	匯兌調整	(725)	(502)
Carrying amount at 31 December	於十二月三十一日的賬面值	20,468	11,131
Analysed into:	分析如下：		
Current portion	流動部分	4,046	6,032
Non-current portion	非流動部分	16,422	5,099

The maturity analysis of lease liabilities is disclosed in note 39 to the financial statements.

16. 租賃 (續)

本集團作為承租人 (續)

(b) 租賃負債

租賃負債的賬面值及於年內的變動如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	11,131	19,426
New leases	新租賃	17,089	547
Accretion of interest recognised during the year	年內已確認利息增幅	1,980	958
Payments	付款	(8,975)	(8,408)
Revision of a lease term arising from a change in the non-cancellable period of a lease	租賃不可撤銷期間的變動所造成的租期修訂	(32)	(890)
Exchange realignment	匯兌調整	(725)	(502)
Carrying amount at 31 December	於十二月三十一日的賬面值	20,468	11,131
Analysed into:	分析如下：		
Current portion	流動部分	4,046	6,032
Non-current portion	非流動部分	16,422	5,099

租賃負債的到期日分析披露於財務報表附註39。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

16. LEASES (continued)

The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	1,980	958
Depreciation charge of right-of-use assets	使用權資產折舊費用	10,467	11,161
Expense relating to short-term leases (included in cost of sales, selling and distribution expenses)	與短期租賃有關的開支 (計入銷售成本、銷售及分銷開支)	5,108	5,706
Total amount recognised in profit or loss	於損益內確認的款項總額	17,555	17,825

(d) The total cash outflow for leases is disclosed in note 33(c) to the financial statements.

The Group as a lessor

The Group leases its production and office premises consisting of three production premises and nine office premises under operating lease arrangements. 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. Rental income recognised by the Group during the year was RMB3,282,000 (2020: RMB4,120,000), details of which are included in note 5 to the financial statements.

16. 租賃 (續)

本集團作為承租人 (續)

(c) 於損益內確認的租賃相關款項如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	1,980	958
Depreciation charge of right-of-use assets	使用權資產折舊費用	10,467	11,161
Expense relating to short-term leases (included in cost of sales, selling and distribution expenses)	與短期租賃有關的開支 (計入銷售成本、銷售及分銷開支)	5,108	5,706
Total amount recognised in profit or loss	於損益內確認的款項總額	17,555	17,825

(d) 租賃的現金流出總額披露於財務報表附註33(c)。

本集團作為出租人

本集團根據經營租賃安排出租其生產廠房及辦公室物業，包括三個生產廠房及九個辦公室物業。該等租賃的條款亦要求租戶支付擔保按金並根據現行市況進行定期租金調整。年內本集團已確認的租金收入為人民幣3,282,000元（二零二零年：人民幣4,120,000元），詳情載於財務報表附註5。

16. LEASES (continued)

The Group as a lessor (continued)

At 31 December 2021, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within one year	一年內	3,503	3,485
After one year but within two years	一年以上但兩年以內	1,051	3,469
After two years but within three years	兩年以上但三年以內	1,035	1,028
After three years but within four years	三年以上但四年以內	1,002	1,021
After four years but within five years	四年以上但五年以內	999	997
After five years	五年以上	7,537	8,535
		15,127	18,535

16. 租賃 (續)

本集團作為出租人 (續)

於二零二一年十二月三十一日，日後本集團根據與其租戶之不可撤銷經營租賃的應收未貼現租賃付款如下：

17. GOODWILL

17. 商譽

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Cost and net carrying amount:	成本及賬面淨值：		
1 January	一月一日	2,213	10,636
Impairment during the year	年內減值	-	(8,423)
At 31 December	於十二月三十一日	2,213	2,213

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

17. GOODWILL (continued)

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:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Energymax	Energymax	237	237
Taihe Dahua	太和縣大華	39	39
LBUK	LBUK	1,937	1,937
Total	總計	2,213	2,213

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% (2020: 3%) is determined by considering both internal and external factors relating to the CGUs. The discount rates applied to the cash flow projections are 15% (2020: 15%) for Energymax, 16% (2020: 20%) for Taihe Dahua and 11% (2020: 11%) for LBUK.

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

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：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Energymax	237	237
Taihe Dahua	39	39
LBUK	1,937	1,937
Total	2,213	2,213

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% (二零二零年：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。Energymax、太和縣大華及LBUK現金流量預測所採用的折現率分別為15% (二零二零年：15%)、16% (二零二零年：20%) 及11% (二零二零年：11%)。

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 Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

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 2021	二零二一年 十二月三十一日						
Cost at 1 January 2021, net of accumulated amortisation	於二零二一年 一月一日的成本， 扣除累計攤銷	2,545	622,325	15,937	64,874	9,856	715,537
Additions	添置	4,755	250,341	-	-	-	255,096
Amortisation provided during the year	年內攤銷撥備	(2,141)	(181,778)	(1,467)	(10,813)	(3,080)	(199,279)
Exchange realignment	匯兌調整	(6)	-	(339)	-	-	(345)
At 31 December 2021	於二零二一年 十二月三十一日	5,153	690,888	14,131	54,061	6,776	771,009
At 31 December 2021:	於二零二一年 十二月三十一日：						
Cost	成本	23,998	1,446,872	21,053	108,126	26,148	1,626,197
Accumulated amortisation	累計攤銷	(18,845)	(755,984)	(6,922)	(54,065)	(19,372)	(855,188)
Net carrying amount	賬面淨值	5,153	690,888	14,131	54,061	6,776	771,009
31 December 2020	二零二零年 十二月三十一日						
Cost at 1 January 2020, net of accumulated amortisation	於二零二零年 一月一日的成本， 扣除累計攤銷	1,499	562,002	18,226	75,687	13,569	670,983
Additions	添置	2,575	225,827	-	-	69	228,471
Amortisation provided during the year	年內攤銷撥備	(1,531)	(165,504)	(1,717)	(10,813)	(3,782)	(183,347)
Exchange realignment	匯兌調整	2	-	(572)	-	-	(570)
At 31 December 2020	於二零二零年 十二月三十一日	2,545	622,325	15,937	64,874	9,856	715,537
At 31 December 2020:	於二零二零年 十二月三十一日：						
Cost	成本	19,261	1,196,531	21,537	108,126	26,148	1,371,603
Accumulated amortisation	累計攤銷	(16,716)	(574,206)	(5,600)	(43,252)	(16,292)	(656,066)
Net carrying amount	賬面淨值	2,545	622,325	15,937	64,874	9,856	715,537

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

19. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

19. 指定按公允價值變動計入 其他全面收益的權益性投 資

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Equity investments designated at fair value through other comprehensive income: Unlisted equity investments, at fair value	指定按公允價值變動計入其他全面收益的權益性投資： 非上市權益性投資，按公允價值	182,680	143,027

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the year ended 31 December 2021, the Group disposed of part of its unlisted equity investments. The fair value on the date of sale was RMB9,004,000 (2020: RMB53,095,000) and the accumulated gain recognised in other comprehensive income of RMB4,369,000 (2020: RMB40,770,000) was transferred to retained earnings. During the year ended 31 December 2021, the Group did not receive any dividends from the investments (2020: the Group received dividends of RMB672,000).

由於本集團認為該等投資屬策略性投資，因此權益性投資不可撤銷地指定按公允價值變動計入其他全面收益。

截至二零二一年十二月三十一日止年度，本集團已出售其部分未上市權益性投資。於出售日期的公允價值為人民幣9,004,000元（二零二零年：人民幣53,095,000元）且於其他全面收益確認的累計收益人民幣4,369,000元（二零二零年：人民幣40,770,000元）已轉撥至保留溢利。截至二零二一年十二月三十一日止年度，本集團未從投資中收取任何股息（二零二零年：本集團收取股息人民幣672,000元）。

20. INVENTORIES

20. 存貨

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Raw materials	原料	533,335	559,451
Work in progress	在製品	705,902	713,311
Finished goods	製成品	780,019	504,142
		2,019,256	1,776,904

As at 31 December 2021, inventories with the amount of RMB7,331,000 were written down to their net realisable value, while the amount of RMB1,430,000 of impairment of inventories was reversed at 31 December 2020 as disclosed in note 6.

At 31 December 2021, certain of the Group's inventories with a net carrying amount of approximately RMB100,000,000 (2020: RMB100,000,000) were pledged to secure general banking facilities granted to the Group. For details of the pledged inventories, please refer to note 34 to the financial statements.

誠如附註6所披露，於二零二一年十二月三十一日，金額為人民幣7,331,000元之存貨撇減至其可變現淨值，而於二零二零年十二月三十一日，金額為人民幣1,430,000元之存貨減值被撥回。

於二零二一年十二月三十一日，本集團賬面淨值約人民幣100,000,000元(二零二零年：人民幣100,000,000元)之若干存貨已抵押作為本集團獲授一般銀行融資的質押。有關已質押存貨的詳情，請參閱財務報表附註34。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

21. TRADE RECEIVABLES

21. 貿易應收款項

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	2,781,405	2,463,962
Less: Impairment provision	減：減值撥備	(55,703)	(44,286)
		2,725,702	2,419,676

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 RMB405,033,000 (2020: RMB244,949,000) were under short term credit insurance and RMB69,434,000 (2020: RMB53,332,000) 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 2021, the Group pledged certain trade receivables amounting to RMB365,908,000 (2020: RMB178,744,000) to banks with recourse in exchange for cash (note 34). The proceeds from pledging the trade receivables of RMB303,376,000 (2020: RMB152,010,000) 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 40 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405,033,000元（二零二零年：人民幣244,949,000元）訂有短期信用保險，而人民幣69,434,000元（二零二零年：人民幣53,332,000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。

於二零二一年十二月三十一日，本集團向銀行質押若干有追索權的貿易應收款項，金額為人民幣365,908,000元（二零二零年：人民幣178,744,000元），藉以換取現金（附註34）。抵押貿易應收款項所得款項人民幣303,376,000元（二零二零年：人民幣152,010,000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。保理貿易應收款項轉讓之詳情載於財務報表附註40。

21. TRADE RECEIVABLES
(continued)

An ageing analysis of the trade receivables as at 31 December 2021 and 2020 based on the invoice date, net of loss allowance, is as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within 3 months	3個月內	1,966,971	1,762,602
3 to 6 months	3至6個月	380,395	354,538
6 to 12 months	6至12個月	187,106	154,416
1 to 2 years	1至2年	111,608	110,550
Over 2 years	2年以上	79,622	37,570
		2,725,702	2,419,676

Movements in the loss allowance for impairment of trade receivables are as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
At beginning of year	於年初	44,286	32,034
Impairment losses (note 6)	減值虧損 (附註6)	23,761	12,252
Amount written off as uncollectible	撇銷不可收回金額	(12,344)	-
At end of year	於年末	55,703	44,286

21. 貿易應收款項 (續)

於二零二一年及二零二零年十二月三十一日的貿易應收款項按發票日 (扣除虧損撥備) 的賬齡分析如下:

貿易應收款項減值虧損撥備的變動載列如下:

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

21. TRADE RECEIVABLES (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2021

		Current 即期		Past due 逾期		Total 總計
		Customers with credit enhancement 信貸提升的 客戶	Ordinary customers 普通客戶	Customers with credit enhancement 信貸提升的 客戶	Ordinary customers 普通客戶	
Expected credit loss rate	預期信貸虧損率	0.15%	0.94%	0.70%	100.00%	2.00%
Gross carrying amount (RMB'000)	賬面總值 (人民幣千元)	2,093,745	448,003	192,586	47,071	2,781,405
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	3,044	4,232	1,356	47,071	55,703

21. 貿易應收款項 (續)

於各報告日期均採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於因就擁有類似虧損模式的多個客戶分部進行分組（即地理區域、產品類別、客戶類別及評級及信用證或其他信貸保險形式的保障範圍）而逾期的日數計算。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。一般而言，貿易應收款項如逾期超過一年且無強制追討行動則予以撇銷。

下表載列本集團使用撥備矩陣計算的貿易應收款項的信貸風險資料：

於二零二一年十二月三十一日

21. TRADE RECEIVABLES
(continued)

As at 31 December 2020

		Current 即期		Past due 逾期		Total 總計
		Customers with credit enhancement 信貸提升的 客戶	Ordinary customers 普通客戶	Customers with credit enhancement 信貸提升的 客戶	Ordinary customers 普通客戶	
Expected credit loss rate	預期信貸虧損率	0.04%	0.85%	0.55%	100.00%	1.80%
Gross carrying amount (RMB'000)	賬面總值 (人民幣千元)	1,892,031	383,461	148,936	39,534	2,463,962
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	678	3,258	816	39,534	44,286

21. 貿易應收款項 (續)

於二零二零年十二月三十一日

22. DEBT INVESTMENTS AT FAIR
VALUE THROUGH OTHER
COMPREHENSIVE INCOME

The balances as at 31 December 2021 and 31 December 2020 represent bills receivable held by the Group which were measured at fair value through other comprehensive income, since the bills receivable were held within the business model whose objective was achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows were solely payments of principal and interest on the principal amount outstanding.

