

LEOCH BATTERY— INNOVATIVE AND RELIABLE POWER SUPPLY

Interim Report 2018 中期報告



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

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





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Corporate Information 公司資料

Board of Directors Executive Directors

Mr. DONG Li (*Chairman*)
Ms. YIN Haiyan (*Chief Executive Officer*)
(appointed on 30 July 2018)
Ms. ZHAO Huan (resigned on 6 August 2018)

Non-Executive Director

Mr. Philip Armstrong NOZNESKY

Independent Non-Executive Directors

Mr. LIU Yangsheng
Mr. CAO Yixiong Alan
Mr. LAU Chi Kit

Board Committees Audit Committee

Mr. CAO Yixiong Alan (*Chairman*)
Mr. LAU Chi Kit
Mr. LIU Yangsheng

Remuneration Committee

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

Nomination Committee

Mr. DONG Li (*Chairman*)
Mr. LAU Chi Kit
Mr. LIU Yangsheng

Company Secretary

Mr. CHOW, Kam Keung Albert

Authorised Representatives

Mr. DONG Li
Mr. CHOW, Kam Keung Albert

Auditor

Ernst & Young

Registered Office in the Cayman Islands

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

董事會 執行董事

董李先生 (主席)
印海燕女士 (行政總裁)
(於二零一八年七月三十日獲委任)
趙歡女士 (於二零一八年八月六日辭任)

非執行董事

Philip Armstrong NOZNESKY先生

獨立非執行董事

劉陽生先生
曹亦雄先生
劉智傑先生

董事委員會 審核委員會

曹亦雄先生 (主席)
劉智傑先生
劉陽生先生

薪酬委員會

劉智傑先生 (主席)
董李先生
曹亦雄先生

提名委員會

董李先生 (主席)
劉智傑先生
劉陽生先生

公司秘書

周錦強先生

授權代表

董李先生
周錦強先生

核數師

安永會計師事務所

開曼群島註冊辦事處

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



Principal Place of Business in Hong Kong

Unit C, 33/F,
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Tsuen Wan, N.T.
Hong Kong

Headquarters in China

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

Company's Website

www.leoch.com

Stock Code

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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 22
Hopewell Centre
183 Queen's Road East
Hong Kong

Principal Bankers

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

香港主要營業地點

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億京大廈
33樓C室

中國總部

中國
廣東省深圳市
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公司網站

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股份代號

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開曼群島股份

Conyers Trust Company (Cayman) Limited
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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
22樓

主要往來銀行

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

Financial Highlights

財務摘要

Leoch International Technology Limited (the “Company”, together with its subsidiaries, the “Group”) is 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：

		Six months ended 30 June		
		截至六月三十日止六個月		
		2018	2017	
		二零一八年	二零一七年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	Change
		變動		
Revenue	收益	4,986,546	4,062,029	22.8%
Gross profit	毛利	562,727	498,363	12.9%
Profit before tax	稅前溢利	112,128	126,611	11.4%
Profit for the Period	期內溢利	93,841	106,379	(11.8)%
Profit attributable to owners of the parent	母公司擁有人應佔溢利	68,497	92,216	(25.7)%
Basic earnings per share, in RMB	每股基本盈利 (人民幣元)	0.05	0.07	

For the six months ended 30 June 2018 (the “Period”), the Group’s unaudited profit attributable to owners of the parent amounted to approximately RMB68.5 million.

本集團截至二零一八年六月三十日止六個月(「期內」或「本期間」)之未經審核母公司擁有人應佔溢利約為人民幣68.5百萬元。

Basic earnings per share was RMB0.05.

每股基本盈利為人民幣0.05元。

No dividend was proposed or paid for the six months ended 30 June 2018.

於截至二零一八年六月三十日止六個月並無建議或派付股息。

Management Discussion and Analysis

管理層討論及分析



BUSINESS REVIEW

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

For the six months ended 30 June 2018 (the “Period”), the Group’s revenue amounted to RMB4,986.5 million, representing an increase of 22.8% from RMB4,062.0 million for the corresponding period in 2017.

During the Period, revenue from batteries and related items amounted to RMB4,015.7 million, representing an increase of 20.2% from RMB3,339.9 million for the corresponding period in 2017 while revenue from recycled lead products amounted to RMB970.9 million, representing an increase of 34.4% from RMB722.2 million for the corresponding period in 2017. Since the price linkage mechanism will pass raw material price fluctuation to customers, the growth in revenue was driven partly by the increase in average lead price as compared with the corresponding period in 2017. The growth rate of battery volume delivered in terms of ton was slightly above 14.0% as compared to the corresponding period last year.

業務回顧

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

截至二零一八年六月三十日止六個月（「期內」），本集團的收益為人民幣4,986.5百萬元，比二零一七年同期的人民幣4,062.0百萬元增加22.8%。

期內，電池及相關產品的收益由二零一七年同期的人民幣3,339.9百萬元增加20.2%至人民幣4,015.7百萬元，而回收鉛產品的收益則由二零一七年同期的人民幣722.2百萬元增加34.4%至人民幣970.9百萬元。由於價格聯動機制將原材料價格波動轉移至客戶，故收益增長乃部分由於平均鉛價較二零一七年同期上漲所致。期內電池付運量（按噸計）較去年同期增長略高於14.0%。

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

Reserve power batteries

Reserve power batteries category is one of the major revenue contributors of the Group. The Group's sales of reserve power batteries during the Period amounted to RMB2,261.9 million (six months ended 30 June 2017: RMB2,115.9 million), representing an increase of 6.9% as compared to the same period of last year. Delivery records revealed that goods being delivered for this category in terms of ton were flat as compared to the same period of last year.

The increase in volume delivered in Uninterruptible Power Supplies ("UPS") application batteries in China and export business overcome the reduction in other application batteries in the PRC. This was contributed by our sales and marketing efforts to expand our PRC market share in the UPS application areas, the expansion of sales companies in the European countries and a satisfactory growth in the Asian and the American regions. The Group will put in more resources in the European region and continue penetrate the PRC UPS market.

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

備用電池

備用電池為本集團的主要收益貢獻者之一。期內本集團備用電池的銷售額為人民幣2,261.9百萬元（截至二零一七年六月三十日止六個月：人民幣2,115.9百萬元），較去年同期增長6.9%。交貨記錄表明，該類貨品的付運量（以噸計）與去年同期持平。

中國不間斷電源系統（「UPS」）應用電池付運量及出口業務的增加，抵銷了中國其他應用電池的減少。這得益於我們加大銷售及營銷力度擴大我們於UPS應用領域在中國的市場份額，在歐洲各國拓展銷售公司以及在亞洲及美國地區取得令人滿意的增長。本集團將在歐洲地區投入更多資源，並繼續深入中國UPS市場。



SLI batteries

SLI batteries category has become one of the major revenue contributors of the Group since 2017 and used mainly in starting up automobiles and motorcycles. The Group's sales of SLI batteries during the Period amounted to RMB1,229.0 million (six months ended 30 June 2017: RMB912.3 million), representing an increase of 34.7% as compared to the same period of last year.

Delivery record revealed that goods being delivered in terms of ton for automobiles and motorcycles applications increased by around 37.1% and 3.4% respectively during the Period as compared to the same period of last year. This category enjoys a healthy growth rate mainly due to the prevailing favorable business environment for SLI batteries and our sales and marketing continuously efforts in enlarging customer bases and building solid distribution networks in the PRC. The Group will continue putting in sufficient resources in areas like research and development ("R&D"), production, product quality, sales and marketing to further penetrate the PRC market.

Motive power batteries

Motive power batteries revenue mainly generated from batteries used to provide power for electric vehicles, electric forklifts and other applications. During the Period, the Group recorded sales revenue of RMB429.2 million (six months ended 30 June 2017: RMB221.3 million), representing an increase of 93.9% as compared to the same period of last year.

Delivery record revealed that goods being delivered for this category in terms of ton increased by around 74.9% during the Period as compared to the same period of last year. This remarkable result was contributed by the substantial increase in sales of batteries on various applications including batteries used by electric vehicles and forklifts. The Group will continue to invest in this category to sustain the rapid growth momentum.

起動電池

起動電池類別已自二零一七年起成為本集團主要收益貢獻者之一，並主要用於汽車及摩托車的起動。期內本集團起動電池的銷售額為人民幣1,229.0百萬元（截至二零一七年六月三十日止六個月：人民幣912.3百萬元），較去年同期增長34.7%。

交貨記錄表明，期內該類貨品用於汽車及摩托車的付運量（以噸計）較去年同期分別增加約37.1%及3.4%。該類產品擁有穩健的增長率，乃主要由於起動電池當前享有有利的營商環境，以及我們持續加大在中國拓展客戶基礎及建立穩固分銷網絡方面的銷售及營銷力度所致。本集團將繼續在研究及開發（「研發」）、生產、產品質素、銷售及營銷等領域投入充足資源，以進一步滲透中國市場。

動力電池

動力電池收益主要產生於為電動車、電動叉車及其他應用提供動力的電池。期內，本集團錄得銷售收益人民幣429.2百萬元（截至二零一七年六月三十日止六個月：人民幣221.3百萬元），較去年同期增長93.9%。

交貨記錄表明，期內該類貨品的付運量（以噸計）較去年同期增加約74.9%。該顯著成果乃由於作各種應用的電池（包括電動車及叉車所用電池）銷量大增所致。本集團將繼續投資於該類別產品，以保持快速增長勢頭。

Recycled lead

Revenue from the sale of recycled lead products amounted to RMB970.9 million (six months ended 30 June 2017: RMB722.2 million) during the Period, representing an increase of 34.4% as compared to the same period of last year. The synergy effect created allow battery factories to act as a constant source of supply of disposed batteries to the refining plant and the refining plant can effectively utilise its product capacity and maintain a relatively high level sales during the Period with battery factories in support by absorbing more recycled products especially during low seasons.

Sales network

The Group distributes its products to more than 100 countries and regions across the world. The Group's regional sales centres are located in Beijing, Shenzhen, Zhaoqing, Nanjing, Hong Kong, Singapore and other ASEAN countries, India, Sri Lanka, Malaysia, Australia, the United States and the European Union including the United Kingdom and together with 39 domestic sales centres across the PRC. As at 30 June 2018, the Group has over 750 dedicated sales and after-sales employees. The Group will continue expanding its sales teams and marketing network in the PRC and overseas to support the sales, distribution, and after-sales services for all categories of battery products of the Group.

The acquisition of 60% stake in DBS Energy Limited, a UK batteries distributor, was completed on 16 January 2018. On 22 February 2018, Leoch Nordeuropa GmbH, a wholly owned trading company of the Group, was established in Germany. In the third quarter of 2018 or later, a wholly owned trading company will be established in Italy and registration is in process. The Group believes that above setups will further strengthen our position in Europe and pave a solid path for our business plan to accelerate growth in those European countries in the near future.

回收鉛

期內銷售回收鉛產品所得收益為人民幣970.9百萬元(截至二零一七年六月三十日止六個月:人民幣722.2百萬元),較去年同期增長34.4%。所產生的協同效應可令電池廠向精煉廠持續供應廢棄電池,而受到電池廠吸納更多回收產品(尤其是在淡季)的支持,精煉廠可在期內有效利用其產能及將銷量維持在相對較高水平。

銷售網絡

本集團在全球100多個國家及地區分銷其產品。本集團的區域銷售中心分別設於北京、深圳、肇慶、南京、香港、新加坡及東盟其他國家、印度、斯里蘭卡、馬來西亞、澳洲、美國及歐盟(包括英國),並在中國設有39個國內銷售中心。於二零一八年六月三十日,本集團擁有逾750名人員專責進行銷售及售後工作。本集團將繼續在中國及海外擴建銷售隊伍及營銷網絡,為本集團各類電池產品的銷售、分銷及售後工作提供支援。

收購英國電池分銷商DBS Energy Limited的60%股權已於二零一八年一月十六日完成。於二零一八年二月二十二日,本集團的全資貿易公司Leoch Nordeuropa GmbH在德國成立。於二零一八年第三季度或之後,將在意大利成立一間全資貿易公司,現正辦理註冊手續。本集團相信,設立上述公司將進一步鞏固我們在歐洲的地位,並為我們有關於不久將來加快在該等歐洲國家的增長的業務計劃鋪平道路。



Research and development of new products

The Group is a leader in R&D and application of lead-acid battery technologies in China. To support its R&D efforts, the Group works closely with international and domestic battery experts and research institutions to develop new technologies. The Group's battery research and development team consists of more than 400 researchers and technicians. Currently, the Group holds 343 patents and 134 other proprietary technologies are in the process of patent applications.

The Group has grasped and applied most of lead-acid battery technologies in the world, including technologies used in the first generation open-type fluid infusion battery, the second generation Absorbent Glass Mat battery and new energy battery, the third generation pure lead battery, and the fourth generation Stop-Start battery. The Group is one of a handful of enterprises in the world possessing the third and the fourth generations of technologies. The Group's strong R&D capabilities enable it to produce a broad range of battery products deploying most of the key lead-acid battery technologies. Currently, the Group has developed more than 2,000 models of battery products of different types employing various application technologies, making the Group one of the battery enterprises with the broadest range of lead-acid batteries.

新產品研究及開發

本集團是中國研發及應用鉛酸蓄電池技術的領導者。本集團與國際及國內電池專家及研究機構緊密合作開發新技術，以支持本集團的研發工作。本集團的電池研發團隊包括超過400名研究人員及技術人員。目前，本集團持有343項專利，另有134項專有技術正在申請中。

本集團已掌握及應用世界上大部分的鉛酸蓄電池技術，包括第一代的開口式加水電池、第二代的超細玻璃纖維電池及新能源電池、第三代的純鉛電池及第四代的啟停電池技術。本集團為全球少數擁有第三代及第四代技術的企業之一。本集團強大的研發能力使本集團能利用大部分關鍵的鉛酸蓄電池技術生產一系列的電池產品。現時，本集團已開發逾2,000種不同類型及使用不同應用技術的電池產品，令本集團成為提供最廣泛的鉛酸蓄電池系列產品的電池企業之一。

Production bases

During the Period, the Group operated eight well-built battery production bases, including four wholly-owned production bases in the PRC, two wholly-owned production bases (one in Sri Lanka and the other one in India), two joint venture production bases in Malaysia and one recycling lead factory in the PRC with a total site area of approximately 968,000 square meters (“sq.m.”). As at 30 June 2018, the Group had battery capacity of 21.6 million KVAh (30 June 2017: 20.7 million KVAh). To cope with potential business expansion and needs, the Group will expand its manufacturing capacities in the PRC and overseas in a prudent manner.

On 4 April 2018, the Group signed a share purchase agreement to acquire the 49% stake in Leoch Trontek Battery Private Limited (the “LTB”), a joint venture production base in India, from the joint venture partner. Such acquisition did not constitute a notifiable or connected transaction of the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). On 10 April 2018, the transaction was completed and LTB became a 100% wholly owned subsidiary of the Group. The Group is planning to expand the manufacturing capability and capacity of LTB in the second half year of 2018. The construction of the two factories in Vietnam will be started the earliest in October 2018 in order to bypass the rainy season.

生產基地

期內，本集團共有八個現有電池生產基地，包括四個位於中國的全資生產基地，兩個全資生產基地（一個位於斯里蘭卡，另一個位於印度），兩個位於馬來西亞的合營生產基地以及一個位於中國的鉛回收工廠，佔地面積合共約為968,000平方米（「平方米」）。於二零一八年六月三十日，本集團的電池產能為21.6百萬千伏安時（二零一七年六月三十日：20.7百萬千伏安時）。為應對潛在業務擴張及需求，本集團將以審慎方式擴大其於中國及海外的製造能力。

於二零一八年四月四日，本集團簽署股份購買協議，以向合營夥伴收購位於印度的合營生產基地 Leoch Trontek Battery Private Limited（「LTB」）的49%股權。該收購事項並不構成本公司於聯交所證券上市規則（「上市規則」）項下的須予披露或關連交易。於二零一八年四月十日，該項交易完成，而LTB則成為本集團擁有100%股權的全資附屬公司。本集團正計劃於二零一八年下半年擴大LTB的製造能力及產能。越南兩間工廠最早將於二零一八年十月開始動工，以避開雨季。



Trend of lead price

Lead is the main raw material of lead-acid batteries and accounts for a major product cost for the Group's battery production. According to Shanghai Metals Market ("SMM"), an information service provider of the non-ferrous metal market, the monthly average lead price per ton fluctuated within the range of RMB18,520 to RMB20,514 during the Period, representing a change within the range of -2.4% to 8.1% as compared with December 2017 SMM monthly average of RMB18,973 per ton.

The monthly average of SMM lead price in each of the first six months of 2018 was RMB19,339, RMB19,310, RMB18,659, RMB18,520, RMB19,534 and RMB20,514 respectively. SMM lead price remained high during the Period due to reduction in supply of recycling lead in the PRC market but the trend shows sign of reverse starting in July 2018.

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

Future Prospects

During the Period, the Group continues to drive business growth in the PRC and overseas. Among the RMB675.8 million (six months ended 30 June 2017: RMB513.5 million) increment in sales revenue of batteries, 70.3% (six months ended 30 June 2017: 36.0%) was contributed from the PRC. Together with the increment in sales of recycled lead amounted to RMB248.7 million (six months ended 30 June 2017: RMB722.1 million), the PRC share of the Group's turnover for the Period increased to 66.7% (six months ended 30 June 2017: 64.1%). The Group believes that the turnover will continue to be higher in the PRC than overseas in next few years.

