



理士國際技術有限公司

LEOCH INTERNATIONAL TECHNOLOGY LIMITED

於開曼群島註冊成立的有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code 股票代號:842

20
年 Annual
報 Report 19



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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*)

Independent Non-Executive Directors

Mr. CAO Yixiong Alan
Mr. LAU Chi Kit
Dr. ZHU Ping (appointed on 28 October 2019)
Mr. LIU Yangsheng (ceased on 30 July 2019)

Board Committees

Audit Committee

Mr. CAO Yixiong Alan (*Chairman*)
Mr. LAU Chi Kit
Dr. ZHU Ping (appointed on 28 October 2019)
Mr. LIU Yangsheng (ceased on 30 July 2019)

Remuneration Committee

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

Nomination Committee

Mr. DONG Li (*Chairman*)
Mr. LAU Chi Kit
Dr. ZHU Ping (appointed on 28 October 2019)
Mr. LIU Yangsheng (ceased on 30 July 2019)

Company Secretary

Mr. CHOW Kam Keung, Albert

董事會

執行董事

董李先生 (*主席*)
印海燕 (*行政總裁*)

獨立非執行董事

曹亦雄先生
劉智傑先生
朱評博士 (於二零一九年十月二十八日委任)
劉陽生先生 (於二零一九年七月三十日停任)

董事會委員會

審核委員會

曹亦雄先生 (*主席*)
劉智傑先生
朱評博士 (於二零一九年十月二十八日委任)
劉陽生先生 (於二零一九年七月三十日停任)

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
朱評博士 (於二零一九年十月二十八日委任)
劉陽生先生 (於二零一九年七月三十日停任)

公司秘書

周錦強先生

Authorised Representatives

Mr. DONG Li
Mr. CHOW Kam Keung, Albert

Auditor

Ernst & Young

Registered Office in the Cayman Islands

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

Principal Place of Business in Hong Kong

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

Headquarters in the PRC

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

Company's Website

www.leoch.com

Stock Code

842

授權代表

董李先生
周錦強先生

核數師

安永會計師事務所

開曼群島註冊辦事處

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

香港主要營業地點

香港
新界荃灣
海盛路3號
TML廣場
33樓C室

中國總部

中國
廣東省深圳市
南山區
南海大道2061號
新保輝大廈5樓

公司網站

www.leoch.com

股份代號

842

Cayman Islands Principal Share Registrar

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

開曼群島股份登記總處

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

Hong Kong Branch Share Registrar and Transfer Office

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心
54樓

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Shanghai Pudong Development Bank
Bank of China
Hang Seng Bank Limited
China CITIC Bank International Limited
Industrial Bank Co., Ltd.
CTBC Bank Co., Limited
Chiyu Banking Corporation Limited

主要往來銀行

香港上海滙豐銀行有限公司
上海浦東發展銀行
中國銀行
恒生銀行有限公司
中信銀行(國際)有限公司
興業銀行股份有限公司
中國信託商業銀行股份有限公司
集友銀行有限公司

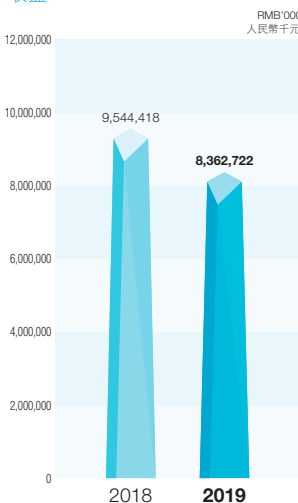
Financial Highlights 財務摘要

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

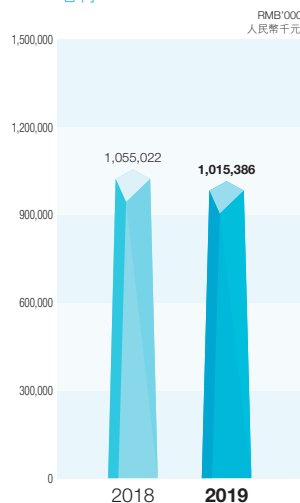
理士國際技術有限公司(「本公司」)及其附屬公司(統稱為「本集團」)欣然宣佈下列財務摘要：

		Year ended 31 December 截至十二月三十一日止年度		
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Change 變動
Revenue	收益	8,362,722	9,544,418	-12.4%
Gross profit	毛利	1,015,386	1,055,022	-3.8%
Profit for the year	本年度溢利	127,533	127,140	+0.3%
Profit attributable to owners of the parent	母公司擁有人應佔溢利	132,586	106,418	+24.6%
Basic earnings per share, in RMB	每股基本盈利 (人民幣元)	0.10	0.08	+25.0%

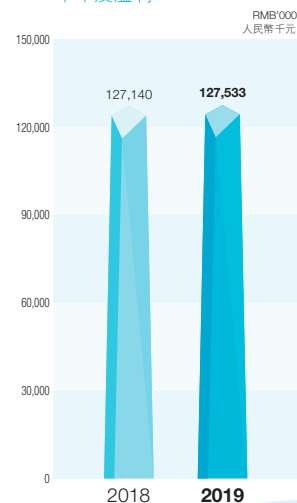
Revenue
收益



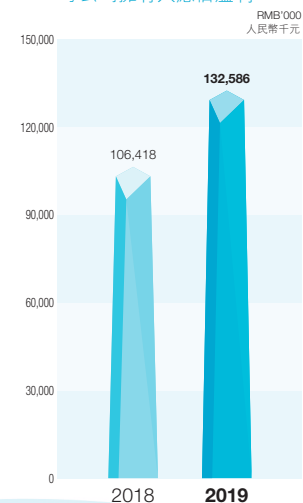
Gross profit
毛利



Profit for the year
本年度溢利



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



Financial Highlights 財務摘要

For the year ended 31 December 2019 (the “**Period**”), the Group’s audited profit attributable to owners of the parent amounted to approximately RMB132.6 million.

Basic earnings per share was RMB0.10 (2018: RMB0.08), the calculation of such basic earnings per share amount is based on the profit for the year attributable to owners of the parent and the weighted average number of ordinary shares of 1,357,521,666 (2018: 1,357,431,128) in issue during the year.

The board of directors (the “**Board**”) of the Company recommended the payment of a final dividend of HK2.0 cents for the year ended 31 December 2019 (2018: HK2.0 cents). The Company had not declared and paid any interim dividend or special dividend during the year ended 31 December 2019.

The register of members of the Company will be closed from Tuesday, 19 May 2020 to Friday, 22 May 2020 (both days inclusive) for the purpose of determining shareholders’ entitlement to attend the annual general meeting (the “**AGM**”), during which period no transfer of shares of the Company will be registered. In order to qualify for attending the AGM, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company’s branch share registrar (see below) for registration by no later than 4:30 p.m. on Monday, 18 May 2020.

本集團截至二零一九年十二月三十一日止年度（「**期內**」）經審核母公司擁有人應佔溢利為約人民幣132.6百萬元。

每股基本盈利為人民幣0.10元（二零一八年：人民幣0.08元），該每股基本盈利金額乃按母公司擁有人應佔年內溢利及年內已發行普通股加權平均數1,357,521,666股（二零一八年：1,357,431,128股）股份為基準計算。

本公司董事會（「**董事會**」）建議派發截至二零一九年十二月三十一日止年度的末期股息每股2.0港仙（二零一八年：2.0港仙）。截至二零一九年十二月三十一日止年度，本公司未宣派及支付任何中期股息或特別股息。

為確定股東出席股東週年大會（「**股東週年大會**」）的資格，本公司將於二零二零年五月十九日（星期二）至二零二零年五月二十二日（星期五）（包括首尾兩日）暫停辦理股東登記手續，期間將不會為本公司股份進行過戶登記。為符合資格出席股東週年大會，股東應確保所有過戶文件連同有關股票不遲於二零二零年五月十八日（星期一）下午四時三十分送交本公司的股份過戶登記分處（見下文），以辦理登記手續。

The register of members of the Company will be closed from Monday, 1 June 2020 to Wednesday, 3 June 2020 (both days inclusive), for the purpose of determining shareholders' entitlement to receive the final dividend, during which period no transfer of shares will be registered. In order to qualify for receiving the final dividend, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar (see below) for registration by no later than 4:30 p.m. on Friday, 29 May 2020.

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

為確定股東收取末期股息的權利，本公司將於二零二零年六月一日（星期一）至二零二零年六月三日（星期三）（包括首尾兩日）暫停辦理股東登記手續，期間將不會為本公司股份進行過戶登記。為符合資格收取末期股息，股東應確保所有過戶文件連同有關股票文件不遲於二零二零年五月二十九日（星期五）下午四時三十分送交本公司的股份過戶登記分處（見下文），以辦理登記手續。

卓佳證券登記有限公司
地址：香港皇后大道東183號合和中心54樓

Chairman's Statement

主席報告

On behalf of the board of directors (the “**Board**”) of Leoch International Technology Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”), I hereby present the Group's report on its annual results for the year ended 31 December 2019 (the “**Period**”) for shareholders' review.

Challenges in 2019

2019 has been a challenging year to the Group. During the year, the Group experienced challenges from various fronts including the overall global deceleration in growth which afflicted global business performance as a whole, the slowdown and/or delay in 5G network construction caused by the global economic downturn, and the decline in sales of automobile among the global auto market, especially in the two major markets, China and the US. In addition, the unusual surge in the PRC lead price brought forward from 2018 and the Sino-US trade war have brought additional colors to these challenges.

Looking back at 2019, the global economy slumped to merely 2.3% of growth, the lowest level in the past 10 years as a result of protracted trade disputes and a slowdown in the PRC investment. Among advanced economies, the weakening has been broad based, affecting major economies and smaller Asian advanced economies, even more pronounced across emerging markets. The US continued to impose tariff on China during the year, striking market demand of afflicted industries to a further extent.

The recession in macro economy weighted much pressure on telecommunication operators internationally and caused deceleration in the overall progress of global 5G network development, which affected the demand in power supply solutions for the purposes of 5G network construction.

本人謹代表理士國際技術有限公司（「**本公司**」）及其附屬公司（統稱「**本集團**」）董事會（「**董事會**」）提呈本集團截至二零一九年十二月三十一日止年度（「**期內**」）之全年業績報告，請各位股東省覽。

二零一九年的挑戰

對本集團而言，二零一九年為充滿挑戰的一年。年內，本集團經歷來自各個方面的挑戰，包括全球整體增速放緩影響全球總體業務表現、全球經濟下滑令5G網絡建設放緩及／或延遲以及全球汽車市場（尤其是中國與美國兩個主要市場）的汽車銷量下降。此外，二零一八年中國鉛價異常浮動帶來的延續影響及中美貿易戰為年內的挑戰增添不少色彩。

回顧二零一九年，持久的貿易爭端及中國投資放緩，全球經濟增速下滑至僅2.3%，為過去十年最低水平。發達經濟體普遍呈疲軟態勢，影響主要經濟體及亞洲較小發達經濟體且此趨勢在新興市場更為明顯。美國於年內繼續對中國徵收關稅，進一步打擊受影響行業的市場需求。

宏觀經濟衰退給國際電信運營商帶來很大壓力並減慢全球5G網絡發展的總體進度，從而影響對5G網絡建設供電解決方案的需求。

During the period, the global auto market was sluggish with sales in major auto markets such as China, US and Japan simultaneously declined, representing a year-on year decrease of 8.2%, 2% and 1% respectively, posting a threat to auto parts and accessories players across the board including the Group.

The unusual surge in the PRC lead price since 2018 had prolonged its negative effect to the Group during the first half of 2019 but a more stabilized pricing trend prevailed during the second half of 2019.

During the period, the lithium-ion battery industry continued to consolidate with many sizeable players collapsed and liquidated during the course of 2019, demonstrating the growing competitive landscape of the industry. However, the Group saw chances and opportunities out of this trend as it is the right time to bottom fish and absorb valuable resources to the Group.

Development in 2019

Consistently over the past ten years, Leoch has remained the largest network lead-acid battery supplier in China covering the world with a well-balanced local and overseas sales ratio, and we expect to continue to be so by and through our international offices and warehouses all across the globe from South Africa to North America, and from East Asia to West Europe & EMEA.

To cope with increasing international product enquiries and quality demand, the group has streamlined its business, marketing & sales, production, R&D and logistic functions to arrive at a slimmer, more integrated and linear internal value chain with higher efficiency in overall turnaround time and accuracy in shooting market demand, while delivering in a more cost effective manner. For instance, the catalog shelf was slimmed down to carry around 1800 most up to date and cutting edge best-selling models to boost per model yield.

期內，全球汽車市場低迷，中國、美國及日本等主要汽車市場銷售同時下滑，分別同比減少8.2%、2%及1%，對所有汽車零部件及配件企業（包括本集團）構成威脅。

自二零一八年起中國鉛價異常浮動於二零一九年上半年持續對本集團產生負面影響，惟於二零一九年下半年價格趨勢更為穩定。

期內，隨著多個大型公司於二零一九年倒閉並清盤，鋰離子電池行業繼續進行整合，表明該行業的競爭格局日趨明顯。然而，本集團於此趨勢之外發現機遇，本集團因而能以探底價格吸收行業內的各種寶貴資源。

二零一九年的發展

過去十年，理士一直保持中國最大網絡鉛酸蓄電池供應商的地位，業務遍及全球且本地與海外銷售比例均衡，我們希望透過我們遍佈全球各地（從南非到北美，從東亞到西歐及EMEA地區）的國際辦事處及倉庫繼續保持此地位。

為應對日益增加的國際產品諮詢及品質需求，本集團優化了業務、市場營銷與銷售、生產、研發及物流職能，以建立更加精簡及完整的內部價值鏈，從而提高整體周轉時間的效率及滿足市場需求的準確性，同時以更具成本效益的方式交付產品。例如，產品目錄目前獲縮減為約1,800種最新最高標準水平和暢銷的產品以提高每個單項產品的平均收益率。

Chairman's Statement 主席報告

The new lithium-ion battery business infrastructure has been fully constructed during the year under review with test run successfully undergone. This has equipped the group to get set for the upcoming 5G orders which are expected to start crystallizing in 2020.

Also delivered on schedule is the new production facility in Vietnam which has topped up the overall production capacity of the group by nearly 5%.

In order to measure up with top international standards in all aspects, the Group has installed a few additional functional divisions internally during the year. The Risk Control & Prosecution Division was set up to safeguard the general interests of the Group covering all tangible and intangible assets from IP to working capital, and even personal security during this very season of COVID-19.

It is our belief that only when each and every of our over 13,000 employees, whereas each of them is an important cluster of the bigger us, continue to upgrade himself with cutting-edge industrial knowledge and relevant skills of his trade with well balanced personal development, will the bigger us – the Group, continue to leap forward from time to time. As such, a compulsory continuous training system is set in place to encourage and monitor the learning progress of each of us.

Prospect

As the COVID-19 pandemic spirals upward, disruptions to the global economy are increasing. Goldman Sachs has cut its global GDP growth forecast to 1.25 per cent for the year as the world officially marches into recession, though the depth and magnitude are currently expected to be less severe than the deep recessions of 1981-82 and 2008-09, but worse than the mild recessions of 1991 and 2001. The Group, along with many other players in the industry and other industries, will expect unprecedented head on challenges.

於回顧年內，新鋰離子電池業務的基礎設施已全面建設並成功進行試運行。此舉令本集團為即將到來的5G訂單做好準備，該等訂單預計將於二零二零年開始落實。

越南新生產設施亦如期交付，令本集團的整體生產能力提高近5%。

為於各方面與國際最高標準接軌，本集團於年內在內部增設若干職能部門。我們已成立風險控制及檢控部，以維護本集團的整體利益，涵蓋從知識產權到營運資金的所有有形及無形資產，甚至包括人身安全（於此COVID-19特殊時期）。

我們相信，唯有我們逾13,000名僱員（當中每一員都是整體的一個重要區塊）各自以最先進的行業知識及實現個人均衡發展的相關技能不斷提升自我，本集團方可繼續不時快速發展。為此，我們已建立強制性持續培訓系統，以鼓勵及監督我們各自的學習進度。

前景

隨著COVID-19疫情的加劇，其對全球經濟的干擾日益增加。由於世界正式步入衰退，高盛已將其年度全球GDP增長預測下調至1.25%，儘管目前預期其深度及幅度均不及一九八一至八二年及二零零八至零九年的嚴重衰退，惟比一九九一年及二零零一年的輕度衰退更為嚴重。預期本集團以及該行業及其他行業的眾多其他企業將面對前所未有的挑戰。

Since the outbreak of the pandemic in China, usage for online data & services have substantially reduced, as China Mobile reviewed recently that the average revenue per user, sales, online usage and voice usage including international roaming have dropped materially. It has scaled back capital expenditure in 5G base station infrastructure, and so have China Unicom and China Telecom. The Group will take this as a motivational challenge and continue to improve both its product quality and customer service to stay afloat these revised 5G capex plans.

To capture timely opportunities by diversification, the Group has commenced production of lithium-ion batteries in Anhui. It is expected that the lithium-ion battery production capacity will be increased to 1.8GWh during the year and from that to 4GWh gradually over the next few years.

On the matter of production base, the Group will leverage on the newly developed production base in Vietnam to fully counter the US tariff effect for US export. Products for the US market will be produced in Vietnam this year onwards. This will save considerable amount of tariffs while running at a comparatively lower level of production cost and overhead than the domestic plants in China, thereby bringing two dimensional benefits to the Group.

In accordance with the new environmental compliance requirements put forward by the Chinese government in 2018, the Group has updated its facilities and reopened its lead recycling business for test run at the beginning of 2020, with the production capacity to be increased twofold the original size in due course. The Group will continue to seek opportunities to further develop the lead recycling business.

Backed by 20 years of experience in providing reliable and innovation battery solutions for a broad range of industries around the world and with our growth strategy in both the mainland and overseas markets in place, we are prudently positive and confident on our future performance in the foreseeable future.

自中國疫情爆發以來，線上數據及服務的使用量大為減少，正如中國移動近期所回顧，包括國際漫遊在內的每用戶平均收入、銷售、線上使用及語音使用均大幅下降。其已削減5G基站基礎設施的資本支出計劃，中國聯通及中國電信也同時削減對5G基站基礎設施的資本支出計劃。本集團將以此為動力並繼續改善其產品質素及客戶服務以應對下調的5G資本支出計劃。

為透過多元化及時抓住機遇，本集團已於安徽開始生產鋰離子電池。預期鋰離子電池產能將於今年增至1.8千兆瓦時並於未來數年由此逐漸增至4千兆瓦時。

就生產基地而言，本集團將利用越南新開發的生產基地全面應對美國對出口美國產品的關稅影響。自今年起，將於越南生產面向美國市場的產品。與中國國內工廠相比，此舉將節省大量關稅，同時以相對較低的生產成本及經常性開支運營，從而為本集團帶來雙重收益。

根據中國政府於二零一八年提出的新環境合規要求，本集團已更新設施並於二零二零年年初重新開放其回收鉛業務以進行試運行，其產能將於適當時候增至原規模的兩倍。本集團將繼續尋求機會以進一步發展鉛回收業務。

憑藉20年為全球各行各業提供可靠及創新電池解決方案的經驗，加上我們在內地及海外市場的增長策略，我們對可預見未來的表現持審慎積極態度並充滿信心。

Commitment & Acknowledgement

2019 kicked off the 10th year that the Company has obtained its listing status on the Stock Exchange of Hong Kong Limited. As I have previously pointed out in our first Chairman Statement, our aim is to provide customers with products of competitive prices, reliable quality, timely delivery and comprehensive services. Efforts have been recognized and reflected in our sales growth over the last decade. As usual and consistent with before, we will continue to promote our corporate image, and to increase our customer's satisfactory level to further enhance and solidify our world-class status.

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

The history of the group was written by each and every of our loyal and diligent management and employees. On behalf of the Board of Directors, I am sincerely grateful for the contributions of all of them, as well as the continuous support and trust of our shareholders and other key stakeholders.

I have said it in 2010, and I am saying it again quoting Dr. Sun Yatsen: "I will pursue my ambitions without any hesitation, and will work towards the goal unyieldingly". We will continue to work diligently with dedicated efforts in the international battery platform; in hay days as in challenging moments.

承諾與致謝

二零一九年為本公司於香港聯合交易所有限公司取得上市地位的第十年。正如本人之前於首份主席報告所指出，我們對客戶以價格合理、質量可靠、供貨及時、服務周到為經營宗旨。過去十年，這些努力已獲認可，這已反映在我們的銷售增長情況。一如即往，我們將繼續提升我們的企業形象及提高客戶滿意度，以進一步增強及鞏固我們世界級的地位。

未來，我們將繼續專注並投資相關技術及產品，同時提高產能及靈活性，以滿足從東到西及從北到南的客戶們那些不斷變化及升級的需求。

本集團的歷史由我們每一位忠誠而勤奮的管理人員及僱員共同撰寫。本人謹代表董事會對所有人員的貢獻以及股東及其他主要利益相關者的持續支持及信任表示衷心感謝。

正如本人曾於二零一零年所說且本人再次引用孫中山先生的名言：「吾志所向，一往無前，愈挫愈奮，再接再勵」。我們將繼續在國際電池平台竭盡全力，不論是處於繁盛時期還是面臨挑戰時期均將如此。

Management Discussion and Analysis

管理層討論及分析

Business Review

For the year ended 31 December 2019 (the “**Period**”), the Group’s revenue amounted to RMB8,362.7 million, representing a decrease of 12.4% from RMB9,544.4 million for the corresponding period in 2018.

During the Period, revenue from batteries (and related items) business amounted to RMB7,386.5 million, representing a decrease of 8.5% from RMB8,069.1 million for the corresponding period in 2018. The drop in revenue was partially contributed by the decrease in average lead price of 2019 which resulted in lower average selling price per ton as compared to that of 2018. The volume delivered in terms of tons was similar as compared to the corresponding period last year. Revenue from recycled lead business amounted to RMB971.2 million, representing a decrease of approximately 31.6% from RMB1,419.1 million for the corresponding period in 2018.

Several macro and micro factors collectively afflicted the continuous growth of the overall revenue and margins of the Group during the year. The US-China trade war continued to afflict China domestic and exports in general as well as the overseas business of the Group in the US. The improvement of gross profit margin in batteries business was diluted by low profit margin recycling business resulted in slightly more than 1% improvement.

Reserve power batteries

The Group’s sales of reserve power batteries during the Period amounted to RMB3,913.1 million (2018: RMB4,436.9 million), representing an decrease of 11.8% as compared to the same period of last year. This accounted for approximately 53.0% of the total revenue from batteries sales as compared to 55.0% in 2018. The decrement in sales revenue of reserve power batteries amounted to RMB523.8 million (2018: RMB237.3 million decrement) during the Period.

業務回顧

截至二零一九年十二月三十一日止年度（「**期間**」），本集團的收益達人民幣8,362.7百萬元，比二零一八年同期的人民幣9,544.4百萬元減少12.4%。

於期內，來自電池及其他相關產品業務的收益達人民幣7,386.5百萬元，較二零一八年同期的人民幣8,069.1百萬元減少8.5%。收益減少乃部分由於二零一九年平均鉛價下降所致，其導致每噸平均銷售價較二零一八年降低。付運量（以噸計）與去年同期相若。回收鉛業務的收益為人民幣971.2百萬元，較二零一八年同期的人民幣1,419.1百萬元減少約31.6%。

於年內，多個宏觀及微觀因素共同對本集團整體收益及利潤的持續增長產生影響。中美貿易戰繼續影響著中國的整體內貿及出口以及本集團於美國的海外業務。電池業務毛利率的提高被較低毛利回收業務（略微增加1%）所攤薄。

備用電池

本集團期內的備用電池的銷售金額為人民幣3,913.1百萬元（二零一八年：人民幣4,436.9百萬元），較去年同期減少11.8%。其佔電池銷售收益總額約53.0%，而二零一八年則佔55.0%。期內，備用電池的銷售收益減少人民幣523.8百萬元（二零一八年：減少人民幣237.3百萬元）。

The decrease was attributable mainly to the fall back in demand of lead-acid batteries from the telecommunication market in the PRC. 2019 has been a year of preparation and transition for the Group following the 4G/5G transition roadmap. While the PRC government imposed policy to utilize retired lithium batteries from electric vehicle and the trend will continue at the telecommunication market, the Ministry of Industry and Information Technology (“MIIT”) announced the 5G licensing decision not at the beginning of the year, but in June, 2019, leaving not much room of real business for the Group to capture during the year due to product development lead time in response to the announcement.

Despite the overall telecom market challenges in 2019, we have managed to further diversify and conquer new clients from other sub-sectors of the network power market. In getting ready to capture the most of the opportunities from the rising 5G life cycle, the Group has, during the year, headhunted various industrial veterans from the telecom and relevant industry sector to pave way for the 5G boom as telecom operators roll out their plans of capital expenditure.

SLI batteries

Sales of SLI batteries for the Group during the year amounted to RMB2,470.5 million (2018: RMB2,542.1 million), representing a decrease of 2.8% as compared to the same period last year. This accounted for approximately 33.4% of the total revenue from batteries sales as compared to 31.5% in 2018. The decrement in sales revenue of SLI batteries amounted to RMB71.6 million (2018: RMB377.4 million increment) during the Period.

該減少乃主要由於中國電信通訊市場的鉛酸蓄電池的需求回落所致。二零一九年為4G/5G過渡路線後本集團籌備及變革的一年。一方面，中國政府出台政策，以利用電動車的廢舊鋰電池，且該趨勢將於電信通訊市場得以延續，另一方面，工業和信息化部（「工信部」）一直等到二零一九年六月才正式宣布5G牌照發放的決定，以至本集團年內可把握的實際業務空間並不大，因產品開發需時。

儘管二零一九年電信市場充滿挑戰，我們設法進一步使客戶多元化及從網絡能源市場的其他行業爭取新客戶。為做好準備把握日益增加的5G生活圈帶來的更多機會，本集團於本年度已從電信及相關行業獵頭業內資深人士，隨着電信營運商全面展開其資本支出計劃為5G的繁榮發展鋪路。

起動電池

本集團於年內的起動電池銷售額為人民幣2,470.5百萬元（二零一八年：人民幣2,542.1百萬元），較去年同期減少2.8%。其佔電池銷售收益總額約33.4%，而二零一八年則佔31.5%。期內，起動電池的銷售收益減少人民幣71.6百萬元（二零一八年：增加人民幣377.4百萬元）。

Fitch Ratings economics team expected global car sales to fall by over 3 million in 2019. Sales in China fell 8.2% year-on-year in particular. Weak credit growth, a rise in used car sales and new emissions standards depressed new car sales in China. Likewise, environmental concerns about diesel cars, anticipated regulatory responses and the growth of ride-hailing and car-pooling practices are weighing on demand in the U.S. as GM, Ford and Honda have all cut back on production. Our SLI export business fell back during the year along the trend.

To counter these negative effects brought by the surrounding economic and business environment and the change of consumer car using and purchasing habits & preferences, the Group paid heavy attention on its advertising mix internationally which included various important online and off-line media coverages, conferences & training, and regular meetings with over 400 agents across China.

Despite the drop in global demand across the industry in 2019, we managed to expand our list of reputable clients/projects internationally by securing orders from new names such as China Greatwall/BMW, BYD, Nio, Mitsubishi, Volvo and Shanghai Automobile/Ford.

During the year, the Group continued to upkeep its standard in quality and has received various recognition from clients. Among them are “2019 Excellent Supplier Award” from Dongfeng Peugeot Citroen Automobile Company Ltd., “Golden Wing Award of China Auto Parts Industry – Top Five National Famous Brands of Reserve Power Battery”, “2019 Carsf Annual Award on Auto Parts Brand: Distributors Preferred Brand Award”, and “2019 Excellent Supplier Award” from SAIC-GM, just to name a few.

惠譽評級經濟團隊預期，二零一九年全球汽車銷售下跌逾300萬輛。尤其是中國的銷售按年下跌8.2%。信譽增長疲弱，二手汽車銷售上升及新排放標準抑制中國新汽車的銷售。同樣，有關柴油汽車的環境問題、預期監管回應以及美國對網約車和拼車的需求日益增長，打壓美國需求，隨着通用汽車、福特及本田均削減生產。年內我們的起動電池出口業務將會緊跟趨勢而下滑。

為應對周邊經濟及業務環境以及消費者汽車使用及購買習慣及喜好的變動所帶來的不利影響，本集團非常關注其全球廣告組合，包括多個重大線上及線下媒體覆蓋、會議及培訓，以及定期與全國400多家代理會面。

儘管二零一九年整個行業的全球需求下降，我們透過自中國長城／寶馬、比亞迪、蔚來、三菱、沃爾沃及上海汽車／福特等品牌獲得的新訂單來擴大國際聲譽良好的客戶／項目名單。

於年內，本集團繼續維持一貫高質量標準並已獲得客戶多項認可，其中有神龍汽車有限公司授予的「二零一九年優秀供應商獎」、「二零一九年中國汽配行業金翼獎－蓄電池五大民族名牌殊榮」、「二零一九年度汽車零部件品牌卡斯夫獎：渠道商喜愛品牌獎」及上海通用汽車授予的「二零一九年度優秀供應商獎」等獎項。

Motive power batteries

During the Period, motive power batteries business (which includes but not limited to applications in electric vehicles, electric forklifts and other battery-driven products) of the Group recorded sales revenue of RMB833.9 million (2018: RMB871.6 million), representing a decrease of 4.3% as compared to last year. This accounted for approximately 11.3% of the total revenue from batteries sales as compared to 10.8% in 2018. The decrement in sales revenue of motive power batteries amounted to RMB37.7 million (2018: RMB374.6 million increment) during the Period.

To improve sales channel efficiency, the Group partnered with various local agents and distributors in over 261 cities in China via over 50,000 end client points of sales during the year and will continue to do so in 2020.