22. 公允價值變動計入其他全
面收益的債務投資

於二零二一年十二月三十一日及二零二零年十二月三十一日的結餘指本集團持有的公允價值變動計入其他全面收益的應收票據，原因為應收票據是按同時透過收取合約現金流量及出售金融資產為目的的商業模式下持有，而合約現金流量僅為支付本金及未償還本金的利息。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

22. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

The ageing analysis of bills receivable presented based on the issue date at 31 December 2021 and 31 December 2020 is as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within 3 months	3個月內	7,017	34,805
3 to 6 months	3至6個月	74,955	134,947
6 to 12 months	6至12個月	24,377	27,376
		106,349	197,128

The net gain on changes in the fair value of the debt investments at fair value through other comprehensive income amounting to RMB1,683,000 (2020: loss RMB776,000) was recognised in the consolidated statement of other comprehensive income during the year.

22. 公允價值變動計入其他全面收益的債務投資 (續)

於二零二一年十二月三十一日及二零二零年十二月三十一日按出票日期呈列之應收票據賬齡分析如下：

年內，公允價值變動計入其他全面收益的債務投資的公允價值變動收益淨額人民幣1,683,000元(二零二零年：虧損人民幣776,000元)於綜合其他全面收益表中確認。

23. PREPAYMENTS, OTHER
RECEIVABLES AND OTHER
ASSETS23. 預付款項、其他應收款項及
其他資產

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Prepayments	預付款項	187,952	211,905
Deposits and other receivables	訂金及其他應收款項	30,515	56,555
Loans to employees	向僱員作出的貸款	2,888	5,508
Interest receivables	應收利息	2,114	2,091
		223,469	276,059

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2021 and 2020, the loss allowance was assessed to be minimal.

上述結餘所包括的金融資產與無近期違約記錄及逾期款項有關。於二零二一年及二零二零年十二月三十一日，本集團估計虧損撥備率甚低。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

24. FINANCIAL ASSETS/ LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

24. 公允價值變動計入損益的 金融資產／負債

		2021 二零二一年	
		Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元
Listed equity investments, at fair value	上市權益性投資，按公允價值	134	–
Commodity future and option contracts, at fair value	商品期貨及期權合約， 按公允價值	–	851
Other unlisted investment, at fair value	其他非上市投資，按公允價值	67,664	–
		67,798	851

		2020 二零二零年	
		Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元
Listed equity investments, at fair value	上市權益性投資，按公允價值	265	–
Unlisted equity investments, at fair value	非上市權益性投資，按公允價值	8,563	–
Commodity future and option contracts, at fair value	商品期貨及期權合約， 按公允價值	–	2,679
Other unlisted investment, at fair value	其他非上市投資，按公允價值	67,084	–
		75,912	2,679

24. FINANCIAL ASSETS/ LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The above equity investments were classified as financial assets at fair value through profit or loss as they were held for trading.

The Group uses derivative financial instruments, such as commodity future and option contracts, to manage the lead price fluctuation risk, which did not meet the criteria for hedge accounting and are measured at fair value through profit or loss.

The above other unlisted investment was the right to receive the proceeds from future sales of the properties. It was mandatorily classified as a financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

24. 公允價值變動計入損益的 金融資產／負債 (續)

由於以上權益性投資乃持作交易，因此該等權益性投資被分類為公允價值變動計入損益的金融資產。

本集團使用衍生金融工具，例如商品期貨及期權合約管理其鉛價波動風險，該等衍生金融工具未滿足對沖會計之標準，其計量方法為按公允價值變動計入損益計量。

以上其他非上市投資乃收取未來物業銷售所得款項的權利。該等投資被強制分類為一項公允價值變動計入損益的金融資產，此乃由於其合約現金流量並非純粹為本金及利息付款。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

25. CASH AND BANK BALANCES AND TIME DEPOSITS

25. 現金及銀行結餘以及定期 存款

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	349,229	387,148
Time deposits	定期存款	602,513	461,353
		951,742	848,501
Less: Pledged for interest-bearing bank borrowings	減：已就計息銀行借貸抵押	(4,269)	(4,394)
Pledged for bills payable	已就應付票據抵押	(440,448)	(387,303)
Pledged for letters of credit	已就信用證抵押	(157,796)	(69,656)
		(602,513)	(461,353)
Cash and cash equivalents	現金及現金等價物	349,229	387,148
Denominated in RMB	以人民幣計值	794,299	609,215
Denominated in US\$	以美元計值	63,627	150,838
Denominated in HK\$	以港元計值	48,508	30,445
Denominated in Indian Rupee	以印度盧比計值	9,582	30,231
Denominated in Malaysian Dollar ("MYR")	以馬來西亞令吉 (「馬來西亞令吉」) 計值	3,002	3,628
Denominated in Singapore Dollar ("SG\$")	以新加坡元(「新元」) 計值	2,919	1,593
Denominated in Euro ("EUR")	以歐元(「歐元」) 計值	16,252	13,406
Denominated in Australian Dollar ("AU\$")	以澳元(「澳元」) 計值	7,526	6,389
Denominated in Vietnamese Dong ("VND")	以越南盾(「越南盾」) 計值	4,074	2,622
Denominated in Sri Lankan Rupee	以斯里蘭卡盧比計值	1,953	134
		951,742	848,501

25. 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 deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

25. 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。短期定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存於近期無拖欠記錄且信譽良好的銀行。

26. TRADE AND BILLS PAYABLES

26. 貿易應付款項及應付票據

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade payables	貿易應付款項	962,108	958,829
Bills payable	應付票據	1,357,143	1,180,560
		2,319,251	2,139,389

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

26. 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:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within 3 months	3個月內	940,531	1,045,250
3 to 6 months	3至6個月	396,338	529,456
6 to 12 months	6至12個月	966,295	544,995
1 to 2 years	1至2年	10,052	15,224
2 to 3 years	2至3年	1,815	3,779
Over 3 years	超過3年	4,220	685
		2,319,251	2,139,389

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 2021, bills payable amounting to RMB637,180,000 (2020: RMB496,420,000) were issued on intercompany sales transactions within the Group and these bills were discounted to banks for short term financing.

As at 31 December 2021, certain of the Group's bills payable were secured by the pledge of certain of the Group's time deposits amounting to RMB440,448,000 (2020: RMB387,303,000) (note 34).

26. 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：

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。於二零二一年十二月三十一日，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637,180,000元（二零二零年：人民幣496,420,000元）的應付票據，且該等票據貼現予銀行作短期融資。

於二零二一年十二月三十一日，本集團若干應付票據以本集團金額為人民幣440,448,000元（二零二零年：人民幣387,303,000元）的若干定期存款的質押作擔保（附註34）。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

27. OTHER PAYABLES AND ACCRUALS

27. 其他應付款項及應計費用

	Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Provision for social insurance and retirement benefits		168,652	155,587
Contract liabilities	(a)	194,424	189,666
Accrued expenses		162,381	140,548
Accrued payroll		50,344	49,643
Payables for purchase of items of property, plant and equipment		128,324	132,379
Provision for product warranties		18,968	17,057
Tax payables other than current income tax liabilities		174,358	189,321
Payables to non-controlling shareholders	36	94,835	46,898
Others	(b)	85,017	62,875
		1,077,303	983,974

Notes:

附註：

(a) Details of contract liabilities are as follows:

(a) 有關合約負債詳情如下：

	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元
Short-term advances received from customers		
Sale of goods	194,424	189,666

Contract liabilities are short-term advances received to deliver industrial products.

合約負債為就交付工業產品已收之短期墊款。

(b) Other payables are non-interest-bearing and have no fixed terms of repayment.

(b) 其他應付款項不計息，且並無固定還款期。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

28. INTEREST-BEARING BANK BORROWINGS

28. 計息銀行借貸

		31 December 2021 二零二一年十二月三十一日			31 December 2020 二零二零年十二月三十一日		
		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	流動						
Interest-bearing bank borrowings, secured	計息銀行借貸，有抵押	1.88 to 7.09, HIBOR+2.76% to HIBOR+3.25% 1.88至7.09、HIBOR+2.76%至HIBOR+3.25%	2022 二零二二年	1,001,485	3.24 to 7.09, HIBOR+2.76 to HIBOR+3.25 3.24至7.09、HIBOR+2.76至HIBOR+3.25	2021 二零二一年	1,063,530
Collateralised bank advances, secured	銀行墊款，有抵押	2.00 to 4.79 2.00至4.79	2022 二零二二年	303,376	2.29 to 4.79 2.29至4.79	2021 二零二一年	152,010
Interest-bearing bank borrowings, guaranteed	計息銀行借貸，有擔保	1.80 to 6.00 HIBOR+2.5% 1.80至6.00 HIBOR+2.5%	2022 二零二二年	549,093	3.00 to 5.00, HIBOR+2.5 3.00至5.00, HIBOR+2.5	2021 二零二一年	339,105
Current portion of long term bank borrowings, guaranteed	長期銀行借貸流動部分，有擔保	LIBOR+2.70	2022 二零二二年	188,539	LIBOR+2.70	2021 二零二一年	192,321
Interest-bearing bank borrowings, unsecured	計息銀行借貸，無抵押	-	-	-	1.00 to 7.20 1.00至7.20	2021 二零二一年	13,880
				2,042,493			1,760,846
Non-current	非流動						
Interest-bearing bank borrowings, secured	計息銀行借貸，有抵押	1.88 to 6.10 1.88至6.10	2023-2028 二零二三年至二零二八年	65,883	1.88 to 7.90 1.88至7.90	2022-2028 二零二二年至二零二八年	75,645
Interest-bearing bank borrowings, guaranteed	計息銀行借貸，有擔保	3.00	2023-2025 二零二三年至二零二五年	12,445	3.00	2022-2025 二零二二年至二零二五年	18,043
Interest-bearing bank borrowings, guaranteed	計息銀行借貸，有擔保	LIBOR+2.70	2023 二零二三年	251,385	LIBOR+2.70	2022-2023 二零二二年至二零二三年	448,750
				329,713			542,438
				2,372,206			2,303,284
Denominated in RMB	以人民幣計值			1,109,735			1,036,869
Denominated in US\$	以美元計值			806,231			806,436
Denominated in HK\$	以港元計值			397,739			403,098
Denominated in SG\$	以新元計值			35,054			35,054
Denominated in MYR	以馬來西亞令吉計值			17,070			13,029
Denominated in VND	以越南盾計值			6,377			8,798
				2,372,206			2,303,284

28. INTEREST-BEARING BANK BORROWINGS (continued)

28. 計息銀行借貸 (續)

Analysed into:

分析如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Bank loans and advances repayable:	須於以下期限償還的 銀行貸款及墊款：		
Within one year	一年內	2,042,493	1,760,846
In the second year	第二年	297,719	229,312
In the third to fifth years, inclusive	第三年至第五年， 包括首尾兩年	29,971	309,124
Beyond five years	五年後	2,023	4,002
		2,372,206	2,303,284

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 RMB1,309,456,000 (2020: RMB961,251,000) for the bank borrowings as disclosed in note 34; and
- (ii) cross guarantees executed by companies within the Group.

- (i) 就銀行借貸以本集團總價值人民幣1,309,456,000元(二零二零年：人民幣961,251,000元)的資產作出的質押(於附註34披露)；以及
- (ii) 本集團內公司簽訂的相互擔保。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

28. INTEREST-BEARING BANK BORROWINGS (continued)

The Group entered into a three-year term loan facility agreement amounting to US\$100,000,000 on 7 May 2020, as supplemented on 28 January 2021 (the “Facility Agreement”) with certain financial institutions (the “Lenders”).

Under the Facility Agreement, there are specific performance obligations on Dr. DONG Li, the controlling shareholder of the Company, not to 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, Dr. 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 for the year ended 31 December 2021, such obligations have been complied with.

Several of the Company’s wholly-owned subsidiaries were parties who act as guarantors, and the entire equity interests in two wholly-owned subsidiaries were pledged, to guarantee punctual performance of the Group’s obligations under the Facility Agreement.

As at 31 December 2021, the outstanding term loan balance under the Facility Agreement amounting to US\$70,000,000 (equivalent to RMB439,924,000), of which RMB188,539,000 and RMB251,385,000 are repayable within one year and second year respectively. The term loan bears interest at LIBOR+2.7% per annum.