鉛價格走勢

鉛為鉛酸蓄電池的主要原材料，並佔本集團電池生產業務銷售成本的主要部分。根據上海有色網（「上海有色網」）（有色金屬市場信息服務供應商）的數據，期內每噸的月平均鉛價在人民幣18,520元至人民幣20,514元的範圍內波動，與二零一七年十二月上海有色網每月每噸人民幣18,973元相比，變動範圍介乎-2.4%至8.1%之間。

於二零一八年首六個月各月，上海有色網鉛價的月平均值分別為人民幣19,339元、人民幣19,310元、人民幣18,659元、人民幣18,520元、人民幣19,534元及人民幣20,514元。由於中國市場回收鉛供應量減少，期內上海有色網鉛價維持高位，惟該趨勢於二零一八年七月開始出現逆轉跡象。

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

未來前景

期內，本集團繼續推動中國及海外業務增長。電池銷售收入增加達人民幣675.8百萬元（截至二零一七年六月三十日止六個月：人民幣513.5百萬元），其中70.3%（截至二零一七年六月三十日止六個月：36.0%）乃由中國市場貢獻。連同回收鉛產品貢獻的銷售額增量為人民幣248.7百萬元（截至二零一七年六月三十日止六個月：人民幣722.1百萬元），期內本集團營業額佔中國市場的份額增至66.7%（截至二零一七年六月三十日止六個月：64.1%）。本集團相信，未來數年中國市場營業額之增速將高於海外市場。



Management Discussion and Analysis 管理層討論及分析

The Group anticipates that our business will sustain the growth momentum in the PRC and overseas markets. However, there are also challenges ahead and below is our view and action plans:

Reserve power batteries

During the Period, reserve power batteries contributed 21.6% of total growth in revenue of batteries. In the PRC, volume delivered to UPS market increased by more than two times.

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

Due to the possible threat to levy 10-25% tariff in September 2018 by the US government, US sales ramp up faster during the Period. To deal with the intense competition and trade barrier in overseas markets, the Group has started our overseas production capacity expansion plan in Vietnam to fulfill part of the demand from other countries and enhance our cost competitiveness in the future. The Group has started to increase the production capacity of our current overseas factories till the end of 2018 to tackle the possible trade barriers imposed by the US government.

Although the other consumer product application does not perform very well during the Period, the Group always has a solid and strong position in this area and we are confident that we can restore the growth momentum in the near future.

本集團預計，我們的業務將在中國及海外市場繼續保持增長勢頭。然而，未來仍然存在挑戰，我們的見解及行動計劃如下：

備用電池

期內，備用電池為電池收益總增長貢獻21.6%。在中國，UPS市場的付運量增加逾兩倍。

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

由於美國政府可能在二零一八年九月徵收10-25%的關稅，期內美國銷售額加速增長。為應對海外市場日益激烈的競爭及貿易壁壘，本集團已於越南啟動海外產能擴張計劃，以滿足日後其他國家的部分需求及提升我們的成本競爭力。本集團已開始提升現有海外工廠的產能直至二零一八年底，以應對美國政府可能施加的貿易壁壘。

儘管期內其他消費品應用表現不佳，但本集團始終在該領域佔據穩健及牢固地位，且我們對在不久將來恢復增長勢頭充滿信心。



In the medium term, further upgrade and development of the 5G network will provide additional boost to the demand for telecommunications batteries. The Group will continue solidifying our leading position in this area aiming to benefit from the growth in telecommunication application area in the PRC. To cope with product diversification, the Group had put in large amount of resources in the last few years on the development of lithium batteries to cover all application areas in reserve and motive power with priority on telecommunication area. Construction of the first phase of lithium batteries factory will start in the second half of 2018.

SLI batteries

During the Period, SLI batteries contributed 46.9% of total growth in revenue of batteries. In the PRC, volume delivered to auto makers and aftermarket distributors continue to enjoy satisfactory growth. The Group believes that this category will continue enjoying high growth rate mainly due to the prevailing favorable business environment for SLI batteries in the PRC. Sufficient resources will be put in to continue enlarging our customer bases and penetrate the market. Areas like R&D, production, product quality, sales and marketing including distribution network will be enhanced. The Group is determined and working towards becoming one of the top suppliers of SLI batteries in the PRC.

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

就中期而言，進一步升級及發展5G網絡將額外帶動對電信通訊電池的需求。本集團將繼續鞏固我們於該領域的領先地位，以期從中國電信通訊應用領域的發展中獲益。為配合產品多元化策略，本集團已於過去數年投入大量資源開發鋰電池，以涵蓋備用及動力電池的所有應用領域，且優先考慮電信通訊領域。第一期鋰電池工廠將最早於二零一八年下半年開工建設。

起動電池

期內，起動電池為電池收益總增長貢獻46.9%。在中國，汽車製造商及售後市場分銷商的付運量繼續錄得令人滿意的增長。本集團相信，該類產品將繼續高速增長，乃主要由於中國起動電池當前有利的營商環境所致。本集團將投入充足資源，繼續擴大客戶基礎及深入市場。研發、生產、產品質素、銷售及營銷（包括分銷網絡）等領域之表現將有所提升。本集團銳意及致力成為中國起動電池的主要供應商之一。

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

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

Motive power batteries

During the Period, motive power batteries contributed 30.8% of total growth in revenue of batteries and maintained the highest growth rate among the batteries categories. The Group is confident that this category will continue growing at high speed.

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

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

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

根據各項研究及分析，到二零二零年，中國將成為規模最大的起動電池市場。由於中國的車輛老化，促使車主加速更換現有電池，故該增長大部分將源自售後市場分部。到二零二零年，中國約有77%的車輛的車齡將超過需更換電池的平均車齡三年，而二零一五年則為66%。由於預期未來三年市場將新增逾9,000萬輛新汽車，故對起動電池的需求將保持強勁。

動力電池

期內，動力電池為電池收益總增長貢獻30.8%，且其增長率將在各電池類別中維持最高。本集團對該類產品將繼續高速增長充滿信心。

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

動力電池在電動車（包括低速電池車及叉車）領域獲廣泛推廣及應用，因而推升了對動力電池的需求。

低速電動車作為通勤工具乃時下解決城鎮之間交通的最有利解決方式。目前低速電動車市場擁有500萬輛車，預計到二零二零年將達到1,000萬輛，且電池市場規模將達到人民幣84億元。



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

Overseas Market

The Group is the top exporter in the PRC for lead-acid battery. During the Period, overseas sales reached RMB1,660.2 million (six months ended 30 June 2017: RMB1,460.3 million), a growth rate of 13.7% as compared to the corresponding period of last year. Leoch is a reputable brand in overseas markets especially in the reserve power segment. More resources will be put in to maintain the growth momentum in 2018.

The Group has concluded that more resources should be put in to accelerate the business development and growth in Europe for the next few years. During the Period, a wholly owned trading company of the Group was established in Germany and another one will be established in Italy in the second half of 2018. The Group will look for opportunity for any business acquisition(s) in the near future.

Recycled Lead

The acquisition of 60% stake in Taihe Dahua Energy Technology Co. Ltd. provides the Group with a tremendous opportunity to enter the lead recycling industry and the results were growing during the Period as compared to corresponding period of last year. Moving forward, expansion to further increase the production capacity has been planned for 2018 and 2019. We believe the size of our recycling business will continue to grow at a high compound average growth rate in the next 2-3 years.

在中國，電動叉車在市場的比例由二零一六年的38.4%按年增長至二零一七年的40.3%。電動叉車於歐盟、美國及日本的市場份額均超過70%，且該比例正不斷上升。中國存在的差距定會以更快速度進一步縮小。此外，受到環保規定更為嚴格、電子商務物流快速發展及工程機械出口的競爭優勢等因素的推動，預計電動叉車市場將步入新一輪的快速增長期。

海外市場

本集團乃中國最大的鉛酸蓄電池出口商。期內，海外銷售額達到人民幣1,660.2百萬元（截至二零一七年六月三十日止六個月：人民幣1,460.3百萬元），較去年同期增長13.7%。理士品牌在海外市場（尤其是備用電池分部）有口皆碑。本集團將投入更多資源，以於二零一八年繼續保持該增長勢頭。

本集團認為應投入更多資源，以加快未來數年歐洲業務的發展及增長。期內本集團於德國成立一間全資貿易公司，並將於二零一八年下半年在意大利成立另一間全資貿易公司。本集團將尋求於不久將來進行海外業務收購的商機。

回收鉛

收購太和縣大華能源科技有限公司60%股權為本集團步入鉛回收行業帶來巨大商機，且期內業績較去年同期有所提升。展望未來，本集團已規劃於二零一八年及二零一九年進行擴張，以期進一步增加產能。我們相信，回收業務規模於未來兩至三年將繼續以較高的複合平均增長率增長。

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

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

FINANCIAL REVIEW

During the Period, the Group’s revenue amounted to RMB4,986.5 million, representing an increase of 22.8% compared to the same period in 2017. The profit for the Period amounted to RMB93.8 million, representing a decrease of 11.8% compared to the same period in 2017, of which the profit attributable to owners of the parent amounted to RMB68.5 million, representing a decrease of 25.7%. Basic and diluted earnings per share for the Period was RMB0.05.

Revenue

The Group’s revenue increased by 22.8% from RMB4,062.0 million for the six months ended 30 June 2017 to RMB4,986.5 million for the Period, of which the Group’s revenue from battery business increased by 20.2% from RMB3,339.9 million for the six months ended 30 June 2017 to RMB4,015.7 million for the Period, while the Group’s revenue from the lead recycling and remanufacturing business increased by 34.4% from RMB722.2 million to RMB970.9 million as a result of high market demand.

由於實施環保政策，中國回收鉛行業已成為中國鉛行業的重要組成部分。新近施行的《中華人民共和國環境保護法》要求提升環保標準，淘汰不合格產能。新政策及法規推動回收鉛行業的監管發展。整改該行業為鉛酸蓄電池製造企業進軍上游資源加工領域帶來良機。

相較美國及歐盟（回收鉛佔鉛的年總消耗量分別為90%及60%）等其他發達國家，中國回收鉛行業的回收鉛僅佔市場約40%，存在很大的增長空間。

財務回顧

期內，本集團的收益為人民幣4,986.5百萬元，較二零一七年同期增加22.8%。期內溢利為人民幣93.8百萬元，較二零一七年同期減少11.8%，其中母公司擁有人應佔溢利人民幣68.5百萬元，相當於減少25.7%。期內每股基本及攤薄溢利為人民幣0.05元。

收益

本集團的收益由截至二零一七年六月三十日止六個月的人民幣4,062.0百萬元增加22.8%至期內的人民幣4,986.5百萬元，其中本集團來自電池業務的收益由截至二零一七年六月三十日止六個月的人民幣3,339.9百萬元增加20.2%至期內的人民幣4,015.7百萬元，而本集團來自鉛回收及再生產業務的收益則因市場需求高企而由截至二零一七年六月三十日止六個月的人民幣722.2百萬元增加34.4%至人民幣970.9百萬元。



The revenue of reserve power batteries slightly increased by 6.9% from RMB2,115.9 million for the six months ended 30 June 2017 to RMB2,261.9 million for the Period, as a result of strong market demand of UPS batteries compensating for a plunge in market demand of telecommunication batteries. The revenue of SLI batteries during the Period increased by 34.7% from RMB912.3 million for the six months ended 30 June 2017 to RMB1,229.0 million for the Period, which was primarily attributable to the strong market demand from the auto battery market in the PRC. The revenue of motive power batteries increased by 93.9% from RMB221.3 million for the six months ended 30 June 2017 to RMB429.2 million for the Period, which was mainly attributable to the continuing penetration into the market and increased sales of batteries used by electric vehicles and forklifts. Details of the Group's revenue for the six months ended 30 June 2018 and 2017 by category of batteries are set out below:

備用電池的收益由截至二零一七年六月三十日止六個月的人民幣2,115.9百萬元微增6.9%至截至期內的人民幣2,261.9百萬元，乃由於UPS電池市場需求強勁彌補電信通訊電池市場需求的驟降所致。起動電池於期內的收益由截至二零一七年六月三十日止六個月的人民幣912.3百萬元增加34.7%至期內的人民幣1,229.0百萬元，乃主要由於來自中國汽車電池市場的強勁市場需求所致。動力電池的收益由截至二零一七年六月三十日止六個月的人民幣221.3百萬元增加93.9%至期內的人民幣429.2百萬元，乃主要由於持續滲透市場以及電動車及叉車所用電池銷售額增加所致。以下為本集團於截至二零一八年及二零一七年六月三十日止六個月按電池類型劃分的收益明細：

Product category 產品類型		Six months ended 30 June 截至六月三十日止六個月				
		2018 二零一八年		2017 二零一七年		
		Revenue 收益 RMB'000 人民幣千元	%	Revenue increase 收益增加	Revenue 收益 RMB'000 人民幣千元	%
Lead-acid batteries:	鉛酸蓄電池：					
Reserve power batteries	備用電池	2,261,871	45.4%	6.9%	2,115,890	52.1%
SLI batteries	起動電池	1,228,998	24.6%	34.7%	912,336	22.5%
Motive power batteries	動力電池	429,215	8.6%	93.9%	221,322	5.4%
Others	其他	95,568	1.9%	5.8%	90,310	2.2%
Sub-total	小計	4,015,652	80.5%	20.2%	3,339,858	82.2%
Recycled lead products	回收鉛產品	970,894	19.5%	34.4%	722,171	17.8%
Total	合計	4,986,546	100%	22.8%	4,062,029	100%



Management Discussion and Analysis 管理層討論及分析

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

The Group's sales revenue in the PRC increased by 27.9% from RMB2,601.8 million for the six months ended 30 June 2017 to RMB3,326.3 million for the Period, representing 66.7% of the Group's total revenue (six months ended 30 June 2017: 64.1%). The increase was principally due to the strong market demand on SLI batteries from the auto battery market in the PRC, the penetration into the motive battery market and the high demand from the lead recycling and remanufacturing business in the PRC during the Period.

The Group's sales revenue in the United States and European Union increased by 11.2% and 25.7% from RMB422.8 million and RMB420.1 million for the six months ended 30 June 2017 to RMB470.0 million and RMB528.1 million for the Period, respectively, which was mainly due to the Group's continuously marketing efforts in developing the United States of America and European Union markets. The Group's sales revenue in the other Asian countries/areas increased by 14.8% from RMB359.6 million for the six months ended 30 June 2017 to RMB412.7 million for the Period as the Group continuously built up the sale teams of southeast Asia and India and stepped up the sale effort in the region during the Period. The Group's sales revenue in other countries slightly decreased by 3.3% from RMB257.8 million for the six months ended 30 June 2017 to RMB249.4 million for the six months ended 30 June 2018 as a result of unfavorable economic performance in the region during the Period.

在地域方面，本集團客戶主要位於中國、美國、歐盟及其他亞洲國家／地區。本集團於大多數地點的銷售額均錄得不同程度的增長。

本集團在中國的銷售收益由截至二零一七年六月三十日止六個月的人民幣2,601.8百萬元增加27.9%至期內的人民幣3,326.3百萬元，佔本集團總收益的66.7%（截至二零一七年六月三十日止六個月：64.1%）。該增長乃主要由於期內中國汽車電池市場對起動電池的強勁市場需求、進軍動力電池市場以及來自中國鉛回收及再生產業務的需求高企所致。

本集團在美國及歐盟的銷售收益分別由截至二零一七年六月三十日止六個月的人民幣422.8百萬元及人民幣420.1百萬元增加11.2%及25.7%至期內的人民幣470.0百萬元及人民幣528.1百萬元，乃主要由於本集團持續加大開發美國市場及歐盟市場的營銷力度所致。本集團在其他亞洲國家／地區的銷售收益由截至二零一七年六月三十日止六個月的人民幣359.6百萬元增加14.8%至期內的人民幣412.7百萬元，原因為期內本集團持續提升東南亞及印度的銷售團隊及增強該地區的銷售力度。本集團在其他國家的銷售收益由截至二零一七年六月三十日止六個月的人民幣257.8百萬元輕微下跌3.3%至截至二零一八年六月三十日止六個月的人民幣249.4百萬元，乃主要由於期內該地區經濟表現不利所致。

Management Discussion and Analysis 管理層討論及分析



The following table sets forth details of the Group's revenue during the six months ended 30 June 2018 and 2017 based on the geographic locations:

以下為本集團於截至二零一八年及二零一七年六月三十日止六個月按地域劃分的收益明細：

		Six months ended 30 June 截至六月三十日止六個月				
		2018 二零一八年		2017 二零一七年		
		Revenue		Revenue increase/ (decrease) 收益 增加/ (減少)	Revenue	
		收益 RMB'000 人民幣千元	%		收益 RMB'000 人民幣千元	%
Mainland China	中國大陸	3,326,340	66.7%	27.9%	2,601,751	64.1%
European Union	歐盟	528,060	10.6%	25.7%	420,068	10.3%
United States of America (the "USA")	美利堅合眾國 (「美國」)	470,014	9.4%	11.2%	422,775	10.4%
Other Asian countries/areas	其他亞洲國家/ 地區	412,744	8.3%	14.8%	359,646	8.9%
Other countries	其他國家	249,388	5.0%	(3.3)%	257,789	6.3%
Total	合計	4,986,546	100%	22.8%	4,062,029	100%

Cost of Sales

The Group's cost of sales increased by 24.1% from RMB3,563.7 million for the six months ended 30 June 2017 to RMB4,423.8 million for the Period, mainly because of the increased sales volume and lead price.