Recycled lead

Revenue from the sales of recycled lead products amounted to RMB971.2 million (2018: RMB1,419.1 million) during the year under review, representing a decrease of 31.6% as compared to last year. To comply with the lead-related heavy metal discharging enterprises structural reform set forth by the PRC Government, the Group decided to expand and upgrade its production infrastructure as well as to improve the environment protection measures concerned starting from the third quarter of 2018 which was subsequently completed in the fourth quarter of 2019. Accordingly, production was temporary put on hold. Revenue from recycle lead products being recorded for the year were from trading of recycle lead with very low gross profit margin.

動力電池

於期內，本集團動力電池業務（包括但不限於電動車、電動叉車及其他電池動力產品的應用）錄得銷售收益人民幣833.9百萬元（二零一八年：人民幣871.6百萬元），較去年減少4.3%。其佔電池銷售收益總額約11.3%，而二零一八年則佔10.8%。期內，動力電池銷售收益減少人民幣37.7百萬元（二零一八年：增加人民幣374.6百萬元）。

為提高銷售渠道效益，本集團於年內透過超過50,000個終端客戶銷售點與中國超過261個城市的多家當地代理商及分銷商合作，並將於二零二零年繼續。

回收鉛

於回顧年度，銷售回收鉛產品所得收益為人民幣971.2百萬元（二零一八年：人民幣1,419.1百萬元），較去年減少31.6%。為配合中國政府制定的進行鉛相關重金屬排放企業結構改革，本集團決定於二零一八年第三季度啟動對其生產結構進行擴大及升級以及改善環保相關措施，隨後於二零一九年第四季度完成。因此，生產暫時停止。年內錄得的鉛產品回收收益來自毛利率甚低的回收鉛貿易業務。

Sales network

The Group maintained to distribute its products to more than 100 countries and regions across the world and has established regional sales offices in Beijing, Shenzhen, Zhaoqing, Nanjing, Hong Kong, Singapore, Malaysia, Australia and other ASEAN countries, India, Sri Lanka, USA and the EU, and United Kingdom. Together with the domestic sales centers in the PRC, the Group has more than 80 sales offices and centers around the world. As at 31 December 2019, the Group has over 750 dedicated sales and marketing and related supporting employees.

Research and development (“R&D”) of new products

During the year under review, the Group continued to work closely with international and domestic battery experts and research institutions to perform research on new technologies and develop new products. These products include product series such as AGM VRLA batteries, VRLA-GEL battery, pure lead batteries, UPS high rate batteries, marine batteries, railway batteries, start-stop batteries, automotive batteries, motorcycle batteries, OPzV, OPzS, PzS, PzV and PzB tubular plate batteries, golf cart batteries, scrubber sweeper batteries and electric vehicle batteries etc. In an attempt to boost model yield, to increase overall running efficiency, and to save unnecessary cost of maintenance of carrying a bulky catalog, the catalog shelf was slimmed down to carry around 1800 most up to date and cutting edge best-selling models.

A new lithium-ion battery R&D team is now in full gear, rolling out new lithium-ion products tailor-made for applications in each of the network power and motive market segment, while setting itself ready for the 5G momentum.

銷售網絡

本集團維持在全球100多個國家及地區分銷其產品並已分別於北京、深圳、肇慶、南京、香港、新加坡、馬來西亞、澳洲及東盟其他國家、印度、斯里蘭卡、美國及歐盟及英國設立區域銷售辦事處。連同在中國設有的國內銷售中心，本集團於全球擁有超逾80個銷售辦事處及中心。於二零一九年十二月三十一日，本集團擁有逾750名人員，專責進行銷售、營銷及相關支援工作。

新產品研究及開發（「研發」）

於回顧年內，本集團繼續與國際及國內電池專家及研究機構緊密合作研發新技術及開發新產品。該等產品包括AGM密封式閥控鉛酸蓄電池、GEL型密封式閥控鉛酸蓄電池、純鉛電池、UPS高率電池、船用電池、鐵路電池、啟停電池、汽車電池、摩托車電池、OPzV、OPzS、PzS、PzV及PzB管式極板電池、高爾夫球車電池、掃地機電池及電動車電池等產品系列。為嘗試提高產品型號收益率、提高整體運營效益及節省維護龐大目錄的不必要成本，產品目錄經過精簡至約1,800個最新最尖端的暢銷型號。

新的鋰離子電池研發團隊正在全力以赴，推出適用於網絡能源及動力等細分市場各自的新型鋰離子產品，同時為5G發展趨勢做好準備。

During the year, we collaborated with Gridtential Energy Inc. with an objective to develop a new series of greener, saver and more cost effective models of the latest generation of advanced lead-acid battery with density of five times of that of prevailing traditional lead-acid battery. New models are expected to rollout for test run purpose during the year 2020.

As at December 31, 2019, our battery R&D team of the Group consists of more than 350 researchers and related development & sampling technicians. The Group also owns 433 patents, with another 114 pieces in the process of patent application as at the date of this annual report.

Production Base Along the One-Belt-One-Road Trajectory

During the year, the Group finished constructing two new plants in Vietnam and has completed the pre-bulk production test run for both the network power plant with motorcycle battery production line and the automotive battery plant. The designed production capacity of these two factories will be more than double of the current total overseas production capacity with rooms for future expansion.

Also happened during the year is the expansion of production capacity in the India plant of the Group. As India is considered a promised land for regional and global market growth for many industries especially during the last decade, our India plant has been upgraded to provide rooms to deliver more than twice the quantity of batteries per annum to clients in the region, as compared to 3,000 tons of limited capacity at the end of 2018.

Back in China, the construction of the lithium-ion batteries plant has been completed in December 2019 at Huaibei Development Zone of Anhui. The total site area is approximately 150,000 square meters, 30% of which is currently in use to provide an annual capacity of 1.8GWh of lithium-ion battery products which will be expanded into 4GWh gradually in due course. The remaining 70% area provides room for future expansion in next phase.

年內，我們與Gridtential Energy Inc.合作，旨在開發一系列新的更加綠色、節能及更具成本效益的最新一代的先進鉛酸電池類型，其密度為先前傳統鉛酸電池的五倍。新類型預期於二零二零年推出用於測試運行。

於二零一九年十二月三十一日，本集團的電池研發團隊由超過350名研發人員及相關開發及取樣的技術人員組成。於本年報日期，本集團亦擁有433項專利，另外114項正在申請專利。

一帶一路軌道的生產基地

於年內，本集團於越南完成兩間新工廠的建設並已完成配備摩托車電池生產線的網絡能源及汽車電池廠的批量生產試運營。此兩間工廠的設計產能將超過目前海外總產能的兩倍，且有進一步擴張空間。

於本年度，本集團亦擴張印度工廠的生產能力。由於印度被認為是眾多行業的區域及全球市場發展的沃土，尤其是近十年，我們印度的工廠已升級以向地區客戶每年交付超過兩倍數量的電池產品提供空間，而二零一八年年末產能為3,000噸。

反觀中國，本集團於二零一九年十二月已在安徽淮北經濟開發區建設鋰電池工廠，總地盤面積約為150,000平方米，其中30%目前用於提供年產能1.8千兆瓦時的鋰電池產品，將在適當時候逐步擴大至4千兆瓦時，餘下70%的區域將為下個階段的未來擴張提供空間。

As mentioned earlier under the paragraph “Recycle Lead”, the Group has completed upgrading and enlarging the production infrastructure for recycle lead products during the year to produce greener products with higher quantity. Maximum production quantity is limited to 200,000 tons according to the approved quota assigned by the government.

Trend of lead price

Lead is the main raw material of lead-acid batteries and accounts for a major party of the product cost for the Group’s battery production. According to Shanghai Metals Market (“**SMM**”), the monthly average lead price per ton fluctuated within the range of RMB15,270 to RMB17,958 during the year under review, representing a change within the range of –18.1% to –3.7% as compared with December 2018 SMM monthly average of RMB18,649 per ton.

The monthly average of SMM lead price in each of the last six months of 2019 was RMB16,235, RMB16,698, RMB17,085, RMB16,822, RMB15,936 and RMB15,270 respectively and shows a downward trend at the last quarter of the Period.

To cope with the potential pricing risk associated with the fluctuation in future lead price, the Group has adopted a price-linked pricing mechanism to minimize lead price exposure. In addition, a hedging function group has been set up during the fourth quarter of the year with professional commodities trading veterans to take charge of future raw materials procurement and price hedging for the Group.

如前述「回收鉛」段落所載，本集團於年內已完成回收鉛產品生產基礎設施的升級及擴張以生產更高質量更綠色產品。根據政府部門批准的配額，最大生產量為200,000噸。

鉛價走勢

鉛為鉛酸蓄電池的主要原材料，並佔本集團電池生產業務產品成本的主要部分。根據上海有色金屬網的數據，於回顧年度每噸的月平均鉛價在人民幣15,270元至人民幣17,958元的範圍內波動，與二零一八年十二月上海有色網每月平均每噸人民幣18,649元相比，變動範圍介乎–18.1%至–3.7%之間。

於二零一九年下半年各月，上海有色網鉛價的月平均值分別為人民幣16,235元、人民幣16,698元、人民幣17,085元、人民幣16,822元、人民幣15,936元及人民幣15,270元，於期內最後一個季度呈下跌趨勢。

為應對與日後鉛價波動有關的潛在價格風險，本集團採納價格聯動定價機制以減少鉛價波動。此外，本集團於年內第四季度已成立套期保值功能小組，小組成員來自商品交易領域的資深人士，負責本集團未來原材料採購及價格對沖。

Future Prospects

Following the outbreak of COVID-19 during the first quarter of 2020, the pandemic has widely spread across the ocean from China, crossing both the Atlantic and Pacific Ocean reaching North America and Europe. According to the former IMF chief economists, the world economy has fallen into recession, suffering from a “wicked cocktail” of COVID-19 and the dramatic action to limit its spread. Negative effects are predicted to eat into both the first half and second half of 2020. Among the big three economies, US and Europe will see negative growth, while Chinese growth is expected to come in at a paltry 1.5 per cent according to Bank of America BofA. Goldman Sachs research team has cut global GDP forecast for 2020 down to 1.25%. Morgan Stanley is seeing a global growth slipping to 0.9%, while Deutsche Bank has predicted the most severe quarterly GDP decline in the first two quarters of 2020 since WWII, with the GDP of China going down for more than 30% in each of these quarters.

The virus outbreak has put a halt in production for us in China for one whole month during the first quarter of 2020, while overall factory activity in China dropped 13.5 percent year-on-year last month from February 2019. Since resuming full operation in March, we have been able to orderly catch up with production. Considering the objective economic environment, with facts such as the ploughing of over USD 10 billion into China’s government bond by offshore investors, cascaded redemption at the equity market, and the worst expected drop in history since the 1929 Great Depression of S&P 500 since its all time high in February this year, we will waltz along soberly paying extra attention to the changing macro and micro situations and revise our strategies as and when situation calls for.

未來前景

於二零二零年第一季度COVID-19爆發之後，疫情由中國擴散至海外，橫跨大西洋及太平洋至北美洲及歐洲。根據國際貨幣基金組織前首席經濟學家表示，世界經濟在遭受COVID-19的「邪惡雞尾酒」及就限制其傳播採取的大量行動後已陷入衰退。預計二零二零年上半年及下半年均將受到負面影響。根據美國銀行的資料，於三大經濟體中，美國及歐洲將出現負增長，而中國的增速預計將僅為微不足道的1.5%。高盛研究團隊已將二零二零年的全球GDP預測下調至1.25%。摩根士丹利(Morgan Stanley)則將全球增長率降至0.9%，而德意志銀行(Deutsche Bank)則預測二零二零年前兩個季度將遭遇自第二次世界大戰以來最嚴重季度GDP下降，中國的GDP於各季度均將下降30%以上。

儘管病毒爆發令中國於二零二零年第一季度停產一個月，而上月中國整體工業活動與二零一九年二月同比下降13.5%。自三月全面復產以來，我們能夠慢慢有序趕上生產。考慮到客觀的經濟環境，例如離岸投資者向中國政府債券投入超過100億美元，股票市場的大量贖回，及儘管於本年度二月創歷史新高，標準普爾500指數仍錄得自一九二九年大蕭條以來最糟糕的歷史跌幅。我們將小心地繼續關注不斷變化的宏觀及微觀經濟形勢及於形勢有需要時修訂我們的戰略。

5G & Reserve Power Products

The MIIT announced the issuance of 5G licenses and allocated spectrum in China back in June of 2019, which points to the direction of the adoption of both SA macro base stations as well as micro-base stations. It is estimated that capital expenditure in 5G infrastructure will climb gradually from 2020 and peak at around 2022-2024. According to the consensus of various analysts covering the telecom sector before the outbreak of the pandemic earlier this year, China would put in a total between 600,000 to 800,000 stand-alone (SA) macro base stations during 2020, possibly with the combination of various micro-cells, Pico, Femto and large scale antennas systems (LSAS) which collectively weight a much heavier loading on the demand on back-up power system and creates a promising outlook for the battery sector players. Such estimation was scaled down to 500,000-600,000 recently after telecom operators in China substantially reduced their 2020 capital expenditure budget on 5G infrastructure after the outbreak of COVID-19.

Along with the 5G official launch is the announcement by MIIT of its decision to have both 4G and 5G running parallel concurrently for at least ten years. Against this backdrop, telecom operators are expected to further increase its capital spending in 4G system enhancement in due course.

According to Mr. Yu Qingjiao of Secretary General of Zhongguancun New Battery Technology Innovation Alliance (中關村新型電池技術創新聯盟秘書長), lithium-iron-phosphate (LFP) battery is considered to be the most suitable type among all types of lithium-ion batteries for deployment in 5G base station environment, whereas LFP is a well-researched and developed product of the Group. It is also understood that in 2019 alone, China Tower has procured to purchase a substantial amount of batteries, paving way for a continuous path of spending of all operators and infrastructure providers within the sector over the next few years. Having positioned itself on the right product path, the Group will stand a chance along the trajectory of the 5G roadmap in the long run.

5G及備用電池產品

於二零一九年六月，工信部宣佈頒發5G牌照及於中國的分配頻譜，並採納SA宏基站及微基站的方向。據估計，5G基礎設施的資本開支將由二零二零年逐漸上升，並於二零二二／二四年達致高峰。根據電信行業多名分析師於本年度初疫情爆發前的共識，中國於二零二零年將投入建設合共600,000個至800,000個獨立(SA)宏基站，包括各種微基站，Pico、Femto及大型天線系統(LSAS)而共同加重對備用電力系統需求的負荷，並對電池行業從業者創造光明的前景。最近，中國電信營運商在COVID-19爆發後大幅減少二零二零年用於5G基礎設施的資本支出預算，基站總建設數目估計縮減為500,000至600,000個。

隨著工信部宣佈決定正式推出5G，同時4G與5G同時運營至少十年。在此背景下，電信營運商預期將會適時進一步增加於4G系統提升的資本支出。

根據中關村新型電池技術創新聯盟秘書長于清教先生的觀點，磷酸鐵鋰電池被視為最適合5G基站環境部署的鋰離子電池，而磷酸鐵鋰為本集團精心研發的產品。據了解，僅於二零一九年，中國鐵塔已採購大批量的有關電池，為未來數年業內所有營運商及基礎設施供應商的持續支出鋪平道路。本集團處於正確產品道路上，將有機會沿著5G路線圖長期發展。

To get prepared for this opportunity, the Group has finished constructing its brand new lithium-ion battery plant in Anhui with a capacity of 4GWh altogether. Upon full installation of plant & equipment by the second or third quarter of 2020, it will provide ground for producing up to 1.8GWh of lithium-ion products, with more rounds of additions of plant and equipment for the remaining 2.2GWh to come during next phases of development.

SLI batteries

The global auto industry plunged deeper into recession in 2019, with sales dropping more than 4% as carmakers struggled to find buyers in China and India. The pain has already expanded into 2020 given the prevailing pandemic environment which has and will continue to cause disruption in both supply and demand side numbers. As Bloomberg reported, sales in China in February alone has dropped 80% month on month from January this year.

Switching to Vietnam, our newly set up plants along the One-Belt-One-Road pathway creates hope in darkness as the industry marches into a recessionary 2020. It offers a relatively lower cost base production environment than other production bases and as such, it offers rooms for further price slashing in times of recession as a lifeline buffer to enable the Group to stay afloat. Furthermore, exports from Vietnam to the US is tariff free, whereas such tariff has swallowed a large part of the profit margin of the Group for each of 2018 and 2019. Besides, with the full operation of the Vietnam plants in 2020, it is expected that margin loss as a result of SMM & LME lead price fluctuation will not resurface indefinitely.

為把握此機會做好準備，本集團已於安徽完成其品牌新鋰離子電池工廠的建設，產能合共為4千兆瓦時。於二零二零年第二季度或第三季度前廠房及設備全面安裝後，將為生產最高達1.8千兆瓦時的鋰離子產品提供基礎，於下一發展階段，將會為實現其餘2.2千兆瓦時而添置更多設備設施。

起動電池

於二零一九年，全球汽車行業陷入更深層次的衰退，由於汽車製造商難以在中國及印度物色買家，銷售下跌4%以上。鑑於目前大流行環境，這種陣痛已拓展至二零二零年，其已並將繼續導致供需雙方的中斷。正如彭博社所報導，僅中國今年二月的銷售額已較今年一月按月下降80%。

在越南，隨著二零二零年行業陷入衰退，我們新設立的工廠沿著一帶一路的道路在黑暗中創造希望。與其他生產基地相比，越南工廠提供相對較低成本的基地生產環境，在經濟衰退時期提供進一步降價空間，可使本集團生存於起動電池市場。此外，越南對美國的出口免關稅，而此關稅吞噬了本集團於二零一八年及二零一九年的一大部分利潤。此外，隨著二零二零年越南工廠全面投產，預期由於上海有色金屬網與倫敦金屬交易所的鉛價波動所產生的利潤損失將無限期的不再浮現。

Motive power batteries

The demand for motive power batteries has always been driven by extensive application in electric transportation and equipment such as low-speed electric vehicles and electric forklifts in the PRC. 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 was expected to reach 10 million by 2020 with battery market size reaching RMB8.4 billion before the outbreak of the COVID-19. The Group will react with extra caution towards market change as a result, as well as the consequential changes in consumer behavior and pattern of purchase of clients.

International Market

Leveraging on the well-built international brand name of Leoch and the acquisition of a UK trading company together with the establishment of a trading subsidiary in each of France, Germany and Italia, the Group will continue to develop and expand its market share overseas to capture the 5G and energy storage system (ESS) market in the mid to long run.

動力電池

在中國，動力電池需求一直受電動運輸及設備（如低速電動車及電動叉車）所推動。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案。目前低速電動車市場擁有500萬輛車，於COVID-19爆發前，預計到二零二零年將達1,000萬輛，且有關電池市場規模將達人民幣84億元。因此，本集團將審慎應對市場變化，以及消費者行為及客戶購買方式的後續變化。

國際市場

憑藉理士良好的國際品牌聲譽及收購英國貿易公司連同於法國、德國及意大利成立貿易附屬公司，本集團將繼續發展及擴大其海外市場份額，以在中長期內捕捉5G及能源儲存系統市場。

Recycled Lead

The structural reform promulgated by the PRC government to provide a greener manufacturing environment with stricter environmental protection requirements had effectively squeezed out many below standard and smaller operators and resulted in an industry-wide consolidation in favour of the Group. Expanded capacity has basically been approved by the respective government bodies subject to due inspection by the Taihe County People's Government. Various compliance approvals will be obtained before the re-opening of the plant. Production has been test run at the beginning of 2020. Since the outbreak of the COVID-19 inspection has been rescheduled to April 2020 and full operation is expected to start in May 2020. Based on the new designed production capacity, maximum annual output can reach 200,000 tons with production running at full capacity.

Financial Review

For the Period, the Group's revenue amounted to RMB8,362.7 million, representing a decrease of 12.4% from RMB9,544.4 million for the corresponding period in 2018. The profit for the year amounted to RMB127.5 million for the Period as compared to RMB127.1 million for the year ended 2018, of which the profit attributable to the owners of the parent amounted to RMB132.6 million as compared to RMB106.4 million for the corresponding period in 2018. Basic earnings per share for the Period was RMB0.10 (2018: RMB0.08).

Revenue

The Group's revenue from battery business decreased by 8.5% from RMB8,069.1 million for the year ended 31 December 2018 to RMB7,386.5 million for the Period.

The Group's revenue from recycled lead products decreased by 31.6% from RMB1,419.1 million for the year ended 31 December 2018 to RMB971.2 million for the Period due to the delay in resumption of full operation.

回收鉛

中國政府推行的更加環保的生產環境及更加嚴格的環境保護要求的結構改革已有效淘汰若干不符合標準及規模較小的運營商，創造一個使本集團受益的行業整合。各政府機構已基本上批准擴大產能，待太和縣人民政府檢查。本集團將於重開工廠前獲得各種合規批准。生產於二零二零年年初已進行試運營。由於COVID-19的爆發，檢查已重新安排至二零二零年四月及預期將於二零二零年五月開始全面投產。根據新設計的生產能力，在滿負荷生產的情況下，最大年產量可達200,000噸。

財務回顧

於期內，本集團的收益由二零一八年同期人民幣9,544.4百萬元減少12.4%至人民幣8,362.7百萬元。於期內，本年度溢利為人民幣127.5百萬元，而截至二零一八年止年度則為人民幣127.1百萬元，其中母公司擁有人應佔溢利為人民幣132.6百萬元，而二零一八年同期則為人民幣106.4百萬元。期內的每股基本盈利為人民幣0.10元（二零一八年：人民幣0.08元）。

收益

本集團電池業務收益由截至二零一八年十二月三十一日止年度的人民幣8,069.1百萬元，減少8.5%至期內的人民幣7,386.5百萬元。

本集團回收鉛產品收益由截至二零一八年十二月三十一日止年度的人民幣1,419.1百萬元減少31.6%至期內的人民幣971.2百萬元，此乃由於全面恢復投產延期導致產出減少所致。

Management Discussion and Analysis 管理層討論及分析

Details of the Group's revenue for the years ended 31 December 2019 and 2018 by product category are set out below:

以下為本集團於截至二零一九年及二零一八年十二月三十一日止年度按產品類型劃分的收益明細：

Product category	產品類型	Revenue 收益 RMB'000 人民幣千元	2019	Percentage decrease 減少率	2018	Percentage share 所佔百分比
			二零一九年 Percentage share 所佔百分比		二零一八年 Revenue 收益 RMB'000 人民幣千元	
Reserve power batteries	備用電池	3,913,062	46.8%	(11.8%)	4,436,853	46.5%
SLI batteries	起動電池	2,470,539	29.5%	(2.8%)	2,542,113	26.6%
Motive power batteries	動力電池	833,851	10.0%	(4.3%)	871,582	9.1%
Others	其他	169,054	2.0%	(22.6%)	218,540	2.3%
Sub-total	小計	7,386,506	88.3%	(8.5%)	8,069,088	84.5%
Recycled lead products	回收鉛產品	971,227	11.6%	(31.6%)	1,419,052	14.9%
Others	其他	4,989	0.1%	(91.1%)	56,278	0.6%
Total	合計	8,362,722	100%	(12.4%)	9,544,418	100%

Management Discussion and Analysis 管理層討論及分析

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

The Group's sales revenue in the PRC decreased by 16.5% from RMB6,170.7 million for the year ended 31 December 2018 to RMB5,151.8 million for the Period, representing 61.6% of the Group's total revenue (2018: 64.6%). The decrease was partly due to weakened demand from reserve power batteries in the PRC during the Period and partly due to the decreased production output from Recycled lead products.

The following revenue information is based on the customer location for the years ended 31 December 2019 and 2018:

在地域方面，本集團客戶主要位於中國、歐洲、中東和非洲（「EMEA」）、美洲及亞太地區（不包括中國）。本集團在EMEA取得增長，而其他主要市場的銷售額有所下降。

本集團在中國的銷售收益由截至二零一八年十二月三十一日止年度人民幣6,170.7百萬元，減少16.5%至期內人民幣5,151.8百萬元，佔本集團總收益的61.6%（二零一八年：64.6%）。該減少乃部分由於期內中國對備用電池的需求疲軟及部分由於回收鉛產品產出減少所致。

以下為截至二零一九年及二零一八年十二月三十一日止年度按客戶所在地域劃分的收益資料：

Customer location	客戶所在地域	2019 二零一九年			2018 二零一八年	
		Revenue RMB'000 人民幣千元	Percentage share	Percentage increase/ (decrease) 增長率/ (減少率)	Revenue RMB'000 人民幣千元	Percentage share
PRC	中國	5,151,752	61.6%	(16.5%)	6,170,748	64.6%
EMEA	EMEA	1,425,098	17.1%	4.5%	1,363,606	14.3%
Americas	美洲	1,013,657	12.1%	(8.3%)	1,105,705	11.6%
Asia-Pacific (other than PRC)	亞太地區 (不包括中國)	772,215	9.2%	(14.6%)	904,359	9.5%
Total	合計	8,362,722	100%	(12.4%)	9,544,418	100%

Cost of Sales

The Group's cost of sales decreased by 13.5% from RMB8,489.4 million for the year ended 31 December 2018 to RMB7,347.3 million for the Period. The decrease of cost of sales in recycled lead products was caused by the decline in sales while the decrease in battery business was mainly due to the average lead price drop in 2019 compared to 2018.

Gross Profit

The Group's gross profit slightly decreased by 3.8% from RMB1,055.0 million for the year ended 31 December 2018 to RMB1,015.4 million for the Period, mainly due to the delay in resumption of full operation from recycled lead products. The gross profit margin increased for battery business while decreased for recycled lead products, resulting in the increase of overall gross profit margin from 11.1% for the year ended 31 December 2018 to 12.1% for the Period. The increase of gross profit margin for battery business was mainly due to the better control of production costs while the decrease for recycled lead products was primarily a result of manufacturing suspension.

Other Income and Gains

Other income and gains increased by 46.9% from RMB118.3 million for the year ended 31 December 2018 to RMB173.8 million for the Period. The increase was mainly due to the recognition of gain on disposal of a subsidiary and increased government grants during the Period.

Selling and Distribution Expenses

The Group's selling and distribution costs decreased by 4.1% from RMB408.7 million for the year ended 31 December 2018 to RMB392.0 million for the Period. The decrease was mainly caused by the decline in freight charges and sales commission.

銷售成本

本集團的銷售成本由截至二零一八年十二月三十一日止年度的人民幣8,489.4百萬元，減少13.5%至期內的人民幣7,347.3百萬元。回收鉛產品之銷售成本減少乃由於銷售減少所致，而電池業務減少乃主要由於二零一九年平均鉛價較二零一八年下降所致。

毛利

本集團的毛利由截至二零一八年十二月三十一日止年度人民幣1,055.0百萬元，略微減少3.8%至期內的人民幣1,015.4百萬元，乃主要由於全面恢復回收鉛產品業務延遲所致。電池業務的毛利率增加而回收鉛產品的毛利率減少，導致整體毛利率由截至二零一八年十二月三十一日止年度的11.1%增加至期內的12.1%。電池業務的毛利率增加乃主要由於較好的生產成本控制所致，而回收鉛產品毛利率減少乃主要由於生產暫停所致。

其他收入及收益

其他收入及收益由截至二零一八年十二月三十一日止年度的人民幣118.3百萬元增加46.9%至期內的人民幣173.8百萬元。該增加乃主要由於期內確認出售一間附屬公司收益及政府補貼增加所致。

銷售及分銷開支

本集團的銷售及分銷成本由截至二零一八年十二月三十一日止年度的人民幣408.7百萬元，減少4.1%至期內人民幣392.0百萬元。該減少乃主要由於運輸費用及銷售佣金減少所致。

Administrative Expenses

The Group's administrative expenses increased slightly by 1.4% from RMB269.7 million for the year ended 31 December 2018 to RMB273.5 million for the Period. The increase was mainly due to more training courses organised by the Leoch University, a training centre set up in 2019.

R&D Expenses

The research and development expenditure of the Group increased by 7.5% from RMB111.0 million for the year ended 31 December 2018 to RMB119.3 million for the Period. The increase in expenditure was mainly used for performance enhancement of existing products and development of new products in all categories during the Period.

Other Expenses

The Group's other expenses increased by 18.1% from RMB35.3 million for the year ended 31 December 2018 to RMB41.7 million for the Period, which was mainly due to the recognition of loss on disposal of fixed assets from recycled lead products during the Period.

Finance Costs

The Group's finance costs decreased by 2.3% from RMB202.4 million for the year ended 31 December 2018 to RMB197.8 million for the Period as a result of less borrowings offsetting average interest hike during the Period.

Profit before Tax

As a result of the foregoing factors, the Group recorded profit before tax of RMB158.8 million for the Period as compared to RMB143.0 million for the year ended 31 December 2018.

行政開支

本集團的行政開支由截至二零一八年十二月三十一日止年度的人民幣269.7百萬元，略微增加1.4%至期內的人民幣273.5百萬元。增加乃主要由於理士大學（二零一九年成立的培訓中心）開辦更多培訓課程所致。

研發開支

本集團的研發開支由截至二零一八年十二月三十一日止年度的人民幣111.0百萬元，增加7.5%至期內的人民幣119.3百萬元。期內開支增加乃主要用於提升現有產品性能及開發各類新產品。

其他開支

本集團的其他開支由截至二零一八年十二月三十一日止年度的人民幣35.3百萬元，增加18.1%至期內的人民幣41.7百萬元，該增加乃主要由於期內的確認清理回收鉛產品的固定資產虧損所致。

財務成本

本集團的財務成本由截至二零一八年十二月三十一日止年度的人民幣202.4百萬元，減少2.3%至期內的人民幣197.8百萬元，乃由於借貸減少抵銷平均利息上浮所致。

稅前溢利

由於以上因素，本集團於期內錄得除稅前溢利人民幣158.8百萬元，而截至二零一八年十二月三十一日止年度為人民幣143.0百萬元。

Income Tax Expense

Income tax expense increased by 97.1% from RMB15.8 million for the year ended 31 December 2018 to RMB31.2 million for the Period, mainly because assessable profits from the lead-acid battery business increased while profit from the recycled lead products was not subject to tax during the Period.