28. 計息銀行借貸 (續)

本集團於二零二零年五月七日與若干金融機構(「放款人」)訂立金額為100,000,000美元的三年期貸款融資協議，並於二零二一年一月二十八日對協議作出增補(「融資協議」)。

根據融資協議，有特定履約責任，即董李博士(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，董李博士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。於批准該等截至二零二一年十二月三十一日止年度經審核綜合財務報表日期，有關責任已得到遵守。

本公司若干全資附屬公司作為擔保人一方，並以於兩間全資附屬公司的全部股權作為質押，擔保本集團準時履行融資協議項下的責任。

於二零二一年十二月三十一日，融資協議項下尚未償還定期貸款結餘為70,000,000美元(相當於人民幣439,924,000元)，當中人民幣188,539,000元及人民幣251,385,000元分別須於一年及第二年內償還。定期貸款每年按LIBOR+2.7%計息。

29. 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	Change in fair value of debt investments at fair value through other comprehensive income	Unpaid payroll and accruals	Provision for impairment of inventories	Unrealised profit	Deferred government grants	Change in fair value of financial liabilities at fair value through profit or loss	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	公允價值變動計入其他全面的債務投資的公允價值變動	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	公允價值變動計入損益的金融負債的公允價值變動	總計
	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
Gross deferred tax assets at 31 December 2019 and 1 January 2020	5,610	1,949	16,595	2,091	353	6,471	3,813	8,794	5,071	546	51,293
Deferred tax credited/(charged) to the statement of profit or loss during the year	3,063	808	1,701	(712)	-	4,634	(259)	(1,569)	2,849	(278)	10,237
Deferred tax credited to other comprehensive income during the year	-	-	-	-	194	-	-	-	-	-	194
Gross deferred tax assets at 31 December 2020 and 1 January 2021	8,673	2,757	18,296	1,379	547	11,105	3,554	7,225	7,920	268	61,724
Deferred tax credited/(charged) to the statement of profit or loss during the year	2,854	(1,459)	2,983	(712)	-	(682)	1,674	2,176	(1,691)	(183)	4,960
Deferred tax charged to other comprehensive income during the year	-	-	-	-	(421)	-	-	-	-	-	(421)
Gross deferred tax assets at 31 December 2021	11,527	1,298	21,279	667	126	10,423	5,228	9,401	6,229	85	66,263

29. 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 Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

29. DEFERRED TAX (continued)

29. 遞延稅項 (續)

Deferred tax liabilities

遞延稅項負債

		Change in fair value of equity investments designated at fair value through other comprehensive income	Change in fair value of structured bank deposits	Fair value adjustments arising from acquisition of subsidiaries	Change in fair value of financial assets at fair value through profit or loss	Others	Total
		指定按公允價值變動計入其他全面收益的權益性投資的公允價值變動	結構性銀行存款的公允價值變動	收購附屬公司產生之公允價值調整	公允價值變動計入損益的金融資產的公允價值變動	其他	總計
		已資本化的利息開支	已資本化的利息開支	已資本化的利息開支	已資本化的利息開支	已資本化的利息開支	已資本化的利息開支
		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
Gross deferred tax liabilities at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日的遞延稅項負債總值	5,143	19,788	119	24,659	14,034	64,238
Deferred tax charged/(credited) to the statement of profit or loss during the year	年內扣除自/(計入)損益表的遞延稅項	(1,299)	-	(119)	(3,642)	3,991	1,668
Deferred tax credited to other comprehensive income during the year	年內計入其他全面收益的遞延稅項	-	(10,328)	-	-	-	(10,328)
Exchange realignment	匯兌調整	-	-	-	(75)	-	(75)
Gross deferred tax liabilities at 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日的遞延稅項負債總值	3,844	9,460	-	20,942	16,771	55,503
Deferred tax charged/(credited) to the statement of profit or loss during the year	年內扣除自/(計入)損益表的遞延稅項	(1,298)	-	-	(3,695)	3,338	(1,511)
Deferred tax credited to other comprehensive income during the year	年內計入其他全面收益的遞延稅項	-	(659)	-	-	-	(659)
Exchange realignment	匯兌調整	-	-	-	(51)	-	(51)
Gross deferred tax liabilities at 31 December 2021	於二零二一年十二月三十一日的遞延稅項負債總值	2,546	8,801	-	17,196	16,915	53,282

29. DEFERRED TAX (continued)

Deferred tax liabilities (continued)

The Group has tax losses arising in Mainland China of RMB386,479,000 (2020: RMB177,586,000) 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.

PRC withholding income tax of 10% shall be levied on the dividends declared by the companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated or operate in Hong Kong and fulfil the requirements under the tax treaty arrangements between the PRC and Hong Kong.

At 31 December 2021, 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 2021 and 2020. As at 31 December 2021, 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 RMB756,158,000 (2020: RMB713,620,000).

29. 遞延稅項 (續)

遞延稅項負債 (續)

本集團於中國內地產生稅項虧損人民幣386,479,000元(二零二零年:人民幣177,586,000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。

於中國成立的公司向其海外投資者宣派自二零零八年一月一日起賺取溢利的股息應按10%的稅率繳納中國預扣所得稅。倘中國附屬公司的直接控股公司乃於香港註冊成立或於香港營運且符合中國與香港的稅收協定安排規定,則應用5%的較低預扣稅稅率。

於二零二一年十二月三十一日,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,因而於二零二一年及二零二零年十二月三十一日並未就此確認遞延稅項負債。於二零二一年十二月三十一日,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756,158,000元(二零二零年:人民幣713,620,000元)。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

30. SHARE CAPITAL

30. 股本

Shares

股份

		2021 二零二一年	2020 二零二零年
Authorised:	法定：		
10,000,000,000 (31 December 2020: 10,000,000,000) ordinary shares of HK\$0.1 each (HK\$'000)	10,000,000,000 (二零二零年 十二月三十一日： 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：		
1,357,854,666 (2020: 1,357,644,666) ordinary shares of HK\$0.1 each (HK\$'000)	1,357,854,666股 (二零二零年： 1,357,644,666股) 每股 面值0.1港元的普通股 (千港元)	135,785	135,764
Equivalent to RMB'000	相當於人民幣千元	116,241	116,224

A summary of movements in the Company's share capital is as follows:

本公司股本變動概述如下：

		Number of shares in issue 已發行股份數目	Share capital 股本 RMB'000 人民幣千元
		Note 附註	
At 1 January 2020	於二零二零年一月一日		116,213
Exercise of share options	行使購股權	(i)	11
At 31 December 2020	於二零二零年十二月三十一日		116,224
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日 及二零二一年一月一日		116,224
Exercise of share options	行使購股權		17
At 31 December 2021	於二零二一年十二月三十一日		116,241

30. SHARE CAPITAL (continued)

Shares (continued)

- (i) The subscription rights attaching to 210,000 share options were exercised at subscription prices ranging from HK\$0.20 to HK\$1.02 per share, resulting in the issue of 210,000 shares of HK\$0.10 each for a total cash consideration, before expenses, of RMB123,000. An amount of RMB167,000 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 31 to the financial statements.

31. 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 expired on 31 May 2020.

30. 股本 (續)

股份 (續)

- (i) 210,000份購股權隨附的認購權已按每股介乎0.20港元至1.02港元的認購價行使，導致發行210,000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123,000元。購股權獲行使後，人民幣167,000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等計劃發行之購股權之詳情載於財務報表附註31。

31. 購股權計劃

首次公開發售前購股權計劃

本公司實行首次公開發售前購股權計劃（「**首次公開發售前購股權計劃**」），旨在為本集團的成功營運作出貢獻的合資格人士提供激勵和回報。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，並於二零二零年五月三十一日屆滿。

31. SHARE OPTION SCHEMES (continued)

Pre-IPO Share Option Scheme (continued)

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.

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.

31. 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%。

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。

31. SHARE OPTION SCHEMES
(continued)Pre-IPO Share Option Scheme
(continued)

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.

The following share options were outstanding under the Pre-IPO Share Option Scheme during the year:

31. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

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。

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：

		2021 二零二一年		2020 二零二零年	
		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	1.17	6,490	1.34	9,153
Exercised during the year	年內行使	0.20	(80)	0.20	(123)
Forfeited during the year	年內沒收	1.03	(468)	1.83	(2,540)
At 31 December	於十二月三十一日	1.19	5,942	1.17	6,490

The weighted average closing price of the Company's shares at the dates on which the options were exercised during the year was HK\$0.45 per share.

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0.45港元。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. 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 參與者姓名或類別	Number of share options 購股權數目				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	Vesting period 歸屬期
	At 1 January 2021 於 二零二一年 一月一日	Exercised during the year 年內行使	Forfeited during the year 年內沒收	At 31 December 2021 於 二零二一年 十二月 三十一日				
Director Ms. Yin Haiyan 董事 印海燕女士	150,000	-	-	150,000	1 June 2010 二零一零年 六月一日	1 June 2012 to 31 May 2022 二零一二年 六月一日至 二零二二年 五月 三十一日	1.200	(1) a grantee is entitled to exercise 25% of the total number of options granted at any time during the 10 years after the second anniversary of the date of offer (the "Offer Date") of the options with the relevant vesting period from the Offer Date up to the date immediately before the second anniversary of the Offer Date; (1) 承授人有權於購股權要約日期(「要約日期」)第二週年後十年內隨時行使已獲授購股權總數之25%，而相關歸屬期由要約日期起至緊接要約日期第二週年前當日止；
Other employees in aggregate 其他僱員共計	6,340,000	(80,000)	(468,000)	5,792,000	1 June 2010 二零一零年 六月一日	1 June 2012 to 31 May 2022 二零一二年 六月一日至 二零二二年 五月 三十一日	0.400 - 2.000	(2) a grantee is entitled to exercise an additional 25% of the total number of Options granted at any time during the 9 years after the third anniversary of the Offer Date with the relevant vesting period from the Offer Date up to the date immediately before the third anniversary of the Offer Date; (2) 承授人有權於要約日期第三週年後九年內隨時行使已獲授購股權總數之額外25%，而相關歸屬期由要約日期起至緊接要約日期第三週年前當日止； (3) a grantee is entitled to exercise a further additional 25% of the total number of Options granted at any time during the 8 years after the fourth anniversary of the Offer Date with the relevant vesting period from the Offer Date up to the date immediately before the fourth anniversary of the Offer Date; and (3) 承授人有權於要約日期第四週年後八年內隨時行使已獲授購股權總數之再額外25%，而相關歸屬期由要約日期起至緊接要約日期第四週年前當日止；及 (4) a grantee is entitled to exercise the remaining 25% of the total number of Options granted at any time during the 7 years after the fifth anniversary of the Offer Date, with the relevant vesting period from the Offer Date up to the date immediately before the fifth anniversary of the Offer Date. (4) 承授人有權於要約日期第五週年後七年內隨時行使已獲授購股權總數之其餘25%，而相關歸屬期由要約日期起至緊接要約日期第五週年前當日止。
	6,490,000	(80,000)	(468,000)	5,942,000				

31. 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. 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 2021 are as follows:

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
20,000	HK\$0.400 0.400港元	1 June 2012 to 31 May 2022 二零一二年六月一日至二零二二年五月三十一日
20,000	HK\$0.400 0.400港元	1 June 2013 to 31 May 2022 二零一三年六月一日至二零二二年五月三十一日
20,000	HK\$0.400 0.400港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
20,000	HK\$0.400 0.400港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
17,500	HK\$0.600 0.600港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
42,500	HK\$0.600 0.600港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
37,500	HK\$0.800 0.800港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
112,500	HK\$0.800 0.800港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
305,000	HK\$1.000 1.000港元	1 June 2012 to 31 May 2022 二零一二年六月一日至二零二二年五月三十一日

31. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

於二零二一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：

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. SHARE OPTION SCHEMES (continued)

Pre-IPO Share Option Scheme (continued)

31. 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
657,000	HK\$1.000 1.000港元	1 June 2013 to 31 May 2022 二零一三年六月一日至二零二二年五月三十一日
725,000	HK\$1.000 1.000港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
725,000	HK\$1.000 1.000港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
75,000	HK\$1.200 1.200港元	1 June 2013 to 31 May 2022 二零一三年六月一日至二零二二年五月三十一日
212,500	HK\$1.200 1.200港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
212,500	HK\$1.200 1.200港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
140,000	HK\$1.400 1.400港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
30,000	HK\$1.600 1.600港元	1 June 2012 to 31 May 2022 二零一二年六月一日至二零二二年五月三十一日
80,000	HK\$1.600 1.600港元	1 June 2013 to 31 May 2022 二零一三年六月一日至二零二二年五月三十一日
80,000	HK\$1.600 1.600港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日

31. SHARE OPTION SCHEMES
(continued)

31. 購股權計劃 (續)

Pre-IPO Share Option Scheme
(continued)

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\$1.600 1.600港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
140,000	HK\$1.800 1.800港元	1 June 2012 to 31 May 2022 二零一二年六月一日至二零二二年五月三十一日
400,000	HK\$1.800 1.800港元	1 June 2013 to 31 May 2022 二零一三年六月一日至二零二二年五月三十一日
400,000	HK\$1.800 1.800港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
400,000	HK\$1.800 1.800港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
367,500	HK\$2.000 2.000港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
622,500	HK\$2.000 2.000港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
5,942,000		

31. SHARE OPTION SCHEMES (continued)

Pre-IPO Share Option Scheme (continued)

The 80,000 share options exercised during the year resulted in the issue of 80,000 ordinary shares of the Company and additional share capital of HK\$8,000 (equivalent to RMB6,000) and share premium of HK\$8,000 (equivalent to RMB6,000).