銷售成本

本集團的銷售成本由截至二零一七年六月三十日止六個月的人民幣3,563.7百萬元增加24.1%至期內的人民幣4,423.8百萬元，乃主要由於銷量增加及鉛價上漲所致。

Gross Profit

The Group's gross profit increased by 12.9% from RMB498.4 million for the six months ended 30 June 2017 to RMB562.7 million for the Period, mainly attributable to the strong market demand on the SLI batteries and the contribution from the lead recycling and manufacturing business during the Period. Although the gross profit margin remained stable for the lead recycling and manufacturing business, the overall gross profit margin decreased from 12.3% for the six months ended 30 June 2017 to 11.3% for the Period. The decrease was partly because the lead price hike cannot be fully transferred to customers and partly due to the time lag of the quarterly price adjustment.

Other Income and Gains

Other income and gains increased by 20.0% from RMB48.5 million for the six months ended 30 June 2017 to RMB58.2 million for the Period, which was primarily due to the insurance coverage from the loss caused by a fire accident in a Malaysian factory at the end of 2017 and the significantly increased government grants during the Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by 18.9% from RMB166.8 million for the six months ended 30 June 2017 to RMB198.3 million for the Period, primarily due to the significantly increased freight charges as a result of the increased sales in the SLI and motive power battery.

毛利

本集團的毛利由截至二零一七年六月三十日止六個月的人民幣498.4百萬元增加12.9%至期內的人民幣562.7百萬元，乃主要由於期內起動電池的強勁市場需求及鉛回收及製造業務的貢獻所致。儘管鉛回收及製造業務的毛利率保持穩定，但整體毛利率由截至二零一七年六月三十日止六個月的12.3%降至期內的11.3%。該下降乃部分由於鉛價上漲無法全部轉嫁予客戶及部分由於每季價格調整在時間上滯後所致。

其他收入及收益

其他收入及收益由截至二零一七年六月三十日止六個月的人民幣48.5百萬元增加20.0%至期內的人民幣58.2百萬元，乃主要由於期內就二零一七年末在馬來西亞工廠發生火災事故造成的損失獲得保險賠償以及政府補貼大幅增加所致。

銷售及分銷開支

本集團的銷售及分銷開支由截至二零一七年六月三十日止六個月的人民幣166.8百萬元上升18.9%至期內的人民幣198.3百萬元，乃主要由於因起動及動力電池銷量增加，導致運費大幅增加所致。



Administrative Expenses

The Group's administrative expenses increased by 17.7% from RMB117.3 million for the six months ended 30 June 2017 to RMB138.0 million for the Period, mainly due to the increased staff costs during the Period.

Research and Development Costs

The research and development expenditure of the Group was flat as compared to the six months ended 30 June 2017. The Group has been committed to the performance enhancement of existing products and development of new products in all categories.

Other Expenses

The Group's other expenses increased from RMB3.6 million for the six months ended 30 June 2017 to RMB9.3 million for the Period, which was mainly due to the recognition of the impairment loss of trade receivables and the exchange loss during the Period.

Finance Costs

The Group's finance costs increased by 45.5% from RMB68.8 million for the six months ended 30 June 2017 to RMB100.0 million for the Period, mainly due to the increased bank borrowings and interest rates during the Period.

Profit before Tax

As a result of the foregoing factors, the Group recorded profit before tax of RMB112.1 million for the Period (six months ended 30 June 2017: RMB126.6 million).

Income Tax Expenses

Income tax expenses decreased by 9.6% from RMB20.2 million for the six months ended 30 June 2017 to RMB18.3 million for the Period, mainly due to the decrease in profit which was subject to tax of the Group during the Period.

行政開支

本集團的行政開支由截至二零一七年六月三十日止六個月的人民幣117.3百萬元增加17.7%至截至期內的人民幣138.0百萬元，乃主要由於期內員工成本增加所致。

研發成本

本集團的研發開支與截至二零一七年六月三十日止六個月持平。本集團致力於提升現有產品的性能及開發所有類別的新產品。

其他開支

本集團的其他開支由截至二零一七年六月三十日止六個月的人民幣3.6百萬元增至期內的人民幣9.3百萬元，乃主要由於期內確認貿易應收款項減值虧損及匯兌虧損所致。

財務成本

本集團的財務成本由截至二零一七年六月三十日止六個月的人民幣68.8百萬元增加45.5%至期內的人民幣100.0百萬元，乃主要由於期內銀行借貸增加及利率上調所致。

稅前溢利

由於以上因素，本集團於期內錄得稅前溢利人民幣112.1百萬元（截至二零一七年六月三十日止六個月：人民幣126.6百萬元）。

所得稅開支

所得稅開支由截至二零一七年六月三十日止六個月的人民幣20.2百萬元減少9.6%至期內的人民幣18.3百萬元，乃主要由於本集團期內應課稅溢利減少所致。

Profit for the Period

As a result of the foregoing factors, the Group recorded consolidated net profit of RMB93.8 million (six months ended 30 June 2017: RMB106.4 million) for the six months ended 30 June 2018, of which the Group recorded profit attributable to owners of the parent of RMB68.5 million (six months ended 30 June 2017: RMB92.2 million) for the same period.

Liquidity and Financial Resources

As at 30 June 2018, the Group's net current assets amounted to RMB1,030.8 million (31 December 2017: RMB209.9 million), among which cash and bank deposit amounted to RMB1,192.7 million (31 December 2017: RMB941.2 million).

As at 30 June 2018, the Group had bank borrowings of RMB3,096.9 million (31 December 2017: RMB3,013.9 million), all of which are interest-bearing. Except for borrowings of RMB967.7 million which have a maturity of over 1 year, all of the Group's bank borrowings are repayable within one year. The Group's borrowings are denominated in RMB, US dollars, HK dollars and other currencies, and the effective interest rates of which as of 30 June 2018 were in the range of 1.5% to 7.53% (31 December 2017: 1.5% to 7.53%).

Most of the Group's bank borrowings are secured by pledges of certain assets of the Group including property, plant and equipment, leasehold lands, deposits and trade and bills receivables.

As at 30 June 2018, the Group's gearing ratio was 35.2% (31 December 2017: 34.9%), which was calculated by dividing total borrowings by total assets as at the end of each respective period, multiplied by 100%.

期內溢利

由於以上因素，本集團於截至二零一八年六月三十日止六個月錄得綜合純利人民幣93.8百萬元（截至二零一七年六月三十日止六個月：人民幣106.4百萬元），其中，本集團於同期錄得母公司擁有人應佔溢利人民幣68.5百萬元（截至二零一七年六月三十日止六個月：人民幣92.2百萬元）。

流動資金及財務資源

於二零一八年六月三十日，本集團的流動資產淨值為人民幣1,030.8百萬元（二零一七年十二月三十一日：人民幣209.9百萬元），其中現金及銀行存款為人民幣1,192.7百萬元（二零一七年十二月三十一日：人民幣941.2百萬元）。

於二零一八年六月三十日，本集團的銀行借貸為人民幣3,096.9百萬元（二零一七年十二月三十一日：人民幣3,013.9百萬元），全部均須計息。除人民幣967.7百萬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、港元及其他貨幣計值，截至二零一八年六月三十日的實際利率介乎1.5%至7.53%（二零一七年十二月三十一日：1.5%至7.53%）。

本集團大部分銀行借貸以本集團若干資產的質押作抵押，包括物業、廠房及設備、租賃土地、存款以及貿易應收款項及應收票據。

於二零一八年六月三十日，本集團的資本負債比率為35.2%（二零一七年十二月三十一日：34.9%），乃將各期間期末的總借貸除以總資產再乘以100%後得出。



Risks of Exchange Rate Fluctuation

The Group primarily operates in the PRC and its principal activities are transacted in RMB. For other companies outside of the PRC, their principal activities are transacted in US dollars. However, as a result of the Group's revenue being denominated in RMB, the conversion of the revenue into foreign currencies in connection with expense payments is subject to PRC regulatory restrictions on currency conversion. The value of the RMB against the US dollar and other currencies may fluctuate and is affected by, among other things, changes in PRC's political and economic conditions. The Group adopted price linkage mechanism for product sales by which the risk of currency fluctuation is basically transferred to the customers. However, the Group's foreign currency trade receivables may still be exposed to risk in the credit period.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2018 (31 December 2017: Nil).

Pledge of Assets

Please refer to notes 11, 12, 13 and 14 to this report for details.

Capital Commitments

Please refer to note 19 to this report for details.

Material Acquisition and Disposal

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

匯率波動風險

本集團主要在中國營運，其主要業務使用人民幣作交易。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，故將有關開支付款的收益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）中國的政治及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，貨幣波動風險基本轉移至客戶，但本集團以外幣計值的貿易應收款項於信貸期內可能存在風險。

或然負債

於二零一八年六月三十日，本集團並無任何重大或然負債（二零一七年十二月三十一日：無）。

資產質押

詳情請參閱本報告附註11、12、13及14。

資本承擔

詳情請參閱本報告附註19。

重大收購及出售事項

本集團於期內並無進行有關附屬公司或聯營公司的重大收購或出售事項。

EMPLOYEES

As at 30 June 2018, the Group had 12,484 employees. Employee benefit expenses (including directors' remuneration), which comprise wages and salaries, bonuses, equity-settled share option expenses and pension scheme contributions, totalled RMB413.7 million for the Period (six months ended 30 June 2017: RMB367.4 million).

The Group has a share option scheme in place 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 seek 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 team spirit. Staff are rewarded based on performance of the Group as well as on individual performance and contribution.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Period (six months ended 30 June 2017: Nil).

僱員

於二零一八年六月三十日，本集團聘有12,484位僱員。期內，僱員福利開支（包括董事酬金）包括薪酬及工資、獎金、以權益結算的購股權開支及退休金計劃供款，合計為人民幣413.7百萬元（截至二零一七年六月三十日止六個月：人民幣367.4百萬元）。

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。本集團鼓勵僱員接受培訓，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。

中期股息

董事會不建議派期內的中期股息（截至二零一七年六月三十日止六個月：無）。

Other Information 其他資料

Directors' Interests and Short Positions in Securities of the Company and its Associated Corporation

As at 30 June 2018, the interests and short positions of the directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (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 Rules Governing the Listing of Securities on the Stock Exchanges (the "Listing Rules") were as follows:

董事於本公司及其相聯法團的證券中的權益及淡倉

於二零一八年六月三十日，本公司董事及最高行政人員於本公司及其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份或債券中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司（「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的登記冊的權益及淡倉；或(c)根據聯交所證券上市規則（「上市規則」）所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉如下：

Name of Director 董事姓名	Nature of Interest 權益性質	Number of Shares held* 所持股份數目*	Number of underlying shares 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相關股份數目	Number of underlying shares subject to options granted under the Share Option Scheme 受根據購股權計劃授出的購股權所限的相關股份數目	Total 總計	Approximate percentage of shareholding® 概約持股百分比®
Mr. DONG Li 董李先生	Interest of controlled corporation 受控法團的權益	1,005,059,000(L)	-	-	1,005,059,000	74.04%
Ms. ZHAO Huan (resigned on 6 August 2018) 趙歡女士（於二零一八年八月六日辭任）	Beneficial Owner 實益擁有人	-	1,500,000(L)	300,000(L)	1,800,000	0.13%
Mr. Philip Armstrong NOZNESKY Philip Armstrong NOZNESKY先生	Beneficial Owner 實益擁有人	400,000(L)	1,500,000(L)	-	1,900,000	0.14%
Mr. CAO Yixiong Alan 曹亦雄先生	Beneficial Owner 實益擁有人	-	-	300,000(L)	300,000	0.02%
Mr. LIU Yangsheng 劉陽生先生	Beneficial Owner 實益擁有人	-	-	300,000(L)	300,000	0.02%
Mr. LAU Chi Kit 劉智傑先生	Beneficial Owner 實益擁有人	-	-	300,000(L)	300,000	0.02%

* 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。

Other Information 其他資料

Notes:

- (1) Mr. DONG Li beneficially owns the entire issued share capital of Master Alliance Investment Limited. By virtue of the SFO, Mr. DONG Li is deemed to be interested in 1,005,059,000 Shares held by Master Alliance Investment Limited.
- (2) Ms. ZHAO Huan who resigned on 6 August 2018, has been granted options for 1,500,000 shares under the Pre-IPO Share Option Scheme. Please see "Share Option" below for further details of the Pre-IPO Share Option Scheme.
- (3) Ms. ZHAO Huan has been granted options for 300,000 shares under the Share Option Scheme. Please see "Share Option" below for further details of the Share Option Scheme.
- (4) Mr. Philip Armstrong NOZNESKY has been granted options for 1,500,000 shares under the Pre-IPO Share Option Scheme. Please see "Share Option" below for further details of the Pre-IPO Share Option Scheme.
- (5) Mr. CAO Yixiong Alan has been granted options for 300,000 shares under the Share Option Scheme. Please see "Share Option" below for further details of the Share Option Scheme.
- (6) Mr. LIU Yangsheng has been granted options for 300,000 shares under the Share Option Scheme. Please see "Share Option" below for further details of the Share Option Scheme.
- (7) Mr. LAU Chi Kit has been granted options for 300,000 shares under the Share Option Scheme. Please see "Share Option" below for further details of the Share Option Scheme.
- (8) This is based on 1,357,521,666 Shares, being the number of issued Shares as at 30 June 2018.

Except for the persons disclosed above, as at 30 June 2018, 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.

附註：

- (1) 董李先生實益擁有Master Alliance Investment Limited的全部已發行股本。根據證券及期貨條例，董李先生被視為於Master Alliance Investment Limited持有的1,005,059,000股股份中擁有權益。
- (2) 根據首次公開發售前購股權計劃，趙歡女士（已於2018年8月6日辭任）已獲授出1,500,000股股份的購股權。首次公開發售前購股權計劃的進一步詳情見下述「購股權」。
- (3) 根據購股權計劃，趙歡女士已獲授出300,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」。
- (4) 根據首次公開發售前購股權計劃，Philip Armstrong NOZNESKY先生已獲授出1,500,000股股份的購股權。首次公開發售前購股權計劃的進一步詳情見下述「購股權」。
- (5) 根據購股權計劃，曹亦雄先生已獲授出300,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」。
- (6) 根據購股權計劃，劉陽生先生已獲授出300,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」。
- (7) 根據購股權計劃，劉智傑先生已獲授出300,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」。
- (8) 該百分比乃以1,357,521,666股股份（即於二零一八年六月三十日已發行的股份數目）為基礎計算。

除上文所披露的人士外，於二零一八年六月三十日，概無本公司董事或最高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。



Share Option

A. Pre-IPO Share Option Scheme

Pursuant to the resolutions in writing passed by all shareholders of the Company on 25 May 2010, the Company approved and adopted a share option scheme (the “Pre-IPO Share Option Scheme”) for the purpose of providing incentive or reward to selected participants for their contribution to, and continuing efforts to promote the interests of, the Company and enabling the Group to recruit and retain high-calibre employees. The number of shares which may be issued pursuant to the outstanding share options (i.e. options which have been granted but not yet lapsed or exercised) under the Pre-IPO Share Option Scheme as at 30 June 2018 was 17,308,000 shares (representing approximately 1.3% of the Company’s total issued share capital as at that date). No further options can be granted under the Pre-IPO Share Option Scheme.

Details of the Pre-IPO Share Option Scheme are disclosed in note 16 to the interim condensed consolidated financial statements.

購股權

A. 首次公開發售前購股權計劃

根據本公司全體股東於二零一零年五月二十五日通過的書面決議案，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」），旨在向經甄選參與者提供獎勵或獎賞，以獎勵彼等為本公司的利益作出貢獻和持續致力促進本公司利益，並讓本集團得以招聘和挽留優秀僱員。二零一八年六月三十日，首次公開發售前購股權計劃下有尚未行使的購股權（即已授出但未失效或行使的購股權），所涉及的可發行股份數目為17,308,000股（相當於本公司於當日的已發行股本總額約1.3%）。本公司將不可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中期簡明綜合財務報表附註16披露。

B. Share Option Scheme

Pursuant to the resolutions in writing passed by all shareholders of the Company on 14 October 2010 (as amended at the Annual General Meeting of the Company held on 18 May 2018), the Company approved and adopted a share option scheme (the "Share Option Scheme") for the purpose of providing incentive or reward to selected participants for their contribution to, and continuing efforts to promote the interests of, the Company and for such other purposes as the Board may approve from time to time.

The mandate limit of the Share Option Scheme was approved and refreshed at the Annual General Meeting of the Company on 18 May 2018. The Company is thus entitled to issue a maximum of 135,732,166 Shares upon exercise of the share options to be granted under the refreshed scheme mandate limit, representing 10% of the issued shares as at the date of that meeting.

The number of Shares which may be issued pursuant to the outstanding share options (i.e. options which have been granted but not yet lapsed or exercised) under the Share Option Scheme as at 30 June 2018 was 27,374,000 shares (representing approximately 2.0% of the issued share capital of the Company as at that date).

Details of the Share Option Scheme are disclosed in note 16 to the interim condensed consolidated financial statements.