Profit for the Year

As a result of the foregoing factors, the Group recorded net profit of RMB127.5 million (2018: RMB127.1 million) for the Period, of which the Group recorded profit attributable to the owners of the parent of RMB132.6 million (2018: RMB106.4 million) for the same period.

Net Current Assets

As at 31 December 2019, the Group had net current assets of RMB65.5 million (2018: RMB718.3 million). The decrease was mainly due to reclassification of the term loan due in May of 2020 as a current liability as at 31 December 2019. The Group's current assets mainly consist of inventories, trade receivables, debt investments at fair value through other comprehensive income, cash and bank balances, prepayments, other receivables and other assets. The Group's current liabilities mainly consist of trade and bills payables, other payables and accruals, and interest-bearing bank borrowings.

Inventories

Inventories constituted one of the principal components of the Group's current assets. As at 31 December 2019, the Group had inventories of RMB1,817.0 million (2018: RMB1,963.0 million). Inventories decreased as a result of lower carrying cost in lead during the Period.

所得稅開支

所得稅開支由截至二零一八年十二月三十一日止年度的人民幣15.8百萬元增加97.1%至期內的人民幣31.2百萬元，乃主要由於期內鉛酸蓄電池業務所得應課稅溢利增加，而回收鉛產品溢利毋須繳稅所致。

本年度溢利

由於以上因素，本集團於期內錄得純利人民幣127.5百萬元（二零一八年：人民幣127.1百萬元），其中於同期本集團錄得母公司擁有人應佔溢利為人民幣132.6百萬元（二零一八年：人民幣106.4百萬元）。

流動資產淨值

於二零一九年十二月三十一日，本集團有流動資產淨值人民幣65.5百萬元（二零一八年：人民幣718.3百萬元）。減少乃主要由於將於二零二零年五月到期的定期貸款重新分類為於二零一九年十二月三十一日的流動負債。本集團流動資產主要包括存貨、貿易應收款項、按公允價值變動計入其他全面收益的債務投資、現金及銀行結餘、預付款項、其他應收款項及其他資產。本集團流動負債主要包括貿易應付款項及應付票據、其他應付款項及應計費用以及計息銀行借貸。

存貨

存貨構成本集團流動資產的其中一個主要部分。於二零一九年十二月三十一日，本集團持有人民幣1,817.0百萬元（二零一八年：人民幣1,963.0百萬元）的存貨。存貨減少乃由於期內鉛成本下降所致。

Trade receivables

The Group's trade receivables primarily related to receivables for goods sold to its customers and mainly comprised customers from the battery business. As at 31 December 2019, the Group had trade receivables of RMB2,306.9 million (2018: RMB2,424.7 million). The decrease in trade receivables was in line with the decrease in sales from battery business during the Period.

Prepayments, other receivables and other assets

The Group's prepayments mostly relate to the purchase of raw materials. As at 31 December 2019, the Group had prepayments, other receivables and other assets of RMB162.0 million (2018: RMB186.7 million), decreasing by 13.2%. The decrease was in line with the decrease in sales and production during the Period.

Trade and Bills Payables

The Group's trade and bills payables primarily relate to its purchase of raw materials for production. As at 31 December 2019, the Group had trade and bills payables of RMB2,009.7 million (2018: RMB2,001.7 million).

Other Payables and Accruals

The Group's other payables and accruals primarily consisted of provision for social insurance and retirement benefits, payments for its expenditures related to construction and renovation of its production facilities, payments in connection with transportation charges, contract liabilities, tax payables other than current income tax liabilities and accruals for payroll and benefits for its employees. As at 31 December 2019, the Group had other payables and accruals of RMB854.8 million (2018: RMB777.4 million), the increase was mainly due to increase in payables for purchase of fixed assets.

貿易應收款項

本集團的貿易應收款項主要與已售給客戶（主要包括電池業務客戶）貨品的應收款項有關。於二零一九年十二月三十一日，本集團有貿易應收款項人民幣2,306.9百萬元（二零一八年：人民幣2,424.7百萬元）。貿易應收款項減少與期內電池業務銷售額減少一致。

預付款項、其他應收款項及其他資產

本集團的預付款項主要與購買原材料有關。於二零一九年十二月三十一日，本集團有預付款項、其他應收款項及其他資產人民幣162.0百萬元（二零一八年：人民幣186.7百萬元），減少13.2%。減少與期內銷售及生產減少一致。

貿易應付款項及應付票據

本集團的貿易應付款項及應付票據主要與購買生產所需的原材料有關。於二零一九年十二月三十一日，本集團有貿易應付款項及應付票據為人民幣2,009.7百萬元（二零一八年：人民幣2,001.7百萬元）。

其他應付款項及應計費用

本集團其他應付款項及應計費用主要包括社會保險及退休福利撥備、支付與建設及翻新生產設施有關的開支、有關運輸費用的付款、合約負債、應付稅項（即期所得稅負債除外）及僱員的工資和福利的應計費用。於二零一九年十二月三十一日，本集團有其他應付款項及應計費用人民幣854.8百萬元（二零一八年：人民幣777.4百萬元），增加乃主要由於購買固定資產應付款項增加所致。

Capital Expenditures

During the Period, the Group invested RMB398.1 million (2018: RMB296.2 million) in property, plant and equipment for its new production facilities.

Liquidity and Financial Resources

As at 31 December 2019, the Group's net current assets amounted to RMB65.5 million (2018: RMB718.3 million), among which cash and bank deposits amounted to RMB804.8 million (2018: RMB987.4 million). As at 31 December 2019, the Group had bank borrowings of RMB2,306.2 million (2018: RMB2,884.1 million), all of which are interest-bearing. Except for borrowings of RMB36.2 million (2018: RMB712.8 million) which has a maturity over one year, all of the Group's bank borrowings were repayable within one year. The Group's borrowings were denominated in RMB, US dollars, HK dollars, Singapore dollars, Malaysian ringgits and Great Britain Pound, and the effective interest rates of which as of 31 December 2019 were 1.50% to 8.70% (2018: 1.50% to 8.32%).

A portion of the Group's bank borrowings was secured by pledges over certain assets of the Group including property, plant and equipment, leasehold lands, deposits and trade and bills receivables. As at 31 December 2019, the Group's gearing ratio was 26.6% (2018: 31.9%), which was calculated by dividing total borrowings by total assets as at the end of each respective period, multiplied by 100%.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 December 2019 (2018: Nil).

資本開支

期內，本集團已投資人民幣398.1百萬元（二零一八年：人民幣296.2百萬元）於新生產設施的物業、廠房及設備。

流動資金及財務資源

於二零一九年十二月三十一日，本集團的流動資產淨值為人民幣65.5百萬元（二零一八年：人民幣718.3百萬元），其中現金及銀行存款為人民幣804.8百萬元（二零一八年：人民幣987.4百萬元）。於二零一九年十二月三十一日，本集團的銀行借貸為人民幣2,306.2百萬元（二零一八年：人民幣2,884.1百萬元），全部均為計息。除人民幣36.2百萬元（二零一八年：人民幣712.8百萬元）的借貸於一年後到期外，本集團所有銀行借貸須於一年內償還。本集團的借貸以人民幣、美元、港元、新加坡元及馬來西亞令吉及英磅計值，及截至二零一九年十二月三十一日的實際利率介乎1.50%至8.70%（二零一八年：1.50%至8.32%）之間。

本集團部分銀行借貸以本集團若干資產抵押，包括物業、廠房及設備、租賃土地、存款以及貿易應收款項及應收票據。於二零一九年十二月三十一日，本集團的資本負債比率為26.6%（二零一八年：31.9%），乃將各期間末的總借貸除以同期期末總資產再乘以100%後得出。

或然負債

於二零一九年十二月三十一日，本集團並無任何重大或然負債（二零一八年：無）。

Foreign Exchange Risk

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

Material Acquisition and Disposal

On 2 September 2019, Shenzhen Leoch New Energy Development Co. Ltd, an indirect wholly owned subsidiary of the Company, entered into nine unconditional sale and purchase agreements of identical terms and conditions with Shenzhen Zhaohua International Exhibition Development Co., Ltd. for the acquisition of Units 1401 to 1409, Block A, Tower 6, Zhong Gang Plaza, Expo Bay, Fuyong Airport New City South, Baoan District, Shenzhen, PRC for the aggregate cash consideration of RMB110,313,236.

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

外幣匯兌風險

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

重大收購及出售事項

於二零一九年九月二日，深圳市理士新能源發展有限公司（本公司之間接全資附屬公司）與深圳市招華國際會展發展有限公司訂立九份無條件且條款及條件相同的買賣協議，以收購位於中國深圳市寶安區福永空港新城南部會展灣中港廣場6棟A座14樓（1401至1409室）的單位，總現金代價為人民幣110,313,236元。

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

EMPLOYEES

As at 31 December 2019, the Group had around 13,338 employees. Employee benefit expenses (including directors' remuneration), which comprised wages and salaries, performance-related bonuses, equity-settled share option expenses and retirement benefit scheme contributions, totaled RMB805.3 million for the Period (2018: RMB838.6 million).

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

僱員

於二零一九年十二月三十一日，本集團聘約有13,338位僱員。期內，僱員福利開支（包括董事酬金）包括薪酬及工資、與表現掛鈎的獎金、以權益結算的購股權開支及退休福利計劃供款，合計為人民幣805.3百萬元（二零一八年：人民幣838.6百萬元）。

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

Directors and Senior Management

董事及高級管理層

Executive Directors

DONG Li (董李), aged 53, is an executive director, chairman of the Board and nomination committee, a member of the remuneration committee and founder of the Company. Mr. DONG has been appointed as executive director since 27 April 2010, the date of the incorporation of our Company. Mr. Dong is a controlling shareholder of the Company. He is also one of the authorised representatives of the Company and serving as director for various subsidiaries of the Group. Mr. DONG also serves as director for various private wholly owned companies which include investment holding and manufacturing enterprise.

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

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

Mr. DONG personally did not hold any share options in the Company as at 31 December 2019.

執行董事

董李，53歲，本公司執行董事、董事會主席及提名委員會主席、薪酬委員會成員兼創辦人。董先生自二零一零年四月二十七日起（本公司註冊成立日期）獲委任為執行董事。董先生為本公司控股股東。他亦是本公司授權代表之一及擔任若干本集團附屬公司的董事。董先生亦擔任若干私營獨資企業（包括投資控股及生產企業）的董事。

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

董先生亦擔任上海大學兼職教授、西安工程大學客座教授。

截至二零一九年十二月三十一日，董先生個人並無持有本公司購股權。

Directors and Senior Management 董事及高級管理層

YIN Haiyan, aged 44, is an executive director and chief executive officer of the Company. Ms. YIN has been appointed as executive director since 30 July 2018.

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

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

Ms. YIN personally held 1,350,000 share options in the Company as at 31 December 2019.

印海燕，44歲，本公司執行董事兼行政總裁。印女士從二零一八年七月三十日起獲委任為執行董事。

印女士持有江蘇科技大學會計學本科學歷。

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

截至二零一九年十二月三十一日，印女士個人持有1,350,000份本公司的購股權。

Independent Non-executive Directors

CAO Yixiong Alan (曹亦雄), aged 51, has been appointed as an independent non-executive director, chairman of the audit committee and a member of remuneration committee of the Company since 14 October 2010.

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

Mr. CAO personally held 500,000 share options in the Company as at 31 December 2019.

獨立非執行董事

曹亦雄，51歲，自二零一零年十月十四日起獲委任為本公司獨立非執行董事、審核委員會主席及薪酬委員會成員。

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

截至二零一九年十二月三十一日，曹先生個人持有500,000份本公司的購股權。

LAU Chi Kit (劉智傑), aged 75, has been appointed as an independent non-executive director, the chairman of the remuneration committee, a member of the nomination committee and a member of the audit committee of the Company since 17 September 2014.

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

劉智傑，75歲，自二零一四年九月十七日起獲委任為本公司獨立非執行董事、薪酬委員會主席、提名委員會成員及審核委員會成員。

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

Directors and Senior Management 董事及高級管理層

Currently, he is also an executive director of Chinlink International Holdings Limited (stock code: 997) and is an independent non executive director of Royale Furniture Holdings Limited (stock code: 1198), Century Sunshine Group Holdings Limited (stock code: 509) and Hin Sang Group (International) Holding Co Ltd (stock code: 6893). The shares of Chinlink International Holdings Limited, Royale Furniture Holdings Limited, Century Sunshine Group Holdings Limited, Hin Sang Group (International) Holding Co Ltd are listed on the Main Board.

Mr. LAU personally held 500,000 share options in the Company as at 31 December 2019.

彼現亦為普匯中金國際控股有限公司（股份代號：997）之執行董事及皇朝傢俬控股有限公司（股份代號：1198）、世紀陽光集團控股有限公司（股份代號：509）及衍生集團（國際）控股有限公司（股份代號：6893）之非執行董事。普匯中金國際控股有限公司、皇朝傢俬控股有限公司、世紀陽光集團控股有限公司及衍生集團（國際）控股有限公司之股份於香港聯合交易所有限公司主板上市。

截至二零一九年十二月三十一日，劉先生個人持有500,000份本公司的購股權。

Directors and Senior Management 董事及高級管理層

Dr. ZHU Ping (朱評), aged 60, was appointed as an independent non-executive director and a member of the audit committee as well as the nomination committee on 28 October 2019.

Dr. ZHU obtained an EMBA from Peking University in 2006 and a doctor degree in business administration jointly issued by Antai School of Economics and Management of Shanghai Jiao Tong University and ESC Rennes School of Business, France in 2008.

In 2005, Dr. ZHU was awarded the professional qualification of Senior Economist by the Zhejiang Province Human Resources and Social Security Department of the People's Republic of China (the "PRC").

Dr. ZHU is the chief executive officer of China Blue Sky Eco-technology (Beijing) Co., Ltd. since March 2017. During the period between March 1997 and March 2017, Dr. ZHU has served as the general manager in various renowned PRC enterprises including China Aerospace Science and Technology Group Beijing Aerospace Data Co., Ltd., subsidiaries of China Unicom Group located in Jiangsu, Hebei and Zhejiang, Zhejiang Guoxin Paging Co., Ltd., and Zhejiang Nantian Group Co., Ltd.. He also served as the Dean of China Unicom Group Unicom College.

Dr. ZHU personally did not hold any share options in the Company as at 31 December 2019.

朱評博士，60歲，自二零一九年十月二十八日起獲委任為本公司獨立非執行董事以及審核委員會及提名委員會成員。

朱評博士於二零零六年取得北京大學行政人員工商管理碩士學位及於二零零八年取得上海交通大學安泰管理學院和法國雷恩商學院聯合頒發工商管理博士學位。

朱博士於二零零五年獲中華人民共和國（「中國」）浙江省人力資源和社會保障廳授予高級經濟師專業資格。

自二零一七年三月起，朱博士擔任中資藍天生態科技（北京）有限公司之行政總裁。於一九九七年三月至二零一七年三月期間，朱博士曾擔任多間中國知名公司的總經理，包括中國航天科技集團北京航天數據有限公司、中國聯通集團位於江蘇、河北及浙江之附屬公司、浙江國信尋呼有限公司及浙江郵電南天集團公司。朱博士亦曾擔任中國聯通集團聯通學院院長。

截至二零一九年十二月三十一日，朱博士個人並無持有本公司的購股權。

Chief Financial Officer and Company Secretary

Mr. CHOW Kam Keung Albert, aged 55, joined the Company as chief financial officer and company secretary in 1 November 2015.

Mr. CHOW has over 32 years of experience in accounting, auditing, tax, information system, corporate finance and management. Prior to joining the Company, he had held various senior positions with public companies listed in Hong Kong which mostly are manufacturing enterprises. Mr. CHOW obtained a Bachelor's degree in Business Administration with double majors in Accounting and Management Information Systems in 1986 and a Master's degree in Accounting in 1987 from the University of Hawaii in the United States. He is a member of The Hong Kong Institute of Certified Public Accountants, a CFA charter holder and a member of the Chinese Institute of Certified Public Accountants.

首席財務官及公司秘書

周錦強先生，55歲，自二零一五年十一月一日起加入本公司擔任首席財務官及公司秘書。

周先生擁有超過32年的會計、審計、稅務、資訊系統、企業財務及管理經驗。於加入本公司前，彼曾在於香港上市的多家上市公司（大多為製造企業）擔任多個高級職位。周先生於一九八六年持有美國夏威夷大學工商管理學士學位，主修會計及資訊系統管理學，並於一九八七年擁有會計碩士學位。彼為香港會計師公會會員、特許財經分析師(CFA charter holder)及中國註冊會計師協會會員。

Report of the Directors

董事會報告

The Board is pleased to present the annual report together with the consolidated financial statements for the year ended 31 December 2019 which have been audited by the Company's auditor Ernst & Young and reviewed by the audit committee of the Company.

Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries as at 31 December 2019 are set out in note 1 to the financial statements.

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

Key Risks and Uncertainties

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

- 1) Our revenue is substantially derived from batteries using lead-acid technology. If the lead-acid battery market does not grow at the rate we expect or at all, or if lead-acid technology is replaced by another technology, our business, profitability and future prospects may be materially and adversely affected;

董事會欣然呈報已經由本公司核數師安永會計師事務所審核及本公司審核委員會審核截至二零一九年十二月三十一日止年度的年度報告及綜合財務報表。

主要業務及營運地區分析

本公司的主要業務為投資控股。本公司的附屬公司於二零一九年十二月三十一日的主要業務載於財務報表附註1。

年內按業務分部劃分的本集團表現分析載於財務報表附註4。

主要風險及不確定因素

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

- 1) 我們的收益大部分來自使用鉛酸技術的電池。倘鉛酸蓄電池市場未按我們預期的速度增長，或根本沒有增長，或倘鉛酸技術被其他技術取代，我們的業務、盈利能力及日後前景可能會受到重大不利影響；

- 2) Due to the outbreak of the Novel Coronavirus (“COVID-19”), a series of precautionary and control measures have been implemented across the world such as heightening of hygiene and epidemic prevention requirements in factories and offices and quarantine of certain residents so on. It may adversely affect our business and overall short-term performance. The Group will closely monitor the situation and make timely response and adjustments in the future.
 - 3) The recent array of tariffs against numerous countries by the US government, any global economic downturn, or changes in the economic, political and social conditions in the PRC may have an adverse effect on our business, financial condition, results of operations and prospects;
 - 4) If we are unable to successfully develop new technology or new products, our business, results of operations and prospects may be adversely affected;
 - 5) We derive a significant portion of our income from our major customers, particularly UPS and telecommunications customers, and we have no long-term sales contracts with our customers. Our results of operations could be adversely affected if these customers reduce their orders or cease to order from us;
 - 6) We face intense competition in our major markets and continuing pressure to reduce our production costs to remain price competitive;
 - 7) Fluctuations in the prices of raw materials, such as lead, could materially and adversely affect our results of operations; in addition, we rely on our major suppliers for our primary raw materials. Our operations could be affected if our major suppliers are not able to supply raw materials as scheduled. More information on our major suppliers is set out on page 62 under the heading “Major Suppliers and Customers” of the Report of Directors.
- 2) 由於新型冠狀病毒（「COVID-19」）的爆發，世界各地已採取一系列預防及控制措施，例如加強工廠及辦公室衛生及防疫要求以及檢測某些居民等。其可能對本集團的業務及整體短期表現產生不利影響。本集團將密切監控情況並於日後作出及時應對及調整。
 - 3) 美國政府近期針對多個國家提出一系列的關稅、全球經濟低迷或中國經濟、政治及社會狀況發生變化，可能會對我們的業務、財務狀況、經營業績及前景產生不利影響；
 - 4) 倘我們不能成功開發新技術或新產品，我們的業務、經營業績及前景可能受到不利影響；
 - 5) 我們從主要客戶，尤其是UPS及通訊客戶取得絕大部分收入，及我們並無與客戶簽訂任何長期銷售合約。倘該等客戶減少訂單或停止向我們下單，我們的經營業績可能受到不利影響；
 - 6) 我們面臨主要市場的激烈競爭及降低生產成本以保持價格具有競爭力的持續壓力；
 - 7) 鉛等原材料價格變動，可能對我們的經營業績產生重大不利影響；此外，我們依賴主要供應商供應主要原材料。倘主要供應商不能按計劃供應原材料，我們的業務營運可能受到影響。有關我們主要供應商的更多資料載於第62頁的本董事會報告「主要供應商及客戶」一節。

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

Results and Appropriations

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss on page 95 and consolidated statement of comprehensive income on pages 96 to 97.

The Board recommended the payment of a final dividend of HK2.00 cents per share for the year ended 31 December 2019 (2018: HK2.00 cents per share) to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at Wednesday, 3 June 2020. Subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company, the said final dividend will be paid to the Company's shareholders on or about Wednesday, 8 July 2020.

Business Review

A review of the business of the Group during the year and a discussion on the Group's future business development, possible risks and uncertainties that the Group may be facing and an analysis of the performance of the Group during the year using key financial performance indicators are set out in the headed "Management Discussion and Analysis" on pages 13 to 33 of the annual report.

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

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

業績及股息分派

本集團截至二零一九年十二月三十一日止年度的業績載於第95頁的綜合損益表及第96至97頁的綜合全面收益表。

董事會建議向於二零二零年六月三日（星期三）名列本公司股東名冊的本公司股東派付截至二零一九年十二月三十一日止年度的末期股息每股2.00港仙（二零一八年：每股2.00港仙）。待本公司股東於本公司應屆股東週年大會上批准後，上述末期股息將於二零二零年七月八日（星期三）或前後派付予本公司股東。

業務回顧

本集團年內之業務回顧、有關本集團未來業務發展之討論、本集團可能面臨之潛在風險及不確定因素以及年內使用主要財務表現指標對本集團業績進行之分析載於年報第13至33頁「管理層討論及分析」一節。

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

Environmental Policies and Performance (Environmental Protection)

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

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

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

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

During the year, the Group provided sufficient resources to upgrade and enhance the level of environmental protection. Four factories in the PRC have passed the environment protection inspection in 2018 and entered the list of approval of industry access inspection released by the Ministry of Industry and Information Technology.

環境政策及表現（環境保護）

本集團致力於安全及環境保護並已執行嚴格之環保政策以維持高標準的經營慣例。

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

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

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

於年內，本集團已提供充足資金對環境保護水平進行升級及改造。於二零一八年，位於中國的四家工廠已通過環保檢查並名列工業和信息化部公佈的通過行業准入核查名單。

Compliance with laws and regulations

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

During the year ended 31 December 2019, the Group has complied with the relevant laws and regulations that have a significant impact on the operations of the Group.

Relationship with Employees, Suppliers and Customers

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

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its long-term goals and development. To maintain its brand competitiveness and dominant status, the Group aims at delivering constantly high standards of quality in the service to its customers. During the year ended 31 December 2019, there was no material and significant dispute between the Group and its suppliers and/or customers.

遵守法律法規

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

截至二零一九年十二月三十一日止年度，本集團已遵守對本集團經營有重大影響之相關法律及法規。

與僱員、供應商及客戶之關係

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

本集團亦了解與其供應商及客戶保持良好關係對達到其長期目標及發展十分重要。為維持其品牌競爭力以及主導地位，本集團致力向其客戶提供一貫之優質服務。截至二零一九年十二月三十一日止年度，本集團與其供應商及／或客戶之間概無嚴重及重大糾紛。

Reserves

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 100 to 101 and in note 44 to the financial statements.

Property, Plant and Equipment

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

Share Capital

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

Distributable Reserves

As at 31 December 2019, the reserves of the Company available for distribution to shareholders amounted to approximately RMB1,100.3 million (2018: approximately RMB1,221.1 million).

Pre-Emptive Rights

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

儲備

本集團及本公司年內的儲備變動詳情載於年報第100至101頁的綜合權益變動表及財務報表附註44。

物業、廠房及設備

本集團的物業、廠房及設備的變動詳情載於財務報表附註13。

股本

本公司股本的變動詳情載於財務報表附註32。

可分派儲備

於二零一九年十二月三十一日，本公司可分派予股東的儲備約為人民幣1,100.3百萬元（二零一八年：約人民幣1,221.1百萬元）。

優先認購權

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

Five-Year Financial Summary

A summary of the results of the Group and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on pages 287 to 288 of this annual report.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares for the year ended 31 December 2019.

Directors

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

Executive Directors

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

Independent non-executive Directors

Mr. CAO Yixiong Alan
Mr. LAU Chi Kit
Dr. ZHU Ping (appointed on 28 October 2019)
Mr. LIU Yangsheng (ceased on 30 July 2019)

五年財務概要

本集團過去五個財政年度的業績及本集團的資產、負債及非控股權益的概要載於本公司本年度報告第287至288頁。

購買、出售或贖回股份

截至二零一九年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何股份。

董事

年內及截至本報告日期的本公司董事（「**董事**」）如下：

執行董事

董李先生（主席）
印海燕女士（行政總裁）

獨立非執行董事

曹亦雄先生
劉智傑先生
朱評博士（於二零一九年十月二十八日獲委任）
劉陽生先生（於二零一九年七月三十日停任）

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

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

Directors' Service Contracts

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

Permitted Indemnity

Subject to the applicable laws, every director and other officers of the Company shall be entitled to be indemnified by the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur in the execution and discharge of his or her duties or in relation thereto pursuant to the Company's Articles of Association. Such provisions were in force during the course of the financial year ended 31 December 2019 and remained in force as of the date of this report.

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

Biographical Details of Directors and Senior Management

Brief biographical details of the Directors and senior management members of the Group are set out on pages 34 to 40 in the annual report of the Company.

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

董事之間並無存在財務、業務、家族或其他重大／相關關係。

董事服務合約

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

獲准許彌償

根據適用法律，本公司每名董事或其他高級人員有權獲得本公司就其根據組織章程細則執行及履行其職責或就此可能產生之所有訴訟、成本、費用、損失、損害賠償及開支而作出之彌償。該等條文於截至二零一九年十二月三十一日止財政年度生效及截至本報告日期仍具效力。

本集團亦已於整個年內投購及維持董事責任保險。

董事及高級管理層履歷詳情

董事及本集團高級管理層成員履歷詳情載於本公司年度報告第34頁至40頁。

Remuneration Policy

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

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

Directors' Rights to Acquire Shares or Debentures

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

Directors Interest in Transaction, Arrangement or Contract of Significance

Save as disclosed under the section headed "Connected Transactions" below, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or entity connected with the Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year, nor had there been any contract of significance entered into between the Group and a controlling shareholder of the Company during the year ended 31 December 2019.

薪酬政策

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

董事薪酬及五名最高薪酬僱員薪酬詳情載於財務報表附註8和9。

董事購買股份或債券之權利

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

董事於重大交易、安排或合約的權益

除下文「關連交易」一節所披露者外，本公司或其任何附屬公司於年末或年內任何時間概無就本集團業務訂立任何董事或與董事有關連之實體於其中直接或間接擁有重大利益的重要交易、安排或合約，且本集團與本公司控股股東於截至二零一九年十二月三十一日止年度亦無訂立任何重大合約。

Directors' Interests and Short Positions in Shares

As at 31 December 2019, the interests and short positions of each Director and chief executives of the Company in the shares of the Company which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required under Section 352 of the SFO, to be entered in the register required to be kept by the Company referred to in that section; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in the Listing Rules were as follows:

董事於股份的權益及淡倉

於二零一九年十二月三十一日，本公司董事及主要行政人員於本公司股份中擁有(a)根據證券及期貨條例第XV部第7及8部分須知會本公司及聯交所的權益及淡倉；或(b)根據證券及期貨條例第352條須記錄於該條所述本公司須存置之登記冊的權益及淡倉；或(c)根據上市規則所載，上市發行人董事進行證券交易的標準守則（「標準守則」），各董事須知會本公司及聯交所的權益及淡倉如下：

Name of Director	Nature of Interest	Number and class of securities*	Number and class of securities subject to options granted under the Pre-IPO Share Option Scheme 受根據首次公開發售前購股權計劃授出的購股權所限的證券數目及類別	Number and class of securities subject to options granted under the Share Option Scheme 受根據購股權計劃授出的購股權所限的證券數目及類別	Total	Approximate percentage of shareholding ^(b)
董事姓名	權益性質	證券數目及類別*			合計	概約持股百分比 ^(b)
Mr. DONG Li 董李先生	Beneficial Owner 實益擁有人	1,009,513,000 ⁽¹⁾ (L)	-	-	1,009,513,000	74.36%
Ms. YIN Haiyan 印海燕女士	Beneficial Owner 實益擁有人	-	150,000 ⁽²⁾ (L)	1,200,000 ⁽³⁾ (L)	1,350,000	0.10%
Mr. CAO Yixiong Alan 曹亦雄先生	Beneficial Owner 實益擁有人	-	-	500,000 ⁽⁴⁾ (L)	500,000	0.04%
Mr. LAU Chi Kit 劉智傑先生	Beneficial Owner 實益擁有人	-	-	500,000 ⁽⁵⁾ (L)	500,000	0.04%

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

* 「L」代表股東於股份中的好倉。

Notes:

- (1) Mr. DONG Li is deemed to be interested in 1,009,513,000 shares held by Master Alliance Investment Limited, a company wholly owned by Mr. DONG Li.
- (2) Ms. YIN Haiyan has been granted options for 150,000 shares under the Pre-IPO Share Option Scheme. Please see “Share Option” below for further details of the Pre-IPO Share Option Scheme.
- (3) Ms. YIN Haiyan has been granted options for 1,200,000 shares under the Share Option Scheme. Please see “Share Option” below for further details of the Share Option Scheme.
- (4) Mr. CAO Yixiong Alan has been granted options for 500,000 shares under the Share Option Scheme. Please see “Share Option” below for further details of the Share Option Scheme.
- (5) Mr. LAU Chi Kit has been granted options for 500,000 shares under the Share Option Scheme. Please see “Share Option” below for further details of the Share Option Scheme.
- (6) This is based on 1,357,521,666 Shares, being the number of issued Shares as at 31 December 2019.