At the end of the reporting period, the Company had outstanding Pre-IPO Share Options for the subscription of 5,942,000 shares under the Pre-IPO Share Option Scheme, which represented approximately 0.44% 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 5,942,000 additional ordinary shares of the Company and additional share capital of HK\$594,000 (equivalent to RMB493,000) and share premium of HK\$6,488,000 (equivalent to RMB5,381,000), before related issuance expenses.

At the date of approval of these financial statements, the Company had 5,692,000 share options outstanding under the Pre-IPO Share Option Scheme, which represented approximately 0.42% of the Company's shares in issue as at that date.

31. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

於年內行使80,000份購股權導致發行80,000股本公司普通股，以及額外股本8,000港元（相當於人民幣6,000元）及股份溢價8,000港元（相當於人民幣6,000元）。

於報告期末，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5,942,000股股份，相當於本公司於當日的已發行股本約0.44%。根據本公司的現有資本架構，全面行使未行使首次公開發售前購股權會導致發行5,942,000股本公司額外普通股股份，以及額外股本594,000港元（相當於人民幣493,000元）及股份溢價6,488,000港元（相當於人民幣5,381,000元）（扣除相關發行開支前）。

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5,692,000份尚未行使的購股權，相當於當日本公司已發行股份之約0.42%。

31. SHARE OPTION SCHEMES (continued)

Share Option Schemes

The Company operates a share option scheme (the “**2010 Share Option Scheme**”) which was approved and adopted by the written resolutions of all the shareholders of the Company passed on 14 October 2010 (as amended at the Annual General Meeting of the Company held on 18 May 2018) 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 2010 Share Option Scheme expired on 13 October 2020.

The Company operates a new share option scheme (the “**New Share Option Scheme**”) which was approved and adopted by the written resolutions of all the shareholders of the Company passed on 30 October 2020 for the purpose of providing incentives or rewards to eligible persons for their contribution to or potential contribution to the Group and to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to 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 executive or non-executive director including any independent non-executive director or any employee (whether full-time or part-time) of any member of the Group, any trustee of a trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any employee or business associate of the Group, any adviser or consultant (in the areas of legal, technical, financial or corporate management) to the Group, any provider of goods and/or services to the Group who the Board considers, in its sole discretion, has contributed to the Group.

31. 購股權計劃 (續)

購股權計劃

本公司實行一項購股權計劃(「**2010年購股權計劃**」)，經本公司全體股東於二零一零年十月十四日通過的書面決議案(於本公司於二零一八年五月十八日舉行的股東週年大會上修訂)批准及採納，旨在為合資格人士提供激勵或回報，以獎勵彼等為促進本集團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。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。2010年購股權計劃於二零二零年十月十三日屆滿。

本公司實行一項新購股權計劃(「**新購股權計劃**」)，經本公司全體股東於二零二零年十月三十日通過的書面決議案批准及採納，旨在向為合資格人士提供激勵或回報，以獎勵彼等曾經或可能對本集團作出貢獻，並讓本集團得以招聘和挽留優質的僱員，以及吸納對本集團而言有價值的人力資源，以及用於董事會不時批准的其他用途。計劃的合資格人士包括本集團任何成員公司的任何執行或非執行董事，包括任何獨立非執行董事或任何僱員(不論全職或兼職)；受益人或對象包括本集團任何僱員或業務聯繫人士之任何信託(不論為家族、全權或其他形式)受託人；本集團任何法律、技術、財務或企業管理顧問或諮詢人；本集團任何貨品及/或服務供應商且董事會全權酌情認為其對本集團有所貢獻。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. SHARE OPTION SCHEMES (continued)

Share Option Schemes (continued)

The 2010 Share Option Scheme and New Share Option Scheme are available to the directors and employees (whether full time or part time) of any member of the Group.

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 2010 Share Option Scheme, the New Share Option 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 2010 Share Option Scheme and the New 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.

31. 購股權計劃 (續)

購股權計劃 (續)

2010年購股權計劃及新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)。

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，則須先獲股東於股東大會上批准，並須遵守若干披露及申報規定。

按2010年購股權計劃、新購股權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2010年購股權計劃及新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股東於股東大會上批准，並遵守若干披露及申報規定。

31. SHARE OPTION SCHEMES (continued)

Share Option Schemes (continued)

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.

After 13 October 2020, no further options will be granted under the 2010 Share Option Scheme. However, the provisions of the 2010 Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any options, which were granted during the life of the 2010 Share Option Scheme, and may continue to be exercisable in accordance with their terms of issue.

The New Share Option Scheme became effective on 30 October 2020, unless otherwise cancelled or amended, will remain in force for 10 years from the date of adoption of the New Share Option Scheme by shareholders by resolution at a general meeting.

31. 購股權計劃 (續)

購股權計劃 (續)

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) 日本公司股份之面值 (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。

於二零二零年十月十三日後，不會再根據2010年購股權計劃授出購股權。然而，2010年購股權計劃的條文依然具十足效力，以致於2010年購股權計劃有效年期內授出的任何購股權仍可行使，並可繼續根據其發行條款予以行使。

新購股權計劃於二零二零年十月三十日生效，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新購股權計劃日期起十年內持續有效。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. SHARE OPTION SCHEMES (continued)

Share Option Schemes (continued)

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 2010 Share Option Scheme and the New Share Option Scheme during the year:

31. 購股權計劃 (續)

購股權計劃 (續)

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2010年購股權計劃及新購股權計劃項下的尚未行使購股權：

		2021 二零二一年		2020 二零二零年	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均 行使價 HK\$ per share 每股港元	購股權數目 '000 千股	加權平均 行使價 HK\$ per share 每股港元	購股權數目 '000 千股
At 1 January	於一月一日	1.27	38,080	1.28	43,227
Granted during the year	年內授出	0.82	20,450	0.67	4,050
Exercised during the year	年內行使	1.02	(130)	-	-
Lapsed during the year	年內失效	-	-	0.93	(3,517)
Forfeited during the year	年內沒收	1.30	(5,370)	1.14	(5,680)
At 31 December	於十二月三十一日	1.09	53,030	1.27	38,080

31. SHARE OPTION SCHEMES
(continued)

Share Option Schemes (continued)

Movements in the Company's share options under the 2010 Share Option Scheme and the New 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 購股權數目					At 31 December 2021 於二零二一年十二月三十一日	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	Vesting period 歸屬期	Closing price of the shares of the Company immediately before the date on which options were granted 緊接購股權授出日期前本公司股份之收市價
		At 1 January 2021 於二零二一年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收	At 31 December 2021 於二零二一年十二月三十一日						
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	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2017; (ii) 獲授購股權總數之三分之一可於二零一七年十二月一日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2018; and (iv) 獲授購股權總數之三分之一可於二零一八年十二月一日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 December 2019. (vi) 獲授購股權總數之餘下三分之一可於二零一九年十二月一日或之後任何時間內行使。	1,020	
Mr. Cao Yixiong Alan	曹亦雄先生	200,000	-	-	-	200,000	19 July 2019 二零一九年七月十九日	1 August 2020 to 18 July 2029 二零二零年八月一日至 二零二九年七月十八日	1,280	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2020; (ii) 獲授購股權總數之三分之一可於二零二零年八月一日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2021; and (iv) 獲授購股權總數之三分之一可於二零二一年八月一日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 August 2022. (vi) 獲授購股權總數之餘下三分之一可於二零二二年八月一日或之後任何時間內行使。	0,610	

31. 購股權計劃 (續)

購股權計劃 (續)

年內2010年購股權計劃及新購股權計劃項下本公司購股權之變動如下：

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. SHARE OPTION SCHEMES (continued)

31. 購股權計劃 (續)

Share Option Schemes (continued)

購股權計劃 (續)

Name or category of participant	參與者姓名或類別	Number of share options 購股權數目					Date of grant of share options	Exercise period of share options	Exercise price of share options	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
		At 1 January 2021	Granted during the year	Exercised during the year	Forfeited during the year	At 31 December 2021					
		於二零二一年一月一日	年內授出	年內行使	年內沒收	於二零二一年十二月三十一日	購股權授出日期	購股權行使價 HK\$ per share 每股港元	歸屬期	緊接購股權授出日期前本公司股份之收市價	
Directors (continued)	董事 (續)										
Mr. Cao Yixiong Alan	曹亦雄先生	300,000	-	-	-	300,000	3 April 2020 二零二零年四月三日	16 April 2021 to 2 April 2030 二零二一年四月十六日至二零二零年四月二日	0.600	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2021; (ii) 獲授購股權總數之三分之一可於二零二一年四月十六日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2022; and (iv) 獲授購股權總數之三分之一可於二零二二年四月十六日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 April 2023. (vi) 獲授購股權總數之餘下三分之一可於二零二三年四月十六日或之後任何時間內行使。	0.480
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	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2017; (ii) 獲授購股權總數之三分之一可於二零一七年十二月一日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2018; and (iv) 獲授購股權總數之三分之一可於二零一八年十二月一日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 December 2019. (vi) 獲授購股權總數之餘下三分之一可於二零一九年十二月一日或之後任何時間內行使。	1.020

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. SHARE OPTION SCHEMES (continued)

31. 購股權計劃 (續)

Share Option Schemes (continued)

購股權計劃 (續)

Name or category of participant	參與者姓名或類別	Number of share options 購股權數目					Date of grant of share options	Exercise period of share options	Exercise price of share options	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
		At 1 January 2021 於二零二一年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收	At 31 December 2021 於二零二一年十二月三十一日					
Directors (continued) 董事 (續)											
Mr. Lau Chi Kit	劉智傑先生	200,000	-	-	-	200,000	19 July 2019 二零一九年七月十九日	1 August 2020 to 18 July 2029 二零二零年八月一日至二零二九年七月十八日	1.280	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2021; (ii) 獲授購股權總數之三分之一可於二零二零年八月一日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2021; and (iv) 獲授購股權總數之三分之一可於二零二零年八月一日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 August 2022. (vi) 獲授購股權總數之餘下三分之一可於二零二零年八月一日或之後任何時間內行使。	0.610
Mr. Lau Chi Kit	劉智傑先生	300,000	-	-	-	300,000	3 April 2020 二零二零年四月三日	16 April 2021 to 2 April 2030 二零二一年四月十六日至二零二零年四月二日	0.600	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2021; (ii) 獲授購股權總數之三分之一可於二零二零年四月十六日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2022; and (iv) 獲授購股權總數之三分之一可於二零二零年四月十六日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 April 2023. (vi) 獲授購股權總數之餘下三分之一可於二零二零年四月十六日或之後任何時間內行使。	0.480

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. SHARE OPTION SCHEMES (continued)

Share Option Schemes (continued)

31. 購股權計劃 (續)

購股權計劃 (續)

Name or category of participant	參與者姓名或類別	Number of share options 購股權數目					Date of grant of share options	Exercise period of share options	Exercise price of share options	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
		At 1 January 2021	Granted during the year	Exercised during the year	Forfeited during the year	At 31 December 2021					
		於二零二一年一月一日	年內授出	年內行使	年內沒收	於二零二一年十二月三十一日	購股權授出日期	購股權行使價 HK\$ per share 每股港元	歸屬期	緊接購股權授出日期前本公司股份之收市價	
Directors (continued)	董事 (續)										
Ms. Yin Haiyan	印海燕女士	150,000	-	-	-	150,000	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	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2017; (ii) 獲授購股權總數之三分之一可於二零一七年十二月一日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2018; and (iv) 獲授購股權總數之三分之一可於二零一八年十二月一日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 December 2019. (vi) 獲授購股權總數之餘下三分之一可於二零一九年十二月一日或之後任何時間內行使。	1.020
Ms. Yin Haiyan	印海燕女士	150,000	-	-	-	150,000	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	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 December 2018; (ii) 獲授購股權總數之三分之一可於二零一八年十二月十六日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 16 December 2019; and (iv) 獲授購股權總數之三分之一可於二零一九年十二月十六日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 December 2020. (vi) 獲授購股權總數之餘下三分之一可於二零二零年十二月十六日或之後任何時間內行使。	1.430