B. 購股權計劃

根據本公司全體股東於二零一零年十月十四日通過的書面決議案（於本公司在二零一八年五月十八日舉行的股東週年大會上經修訂），本公司批准及採納一項購股權計劃（「購股權計劃」），旨在向為本公司作出貢獻及努力不懈地促進本公司利益的經甄選參與者提供獎勵或獎賞，以及用於董事會不時批准的其他用途。

購股權計劃的授權限額已於本公司在二零一八年五月十八日舉行的股東週年大會上獲批准及更新。因此，本公司有權於根據經更新計劃授權限額將予授出的購股權獲行使時發行最多135,732,166股股份，佔於該大會日期已發行股份的10%。

於二零一八年六月三十日，購股權計劃項下的尚未行使購股權（即已授出但未失效或行使的購股權）所涉及的可發行股份數目為27,374,000股（相當於本公司於當日的已發行股本約2.0%）。

購股權計劃的詳情於中期簡明綜合財務報表附註16披露。



Substantial Shareholders' Interests and Short Positions in Shares

As at 30 June 2018, the following person (other than the directors and chief executives of the Company) had, or was deemed to have, interests and short positions of 5% or more in the Shares or underlying shares as recorded in the register required to be kept under Section 336 of the SFO:

主要股東的股份權益及淡倉

於二零一八年六月三十日，根據須按證券及期貨條例第336條所存置的登記冊記錄，下列人士（不包括本公司董事及最高行政人員）持有或視作持有股份或相關股份5%或以上的權益及淡倉：

Name of Shareholder 股東名稱	Nature of Interest 權益性質	Number and class of securities* 證券數目及類別*	Approximate percentage of shareholding ⁽²⁾ 概約持股百分比 ⁽²⁾
Master Alliance Investment Limited Master Alliance Investment Limited	Beneficial Owner 實益擁有人	1,005,059,000 ⁽¹⁾ (L)	74.04%

* 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) Master Alliance Investment Limited, a company wholly owned by Mr. DONG Li, beneficially owned 1,005,059,000 Shares.

(1) Master Alliance Investment Limited (一間由董李先生全資擁有的公司)實益擁有1,005,059,000股股份。

(2) This is based on 1,357,521,666 Shares, being the number of issued Shares as at 30 June 2018.

(2) 該百分比乃以1,357,521,666股股份(即於二零一八年六月三十日已發行的股份數目)為基礎計算。

Except for the person disclosed above, as at 30 June 2018, no person, other than the directors and chief executives of the Company whose interests and short positions are set out in the section headed "Directors' Interests and Short Positions in Securities of the Company and its associated corporation" above, had an interest or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

除上文所披露的人士外，於二零一八年六月三十日，概無任何人士（權益及淡倉載於上文「董事於本公司及其相聯法團的證券中的權益及淡倉」一節的本公司董事及最高行政人員除外）於本公司的股份或相關股份中擁有已記錄於本公司根據證券及期貨條例第336條須存置的登記冊內的任何權益或淡倉。

Disclosure under Rule 13.21 of the Listing Rules

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

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

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

根據上市規則第13.21條之規定作出之披露

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

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

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



COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as its own code of conduct for dealings in securities of the Company by directors. All directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2018.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance with a view to safeguarding the interests of shareholders and enhancing corporate value. The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the Period.

AUDIT COMMITTEE

The Audit Committee, which comprises the three independent non-executive Directors, namely, Mr. CAO Yixiong Alan (chairman of the Audit Committee), Mr. LIU Yangsheng and Mr. LAU Chi kit, has reviewed the unaudited financial statements of the Company for the six months ended 30 June 2018 and discussed with the management and the auditors of the Company on the accounting principles and practices adopted by the Group and internal control, risk management and financial reporting matters.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2018.

遵守上市規則的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）作為其自身董事買賣本公司證券的行為守則。經本公司作出具體查詢後，本公司董事均確認彼等於截至二零一八年六月三十日止六個月有遵守標準守則所載的規定準則。

企業管治守則

本公司致力於維持高標準的企業管治，以保障股東權益及提升其企業價值。董事會認為，本公司於期內已遵守上市規則附錄十四的企業管治守則所載的守則條文。

審核委員會

審核委員會由三名獨立非執行董事曹亦雄先生（審核委員會主席）、劉陽生先生及劉智傑先生組成，其已審閱本公司截至二零一八年六月三十日止六個月的未經審核財務報表，並已與本公司管理層及核數師討論本集團所採納的會計原則及慣例，以及內部監控、風險管理及財務申報事宜。

購買、贖回或出售本公司上市證券

截至二零一八年六月三十日止六個月，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

Report on Review of Interim Condensed Consolidated Financial Statements 中期簡明綜合財務報表審閱報告



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**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
(於開曼群島註冊成立的有限公司)
股東

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Leoch International Technology Limited and its subsidiaries (together “the Group”) set out on pages 34 to 104, which comprise the interim condensed consolidated statement of financial position as at 30 June 2018, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “*Interim Financial Reporting*” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

引言

吾等已審閱隨附載於第34至104頁之理士國際技術有限公司及其附屬公司(合稱「貴集團」)之中期簡明綜合財務報表,當中包括於二零一八年六月三十日之中期簡明綜合財務狀況表,以及截至該日止六個月期間之相關中期簡明綜合損益表、全面收益表、權益變動表及現金流量表以及解釋附註。香港聯合交易所有限公司證券上市規則規定,有關中期財務資料之報告必須按照有關規則之相關條文及國際會計準則委員會頒佈之國際會計準則第34號「*中期財務報告*」(「國際會計準則第34號」)編製。本公司董事負責按照國際會計準則第34號編製及列報該等中期簡明綜合財務報表。吾等負責按照吾等所進行之審閱工作就該等中期簡明綜合財務報表發表結論。



Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong

24 August 2018

審閱範圍

吾等已根據香港會計師公會頒佈之香港審閱委聘準則第2410號「*實體之獨立核數師對中期財務資料之審閱*」進行審閱。中期財務資料審閱主要包括向負責財務會計事務之人員查詢，並實施分析及其他審閱程序。由於審閱之範圍遠較按照香港審計準則進行審核之範圍為小，故不能保證吾等會注意到在審核中可能會被發現之所有重大事項。因此，吾等不會發表任何審核意見。

結論

根據吾等之審閱工作，並無任何事項令吾等相信隨附之中期簡明綜合財務報表在所有重大方面未有按照國際會計準則第34號編製。

安永會計師事務所

執業會計師

香港

二零一八年八月二十四日

Interim Condensed Consolidated Statement of Profit or Loss

中期簡明綜合損益表

For the six months ended 30 June 2018
截至二零一八年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月		
		Notes 附註	2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
REVENUE	收益	4	4,986,546	4,062,029
Cost of sales	銷售成本		(4,423,819)	(3,563,666)
Gross profit	毛利		562,727	498,363
Other income and gains	其他收入及收益	4	58,230	48,522
Selling and distribution expenses	銷售及分銷開支		(198,289)	(166,847)
Administrative expenses	行政開支		(138,042)	(117,301)
Research and development costs	研發成本	5	(63,190)	(63,728)
Other expenses	其他開支		(9,271)	(3,630)
Finance costs	財務成本	6	(100,037)	(68,768)
PROFIT BEFORE TAX	稅前溢利	5	112,128	126,611
Income tax expense	所得稅開支	7	(18,287)	(20,232)
PROFIT FOR THE PERIOD	期內溢利		93,841	106,379
Attributable to:	以下人士應佔：			
Owners of the parent	母公司擁有人		68,497	92,216
Non-controlling interests	非控股權益		25,344	14,163
			93,841	106,379
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	9		
Basic	基本		RMB人民幣0.05元	RMB人民幣0.07元
Diluted	攤薄		RMB人民幣0.05元	RMB人民幣0.07元

Interim Condensed Consolidated Statement of Comprehensive Income

中期簡明綜合全面收益表

For the six months ended 30 June 2018
截至二零一八年六月三十日止六個月



Six months ended 30 June
截至六月三十日止六個月

		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
PROFIT FOR THE PERIOD	期內溢利	93,841	106,379
OTHER COMPREHENSIVE LOSS	其他全面虧損		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:	於隨後期間重新分類至損益的其他全面收益／(虧損)：		
Available-for-sale investments:	可供出售投資：		
Changes in fair value	公允價值變動	-	(10,163)
Income tax effect	所得稅影響	-	2,541
		-	(7,622)
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	2,920	(1,879)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	於隨後期間重新分類至損益的其他全面收益／(虧損)淨額	2,920	(9,501)
Other comprehensive loss not to 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虧損：		
Equity instruments at fair value through other comprehensive income:	公允價值變動計入其他全面收益的權益工具：		
Changes in fair value	公允價值變動	(13,655)	-
Income tax effect	所得稅影響	3,414	-

Interim Condensed Consolidated Statement of Comprehensive Income 中期簡明綜合全面收益表

For the six months ended 30 June 2018
截至二零一八年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
Net other comprehensive loss not to 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虧損淨額	(10,241)	-
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	期內其他全面虧損，扣除稅項	(7,321)	(9,501)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內全面收益總額	86,520	96,878
Attributable to:	以下人士應佔：		
Owners of the parent	母公司擁有人	60,943	81,531
Non-controlling interests	非控股權益	25,577	15,347
		86,520	96,878

Interim Condensed Consolidated Statement of Financial Position

中期簡明綜合財務狀況表

30 June 2018
二零一八年六月三十日

			30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日
		Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	物業、廠房及設備		2,089,729	2,046,177
Investment properties	投資物業		6,029	48,392
Properties under development	發展中物業		45,504	40,869
Prepaid land lease payments	預付土地租賃款項		182,861	154,819
Goodwill	商譽		10,636	8,699
Intangible assets	無形資產		531,066	484,215
Available-for-sale investments	可供出售投資		-	132,576
Equity instruments at fair value through other comprehensive income	公允價值變動計入其他全面收益的權益工具		132,369	-
Deposits paid for purchase of items of property, plant and equipment and land lease payments	就購買物業、廠房及設備項目以及土地租賃款項支付的訂金		135,694	85,016
Deferred tax assets	遞延稅項資產		45,639	48,888
Total non-current assets	非流動資產總值		3,179,527	3,049,651
CURRENT ASSETS				
流動資產				
Inventories	存貨	10	1,809,649	1,872,285
Completed properties held for sale	持作待售已落成物業		35,323	44,205
Trade and bills receivables	貿易應收款項及應收票據	11	2,374,984	2,526,597
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		171,946	174,423
Derivative financial instruments	衍生金融工具		-	4,418
Equity investments at fair value through profit or loss	公允價值變動計入損益的權益性投資		12,394	12,545
Structured bank deposits	結構性銀行存款		17,000	-
Pledged deposits	已抵押存款	12	638,897	540,116
Cash and cash equivalents	現金及現金等價物	12	553,778	401,042
Total current assets	流動資產總值		5,613,971	5,575,631

Interim Condensed Consolidated Statement of Financial Position 中期簡明綜合財務狀況表

30 June 2018

二零一八年六月三十日

		Notes 附註	30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易應付款項及應付票據	13	1,724,740	1,665,247
Other payables and accruals	其他應付款項及應計費用		643,218	706,537
Interest-bearing bank borrowings	計息銀行借貸	14	2,129,267	2,904,553
Income tax payable	應付所得稅		85,980	89,406
Total current liabilities	流動負債總額		4,583,205	5,365,743
NET CURRENT ASSETS	流動資產淨值		1,030,766	209,888
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		4,210,293	3,259,539
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債		51,701	54,554
Interest-bearing bank borrowings	計息銀行借貸	14	967,669	109,338
Deferred government grants	遞延政府補貼		52,180	48,959
Total non-current liabilities	非流動負債總額		1,071,550	212,851
Net assets	資產淨值		3,138,743	3,046,688
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	15	116,213	116,192
Reserves	儲備		2,821,050	2,760,418
			2,937,263	2,876,610
Non-controlling interests	非控股權益		201,480	170,078
Total equity	權益總額		3,138,743	3,046,688

Dong Li
董李
Director
董事

Yin Haiyan
印海燕
Director
董事

Interim Condensed Consolidated Statement of Changes in Equity

中期簡明綜合權益變動表

For the six months ended 30 June 2018
截至二零一八年六月三十日止六個月

		Attributable to owners of the parent 母公司擁有人應佔										
		Share capital	Share premium account	Merger reserve	Share option reserve	Available-for-sale investments revaluation reserve	Statutory reserve fund	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價賬	合併儲備	購股權儲備	可供出售投資重估儲備	法定儲備金	匯兌波動儲備	保留溢利	總計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	115,846	1,207,864	275,105	27,901	48,819	119,485	23,766	879,102	2,697,888	60,041	2,757,929
Profit for the period	期內溢利	-	-	-	-	-	-	-	92,216	92,216	14,163	106,379
Other comprehensive loss for the period:	期內其他全面收益：											
Changes in fair value of available-for-sale investments, net of tax	可供出售投資公允價值變動，扣除稅項	-	-	-	-	(7,622)	-	-	-	(7,622)	-	(7,622)
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	-	-	-	(3,063)	-	(3,063)	1,184	(1,879)
Total comprehensive income for the period	期內全面收入總額	-	-	-	-	(7,622)	-	(3,063)	92,216	81,531	15,347	96,878
Exercise of share options	行使購股權	327	5,134	-	(2,611)	-	-	-	-	2,850	-	2,850
Final 2016 dividend declared	已宣派二零一六年末期股息	-	(64,603)	-	-	-	-	-	-	(64,603)	-	(64,603)
Equity-settled share option arrangements	以權益結算購股權安排	-	-	-	2,874	-	-	-	-	2,874	-	2,874
Capital contribution from non-controlling shareholders	非控股股東注資	-	-	-	-	-	-	-	-	-	1,675	1,675
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	80,146	80,146
At 30 June 2017 (unaudited)	於二零一七年六月三十日 (未經審核)	116,173	1,148,395	275,105	28,164	41,197	119,485	20,703	971,318	2,720,540	157,209	2,877,749

		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 of equity instruments at fair value through other comprehensive income	Statutory reserve fund	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價賬	合併儲備	購股權儲備	公允價值變動計入其他全面收益權益性投資的公允價值儲備	法定儲備金	匯兌波動儲備	保留溢利	總計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018 (Reported)	於二零一八年一月一日 (經呈報)	116,192	1,148,599	275,105	29,892	51,596	133,805	13,754	1,107,667	2,876,610	170,078	3,046,688
Impact of adopting IFRS 9	採納國際財務報告準則第9號之影響	-	-	-	-	-	-	-	(1,264)	(1,264)	-	(1,264)
Restated opening balance under IFRS 9	根據國際財務報告準則第9號重列期初結餘	116,192	1,148,599	275,105	29,892	51,596	133,805	13,754	1,106,403	2,875,346	170,078	3,045,424
Profit for the period	期內溢利	-	-	-	-	-	-	-	68,497	68,497	25,344	93,841
Other comprehensive loss for the period:	期內其他全面收益：											
Changes in fair value of equity instruments 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權益工具公允價值變動，扣除稅項	-	-	-	-	(10,241)	-	-	-	(10,241)	-	(10,241)
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	-	-	-	2,687	-	2,687	233	2,920
Total comprehensive income for the period	期內全面收入總額	-	-	-	-	(10,241)	-	2,687	68,497	60,943	25,577	86,520
Exercise of share options	行使購股權	21	310	-	(163)	-	-	-	-	168	-	168
Acquisition of non-controlling interests	收購非控股權益	-	-	(2,571)	-	-	-	-	-	(2,571)	(5,058)	(7,629)
Equity-settled share option arrangements	以權益結算購股權安排	-	-	-	3,377	-	-	-	-	3,377	-	3,377
Acquisition of a subsidiary (note 17)	收購附屬公司 (附註17)	-	-	-	-	-	-	-	-	-	10,883	10,883
At 30 June 2018 (unaudited)	於二零一八年六月三十日 (未經審核)	116,213	1,148,909*	272,534*	33,106*	41,356*	133,805*	16,441*	1,174,900*	2,937,263	201,480	3,138,743

* These reserve accounts comprise the consolidated reserves of RMB2,821,050,000 (31 December 2017: RMB2,760,418,000) in the interim condensed consolidated statement of financial position.