附註：

- (1) 董李先生被視為於Master Alliance Investment Limited (董李全資擁有之公司)持有的1,009,513,000股股份中擁有權益。
- (2) 根據首次公開發售前購股權計劃，印海燕女士已獲授出150,000股股份的購股權。首次公開發售前購股權計劃的進一步詳情見下述「購股權」一節。
- (3) 根據購股權計劃，印海燕女士已獲授出1,200,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」一節。
- (4) 根據購股權計劃，曹亦雄先生已獲授出500,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」一節。
- (5) 根據購股權計劃，劉智傑先生已獲授出500,000股股份的購股權。購股權計劃的進一步詳情見下述「購股權」一節。
- (6) 該百分比乃以(即於二零一九年十二月三十一日已發行的股份數目)1,357,521,666股股份為基礎計算。

Save as disclosed above, as at 31 December 2019, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, nor had there been any grant or exercise of rights of such interests during the year ended 31 December 2019.

Share Option

A. Pre-IPO Share Option Scheme

Pursuant to the resolutions in writing passed by all shareholders of the Company on 25 May 2010, the Company approved and adopted a share option scheme (the “**Pre-IPO Share Option Scheme**”) for the purpose of providing incentive or reward to selected participants for their contribution to, and continuing efforts to promote the interests of, the Company and enabling the Group to recruit and retain high-calibre employees. The number of shares which may be issued pursuant to the outstanding share options (i.e. options which have been granted but not yet lapsed or exercised) under the Pre-IPO Share Option Scheme as at 31 December 2019 was 9,153,000 shares (representing approximately 0.7% of the Company’s total issued share capital as at that date). No further options will be granted under the Pre-IPO Share Option Scheme.

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

除上文所披露者外，於二零一九年十二月三十一日，概無本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中，擁有已記錄於本公司根據證券及期貨條例第352條存置的登記冊內的任何權益或淡倉，或擁有已根據標準守則知會本公司及聯交所的任何權益或淡倉，而於截至二零一九年十二月三十一日止年度內，亦概無授出或行使任何有關權益的權利。

購股權

A. 首次公開發售前購股權計劃

根據本公司全體股東於二零一零年五月二十五日通過的一項書面決議案，本公司批准及採納購股權計劃（「**首次公開發售前購股權計劃**」），為甄選的參與者提供激勵或回報，以獎勵他們為本公司的利益作出貢獻和持續效力，並讓本集團得以招聘和挽留優質的僱員。於二零一九年十二月三十一日，根據首次公開發售前購股權計劃項下之尚未行使購股權（即已授出但尚未失效或行使之購股權）可予發行之股份數目為9,153,000股（相當於本公司於當日的已發行股本總額約0.7%）。本公司將不會再根據首次公開發售前購股權計劃授出購股權。

首次公開發售前購股權計劃的詳情於財務報表附註33披露。

B. Share Option Scheme

Pursuant to the resolutions in writing passed by all shareholders of the Company on 14 October 2010, the Company approved and adopted another share option scheme (the “**Share Option Scheme**”) for the purpose of providing incentive or reward to selected participants for their contribution to, and continuing efforts to promote the interests of, the Company and for such other purposes as the Board may approve from time to time. The number of shares which may be issued pursuant to the outstanding share options (i.e. options which have been granted but not yet lapsed or exercised) under the Share Option Scheme as at 31 December 2019 was 43,227,000 shares (representing approximately 3.2% of the issued share capital of the Company as at that date).

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

Substantial Shareholders' Interests and Short Positions in Shares

As at 31 December 2019, the following person (other than the directors and chief executives of the Company) had interests and short positions of 5% or more in the Shares as recorded in the register required to be kept under Section 336 of the SFO:

B. 購股權計劃

根據本公司全體股東於二零一零年十月十四日通過的一項書面決議案，本公司批准及採納另一項購股權計劃（「購股權計劃」），為甄選的參與者提供激勵或回報，以獎勵他們為本公司的利益作出貢獻和持續效力，以及用於董事會不時批准的其他用途。於二零一九年十二月三十一日，根據購股權計劃項下之尚未行使購股權（即已授出但尚未失效或行使之購股權）可予發行之股份數目為43,227,000股（相當於本公司於當日的已發行股本約3.2%）。

購股權計劃的詳情於財務報表附註33披露。

主要股東的股份權益及淡倉

於二零一九年十二月三十一日，下列人士（不包括本公司董事及主要行政人員）於股份中擁有5%以上須記錄於本公司根據證券及期貨條例第336條存置的登記冊的權益及淡倉：

Name of Shareholder 股東名稱	Nature of Interest 權益性質	Number and class of securities* 證券數目及類別*	Approximate percentage of shareholding ⁽²⁾ 概約持股百分比 ⁽²⁾
Master Alliance Investment Limited ⁽¹⁾	Beneficial Owner 實益擁有人	1,009,513,000 (L)	74.36%

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

* 「L」代表股東於股份中的好倉。

Notes:

- (1) Mr. DONG Li is deemed to be interested in 1,009,513,000 shares held by Master Alliance Investment Limited, a company wholly owned by Mr. DONG Li.
- (2) This is based on 1,357,521,666 Shares, being the number of issued Shares as at 31 December 2019.

Save as disclosed above, at 31 December 2019, the Directors were not aware of any other person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interest or short position in the shares or underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Connected Transactions

Details of the Group's related party transactions for the year ended 31 December 2019 are set out in note 39 to the consolidated financial statements, some of which also constituted connected transactions under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements of Chapter 14A of the Listing Rules in respect of the above-mentioned transactions. The connected transaction and continuing connected transactions entered into by the Group in 2019, which were required to be disclosed under the Listing Rules, are set out as follows:

附註：

- (1) 董李先生被視為於 Master Alliance Investment Limited (一間由董李先生全資擁有之公司) 持有之 1,009,513,000 股股份中擁有權益。
- (2) 該百分比乃以 1,357,521,666 股股份 (即於二零一九年十二月三十一日已發行的股份數目) 為基礎計算。

除上文所披露外，於二零一九年十二月三十一日，董事概不知悉所知任何其他人士（不包括本公司董事或主要行政人員）已或被視作於本公司股份或相關股份中擁有根據證券及期貨條例第XV部條文須向本公司及聯交所披露或記錄於本公司根據證券及期貨條例第336條須存置的登記冊的權益或淡倉。

關連交易

本集團於截至二零一九年十二月三十一日止年度關連人士交易的詳情載於綜合財務報表附註39，部分該等交易亦根據上市規則第14A章構成關連交易。本公司已就上述交易遵守上市規則第14A章的披露規定。本集團於二零一九年進行的關連交易及持續關連交易（須根據上市規則予以披露）載列如下：

A. Connected transaction which is exempted from the independent shareholders' approval requirement

Leases with Mr. Dong Li and his Associates

The Company and Mr. DONG Li (our controlling shareholder and executive Director holding about 74.36% of the issued share capital of the Company and thus a connected person) entered into a new master leasing agreement dated 15 February 2019 (the “**2019 Master Leasing Agreement**”) and a supplemental Master Leasing Agreement (the “**Supplemental Master Leasing Agreement**”) dated 6 March 2019. Pursuant to the 2019 Master Leasing Agreement, members of the Group will lease from Mr. DONG Li and/or his associates properties for the use by members of the Group. The 2019 Master Leasing Agreement is for a term of three years from 1 January 2019 to 31 December 2021. Upon expiry of the term, the 2019 Master Leasing Agreement will, subject to the requirements of the Listing Rules, be renewed for further period of three years by mutual agreement. The Group has entered into the following tenancies within the ambit of the 2019 Master Leasing Agreement and the Supplemental Master Leasing Agreement: (a) a tenancy agreement dated 24 December 2018 with Shenzhen Marshall Power Supply Co. Ltd. (“**Shenzhen Marshall**”), a company wholly owned by Mr. Dong, to lease Units E1-E4, E6-E7, E14-E63, E72-E112, E116-E135, E138-E145 of Xin Bao Hui Building, No. 2061 Nanhai Avenue, Nanshan District, Shenzhen, Guangdong, the PRC from Shenzhen Marshall, which is used as the Group’s office in Shenzhen, for a term commencing from 24 December 2018 and expiring on 23 December 2021 at a monthly rent of RMB72,012, exclusive of management fees, water and electricity charges; (b) a tenancy agreement dated 24 December 2018 with Shenzhen Marshall to lease Units E8, E9, E148, E149 of Xin Bao Hui Building, No. 2061 Nanhai Avenue, Nanshan District, Shenzhen, Guangdong, the PRC from Shenzhen Marshall, which is used as the Group’s office in Shenzhen, for a term commencing

A. 獲豁免遵守獨立股東批准規定的關連交易

與董李先生及其聯繫人士之間的租約

本公司與董李先生（我們的控股股東兼執行董事，彼持有本公司約74.36%之已發行股本，故為本公司關連人士）訂立一項日期為二零一九年二月十五日的新主租賃協議（「**二零一九年主租賃協議**」）及日期為二零一九年三月六日的補充主租賃協議（「**補充主租賃協議**」）。根據二零一九年主租賃協議，本集團成員公司將向董李先生及／或其聯繫人士租賃物業以供本集團成員公司使用。在個別租賃物業的租賃安排方面。二零一九年主租賃協議由二零一九年一月一日起計至二零二一年十二月三十一日止，為期三年。於年期屆滿時，在上市規則的規限下，二零一九年主租賃協議將按相互協議而重續三年。本集團已於二零一九年主租賃協議及補充主租賃協議的範圍內訂立以下租約：(a)與董先生全資擁有之公司深圳市瑪西爾能源技術有限公司（「**深圳瑪西爾**」）訂立之日期為二零一八年十二月二十四日之租賃協議以自深圳瑪西爾租賃位於中國廣東省深圳市南山區南海大道2061號新保輝大廈E1-E4、E6-E7、E14-E63、E72-E112、E116-E135及E138-E145室的物業，用作本集團於深圳之辦事處，租期由二零一八年十二月二十四日起計並於二零二一年十二月二十三日到期，月租金人民幣72,012元，不包括管理費及水電費；(b)與深圳瑪西爾訂立之日期為二零一八年十二月二十四日之租賃協議以自深圳瑪西爾租賃位於中國廣東省深圳市南山區南海大道2061號新保輝大廈E8、E9、E148及E149室的物業，用作本集團

from 24 December 2018 and expiring on 23 December 2021 at a monthly rent of RMB2,777, exclusive of management fees, water and electricity charges; and (c) a tenancy agreement dated 15 February 2019 with Eastern International LLC (“**Eastern International**”), a company wholly owned by the spouse of Mr. Dong, to lease a building Located at 19751 Descartes Foothill Ranchs, County of Orange, State of California, the United States from Eastern International, which is used as the Group’s office and warehouse in the United States, for a term commencing from 1 January 2019 and expiring on 31 December 2021 at a monthly rent of US\$49,900 in 2019 with 3% annual increment in 2020 and 2021, respectively, exclusive of security deposit, association fees and other outgoings.

於深圳之辦事處，租期由二零一八年十二月二十四日起計並於二零二一年十二月二十三日到期，月租金人民幣2,777元，不包括管理費及水電費；及(c)與董先生配偶全資擁有之公司Eastern International LLC (「**Eastern International**」)訂立之日期為二零一九年二月十五日之租賃協議以自Eastern International租賃位於19751 Descartes Foothill Ranchs, County of Orange, State of California, the United States的一幢樓宇，用作本集團於美國之辦事處及倉庫，租期由二零一九年一月一日起計並於二零二一年十二月三十一日到期，二零一九年月租金為49,900美元及於二零二零年及二零二一年每年分別增加3%，不包括保證金、協會費及其他開支。

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

(i) Sales of Products to Connected Persons

The Company and Mr. DONG Li renewed the master agreement dated 13 October 2015 and entered into a new master agreement dated 16 October 2018 (the “**2018 Master Sales Agreement**”), which sets out the terms and conditions upon which members of the Group will sell to Mr. DONG Li’s associates, and Mr. DONG Li’s associates will purchase from members of the Group, products including lead acid batteries, mainly start lighting and ignition batteries, reserve power batteries and motive power batteries, and related parts. The products to be sold and purchased under the 2018 Master Sales Agreement shall be at the prevailing market price, namely, the price at which the same type of products is sold by us to independent third parties on normal commercial terms in the ordinary course of business in the PRC. The 2018 Master Sales Agreement is for a term of three years commencing from 1 January 2019 and ending on 31 December 2021. Upon expiry of the term, the 2018 Master Sales Agreement will, subject to the requirements of the Listing Rules, be renewed for further period of three years by mutual agreement. The annual caps for the transactions under the 2018 Master Sales Agreement for each of the three years ending 31 December 2021 have been set at RMB138.0 million, RMB172.0 million and RMB215.0 million respectively. For the year ended 31 December 2019, the aggregate amount received by the Group under the 2018 Master Sales Agreement was approximately RMB59.3 million.

B. 須遵守申報、公佈、年度審閱及獨立股東批准規定的持續關連交易

(i) 向關連人士銷售產品

本公司與董李先生重續日期為二零一五年十月十三日之主協議並訂立一項日期為二零一八年十月十六日的新主協議（「二零一八年主銷售協議」），當中載列本集團的成員公司將向董李先生聯繫人士出售，以及董李先生聯繫人士將向本集團成員公司購買包括鉛酸蓄電池（主要為起動照明及點火電池、備用電池及動力電池）和相關零件等產品的條款及條件。根據二零一八年主銷售協議將予出售及購買的產品，將按當時現行市價定價，即我們在中國的一般業務範圍內，按正常商業條款向獨立第三方出售同類產品時所依據的價格。二零一八年主銷售協議由二零一九年一月一日起計至二零二一年十二月三十一日止，為期三年。於年期屆滿時，在上市規則的規限下，二零一八年主銷售協議將按相互協議而重續三年。截至二零二一年十二月三十一日止三個年度各年，二零一八年主銷售協議項下交易的年度上限分別為人民幣138.0百萬元、人民幣172.0百萬元及人民幣215.0百萬元。截至二零一九年十二月三十一日止年度，本集團根據二零一八年主銷售協議收取之款項總額約為人民幣59.3百萬元。

(ii) Purchase of Products from Connected Persons

The Company and Mr. DONG Li renewed the master agreement dated 13 October 2015 and entered into a new master agreement dated 16 October 2018 (the “**2018 Master Purchase Agreement**”), which sets out the terms and conditions upon which members of the Group will purchase from Mr. DONG Li’s associates, and Mr. DONG Li’s associates will sell to members of the Group, products including battery cases, parts, models, chargers and electronic products for the manufacturing of the Group’s battery products or sale as accessories of the Group’s battery products. The products to be sold and purchased under the 2018 Master Purchase Agreement shall be at the prevailing market price, namely, the price at which the same type of products is sold to the Group by independent third parties on normal commercial terms in the ordinary course of business in the PRC. The 2018 Master Purchase Agreement is for a term of three years commencing from 1 January 2019 and ending on 31 December 2021. Upon expiry of the term, the 2018 Master Purchase Agreement will, subject to the requirements of the Listing Rules, be renewed for further period of three years by mutual agreement. The annual caps for the transactions under the 2018 Master Purchase Agreement for each of the three year ending 31 December 2021 have been set at RMB41.0 million, RMB55.0 million and RMB72.0 million respectively. For the year ended 31 December 2019, the aggregate amount paid by the Group under the 2018 Master Purchase Agreement was approximately RMB11.5 million.

(ii) 向關連人士購買產品

本公司與董李先生重續日期為二零一五年十月十三日之主協議並訂立一項日期為二零一八年十月十六日的新主協議（「二零一八年主購買協議」），當中載列本集團的成員公司將向董李先生聯繫人士採購，以及董李先生聯繫人士將向本集團成員公司出售包括電池盒、零件、模具、充電器及電子產品（以供製造本集團的電池產品或作為本集團的電池產品的配件以供銷售）等產品的條款及條件。根據二零一八年主購買協議出售及購買的產品，將按當時現行市價定價，即獨立第三方在中國的一般業務範圍內，按正常商業條款向本集團出售同類產品時所依據的價格。二零一八年主購買協議由二零一九年一月一日起計至二零二一年十二月三十一日止，為期三年。於年期屆滿時，在上市規則的規限下，二零一八年主購買協議將按相互協議而重續三年。截至二零二一年十二月三十一日止三個年度各年，二零一八年主購買協議項下交易的年度上限分別為人民幣41.0百萬元、人民幣55.0百萬元及人民幣72.0百萬元。截至二零一九年十二月三十一日止年度，本集團根據二零一八年主購買協議支付之款項總額約為人民幣11.5百萬元。

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

- (1) in the ordinary and usual course of business of the Group;
- (2) normal commercial terms or better; and
- (3) in accordance with the relevant agreements governing such transaction on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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

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

獨立非執行董事已審閱上述B段的持續關連交易，並確認該等交易：

- (1) 乃於本集團一般及日常業務過程中訂立；
- (2) 按正常或更好的商業條款訂立；及
- (3) 按規管交易的有關協議訂立，其條款屬公平合理，且符合本公司股東的整體利益。

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

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

Disclosure under Rule 13.21 of the Listing Rules

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

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

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

根據上市規則第13.21條之規定作出之披露

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

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

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

Directors' Interest in Competing Business

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

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

The independent non-executive Directors have reviewed and were satisfied that each of the Controlling Shareholders has complied with the Deed of Non-Competition for the year ended 31 December 2019.

Save as disclosed above, during the year ended 31 December 2019, none of the Directors is considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

董事於競爭業務的權益

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

各控股股東已就彼遵守不競爭契據所載承諾的情況提供年度聲明。

獨立非執行董事已審閱並信納各控股股東於截至二零一九年十二月三十一日止年度已遵守不競爭契據。

除上文所披露者外，於截至二零一九年十二月三十一日止年度，董事概無於與本集團業務構成或可能構成直接或間接競爭的任何業務中擁有權益。

Emolument Policy

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

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

Management Contracts

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

Major Suppliers and Customers

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

– the largest supplier	7.3%
– five largest suppliers in aggregate	27.2%

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

– the largest customer	9.3%
– five largest customers in aggregate	18.0%

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

酬金政策

本集團僱員的酬金政策由董事按照僱員的相關經驗、職責及資歷作出規定。

本集團董事的酬金政策由薪酬委員會考慮到本集團的經營業績及個人表現釐定。

管理合約

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

主要供應商及客戶

本集團主要最大供應商應佔年內採購的百分比如下：

–最大供應商	7.3%
–五大供應商合計	27.2%

本集團的主要客戶應佔年內銷售的百分比如下：

–最大客戶	9.3%
–五大客戶合計	18.0%

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

Closure of Register of Members

The register of members of the Company will be closed:

- (i) from Tuesday, 19 May 2020, to Friday, 22 May 2020, (both days inclusive) for the purpose of determining Shareholders' entitlement to attend and vote at the AGM, during which period no transfer of Shares will be registered. In order to be eligible to attending and vote at the AGM, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Monday, 18 May 2020; and
- (ii) from Monday, 1 June 2020 to Wednesday, 3 June 2020 (both days inclusive), for the purpose of determining shareholders' entitlement to receive the final dividend, during which period no transfer of Shares will be registered. In order to qualify for receiving the final dividend, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Friday, 29 May 2020.

暫停股份過戶登記

暫停辦理股東登記手續：

- (i) 為確定股東出席股東週年大會並於會上投票的資格，本公司將於二零二零年五月十九日（星期二）至二零二零年五月二十二日（星期五）（包括首尾兩日）暫停辦理股東登記手續，期間將不會為本公司股份進行過戶登記。為符合資格出席股東週年大會並於會上投票，股東應確保所有過戶文件連同有關股票文件不遲於二零二零年五月十八日（星期一）下午四時三十分送交本公司的股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心54樓），以辦理登記手續；及
- (ii) 為確定股東收取末期股息的權利，本公司將於二零二零年六月一日（星期一）至二零二零年六月三日（星期三）（包括首尾兩日）暫停辦理股東登記手續，期間將不會為本公司股份進行過戶登記。為符合資格收取末期股息，股東應確保所有過戶文件連同有關股票文件不遲於二零二零年五月二十九日（星期五）下午四時三十分送交本公司的股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心54樓），以辦理登記手續。

Events after the Reporting Period

As from 31 December 2019 to the date of this annual report, save as disclosed herein, the Board is not aware of any significant events that have occurred which require disclosure herein.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there was sufficient public float of more than 25% of the Company's issued shares as at 31 December 2019.

Auditor

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

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

On behalf of the Board

DONG LI
Chairman

Hong Kong, 27 March 2020

報告期後事件

於二零一九年十二月三十一日至本年報日期，除本年報所披露者外，董事會並不知悉任何須於本年報中披露之重大事件。

公眾持股量的足夠性

根據本公司公開所得的資料以及就董事所知，本公司於二零一九年十二月三十一日有足夠的公眾持股量，佔本公司已發行股份超過25%。

核數師

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

於過往三年，本公司核數師並無變動。

代表董事會

董李
主席

香港，二零二零年三月二十七日

Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31 December 2019.

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

Compliance Statements

The Company has complied with the required standards set out in the Model Code set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules for the year ended 31 December 2019.

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

Mandatory Disclosure Requirements

Corporate Governance Practices

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

In the opinion of the Board, the Company had complied with all applicable code provisions set out in the CG Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules throughout the year ended 31 December 2019.

董事會於本集團截至二零一九年十二月三十一日止年度的年報中欣然呈報本企業管治報告。

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

合規聲明

截至二零一九年十二月三十一日止年度，本公司已遵守上市規則附錄14所載企業管治守則標準守則載列之規定標準。

本公司遵守強制披露規定載列之企業管治守則之詳情於下文載列。

強制披露規定

企業管治常規

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

董事會認為，本公司於截至二零一九年十二月三十一日止整個年度一直遵守載於上市規則附錄14載列的企業管治守則及企業管治報告的所有適用守則條文。

Directors' Securities Transactions

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

The Company has made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the year ended 31 December 2019.

Board of Directors

Composition of the Board

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

Executive Directors

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

Independent non-executive Directors

Independent non-executive Directors comprise Mr. CAO Yixiong Alan, Mr. LAU Chi Kit, Dr. ZHU Ping (appointed on 28 October 2019) and Mr. LIU Yangsheng (ceased on 30 July 2019).

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

董事之證券交易

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

本公司已向全體董事作出特別查詢,所有董事確認彼等於截至二零一九年十二月三十一日止整個年度一直遵守標準守則所載之規定標準及有關董事進行證券交易之行為守則。

董事會

董事會組成

董事會包括兩位執行董事及三位獨立非執行董事。

執行董事

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

獨立非執行董事

獨立非執行董事包括曹亦雄先生、劉智傑先生、朱評博士(於二零一九年十月二十八日獲委任)及劉陽生先生(於二零一九年七月三十日停任)。

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

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

董事之間並無存在任何財務、業務、家族或其他重大／相關關係。

Number of Board, Committee and General Meetings Held

舉行董事會會議、委員會會議及股東大會的次數

The Board meets regularly for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved. During the financial year ended 31 December 2019, 20 Board meetings, 2 Audit Committee meetings, 3 Nomination Committee meetings, 4 Remuneration Committee meetings and 1 general meeting were held.

董事會定期舉行會議，以檢討及批准財務及營運表現，以及審閱及批准本公司整體策略及政策。如有重大事件或重要事項須討論及議決，則會舉行額外會議。於截至二零一九年十二月三十一日止財政年度，舉行了20次董事會會議、2次審核委員會會議、3次提名委員會會議、4次薪酬委員會會議及1次股東大會。

Corporate Governance Report 企業管治報告

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

董事會會議、委員會會議及股東大會的出席情況

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

各董事出席董事會會議、董事會委員會會議及股東大會的情況（按姓名）載列如下：

Name of Director 董事姓名		Attendance/ Number of Board Meetings 出席次數/ 董事會 會議數目	Attendance/ Number of Audit Committee Meetings 出席次數/ 審核委員會 會議數目	Attendance/ Number of Nomination Committee Meetings 出席次數/ 提名委員會 會議數目	Attendance/ Number of Remuneration Committee Meetings 出席次數/ 薪酬委員會 會議數目	Attendance/ Number of General Meeting ⁽¹⁾ 出席次數/ 股東大會 數目 ⁽¹⁾
Executive Directors	執行董事					
Mr. DONG Li	董李先生	19/20	-	3/3	4/4	1/1
Ms. YIN Haiyan	印海燕女士	20/20	-	-	-	1/1
Independent Non-executive Directors	獨立非執行董事					
Mr. CAO Yixiong Alan	曹亦雄先生	5/20	2/2	-	4/4	1/1
Mr. LAU Chi Kit	劉智傑先生	5/20	2/2	3/3	4/4	1/1
Dr. ZHU Ping ⁽²⁾	朱評博士 ⁽²⁾	0/0	0/0	0/0	-	0/0
Mr. LIU Yangsheng ⁽³⁾	劉陽生先生 ⁽³⁾	3/20	1/2	1/3	-	1/1

Notes:

附註：

(1) Being the annual general meeting of the Company held on 24 May 2019

(1) 即本公司於二零一九年五月二十四日舉行的股東週年大會。

(2) Dr. ZHU Ping was appointed as an independent non-executive director of the Company on 28 October 2019.

(2) 朱評博士於二零一九年十月二十八日獲委任為本公司執行董事。

(3) Mr. LIU Yangsheng ceased to be an independent non-executive director of the Company on 30 July 2019.

(3) 劉陽生先生於二零一九年七月三十日停任本公司之獨立非執行董事。

Responsibilities, Accountabilities and Contributions of the Board and Management

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

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

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

董事會及管理層之職責、問責性及貢獻

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

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

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

Independent Non-executive Directors

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

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

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

Directors' Training

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

獨立非執行董事

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

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

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

董事培訓

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

During the year ended 31 December 2019, all Directors provided their records of training to the Company. All Directors, namely Mr. DONG Li, Ms. YIN Haiyan, Mr. CAO Yixiong Alan, Mr. LAU Chi Kit, Dr. ZHU Ping (appointed on 28 October 2019) and Mr. LIU Yangsheng (ceased on 30 July 2019) participated in this continuous professional development mainly by reading various materials regarding directors' responsibilities, prevention of breaching Listing Rules and disclosure of inside information, etc.

Chairman and Chief Executive

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

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

Independent Non-executive Directors

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

Board Committees

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

截至二零一九年十二月三十一日止年度，所有董事已將其培訓記錄交予本公司。所有董事（即董李先生、印海燕女士、曹亦雄先生、劉智傑先生、朱評博士（於二零一九年十月二十八日獲委任）及劉陽生先生（於二零一九年七月三十日停任）均已參與持續專業發展，主要透過閱讀有關董事責任、防止違反上市規則及洩露內幕資料的若干材料。

主席及行政總裁

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

本公司主席及行政總裁的職務獨立，且應由不同人士擔任。

獨立非執行董事

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

董事會委員會

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

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

Remuneration Committee

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

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

薪酬委員會

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

As at 31 December 2019, the Remuneration Committee comprised three members, namely, Mr. DONG Li (the executive Director), Mr. CAO Yixiong Alan and Mr. LAU Chi Kit, the latter two being independent non-executive Directors. Mr. LAU Chi Kit is the chairman of the Remuneration Committee.

During the year ended 31 December 2019, the Remuneration Committee held four meetings to discuss, review, analyse and consider any change of the remuneration policy of the Company and performed all functions as disclosed above. The records of attendance of committee members, by name, at the meetings held are set out below:

Name of Director	Attendance/ Number of Meetings	董事姓名	出席次數/ 會議數目
Mr. LAU Chi Kit	4/4	劉智傑先生	4/4
Mr. DONG Li	4/4	董李先生	4/4
Mr. CAO Yixiong Alan	4/4	曹亦雄先生	4/4

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

於二零一九年十二月三十一日，薪酬委員會由三名成員組成，即董李先生（執行董事）、曹亦雄先生及劉智傑先生（後兩位為獨立非執行董事）。劉智傑先生為薪酬委員會主席。

截至二零一九年十二月三十一日止年度，薪酬委員會舉行了四次會議對本公司薪酬政策的任何變動進行討論、檢討、分析及考慮及執行了上述披露的全部職能。委員會成員之會議出席記錄（按姓名）如下：

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

Nomination Committee

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

As at 31 December 2019, the Nomination Committee comprised three members, namely, Mr. DONG Li (executive Director), Mr. LAU Chi Kit, Dr. ZHU Ping (appointed on 28 October 2019) and Mr. LIU Yangsheng (ceased on 30 July 2019), the latter three being independent non-executive Directors. Mr. DONG Li is the chairman of the Nomination Committee.