31. SHARE OPTION SCHEMES
(continued)

31. 購股權計劃 (續)

Share Option Schemes (continued)

購股權計劃 (續)

Name or category of participant	參與者姓名或類別	Number of share options 購股權數目					Date of grant of share options	Exercise period of share options	Exercise price of share options	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
		At 1 January 2021	Granted during the year	Exercised during the year	Forfeited during the year	At 31 December 2021					
		於二零二一年一月一日	年內授出	年內行使	年內沒收	於二零二一年十二月三十一日	購股權授出日期	購股權行使價	購股權行使價	歸屬期	緊接購股權授出日期前本公司股份之收市價
								HK\$ per share 每股港元			
Directors (continued) 董事 (續)											
Ms. Yin Haiyan	印海燕女士	900,000	-	-	-	900,000	19 July 2019 二零一九年七月十九日	1 August 2020 to 18 July 2029 二零二零年八月一日至 二零二九年七月十八日	1.280	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2021; (ii) 獲授購股權總數之三分之一可於二零二零年八月一日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2021; and (iv) 獲授購股權總數之三分之一可於二零二零年八月一日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 August 2022. (vi) 獲授購股權總數之餘下三分之一可於二零二零年八月一日或之後任何時間內行使。	0.610
Ms. Yin Haiyan	印海燕女士	300,000	-	-	-	300,000	3 April 2020 二零二零年四月三日	16 April 2021 to 2 April 2030 二零二一年四月十六日至 二零二零年四月二日	0.600	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2021; (ii) 獲授購股權總數之三分之一可於二零二零年四月十六日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2022; and (iv) 獲授購股權總數之三分之一可於二零二零年四月十六日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 April 2023. (vi) 獲授購股權總數之餘下三分之一可於二零二零年四月十六日或之後任何時間內行使。	0.480

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. SHARE OPTION SCHEMES (continued)

31. 購股權計劃 (續)

Share Option Schemes (continued)

購股權計劃 (續)

Name or category of participant	參與者姓名或類別	Number of share options 購股權數目					Date of grant of share options	Exercise period of share options	Exercise price of share options	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
		At 1 January 2021	Granted during the year	Exercised during the year	Forfeited during the year	At 31 December 2021					
		於二零二一年一月一日	年內授出	年內行使	年內沒收	於二零二一年十二月三十一日	購股權授出日期	購股權行使價 HK\$ per share 每股港元	歸屬期	緊接購股權授出日期前本公司股份之收市價	
Directors (continued)	董事 (續)										
Ms. Yin Haiyan	印海燕女士	-	1,000,000	-	-	1,000,000	13 January 2021 二零二一年一月十三日	16 January 2022 to 12 January 2031 二零二二年一月十六日至二零三一年一月十二日	0.560	(i) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2022; (ii) 獲授購股權總數之五分之一可於二零二二年一月十六日或之後任何時間內行使； (iii) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2023; (iv) 獲授購股權總數之五分之一可於二零二三年一月十六日或之後任何時間內行使； (v) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2024; (vi) 獲授購股權總數之五分之一可於二零二四年一月十六日或之後任何時間內行使； (vii) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2025; and (viii) 獲授購股權總數之五分之一可於二零二五年一月十六日或之後任何時間內行使；及 (ix) The remaining one-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2026. (x) 獲授購股權總數之餘下五分之一可於二零二六年一月十六日或之後任何時間內行使。	0.560
		3,100,000	1,000,000	-	-	4,100,000					

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. SHARE OPTION SCHEMES (continued)

31. 購股權計劃 (續)

Share Option Schemes (continued)

購股權計劃 (續)

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目					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	Vesting period 歸屬期	Closing price of the shares of the Company immediately before the date on which options were granted 緊接購股權授出日期前本公司股份之收市價
	At 1 January 2021 於二零二一年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收	At 31 December 2021 於二零二一年十二月三十一日					
Other employees in aggregate 其他僱員合計	5,330,000	-	(130,000)	(170,000)	5,030,000	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	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2017; (ii) 獲授購股權總數之三分之一可於二零一七年十二月一日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2018; and (iv) 獲授購股權總數之三分之一可於二零一八年十二月一日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 December 2019. (vi) 獲授購股權總數之餘下三分之一可於二零一九年十二月一日或之後任何時間內行使。	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	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 June 2018; (ii) 獲授購股權總數之三分之一可於二零一八年六月一日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 1 June 2019; and (iv) 獲授購股權總數之三分之一可於二零一九年六月一日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 June 2020. (vi) 獲授購股權總數之餘下三分之一可於二零二零年六月一日或之後任何時間內行使。	1,840

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. SHARE OPTION SCHEMES (continued)

31. 購股權計劃 (續)

Share Option Schemes (continued)

購股權計劃 (續)

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目					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	Vesting period 歸屬期	Closing price of the shares of the Company immediately before the date on which options were granted 緊接購股權授出日期前本公司股份之收市價
	At 1 January 2021 於二零二一年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收	At 31 December 2021 於二零二一年十二月三十一日					
Other employees in aggregate (continued) 其他僱員合計 (續)	2,350,000	-	-	(250,000)	2,100,000	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	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 June 2018; (ii) 獲授購股權總數之三分之一可於二零一八年六月一日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 1 June 2019; and (iv) 獲授購股權總數之三分之一可於二零一九年六月一日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 June 2020. (vi) 獲授購股權總數之餘下三分之一可於二零二零年六月一日或之後任何時間內行使。	1.690
	4,950,000	-	-	(900,000)	4,050,000	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	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 December 2018; (ii) 獲授購股權總數之三分之一可於二零一八年十二月十六日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 16 December 2019; and (iv) 獲授購股權總數之三分之一可於二零一九年十二月十六日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 December 2020. (vi) 獲授購股權總數之餘下三分之一可於二零二零年十二月十六日或之後任何時間內行使。	1.430

31. SHARE OPTION SCHEMES
(continued)

31. 購股權計劃 (續)

Share Option Schemes (continued)

購股權計劃 (續)

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目					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	Vesting period 歸屬期	Closing price of the shares of the Company immediately before the date on which options were granted 緊接購股權授出日期前本公司股份之收市價
	At 1 January 2021 於二零二一年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收	At 31 December 2021 於二零二一年十二月三十一日					
Other employees in aggregate (continued) 其他僱員合計 (續)	18,600,000	-	-	(3,300,000)	15,300,000	19 July 2019 二零一九年七月十九日	1 August 2020 to 18 July 2029 二零二零年八月一日至二零二九年七月十八日	1.280	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2020; (ii) 獲授購股權總數之三分之一可於二零二零年八月一日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2021; and (iv) 獲授購股權總數之三分之一可於二零二一年八月一日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 August 2022. (vi) 獲授購股權總數之三分之一可於二零二二年八月一日或之後任何時間內行使。	0.610
	1,800,000	-	-	-	1,800,000	3 April 2020 二零二零年四月三日	16 April 2021 to 2 April 2030 二零二一年四月十六日至二零三零年四月二日	0.600	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2021; (ii) 獲授購股權總數之三分之一可於二零二一年四月十六日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2022; and (iv) 獲授購股權總數之三分之一可於二零二二年四月十六日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 April 2023. (vi) 獲授購股權總數之餘下三分之一可於二零二三年四月十六日或之後任何時間內行使。	0.480

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. SHARE OPTION SCHEMES (continued)

31. 購股權計劃 (續)

Share Option Schemes (continued)

購股權計劃 (續)

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目					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	Vesting period 歸屬期	Closing price of the shares of the Company immediately before the date on which options were granted 緊接購股權授出日期前本公司股份之收市價
	At 1 January 2021 於二零二一年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收	At 31 December 2021 於二零二一年十二月三十一日					
Other employees in aggregate (continued) 其他僱員合計 (續)	450,000	-	-	(450,000)	-	14 July 2020 二零二零年七月十四日	16 July 2021 to 13 July 2030 二零二一年七月十六日至二零三零年七月十三日	1.280	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 July 2021; (ii) 獲授購股權總數之三分之一可於二零二一年七月十六日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 16 July 2022; and (iv) 獲授購股權總數之三分之一可於二零二二年七月十六日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 July 2023. (vi) 獲授購股權總數之餘下三分之一可於二零二三年七月十六日或之後任何時間內行使。	0.480

31. SHARE OPTION SCHEMES
(continued)

31. 購股權計劃 (續)

Share Option Schemes (continued)

購股權計劃 (續)

Name or category of participant	參與者姓名或類別	Number of share options 購股權數目					Date of grant of share options	Exercise period of share options	Exercise price of share options	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
		At 1 January 2021	Granted during the year	Exercised during the year	Forfeited during the year	At 31 December 2021					
		於二零二一年一月一日	年內授出	年內行使	年內沒收	於二零二一年十二月三十一日	購股權授出日期	購股權行使期	購股權行使價 HK\$ per share 每股港元	歸屬期	緊接購股權授出日期前本公司股份之收市價
Other employees in aggregate (continued)	其他僱員合計 (續)	-	4,000,000	-	-	4,000,000	13 January 2021 二零二一年一月十三日	16 January 2022 to 12 January 2031 二零二二年一月十六日至二零三一年一月十二日	0.560	(i) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2022; (ii) 獲授購股權總數之五分之一可於二零二二年一月十六日或之後任何時間內行使； (iii) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2023; (iv) 獲授購股權總數之五分之一可於二零二三年一月十六日或之後任何時間內行使； (v) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2024; (vi) 獲授購股權總數之五分之一可於二零二四年一月十六日或之後任何時間內行使； (vii) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2025; and (viii) 獲授購股權總數之五分之一可於二零二五年一月十六日或之後任何時間內行使；及 (ix) The remaining one-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2026. (x) 獲授購股權總數之餘下五分之一可於二零二六年一月十六日或之後任何時間內行使。	0.560

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. SHARE OPTION SCHEMES (continued)

31. 購股權計劃 (續)

Share Option Schemes (continued)

購股權計劃 (續)

Name or category of participant	參與者姓名或類別	Number of share options 購股權數目					Date of grant of share options	Exercise period of share options	Exercise price of share options	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
		At 1 January 2021 於二零二一年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收	At 31 December 2021 於二零二一年十二月三十一日					
Other employees in aggregate (continued)	其他僱員合計 (續)	-	15,450,000	-	(300,000)	15,150,000	2 September 2021 二零二一年九月二日	16 September 2022 to 1 September 2031 二零二二年九月十六日至二零三一年九月一日	0.910	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 July 2021; (ii) 獲授購股權總數之三分之一可於二零二一年七月十六日或之後任何時間內行使； (iii) One-third of the total number of the share options granted are exercisable at any time on or after 16 July 2022; and (iv) 獲授購股權總數之三分之一可於二零二二年七月十六日或之後任何時間內行使；及 (v) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 July 2023. (vi) 獲授購股權總數之餘下三分之一可於二零二三年七月十六日或之後任何時間內行使。	0.840
		34,980,000	19,450,000	(130,000)	(5,370,000)	48,930,000					
		38,080,000	20,450,000	(130,000)	(5,370,000)	53,030,000					

31. SHARE OPTION SCHEMES
(continued)

31. 購股權計劃 (續)

Share Option Schemes (continued)

購股權計劃 (續)

The exercise prices and exercise periods of the share options outstanding at 31 December 2021 are as follows:

於二零二一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
5,780,000	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
1,500,000	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
2,100,000	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
4,200,000	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
16,600,000	HK\$1.280 1.280港元	1 August 2020 to 18 July 2029 二零二零年八月一日至二零二九年七月十八日
2,700,000	HK\$0.600 0.600港元	16 April 2021 to 2 April 2030 二零二一年四月十六日至二零三零年四月二日
5,000,000	HK\$0.560 0.560港元	16 January 2022 to 12 January 2031 二零二二年一月十六日至二零三一年一月十二日
15,150,000	HK\$0.910 0.910港元	16 September 2022 to 1 September 2031 二零二二年九月十六日至二零三一年九月一日
53,030,000		

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

31. SHARE OPTION SCHEMES (continued)

Share Option Schemes (continued)

On 13 January 2021, 5,000,000 share options under the New Share Option Scheme were granted to 5 employees of the Group. The fair value of these options was HK\$944,000 (equivalent to RMB787,000), of which the Group recognised a share option expense of HK\$416,000 (equivalent to RMB347,000) in the current year.

On 2 September 2021, 15,450,000 share options under the New Share Option Scheme were granted to 68 employees of the Group. The fair value of these options was HK\$7,934,000 (equivalent to RMB6,590,000), of which the Group recognised a share option expense of HK\$2,211,000 (equivalent to RMB1,837,000) in the current year.