* 此等儲備賬組成中期簡明綜合財務狀況表內之綜合儲備人民幣2,821,050,000元(二零一七年十二月三十一日: 人民幣2,760,418,000元)。

Interim Condensed Consolidated Statement of Cash Flows

中期簡明綜合現金流量表

For the six months ended 30 June 2018
截至二零一八年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
		Notes 附註	
CASH FLOWS FROM OPERATING ACTIVITIES 經營活動所得現金流量			
Profit before tax	稅前溢利		112,128
Adjustments for:	就下列各項作出調整：		126,611
Finance costs	財務成本	6	100,037
Interest income	利息收入	4	(4,165)
Fair value (gain)/loss from derivative financial instruments, net	衍生金融工具公允價值(收益)/虧損，淨額	5	145
Fair value loss from equity investments at fair value through profit or loss, net	公允價值變動計入損益的權益性投資的公允價值虧損，淨額	5	151
Loss on remeasurement of the previously held interest in an associate	重新計量先前於一間聯營公司持有權益的虧損	5	-
Gain on bargain purchase	議價收購收益	4	-
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	5	343
Depreciation of property, plant and equipment	物業、廠房及設備折舊	5	124,124
Depreciation of investment properties	投資物業折舊	5	477
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	5	2,080
Amortisation of intangible assets	無形資產攤銷		55,345
Amortisation of deferred government grants	遞延政府補貼攤銷		(1,909)
Impairment/(reversal of impairment) of trade receivables	貿易應收款項減值/(減值撥回)	5	6,021
Impairment/(reversal of impairment) of inventories	存貨減值/(減值撥回)	5	2,627
Dividend income from an available-for-sale investment	來自可供出售投資的股息收入	4	-
Equity-settled share option expenses	以權益結算的購股權開支	5	3,377
			400,781
Decrease/(increase) in inventories	存貨減少/(增加)		55,498
Decrease in trade and bills receivables	貿易應收款項及應收票據減少		157,508
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、訂金及其他應收款項減少/(增加)		15,746
Decrease/(increase) in derivative financial instruments	衍生金融工具減少/(增加)		4,273
Increase in trade and bills payables	貿易應付款項及應付票據增加		36,082
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用(減少)/增加		(77,015)
Cash from operations	經營活動所得現金		592,873
Income tax paid	已付所得稅		(20,990)
Net cash flows from operating activities	經營活動所得現金流量淨額		571,883
			167,494
			(18,493)
			149,001

Interim Condensed Consolidated Statement of Cash Flows 中期簡明綜合現金流量表

For the six months ended 30 June 2018
截至二零一八年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
	Notes 附註		
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Interest received	已收利息	4,198	6,292
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(139,855)	(169,001)
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	2,066	857
Dividend income from an available-for-sale investment	來自一項可供出售投資的股息收入	-	1,301
Additions of equity instruments at fair value through other comprehensive income	增加公允價值變動計入其他全面收益的權益工具	(13,924)	-
Additions of intangible assets	增加無形資產	(85,818)	(70,155)
Additions of prepaid land lease payments	增加預付土地租賃款項	-	(32,993)
Additions of deposits paid for land lease payments	土地租賃款項已付按金增加	-	(6,003)
Deposits paid for construction of a property	建造一項物業已付按金	(49,130)	-
Purchases of non-controlling interests	購買非控股權益	(7,629)	-
Acquisition of a subsidiary	收購附屬公司	171	(21,160)
Net cash flows used in investing activities	投資活動所用現金流量淨額	(289,921)	(290,862)
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	168	2,850
New bank borrowings	新借銀行借貸	1,889,453	2,611,609
Repayment of bank borrowings	償還銀行借貸	(1,824,727)	(1,899,730)
Interest paid	已付利息	(99,585)	(67,967)
Capital contribution from non-controlling shareholders	非控股股東注資	-	1,675
Increase in structured bank deposits	結構性銀行存款增加	(17,000)	-
Increase in pledged deposits	已抵押存款增加	(98,781)	(23,333)
Receipt of government grants	收取政府補貼	5,130	910
Net cash flows (used in)/from financing activities	融資活動所得／(所用)現金流量淨額	(145,342)	626,014
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	136,620	484,153
Cash and cash equivalents at beginning of period	於期初的現金及現金等價物	401,042	214,344
Effect of foreign exchange rate changes, net	匯率變動的影響，淨額	16,116	1,445
CASH AND CASH EQUIVALENTS AT END OF PERIOD	於期末的現金及現金等價物	553,778	699,942
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	553,778	699,942



Notes to the Interim Condensed Consolidated Financial Statements 中期簡明綜合財務報表附註

30 June 2018

二零一八年六月三十日

1. CORPORATE INFORMATION

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

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

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

1. 公司資料

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

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

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



2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and International Accounting Standards (“IAS”) 34 “*Interim Financial Reporting*” issued by the International Accounting Standards Board (the “IASB”).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2017.

These interim condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company.

2.2 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* that require restatement of previous financial statements. As required by IAS 34, the nature and effect of these changes are disclosed below.

2.1 編製基準

截至二零一八年六月三十日止六個月的中期簡明綜合財務報表乃根據聯交所證券上市規則附錄十六及國際會計準則委員會（「國際會計準則委員會」）頒佈的國際會計準則（「國際會計準則」）第34號「*中期財務報告*」的適用披露規定而編製。

中期簡明綜合財務報表並不包括年度財務報表所規定提供的一切資料及披露事項，應與本集團截至二零一七年十二月三十一日止年度的年度綜合財務報表一併閱讀。

該等中期簡明綜合財務報表為未經審核，惟已由本公司審核委員會審閱。

2.2 會計政策

編製中期簡明綜合財務報表時所用的會計政策與編製本集團截至二零一七年十二月三十一日止年度的年度綜合財務報表時所依循者一致，惟採納截至二零一八年一月一日生效的新訂準則及詮釋除外。本集團並無提早採納任何其他已頒佈惟未生效的準則、詮釋或修訂本。

本集團首次應用規定重列過往財務報表的國際財務報告準則第15號*客戶合約收益*及國際財務報告準則第9號*金融工具*。根據國際會計準則第34號的規定，該等變動的性質及影響於下文披露。

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2.2 ACCOUNTING POLICIES (continued)

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using the modified retrospective method of adoption.

2.2 會計政策 (續)

若干其他訂修本及詮釋已於二零一八年首次應用，惟對本集團中期簡明綜合財務報表並無影響。

國際財務報告準則第15號客戶合約收益

國際財務報告準則第15號取代國際會計準則第11號*建造合約*、國際會計準則第18號*收益*及相關詮釋，並適用於所有自客戶合約產生的收益，惟該等合約屬其他準則範圍內除外。新訂準則建立一個五步模式，以計算自客戶合約產生的收益。根據國際財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨品或服務而有權獲得的代價金額確認。

該準則規定，於對客戶合約應用模式的每一個步驟時，實體須作出判斷並考慮所有相關事實及情況。該準則亦具體說明取得合約及與達成合約相關直接成本的增量成本的會計處理方法。

本集團透過採用修改後的追溯調整法採納國際財務報告準則第15號。



2.2 ACCOUNTING POLICIES (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

(a) Sale of goods

The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

(b) Presentation and disclosure requirements

The application of IFRS 15 in the current interim period has had no material impact on the amounts and/or disclosures reported in these condensed consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment and hedge accounting.

The Group adopted IFRS 9 retrospectively with the initial application date of 1 January 2018. The Group selected not to adjust the comparative information for the period beginning 1 January 2017.

2.2 會計政策 (續)

國際財務報告準則第15號客戶合約收益 (續)

(a) 銷售貨品

本集團就銷售貨品與客戶訂立的合約通常包括一項履約責任。本集團認為銷售貨品收益應於資產控制權轉移至客戶時獲確認。因此，採納國際財務報告準則第15號對確認收益的時間並無影響。

(b) 呈列及披露規定

於本中期期間應用國際財務報告準則第15號對該等簡明綜合財務報表所呈報的金額及／或披露並無重大影響。

國際財務報告準則第9號金融工具

國際財務報告準則第9號金融工具於二零一八年一月一日或之後開始的年度期間取代國際會計準則第39號金融工具：確認及計量，匯集金融工具會計處理的所有三個範疇：分類及計量；減值及對沖會計。

本集團追溯採納國際財務報告準則第9號，初始應用日期為二零一八年一月一日。本集團選擇不對於二零一七年一月一日開始的期間的比較資料作出調整。

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2.2 ACCOUNTING POLICIES (continued)

IFRS 9 *Financial Instruments* (continued)

(a) *Classification and measurement*

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI criterion").

The new classification and measurement of the Group's financial assets are as follows:

Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade and bills receivables, financial assets included in prepayments, deposits and other receivables and structured bank deposits with fixed interest rate.

2.2 會計政策 (續)

國際財務報告準則第9號金融工具 (續)

(a) 分類及計量

根據國際財務報告準則第9號，債務金融工具乃公允價值變動計入損益（「公允價值變動計入損益」）、攤銷成本或公允價值變動計入其他全面收益（「公允價值變動計入其他全面收益」）作後續計量。該分類乃以兩項原則為基準：本集團管理資產的業務模式；以及工具的合約現金流量是否屬未償還本金的「純粹支付本金及利息」（「SPPI標準」）。

本集團金融資產的新分類及計量如下：

金融資產按攤銷成本計量的債務工具為在業務模式內以持有金融資產以收取符合SPPI標準的合約現金流量為目的的金融資產。該類別包括本集團的貿易應收款項及應收票據、計入預付款項、訂金及其他應收款項的金融資產以及定息結構性銀行存款。



2.2 ACCOUNTING POLICIES (continued)

IFRS 9 Financial Instruments (continued)

(a) Classification and measurement (continued)

Other financial assets are classified and subsequently measured, as follows:

Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Under IAS 39, the Group's unquoted equity instruments were classified as available-for-sale (AFS) investments. Under IAS 39, the Group's unquoted equity investments with a carrying amount of RMB9,748,000 were measured at cost as at 31 December 2017, and the Group's unquoted equity investments with a carrying amount of RMB122,828,000 were measured at fair value as at 31 December 2017. These equity investments are classified as equity instruments at FVOCI under IFRS 9 by the Group as at 1 January 2018, resulting in an increase in equity instruments at FVOCI amounting to RMB132,576,000.

2.2 會計政策 (續)

國際財務報告準則第9號金融工具 (續)

(a) 分類及計量 (續)

其他金融資產乃按以下方式進行分類及後續計量：

公允價值變動計入其他全面收益的權益工具於終止確認時概無收益或虧損結轉至損益。該類別僅包括本集團擬就可預見未來持有及於初始確認或過渡時本集團不可撤回地選擇如此分類的權益工具。本集團將其無報價權益工具分類為公允價值變動計入其他全面收益的權益工具。公允價值變動計入其他全面收益的權益工具毋須遵照國際財務報告準則第9號項下進行減值評估。根據國際會計準則第39號，本集團的無報價權益工具原本分類為可供出售投資。根據國際會計準則第39號，本集團賬面值為人民幣9,748,000元的非上市權益性投資於二零一七年十二月三十一日乃按成本計量，而本集團賬面值為人民幣122,828,000元的非上市權益性投資則於二零一七年十二月三十一日按公允價值計量。於二零一八年一月一日，本集團根據國際財務報告準則第9號將該等權益性投資歸類為公允價值變動計入其他全面收益的權益性工具，導致公允價值變動計入其他全面收益的權益性工具增加人民幣132,576,000元。

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2.2 ACCOUNTING POLICIES (continued)

IFRS 9 *Financial Instruments* (continued)

(a) *Classification and measurement (continued)*

Financial assets at FVPL comprise derivative instruments and quoted equity instruments which the Group had not irrevocably elected, at initial recognition or transition, to classify at FVOCI.

The assessment of the Group's business model was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

2.2 會計政策 (續)

國際財務報告準則第9號金融工具 (續)

(a) 分類及計量 (續)

公允價值變動計入損益的金融資產包括衍生工具及本集團於初始確認或過渡時並無不可撤銷地選擇分類為公允價值變動計入其他全面收益的已報價權益工具。

本集團於首次應用日期(二零一八年一月一日)評估其業務模式,其後追溯應用至於二零一八年一月一日之前未終止確認的金融資產。本集團會根據初始確認資產時的事實及情況,評估債務工具的合約現金流量是否僅由本金及利息組成。

本集團金融負債的會計處理與其根據國際會計準則第39號所作出者大致維持相同。與國際會計準則第39號的規定相似,國際財務報告準則第9號規定將或然代價負債視為按公允價值計量的金融工具,公允價值變動則於損益表中確認。



2.2 ACCOUNTING POLICIES (continued)

IFRS 9 *Financial Instruments* (continued)

(b) *Impairment*

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

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. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade and bills receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.2 會計政策 (續)

國際財務報告準則第9號金融工具 (續)

(b) 減值

由於前瞻性預期信貸虧損(預期信貸虧損)模式取代國際會計準則第39號的已產生虧損模式,故採納國際財務報告準則第9號從根本上改變本集團有關金融資產減值虧損的會計處理。

國際財務報告準則第9號規定本集團就所有並非公允價值變動計入損益持有的貸款及其他債務金融資產記錄預期信貸虧損的撥備。

預期信貸虧損乃以根據合約應付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為基準。該差額其後按資產原有實際利率相近的差額貼現。

就貿易應收款項及應收票據而言,本集團應用標準簡化法及根據年限內的預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸虧損經驗計算的撥備矩陣,並按與債務人相關的前瞻性因素及經濟狀況調整。

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2.2 ACCOUNTING POLICIES (continued)

IFRS 9 *Financial Instruments* (continued)

(b) *Impairment (continued)*

The Group considers a financial asset in default when contractual payment 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.

The adoption of the ECL requirements of IFRS 9 resulted in increases in impairment allowances of the Group's debt financial assets. The increase in allowance resulted in adjustment to retained profits.

The statement of financial position as at 1 January 2018 was restated, resulting in decreases in trade and bills receivables, deferred tax assets and retained profits amounting to RMB1,686,000, RMB422,000, and RMB1,264,000, respectively.

2.2 會計政策 (續)

國際財務報告準則第9號金融工具 (續)

(b) 減值 (續)

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。

採納國際財務報告準則第9號的預期信貸虧損規定將會導致本集團債務金融資產的減值撥備增加。該撥備的增加將會導致對保留溢利作出調整。

二零一八年一月一日的財務狀況表經已重列，導致貿易應收款項及應收票據、遞延稅項資產及保留溢利分別減少人民幣1,686,000元、人民幣422,000元及人民幣1,264,000元。



2.2 ACCOUNTING POLICIES (continued)

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's consolidated financial statements.

Amendments to IAS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Group's consolidated financial statements.

2.2 會計政策 (續)

國際財務報告詮釋委員會第22號 外幣交易及墊付代價

詮釋澄清在終止確認預付代價相關的非貨幣性資產或非貨幣性負債時，為釐定初始確定相關資產、費用或收入（或其中部分）採用的即期匯率，交易日期為實體初始確認預付代價產生的非貨幣性資產或非貨幣性負債之日。倘存在多筆預付款或預收款，則實體須就每筆預付代價款或收取預付代價款釐定交易日期。該項詮釋對本集團的綜合財務報表並無任何影響。

國際會計準則第40號的修訂本轉 讓投資物業

該等修訂澄清實體應將物業（其中包括在建或發展中物業）轉入或轉出投資物業的時間。該等修訂載明，當物業符合或不再符合投資物業的定義時，以及有證據顯示用途變動時，用途發生變動。倘管理層僅有意改變物業用途，則不構成用途變動的證據。該等修訂對本集團的綜合財務報表並無任何影響。

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2.2 ACCOUNTING POLICIES (continued)

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 *Share-based Payment* that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Group's accounting policy for cash-settled share based payments is consistent with the approach clarified in the amendments. In addition, the Group has no share-based payment transaction with net settlement features for withholding tax obligations and had not made any modifications to the terms and conditions of its share-based payment transaction. Therefore, these amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 *Insurance Contracts*, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. These amendments are not relevant to the Group.

2.2 會計政策 (續)

國際財務報告準則第2號的修訂本以股份為基礎的付款的交易的分類及計量

國際會計準則委員會頒佈的國際財務報告準則第2號的修訂本以股份為基礎的付款涉及三個主要方面：歸屬條件對以現金結算以股份為基礎付款的交易的計量的影響；對就預扣稅項責任進行的具淨額結算特徵的以股份為基礎付款的交易的分類；及對以股份為基礎付款的交​​易中條款及條件的修訂導致其分類從現金結算變更為權益結算的會計處理。於採納時，實體須應用該等修訂而無需重列過往期間，惟倘選擇採納所有三項修訂並滿足其他標準，則允許追溯應用。本集團有關以現金結算以股份為基礎的付款的會計政策與該等修訂中所澄清的方法一致。此外，本集團並無就預扣稅項責任進行具淨額結算特徵的以股份為基礎付款的交​​易，亦無對其以股份為基礎付款的交​​易的條款及條件作出任何修改。因此，該等修訂對本集團的綜合財務報表並無任何影響。

國際財務報告準則第4號的修訂本與國際財務報告準則第4號保險合約一併應用國際財務報告準則第9號金融工具

在實施取代國際財務報告準則第4號的國際財務報告準則第17號保險合約之前，該等修訂處理實施金融工具新準則國際財務報告準則第9號引發的疑慮。該等修訂為實體發行保險合約引進兩種選擇：暫時豁免應用國際財務報告準則第9號及覆蓋法。該等修訂與本集團無關。



2.2 ACCOUNTING POLICIES (continued)

Amendments to IAS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Group's consolidated financial statements.

2.2 會計政策 (續)

國際會計準則第28號的修訂本於聯營公司及合營公司的投資－澄清公允價值變動計入損益計量被投資公司為按各項投資為基礎作出的選擇

該等修訂澄清，屬風險投資機構的實體或其他符合資格的實體可以在初始確認投資時以各項投資為基礎，選擇將其於聯營公司及合營公司的投資公允價值變動計入損益計量。倘本身並非投資實體的實體於作為投資實體的聯營公司或合營公司擁有權益，則可在採用權益法核算時選擇保留以公允價值計量該投資實體的聯營公司或合營公司對該投資實體的聯營公司或合營公司於附屬公司的權益。該選擇於(a)初始確認投資實體的聯營公司或合營公司之日；(b)聯營公司或合營公司成為投資實體時；及(c)投資實體的聯營公司或合營公司首次成為母公司時（以較遲者為準），就各投資實體的聯營公司或合營公司獨立作出。該等修訂對本集團的綜合財務報表並無任何影響。

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3. OPERATING SEGMENT INFORMATION

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

International Financial Reporting Standard 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“CODM”) in order to allocate resources to segments and to assess their performance. The information reported to the executive directors of the Company, who is the Group’s CODM for the purpose of resource allocation and assessment of performance, does not contain profit or loss information of each product line and the executive directors reviewed the gross profit of the Group as a whole reported under International Financial Reporting Standards. 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.