提名委員會

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

於二零一九年十二月三十一日,提名委員會由三名成員組成,即董李先生(執行董事)、劉智傑先生及朱評博士(於二零一九年十月二十八日獲委任)及劉陽生先生(於二零一九年七月三十日停任),後三位為獨立非執行董事。董李先生為提名委員會主席。

During the year ended 31 December 2019, the Nomination Committee held three meetings and performed all functions as disclosed above. The attendance records of each member at the meetings are set out below:

截至二零一九年十二月三十一日止年度，提名委員會舉行了三次會議並執行了上述披露的全部職能。各成員之會議出席記錄如下：

Name of Director	Attendance/ Number of Meetings	董事姓名	出席次數/ 會議數目
Mr. DONG Li	3/3	董李先生	3/3
Mr. LAU Chi Kit	3/3	劉智傑先生	3/3
Dr. ZHU Ping (appointed on 28 October 2019)	0/0	朱評博士 (於二零一九年 十月二十八日獲委任)	0/0
Mr. LIU Yangsheng (ceased on 30 July 2019)	1/3	劉陽生先生 (於二零一九年 七月三十日停任)	1/3

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

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

Audit Committee

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

As at 31 December 2019, the Audit Committee comprised three members, namely, Mr. CAO Yixiong Alan, Mr. LAU Chi Kit, Dr. ZHU Ping (appointed on 28 October 2019) and Mr. LIU Yangsheng (ceased on 30 July 2019) all of whom are independent non-executive Directors. Mr. CAO Yixiong Alan is the chairman of the Audit Committee and he possesses relevant accounting and financial management expertise.

審核委員會

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

於二零一九年十二月三十一日，審核委員會由三名成員組成，即曹亦雄先生、劉智傑先生、朱評博士（於二零一九年十月二十八日獲委任）及劉陽生先生（於二零一九年七月三十日停任），彼等均為獨立非執行董事。曹亦雄先生為審核委員會主席，彼具備相關會計及財務管理專業知識。

The Audit Committee held two meetings during the year ended 31 December 2019 together with the Company's external auditor and the senior management and performed the following major tasks:

- Reviewed the scope of 2018 annual audit and 2019 interim review work, auditor's fees and terms of engagement; and
- Review and discuss the 2018 annual and 2019 interim financial statements, results announcement and report, the related accounting principles and practices adopted by the Group and the relevant audit findings.

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

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

Name of Director	Attendance/ Number of Meetings	董事姓名	出席次數/ 會議數目
Mr. CAO Yixiong Alan	2/2	曹亦雄先生	2/2
Mr. LAU Chi Kit	2/2	劉智傑先生	2/2
Dr. ZHU Ping (appointed on 28 October 2019)	0/0	朱評博士 (於二零一九年 十月二十八日獲委任)	0/0
Mr. LIU Yangsheng (ceased on 30 July 2019)	1/2	劉陽生先生 (於二零一九年 七月三十日停任)	1/2

In addition, the Audit Committee has reviewed the financial statements of the Group for the year ended 31 December 2019 and has discussed with the management and the external auditor of the Company on the accounting policies and practices adopted by the Group and the internal controls and financial reporting matters of the Group.

審核委員會攜手本公司外部核數師及高級管理層於截至二零一九年十二月三十一日止年度舉行了兩次會議，並處理了下列主要工作：

- 檢討截至二零一八年年度審核及二零一九年中期審閱工作範圍、核數師費用及聘用條款；及
- 審核及討論二零一八年年度及二零一九年中期財務報表、業績公佈及報告、本集團採納的相關會計原則及規例，以及相關審核結果。

審核委員會在挑選、委任、辭任或罷免外部核數師方面並無與董事會持有分歧意見。

各成員的會議出席記錄如下：

此外，審核委員會已審閱本集團截至二零一九年十二月三十一日止年度的財務報表，並與本公司管理層及外部核數師討論本集團採納的會計政策及規例以及本集團的內部監控及財務申報事宜。

Corporate Governance Functions

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

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

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

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

企業管治職能

董事會負責履行企業管治守則規定之以下企業管治職責：

- 制定及審閱本公司於企業管治方面之政策及常規；
- 檢討及監察董事及高級管理層之培訓及持續專業發展情況；
- 檢討及監察本公司於遵守法律及監管規定方面之政策及常規；
- 檢討本公司遵守企業管治守則情況並於企業管治報告中作出披露。

年內，董事會考慮以下企業管治事項：

- 檢討企業管治守則項下企業管治責任；及
- 檢討遵守企業管治守則情況。

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

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

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2019.

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

Internal Control and Risk Management

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

董事就財務報表的財務報告責任

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

董事已確認其編製截至二零一九年十二月三十一日止年度本公司財務報表的責任。

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

內部監控及風險管理

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

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

External Auditor and Auditor's Remuneration

The statement of the auditor of the Company about their report responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 85 to 94 of this annual report.

For the year ended 31 December 2019, the remuneration paid/payable to Ernst & Young, the Company's external auditor, for annual audit services provided to the Group and for non-audit services which comprise professional tax services, amounted to RMB2.8 million and RMB0.4 million, respectively.

Dividend Policy

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

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

外部核數師及核數師薪酬

本公司核數師對其就本集團財務報表報告責任的聲明載於本年度報告第85頁至94頁的獨立核數師報告。

截至二零一九年十二月三十一日止年度，就本公司外部核數師安永會計師事務所向本集團提供的年度審核服務和非審核服務（包括稅務專業服務），已向其支付／應付的酬金分別為人民幣2.8百萬元和人民幣0.4百萬元。

股息政策

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

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

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

Shareholders' Rights

Convening an extraordinary general meeting ("EGM")

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

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

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

本公司能否派付股息亦受香港法律、開曼群島公司法及本公司章程細則規定所規限。

股東權利

召開本公司股東特別大會（「股東特別大會」）

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

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

Enquiries from Shareholders

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

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

Proposals at Shareholders' Meetings

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

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

Changes to Constitutional Documents

There were no significant changes in the Company's constitutional documents during the year ended 31 December 2019, and the Company's constitutional documents are published on the websites of the Company and the Stock Exchange.

股東查詢

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

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

於股東大會上提呈建議

為保障股東的利益及權利，本公司會就各重大獨立事項於股東大會提呈獨立決議案。

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

章程文件的變動

截至二零一九年十二月三十一日止年度，本公司章程文件概無任何重大變動，且本公司章程文件已刊載於本公司及聯交所的網頁。

Relationship with the Controlling Shareholders

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

The independent non-executive Directors have reviewed and have been satisfied that each of the Controlling Shareholders had complied with the Deed of Non-Competition for the year ended 31 December 2019.

Communications with Shareholders and Investors

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

與控股股東的關係

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

獨立非執行董事已審閱並信納各控股股東於截至二零一九年十二月三十一日止年度已遵守不競爭契據。

與股東及投資者溝通

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

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

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

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

Company Secretary

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

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

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

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

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

公司秘書

本公司的公司秘書周錦強先生為本公司的首席財務官及其中一位僱員。

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

Independent Auditor's Report 獨立核數師報告



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

安永會計師事務所
香港中環添美道1號
中信大廈22樓

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

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

致理士國際技術有限公司
全體股東
(於開曼群島註冊成立的有限公司)

Opinion

意見

We have audited the consolidated financial statements of Leoch International Technology Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 95 to 286, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

吾等已完成審核載於第95至286頁之理士國際技術有限公司(「**貴公司**」)及其附屬公司(「**貴集團**」)之綜合財務報表，其中包括於二零一九年十二月三十一日之綜合財務狀況表及截至該日止年度之綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) (which also include International Accounting Standards (“**IASs**”) and Interpretations) issued by the International Accounting Standards Board (the “**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

吾等認為，此等綜合財務報表已根據國際會計準則委員會(「**國際會計準則委員會**」)頒佈的國際財務報告準則(「**國際財務報告準則**」)(亦包含國際會計準則(「**國際會計準則**」)及詮釋)真實而公平地反映 貴集團於二零一九年十二月三十一日之綜合財務狀況及截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定妥為編製。

Basis for opinion

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

Key audit matters

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

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

意見之基準

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

關鍵審核事項

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

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

Key audit matters (continued)

關鍵審核事項 (續)

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Inventory provision**存貨撥備**

The Company is principally engaged in the manufacture, development and sale of lead-acid batteries and other related items. Since technology develops rapidly in the lead-acid battery industry, the Group's inventories were subject to significant risk of obsolescence and significant management's judgements and estimates were involved in determining the amount of provision against slow-moving and obsolete inventories. We focused on this area because the inventory balance amounting to RMB1,817 million was significant to the Group, which represented 21% of the total assets of the Group, and the provision against inventories was made based on subjective estimates and was influenced by assumptions concerning future consumption or sales of inventories.

貴公司主要從事製造、開發和銷售鉛酸蓄電池及其他相關產品。由於鉛酸蓄電池之技術發展迅速，貴集團之存貨承受重大的過時風險及涉及管理層之重大判斷及估計釐定就滯銷及陳舊存貨所計提撥備之金額。吾等專注於該領域，原因是存貨結餘人民幣1,817百萬元對貴集團而言乃屬重大，佔貴集團資產總值之21%，且存貨撥備乃根據主觀估計而作出及受有關日後消耗或存貨銷售額假設之影響。

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

有關存貨之披露載於財務報表附註3及20。

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

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

Key audit matters (continued)

關鍵審核事項 (續)

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Impairment of trade receivables

貿易應收款項減值

The trade receivable balance was significant to the Group, which amounted to RMB2,339 million and represented approximately 27% of the total assets in the consolidated statement of financial position as at 31 December 2019. Assessment of the recoverability of trade receivables involves a high level of management judgement. During the year, management used a provision matrix to calculate expected credit losses for receivables. The matrix was initially based on the Group's historical default rates, and specific factors that management considered in the estimation of the rates including the type of customers, ageing of the balances and recent historical payment patterns. Management then calibrated the matrix to adjust the historical credit loss experience with forward-looking information, such as forecasted economic conditions.

貿易應收款項結餘對 貴集團而言乃屬重大，其金額為人民幣2,339百萬元，佔於二零一九年十二月三十一日之綜合財務狀況表資產總值之約27%。對貿易應收款項之可收回性作出評估時涉及重大管理層判斷。年內，管理層採用撥備矩陣計量應收款項之預期信貸虧損。該矩陣初始乃基於 貴集團的過往違約率及管理層於估計該等違約率時考慮的具體因素，包括客戶類型、結餘賬齡及近期過往支付模式。其後，管理層對矩陣進行校準，透過前瞻性資料（如預測經濟狀況）調整過往信貸虧損經驗。

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

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

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

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

Key audit matters (continued)

關鍵審核事項 (續)

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Impairment of trade receivables (continued)

貿易應收款項減值 (續)

The relevant disclosures are contained in notes 3 and 22 to the financial statements.

有關披露載於財務報表附註3及22。

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

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

We checked the relevant disclosures in the financial statements.

吾等已核對載於財務報表之有關披露。

Other information included in the Annual Report

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

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

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

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs which comprise standards and Interpretations issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

載入年報之其他資料

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

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

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

董事對綜合財務報表之責任

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

董事對綜合財務報表之責任 (續)

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

貴公司董事由審核委員會協助履行其監督貴集團財務報告程序之責任。

核數師審核綜合財務報表之責任

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

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

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

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

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

核數師審核綜合財務報表之責任 (續)

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

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

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

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

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

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

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

核數師審核綜合財務報表之責任 (續)

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

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

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

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

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

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

Ernst & Young
Certified Public Accountants
Hong Kong
27 March 2020

核數師審核綜合財務報表之責任 (續)

出具本獨立核數師報告之審核項目合夥人為羅國基。

安永會計師事務所
執業會計師
香港
二零二零年三月二十七日

Consolidated Statement of Profit or Loss

綜合損益表

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
REVENUE	收益	5	8,362,722	9,544,418
Cost of sales	銷售成本		(7,347,336)	(8,489,396)
Gross profit	毛利		1,015,386	1,055,022
Other income and gains	其他收入及收益	5	173,784	118,326
Selling and distribution expenses	銷售及分銷開支		(392,029)	(408,667)
Administrative expenses	行政開支		(273,530)	(269,719)
Research and development costs	研發成本	6	(119,347)	(111,025)
Impairment losses on financial assets	金融資產減值虧損	6	(6,013)	(3,266)
Other expenses	其他開支		(41,717)	(35,329)
Finance costs	財務成本	7	(197,772)	(202,356)
PROFIT BEFORE TAX	稅前溢利	6	158,762	142,986
Income tax expense	所得稅開支	10	(31,229)	(15,846)
PROFIT FOR THE YEAR	本年度溢利		127,533	127,140
Attributable to:	以下人士應佔：			
Owners of the parent	母公司擁有人		132,586	106,418
Non-controlling interests	非控股權益		(5,053)	20,722
			127,533	127,140
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	12		
Basic	基本		RMB人民幣0.10元	RMB人民幣0.08元
Diluted	攤薄		RMB人民幣0.10元	RMB人民幣0.08元

Consolidated Statement of Comprehensive Income

綜合全面收益表

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
PROFIT FOR THE YEAR	本年度溢利		127,533	127,140
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收益／(虧損)			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	於隨後期間重新分類至損益的其他全面收益：			
Debt investments at fair value through other comprehensive income:	公允價值變動計入其他全面收益的債務投資：			
Changes in fair value	公允價值變動	23	1,357	(2,768)
Income tax effect	所得稅影響	31	(339)	692
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額		1,018	(2,076)
			2,173	9,727
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	於隨後期間重新分類至損益的其他全面收益淨額		3,191	7,651

Consolidated Statement of Comprehensive Income 綜合全面收益表

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:	於隨後期間不會重新分類至損益的其他全面收益／(虧損)：		
Equity investments designated at fair value through other comprehensive income:	指定按公允價值變動計入其他全面收益的權益性投資：		
Changes in fair value	公允價值變動	34,513	(19,659)
Income tax effect	所得稅影響	(7,505)	4,915
	Note 附註		
		27,008	(14,744)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	於隨後期間不會重新分類至損益的其他全面收益／(虧損)淨額	27,008	(14,744)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	本年度其他全面收益／(虧損)，扣除稅項	30,199	(7,093)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年度全面收益總額	157,732	120,047
Attributable to:	以下人士應佔：		
Owners of the parent	母公司擁有人	162,002	98,973
Non-controlling interests	非控股權益	(4,270)	21,074
		157,732	120,047

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2019
二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	2,151,252	2,061,137
Investment properties	投資物業	14	367	14,239
Properties under development	發展中物業	15	–	57,863
Right-of-use assets	使用權資產	16(b)	190,973	–
Prepaid land lease payments	預付土地租賃款項	16(a)	–	181,989
Goodwill	商譽	17	10,636	10,636
Other intangible assets	其他無形資產	18	670,983	615,443
Equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資	19	164,709	137,148
Deposits paid for purchase of items of property, plant and equipment	就收購物業、廠房及設備項目支付的訂金		140,204	145,841
Deferred tax assets	遞延稅項資產	31	51,293	53,001
Total non-current assets	非流動資產總值		3,380,417	3,277,297
CURRENT ASSETS	流動資產			
Inventories	存貨	20	1,816,966	1,962,966
Completed properties held for sale	持作待售已落成物業	21	–	15,856
Trade receivables	貿易應收款項	22	2,306,871	2,424,654
Debt investments at fair value through other comprehensive income	公允價值變動計入其他全面收益的債務投資	23	134,784	164,625
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	24	162,043	186,676
Financial assets at fair value through profit or loss	公允價值變動計入損益的金融資產	25	65,603	12,588
Structured bank deposits	結構性銀行存款	26	59,793	109,866
Pledged deposits	已抵押存款	27	464,146	452,216
Cash and cash equivalents	現金及現金等價物	27	280,903	425,311
Total current assets	流動資產總值		5,291,109	5,754,758
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易應付款項及應付票據	28	2,009,701	2,001,708
Other payables and accruals	其他應付款項及應計費用	29	854,809	777,368
Financial liabilities at fair value through profit or loss	公允價值變動計入損益的金融負債	25	5,457	–
Interest-bearing bank borrowings	計息銀行借貸	30	2,269,996	2,171,301
Income tax payable	應付所得稅		85,627	86,099
Total current liabilities	流動負債總值		5,225,590	5,036,476
NET CURRENT ASSETS	流動資產淨值		65,519	718,282
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		3,445,936	3,995,579

Consolidated Statement of Financial Position 綜合財務狀況表

31 December 2019
二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank borrowings	計息銀行借貸	30	36,190	712,807
Deferred tax liabilities	遞延稅項負債	31	64,238	47,681
Deferred government grants	遞延政府補貼		59,770	61,187
Other liabilities	其他負債		11,549	–
Total non-current liabilities	非流動負債總額		171,747	821,675
Net assets	資產淨值		3,274,189	3,173,904
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	32	116,213	116,213
Reserves	儲備	34	3,001,533	2,860,714
			3,117,746	2,976,927
Non-controlling interests	非控股權益		156,443	196,977
Total equity	權益總額		3,274,189	3,173,904

Dong Li
董李
Director
董事

Yin Haiyan
印海燕
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔										
		Share capital	Share premium account	Merger reserve	Share option reserve	Fair value reserve	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	公允價值儲備	法定儲備	匯兌波動儲備	保留溢利	合計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Note		(note 32)	(note 44)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)				
附註		(附註32)	(附註44)	(附註34)	(附註34)	(附註34)	(附註34)	(附註34)				
At 1 January 2018	於二零一八年一月一日	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 year	本年度溢利	-	-	-	-	-	-	-	106,418	106,418	20,722	127,140
Other comprehensive income for the year:	本年度其他全面收益：											
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	指定按公允價值變動計入其他全面收益的權益性投資的公允價值變動，扣除稅項	-	-	-	-	(14,744)	-	-	-	(14,744)	-	(14,744)
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	公允價值變動計入其他全面收益的債務投資，公允價值變動，扣除稅項	-	-	-	-	(2,076)	-	-	-	(2,076)	-	(2,076)
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	-	-	-	9,375	-	9,375	352	9,727
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(16,820)	-	9,375	106,418	98,973	21,074	120,047
Exercise of share options	行使購股權	33	21	310	-	(163)	-	-	-	168	-	168
Lapse of share options	購股權失效	-	-	-	(1,917)	-	-	-	1,917	-	-	-
Acquisition of non-controlling interests	收購非控股權益	-	-	(2,571)	-	-	-	-	-	(2,571)	(5,058)	(7,629)
Appropriations to reserves	撥作儲備	-	-	-	-	-	5,389	-	(5,389)	-	-	-
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	-	5,011	-	-	-	-	5,011	-	5,011
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	-	-	-	-	-	-	10,883	10,883
At 31 December 2018	於二零一八年十二月三十一日	116,213	1,148,909	272,534	32,823	34,776	139,194	23,129	1,209,349	2,976,927	196,977	3,173,904

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

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔										
		Share capital	Share premium account	Merger reserve	Share option reserve	Fair value reserve	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	公允價值儲備	法定儲備	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
Note		(note 32)	(note 44)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)
附註		(附註32)	(附註44)	(附註34)	(附註34)	(附註34)	(附註34)	(附註34)	(附註34)	(附註34)	(附註34)	(附註34)
At 1 January 2019	於二零一九年一月一日	116,213	1,148,909	272,534	32,823	34,776	139,194	23,129	1,209,349	2,976,927	196,977	3,173,904
Profit for the year	本年度溢利	-	-	-	-	-	-	-	132,586	132,586	(5,053)	127,533
Other comprehensive income for the year:	本年度其他全面收益：											
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	指定按公允價值變動計入其他全面收益的權益性投資的公允價值變動，扣除稅項	-	-	-	-	27,008	-	-	-	27,008	-	27,008
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	按公允價值變動計入其他全面收益的債務投資的公允價值變動，扣除稅項	-	-	-	-	1,018	-	-	-	1,018	-	1,018
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	-	-	-	1,390	-	1,390	783	2,173
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	28,026	-	1,390	132,586	162,002	(4,270)	157,732
Transfer of fair value reserve of equity investments at fair value through other comprehensive income	轉撥按公允價值變動計入其他全面收益的權益性投資的公允價值儲備	-	-	-	-	(4,496)	-	-	4,496	-	-	-
Lapse of share options	購股權失效	-	-	-	(809)	-	-	-	809	-	-	-
Distribution to a non-controlling shareholder	分派予一名非控股股東	-	-	-	-	-	-	-	-	-	(36,264)	(36,264)
Appropriations to reserves	撥作儲備	-	-	-	-	-	6,425	-	(6,425)	-	-	-
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	-	2,701	-	-	-	-	2,701	-	2,701
Final 2018 dividend paid	已付二零一八年末期股息	-	-	-	-	-	-	-	(23,884)	(23,884)	-	(23,884)
At 31 December 2019	於二零一九年十二月三十一日	116,213	1,148,909	272,534	34,715	58,306	145,619	24,519	1,316,931	3,117,746	156,443	3,274,189

* These reserve accounts comprise the consolidated reserves of RMB3,001,533,000 (2018: RMB2,860,714,000) in the consolidated statement of financial position.

* 此等儲備賬包括綜合財務狀況表內之綜合儲備人民幣3,001,533,000元(二零一八年:人民幣2,860,714,000元)。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務所得現金流量			
Profit before tax	稅前溢利		158,762	142,986
Adjustments for:	就下列各項作出調整：			
Finance costs	財務成本	7	197,772	202,356
Interest income	利息收入	5	(13,655)	(12,034)
Fair value gain from financial assets at fair value through profit or loss, net	公允價值變動計入損益的金融資產的公允價值收益·淨額	5	(3,511)	(43)
Fair value loss from financial liabilities at fair value through profit or loss, net	公允價值變動計入損益的金融負債的公允價值虧損·淨額	6	5,457	145
Fair value gain from structured bank deposits	結構性銀行存款的公允價值收益	5	(4,901)	(866)
Loss on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的虧損	6	22,653	831
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13	250,109	285,062
Depreciation of investment properties	投資物業折舊	14	11	219
Depreciation of right-of-use assets/ amortisation of prepaid land lease payments	使用權資產折舊／預付土地租賃款項攤銷	16 (b)	11,632	3,862
Amortisation of intangible assets	無形資產攤銷	18	151,630	103,330
Amortisation of deferred government grants	遞延政府補貼攤銷		(5,447)	(4,662)
Impairment of trade receivables	貿易應收款項減值	22	6,013	3,266
Impairment of inventories	存貨減值	6	6,166	2,460
Dividend income from equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資的股息收入	5	(225)	–
Equity-settled share option expenses	以權益結算的購股權開支	6	2,701	5,011
Gain on disposal of a subsidiary	出售一間附屬公司之收益	5	(56,101)	–
			729,066	731,923

Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Decrease/(increase) in inventories	存貨減少／(增加)		139,834	(88,592)
Decrease/(increase) in trade receivables	貿易應收款項減少／(增加)		111,770	(102,988)
Decrease in debt investments at fair value through other comprehensive income	按公允價值變動計入其他全面收益的債務投資減少		31,198	45,766
Decrease/(increase) in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少／(增加)		4,416	(14,980)
Decrease in financial liabilities at fair value through profit or loss	按公允價值變動計入損益的金融負債減少		-	4,273
Increase in trade and bills payables	貿易應付款項及應付票據增加		71,234	313,050
Increase in other payables and accruals	其他應付款項及應計費用增加		95,052	62,684
Cash generated from operations	經營活動所得現金		1,182,570	951,136
Income tax paid	已付所得稅		(20,736)	(27,205)
Net cash flows from operating activities	經營活動所得現金流量淨額		1,161,834	923,931
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量			
Interest received	已收利息		13,585	12,148
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目		(356,128)	(301,286)
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		3,494	21,451
Dividend income from equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資的股息收入	5	225	-
Proceeds from equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資的所得款項	19	7,349	-
Additions of equity investments designated at fair value through other comprehensive income	增加指定按公允價值變動計入其他全面收益的權益性投資		-	(23,431)
Additions of intangible assets	增加無形資產	18	(206,451)	(217,578)
Additions of right-of-use assets/prepaid land lease payments	增加使用權資產／預付土地租賃款項	16 (b)	(1,480)	(7,782)
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 subsidiaries	收購附屬公司		-	171
Disposal of a subsidiary	出售一間附屬公司	35	(2,754)	-
Net cash flows used in investing activities	投資活動所用現金流量淨額		(542,160)	(573,066)

Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量			
Issue of shares, net of issuance expenses	股份發行，扣除發行開支	32	–	168
New bank borrowings	新借銀行借貸		3,058,261	3,007,792
Repayment of bank borrowings	償還銀行借貸		(3,682,031)	(3,218,891)
Interest paid	已付利息		(199,133)	(201,093)
Principal portion of lease payments	租賃付款本金部分		(7,227)	–
Final dividend paid	已付末期股息		(23,884)	–
Decrease/(increase) in structured bank deposits	結構性銀行存款 減少／(增加)		54,974	(109,000)
(Increase)/decrease in pledged deposits	已抵押存款(增加)／減少		(11,930)	87,900
Receipt of deferred government grants	收取遞延政府補貼		4,030	16,890
Net cash flows used in financing activities	融資活動所用現金流量淨額		(806,940)	(416,234)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額		(187,266)	(65,369)
Cash and cash equivalents at beginning of year	於年初的現金及現金等價物		425,311	401,042
Effect of foreign exchange rate changes, net	匯率變動的影響，淨額		42,858	89,638
CASH AND CASH EQUIVALENTS AT END OF YEAR	於年末的現金及現金等價物		280,903	425,311
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析			
Cash and bank balances	現金及銀行結餘	27	280,903	425,311

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

1. Corporate and Group Information

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

In the opinion of the directors of the Company (the “**Directors**”), the immediate holding company and the ultimate holding company is Master Alliance Investment Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Dong Li.