The fair value of the share options granted under the New 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	2 September 2021 二零二一年 九月二日	13 January 2021 二零二一年 一月十三日
Exercise price (HK\$ per share)	行使價 (每股港元)	0.910	0.560
Expected dividend yield (%)	預期股息率(%)	–	–
Expected volatility (%)	預期波幅(%)	58.13	49.18
Risk-free interest rate (%)	無風險利率(%)	1.34	0.81
Expected life of share options (years)	預期購股權的年期 (年)	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)	0.910	0.560

31. 購股權計劃 (續)

購股權計劃 (續)

於二零二一年一月十三日，根據新購股權計劃，5,000,000份購股權已向本集團5名僱員授出。該等購股權的公允價值為944,000港元（相當於人民幣787,000元），當中，本集團已於本年度確認購股權開支416,000港元（相當於人民幣347,000元）。

於二零二一年九月二日，根據新購股權計劃，15,450,000份購股權已向本集團68名僱員授出。該等購股權的公允價值為7,934,000港元（相當於人民幣6,590,000元），當中，本集團已於本年度確認購股權開支2,211,000港元（相當於人民幣1,837,000元）。

根據新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：

31. SHARE OPTION SCHEMES (continued)

Share Option Schemes (continued)

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.

The 130,000 share options exercised during the year resulted in the issue of 130,000 ordinary shares of the Company and additional share capital of HK\$13,000 (equivalent to RMB11,000) and share premium of HK\$120,000 (equivalent to RMB100,000).

At the end of the reporting period, the Company had outstanding share options for the subscription of 53,030,000 shares under the 2010 Share Option Scheme and the New Share Option Scheme, which represented approximately 3.91% 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 53,030,000 additional ordinary shares of the Company and additional share capital of HK\$5,303,000 (equivalent to RMB4,398,000) and share premium of HK\$52,533,000 (equivalent to RMB43,567,000), before related issuance expenses.

At the date of approval of these financial statements, the Company had 51,380,000 share options outstanding under the 2010 Share Option Scheme and the New Share Option Scheme, which represented approximately 3.78% of the Company's shares in issue as at that date.

31. 購股權計劃 (續)

購股權計劃 (續)

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。

於年內行使130,000份購股權導致發行130,000股本公司普通股，以及額外股本13,000港元(相當於人民幣11,000元)及股份溢價120,000港元(相當於人民幣100,000元)。

於報告期末，本公司擁有未行使購股權，可認購2010年購股權計劃及新購股權計劃項下53,030,000股股份，相當於本公司於當日的已發行股本約3.91%。根據本公司的現有資本架構，全面行使未行使購股權會導致發行53,030,000股本公司額外普通股股份，以及額外股本5,303,000港元(相當於人民幣4,398,000元)及股份溢價52,533,000港元(相當於人民幣43,567,000元)(扣除相關發行開支前)。

於該等財務報表獲批日期，根據2010年購股權計劃及新購股權計劃，本公司擁有51,380,000份未行使購股權，相當於本公司於當日已發行股本約3.78%。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

32. 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 in the financial statements.

Merger reserve

The merger reserve of the Group represents the capital contributions by Dr. DONG Li, a director and controlling shareholder of the Company, to the subsidiaries directly held by Dr. DONG Li before the group reorganisation on 8 June 2010 and, in the case of an acquisition of an additional equity interest in a non-wholly-owned subsidiary, the difference between the cost of acquisition and the non-controlling interests acquired.

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 RMB183,520,000 and RMB170,838,000 as at 31 December 2021 and 2020, 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.

32. 儲備

本集團本年度及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博士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及倘收購一間非全資附屬公司之其他權益，則為收購成本及所收購非控股權益之間的差額。

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二零二一年及二零二零年十二月三十一日分別為人民幣183,520,000元及人民幣170,838,000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。

32. 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 31 to the financial statements.

Fair value reserve

The fair value reserve comprises the fair value differences arising from the revaluation for the equity investments designated at fair value through other comprehensive income and debt investments designated at fair value through other comprehensive income.

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB17,089,000 (2020: RMB547,000) and RMB17,089,000 (2020: RMB547,000), respectively, in respect of lease arrangements for property, machinery and other equipment.

32. 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31。

公允價值儲備

公允價值儲備由來自重估指定按公允價值變動計入其他全面收益的權益性投資及指定按公允價值變動計入其他全面收益的債務投資的公允價值差額組成。

33. 綜合現金流量表附註

(a) 主要非現金交易

年內，本集團就物業、機器及其他設備租賃安排之使用權資產及租賃負債的非現金添置分別為人民幣17,089,000元（二零二零年：人民幣547,000元）及人民幣17,089,000元（二零二零年：人民幣547,000元）。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities

2021

		Bank and other loans 銀行及 其他貸款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
At 1 January 2021	於二零二一年一月一日	2,303,284	11,131
Changes from financing cash flows	融資現金流量變動	109,330	(8,975)
Waived by the bank	獲銀行豁免	(3,856)	-
New leases	新租賃	-	17,089
Foreign exchange movement	外匯變動	(36,552)	(725)
Interest expense	利息開支	-	1,980
Revision of a lease term arising from a change in the non-cancellable period of a lease	租賃不可撤銷期間的變動所造成的租期修訂	-	(32)
At 31 December 2021	於二零二一年十二月三十一日	2,372,206	20,468

33. 綜合現金流量表附註 (續)

(b) 融資活動產生之負債變動

二零二一年

		Bank and other loans 銀行及 其他貸款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
At 1 January 2021	於二零二一年一月一日	2,303,284	11,131
Changes from financing cash flows	融資現金流量變動	109,330	(8,975)
Waived by the bank	獲銀行豁免	(3,856)	-
New leases	新租賃	-	17,089
Foreign exchange movement	外匯變動	(36,552)	(725)
Interest expense	利息開支	-	1,980
Revision of a lease term arising from a change in the non-cancellable period of a lease	租賃不可撤銷期間的變動所造成的租期修訂	-	(32)
At 31 December 2021	於二零二一年十二月三十一日	2,372,206	20,468

33. NOTES TO THE
CONSOLIDATED STATEMENT
OF CASH FLOWS (continued)

33. 綜合現金流量表附註 (續)

(b) Changes in liabilities arising from
financing activities (continued)(b) 融資活動產生之負債變動
(續)

2020		二零二零年	
		Bank and other loans 銀行及 其他貸款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	2,306,186	19,426
Changes from financing cash flows	融資現金流量變動	78,205	(8,408)
New leases	新租賃	-	547
Foreign exchange movement	外匯變動	(81,107)	(502)
Interest expense	利息開支	-	958
Revision of a lease term arising from a change in the non- cancellable period of a lease	租賃不可撤銷期間的變動 所造成的租期修訂	-	(890)
At 31 December 2020	於二零二零年 十二月三十一日	2,303,284	11,131

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(c) Total cash outflow for leases

The total cash outflow/(inflow) for leases included in the statement of cash flows is as follows:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within operating activities	計入經營活動	5,108	5,706
Within investing activities	計入投資活動	7	(30,563)
Within financing activities	計入融資活動	8,975	8,408
		14,090	(16,449)

33. 綜合現金流量表附註 (續)

(c) 租賃現金流出總額

計入現金流量表之租賃現金流出／(流入)總額如下：

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

34. PLEDGE OF ASSETS

34. 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 14) (附註14)	Pledged deposits 已抵押存款 RMB'000 人民幣千元 (note 25) (附註25)	Inventories 存貨 RMB'000 人民幣千元 (note 20) (附註20)	Trade receivables 貿易應收 款項 RMB'000 人民幣千元 (note 21) (附註21)	Total 總計 RMB'000 人民幣千元
31 December 2021	二零二一年十二月三十一日						
Interest-bearing bank borrowings (note 28)	計息銀行借貸 (附註28)	38,998	800,281	4,269	100,000	365,908	1,309,456
Bills payable (note 26)	應付票據 (附註26)	-	-	440,448	-	-	440,448
Issue of letters of credit	發出信用證	-	-	157,796	-	-	157,796
		38,998	800,281	602,513	100,000	365,908	1,907,700
31 December 2020	二零二零年十二月三十一日						
Interest-bearing bank borrowings (note 28)	計息銀行借貸 (附註28)	49,168	628,945	4,394	100,000	178,744	961,251
Bills payable (note 26)	應付票據 (附註26)	-	-	387,303	-	-	387,303
Issue of letters of credit	發出信用證	-	-	69,656	-	-	69,656
		49,168	628,945	461,353	100,000	178,744	1,418,210

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

35. COMMITMENTS

(a) The Group had the following capital commitments at the end of the reporting period:

35. 承諾

(a) 於報告期末，本集團有以下資本承諾：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 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	999	1,613
Capital contribution for investments in equity investments designated at fair value through other comprehensive income 指定為公允價值變動計入其他全面收益的權益性投資的投資注資	22,500	62,500
	23,499	64,113

36. RELATED PARTY
TRANSACTIONS

36. 關連人士交易

(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:

(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：

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 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 owned by Dr. DONG Li and his associates	董李博士及其聯繫人士擁有的關連公司	(i)	18,056	31,352
Sales of products to related companies	向關連公司銷售產品			
Related companies owned by Dr. DONG Li and his associates	董李博士及其聯繫人士擁有的關連公司	(i)	116,796	79,630
Interest expense to related parties	向關連人士支付利息開支			
Non-controlling shareholders of a subsidiary	附屬公司之非控股股東	36(b)(i)	1,737	1,740

Note:

(i) The purchases of raw materials and sales of products with the related companies were made according to prices mutually agreed between the parties on terms not 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 and sales of products above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

附註：

(i) 與關連公司進行原材料購買及產品銷售乃根據共同議定的價格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及銷售產品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。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

36. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties:

	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	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Current:					
Non-controlling shareholders of a subsidiary	(i)	-	-	94,835	46,898
Related companies owned by Dr. DONG Li and his associates	(ii)	87,677	34,877	28,525	50,706
		87,677	34,877	123,360	97,604

Notes:

- (i) As at 31 December 2021, a loan amounting to RMB39,000,000 from non-controlling shareholders of a subsidiary was unsecured, bore interest rate at 4.35% per annum and had no fixed terms of repayment. A loan amounting to RMB47,200,000 from a non-controlling shareholder of a subsidiary was unsecured, interest-free and had no fixed terms of repayment and RMB20,000,000 of the loan was repaid in January 2022.
- (ii) As at 31 December 2021 and 2020, all balances with the related companies owned by Dr. DONG Li and his associates were traded in nature, unsecured, interest-free and had no fixed terms of repayment.

附註：

- (i) 於二零二一年十二月三十一日，來自一間附屬公司之非控股股東之貸款人民幣39,000,000元為無抵押、按年利率4.35%計息及無固定還款期。以及來自一間附屬公司之非控股股東之一筆貸款人民幣47,200,000元為無抵押、免息及無固定還款期，該貸款中的人民幣20,000,000元已於二零二二年一月償還。
- (ii) 於二零二一年及二零二零年十二月三十一日，所有與董李博士及其聯繫人士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。

36. RELATED PARTY
TRANSACTIONS (continued)

- (c) A rental contract dated 15 February 2019 between the Group and a related company owned by the spouse of Dr. DONG Li named Eastern International LLC (“Eastern International”) to lease a building as the Group’s office and warehouses commencing 1 January 2019 at a monthly rent of US\$49,900 in 2019 with annual increment expired on 31 December 2021 and was not renewed. As at 31 December 2021, the Group had total lease liabilities with this related company under non-cancellable leases falling due as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Lease liabilities included in other payables and accruals – current	包括在其他應付款項及應計費用中的租賃負債—流動	-	4,058
		-	4,058

Under such rental contract, the minimum lease payment during the year was RMB4,096,000 (2020: RMB5,141,000). As at 31 December 2021, the Group’s right-of-use assets relating to such rental contract was nil (31 December 2020: RMB3,762,000).

The rental contract also constitutes connected transaction as defined in Chapter 14A of the Listing Rules.

36. 關連人士交易 (續)

- (c) 本集團與董李博士的配偶擁有的一間關連公司Eastern International LLC (「Eastern International」) 之間的一項日期為二零一九年二月十五日用以自二零一九年一月一日起按49,900美元的月租金(按年遞增)租賃一棟樓宇作為本集團辦公室及倉庫的租賃合約已於二零二一年十二月三十一日到期,且未予重續。於二零二一年十二月三十一日,本集團與該關連公司的不可撤銷租賃的租賃負債總額如下:

根據該租賃合約,年內的最低租賃付款為人民幣4,096,000元(二零二零年:人民幣5,141,000元)。於二零二一年十二月三十一日,本集團與該租賃合約有關的使用權資產為零(二零二零年十二月三十一日:人民幣3,762,000元)。

該租賃合約亦構成上市規則第14A章所界定的關連交易。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

36. RELATED PARTY TRANSACTIONS (continued)

(d) Compensation of key management personnel of the Group:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Basic salaries and other benefits	基本薪金及其他福利	9,571	7,525
Equity-settled share option expenses	以權益結算的購股權開支	862	1,134
Pension scheme contributions	退休金計劃供款	177	116
		10,610	8,775

Further details of directors' emoluments are included in note 9 to the financial statements.