3. 經營分部資料

本集團從事製造及銷售鉛酸蓄電池及其他相關產品。

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。

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3. OPERATING SEGMENT INFORMATION *(continued)*

Information about products

An analysis of revenue by products is as follows:

3. 經營分部資料 (續)

產品資料

按產品劃分的收益分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Lead-acid batteries	鉛酸蓄電池	4,015,652	3,339,858
Recycled lead products	再生鉛產品	970,894	722,171
		4,986,546	4,062,029

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3. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Mainland China*	中國大陸*	3,326,340	2,601,751
European Union	歐盟	528,060	420,068
United States of America (the "USA")	美利堅合眾國(「美國」)	470,014	422,775
Other Asian countries/areas	其他亞洲國家／地區	412,744	359,646
Other countries	其他國家	249,388	257,789
		4,986,546	4,062,029

* Mainland China means any part of the People's Republic of China ("PRC") excluding Hong Kong, Macau and Taiwan.

The revenue information above is based on the locations of the customers. All of the revenue are from sale of goods, which is recognised when the goods are transferred at a point in time.

3. 經營分部資料 (續)

地區資料

(a) 來自外部客戶的收益

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Mainland China*	中國大陸*	3,326,340	2,601,751
European Union	歐盟	528,060	420,068
United States of America (the "USA")	美利堅合眾國(「美國」)	470,014	422,775
Other Asian countries/areas	其他亞洲國家／地區	412,744	359,646
Other countries	其他國家	249,388	257,789
		4,986,546	4,062,029

* 中國大陸指中華人民共和國(「中國」)之任何部分，不包括香港、澳門及台灣。

上述收益資料乃基於客戶的地點分析。所有收益均來自貨品銷售，當貨品於某個時間點轉移時確認。

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INFORMATION (continued)

3. 經營分部資料 (續)

Geographical information (continued)

地區資料 (續)

(b) Non-current assets

(b) 非流動資產

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Mainland China	中國大陸	2,785,819	2,709,583
Others	其他	215,700	158,604
		3,001,519	2,868,187

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的位置分析，且不包括金融工具及遞延稅項資產。

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3. OPERATING SEGMENT INFORMATION *(continued)*

Information about major customers

Revenue from each major customer, including sales to a group of entities which are known to be under common control with that customer, which accounted for 10% or more of the Group's revenue for the six months ended 30 June 2018 and 2017, is set out below:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Customer A	客戶甲	723,832	445,554
Customer B	客戶乙	187,451	488,466
		911,283	934,020

Except for the aforesaid, no other single external customer accounted for 10% or more of the Group's revenue.

3. 經營分部資料 (續)

有關主要客戶的資料

佔本集團截至二零一八年及二零一七年六月三十日止六個月收益的10%或以上，來自各主要客戶的收益（包括向一組據悉受該客戶共同控制的實體進行的銷售）載列如下：

除上文所述者外，並無其他單一外部客戶佔本集團收益10%或以上。

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4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold. An analysis of revenue, other income and gains is as follows:

4. 收益、其他收入及收益

收益為所售貨品的淨發票值。有關收益、其他收入及收益的分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
<u>Revenue</u>	<u>收益</u>		
Sale of goods	銷售貨品	4,986,546	4,062,029
<u>Other income and gains</u>	<u>其他收入及收益</u>		
Bank interest income	銀行利息收入	4,165	6,795
Government grants*	政府補貼*	25,536	5,618
Dividend income from an available-for-sale investment	來自可供出售投資的股息收入	-	1,301
Sale of scrap materials	銷售廢料	5,014	3,813
Foreign exchange gain, net	外匯匯兌收益·淨額	-	15,060
Reversal of impairment of trade receivables	貿易應收款項減值撥回	-	10,035
Fair value gain from derivative financial instruments, net	衍生金融工具公允價值收益·淨額	-	1,283
Rental income	租金收入	571	2,051
Gain on bargain purchase	議價收購收益	-	880
Others [^]	其他 [^]	22,944	1,686
		58,230	48,522

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

[^] Others include insurance claim received and receivable from the insurance company for losses in inventories and property, plant and equipment in relation to the fire of an assembly plant of the Group in Malaysia in December 2017.

* 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。

[^] 其他包括就二零一七年十二月本集團位於馬來西亞的一個組裝車間失火造成存貨以及物業、廠房及設備損失而已收及應收保險公司的保險理賠。

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5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

5. 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：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
Cost of inventories sold	所售存貨成本	3,809,362	3,063,224
Employee benefit expenses (including directors' remuneration):	僱員福利開支 (包括董事酬金):		
Wages and salaries	工資及薪金	374,060	331,378
Equity-settled share option expenses	以權益結算的購股權開支	3,377	2,874
Pension scheme contributions	退休金計劃供款	36,233	33,163
		413,670	367,415
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)	9,161	7,528
Research and development costs:	研發成本:		
Deferred development costs amortised*	遞延開發成本攤銷*	46,184	33,633
Current period expenditure	期內開支	63,190	63,728
		109,374	97,361
Derivative financial instruments:	衍生金融工具:		
Unrealised loss	未變現虧損	-	90
Realised loss/(gain)	已變現虧損／(收益)	145	(1,373)
Fair value loss/(gain) from derivative financial instruments, net [#]	衍生金融工具公允價值虧損 ／(收益)淨額 [#]	145	(1,283)

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(continued)

5. 稅前溢利 (續)

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
Equity investments at fair value through profit or loss: Unrealised loss [#]	公允價值變動計入損益的權益性投資：未變現虧損 [#]	151	550
Depreciation of property, plant and equipment	物業、廠房及設備折舊	124,124	111,129
Depreciation of investment properties	投資物業折舊	477	685
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	2,080	1,687
Impairment/(reversal of impairment) of trade receivables [#]	貿易應收款項減值／(減值撥回) [#]	6,021	(10,035)
Impairment/(reversal of impairment) of inventories [*]	存貨減值／(減值撥回) [*]	2,627	(2,308)
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 [#]	343	31
Loss on remeasurement of the previously held interest in an associate	重新計量先前於一間聯營公司持有權益的虧損	-	2,064
Foreign exchange loss/(gain), net [#]	外匯匯兌虧損／(收益)，淨額 [#]	1,001	(15,060)
Minimum lease payments under operating leases	經營租賃下的最低租賃款項	6,696	5,034

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5. PROFIT BEFORE TAX (continued)

- * The amortisation of deferred development costs and impairment/(reversal of impairment) of inventories are included in "Cost of sales" in the condensed consolidated statement of profit or loss.
- # Net fair value loss from derivative financial instruments, net fair value loss from equity investments at fair value through profit or loss, impairment of trade receivables, net loss on disposal of items of property, plant and equipment and net foreign exchange loss are included in "Other expenses" in the condensed consolidated statement of profit or loss.

6. FINANCE COSTS

An analysis of finance costs is as follows:

5. 稅前溢利 (續)

- * 遞延開發成本攤銷及存貨減值／(減值撥回)計入簡明綜合損益表「銷售成本」中。
- # 衍生金融工具公允價值虧損淨額、公允價值變動計入損益的權益性投資公允價值虧損淨額、貿易應收款項減值、處置物業、廠房及設備項目的虧損淨額以及外匯匯兌虧損淨額計入簡明綜合損益表「其他開支」中。

6. 財務成本

財務成本分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
Interest on bank borrowings	銀行借貸利息	73,878	53,034
Interest arising from discounted bills	貼現票據產生的利息	26,159	15,734
		100,037	68,768

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7. INCOME TAX

The Group calculates the income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed statement of profit or loss are:

7. 所得稅

本集團按將適用於預期年度盈利總額的稅率計算期內所得稅開支。於中期簡明損益表中的所得稅開支主要組成部分如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
Current:	即期：		
Mainland China	中國大陸	9,164	11,372
Hong Kong	香港	2,258	1,976
Singapore	新加坡	3,648	5,847
USA	美國	2,035	664
Others	其他地區	38	-
Deferred	遞延	1,144	373
Total tax charged for the period	期內稅項支出總額	18,287	20,232

8. DIVIDENDS

No dividend is proposed by the directors of the Company for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

8. 股息

本公司董事不建議宣派截至二零一八年六月三十日止六個月的股息（截至二零一七年六月三十日止六個月：無）。

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

The calculation of basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,357,340,591 (six months ended 30 June 2017: 1,354,746,120) in issue during the period.

The calculation of diluted earnings per share amounts is based on the profit for the period 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 period, 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 or conversion of all dilutive potential ordinary shares into ordinary shares.

9. 母公司普通權益持有人應佔每股盈利

每股基本盈利金額乃基於母公司普通權益持有人應佔期內溢利及期內已發行普通股加權平均數1,357,340,591股（截至二零一七年六月三十日止六個月：1,354,746,120股）計算。

每股攤薄盈利金額乃按母公司普通權益持有人應佔期內溢利為基準計算。計算所用的普通股加權平均數指期內已發行普通股數目（與計算每股基本盈利所用者相同），以及假設於視為行使或兌換全部潛在攤薄普通股為普通股時無償發行的普通股的加權平均數。

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

9. 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：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) 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	68,497	92,216

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

9. 母公司普通權益持有人應
佔每股盈利(續)

		Number of shares 股份數目	
		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核)	2017 二零一七年 (Unaudited) (未經審核)
Shares	股份		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculations	用於計算每股基本盈利之期內已發行普通股加權平均數	1,357,340,591	1,354,746,120
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	3,163,171	5,394,400
		1,360,503,762	1,360,140,520



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10. INVENTORIES

10. 存貨

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Raw materials	原材料	449,578	445,494
Work in progress	在製品	684,608	1,008,957
Finished goods	製成品	675,463	417,834
		1,809,649	1,872,285

11. TRADE AND BILLS RECEIVABLES

11. 貿易應收款項及應收票據

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	貿易應收款項	2,217,598	2,343,791
Bills receivable	應收票據	195,446	213,159
Less: Impairment provision	減：減值撥備	(38,060)	(30,353)
		2,374,984	2,526,597

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11. TRADE AND BILLS RECEIVABLES (continued)

The Group grants different credit periods to customers. The credit period of individual customers is considered on a case-by-case basis. Certain customers are required to make partial payment 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 RMB258,038,000 (31 December 2017: RMB261,715,000) were under short term credit insurance and RMB29,826,000 (31 December 2017: RMB71,912,000) were under letters of credit. Trade receivables are non-interest-bearing.

As at 30 June 2018, the Group had pledged certain trade receivables amounting to RMB67,404,000 (31 December 2017: RMB61,467,000) to banks with recourse in exchange for cash. The proceeds from pledging the trade receivables of RMB22,681,000 (31 December 2017: RMB37,279,000) 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 (note 14(iii)).

11. 貿易應收款項及應收票據 (續)

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末付的結餘。貿易應收款項中人民幣258,038,000元（二零一七年十二月三十一日：人民幣261,715,000元）訂有短期信用保險，而人民幣29,826,000元（二零一七年十二月三十一日：人民幣71,912,000元）則訂有信用證。貿易應收款項為不計息。

於二零一八年六月三十日，本集團向銀行抵押若干有追索權的貿易應收款項，金額為人民幣67,404,000元（二零一七年十二月三十一日：人民幣61,467,000元），藉以換取現金。抵押貿易應收款項所得款項人民幣22,681,000元（二零一七年十二月三十一日：人民幣37,279,000元）乃入賬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（附註14(iii)）。

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RECEIVABLES (continued)**

An aged analysis of the trade and bills receivables as at 30 June 2018 and 31 December 2017 based on the invoice date, net of provisions, is as follows:

**11. 貿易應收款項及應收票據
(續)**

於二零一八年六月三十日及二零一七年十二月三十一日，貿易應收款項及應收票據按發票日期（扣除撥備）的賬齡分析如下：

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Within 3 months	3個月內	1,716,168	1,862,076
3 to 6 months	3至6個月	351,410	405,764
6 to 12 months	6至12個月	261,591	202,361
1 to 2 years	1至2年	40,482	53,181
Over 2 years	2年以上	5,333	3,215
		2,374,984	2,526,597

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12. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

12. 現金及現金等價物以及已抵押存款

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	553,778	401,042
Time deposits	定期存款	638,897	540,116
		1,192,675	941,158
Less: Pledged for interest-bearing bank borrowings (note 14(iv))	減：已就計息銀行借貸抵押 (附註14(iv))	(208,997)	(179,899)
Pledged for bills payable (note 13)	已就應付票據抵押 (附註13)	(336,397)	(260,099)
Pledged for letters of credit	已就信用證抵押	(93,503)	(100,118)
		(638,897)	(540,116)
Cash and cash equivalents	現金及現金等價物	553,778	401,042
Denominated in RMB	以人民幣計值	990,602	755,673
Denominated in US\$	以美元計值	159,768	155,742
Denominated in Swiss Franc	以瑞士法郎計值	19,348	-
Denominated in HK\$	以港元計值	10,511	19,201
Denominated in Malaysian Ringgit	以馬來西亞令吉計值	8,547	4,146
Denominated in Indian Rupee	以印度盧比計值	2,611	3,207
Denominated in Singapore Dollar	以新加坡元計值	338	618
Denominated in Euro	以歐元計值	334	66
Denominated in Great Britain Pound	以英鎊計值	273	-
Denominated in Sri Lankan Rupee	以斯里蘭卡盧比計值	202	88
Denominated in Australia Dollar	以澳元計值	141	2,417
		1,192,675	941,158

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13. TRADE AND BILLS PAYABLES 13. 貿易應付款項及應付票據

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Trade payables	貿易應付款項	812,958	803,985
Bills payable	應付票據	911,782	861,262
		1,724,740	1,665,247

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

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：

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Within 3 months	3個月內	843,157	702,362
3 to 6 months	3至6個月	264,829	364,800
6 to 12 months	6至12個月	593,916	582,439
1 to 2 years	1至2年	19,926	12,266
2 to 3 years	2至3年	921	898
Over 3 years	超過3年	1,991	2,482
		1,724,740	1,665,247

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13. TRADE AND BILLS PAYABLES (continued)

The trade payables are non-interest-bearing and are normally settled on 90-day terms. All the bills payable bear maturity dates within 360 days. As at 30 June 2018, bills payable amounting to RMB646,677,000 (31 December 2017: RMB745,450,000) were issued on intercompany sales transactions within Group companies and such bills were discounted to banks for short term financing.

As at 30 June 2018, certain of the Group's bills payable were secured by pledge of certain of the Group's time deposits amounting to RMB336,397,000 (31 December 2017: RMB260,099,000) (note 12).

13. 貿易應付款項及應付票據 (續)

貿易應付款項為不計息，且一般須於90日內支付。應付票據均於360日內到期。於二零一八年六月三十日，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646,677,000元（二零一七年十二月三十一日：人民幣745,450,000元）的應付票據，該等票據貼現予銀行做短期融資。

於二零一八年六月三十日，本集團若干應付票據以本集團金額為人民幣336,397,000元（二零一七年十二月三十一日：人民幣260,099,000元）的若干定期存款的質押作擔保（附註12）。

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二零一八年六月三十日14. INTEREST-BEARING BANK
BORROWINGS

14. 計息銀行借貸

		30 June 2018 (unaudited) 二零一八年六月三十日(未經審核)			31 December 2017 二零一七年十二月三十一日		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元	Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元
Current	即期						
Interest-bearing bank borrowings, secured	計息銀行借貸·有抵押	1.50 to 7.53 1.50至7.53	2018-2019 二零一八年至 二零一九年	1,313,935	1.50 to 7.53 1.50至7.53	2018 二零一八年	1,175,362
Collateralised bank advances, secured	有抵押銀行墊款·有抵押	2.40 to 3.50 2.40至3.50	2018-2019 二零一八年至 二零一九年	22,681	2.00 to 2.40 2.00至2.40	2018 二零一八年	37,279
Interest-bearing bank borrowings, guaranteed	計息銀行借貸·有擔保	3.55 to 5.66 3.55至5.66	2018-2019 二零一八年至 二零一九年	531,581	2.87 to 5.22 2.87至5.22	2018 二零一八年	405,401
Current portion of long term bank borrowings, guaranteed	長期銀行借貸即期部分·有擔保	LIBOR + 2.50	2019 二零一九年	261,070	LIBOR + 2.50	on demand 按要求償還	1,286,511
				2,129,267			2,904,553
Non-current	非即期						
Interest-bearing bank borrowings, secured	計息銀行借貸·有抵押	1.50 to 7.53 1.50至7.53	2019-2028 二零一九年至 二零二八年	53,925	1.50 to 7.53 1.50至7.53	2019-2028 二零一九年至 二零二八年	81,338
Interest-bearing bank borrowings, guaranteed	計息銀行借貸·有擔保	LIBOR + 2.50	2019-2020 二零一九年至 二零二零年	913,744	4.89	2019 二零一九年	28,000
				967,669			109,338
				3,096,936			3,013,891

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14. INTEREST-BEARING BANK BORROWINGS (continued)

14. 計息銀行借貸 (續)

Analysed into:

分析如下：

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Bank loans and advances repayable:	須於下列年期內償還的 銀行貸款及墊款：		
On demand	按要求償還	-	1,286,511
Within one year	一年內	2,129,267	1,618,042
In the second year	第二年	950,544	71,687
In the third to fifth years, inclusive	第三至第五年， 包括首尾兩年	7,338	28,371
Beyond five years	五年後	9,787	9,280
		3,096,936	3,013,891

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：

- | | |
|--|---|
| <p>(i) a charge over certain of the Group's property, plant and equipment with a net carrying amount of approximately RMB786,347,000 (31 December 2017: RMB747,778,000) as at the end of the reporting period.</p> | <p>(i) 本集團於報告期末賬面淨值約為人民幣786,347,000元(二零一七年十二月三十一日：人民幣747,778,000元)的若干物業、廠房及設備的押記。</p> |
| <p>(ii) a charge over certain of the Group's leasehold lands with a net carrying amount of approximately RMB50,744,000 (31 December 2017: RMB50,094,000) as at the end of the reporting period.</p> | <p>(ii) 本集團於報告期末賬面淨值約為人民幣50,744,000元(二零一七年十二月三十一日：人民幣50,094,000元)的若干租賃土地的押記。</p> |

14. INTEREST-BEARING BANK BORROWINGS (continued)

- (iii) the pledge of certain of the Group's trade receivables with a carrying amount of approximately RMB67,404,000 (31 December 2017: RMB61,467,000) as at the end of the reporting period (note 11).
- (iv) the pledge of certain of the Group's time deposits amounting to approximately RMB208,997,000 (31 December 2017: RMB179,899,000) as at the end of the reporting period (note 12).
- (v) cross guarantees executed by companies within the Group.