1. 公司及集團資料

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

本公司董事(「**董事**」)認為,直接控股公司及最終控股公司為於英屬處女群島註冊成立的Master Alliance Investment Limited,其為董李先生全資擁有。

Notes to the Financial Statements 財務報表附註

31 December 2019
二零一九年十二月三十一日

1. Corporate and Group Information (continued)

Information about subsidiaries

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

Subsidiaries 附屬公司	Date of incorporation/ registration 註冊成立/註冊日期	Place of incorporation/ and business 註冊成立/註冊 及營運地點	Issued and paid-up capital 已發行及繳足資本	Percentage of equity interest attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
江蘇理士電池有限公司 (Leoch Battery (Jiangsu) Corp.) ("Jiangsu Leoch")	11 March 2003	PRC*	RMB562,649,382	-	100	Investment holding and manufacture and sale of lead-acid batteries
江蘇理士電池有限公司(「江蘇理士」)	二零零三年三月十一日	中國*	人民幣562,649,382元			投資控股、製造和銷售鉛酸蓄電池
肇慶理士電源技術有限公司 (Zhaoqing Leoch Battery Technology Co., Ltd.) ("Zhaoqing Leoch")	9 May 2005	PRC*	US\$103,780,000	-	100	Investment holding and manufacture and sale of lead-acid batteries
肇慶理士電源技術有限公司 (「肇慶理士」)	二零零五年五月九日	中國*	103,780,000美元			投資控股、製造和銷售鉛酸蓄電池
安徽力普拉斯電源技術有限公司 (Anhui Uplus Energy Technology Co., Ltd.) ("Anhui Uplus")	26 July 2006	PRC*	US\$10,001,455	-	100	Manufacture and sale of lead-acid batteries
安徽力普拉斯電源技術有限公司 (「安徽力普拉斯」)	二零零六年七月二十六日	中國*	10,001,455美元			製造和銷售鉛酸蓄電池
深圳市理士新能源發展有限公司 (Leoch Shenzhen Renewable Energy Co., Ltd.) ("Shenzhen Leoch Battery")	26 April 1999	PRC*	RMB582,649,382	-	100	Investment holding and sale of lead-acid batteries
深圳市理士新能源發展有限公司 (「深圳理士奧電源」)	一九九九年四月二十六日	中國*	人民幣582,649,382元			投資控股和銷售鉛酸蓄電池
東莞市理士易事特電源技術有限公司 (Dongguan Leoch Battery Technology Co., Ltd.)	27 November 2002	PRC*	RMB3,500,000	-	100	Leasing of properties
東莞市理士易事特電源技術有限公司	二零零二年十一月二十七日	中國*	人民幣3,500,000元			租賃物業
廣州理士奧電源技術有限公司 (Guangzhou Leoch Battery Technology Co., Ltd.)	23 July 2013	PRC*	RMB100,000	-	100	Sale of lead-acid batteries
廣州理士奧電源技術有限公司	二零一三年七月二十三日	中國*	人民幣100,000元			銷售鉛酸蓄電池

1. 公司及集團資料(續)

有關附屬公司之資料

本公司主要附屬公司的詳情如下：

31 December 2019
二零一九年十二月三十一日

1. Corporate and Group Information (continued)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

有關附屬公司之資料 (續)

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

Notes to the Financial Statements 財務報表附註

31 December 2019
二零一九年十二月三十一日

1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

Subsidiaries 附屬公司	Date of incorporation/ registration 註冊成立/註冊日期	Place of incorporation/ registration and business 註冊成立/註冊 及營運地點	Issued and paid-up capital 已發行及繳足資本	Percentage of equity interest attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
北京理士奧電源技術有限公司 (Beijing Leoch Engineering Technology Co., Ltd.) 北京理士奧電源技術有限公司	14 December 2004 二零零四年十二月十四日	PRC* 中國*	RMB1,000,000 人民幣1,000,000元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池
深圳理士電池技術有限公司 (Leoch Battery Shenzhen Corp.) 深圳理士電池技術有限公司	27 September 2007 二零零七年九月二十七日	PRC* 中國*	RMB1,000,000 人民幣1,000,000元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池
Catherine Holdings International Company Limited ("Catherine Holdings") Catherine Holdings International Company Limited ("Catherine Holdings")	3 May 2010 二零一零年五月三日	BVI*** 英屬處女群島***	US\$6 6美元	100	-	Investment holding 投資控股
Leoch Battery Pte. Ltd. ("Leoch Battery Pte.") Leoch Battery Pte. Ltd. ("Leoch Battery Pte.")	5 April 2010 二零一零年四月五日	Singapore 新加坡	SG\$2,000,000 2,000,000新加坡元	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池
Leoch International Holding Pte. Ltd. ("Leoch International Holding") Leoch International Holding Pte. Ltd. ("Leoch International Holding")	21 April 2011 二零一一年四月二十一日	Singapore 新加坡	SG\$1 1新加坡元	-	100	Investment holding 投資控股
安徽理士電源技術有限公司 (Anhui Leoch Power Supply Corp.) ("Anhui Leoch Power") 安徽理士電源技術有限公司 ("安徽理士電源")	26 October 2010 二零一零年十月二十六日	PRC* 中國*	HK\$321,000,000 321,000,000港元	-	100	Manufacture and sale of lead-acid batteries 製造和銷售鉛酸蓄電池
Leoch Lanka (Private) Ltd. Leoch Lanka (Private) Ltd.	26 January 2012 二零一二年一月二十六日	Sri Lanka 斯里蘭卡	LKR337,712,000 337,712,000 斯里蘭卡盧比	-	100	Manufacture and sale of lead-acid batteries 製造和銷售鉛酸蓄電池
Leoch Batteries India Private Limited Leoch Batteries India Private Limited	31 October 2012 二零一二年十月三十一日	India 印度	INR305,988,330 305,988,330 印度盧比	-	100	Sale of lead-acid batteries 銷售鉛酸蓄電池

31 December 2019
二零一九年十二月三十一日

1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

Subsidiaries 附屬公司	Date of incorporation/ registration 註冊成立/註冊日期	Place of incorporation/ registration and business 註冊成立/註冊 及營運地點	Issued and paid-up capital 已發行及繳足資本	Percentage of equity interest attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
Big Help Group Limited ("Big Help") Big Help Group Limited (「Big Help」)	19 May 2011 二零一一年五月十九日	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
理士投資發展(深圳)有限公司 (Leoch Investment Development (Shenzhen) Limited)	17 June 2014	PRC*	RMB827,456,523	-	100	Investment holding
理士投資發展(深圳)有限公司	二零一四年六月十七日	中國*	人民幣827,456,523元			投資控股
Leoch Super Power India Pvt	7 August 2015	India	INR259,110,200	-	100	Manufacture and sale of lead-acid batteries
Leoch Super Power India Pvt	二零一五年八月七日	印度	259,110,200 印度盧比			製造和銷售鉛酸蓄電池
Leoch Accupower (M) Sdn. Bhd ("Accupower")	10 July 2016	Malaysia	RM40,000,000	-	51	Manufacture and sale of lead-acid batteries
Leoch Accupower (M) Sdn. Bhd ("Accupower")	二零一六年七月十日	馬來西亞	40,000,000馬元			製造和銷售鉛酸蓄電池
安徽力普拉斯新能源材料科技有限公司 (Anhui Uplus New Energy Material Technology Co., Ltd.) ("Anhui Uplus New Energy")	9 September 2016	PRC*	RMB5,000,000	-	100	Investment holding
安徽力普拉斯新能源材料科技有限公司 (「安徽力普拉斯新能源」)	二零一六年九月九日	中國*	人民幣5,000,000元			投資控股
太和縣大華能源科技有限公司 (Taihe Dahua Energy Technology Co., Ltd.) ("Taihe Dahua")	9 January 2017	PRC*	RMB110,000,000	-	60	Recycle and remanufacture of lead from batteries disposed of
太和縣大華能源科技有限公司 (「太和縣大華」)	二零一七年一月九日	中國*	人民幣110,000,000元			自廢蓄電池回收及再生產鉛
Tele Power Sdn. Bhd. ("Tele Power")	23 January 2017	Malaysia	RM1,000,000	-	51	Manufacture and sale of lead-acid batteries
Tele Power Sdn. Bhd. (「Tele Power」)	二零一七年一月二十三日	馬來西亞	1,000,000馬元			製造和銷售鉛酸蓄電池

Notes to the Financial Statements 財務報表附註

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1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

Subsidiaries 附屬公司	Date of incorporation/ registration 註冊成立/註冊日期	Place of incorporation/ registration and business 註冊成立/註冊 及營運地點	Issued and paid-up capital 已發行及繳足資本	Percentage of equity interest attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
Leoch Battery (Vietnam) Limited	29 September 2017	Vietnam	US\$3,750,000	-	100	Manufacture and sale of lead-acid batteries
Leoch Battery (Vietnam) Limited	二零一七年九月二十九日	越南	3,750,000美元			製造和銷售鉛酸蓄電池
Leoch Super Power (Vietnam) Limited	29 September 2017	Vietnam	US\$2,100,000	-	100	Manufacture and sale of lead-acid batteries
Leoch Super Power (Vietnam) Limited	二零一七年九月二十九日	越南	2,100,000美元			製造和銷售鉛酸蓄電池
Leoch France SAS	23 November 2017	France	EUR100,000	-	100	Sale of lead-acid batteries
Leoch France SAS	二零一七年十一月二十三日	法國	100,000歐元			銷售鉛酸蓄電池
Leoch Nordeuropa GmbH	22 February 2018	Germany	EUR100,000	-	100	Sale of lead-acid batteries
Leoch Nordeuropa GmbH	二零一八年二月二十二日	德國	100,000歐元			銷售鉛酸蓄電池
Leoch Italia s.r.l.	11 October 2018	Italy	EUR100,000	-	100	Sale of lead-acid batteries
Leoch Italia s.r.l.	二零一八年十月十一日	意大利	100,000歐元			銷售鉛酸蓄電池
Leoch DBS Limited ("LDBS")	28 June 2017	United Kingdom	GBP3,516,723	-	60	Investment holding
Leoch DBS Limited ("LDBS")	二零一七年六月二十八日	英國	3,516,723英鎊			投資控股
DBS Leoch Limited ("DBSL")	20 October 2015	United Kingdom	GBP1	-	60	Sale of lead-acid batteries
DBS Leoch Limited ("DBSL")	二零一五年十月二十日	英國	1英鎊			銷售鉛酸蓄電池

* PRC represents the People's Republic of China which excludes, for the purpose of this report, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan.

** USA represents the United States of America.

*** BVI represents the British Virgin Islands.

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

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

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

** 美國指美利堅合眾國。

*** 英屬處女群島指英屬處女群島。

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

2.1 Basis of Preparation

These financial statements have been prepared in accordance with IFRSs, which comprise standards and interpretations issued by the IASB, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income, debt investments at fair value through other comprehensive income, financial assets at fair value through profit or loss, structured bank deposits and financial liabilities at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

2.1 編製基準

該等財務報表乃根據國際財務報告準則以及香港公司條例的披露規定編製，國際財務報告準則包括國際會計準則委員會已頒佈的準則和詮釋。該等財務報表乃按照歷史成本慣例編製，惟指定按公允價值變動計入其他全面收益的權益性投資、公允價值變動計入其他全面收益的債務投資、公允價值變動計入損益的金融資產、結構性銀行存款及公允價值變動計入損益的金融負債已按公允價值計量外。該等財務報表以人民幣（「人民幣」）呈列，除另有指明外，所有價值均調整至最接近的千元。

合併基準

該等綜合財務報表包括本集團於截至二零一九年十二月三十一日止年度的財務報表。附屬公司乃本公司直接或間接控制之實體（包括結構性實體）。當本集團就參與被投資公司營運所得之可變動回報有風險承擔或享有權利，並能夠向被投資公司運用其權力以影響回報金額（即現存之權利以致本集團能夠指示被投資公司之相關活動），即代表本集團擁有控制權。

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

Basis of consolidation (continued)

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

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

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

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

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

合併基準 (續)

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

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

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

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

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

2.1 Basis of Preparation (continued)

Basis of consolidation (continued)

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

2.2 Changes in Accounting Policies and Disclosures

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

Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i>
IFRS 16	<i>Leases</i>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
IFRIC-Int 23	<i>Uncertainty over Income Tax Treatments</i>
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

2.1 編製基準 (續)

合併基準 (續)

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

2.2 會計政策及披露事項的變動

本集團在本年度財務報表首次採用了下列新訂及經修訂的國際財務報告準則。

國際財務報告準則第9號的修訂本	具有提早還款特性及負補償
國際財務報告準則第16號	租賃
國際會計準則第19號的修訂本	計劃修訂、縮減或清償
國際會計準則第28號的修訂本	於聯營公司及合營公司的長期權益
國際財務報告詮釋委員會—詮釋第23號	所得稅處理的不確定性
國際財務報告準則二零一五年至二零一七年週期的年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂本

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2.2 Changes in Accounting Policies and Disclosures (continued)

Except for the amendments to IFRS 9, IAS 19 and IAS 28, and *Annual Improvements to IFRSs 2015-2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRS s are described below:

- (a) IFRS 16 replaces IAS 17 *Leases*, IFRIC-Int 4 *Determining whether an Arrangement contains a Lease*, SIC-Int 15 *Operating Leases – Incentives* and SIC-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

IFRS 16 did not have any significant impact on leases where the Group is the lessor.

The Group has adopted IFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under IAS 17 and related interpretations.

2.2 會計政策及披露事項的變動 (續)

除與本集團財務報表編製無關的國際財務報告準則第9號、國際會計準則第19號及國際會計準則第28號的修訂本及國際財務報告準則二零一五年至二零一七年週期的年度改進外，新訂及經修訂國際財務報告準則的特質及影響載列如下：

- (a) 國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會－詮釋第4號釐定安排是否包括租賃、常務詮釋委員會－詮釋第15號經營租賃－優惠及常務詮釋委員會－詮釋第27號評估涉及租賃法律形式之交易之內容。該準則載列確認、計量、呈列及披露租賃之原則，並要求承租人在單一資產負債表模式中計算所有租賃以確認及計量使用權資產及租賃負債，惟若干確認豁免除外。國際財務報告準則第16號項下之出租人會計對比國際會計準則第17號項下之會計並無大幅改變。出租人繼續使用國際會計準則第17號中之類似原則將租賃分類為經營租賃或融資租賃。

國際財務報告準則第16號並無對租賃（本集團作為出租人）產生任何重大影響。

本集團使用經修訂追溯法採納國際財務報告準則第16號，初始應用日期為二零一九年一月一日。根據該方法，該準則已獲追溯應用，並將首次採納之累計影響確認為對於二零一九年一月一日之期初保留溢利結餘之調整，且二零一八年比較資料並無重列，並繼續根據國際會計準則第17號及相關詮釋呈報。

2.2 Changes in Accounting Policies and Disclosures (continued)

(a) (continued)

New definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC-Int 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC-Int 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

2.2 會計政策及披露事項的變動 (續)

(a) (續)

租賃之新定義

根據國際財務報告準則第16號，倘合約為換取代價而授予於一段時間內控制使用已識別資產之權利，則該合約為租賃或包含租賃。當客戶有權從使用已識別資產獲得絕大部分經濟利益以及直接使用已識別資產時，控制權即獲授予。本集團選擇使用過渡性可行權宜方法，以允許該準則僅適用於先前已於初始應用日期根據國際會計準則第17號及國際財務報告詮釋委員會－詮釋第4號識別為租賃之合約。根據國際會計準則第17號及國際財務報告詮釋委員會－詮釋第4號尚未識別為租賃之合約並無重新評估。因此，國際財務報告準則第16號項下之租賃定義已僅應用於在二零一九年一月一日或之後訂立或更改之合約。

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2.2 Changes in Accounting Policies and Disclosures (continued)

(a) (continued)

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of property, plant and machinery and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemption for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“**short-term leases**”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

2.2 會計政策及披露事項的變動 (續)

(a) (續)

作為承租人 – 先前分類為經營租賃之租賃

採納國際財務報告準則第16號之影響性質

本集團擁有各項物業、廠房及機器以及其他設備之租賃合約。作為承租人，本集團先前根據有關租賃是否將資產所有權之絕大部分回報及風險轉移至本集團之評估，將租賃分類為融資租賃或經營租賃。根據國際財務報告準則第16號，本集團採用單一方法確認及計量所有租賃之使用權資產及租賃負債，惟低價值資產租賃（按個別租賃基準選擇）及租期為或少於12個月之租賃（「**短期租賃**」）（按相關資產類別選擇）之兩項選擇性豁免除外。本集團確認使用權資產折舊（及減值，如有）及尚未償還租賃負債之應計利息（為融資成本），而非於自二零一九年一月一日開始之租期內按直線法於經營租賃項下確認租金開支。

2.2 Changes in Accounting Policies and Disclosures (continued)

(a) (continued)

As a lessee – Leases previously classified as operating leases (continued)

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in other payables and accruals and other liabilities. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease

2.2 會計政策及披露事項的變動 (續)

(a) (續)

作為承租人 – 先前分類為經營租賃之租賃 (續)

過渡之影響

於二零一九年一月一日之租賃負債按餘下租賃付款現值確認，使用二零一九年一月一日之增量借貸利率貼現及列入其他應付款項及應計費用及其他負債。使用權資產按租賃負債金額計量，並就與緊接二零一九年一月一日前於財務狀況表確認之租賃相關之任何預付或應計租賃付款金額作出調整。

所有該等資產於當日均已根據國際會計準則第36號就任何減值作出評估。本集團選擇於財務狀況表中單獨呈列使用權資產。

於二零一九年一月一日應用國際財務報告準則第16號時，本集團已使用以下選擇性可行權宜方法：

- 應用租期自初始應用日期起12個月內終止之短期租賃豁免
- 倘合約包含延期／終止租賃之選擇權，則事後釐定租賃期

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2.2 Changes in Accounting Policies and Disclosures (continued)

(a) (continued)

Financial impact at 1 January 2019

The impact arising from the adoption of IFRS 16 at 1 January 2019 was as follows:

2.2 會計政策及披露事項的變動 (續)

(a) (續)

於二零一九年一月一日之財務影響

於二零一九年一月一日採納國際財務報告準則第16號產生之影響如下：

		Increase/ (decrease) 增加／(減少) RMB'000 人民幣千元
Assets		
Increase in right-of-use assets	使用權資產增加	201,505
Decrease in prepaid land lease payments	預付土地租賃款項減少	(181,989)
Decrease in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少	(4,630)
Increase in total assets	資產總值增加	14,886
Liabilities		
Increase in other payables and accruals	其他應付款項及應計費用增加	3,040
Increase in other liabilities	其他負債增加	11,846
Increase in total liabilities	負債總額增加	14,886

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2.2 Changes in Accounting Policies and Disclosures (continued)

2.2 會計政策及披露事項的變動 (續)

(a) (continued)

Financial impact at 1 January 2019 (continued)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

(a) (續)

於二零一九年一月一日之財務影響 (續)

於二零一九年一月一日的租賃負債與二零一八年十二月三十一日的經營租賃承擔的對賬如下：

		RMB'000 人民幣千元
Operating lease commitments as at 31 December 2018	於二零一八年十二月三十一日的經營租賃承擔	16,797
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	減：與短期租賃及剩餘租期於二零一九年十二月三十一日或之前屆滿的租賃有關的承擔	(846)
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日的加權平均增量借貸利率	4.75%
Discounted operating lease commitments as at 1 January 2019	於二零一九年一月一日的貼現經營租賃承擔	14,886
Lease liabilities as at 1 January 2019	於二零一九年一月一日的租賃負債	14,886

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2.2 Changes in Accounting Policies and Disclosures (continued)

(b) IFRIC-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “**uncertain tax positions**”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. Based on the Group’s tax compliance and transfer pricing study, the Group determined that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any impact on the financial position or performance of the Group.

2.2 會計政策及披露事項的變動 (續)

(b) 國際財務報告詮釋委員會—詮釋第23號有關當會計處理涉及會影響國際會計準則第12號應用的不確定性因素（常稱為「**不確定課稅情況**」）時，如何將所得稅（即期或遞延）入賬。該詮釋並不適用於國際會計準則第12號範疇以外的稅項或徵費，亦無載列與不確定稅務處理有關的利息及罰款之特定要求。詮釋具體處理(i)實體有否單獨考慮不確定稅務處理；(ii)稅務當局調查稅務處理時，實體作出的假設；(iii)實體如何釐定應課稅溢利或稅務虧損、稅基、未動用稅務虧損、未動用稅務抵免及稅率；及(iv)實體如何考慮事實及情況變動。本集團已於採納該詮釋時考慮其是否有任何因集團內公司間銷售的轉讓定價導致的不確定稅務狀況。根據本集團的稅務合規及轉讓定價研究，本集團釐定其轉讓定價政策將獲稅務機關接納。因此，該詮釋對本集團財務狀況或表現概無任何影響。

2.3 Issued but not yet Effective International Financial Reporting Standards

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

Amendments to IFRS 3	<i>Definition of a Business</i> ¹
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
IFRS 17	<i>Insurance Contracts</i> ²
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> ¹
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> ³

- 1 Effective for annual periods beginning on or after 1 January 2020
- 2 Effective for annual periods beginning on or after 1 January 2021
- 3 Effective for annual periods beginning on or after 1 January 2022
- 4 No mandatory effective date yet determined but available for adoption

2.3 已頒佈惟未生效的國際財務報告準則

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

國際財務報告準則第3號的 修訂本	<i>業務的定義</i> ¹
國際財務報告準則第9號、 國際會計準則第39號及 國際財務報告準則第7號的 修訂本	<i>利率基準改革</i> ¹
國際財務報告準則第10號及 國際會計準則第28號的 修訂本	<i>投資者與其聯營公司或 合營公司之間的 銷售或注資</i> ⁴
國際財務報告準則第17號 國際會計準則第1號及 國際會計準則第8號的 修訂本	<i>保險合約</i> ² <i>重要性的定義</i> ¹
國際會計準則第1號的 修訂本	<i>負債分類為即期或非即期</i>

- 1 於二零二零年一月一日或之後開始之年度期間生效
- 2 於二零二一年一月一日或之後開始之年度期間生效
- 3 於二零二二年一月一日或之後開始之年度期間生效
- 4 尚未釐定強制生效日期惟可供採納

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

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

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

2.3 已頒佈惟未生效的國際財務報告準則 (續)

預期將適用於本集團之該等國際財務報告準則之進一步資料於下文載述。

國際財務報告準則第3號之修訂本對業務定義作出澄清，並提供更多指引。該等修訂本說明，就被視為業務之一系列綜合活動及資產而言，其須包括最少一項對共同創造輸出能力有顯著貢獻之輸入及實質程序。業務可以不包括創造輸出所需之所有輸入及過程而存在。該等修訂本取消對市場參與者是否有能力收購業務並繼續創造輸出之評估。相反，重點在於獲得之輸入及實質性過程是否共同對創造輸出能力有顯著貢獻。該等修訂本還縮窄輸出之定義，重點關注向客戶提供之貨品或服務、投資輸入或源自普通活動之其他收入。此外，修訂本提供指引，以評估所收購之過程是否具重要性，並引入可選之公允價值集中測試，以便簡化評估所獲得之一系列活動及資產是否並非業務。本集團預期即將自二零二零年一月一日起採納該等修訂本。由於該等修訂本預期適用於首次應用日期或之後發生之交易或其他事件，故本集團於交易日期將不受該等修訂本影響。

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

Amendments to IFRS 9, IAS 39 and IFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

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

2.3 已頒佈惟未生效的國際財務報告準則 (續)

國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號之修訂旨在解決銀行同業拆息改革對財務申報之影響。該等修訂提供可在替換現有利率基準前之不確定期限內繼續進行對沖會計處理之暫時性補救措施。此外，該等修訂規訂公司須向投資者提供有關直接受該等不確定因素影響之對沖關係之額外資料。該等修訂本於二零二零年一月一日或之後開始之年度期間生效。提早應用已獲准許。預期該等修訂本將不會對本集團財務報表造成任何重大影響。

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

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

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 Summary of Significant Accounting Policies

Business combinations and goodwill

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

2.3 已頒佈惟未生效的國際財務報告準則 (續)

國際會計準則第1號及國際會計準則第8號的修訂本提供一個新的重大定義。新定義訂明，倘資料遺漏、失實或模糊不清，而可能合理預期會影響用作一般用途的財務報表的主要使用者按該等財務報表作出的決定，則資料屬重大。該等修訂本澄清，重要性將視乎資料的性質或重要性而定。倘資料失實可能合理預期影響主要使用者作出的決定，則屬重大。本集團預期自二零二零年一月一日起提前採納該等修訂本。該等修訂本預期不會對本集團的財務報表造成任何重大影響。

2.4 主要會計政策概要

業務合併及商譽

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

2.4 Summary of Significant Accounting Policies (continued)

Business combinations and goodwill (continued)

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

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

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

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

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

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

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

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

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

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2.4 Summary of Significant Accounting Policies (continued)

Business combinations and goodwill (continued)

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

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

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

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

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

2.4 Summary of Significant Accounting Policies (continued)

Business combinations and goodwill (continued)

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

Fair value measurement

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

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

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

公允價值計量

於各報告期末,本集團按公允價值計量指定按公允價值變動計入其他全面收益的權益性投資、公允價值變動計入其他全面收益的債務投資、公允價值變動計入損益的金融資產、結構性銀行存款及公允價值變動計入損益的金融負債。公允價值為市場參與者於計量日期在有序交易中出售資產所收取或轉讓負債所支付的價格。公允價值計量乃假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行。主要或最具優勢市場須為本集團可進入的市場。資產或負債的公允價值乃基於市場參與者為資產或負債定價時所用的假設計量(假設市場參與者依照彼等的最佳經濟利益行事)。

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2.4 Summary of Significant Accounting Policies (continued)

Fair value measurement (continued)

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

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

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

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

2.4 主要會計政策概要 (續)

公允價值計量 (續)

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

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

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

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

2.4 Summary of Significant Accounting Policies (continued)

Fair value measurement (continued)

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

Impairment of non-financial assets

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

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

2.4 主要會計政策概要 (續)

公允價值計量 (續)

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

非金融資產減值

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

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

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2.4 Summary of Significant Accounting Policies (continued)

Impairment of non-financial assets (continued)

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

Related parties

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

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

or

2.4 主要會計政策概要 (續)

非金融資產減值 (續)

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

關連人士

在下列情況下，有關方會被認為與本集團關連：

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

或

2.4 Summary of Significant Accounting Policies (continued)

Related parties (continued)

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

2.4 主要會計政策概要 (續)

關連人士 (續)

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

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2.4 Summary of Significant Accounting Policies (continued)

Property, plant and equipment and depreciation

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

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

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

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

2.4 主要會計政策概要 (續)

物業、廠房及設備折舊

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

物業、廠房及設備項目投入運作後所產生的支出（例如維修及保養費用），一般於其產生期間從損益表中扣除。倘達到確認標準，則重大檢查的開支將視同更換該資產並予以資本化，列示於該資產的賬面值。倘若於此期間更換重要零部件，則本集團會將該等部分確認為有特定可使用年期及相應折舊其個別資產。

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

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

2.4 Summary of Significant Accounting Policies (continued)

Property, plant and equipment and depreciation (continued)

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

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

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

2.4 主要會計政策概要 (續)

物業、廠房及設備折舊 (續)

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

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

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

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2.4 Summary of Significant Accounting Policies (continued)

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset (2018: leasehold property under an operating lease) which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight-line basis over the estimated useful life of 48 years.

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

Properties under development

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

2.4 主要會計政策概要 (續)

投資物業

投資物業為就賺取租金收入及／或資本增值而持有之土地及樓宇之權益（包括可能符合投資物業之定義而根據經營租約之持作為使用權資產（二零一八年：經營租賃項下租賃物業），而非用作生產或供應貨物或服務或用作行政用途、或就於日常業務進行銷售而持有之土地及樓宇權益。該等物業首次以成本（包括交易成本）計算。於首次確認後，投資物業按成本減任何累計折舊及任何累計減值虧損列賬。折舊按估計可使用年期48年，以直線法計算。

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

發展中物業

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

2.4 Summary of Significant Accounting Policies (continued)

Properties under development (continued)

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

Completed properties held for sale

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

Intangible assets (other than goodwill)

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

2.4 主要會計政策概要 (續)

發展中物業 (續)

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

持作出售已落成物業

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

無形資產 (商譽除外)

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

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2.4 Summary of Significant Accounting Policies (continued)

Intangible assets (other than goodwill) (continued)

Computer software

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

Customer relationship

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

Trademark

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

Licence

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

Research and development costs

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

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

電腦軟件

本集團的電腦軟件於估計可使用年限10年內按直線基準攤銷。

客戶關係

本集團的客戶關係以直線法於其10年的估計可使用年期內攤銷。

商標

本集團的商標以直線法於其8年的估計可使用年期內攤銷。

牌照

本集團牌照以直線法於其10年的估計可使用年期內攤銷。

研究及開發成本

所有研究成本會於產生時列支於損益表。

2.4 Summary of Significant Accounting Policies (continued)

Intangible assets (other than goodwill) (continued)

Research and development costs (continued)

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

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

Leases (applicable from 1 January 2019)

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

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

研究及開發成本 (續)

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

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

租賃 (自二零一九年一月一日起適用)

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

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2.4 Summary of Significant Accounting Policies (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee

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

(a) Right-of-use assets

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

Prepaid land lease payments	46 to 50 years
Property	2 to 6 years
Plant and machinery	2 to 3 years

2.4 主要會計政策概要 (續)

租賃 (自二零一九年一月一日起適用) (續)

本集團作為承租人

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

(a) 使用權資產

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

預付土地租賃款項	46至50年
物業	2至6年
廠房及機器	2至3年

2.4 Summary of Significant Accounting Policies (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

(a) Right-of-use assets (continued)

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

(b) Lease liabilities

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

2.4 主要會計政策概要 (續)

租賃 (自二零一九年一月一日起適用) (續)

本集團作為承租人 (續)

(a) 使用權資產 (續)

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

(b) 租賃負債

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

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2.4 Summary of Significant Accounting Policies (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

(b) Lease liabilities (continued)

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

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

2.4 主要會計政策概要 (續)

租賃 (自二零一九年一月一日起適用) (續)

本集團作為承租人 (續)

(b) 租賃負債 (續)

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

本集團之租賃負債計入其他應付款項及應計費用以及其他負債。

2.4 Summary of Significant Accounting Policies (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

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

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

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

2.4 主要會計政策概要 (續)

租賃 (自二零一九年一月一日起適用) (續)

本集團作為承租人 (續)

(c) 短期租賃及低價值資產租賃

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

短期租賃及低價值資產租賃的租賃付款於租期內按直線法確認為開支。

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2.4 Summary of Significant Accounting Policies (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessor

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

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

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

2.4 主要會計政策概要 (續)

租賃 (自二零一九年一月一日起適用) (續)

本集團作為出租人

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

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

轉讓相關資產所有權所附帶的絕大部分風險及回報予承租人的租賃按融資租賃入賬。

2.4 Summary of Significant Accounting Policies (continued)

Leases (applicable before 1 January 2019)

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

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

Investments and other financial assets

Initial recognition and measurement

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

2.4 主要會計政策概要 (續)

租賃 (於二零一九年一月一日前適用)

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

經營租賃下的預付土地租賃款項初始按成本列值，其後於租賃年期內以直線法基準確認。

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為其後按攤銷成本、按公允價值變動計入其他全面收益及按公允價值變動計入損益計量。

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2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

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

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

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

初始確認及計量 (續)

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

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

2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

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

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

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

初始確認及計量 (續)

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

任何正常方式購買及出售的金融資產應於交易日，即本集團承諾購買或出售資產的日期確認。正常方式指遵循相關市場中的規則或慣例在約定時間內交付該項金融資產。

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2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

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

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

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

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量

金融資產的後續計量方法按其分類如下：

按攤銷成本計量之金融資產 (債務工具)

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

公允價值變動計入其他全面收益之金融資產 (債務工具)

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

2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

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

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

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

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

指定按公允價值變動計入其他全面收益之金融資產 (權益性投資)

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

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

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2.4 Summary of Significant Accounting Policies *(continued)*

Investments and other financial assets *(continued)*

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

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

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

公允價值變動計入損益之金融資產

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

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

2.4 Summary of Significant Accounting Policies (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 主要會計政策概要 (續)

終止確認金融資產

金融資產 (或倘適用, 一項金融資產的一部分或一組同類金融資產的一部分) 在下列情況下將予終止確認 (即自本集團之綜合財務狀況表中撇除):

- 自資產收取現金流量的權利已屆滿; 或
- 本集團已轉讓自資產收取現金流量的權利, 或已根據一項「轉付」安排承擔責任, 在無重大延誤情況下, 將所得現金流量全數付予第三方; 及本集團(a)已轉讓資產的絕大部分風險及回報; 或(b)並無轉讓或保留資產的絕大部分風險及回報, 但已轉讓資產的控制權。

當本集團已轉讓其自一項資產收取現金流量的權利或已訂立轉付安排, 則本集團會評估有否保留該資產所有權的風險及回報以及其程度。於並無轉讓或保留該資產的絕大部分風險及回報, 亦無轉讓該資產的控制權時, 本集團繼續確認該轉讓資產, 以參與該資產的程度而確認入賬。於該情況下, 本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團保留的權利及義務的基準計量。

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2.4 Summary of Significant Accounting Policies (continued)

Derecognition of financial assets (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

General approach

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

2.4 主要會計政策概要 (續)

終止確認金融資產 (續)

以就已轉讓資產作出保證形式的持續參與，按該項資產的原有賬面值及本集團或須償還的最高代價金額（以較低者為準）計量。

金融資產減值

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

一般方法

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

2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (continued)

General approach (continued)

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

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

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般方法 (續)

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

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

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2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (continued)

General approach (continued)

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

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

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般方法 (續)

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

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

2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (continued)

Simplified approach

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

Financial liabilities

Initial recognition and measurement

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

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

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

2.4 主要會計政策概要 (續)

金融資產減值 (續)

簡化方法

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

金融負債

初始確認及計量

金融負債於初始確認時被分類為按公允價值變動計入損益之金融負債、貸款及借貸或應付款項（如適用）。

所有金融負債初始按公允價值確認，而如屬貸款及借貸以及應付款項，則扣除直接應佔交易成本。

本集團的金融負債包括貿易應付款項及應付票據、其他應付款項及應計費用、按公允價值變動計入損益之金融負債及計息銀行借貸。

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2.4 Summary of Significant Accounting Policies (continued)

Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融負債 (續)

後續計量

金融負債按其分類之隨後計量如下：

按攤銷成本計量之金融負債 (貸款及借貨)

初始計量後，計息銀行借貨後續採用實際利率法按攤銷成本計量，除非貼現的影響屬非重大，則按成本計量。當負債終止確認以及透過實際利率法攤銷過程時，收益及虧損於損益表內確認。

計算攤銷成本時，應考慮購買產生的任何折價或溢價，並包括作為實際利率不可或缺的费用或成本。實際利率攤銷列入損益表內財務成本中。

終止確認金融負債

金融負債於債項下的責任被解除或取消或屆滿時終止確認。

倘現有金融負債由同一貸方授予條款迥異的其他債項取代，或現有負債的條款經重大修訂，則該等變更或修訂視作終止確認原負債及確認新負債，各賬面值的差額於損益表內確認。

2.4 Summary of Significant Accounting Policies (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as commodity future contracts to hedge its price fluctuation risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are recognised directly in the statement of profit or loss.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The costs of raw materials comprise the purchasing costs of the materials and other costs incurred in bringing the materials to their present locations and conditions. The costs of work in progress and finished goods comprise direct materials, direct labour and an appropriate proportion of manufacturing overheads. Net realisable value is based on estimated selling prices, less estimated costs to be incurred to completion and disposal.