36. 關連人士交易 (續)

(d) 本集團主要管理人員的酬金：

有關董事酬金之進一步詳情載於財務報表附註9。

37. FINANCIAL INSTRUMENTS BY CATEGORY

37. 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：

2021

二零二一年

Financial assets

金融資產

		Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
		公允價值變動計入損益的金融資產	公允價值變動計入其他全面收益的金融資產			
		Mandatorily designated as such	Debt investments	Equity investments	按攤銷成本計量之金融資產	總計
		強制如此指定	債務投資	權益性投資	金融資產	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
Equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資	-	-	182,680	-	182,680
Debt investments at fair value through other comprehensive income	公允價值變動計入其他全面收益的債務投資	-	106,349	-	-	106,349
Trade receivables	貿易應收款項	-	-	-	2,725,702	2,725,702
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	-	-	-	33,403	33,403
Financial assets at fair value through profit or loss	公允價值變動計入損益的金融資產	67,798	-	-	-	67,798
Pledged deposits	已抵押存款	-	-	-	602,513	602,513
Cash and cash equivalents	現金及現金等價物	-	-	-	349,229	349,229
		67,798	106,349	182,680	3,710,847	4,067,674

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

37. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

37. 按類別分析的金融工具 (續)

金融負債

		Financial liabilities at fair value through profit or loss 公允價值變動計入損益的金融負債	Financial liabilities at amortised cost 按攤銷成本計量的金融負債	Total 總計
		Mandatorily designated as such 強制如此指定 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成本計量的金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	-	2,319,251	2,319,251
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	-	308,176	308,176
Lease liabilities	租賃負債	-	20,468	20,468
Financial liabilities at fair value through profit or loss	公允價值變動計入損益的金融負債	851	-	851
Interest-bearing bank borrowings	計息銀行借貸	-	2,372,206	2,372,206
		851	5,020,101	5,020,952

37. FINANCIAL INSTRUMENTS BY
CATEGORY (continued)37. 按類別分析的金融工具
(續)

2020

二零二零年

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負債	Financial assets at fair value through other comprehensive income			Financial assets at amortised cost 按攤銷成本計量之金融資產	Total 總計
		Mandatorily designated as such 強制如此指定 RMB'000 人民幣千元	Debt investments 債務投資 RMB'000 人民幣千元	Equity investments 權益性投資 RMB'000 人民幣千元		
Equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資	-	-	143,027	-	143,027
Debt investments at fair value through other comprehensive income	公允價值變動計入其他全面收益的債務投資	-	197,128	-	-	197,128
Trade receivables	貿易應收款項	-	-	-	2,419,676	2,419,676
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	-	-	-	62,063	62,063
Financial assets at fair value through profit or loss	公允價值變動計入損益的金融資產	75,912	-	-	-	75,912
Pledged deposits	已抵押存款	-	-	-	461,353	461,353
Cash and cash equivalents	現金及現金等價物	-	-	-	387,148	387,148
		75,912	197,128	143,027	3,330,240	3,746,307

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

37. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

37. 按類別分析的金融工具 (續)

金融負債

		Financial liabilities at fair value through profit or loss 公允價值變動計入損益的金融負債	Financial liabilities at amortised cost 按攤銷成本計量的金融負債	Total 總計
		Mandatorily designated as such 強制如此指定 RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	-	2,139,389	2,139,389
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	-	242,152	242,152
Lease liabilities	租賃負債	-	11,131	11,131
Financial liabilities at fair value through profit or loss	公允價值變動計入損益的金融負債	2,679	-	2,679
Interest-bearing bank borrowings	計息銀行借貸	-	2,303,284	2,303,284
		2,679	4,695,956	4,698,635

38. 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, pledged deposits, trade receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets 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.

38. 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、貿易應付款項及應付票據、計入預付款項、其他應收款項及其他資產的金融資產、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匯報。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（強制或清盤出售除外）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。

38. 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 changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2021 were assessed to be insignificant.

The fair values of unlisted equity investments at fair value through profit or loss have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple and price to earnings ("P/E") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

38. 金融工具公允價值及公允價值層級 (續)

計息銀行借貸非流動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。由於本集團於二零二一年十二月三十一日的計息銀行借貸自身不履約風險導致的公允價值變動被評定為微不足道。

公允價值變動計入損益的非上市權益性投資之公允價值已基於並無可觀察市價或費率作為依據的假設採用市場基礎估值技術估定。估值要求董事按行業、規模、槓桿及策略釐定可資比較上市公司（同業），並就各已識別可資比較公司計算適合價格倍數，如企業價值對除利息、稅項、折舊及攤銷前盈利（「EV/EBITDA」）倍數及市盈率（「P/E」）倍數。該倍數以可資比較公司之企業價值除以盈利計量因素計算。貿易倍數隨後按公司特定之事實及情況，就不流通性及可資比較公司之間的規模差異折現。已折現倍數應用以非上市權益性投資之相應盈利計量因素，以計量公允價值。董事認為，因估值技術而產生的估計公允價值（計入綜合財務狀況表）以及相關公允價值變動（計入損益）均屬合理，亦為報告期末的最恰當值。

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated 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 values 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.

The fair values of debt investments at fair value through other comprehensive income, which are bills receivable, have been estimated using a discounted cash flow valuation model based on the interest rate yield curve.

38. 金融工具公允價值及公允價值層級 (續)

指定按公允價值變動計入其他全面收益的非上市權益性投資的公允價值使用資產法進行估算。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。

公允價值變動計入其他全面收益的債務投資（即應收票據）的公允價值使用基於利率收益率曲線的現金流量折現估值模式估算。

Notes to Financial Statements 財務報表附註

31 December 2021

二零二一年十二月三十一日

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The Group invests in other unlisted investments, which represent the right to receive the proceeds from future sales of the properties. The Group has estimated the fair values of these unlisted investments by using a market-based valuation technique based on the selling price of comparable properties.

The Group enters derivative financial instruments with various counterparties, principally financial institutions with good credit ratings. Derivative financial instruments, including commodity future and options contracts, are based on quoted market prices.

38. 金融工具公允價值及公允價值層級 (續)

本集團投資於其他非上市投資，該等投資乃收取未來物業銷售所得款項的權利。本集團已使用市場基礎估值技術基於可資比較物業之售價估計該等非上市投資之公允價值。

本集團與眾多對手方（主要為信貸評級良好之金融機構）訂立衍生金融工具。衍生金融工具包括基於市場報價之商品期貨與期權合約。

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

38. 金融工具公允價值及公允價值層級 (續)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

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) 活躍市場報價 (第1層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第2層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第3層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2021	二零二一年				
Equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資	-	-	182,680	182,680
Debt investments at fair value through other comprehensive income	公允價值變動計入其他全面收益的債務投資	-	106,349	-	106,349
Financial assets at fair value through profit or loss	公允價值變動計入損益的金融資產	134	67,664	-	67,798
		134	174,013	182,680	356,827
2020	二零二零年				
Equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資	-	-	143,027	143,027
Debt investments at fair value through other comprehensive income	公允價值變動計入其他全面收益的債務投資	-	197,128	-	197,128
Financial assets at fair value through profit or loss	公允價值變動計入損益的金融資產	265	67,084	8,563	75,912
		265	264,212	151,590	416,067

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

38. 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:

38. 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：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
At 1 January	於一月一日	151,590	173,711
Total gains/(losses) recognised in other comprehensive income	已於其他全面收益確認之收益／(虧損) 總額	8,736	(541)
Total losses recognised in profit or loss	已於損益確認之虧損總額	(8,563)	(439)
Additions	添置	40,500	33,262
Disposals	出售	(9,004)	(53,095)
Exchange realignment	匯兌調整	(579)	(1,308)
At 31 December	於十二月三十一日	182,680	151,590

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities measured at fair value

38. 金融工具公允價值及公允價值層級 (續)

公允價值層級 (續)

按公允價值計量的負債

Fair value measurement using
公允價值計量所用層級

		Quoted prices in active markets (Level 1) 活躍市場報價 (第1層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第2層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第3層) RMB'000 人民幣千元	Total Total 總計 RMB'000 人民幣千元
2021	二零二一年				
Financial liabilities at fair value through profit or loss	公允價值變動計入損益的金融負債	851	-	-	851
2020	二零二零年				
Financial liabilities at fair value through profit or loss	公允價值變動計入損益的金融負債	2,679	-	-	2,679

As at 31 December 2021 and 2020, 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.

於二零二一年及二零二零年十二月三十一日，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。

39. 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 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 obligations with floating rates.

39. 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。

39. FINANCIAL RISK
MANAGEMENT OBJECTIVES
AND POLICIES (continued)

Interest rate risk (continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax and the Group's equity.

39. 金融風險管理目的及政策
(續)

利率風險 (續)

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。

		Increase/ (decrease) in basis points 基點 增加/(減少)	Increase/ (decrease) in profit before tax 稅前溢利 RMB'000 人民幣千元	Increase/ (decrease) in equity* 權益 增加/(減少)* RMB'000 人民幣千元
2021	二零二一年			
RMB	人民幣	50	(232)	-
RMB	人民幣	(50)	232	-
SG\$	新加坡元	50	(105)	-
SG\$	新加坡元	(50)	105	-
US\$	美元	50	(1,276)	-
US\$	美元	(50)	1,276	-
MYR	馬來西亞令吉	50	(15)	-
MYR	馬來西亞令吉	(50)	15	-
VND	越南盾	50	(20)	-
VND	越南盾	(50)	20	-
2020	二零二零年			
RMB	人民幣	50	(199)	-
RMB	人民幣	(50)	199	-
SG\$	新加坡元	50	(144)	-
SG\$	新加坡元	(50)	144	-
US\$	美元	50	(2,313)	-
US\$	美元	(50)	2,313	-
MYR	馬來西亞令吉	50	(24)	-
MYR	馬來西亞令吉	(50)	24	-
VND	越南盾	50	(32)	-
VND	越南盾	(50)	32	-

* Excluding retained profits

* 不包括保留溢利

39. 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 38% (2020: 34%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sales, whilst approximately 62% (2020: 66%) 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 rates, 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.

39. 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38%（二零二零年：34%）的銷售以經營單位功能貨幣以外的貨幣計值，但約62%（二零二零年：66%）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。

39. FINANCIAL RISK
MANAGEMENT OBJECTIVES
AND POLICIES (continued)

Foreign currency risk (continued)

2021

If RMB weakens against US\$
If RMB strengthens against US\$
If RMB weakens against HK\$
If RMB strengthens against HK\$
If RMB weakens against EUR\$
If RMB strengthens against EUR\$

二零二一年

倘人民幣兌美元貶值
倘人民幣兌美元升值
倘人民幣兌港元貶值
倘人民幣兌港元升值
倘人民幣兌歐元貶值
倘人民幣兌歐元升值

2020

If RMB weakens against US\$
If RMB strengthens against US\$
If RMB weakens against HK\$
If RMB strengthens against HK\$
If RMB weakens against EUR\$
If RMB strengthens against EUR\$

二零二零年

倘人民幣兌美元貶值
倘人民幣兌美元升值
倘人民幣兌港元貶值
倘人民幣兌港元升值
倘人民幣兌歐元貶值
倘人民幣兌歐元升值

* Excluding retained profits

Credit risk

Management has made a detailed analysis of the credit risk of different customers and divided the customers into two classes, i.e., type A customers, which have good credit ratings or have coverage by letters of credit or other forms of credit insurance, and type B customers, which are the other diversified 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.