The Group entered into a three-year term loan facility agreement amounting to US\$200,000,000 on 8 May 2017 (the "Facility Agreement") with certain financial institutions.

Under the Facility Agreement, there are specific performance obligations that Mr. Dong Li, who is the controlling shareholder of the Company, shall not cease to own, directly or indirectly, at least 51% of the beneficial interest in the Company, carrying at least 51% of the voting right, free from any security. Mr. Dong Li shall not cease to have management control over the Company. Mr. Dong Li shall not cease to be the Chairman of the board of directors of the Company. At the date of approval of these interim condensed consolidated financial statements, such obligations have been complied with.

14. 計息銀行借貸 (續)

- (iii) 本集團於報告期末賬面值約為人民幣67,404,000元(二零一七年十二月三十一日:人民幣61,467,000元)的若干貿易應收款項的質押(附註11)。
- (iv) 本集團於報告期末金額約為人民幣208,997,000元(二零一七年十二月三十一日:人民幣179,899,000元)的若干定期存款的質押(附註12)。
- (v) 本集團內公司簽訂的相互擔保。

本集團於二零一七年五月八日與若干金融機構訂立金額為200,000,000美元的三年期貸款融資協議(「融資協議」)。

根據融資協議,有特定履約責任,即董李先生(現為本公司控股股東)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)。董李先生不得終止擁有本公司的管理控制權。董李先生不得不出任本公司的董事會主席。於批准該等中期簡明綜合財務報表日期,有關責任已得到遵守。

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14. INTEREST-BEARING BANK BORROWINGS (continued)

Five of the Company's wholly-owned subsidiaries, namely Catherine Holdings International Company Limited, Leoch Power Supply (H.K.) Limited, Leoch Battery Company Limited, Leoch Battery Pte. Ltd. and Leoch International Sales Limited were parties who act as guarantors, to guarantee punctual performance of the Group's obligations under the Facility Agreement.

As at 30 June 2018, the outstanding term loan balance under the Facility Agreement amounted to US\$180,000,000 (equivalent to RMB1,174,814,000), of which, RMB261,070,000 and RMB913,744,000 are repayable within one year and in the second year, respectively. The term loan bears interest at LIBOR +2.5% per annum.

14. 計息銀行借貸 (續)

本公司五家全資附屬公司，即Catherine Holdings International Company Limited、理士電源(香港)有限公司、Leoch Battery Company Limited、Leoch Battery Pte. Ltd.及Leoch International Sales Limited為擔保人，擔保本集團準時履行融資協議項下的責任。

於二零一八年六月三十日，融資協議項下的未償還期貨款結餘為180,000,000美元(相當於人民幣1,174,814,000元)，其中，人民幣261,070,000元及人民幣913,744,000元分別須於一年內及第二年內償還。期貨款按LIBOR +2.5%的年利率計息。

15. SHARE CAPITAL

15. 股本

		30 June 2018	31 December 2017
		二零一八年 六月三十日	二零一七年 十二月三十一日
Authorized:	法定：		
10,000,000,000 (31 December 2017: 10,000,000,000) ordinary shares of HK\$0.1 each (HK\$'000)	10,000,000,000股 (二零一七年十二月三十一日： 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：		
1,357,521,666 (31 December 2017: 1,357,271,666) ordinary shares of HK\$0.1 each (HK\$'000)	1,357,521,666股 (二零一七年十二月三十一日： 1,357,271,666股) 每股面值 0.1港元的普通股(千港元)	135,752	135,727
Equivalent to RMB'000	相當於人民幣千元	116,213	116,192

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15. SHARE CAPITAL (continued)

15. 股本 (續)

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
At 1 January 2017	於二零一七年一月一日	1,353,349,666	115,846
Exercise of the share options	行使購股權	3,922,000	346
At 31 December 2017	於二零一七年十二月三十一日	1,357,271,666	116,192
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	1,357,271,666	116,192
Exercise of share options	行使購股權	250,000	21
At 30 June 2018	於二零一八年六月三十日	1,357,521,666	116,213

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16. SHARE OPTION SCHEMES

Pre-IPO Share Option Scheme

The Company operates a pre-IPO share option scheme (the “Pre-IPO Share Option Scheme”) for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group’s operations. Eligible persons of the Pre-IPO Share Option Scheme include the Company’s directors and other employees of the Group. The Pre-IPO Share Option Scheme became effective on 1 June 2010 and unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The Pre-IPO Share Option Scheme is available to the directors and employees (whether full time or part time) of any member of the Group.

The maximum number of the shares in respect of which options may be granted under the Pre-IPO Share Option Scheme shall be 60,000,000 shares representing approximately 4.5% of the total issued share capital of the Company immediately after 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.

16. 購股權計劃

首次公開發售前購股權計劃

本公司運作首次公開發售前購股權計劃（「首次公開發售前購股權計劃」），旨在向對本集團的成功營運作出貢獻的合資格人士提供獎勵和獎賞。首次公開發售前購股權計劃的合資格人士包括本公司的董事及本集團的其他僱員。首次公開發售前購股權計劃於二零一零年六月一日生效，除非另行註銷或修訂外，否則將由該日起一直生效十年。

首次公開發售前購股權計劃乃提供予本集團任何成員公司的董事及僱員（不論全職或兼職）。

涉及根據首次公開發售前購股權計劃可能授出購股權的股份數目上限將為60,000,000股股份，相當於本公司於緊隨全球發售完成後（不計及行使超額配股權）的已發行股本總額約4.5%。

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。

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16. SHARE OPTION SCHEMES (continued)

Pre-IPO Share Option Scheme (continued)

After 28 October 2010, no further options will be offered or granted under the Pre-IPO Share Option Scheme but in other respects the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme, and options which are granted on or before 28 October 2010 may continue to be exercisable in accordance with their terms of issue.

Any exercise of an option granted under the Pre-IPO Share Option Scheme is subject to conditions as may be specified in the offer letter in respect of the grant of options.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

16. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

於二零一零年十月二十八日後，不會再根據首次公開發售前購股權計劃發售或授出任何其他購股權，但首次公開發售前購股權計劃的條文在其他方面依然具十足效力和作用，以致在此之前授出的任何購股權仍可行使或根據首次公開發售前購股權計劃的條文規定而另行行使，而於二零一零年十月二十八日或之前授出的購股權，均可根據彼等的發行條款繼續予以行使。

行使根據首次公開發售前購股權計劃授出的購股權以授出購股權的要約函件所列明之條件為準。

購股權並無賦予持有人任何權利，以享有股息或於股東大會上投票。

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16. SHARE OPTION SCHEMES (continued)

Pre-IPO Share Option Scheme (continued)

The following share options were outstanding under the Pre-IPO Share Options Scheme during the period:

16. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

以下為期內首次公開發售前購股權計劃項下尚未行使的購股權：

		Six months ended 30 June 2018 截至二零一八年 六月三十日止六個月		Six months ended 30 June 2017 截至二零一七年 六月三十日止六個月	
		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	1.50	17,508	1.42	20,388
Exercised during the period	期內行使	0.80	(200)	0.85	(2,873)
At 30 June	於六月三十日	1.51	17,308	1.51	17,515

16. 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 period 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 30 June 2018 於二零一八年 六月三十日	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 option 購股權 行使價 HK\$ per share 每股港元
		At 1 January 2018 於二零一八年 一月一日	Exercised during the period 期內行使				
Directors	董事						
Ms. Zhao Huan	趙歡女士	1,500,000	-	1,500,000	1 June 2010 二零一零年六月一日	1 June 2012 to 31 May 2022 二零一二年六月一日至 二零二二年五月三十一日	1.400
Mr. Philip Armstrong Noznesky	Philip Armstrong Noznesky 先生	1,500,000	-	1,500,000	1 June 2010 二零一零年六月一日	1 June 2012 to 31 May 2022 二零一二年六月一日至 二零二二年五月三十一日	2.000
		3,000,000	-	3,000,000			
Other employees in aggregate	其他僱員共計	14,508,000	(200,000)	14,308,000	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	0.200 - 2.000
		17,508,000	(200,000)	17,308,000			

16. 購股權計劃 (續)

首次公開發售前購股權計劃
(續)

期內本公司首次公開發售前購股權計劃項下購股權之變動如下：

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16. SHARE OPTION SCHEMES (continued)

Pre-IPO Share Option Scheme (continued)

The exercise prices and exercise periods of the Pre-IPO Share Options outstanding under the Pre-IPO Share Options Scheme as at 30 June 2018 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
50,750	HK\$0.200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
50,750	HK\$0.200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
50,750	HK\$0.200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
50,750	HK\$0.200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
20,000	HK\$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
65,000	HK\$0.600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

16. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

於二零一八年六月三十日，首次公開發售前購股權計劃項下尚未行使之首次公開發售前購股權的行使價及行使期如下：

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

Number of options 購股權數目	Exercise price per share 每股行使價
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16. 購股權計劃 (續)

首次公開發售前購股權計劃
(續)

Exercise period 行使期

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
80,000	HK\$0.600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\$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
80,000	HK\$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
50,000	HK\$0.800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
83,000	HK\$0.800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
237,500	HK\$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
237,500	HK\$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
425,000	HK\$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
657,000	HK\$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

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16. SHARE OPTION SCHEMES (continued)

Pre-IPO Share Option Scheme (continued)

Number of options 購股權數目	Exercise price 每股行使價	Exercise period 行使期
300,000	HK\$1.200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
300,000	HK\$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
425,000	HK\$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
425,000	HK\$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
700,000	HK\$1.400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
800,000	HK\$1.400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
800,000	HK\$1.400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
800,000	HK\$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
455,000	HK\$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
455,000	HK\$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
455,000	HK\$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
455,000	HK\$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

16. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

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

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
787,500	HK\$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
787,500	HK\$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
787,500	HK\$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
787,500	HK\$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
1,015,000	HK\$2.000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
1,015,000	HK\$2.000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
1,015,000	HK\$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
1,015,000	HK\$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
17,308,000		

16. 購股權計劃 (續)

首次公開發售前購股權計劃
(續)

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16. SHARE OPTION SCHEMES (continued)

Pre-IPO Share Option Scheme (continued)

At 30 June 2018, the Company had outstanding Pre-IPO Share Options for the subscription of 17,308,000 shares under the Pre-IPO Share Option Scheme, which represented approximately 1.3% of the issued share capital of the Company as at that date. The exercise in full of the outstanding Pre-IPO Share Options would, under the present capital structure of the Company, result in the issue of 17,308,000 additional ordinary shares of the Company and additional share capital of HK\$1,731,000 (equivalent to RMB1,459,000) and share premium of HK\$24,325,000 (equivalent to RMB20,508,000), before related issuance expenses.

At the date of approval of these financial statements, the Company had 17,058,000 share options outstanding under the Pre-IPO Share Option Scheme, which represented approximately 1.3% of the Company's shares in issue as at that date.

Share Option Scheme

The Company operates a share option scheme (the "Share Option Scheme") which was approved and adopted by the written resolutions of all the shareholders of the Company passed on 14 October 2010 (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 Share Option 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.

16. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

於二零一八年六月三十日，本公司擁有未行使首次公開發售前購股權，可認購首次公開發售前購股權計劃項下17,308,000股股份，相當於本公司於當日的已發行股本約1.3%。根據本公司的現有股本架構，全面行使未行使首次公開發售前購股權會導致發行17,308,000股本公司額外普通股股份，以及額外股本1,731,000港元（相等於人民幣1,459,000元）及股份溢價24,325,000港元（相等於人民幣20,508,000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17,058,000份尚未行使的購股權，相當於本公司於當日已發行股份約1.3%。

購股權計劃

本公司運作一項購股權計劃（「購股權計劃」），經本公司所有股東於二零一零年十月十四日通過的書面決議案批准及採納（於本公司在二零一八年五月十八日舉行的股東週年大會上經修訂），旨在向為本集團作出貢獻或不斷努力提升本集團利益之合資格人士提供獎勵或獎賞，及為董事會不時批准的其他目的。購股權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（全職或兼職）、顧問或諮詢人。

16. SHARE OPTION SCHEMES (continued)

Share Option Scheme (continued)

The Share Option Scheme is 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 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 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.

16. 購股權計劃 (續)

購股權計劃 (續)

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，倘超過本公司於任何時間的已發行股份的0.1%或總值逾5百萬港元 (根據於授出日期本公司的股價而釐定) 者，則須事先在股東大會上取得股東批准，並須遵守若干披露及申報規定。

按購股權計劃及任何其他購股權計劃目前可授予而未行使之購股權之總數上限，不得超過本公司於任何時間已發行股份總數之30%。於任何十二個月期間，根據購股權計劃授予每名合資格參與者之可發行股份之最高數目在任何時間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在股東大會上取得股東批准，並遵守若干披露及申報規定。

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16. SHARE OPTION SCHEMES (continued)

Share Option Scheme (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.

The Share Option Scheme became effective on 16 November 2010, unless otherwise cancelled or amended, will remain in force for 10 years from the date of adoption of the Share Option Scheme by shareholders by resolution at a general meeting.

Any exercise of an option granted under the Share Option Scheme is subject to conditions as may be specified in the offer letter in respect of the grant of options.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

16. 購股權計劃 (續)

購股權計劃 (續)

購股權之認購價由董事決定，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）。接受購股權要約時應支付人民幣1.00元的代價。

購股權計劃於二零一零年十一月十六日生效，除另行註銷或修訂外，將自股東於股東大會通過決議案採納購股權計劃日期起十年內持續有效。

行使根據購股權計劃授出的購股權以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。

16. SHARE OPTION SCHEMES
(continued)

Share Option Scheme (continued)

The following share options were outstanding under the Share Option Scheme during the period:

16. 購股權計劃 (續)

購股權計劃 (續)

以下為期內購股權計劃項下的尚未行使購股權：

		Six months ended 30 June 2018 截至二零一八年 六月三十日止六個月		Six months ended 30 June 2017 截至二零一七年 六月三十日止六個月	
		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	1.29	29,174	1.04	17,910
Granted during the period	期內授出	-	-	1.78	6,000
Exercised during the period	期內行使	0.90	(50)	0.94	(816)
Forfeited during the period	期內沒收	1.30	(1,750)	1.02	(300)
At 30 June	於六月三十日	1.29	27,374	1.23	22,794

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16. SHARE OPTION SCHEMES
(continued)

Share Option Scheme (continued)

Movements in the Company's share options under the Share Option Scheme during the period 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 30 June 2018 於二零一八年六月三十日	Date of grant of share options 購股權授出日期	Exercise period of share options 購股權行使期	Exercise price of share options 購股權行使價 HK\$ per share 每股港元
		At 1 January 2018 於二零一八年一月一日	Granted during the period 期內授出	Exercised during the period 期內行使	Forfeited during the period 期內沒收				
Directors	董事								
Mr. Cao Yixiong	曹亦雄先生	300,000	-	-	300,000	22 November 2016 二零一六年十一月二十二日	1 December 2017 to 21 November 2026 二零一七年十二月一日至 二零二六年十一月二十一日	1.020	
Mr. Liu Yangsheng	劉陽生先生	300,000	-	-	300,000	22 November 2016 二零一六年十一月二十二日	1 December 2017 to 21 November 2026 二零一七年十二月一日至 二零二六年十一月二十一日	1.020	
Mr. Lau Chi Kit	劉智傑先生	300,000	-	-	300,000	22 November 2016 二零一六年十一月二十二日	1 December 2017 to 21 November 2026 二零一七年十二月一日至 二零二六年十一月二十一日	1.020	
Ms. Zhao Huan	趙歡女士	300,000	-	-	300,000	4 December 2017 二零一七年十二月四日	16 December 2018 to 3 December 2027 二零一八年十二月十六日至 二零二七年十二月三日	1.442	
		1,200,000	-	-	1,200,000				
Other employees in aggregate	其他僱員共計	3,660,000	-	(50,000)	2,610,000	20 November 2013 二零一三年十一月二十日	1 December 2014 to 19 November 2018 二零一四年十二月一日至 二零一八年十一月十九日	0.900	
		1,300,000	-	-	700,000	20 July 2014 二零一四年七月二十一日	20 August 2015 to 20 July 2019 二零一五年八月二十日至 二零一九年七月二十日	1.860	
		2,254,000	-	-	2,254,000	1 April 2015 二零一五年四月一日	1 May 2016 to 31 March 2020 二零一六年五月一日至 二零二零年三月三十一日	1.018	
		1,500,000	-	-	1,500,000	26 November 2015 二零一五年十一月二十六日	1 December 2016 to 25 November 2020 二零一六年十二月一日至 二零二零年十一月二十五日	0.810	
		6,710,000	-	-	6,710,000	22 November 2016 二零一六年十一月二十二日	1 December 2017 to 21 November 2026 二零一七年十二月一日至 二零二六年十一月二十一日	1.020	
		1,500,000	-	-	1,500,000	16 May 2017 二零一七年五月十六日	1 June 2018 to 15 May 2027 二零一八年六月一日至 二零二七年五月十五日	1.822	
		4,500,000	-	-	4,350,000	25 May 2017 二零一七年五月二十五日	1 June 2018 to 24 May 2027 二零一八年六月一日至 二零二七年五月二十四日	1.760	
		6,550,000	-	-	6,550,000	4 December 2017 二零一七年十二月四日	16 December 2018 to 3 December 2027 二零一八年十二月十六日至 二零二七年十二月三日	1.442	
		27,974,000	-	(50,000)	26,174,000				
		29,174,000	-	(50,000)	27,374,000				