2.4 主要會計政策概要 (續)

抵銷金融工具

倘現時存在一項可依法強制執行的權利，可抵銷已確認金額，且亦有意以淨額結算或同時變現資產及償付債務，則金融資產及金融負債均可予抵銷，並將淨金額列入財務狀況表內。

衍生金融工具

初始確認及後續計量

本集團採用衍生金融工具，比如商品期貨合約，對價格波動風險進行套期保值。此類衍生金融工具於訂立衍生合約日按公允價值初始確認，後續按公允價值重新計量。如衍生品公允價值為正，則按資產入賬，如公允價值為負，則按負債入賬。

衍生工具公允價值變動所產生之任何收益或損失直接於損益表中確認。

存貨

存貨按成本值及可變現淨值兩者的較低者列賬。成本值按加權平均法計算。原材料成本包括材料的購買成本及將材料運至現有地點並達致現時狀況的其他成本。在製品及製成品的成本包括直接物料成本、直接勞動成本及製造過程經常性開支中的適當部分。可變現淨值乃根據估計售價扣除完成及處置時預期產生的成本計算。

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2.4 Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is included in finance costs in the statement of profit or loss.

2.4 主要會計政策概要 (續)

現金及現金等價物

就編製綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時轉換為已知數額現金並一般於購入後三個月內到期且受價值變動風險影響輕微的短期高流通性投資，再扣除須於要求時償還並構成本集團的現金管理一部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行現金（包括定期存款），而其用途不受限制。

撥備

倘本集團因過往事件導致現有債務（法定或推定）及日後可能需要有經濟利益外流以償還債務，並在能對有關債務金額作出可靠估計的情況下，方可確認撥備。

倘貨幣的時間價值的影響屬重大，則確認撥備的數額將按反映（如適用）有關債務獨有風險的現有除稅前貼現率進行貼現。倘使用貼現方法，因時間流逝而引致撥備的增加將在損益表的財務成本內確認。

2.4 Summary of Significant Accounting Policies (continued)

Provisions (continued)

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

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the jurisdictions in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要 (續)

撥備 (續)

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

所得稅

所得稅由即期及遞延稅項組成。與確認於損益外的項目相關的所得稅，會在損益外確認為其他全面收益或直接計入權益。

即期稅項資產及負債以預期從稅務主管部門返還或獲支付的金額計量。採用的稅率（及稅法）為於報告期末已頒佈或大致上已頒佈的稅率（及稅法），並需考慮本集團經營所處地區現行的詮釋及常規作法。

遞延稅項採用負債法，就財務報告目的而言，對所有於各報告期末就資產和負債的賬面值與計稅基礎不同而引致的暫時性差額提撥準備。

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2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項負債乃就所有應課稅暫時性差額確認，除非：

- 遞延稅項負債來自於一項非業務合併交易中初始確認的一項資產或負債，且於交易之時，既不影響會計溢利亦不影響應課稅溢利或虧損；及
- 乃關乎於附屬公司及聯營公司的投資的應課稅暫時性差額，惟暫時性差額的撥回時間可予控制，且暫時性差額可能不會於可見將來撥回。

遞延稅項資產乃就所有可扣減暫時性差額、結轉未動用稅項抵免及未動用稅項虧損確認，惟以將來有應課稅溢利用於抵銷可扣減暫時性差額，以及結轉未動用稅項抵免及未動用稅項虧損為限，除非：

- 遞延稅項資產關乎因資產或負債於一項非業務合併交易中被初始確認的可扣減暫時性差額，並於交易進行時既不影響會計溢利亦不影響應課稅溢利或虧損；及

2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.4 主要會計政策概要 (續)

所得稅 (續)

- 乃關乎於附屬公司及聯營公司的投資的應扣減暫時性差額，遞延稅項資產的確認僅限於暫時性差額可能於可見將來撥回而且將來有應課稅溢利用於抵銷可動用的暫時性差額。

於各報告期末時審閱遞延稅項資產的賬面值，並減低至不再有足夠應課稅溢利可用以全部或部分抵銷可確認遞延稅項資產為止。未確認的遞延稅項資產將於各報告期末再被評估，並在有足夠應課稅溢利抵銷全部或部分可用遞延稅項資產時被確認。

遞延稅項資產及負債乃根據各報告期末已頒佈或大致上已頒佈的稅率（及稅法），按資產變現或負債清償期間的預期適用稅率計算。

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2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred government grant account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.4 主要會計政策概要 (續)

所得稅 (續)

當且僅當本集團擁有法定行使權可將當期稅項資產與當期稅項負債相互抵銷及遞延稅項資產與遞延稅項負債與由同一稅務機關對同一應課稅實體或不同的應課稅實體所徵收的所得稅有關，而該等實體有意在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準清償當期稅項負債及資產，或同時變現該資產及清償該負債，即遞延稅項資產可與遞延稅項負債互相抵銷。

政府補貼

倘能合理確定能收到補貼及遵循補貼的所有相關條件，政府補貼會按公允價值確認。倘補貼與開支項目相關，會在按擬用以彌償成本的期間以系統化基準確認為收益。倘補貼與資產相關，公允價值會計入遞延政府補貼賬目，並於有關資產預計可使用年期內以數額相等的年度款項撥入損益表。

2.4 Summary of Significant Accounting Policies (continued)

Revenue recognition

Revenue from contracts with customers

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

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

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

2.4 主要會計政策概要 (續)

收益確認

客戶合約收益

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

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

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

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2.4 Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(a) Sale of industrial products

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

(b) Sale of properties

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

Revenue from other sources

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

Other income

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

2.4 主要會計政策概要 (續)

收益確認 (續)

客戶合約收益 (續)

(a) 銷售工業產品

銷售工業產品的收益於資產控制權轉移至客戶時獲確認，一般為交付工業產品時。

(b) 出售物業

出售物業的收益於所有權轉移至買方時獲確認。

其他來源所得收益

租金收益按時間比率基準在租約年期內確認。

其他收入

利息收益按應計基準以實際利率法將金融工具估計未來在預計可使用年期期間或較短期間(倘適用)收取的現金準確貼現至金融資產賬面淨值的利率確認。

2.4 Summary of Significant Accounting Policies (continued)

Contract liabilities

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

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

2.4 主要會計政策概要 (續)

合約負債

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

以股份為基礎的付款

本公司設有一項購股權計劃，旨在為對本集團業務成功作出貢獻的合資格參與者，提供鼓勵與獎賞。本集團僱員(包括董事)獲支付以股份為基礎的付款的方式收取報酬，而僱員則提供服務作為權益工具的代價(「以權益結算的交易」)。

於二零零二年十一月七日後與僱員之間以權益結算的交易的成本乃參考授出權益當日的公允價值計算。該公允價值乃由外部估值師採用二項式模型釐定。

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2.4 Summary of Significant Accounting Policies (continued)

Share-based payments (continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of the reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2.4 主要會計政策概要 (續)

以股份為基礎的付款 (續)

以權益結算的交易的成本在績效及／或服務條件得到履行的期間內，連同相應增加的股權於僱員福利開支內確認。於歸屬日期前的報告期末，以權益結算的交易所確認的累計費用，反映了歸屬期屆滿的程度及本集團對於最終將歸屬的權益工具數量的最佳估計。期內於損益表的借記或貸記金額，指該期初及期終所確認的累計費用的變動。

釐定獎勵之授出日公允價值並不考慮服務及非市場表現條件，惟能達成條件之可能性則被評定為將最終歸屬為本集團權益工具數目之最佳估計之一部份。市場表現條件將反映在授出日之公允價值內。附帶於獎勵中但並無相關聯服務要求之其他任何條件皆視為非歸屬條件。除非亦有服務及／或表現條件，否則非歸屬條件乃於獎勵之公允價值中反映並導致獎勵即時支銷。

對於由於未達成非市場表現及／或服務條件而最終並無歸屬的報酬並不確認為開支。倘報酬包括市場或非歸屬條件，在所有其他績效及／或服務條件均獲履行的情況下，不論市場條件或非歸屬條件是否符合，有關交易均視作已歸屬。

2.4 Summary of Significant Accounting Policies (continued)

Share-based payments (continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 主要會計政策概要 (續)

以股份為基礎的付款 (續)

倘若以權益結算的獎勵的條款有所變更，則在達致獎勵原定條款的情況下，所確認的開支最少須達到猶如條款並無任何變更的水平。此外，倘若按變更日期計算，任何變更導致以股份為基礎的付款的公允價值總額有所增加，或對僱員帶來其他利益，則應就該等變更確認開支。

倘若以權益結算的獎勵被註銷，應被視為已於註銷日期歸屬，任何尚未確認的授予獎勵的開支，均須即時確認。這包括在本集團或其僱員控制內的非歸屬條件並未達成的任何獎勵。然而，若授予新獎勵代替已註銷的獎勵，並於授出日期指定為替代獎勵，則已註銷之獎勵及新獎勵，誠如前段所述，均應被視為原獎勵的變更。

計算每股盈利時，尚未行使購股權之攤薄效應則反映為額外股份攤薄。

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2.4 Summary of Significant Accounting Policies (continued)

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.4 主要會計政策概要 (續)

其他僱員福利

退休金計劃

本集團根據強制性公積金計劃條例，為香港所有僱員提供定額供款強制性公積金退休福利計劃（「**強積金計劃**」）。供款乃根據僱員基本薪金之百分比計算，並於有關款項根據強積金計劃之規則須予支付時計入損益表。強積金計劃之資產乃獨立於本集團之資產，並由獨立管理之基金持有。本集團之僱主供款於向強積金計劃作出供款時全數歸於僱員。

本集團於中國內地經營的附屬公司的僱員須參與地方市政府運作的中央養老金計劃。該等附屬公司須按其工資成本的若干比例向中央養老金計劃供款。供款於根據中央退休金計劃規則應付時自損益表扣除。

2.4 Summary of Significant Accounting Policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 主要會計政策概要 (續)

借貸成本

因收購、建設或生產合規格資產(需於一段長時間方能達致其擬定用途或出售者)而直接產生的借貸成本撥充該等資產的部分成本。倘資產已大致上可作其擬定用途或出售,則該等借貸成本將會停止資本化。臨時投資待用於合規格資產開支的特定借貸而賺取的投資收益,從已資本化借貸成本中扣除。其他所有的借貸成本均在發生時確認為開支。借貸成本包括實體涉及有關資金借貸的利息及其他成本。

股息

末期股息在股東大會上獲股東批准時確認為負債。擬定末期股息於財務報表附註披露。

中期股息於建議的同時宣派,因為本公司的組織章程大綱及細則授予董事權力宣派中期股息。因此,中期股息於建議及宣派時即時確認為負債。

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2.4 Summary of Significant Accounting Policies (continued)

Foreign currencies

The financial statements are presented in RMB. In prior years, the Company's functional currency was RMB. As at 1 July 2018, the Directors had re-evaluated the economic environment of the Company and determined that the functional currency of the Company has been changed from RMB to USD given its major funding and financing activities were raised increasingly in USD. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要 (續)

外幣

財務報表以人民幣呈列。於過往年度，本公司的功能貨幣為人民幣。於二零一八年七月一日，董事已重新評估本公司的經濟環境，由於以美元計值的主要集資及融資活動持續增長，故決定將本公司的功能貨幣由人民幣更改為美元。本集團內各實體自行決定其功能貨幣及各實體的財務報表項目以該功能貨幣計算。本集團內各實體錄得的外幣交易最初以交易當日的各自適用功能貨幣匯率記錄入賬。以外幣列值的貨幣性資產及負債，則按報告期末的功能貨幣匯率換算。貨幣項目結算或交易產生的差額於損益表中確認。

按外幣歷史成本計量的非貨幣項目按首次交易日期的匯率換算。按外幣公允價值計量的非貨幣項目採用釐定公允價值當日的匯率換算。換算按公允價值計量的非貨幣項目產生之收益或虧損的處理方式，與有關項目公允價值變動之收益或虧損的確認方式相符（即公允價值收益或虧損於其他全面收益或損益中確認之項目的換算差額，亦會分別於其他全面收益或損益中確認）。

2.4 Summary of Significant Accounting Policies (continued)

Foreign currencies (continued)

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

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 主要會計政策概要 (續)

外幣 (續)

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

若干海外附屬公司的功能貨幣並非人民幣。於報告期末，該等實體的資產及負債按報告期末的匯率折算為人民幣，該等實體的損益表按本年度的加權平均兌換率折算為人民幣。

因此而產生的匯兌差額於其他全面收益確認並於匯兌波動儲備累計。出售國外業務時，有關其特定國外業務的其他全面收益的組成部份於損益表內確認。

任何由於收購海外業務產生的商譽及任何因收購帶來的資產及負債的賬面值的公允價值調整，均被視作海外業務的資產及負債處理，並按年終匯率換算。

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2.4 Summary of Significant Accounting Policies (continued)

Foreign currencies (continued)

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

2.4 主要會計政策概要 (續)

外幣 (續)

就編製綜合現金流量表而言，海外附屬公司的現金流量按現金流量日期適用的匯率換算為人民幣。附屬公司在年內產生的經常性現金流量會按該年度的加權平均匯率換算為人民幣。

3. 重大會計判斷及估計

本集團財務報表的編製需要管理層作出影響收益、開支、資產及負債呈報金額的判斷、估計及假設，並需作出相應披露及披露或有負債。然而，該等假設及估計不明朗因素會導致未來須對受影響資產或負債的賬面值進行重大調整。

判斷

在應用本集團會計政策過程中，管理層所作之以下判斷（除涉及估計外）乃對財務報表所確認之金額有最重大的影響：

3. Significant Accounting Judgements and Estimates (continued)

Judgements (continued)

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計 (續)

判斷 (續)

物業租賃分類—本集團作為出租人

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

投資物業與擁有人自用物業之劃分

本集團決定物業是否符合投資物業的條件，並制定出此類判斷的標準。投資物業指為賺取租金或資本升值或同時為這兩個目的而持有的物業。因此，本集團考慮一項物業產生的現金流是否大部分獨立於本集團持有的其他資產。若干物業的一部分是為賺取租金或資本升值而持有，而另一部分是為用於生產或提供商品或服務或行政用途而持有。倘該等部分可以分開出售（或按融資租賃分開出租），則本集團分開對這些部分進行會計處理。如果這些部分不能分開出售，則只有在為用於生產或提供商品或服務或行政用途而持有的部分不重大的情況下，該物業才是投資物業。判斷是對各單項物業作出，以確定配套服務是否如此重要而使物業不符合投資物業。

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3. Significant Accounting Judgements and Estimates (continued)

Judgements (continued)

Tax

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

The Group's determination as to whether to recognise deferred tax liability for withholding taxes from the distribution of dividends from the subsidiaries in the PRC according to the relevant tax jurisdictions is subject to judgement on the timing of distribution of dividends. The Directors had assessed whether it is probable for the Group's PRC subsidiaries to distribute dividends out of their profits earned after 1 January 2008. For details, refer to note 31 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, are described below.

3. 重大會計判斷及估計 (續)

判斷 (續)

稅項

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

本集團於釐定是否就相關稅務司法權區來自中國附屬公司的股息分派引致的預扣稅確認遞延稅項負債時，須對派付股息的時間作出判斷。董事會評估於二零零八年一月一日後由本集團中國附屬公司賺取的溢利分派股息的可能性。有關詳情請參閱財務報表附註31。

估計不確定性

下文描述有關未來的主要假設及於報告日期估計不明朗因素的其他主要來源，該等因素於下個財政年度極有可能會導致資產及負債賬面值作出重大調整。

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2019 was RMB10,636,000 (2018: RMB10,636,000). Further details are given in note 17 to the financial statements.

Provision for expected credit losses on trade receivables

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

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

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

商譽減值

本集團至少每年釐定商譽是否減值。此乃需要估計已分配商譽的現金產生單位的可使用價值。於估計可使用價值時，本集團須估計該現金產生單位預期未來現金流量，選取合適的貼現率以計算該等現金流量的現值。於二零一九年十二月三十一日，商譽的賬面值為人民幣10,636,000元（二零一八年：人民幣10,636,000元）。有關詳情見財務報表附註17。

貿易應收款項之預期信貸虧損撥備

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

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

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3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables (continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 22 to the financial statements.

Leases – Estimating the incremental borrowing rate

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

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

貿易應收款項之預期信貸虧損撥備 (續)

對過往觀察違約率、預測經濟狀況及預期信貸虧損間的相關性評估是一項重要估計。預期信貸虧損的金額對環境變化及預測經濟狀況敏感。本集團的過往信貸虧損經驗及對經濟狀況的預測亦或不能代表客戶未來的實際違約。有關本集團貿易應收款項的預期信貸虧損資料於財務報表附註22中披露。

租賃 – 估算增量借貸利率

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

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations, competitor actions in response to severe industry cycles or unforeseeable change in legal enforcement rights in future. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

非金融資產減值 (商譽除外)

本集團於各報告期末評估所有非金融資產 (包括使用權資產) 有否任何減值跡象。其他非金融資產在有跡象顯示賬面值可能無法收回時進行減值測試。倘資產的賬面值或現金產生單位超逾其可收回金額 (即公允價值減出售成本與使用價值的較高者), 則視為已減值。公允價值減出售成本按自同類資產公平交易中具約束力的銷售交易的可得數據或可觀察市價減出售資產的增量成本計算。倘採用使用價值計算, 則管理層須估計資產或現金產生單位的預計未來現金流量, 選取合適的貼現率以計算該等現金流量的現值。

物業、廠房及設備的可使用年期

本集團釐定物業、廠房及設備的估計可使用年期及相關折舊支出。該估計基於性質及功能相若的物業、廠房及設備的實際可使用年期的過往經驗而作出, 或會因技術革新、競爭對手因應嚴峻的行業週期作出相應行動或日後合法執行權出現不可預見的變更而有大幅改動。管理層會於可使用年期較原先估計為短時增加折舊支出, 或會撇銷或撇減技術陳舊或已廢棄或出售的非策略資產。

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3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Useful lives of intangible assets

The Group determines the estimated useful lives and related amortisation charges for its intangible assets. This estimate is based on the historical experience of the actual useful lives of intangible assets of similar functions. It could change significantly as a result of technical innovations. Management reassesses the useful lives at each reporting date.

Net realisable value of inventories

Net realisable value of an inventory is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of a similar nature which could change significantly as a result of competitor actions. Management reassesses these estimates at each reporting date. During the year ended 31 December 2019, the amount of inventory provision recognised in the consolidated statement of profit or loss was RMB6,166,000 (2018: RMB2,460,000) (note 6).

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

無形資產的可使用年期

本集團釐定其無形資產的估計可使用年期及相關攤銷支出。該估計基於功能相若的無形資產的實際可使用年期的過往經驗而作出，或會因技術創新而發生重大改變。管理層會於各報告日期重估可使用年期。

存貨的可變現淨值

存貨的可變現淨值指日常業務中的估計售價減估計完成及處置的成本。該等估計乃基於當時市況及出售同類性質產品的過往經驗，或會因競爭對手的行動而重大改變。管理層會於各報告日期重估該等估計。截至二零一九年十二月三十一日止年度，於綜合損益表確認的存貨撥備金額為人民幣6,166,000元（二零一八年：人民幣2,460,000元）（附註6）。

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses as at 31 December 2019 was RMB70,253,000 (2018: RMB83,127,000). Further details are included in note 31 to the financial statements.

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. At 31 December 2019, the best estimate of the carrying amount of capitalised development costs was RMB562,002,000 (2018: RMB488,696,000). Further details are included in note 18 to the financial statements.

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

遞延稅項資產

倘有應課稅溢利可動用作可扣稅暫時性差額，以及有可供動用的未動用稅項抵免及未動用稅項虧損結轉，則會就所有可扣稅暫時性差額確認遞延稅項資產。釐定可確認的遞延稅項資產金額需要管理層依據日後應課稅溢利的時間與水平及日後稅務規劃策略作出重大判斷。於二零一九年十二月三十一日未確認的稅項虧損金額為人民幣70,253,000元（二零一八年：人民幣83,127,000元）。進一步詳情載於財務報表附註31。

開發成本

開發成本按照財務報表附註2.4所載有關研究及開發成本的會計政策撥充資本。釐定資本化的數額需管理層對該資產預計日後產生的現金、適用的折現率及預計產生利益期限等作出假設。於二零一九年十二月三十一日，管理層對撥充資本的開發成本賬面值作出的最佳估計為人民幣562,002,000元（二零一八年：人民幣488,696,000元）。進一步詳情載於財務報表附註18。

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4. Operating Segment Information 4. 經營分部資料

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

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“**CODM**”) in order to allocate resources to segments and to assess their performance. The information reported to the executive directors of the Company, who is the Group’s CODM for the purpose of resource allocation and assessment of performance, does not contain profit or loss information of each product line and the executive directors reviewed the gross profit of the Group as a whole reported under IFRSs. Therefore, the operation of the Group constitutes one reportable segment. Accordingly, no segment information is presented.

No segment assets and liabilities and related other segment information were presented as no such discrete financial information is provided to the CODM.

Information about products

An analysis of revenue by products is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Lead-acid batteries	鉛酸蓄電池	7,386,506	8,069,088
Recycled lead products	回收鉛產品	971,227	1,419,052
Others	其他	4,989	56,278
		8,362,722	9,544,418

本集團主要從事製造、開發和銷售鉛酸蓄電池以及其他相關產品。

國際財務報告準則第8號經營分部規定須根據本集團各部門之內部報告識別經營分部，有關內部報告由主要經營決策者（「**主要經營決策者**」）定期審閱，以分配資源予分部及評估分部表現。向本公司執行董事（即本集團主要經營決策者）呈報以供分配資源及評估表現的資料不包括各產品線的損益資料，執行董事審閱根據國際財務報告準則呈報之本集團整體毛利。因此，本集團營運包括一個可呈報分部，故並未呈列分部資料。

並無呈列分部資產及負債以及其他相關的分部資料，原因為主要經營決策者未獲提供有關獨立財務資料。

產品資料

按產品劃分的收益分析如下：

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4. Operating Segment Information (continued) 4. 經營分部資料 (續)

Geographical information

地區資料

(a) Revenue from external customers

(a) 來自外部客戶的收益

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
PRC*	中國*	5,151,752	6,170,748
Europe, the Middle East and Africa	歐洲、中東及非洲	1,425,098	1,363,606
Americas	美洲	1,013,657	1,105,705
Asia-Pacific (other than PRC)	亞太地區 (不包括中國)	772,215	904,359
		8,362,722	9,544,418

* The People's Republic of China ("PRC"), for the purpose of this annual report, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan.

* 就本年報而言，中華人民共和國（「中國」）不包括中國香港特別行政區、中國澳門特別行政區及台灣。

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

上述收益資料乃基於客戶的地點分析。

(b) Non-current assets

(b) 非流動資產

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
PRC	中國	2,774,521	2,859,909
Other countries/areas	其他國家／地區	389,894	227,239
		3,164,415	3,087,148

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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4. Operating Segment Information (continued)

Information about major customers

During the year ended 31 December 2019, no revenue from sales to a single customer amounted to 10% or more of the Group's revenue. During the year ended 31 December 2018, revenue of approximately RMB1,033,825,000 was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer, which accounted for 10.8% of the Group's total revenue.

5. Revenue, Other Income and Gains

An analysis of revenue is as follows:

4. 經營分部資料 (續)

有關主要客戶的資料

於截至二零一九年十二月三十一日止年度，並無來自對單一客戶的銷售收益佔本集團收益的10%或以上。於截至二零一八年十二月三十一日止年度，約人民幣1,033,825,000元的收益來自對單一客戶的銷售（當中包括對已知與該客戶受共同控制的集團實體的銷售），佔本集團總收益的10.8%。

5. 收益，其他收入及收益

收益分析如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue from contracts with customers 客戶合約收益	8,362,722	9,544,418

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5. Revenue, Other Income and Gains (continued)

5. 收益，其他收入及收益 (續)

Revenue from contracts with customers

客戶合約收益

(i) Disaggregated revenue information

(i) 收益資料細分

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		Total 總計 RMB'000 人民幣千元
Type of goods	貨物類型	
Sale of industrial products	銷售工業產品	8,357,733
Others	其他	4,989
		8,362,722
Timing of revenue recognition	收益確認時間	
Goods transferred at a point in time	於某個時點轉讓之貨物	8,362,722

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Total 總計 RMB'000 人民幣千元
Type of goods	貨物類型	
Sale of industrial products	銷售工業產品	9,488,140
Others	其他	56,278
		9,544,418
Timing of revenue recognition	收益確認時間	
Goods transferred at a point in time	於某個時點轉讓之貨物	9,544,418

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5. Revenue, Other Income and Gains (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

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

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of industrial products	178,188	133,257

(ii) Performance obligations

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

Sale of industrial products

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

5. 收益，其他收入及收益 (續)

客戶合約收益 (續)

(i) 收益資料細分 (續)

下表列示於報告期初計入合約負債內而於當前報告期間確認之收益金額：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of industrial products	178,188	133,257

(ii) 履約責任

有關本集團履約責任之資料概述如下：

銷售工業產品

銷售工業產品的履約責任於交付時達成，付款通常於交付起計60日至90日內到期，惟新客戶通常需要預先付款除外。其他的履約責任於財產的擁有權的控制權轉移予買方時達成。

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5. Revenue, Other Income and Gains (continued)

5. 收益，其他收入及收益
(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Other income and gains	其他收入及收益		
Bank interest income	銀行利息收入	13,655	12,034
Government grants*	政府補貼*	80,794	66,610
Dividend income from equity investments designated at fair value through other comprehensive income	指定為按公允值變動計入其他全面收益的權益性投資股息收入	225	-
Sale of scrap materials	銷售廢料	4,942	5,552
Gross rental income from investment property operating leases:	投資物業經營租賃之租金收入總額：		
Other lease payments, including fixed payments	其他租賃付款，包括固定付款	2,232	2,350
Fair value gains, net:	公允價值收益，淨額：		
Financial assets at fair value through profit or loss	公允價值變動計入損益之金融資產	3,511	43
The structured bank deposits	結構性銀行存款	4,901	866
Gain on disposal of a subsidiary (note 35)	出售附屬公司之收益（附註35）	56,101	-
Others#	其他#	7,423	30,871
		173,784	118,326

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

Others in 2018 include an insurance claim received in the amount of RMB23,339,000 from the insurance company for losses in inventories and property, plant and equipment in relation to the fire incident 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然事項。

於二零一八年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的火災事故造成存貨以及物業、廠房及設備損失而已收保險公司的保險理賠金額人民幣23,339,000元。

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6. Profit Before Tax

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

6. 稅前溢利

本集團的稅前溢利乃經扣除／(計入)以下項目後得出：

	Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of inventories sold		6,184,270	7,286,798
Employee benefit expense (including directors' remuneration (note 8)):			
Wages and salaries		748,522	758,701
Equity-settled share option expenses		2,701	5,011
Pension scheme contributions		54,054	74,856
		805,277	838,568
Amortisation of other intangible assets except for deferred development costs	18	20,673	20,483
Research and development costs:			
Deferred development costs amortised*	18	130,957	82,847
Current year expenditure		119,347	111,025
		250,304	193,872
Auditor's remuneration		2,800	2,700
Financial liabilities at fair value through profit or loss:			
Unrealised loss		5,457	–
Realised loss		–	145
Fair value loss from financial liabilities at fair value through profit or loss, net [#]		5,457	145

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6. Profit Before Tax (continued)

6. 稅前溢利 (續)

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial assets at fair value through profit or loss:	公允價值變動計入損益之金融資產：			
Unrealised gain	未變現收益		(3,511)	(43)
Structured bank deposits:	結構性銀行存款：			
Unrealised gain	未變現收益		(73)	(866)
Realised gain	已變現收益		(4,828)	—
Fair value gain from structured bank deposits, net	結構性銀行存款的公允價值收益，淨額		(4,901)	(866)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13	250,109	285,062
Depreciation of investment properties	投資物業折舊	14	11	219
Depreciation of right-of-use assets (2018: amortisation of land lease payments)	使用權資產折舊 (二零一八年：預付土地租賃付款攤銷)	16(a), 16(b)	11,632	3,862
Impairment of trade receivables	貿易應收款項減值	22	6,013	3,266
Impairment of inventories*	存貨減值*	20	6,166	2,460
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#		22,653	831
Foreign exchange differences, net#	外匯匯兌差額，淨額#		6,092	28,001
Lease payment not included in the measurement of lease liabilities	不計入租賃負債計量之租賃付款	16(d)	6,856	—
Minimum lease payments under operating leases	經營租賃下的最低租賃款項		—	13,590
Insurance claim received from the insurance company for loss on a fire incident	就失火損失已收保險公司的保險理賠		—	(23,339)

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

Net fair value loss from financial liabilities at fair value through profit or loss, net loss on disposal of items of property, plant and equipment and net foreign exchange differences are included in "Other expenses" in the consolidated statement of profit or loss.