39. 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* 權益 增加/(減少)* RMB'000 人民幣千元
--	---	---

5 2,816
(5) (2,816)
5 (18,771)
(5) 18,771
5 1,659
(5) (1,659)

5 (32,193)
(5) 32,193
5 (19,191)
(5) 19,191
5 156
(5) (156)

* 不包括保留溢利

信貸風險

管理層已對不同客戶的信貸風險進行詳細分析，並將客戶劃分為兩類，即A類客戶（信用評級良好或有信用證或其他信貸保險形式的保障）及B類客戶（其他多元化客戶）。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。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

As at 31 December 2021

39. 金融風險管理目的及政策 (續)

信貸風險 (續)

最大風險敞口及年末階段分類

下表顯示於十二月三十一日基於本集團信貸政策 (主要基於過往既有資料, 除非有毋須過多成本或精力即可獲取的其他資料可用) 得出的信貸質素及最大信貸風險敞口及年末階段分類。

於二零二一年十二月三十一日

		12-month ECLs 12個月預期 信貸虧損	Lifetime ECLs 全期預期信貸虧損			Total 總計
		Stage 1 第1階段 RMB'000 人民幣千元	Stage 2 第2階段 RMB'000 人民幣千元	Stage 3 第3階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables*	貿易應收款項*	-	-	-	2,725,702	2,725,702
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的 金融資產	33,403	-	-	-	33,403
Pledged deposits	已抵押存款	602,513	-	-	-	602,513
Cash and cash equivalents	現金及現金等價物	349,229	-	-	-	349,229
		985,145	-	-	2,725,702	3,710,847

39. FINANCIAL RISK
MANAGEMENT OBJECTIVES
AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2020

		12-month ECLs		Lifetime ECLs		Simplified approach	Total
		12個月預期 信貸虧損		全期預期信貸虧損			
		Stage 1	Stage 2	Stage 3			
		第1階段	第2階段	第3階段	簡化方法		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
Trade receivables*	貿易應收款項*	-	-	-	2,419,676		2,419,676
Financial assets included in prepayments, other receivables and other assets	計入預付款項、 其他應收款項及 其他資產的 金融資產	62,063	-	-	-		62,063
Pledged deposits	已抵押存款	461,353	-	-	-		461,353
Cash and cash equivalents	現金及現金等價物	387,148	-	-	-		387,148
		910,564	-	-	2,419,676		3,330,240

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 21 to the financial statements.

39. 金融風險管理目的及政策
(續)

信貸風險 (續)

最大風險敞口及年末階段分類 (續)

於二零二零年十二月三十一日

* 就本集團應用簡化方法進行減值評估的貿易應收款項而言，基於撥備矩陣的資料於附註21披露。

本集團自貿易應收款項產生的信貸風險敞口的量化數據於財務報表附註21披露。

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

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 and lease liabilities. In addition, banking facilities have been put in place for contingency purposes.

39. 金融風險管理目的及政策 (續)

信貸風險 (續)

由於本集團僅與獲認可兼信譽可靠的第三方進行交易，故不需要任何抵押。信貸風險集中的情況按客戶／對手方、地區及行業進行管理。鑒於本集團之貿易應收款項之客戶基礎廣泛分佈於各個領域及行業，故本集團內並無重大集中信貸風險。

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。

本集團的目的是透過銀行借貸及租賃負債，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。

39. FINANCIAL RISK
MANAGEMENT OBJECTIVES
AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities, based on the contractual undiscounted payments, is as follows:

		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
2021	二零二一年			
Lease liabilities	租賃負債	6,175	18,537	24,712
Interest-bearing bank borrowings	計息銀行借貸	1,793,978	642,301	2,436,279
Trade and bills payables	貿易應付款項及應付票據	2,319,251	–	2,319,251
Other payables and accruals	其他應付款項及應計費用	308,176	–	308,176
		4,427,580	660,838	5,088,418
		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
2020	二零二零年			
Lease liabilities	租賃負債	7,969	5,590	13,559
Interest-bearing bank borrowings	計息銀行借貸	1,775,967	610,682	2,386,649
Trade and bills payables	貿易應付款項及應付票據	2,139,389	–	2,139,389
Other payables and accruals	其他應付款項及應計費用	242,152	–	242,152
		4,165,477	616,272	4,781,749

39. 金融風險管理目的及政策
(續)

流動資金風險 (續)

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：

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate benchmark reform

As at 31 December 2021, the Group had certain interest-bearing bank borrowings denominated in United States dollars. The interest rates of these instruments are based on the LIBOR with a tenor of six months or twelve months, which will cease to be published after 30 June 2023. Replacement of the benchmark rates of these instruments from LIBOR to an RFR has yet to commence but it is expected that there will be renegotiations of terms in the future. During the transition, the Group is exposed to the following risks:

- Parties to the contract may not reach agreement in a timely manner as any changes to the contractual terms require the agreement of all parties to the contract
- Additional time may be needed for the parties to the contract to reach agreement as they may renegotiate terms which are not part of the interest rate benchmark reform (e.g., changing the credit spread of the bank borrowings due to changes in credit risk of the Group)
- The existing fallback clause included in the instruments may not be adequate to facilitate a transition to a suitable RFR

The Group will continue to monitor the development of the reform and take proactive measures for a smooth transition.

39. 金融風險管理目的及政策 (續)

利率基準改革

截至二零二一年十二月三十一日，本集團有若干以美元計價的計息銀行借款。該等工具的利率基於六個月或十二個月的LIBOR，將於二零二三年六月三十日後停止公佈。我們尚未開始將該等工具的基準利率從LIBOR替換為RFR，但預計未來將重新談判條款。於過渡期間，本集團面臨以下風險：

- 由於合同條款的任何變更都需要合約各訂約方的同意，合約的各訂約方可能無法及時達成協議
- 由於合約各訂約方可能會重新談判不屬於利率基準改革的條款（例如，由於本集團信貸風險的變化而變更銀行借款的信貸利差），彼等可能需要更多時間達成協議
- 工具中包含的現有後備條款可能不足以推動向合適的RFR過渡

本集團將繼續密切關注改革進展，積極採取措施實現平穩過渡。

39. FINANCIAL RISK
MANAGEMENT OBJECTIVES
AND POLICIES (continued)Interest rate benchmark reform
(continued)

The information about financial instruments based on an interbank offered rate that has yet to transition to an alternative benchmark rate is as follows:

As at 31 December 2021

39. 金融風險管理目的及政策
(續)

利率基準改革 (續)

基於銀行同業拆息但尚未過渡到替代基準利率的金融工具的資料載列如下：

於二零二一年十二月三十一日

		Non- derivative financial assets – carrying value 非衍生 金融資產— 賬面值 RMB'000 人民幣千元	Non- derivative financial liabilities – carrying value 非衍生 金融負債— 賬面值 RMB'000 人民幣千元	Derivatives – nominal amount 衍生工具 —名義金額 RMB'000 人民幣千元
Interest-bearing bank and other borrowings – United States dollar LIBOR	計息銀行及其他借貸 —美元LIBOR	–	439,924	–

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

39. 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 2021 and 2020.

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:

39. 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。截至二零二一年及二零二零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資產總值。報告期末的資產負債比率如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interest-bearing bank borrowings	計息銀行借貸	2,372,206	2,303,284
Total assets	資產總值	9,596,131	9,072,832
Gearing ratio	資產負債比率	25%	25%

40. 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 2021 amounted to RMB365,908,000 (2020: RMB178,744,000). The carrying amount of the assets that the Group continued to recognise as at 31 December 2021 was RMB365,908,000 (2020: RMB178,744,000) and that of the associated liabilities as at 31 December 2021 was RMB303,376,000 (2020: RMB152,010,000), which were recognised as collateralised bank advances, secured (note 28).

Financial assets that are derecognised in their entirety

During the years ended 31 December 2021 and 2020, 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 2021 was RMB85,167,000 (2020: RMB82,838,000).

40. 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。於二零二一年十二月三十一日，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365,908,000元（二零二零年：人民幣178,744,000元）。於二零二一年十二月三十一日，本集團繼續確認的資產的賬面值為人民幣365,908,000元（二零二零年：人民幣178,744,000元），而於二零二一年十二月三十一日的相關負債的賬面值為人民幣303,376,000元（二零二零年：人民幣152,010,000元），並確認為有抵押的抵押化的銀行墊款（附註28）。

已全部終止確認的金融資產

於截至二零二一年及二零二零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值。已終止確認的貿易應收款項於二零二一年十二月三十一日之賬面值為人民幣85,167,000元（二零二零年：人民幣82,838,000元）。

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

41. 本公司之財務狀況表

有關本公司於報告期末之財務狀況表之資料如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 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	1,731,966	1,939,061
CURRENT ASSETS	流動資產		
Cash and cash equivalents	現金及現金等價物	5,368	5,452
Financial assets at fair value through profit or loss	公允價值變動計入損益的金融資產	134	8,828
Total current assets	流動資產總值	5,502	14,280
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	403	919
Interest-bearing bank borrowings	計息銀行借貸	188,539	192,321
Total current liabilities	流動負債總值	188,942	193,240
NET CURRENT LIABILITIES	流動負債淨值	(183,440)	(178,960)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	1,548,526	1,760,101
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank borrowings	計息銀行借貸	251,385	448,750
Net assets	資產淨值	1,297,141	1,311,351
EQUITY	權益		
Issued capital	已發行股本	116,241	116,224
Reserves (note)	儲備 (附註)	1,180,900	1,195,127
Total equity	權益總額	1,297,141	1,311,351

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY
(continued)

41. 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	Shareholders' contribution	Share option reserve	Exchange fluctuation reserve	Accumulated losses	Total
		股份溢價賬	股東出資	購股權儲備	匯兌波動儲備	累計虧損	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
At 1 January 2020	於二零二零年一月一日	1,148,909	337,830	34,715	72,861	(383,746)	1,210,569
Gain and total comprehensive income for the year	本年度收益及全面收益總額	-	-	-	-	94,831	94,831
Exercise of share options	行使購股權	183	-	(172)	-	-	11
Lapse of the share options	購股權失效	-	-	(1,410)	-	1,410	-
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	(87,515)	-	(87,515)
Final 2019 dividend paid	已付二零一九年末期股息	-	-	-	-	(24,803)	(24,803)
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	2,034	-	-	2,034
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	1,149,092	337,830	35,167	(14,654)	(312,308)	1,195,127
Gain and total comprehensive income for the year	本年度收益及全面收益總額	-	-	-	-	12,394	12,394
Exercise of share options	行使購股權	273	-	(167)	-	-	106
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	(29,659)	-	(29,659)
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	2,932	-	-	2,932
At 31 December 2021	於二零二一年十二月三十一日	1,149,365	337,830	37,932	(44,313)	(299,914)	1,180,900

Notes to Financial Statements 財務報表附註

31 December 2021
二零二一年十二月三十一日

41. 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 share premium account when the related options are exercised, or be transferred to retained profits should the related options expire.

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2022.

41. 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。

42. 批准財務報表

該等財務報表已於二零二二年三月三十一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				
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
RESULTS	業績					
REVENUE	收益	11,303,125	9,631,362	8,362,722	9,544,418	9,465,444
Cost of sales	銷售成本	(9,793,419)	(8,443,083)	(7,347,336)	(8,489,396)	(8,302,904)
Gross profit	毛利	1,509,706	1,188,279	1,015,386	1,055,022	1,162,540
Other income and gains	其他收入及收益	84,221	108,360	173,784	118,326	94,031
Selling and distribution expenses	銷售及分銷開支	(586,076)	(481,179)	(392,029)	(408,667)	(367,199)
Administrative expenses	行政開支	(306,212)	(266,359)	(273,530)	(269,719)	(260,742)
Research and development costs	研發成本	(239,446)	(172,720)	(119,347)	(111,025)	(143,084)
(Impairment losses)/reversal of impairment on financial assets	金融資產(減值虧損)/減值撥回	(23,761)	(20,675)	(6,013)	(3,266)	7,713
Other expenses	其他開支	(102,594)	(35,874)	(41,717)	(35,329)	(34,639)
Finance costs	財務成本	(143,874)	(158,180)	(197,772)	(202,356)	(151,788)
PROFIT BEFORE TAX	稅前溢利	191,964	161,652	158,762	142,986	306,832
Income tax expense	所得稅開支	(25,235)	(23,688)	(31,229)	(15,846)	(35,352)
PROFIT FOR THE YEAR	本年度溢利	166,729	137,964	127,533	127,140	271,480
Profit for the year attributable to:	以下人士應佔本年度溢利：					
Owners of the parent	母公司擁有人	136,126	123,732	132,586	106,418	242,885
Non-controlling interests	非控股權益	30,603	14,232	(5,053)	20,722	28,595
		166,729	137,964	127,533	127,140	271,480

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				
		2021	2020	2019	2018	2017
		二零二一年	二零二零年	二零一九年	二零一八年	二零一七年
		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
TOTAL ASSETS	資產總值	9,596,131	9,072,832	8,671,526	9,032,055	8,625,282
TOTAL LIABILITIES	負債總額	(6,017,066)	(5,672,896)	(5,397,337)	(5,858,151)	(5,578,594)
NON-CONTROLLING INTERESTS	非控股權益	(191,137)	(160,310)	(156,443)	(196,977)	(170,078)
		3,387,928	3,239,626	3,117,746	2,976,927	2,876,610

Leoch 理士國際 —

保持可靠和創新的電力供應
Innovative and Dependable Battery Supply



Unit C, 33rd Floor, TML Tower
No.3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong
香港新界荃灣海盛路3號TML廣場33樓C室
Tel電話: + 852 3578 6666 Fax傳真: + 852 2117 0016

www.leoch.com