16. 購股權計劃 (續)

購股權計劃 (續)

期內本公司購股權計劃項下購股權之變動如下：

16. SHARE OPTION SCHEMES
*(continued)***16. 購股權計劃 (續)****Share Option Scheme (continued)****購股權計劃 (續)**

The exercise prices and exercise periods of the share options outstanding under the Share Option Scheme at 30 June 2018 are as follows:

於二零一八年六月三十日，購股權計劃項下尚未行使的購股權的行使價及行使期如下：

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
1,500,000	HK\$0.810港元	1 December 2016 to 25 November 2020 二零一六年十二月一日至二零二零年十一月二十五日
2,610,000	HK\$0.900港元	1 December 2014 to 19 November 2018 二零一四年十二月一日至二零一八年十一月十九日
2,254,000	HK\$1.018港元	1 May 2016 to 31 March 2020 二零一六年五月一日至二零二零年三月三十一日
7,610,000	HK\$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
700,000	HK\$1.860港元	20 August 2015 to 20 July 2019 二零一五年八月二十日至二零一九年七月二十日
1,500,000	HK\$1.822港元	1 June 2018 to 15 May 2027 二零一八年六月一日至二零二七年五月十五日
4,350,000	HK\$1.760港元	1 June 2018 to 24 May 2027 二零一八年六月一日至二零二七年五月二十四日
6,850,000	HK\$1.442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
27,374,000		

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16. SHARE OPTION SCHEMES (continued)

Share Option Scheme (continued)

At the end of the reporting period, the Company had outstanding share options for the subscription of 27,374,000 shares under the Share Option Scheme, which represented approximately 2.0% 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 27,374,000 additional ordinary shares of the Company and additional share capital of HK\$2,737,000 (equivalent to RMB2,308,000) and share premium of HK\$32,452,000 (equivalent to RMB27,360,000), before related issuance expenses.

At the date of approval of these financial statements, the Company had 27,274,000 share options outstanding under the Share Option Scheme, which represented approximately 2.0% of the Company's shares in issue as at that date.

16. 購股權計劃 (續)

購股權計劃 (續)

於報告期末，本公司擁有未行使購股權，可認購購股權計劃項下27,374,000股股份，相當於本公司於當日的已發行股本約2.0%。根據本公司的現有股本架構，全面行使未行使購股權會導致發行27,374,000股本公司額外普通股股份，以及額外股本2,737,000港元（相等於人民幣2,308,000元）及股份溢價32,452,000港元（相等於人民幣27,360,000元）（扣除相關發行開支前）。

於該等財務報表批准日期，根據購股權計劃，本公司擁有27,274,000份未行使購股權，相當於本公司於當日已發行股份約2.0%。

17. ACQUISITION OF A SUBSIDIARY

DBS Leoch Limited

On 22 December 2017, Leoch International Holding Pte. Ltd. ("Leoch International Holding"), a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party to incorporate a company called BS 003 Limited in the United Kingdom, the name of which was changed to Leoch DBS Limited ("LDBS") on 24 January 2018. The independent third party transferred its 100% equity interest in DBS Energy Limited (the name of which was changed to DBS Leoch Limited ("DBSL") on 18 January 2018) in exchange for 40% of the equity interest in LDBS. Leoch International Holding subscribed for 60% of the equity interest in LDBS at a cash consideration of US\$847,000 (equivalent to RMB5,458,000) together with a waiver of trade receivables due from DBSL of US\$1,988,000 (equivalent to RMB12,805,000). DBSL is a trading company which imports and sells batteries under the Leoch brand name in the United Kingdom. As a result of the above transactions, Leoch International Holding obtained control over DBSL, which then became a subsidiary of the Company on 16 January 2018.

The Group has elected to measure the non-controlling interests in DBSL at the non-controlling interest's proportionate share of DBSL's identifiable net assets.

17. 收購附屬公司

DBS Leoch Limited

於二零一七年十二月二十二日，本公司的全資附屬公司Leoch International Holding Pte. Ltd. (「Leoch International Holding」)與獨立第三方訂立協議，以在英國註冊成立一間名為BS 003 Limited (該公司於二零一八年一月二十四日更名為Leoch DBS Limited (「LDBS」))的公司。該獨立第三方轉讓其於DBS Energy Limited (該公司於二零一八年一月十八日更名為DBS Leoch Limited (「DBSL」))的100%股權，以換取LDBS的40%股權。Leoch International Holding以現金代價847,000美元(相當於人民幣5,458,000元)及豁免應收DBSL貿易應收款項1,988,000美元(相當於人民幣12,805,000元)認購LDBS的60%股權。DBSL為一間在英國以Leoch品牌進口及銷售電池的貿易公司。由於進行上述交易，Leoch International Holding取得對DBSL的控制權，隨後於二零一八年一月十六日DBSL成為本公司的附屬公司。

本集團已選擇以非控股權益按比例應佔的DBSL可識別淨資產來計量DBSL的非控股權益。

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17. ACQUISITION OF A
SUBSIDIARY (continued)

DBS Leoch Limited (continued)

The fair values of the identifiable assets and liabilities of DBSL as at the date of acquisition were as follows:

17. 收購附屬公司 (續)

DBS Leoch Limited (續)

DBSL於收購當日的可識別資產及負債的公允價值如下：

		Fair value recognised on acquisition 於收購時確認 之公允價值 RMB\$'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	693
Other intangible assets except for customer relationship	除客戶關係外的其他無形資產	132
Customer relationship	客戶關係	16,246
Inventories	存貨	4,549
Trade and bills receivables	貿易應收款項及應收票據	13,180
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	722
Cash and cash equivalents	現金及現金等價物	171
Trade and bills payables	貿易應付款項及應付票據	(23,411)
Other payables and accruals	其他應付款項及應計費用	(249)
Deferred tax liabilities	遞延稅項負債	(3,087)
Total identifiable net assets at fair value	按公允價值計量的可識別淨資產總值	8,946
Non-controlling interests	非控股權益	(3,578)
		5,368
Goodwill on acquisition	收購時產生的商譽	1,937
		7,305
Satisfied by:	以下列方式支付：	
Fair value of 40% equity interest in LDBS	LDBS 40%股權的公允價值	7,305

17. ACQUISITION OF A
SUBSIDIARY (continued)

DBS Leoch Limited (continued)

An analysis of the cash flows for the period ended 30 June 2018 in respect of the acquisition of a subsidiary is as follows:

		RMB\$'000 人民幣千元
Cash consideration	現金代價	—
Cash and bank balances acquired	所獲現金及銀行結餘	171
Net inflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動現金流量的 現金及現金等價物流入淨額	171

Since the acquisition, DBSL contributed RMB32,057,000 to the Group's turnover and net loss of RMB2,757,000 to the consolidated profit for the period ended 30 June 2018.

Had the combination taken place at the beginning of the period, the revenue and the profit of the Group for the period would have been RMB4,989,395,000 and RMB93,763,000, respectively.

17. 收購附屬公司 (續)

DBS Leoch Limited (續)

截至二零一八年六月三十日止期間，有關收購附屬公司的現金流量分析如下：

		RMB\$'000 人民幣千元
Cash consideration	現金代價	—
Cash and bank balances acquired	所獲現金及銀行結餘	171
Net inflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動現金流量的 現金及現金等價物流入淨額	171

自是次收購後，截至二零一八年六月三十日止期間，DBSL為本集團營業額貢獻人民幣32,057,000元及為綜合溢利帶來虧損淨額人民幣2,757,000元。

倘該合併於期初發生，則本集團期內的收益及溢利將分別為人民幣4,989,395,000元及人民幣93,763,000元。

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18. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its staff quarters and office premises under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

As at 30 June 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

18. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排出租其員工宿舍及辦公室物業，經磋商的租期介乎一年至二十年。租約一般亦要求租戶支付保證金及訂明可根據當時市況定期對租金作出調整。

於二零一八年六月三十日，本集團根據與其租戶訂立的不可撤銷經營租賃於下列期間到期的未來最低租賃應收款項總額如下：

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年內	1,344	1,161
In the second to fifth years, inclusive	第二至第五年， 包括首尾兩年	2,104	2,220
After five years	五年後	3,738	3,774
		7,186	7,155

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二零一八年六月三十日**18. OPERATING LEASE ARRANGEMENTS** *(continued)***(b) As lessee**

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to twelve years.

As at 30 June 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

18. 經營租賃安排 (續)**(b) 作為承租人**

本集團根據經營租賃安排租用若干辦公室物業。物業租賃的經磋商租期介乎一年至十二年。

於二零一八年六月三十日，本集團根據不可撤銷經營租賃於下列期間到期的未來最低租賃付款總額如下：

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年內	3,026	4,847
In the second to fifth years, inclusive	第二至第五年， 包括首尾兩年	585	995
		3,611	5,842

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19.COMMITMENTS

In addition to the operating lease commitments as set out in note 18(b) above, the Group had the following capital commitments:

19. 承擔

除上文附註18(b)所載的經營租賃承擔外，本集團有以下資本承擔：

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日
	Note 附註	RMB'000 人民幣千元	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	4,420	17,727
Construction of a property	建造一項物業 (i)	393,044	442,174
Plant and machinery	廠房及機器	3,135	2,827
Capital contribution for investments in available-for-sale investments	就於可供出售投資的投資進行注資	-	39,034
Capital contribution for investments in equity instruments at fair value through other comprehensive income	就於公允價值變動計入其他全面收益的權益性工具的投資進行注資	25,808	-
Acquisition of a subsidiary	收購一間附屬公司	-	18,524
		426,407	520,286

19. COMMITMENTS (continued)

Note:

- (i) On 26 July 2017, Shenzhen Leoch Battery Technology Co., Ltd., Leoch Battery Shenzhen Corp., and Shenzhen Lihang Battery Technology Co., Ltd., subsidiaries of the Company, collectively entered into a construction contract with Shenzhen Shekou Coastal Realty Company Limited, a company in the PRC principally engaged in property development, in relation to the construction of a property at a consideration capped at RMB516,000,000. The property is located at the development site situated at Tower E, Taizhi Bay Commercial Plaza, Shekou Gangwan Road, Nanshan District, Shenzhen, the PRC, with an estimated floor area of approximately 6,141.30 square meters. The property will be for commercial use and upon acquisition by the Group, is expected to be used as the principal office of the Group. Based on the currently estimated floor area of the property upon its completion, the consideration is RMB491,304,000. As at 30 June 2018, Shenzhen Leoch Battery had paid an amount of RMB98,260,000 of the consideration.

19. 承擔 (續)

附註：

- (i) 於二零一七年七月二十六日，深圳理士奧電源技術有限公司、深圳理士電池技術有限公司及深圳立航電源技術有限公司（均為本公司的附屬公司）共同與深圳市蛇口海濱置業有限公司（一間於中國主要從物業開發的公司）訂立建造合約，內容有關建造一項物業，代價上限為人民幣516,000,000元。該物業位於中國深圳市南山區蛇口港灣大道太子灣商務廣場E座的發展地盤，估計樓面面積約為6,141.30平方米。該物業將用作商業用途，而預期於本集團收購後將用作為本集團的主要辦事處。按現時估計的該物業於竣工後的樓面面積計算，代價為人民幣491,304,000元。於二零一八年六月三十日，深圳理士奧電源已支付金額為人民幣98,260,000元的代價。

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20. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:

20. 關連人士交易

(a) 除於該等財務報表其他地方詳述的交易外，本集團與關連人士在期內有以下主要交易：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
		Note 附註	
Purchases of raw materials from related companies	向關連公司購買原材料		
Related companies wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司	(i)	
			6,919
			18,197
Purchases of facilities from related companies	向關連公司購買設施		
Related companies wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司	(i)	
			-
			18,807
Sales of products to related companies	向關連公司銷售產品		
Related companies wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司	(i)	
			49,678
			35,409
Lease of office premises from related companies	自關連公司租賃辦公室物業		
Related company wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司	(i)	
			329
Related company wholly owned by Mr. Dong Li's spouse	董李先生的配偶全資擁有的關連公司		
			1,150
			1,479
			1,580

20. RELATED PARTY
TRANSACTIONS (continued)

20. 關連人士交易 (續)

(a) (continued)

(a) (續)

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
		Note 附註	
Lease of office premises to related companies	向關連公司出租辦公室物業	(i)	
Related companies wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司		171
			-
Interest expense to related companies	向關連公司支付的利息開支	20b(ii)	
Non-controlling shareholders of a subsidiary	附屬公司的非控股股東		863
			801

Note:

- (i) The purchases of raw materials, purchases of facilities, sales of products and lease of office premises with the related companies were made according to prices mutually agreed between the two parties on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties.

The related party transactions in respect of the purchases of raw materials, purchases of facilities, sales of products and lease of office premises 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、設施購買、產品銷售及辦公室物業租賃乃根據雙方共同議定的價格並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(如適當)提供的條款進行。

上述關於購買原材料、購買設施、銷售產品及租賃辦公室物業的關連人士交易亦構成上市規則第十四A章定義的關連交易或持續關連交易。

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20. RELATED PARTY TRANSACTIONS (continued)

20. 關連人士交易 (續)

(b) Outstanding balances with related companies:

(b) 與關連人士的未償還結餘：

	Notes 附註	Due from related companies 應收關連公司款項		Due to related companies 應付關連公司款項	
		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Current:					
Non-controlling shareholders of a subsidiary	(i)	-	-	42,541	76,238
Related companies wholly owned by Mr. Dong Li	(ii)	35,532	29,210	20,179	15,708
		35,532	29,210	62,720	91,946

Notes:

- (i) As at 30 June 2018, a loan amounting to RMB40,000,000 from the non-controlling shareholders of a subsidiary was unsecured, bore interest rate at 4.35% per annum and has no fixed terms of repayment.
- (ii) As at 30 June 2018 and 31 December 2017, all balances with the related companies wholly owned by Mr. Dong Li were trade in nature, unsecured, interest-free and have no fixed terms of repayment.

附註：

- (i) 於二零一八年六月三十日，來自一間附屬公司之非控股股東之貸款人民幣40,000,000元為無抵押、按年利率4.35%計息及無固定還款期。
- (ii) 於二零一八年六月三十日及二零一七年十二月三十一日，所有與董李先生全資擁有的關連公司的結餘皆為貿易性質、無抵押、免息及無固定還款期。



20. RELATED PARTY TRANSACTIONS *(continued)*

(c) Commitments with related companies

In September 2010, the Group entered into an agreement with a lease term ended on 31 August 2012 with Shenzhen Marshall Power Supply Co., Ltd., a company which is wholly owned by Mr. Dong Li, in relation to the lease of two office premises. The Group extended the lease term of this agreement to 23 December 2018. The lease expenses to be paid to Shenzhen Marshall Power Supply Co., Ltd. will be RMB329,000 for the second half year of 2018.

In August 2008, the Group entered into an agreement with a lease term ended on 31 December 2012 with Eastern International LLC, a company which is wholly owned by Mr. Dong Li's spouse, in relation to the lease of office premises. The Group extended the lease term of this agreement to 31 December 2018. The lease expenses to be paid to Eastern International LLC will be RMB1,150,000 for the second half year of 2018.

20. 關連人士交易 (續)

(c) 與關連公司的承諾

於二零一零年九月，本集團與深圳市瑪西爾能源技術有限公司（由董李先生全資擁有的公司）就租賃兩間辦公室物業訂立租期至二零一二年八月三十一日為止的協議。本集團已將該協議租期延期至二零一八年十二月二十三日。於二零一八年下半年，將向深圳市瑪西爾能源技術有限公司支付的租賃開支將為人民幣329,000元。

於二零零八年八月，本集團與Eastern International LLC（由董李先生的配偶全資擁有的公司）就租賃辦公室物業訂立租期至二零一二年十二月三十一日為止的協議。本集團已將該協議租期延期至二零一八年十二月三十一日。於二零一八年下半年，將向Eastern International LLC支付的租賃開支將為人民幣1,150,000元。

30 June 2018
二零一八年六月三十日

20. RELATED PARTY TRANSACTIONS (continued)

(d) Compensation of key management personnel of the Group:

20. 關連人士交易 (續)

(d) 本集團主要管理人員的酬金：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
Basic salaries and other benefits	基本薪金及其他福利	2,808	2,362
Equity-settled share option expenses	以權益結算的購股權開支	591	537
Pension scheme contributions	退休金計劃供款	58	63
		3,457	2,962

21. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 24 August 2018.

21. 批准中期簡明綜合財務報表

中期簡明綜合財務報表已於二零一八年八月二十四日獲董事會批准並授權刊發。

理士国际——

保持可靠与创新的电力供应



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