* 遞延開發成本攤銷及存貨減值計入綜合損益表「銷售成本」中。

公允價值變動計入損益的金融負債產生之公允價值虧損淨額，處置物業、廠房及設備項目的虧損淨額及外匯匯兌差額淨額計入綜合損益表「其他開支」中。

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7. Finance Costs

An analysis of finance costs is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest on bank borrowings	銀行借貸利息	153,991	157,117
Interest arising from discounted bills	貼現票據產生的利息	42,434	45,239
Interest on lease liabilities	租賃負債利息	1,347	-
		197,772	202,356

7. 財務成本

財務成本分析如下：

8. Directors' Remuneration

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fees	袍金	582	630
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,630	1,828
Equity-settled share option expenses	以權益結算的購股權開支	146	185
Pension scheme contributions	退休金計劃供款	67	82
		1,843	2,095
		2,425	2,725

8. 董事酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露之年內董事酬金如下：

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(continued)

8. 董事酬金 (續)

(a) Independent non-executive directors

(a) 獨立非執行董事

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

向獨立非執行董事支付之袍金如下：

		Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Equity-settled share option expenses	Pension scheme contributions	Total
		袍金	薪金、津貼及實物福利	績效掛鈎花紅	以權益結算的購股權開支	退休金計劃供款	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2019	二零一九年						
Mr. Lau Chi Kit	劉智傑先生	211	-	-	25	-	236
Mr. Liu Yangsheng*	劉陽生先生*	123	-	-	25	-	148
Mr. Cao Yixiong Alan	曹亦雄先生	211	-	-	25	-	236
Dr. Zhu Ping#	朱評博士#	37	-	-	-	-	37
		582	-	-	75	-	657
2018	二零一八年						
Mr. Lau Chi Kit	劉智傑先生	210	-	-	39	-	249
Mr. Liu Yangsheng	劉陽生先生	210	-	-	39	-	249
Mr. Cao Yixiong Alan	曹亦雄先生	210	-	-	39	-	249
		630	-	-	117	-	747

There were no other emoluments payable to the independent non-executive directors during the year (2018: Nil).

年內並無向獨立非執行董事支付其他酬金(二零一八年：無)。

* Mr. Liu Yangsheng passed away on 30 July 2019.

* 劉陽生先生於二零一九年七月三十日離世。

Dr. Zhu Ping was appointed as an independent non-executive director of the Company on 28 October 2019.

朱評博士於二零一九年十月二十八日獲委任為本公司獨立非執行董事。

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8. Directors' Remuneration (continued)

(b) Executive directors and a non-executive director

8. 董事酬金 (續)

(b) 執行董事及非執行董事

		Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Equity-settled share option expenses	Pension scheme contributions	Total
		袍金	薪金、津貼及實物福利	績效掛鈎花紅	以權益結算的購股權開支	退休金計劃供款	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2019	二零一九年						
Executive directors:	執行董事:						
Mr. Dong Li	董李先生	-	830	-	-	62	892
Ms. Yin Haiyan [†]	印海燕女士 [†]	-	800	-	71	5	876
		-	1,630	-	71	67	1,768
2018	二零一八年						
Executive directors:	執行董事:						
Mr. Dong Li	董李先生	-	830	-	-	79	909
Ms. Zhao Huan [†]	趙歡女士 [†]	-	511	-	-	2	513
Ms. Yin Haiyan [†]	印海燕女士 [†]	-	333	-	68	1	402
		-	1,674	-	68	82	1,824
Non-executive director:	非執行董事:						
Mr. Philip Armstrong Noznesky [†]	Philip Armstrong Noznesky 先生 [†]	-	154	-	-	-	154
		-	1,828	-	68	82	1,978

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8. Directors' Remuneration (continued)

(b) Executive directors and a non-executive director (continued)

- * Ms. Zhao Huan resigned as an executive director of the Company on 6 August 2018.
- # Ms. Yin Haiyan was appointed as an executive director of the Company on 30 July 2018. She is also the chief executive of the Company.
- ^ Mr. Philip Armstrong Noznesky passed away on 22 September 2018.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2018: Nil).

9. Five Highest Paid Employees

The five highest paid employees during the year included two (2018: one) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2018: four) non-director, highest paid employees are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,525	3,679
Equity-settled share option expenses	以權益結算的購股權開支	639	601
Pension scheme contributions	退休金計劃供款	22	34
		4,186	4,314

8. 董事酬金 (續)

(b) 執行董事及非執行董事 (續)

- * 趙歡女士於二零一八年八月六日辭任本公司執行董事。
- # 印海燕女士於二零一八年七月三十日獲委任為本公司執行董事。她亦為本公司之行政總裁。
- ^ Philip Armstrong Noznesky先生於二零一八年九月二十二日離世。

年內概無任何有關董事放棄或同意放棄任何酬金的安排(二零一八年：無)。

9. 五名最高薪酬僱員

年內五名最高薪酬僱員中，包括兩名(二零一八年：一名)董事，其薪酬詳情載於上文附註8。年內，其餘三名(二零一八年：四名)非董事之最高薪酬僱員的薪酬詳情如下：

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9. Five Highest Paid Employees (continued)

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

		Number of employees 僱員人數	
		2019 二零一九年	2018 二零一八年
Nil to RMB1,000,000	人民幣零元至 人民幣1,000,000元	1	2
RMB1,000,001 to RMB1,500,000	人民幣1,000,001至 人民幣1,500,000元	1	1
RMB1,500,001 to RMB2,000,000	人民幣1,500,001至 人民幣2,000,000元	-	1
RMB2,000,001 to RMB2,500,000	人民幣2,000,001至 人民幣2,500,000元	1	-
		3	4

9. 五名最高薪酬僱員 (續)

薪酬屬下列範圍之非董事的最高薪酬僱員人數如下：

10. Income Tax

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in this jurisdiction.

The subsidiaries, Honour Label, Peak Year, Sheldon, and Catherine Holdings, which were incorporated in the British Virgin Islands are not subject to income tax as these subsidiaries do not have a place of business (other than a registered office only) or carry out any business in the British Virgin Islands.

10. 所得稅

本集團須就本集團成員公司於其註冊及經營所在的司法管轄區所產生或賺取的溢利按實體基準繳付所得稅。

根據開曼群島的規則及規例，本公司毋須於該司法管轄區繳納任何所得稅。

由於在英屬處女群島註冊成立的附屬公司（即Honour Label、Peak Year、Sheldon及Catherine Holdings）於英屬處女群島並無擁有營業地點（註冊辦事處除外）或經營任何業務，因此該等附屬公司無須繳納所得稅。

10. Income Tax (continued)

Leoch Battery Corp., incorporated in the United States, is subject to corporate income tax in the United States. The applicable federal corporate income tax rate is 21% (2018: 21%) on taxable income.

The provision for Hong Kong profits tax is based on the statutory rate of 16.5% (2018: 16.5%) of the assessable profits of subsidiaries incorporated in Hong Kong, i.e., Leoch Power Supply and Leoch International Sales. No provision for Hong Kong profits tax has been made by Leoch Battery Company and Big Help as they did not carry on any business in Hong Kong or had no assessable profits arising in or derived from Hong Kong during the year.

The Singapore authority approved Leoch Battery Pte.'s application for the Global Trader Programme on 24 May 2014 and it was renewed on 30 August 2019. The provision for Leoch Battery Pte.'s current income tax is based on the tax rate of 10% (2018: 10%).

The provision for PRC current income tax is based on the statutory rate of 25% of the assessable profits of the Group's subsidiaries in the PRC as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in the PRC which are taxed at preferential rates.

10. 所得稅 (續)

Leoch Battery Corp.乃於美國註冊成立，須於美國繳納企業所得稅。就應課稅收益而言，適用的聯邦企業所得稅率為21%（二零一八年：21%）。

香港利得稅乃就於香港註冊成立的附屬公司，即理士電源及理士國際營銷的應課稅溢利，按法定稅率16.5%（二零一八年：16.5%）計提撥備。由於Leoch Battery Company及Big Help並無於香港從事任何業務，或於本年度內並無於香港產生或賺取任何應課稅溢利，故其並無計提香港利得稅撥備。

新加坡當局於二零一四年五月二十四日批准及於二零一九年八月三十日續新Leoch Battery Pte.有關全球貿易商計劃的申請。Leoch Battery Pte.即期所得稅乃按稅率10%（二零一八年：10%）計提撥備。

除本集團於中國的若干附屬公司獲稅務優惠外，中國即期所得稅撥備乃根據中國企業所得稅法（於二零零八年一月一日獲批准及生效）按本集團於中國的附屬公司的應課稅溢利以25%的法定稅率計算。

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10. Income Tax (continued)

Jiangsu Leoch, Anhui Leoch Power and Anhui Uplus were designated as high-tech enterprises by the PRC tax authorities and were entitled to a preferential tax rate of 15% for the year 2019.

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

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

10. 所得稅 (續)

於二零一九年，江蘇理士、安徽理士電源及安徽力普拉斯獲中國稅務當局確認為高新科技企業，享有優惠所得稅率為15%。

太和縣大華從事合資格回收業務，可享有扣除使用主要合資格原材料生產合資格產品所得收益的10%。

年內所得稅開支的主要組成部分如下：

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current – PRC	即期稅項－中國	9,712	18,069
Current – Hong Kong	即期稅項－香港	(6,575)	(3,881)
Current – Singapore	即期稅項－新加坡	16,381	7,571
Current – USA	即期稅項－美國	1,430	2,139
Deferred tax	遞延稅項	10,281	(8,052)
Total tax charge for the year	年內稅項支出總額	31,229	15,846

10. Income Tax (continued)

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

10. 所得稅 (續)

按本集團大部分公司註冊所在司法管轄區的法定稅率計算的適用於稅前溢利的所得稅開支與按實際稅率計算的稅項開支的對賬如下：

		2019 二零一九年		2018 二零一八年	
		RMB'000 人民幣千元	% %	RMB'000 人民幣千元	% %
Profit before tax	稅前溢利	158,762		142,986	
Tax at the applicable tax rates	按適用稅率計算的稅項	46,071	29.0	42,705	29.9
Tax concession for certain subsidiaries	若干附屬公司的稅務優惠	(18,083)	(11.4)	(27,763)	(19.5)
Additional deductible research and development expenses	額外可扣減研發開支	(10,541)	(6.6)	(6,463)	(4.5)
Expenses not deductible for tax	不可扣稅開支	871	0.5	1,971	1.4
Tax losses not recognised	未確認稅項虧損	14,244	9.0	8,225	5.8
Tax losses utilised from previous periods	動用前期之稅項虧損	(1,333)	(0.8)	(2,829)	(2.0)
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項開支	31,229	19.7	15,846	11.1

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11. Dividends

11. 股息

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Final – HK2.0 cents (2018: HK2.0 cents) per share	24,321	23,164
末期—每股2.0港仙 (二零一八年: 2.0港仙)		

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

年內建議末期股息須於應屆股東週年大會上取得本公司股東之批准。

12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

12. 母公司普通權益持有人應佔每股盈利

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,357,521,666 (2018: 1,357,431,128) in issue during the year.

每股基本盈利金額乃按母公司普通權益持有人應佔年度溢利及年內已發行普通股加權平均數1,357,521,666股(二零一八年: 1,357,431,128股)基準計算。

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

每股攤薄盈利金額乃按母公司普通權益持有人應佔年內溢利基準計算。計算所用的普通股加權平均數指年內已發行普通股數目(與計算每股基本盈利所用者相同), 以及假設於全部具潛在攤薄普通股視作被行使兌換為普通股時無償發行的普通股的加權平均數。

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12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent (continued)

12. 母公司普通權益持有人應佔每股盈利(續)

The calculations of basic and diluted earnings per share are based on:

每股基本及攤薄盈利乃根據下列數據計算：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
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	132,586	106,418
		Number of shares 股份數目	
		2019 二零一九年	2018 二零一八年
Shares			
	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算每股基本盈利之年內已發行普通股加權平均數	1,357,521,666	1,357,431,128
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 – 普通股加權平均數：		
Share options	購股權	168,257	1,160,164
		1,357,689,923	1,358,591,292

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13. Property, Plant and Equipment 13. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Tooling and equipment 工具及設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2019	二零一九年十二月三十一日							
Cost:	成本:							
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	942,741	2,144,909	41,987	45,018	234,667	107,934	3,517,256
Additions	添置	55,736	136,958	5,449	5,291	22,876	171,759	398,069
Disposal of a subsidiary (note 35)	出售一間附屬公司(附註35)	(17,941)	-	(238)	(176)	-	-	(18,355)
Distribution to a non-controlling shareholder*	分派予一名非控股股東*	(11,445)	-	-	-	-	(8,071)	(19,516)
Transfers	轉撥	2,945	47,240	244	162	11,384	(61,975)	-
Disposals	處置	(13,150)	(25,558)	(238)	(2,342)	(2,443)	-	(43,731)
Exchange realignment	匯兌調整	2,888	1,754	157	103	163	(138)	4,927
At 31 December 2019	於二零一九年十二月三十一日	961,774	2,305,303	47,361	48,056	266,647	209,509	3,838,650
Accumulated depreciation and impairment:	累計折舊及減值:							
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	(236,834)	(947,202)	(30,009)	(32,717)	(207,788)	(1,569)	(1,456,119)
Depreciation provided during the year	年內折舊撥備	(36,704)	(187,081)	(2,636)	(4,811)	(18,877)	-	(250,109)
Disposal of subsidiaries (note 35)	出售附屬公司(附註35)	1,215	-	164	153	-	-	1,532
Distribution to a non-controlling shareholder*	分派予一名非控股股東*	933	-	-	-	-	-	933
Disposals	處置	1,857	13,152	3	2,124	448	-	17,584
Exchange realignment	匯兌調整	(619)	(402)	(23)	(75)	(100)	-	(1,219)
At 31 December 2019	於二零一九年十二月三十一日	(270,152)	(1,121,533)	(32,501)	(35,326)	(226,317)	(1,569)	(1,687,398)
Net carrying amount:	賬面淨值:							
At 31 December 2019	於二零一九年十二月三十一日	691,622	1,183,770	14,860	12,730	40,330	207,940	2,151,252

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13. Property, Plant and Equipment (continued)

13. 物業、廠房及設備 (續)

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Tooling and equipment 工具及設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2018	二零一八年十二月三十一日							
Cost:	成本:							
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	872,153	1,840,236	31,703	43,359	222,879	214,849	3,225,179
Additions	添置	16,920	223,827	10,640	2,016	13,788	29,035	296,226
Transfer from investment properties (note 14)	轉撥至投資物業(附註14)	26,130	-	-	-	-	-	26,130
Acquisition from a subsidiary	向一間附屬公司收購	-	-	164	224	474	-	862
Transfers	轉撥	27,246	108,754	-	-	-	(136,000)	-
Disposals	處置	(662)	(25,997)	(597)	(694)	(2,543)	-	(30,493)
Exchange realignment	匯兌調整	954	(1,911)	77	113	69	50	(648)
At 31 December 2018	於二零一八年十二月三十一日	942,741	2,144,909	41,987	45,018	234,667	107,934	3,517,256
Accumulated depreciation and impairment:	累計折舊及減值:							
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	(199,660)	(745,414)	(25,692)	(27,532)	(179,135)	(1,569)	(1,179,002)
Depreciation provided during the year	年內折舊撥備	(36,244)	(208,794)	(4,403)	(5,630)	(29,991)	-	(285,062)
Transfer from investment properties (note 14)	轉撥自投資物業(附註14)	(756)	-	-	-	-	-	(756)
Acquisition from a subsidiary	向一間附屬公司收購	-	-	(44)	(37)	(88)	-	(169)
Disposals	處置	49	5,932	151	589	1,490	-	8,211
Exchange realignment	匯兌調整	(223)	1,074	(21)	(107)	(64)	-	659
At 31 December 2018	於二零一八年十二月三十一日	(236,834)	(947,202)	(30,009)	(32,717)	(207,788)	(1,569)	(1,456,119)
Net carrying amount:	賬面淨值:							
At 31 December 2018	於二零一八年十二月三十一日	705,907	1,197,707	11,978	12,301	26,879	106,365	2,061,137

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13. Property, Plant and Equipment (continued)

At 31 December 2019, certain of the Group's buildings and machinery with a net carrying amount of approximately RMB749,349,000 (2018: RMB672,268,000) were pledged to secure general banking facilities granted to the Group. For details of the pledged assets, please refer to note 37 to the financial statements.

* In January 2017, Leoch Battery Zhaoqing Co., Ltd. ("**Leoch Battery Zhaoqing**"), formerly known as Zhaoqing Leoch Marshall Electric Co., Ltd. and a 75.34%-owned subsidiary of the Company, passed a shareholders' resolution to effect a distribution in specie to its shareholders based on their respective shareholding percentages in accordance with its articles of association. Such distribution was effected and completed in April 2019 as a result of which 24.66% of the assets and liabilities owned by Leoch Battery Zhaoqing, was reduced from the Group, resulting in the decrease of property, plant and equipment, investment properties, right-of-use assets, other payables and accruals and non-controlling interests of RMB18,583,000, RMB13,861,000, RMB6,561,000, RMB2,741,000 and RMB36,264,000, respectively. As a result, Leoch Battery Zhaoqing became a wholly-owned subsidiary of the Group.

13. 物業、廠房及設備 (續)

於二零一九年十二月三十一日，本集團賬面淨值約人民幣749,349,000元（二零一八年：人民幣672,268,000元）之若干樓宇及機器已抵押作為本集團獲授一般銀行融資之擔保。已抵押資產詳情請參閱財務報表附註37。

* 於二零一七年一月，本公司持股75.34%之附屬公司肇慶理士電池技術有限公司（「**肇慶理士電池**」）（前稱為「肇慶理士瑪西爾電動車有限公司」）通過一項股東決議案，根據其組織章程細則按股東各自股權比例向股東進行實物分派。該分派已生效並於二零一九年四月完成，導致肇慶理士電池所擁有資產及負債之24.66%自本集團減少，從而導致物業、廠房及設備、投資物業、使用權資產、其他應付款項及應計費用以及非控股權益分別減少人民幣18,583,000元、人民幣13,861,000元、人民幣6,561,000元、人民幣2,741,000元及人民幣36,264,000元，因此，肇慶理士電池成為本集團之全資附屬公司。

14. Investment Properties

14. 投資物業

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost:	成本：		
At 1 January	於一月一日	15,869	51,193
Transferred to property, plant and equipment (note 13)	轉撥至物業、廠房及設備(附註13)	-	(26,130)
Transferred to prepaid land lease payments (note 16)	轉撥至預付土地租賃款項(附註16)	-	(9,194)
Distribution to a non-controlling shareholder (note 13)	分派予一名非控股股東(附註13)	(15,308)	-
At 31 December	於十二月三十一日	561	15,869
Accumulated depreciation:	累計折舊：		
At 1 January	於一月一日	(1,630)	(2,801)
Depreciation provided during the year	年內折舊撥備	(11)	(219)
Transferred to property, plant and equipment (note 13)	轉撥至物業、廠房及設備(附註13)	-	756
Transferred to prepaid land lease payments (note 16)	轉撥至預付土地租賃款項(附註16)	-	634
Distribution to a non-controlling shareholder (note 13)	分派予一名非控股股東(附註13)	1,447	-
At 31 December	於十二月三十一日	(194)	(1,630)
Carrying amount at 31 December	於十二月三十一日的賬面值	367	14,239

The Group's investment property consist of one (2018: two) industrial property in Mainland China which was subsequently measured using the cost model. The Directors have determined that the investment property consists of one class of assets, i.e., industrial property, based on the nature, characteristics and risk of each property. The Group's investment property was revalued on 31 December 2019 based on the valuation by management. Management has reviewed the valuation assumptions and valuation results once a year when the valuation is performed for annual financial reporting.

本集團的投資物業包括中國內地的一個(二零一八年:兩個)工業物業,該等物業其後使用成本模型計量。董事已根據各物業的性質、特點及風險,確認投資物業由一類資產(即工業物業)組成。本集團已根據管理層作出的估值,於二零一九年十二月三十一日對投資物業進行重估。倘估值乃為年度財務呈報作出,則管理層每年會檢討估值假設及估值結果。

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14. Investment Properties (continued)

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

Fair value hierarchy

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

14. 投資物業 (續)

該等投資物業根據經營租賃出租給一名第三方。

公允價值層級

下表載列本集團投資物業的公允價值計量層級：

		Fair value measurement as at 31 December 2019 using 於二零一九年十二月三十一日公允價值計量所用層級			
		Quoted prices in active markets 活躍市場 報價 (Level 1) (第1層) RMB'000 人民幣千元	Significant observable inputs 重大可觀察 輸入數據 (Level 2) (第2層) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察 輸入數據 (Level 3) (第3層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Industrial property	工業物業	-	-	7,031	7,031

		Fair value measurement as at 31 December 2018 using 於二零一八年十二月三十一日公允價值計量所用層級			
		Quoted prices in active markets 活躍市場 報價 (Level 1) (第1層) RMB'000 人民幣千元	Significant observable inputs 重大可觀察 輸入數據 (Level 2) (第2層) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察 輸入數據 (Level 3) (第3層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Industrial properties	工業物業	-	-	30,200	30,200

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14. Investment Properties (continued)

Fair value hierarchy (continued)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

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

14. 投資物業 (續)

公允價值層級 (續)

年內，第一級與第二級之間之公允價值計量並無轉撥，亦無撥入或撥出第三級（二零一八年：無）。

投資物業公允價值乃參照有關市場上可供比較之銷售憑證，使用比較法釐定。為達致公允價值之公平比較，各投資物業將選擇類似規模、特點及位置的可資比較物業進行分析。公允價值計量與市場單位售價呈正相關性。

15. Properties Under Development

15. 發展中物業

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	57,863	40,869
Additions	添置	8,782	38,595
Transfer to completed properties held for sale	轉撥至持作待售已落成物業	-	(21,601)
Disposal of a subsidiary (note 35)	出售一間附屬公司(附註35)	(66,645)	-
Carrying amount at 31 December	於十二月三十一日的賬面值	-	57,863

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16. Leases

The Group as a lessee

The Group has lease contracts for various items of property, plant and machinery and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 46 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of property generally have lease terms between 2 and 6 years, while plant and machinery generally have lease terms between 2 and 3 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

16. 租賃

本集團作為承租人

本集團有用於其業務營運的物業、廠房及機器以及其他設備多個項目的租賃合約。已提前作出一次性付款以向業主收購租賃土地，租期為46至50年，而根據該等土地租賃的條款，將不會繼續支付任何款項。物業租賃的租期通常為2至6年，而廠房及機器的租期通常為2至3年。其他設備的租期通常為12個月或以下及／或個別設備的價值較低。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。

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16. Leases (continued)

16. 租賃 (續)

The Group as a lessee (continued)

本集團作為承租人 (續)

(a) Prepaid land lease payments (before 1 January 2019)

(a) 預付土地租賃付款 (於二零一九年一月一日之前)

		2018 二零一八年 RMB'000 人民幣千元
Cost:	成本：	
At 1 January	於一月一日	178,660
Transfer from investment properties (note 14)	轉撥自投資物業 (附註14)	9,194
Additions	添置	22,934
At 31 December	於十二月三十一日	210,788
Accumulated amortisation:	累計攤銷：	
At 1 January	於一月一日	(19,899)
Transfer from investment properties (note 14)	轉撥自投資物業 (附註14)	(634)
Recognised during the year	於年內確認	(3,862)
At 31 December	於十二月三十一日	(24,395)
Impairment:	減值：	
At 1 January and 31 December	於一月一日及十二月三十一日	(54)
Carrying amount:	賬面值：	
At 31 December	於十二月三十一日	186,339
Less: Current portion included in prepayments, other receivables and other assets (note 24)	減：列入預付款項、其他應收 款項及其他資產的 即期部分 (附註24)	(4,350)
Non-current portion	非即期部分	181,989

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16. Leases (continued)

The Group as a lessee (continued)

(b) Right-of-use assets

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

		Prepaid land lease payments 預付土地 租賃款項 RMB'000 人民幣千元	Property 物業 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2019	於二零一九年一月一日	186,339	14,972	194	201,505
Additions	添置	1,480	11,756	-	13,236
Disposal of a subsidiary (note 35)	出售一間附屬公司 (附註35)	(6,076)	(143)	-	(6,219)
Distribution to a non-controlling shareholder (note 13)	分派予一名非控股股東 (附註13)	(6,561)	-	-	(6,561)
Depreciation charge	折舊費用	(3,796)	(7,751)	(85)	(11,632)
Exchange realignment	匯兌調整	478	166	-	644
As at 31 December 2019	於二零一九年 十二月三十一日	171,864	19,000	109	190,973

At 31 December 2019, certain of the Group's prepaid land lease payments with a net carrying amount of approximately RMB60,356,000 (2018: RMB50,297,000) were pledged to secure general banking facilities granted to the Group. For details of the pledged assets, please refer to note 37 to the financial statements.

16. 租賃 (續)

本集團作為承租人 (續)

(b) 使用權資產

本集團使用權資產的賬面值及於年內的變動如下：

於二零一九年十二月三十一日，本集團若干賬面淨值約為人民幣60,356,000元（二零一八年：人民幣50,297,000元）的預付土地租賃款項已抵押作為本集團獲授一般銀行融資之擔保。有關已抵押資產之詳情，請參閱財務報表附註37。

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16. Leases (continued)

The Group as a lessee (continued)

(c) Lease liabilities

The carrying amount of lease liabilities (included under other payables and accruals and other liabilities) and the movements during the year are as follows:

		2019 二零一九年 Lease liabilities 租賃負債 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	14,886
New leases	新租賃	11,756
Disposal of a subsidiary	出售一間附屬公司	(155)
Accretion of interest recognised during the year	年內已確認利息增幅	1,347
Payments	付款	(8,574)
Exchange realignment	匯兌調整	166
Carrying amount at 31 December	於十二月三十一日的賬面值	19,426
Analysed into:	分析為：	
Current portion	流動部分	7,877
Non-current portion	非流動部分	11,549

The maturity analysis of lease liabilities is disclosed in note 42 to the financial statements.

16. 租賃 (續)

本集團作為承租人 (續)

(c) 租賃負債

租賃負債(計入其他應付款項及應計費用以及其他負債)的賬面值及於年內的變動如下:

租賃負債的到期日分析披露於財務報表附註42。

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16. Leases (continued)

The Group as a lessee (continued)

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

		2019 二零一九年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	1,347
Depreciation charge of right-of-use assets	使用權資產折舊費用	11,632
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in cost of sales, selling and distribution expenses)	與短期租賃及餘下租期於二零一九年十二月三十一日或之前屆滿的其他租賃有關的開支(計入銷售成本、銷售及分銷開支)	6,856
Total amount recognised in profit or loss 於損益內確認的款項總額		19,835

(e) The total cash outflow for leases is disclosed in note 36(c) to the financial statements.

The Group as a lessor

The Group leases its staff quarters and office premises consisting of one staff quarter and nine office premises under operating lease arrangements. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was HK\$2,232,000 (2018: HK\$2,350,000), details of which are included in note 5 to the financial statements.

16. 租賃 (續)

本集團作為承租人 (續)

(d) 於損益內確認的租賃相關款項如下：

	2019 二零一九年 RMB'000 人民幣千元
租賃負債利息	1,347
使用權資產折舊費用	11,632
與短期租賃及餘下租期於二零一九年十二月三十一日或之前屆滿的其他租賃有關的開支(計入銷售成本、銷售及分銷開支)	6,856
於損益內確認的款項總額	19,835

(e) 租賃的現金流出總額披露於財務報表附註36(c)。

本集團作為出租人

本集團根據經營租賃安排出租其員工宿舍及辦公室物業，包括一個員工宿舍及九個辦公室物業。該等租賃的條款亦要求租戶支付擔保按金並根據現行市況進行定期租金調整。年內本集團已確認的租金收入為2,232,000港元(二零一八年：2,350,000港元)，詳情載於財務報表附註5。

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16. Leases (continued)

The Group as a lessor (continued)

At 31 December 2019, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	3,936	3,535
After one year but within two years	一年以上但兩年以內	3,697	1,525
After two years but within three years	兩年以上但三年以內	3,685	1,148
After three years but within four years	三年以上但四年以內	1,134	1,143
After four years but within five years	四年以上但五年以內	1,131	1,125
After five years	五年以上	10,874	11,960
		24,457	20,436

16. 租賃 (續)

本集團作為出租人 (續)

於二零一九年十二月三十一日，日後本集團根據與其租戶之不可撤銷經營租賃的應收未貼現租賃付款如下：

17. Goodwill

17. 商譽

		RMB'000 人民幣千元
Cost and net carrying amount:	成本及賬面值淨值：	
At 1 January 2018	於二零一八年一月一日	8,699
Acquisition of a subsidiary	收購一間附屬公司	1,937
At 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	10,636

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17. Goodwill (continued)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the respective cash-generating units (“CGUs”) for impairment testing.

The carrying amount of goodwill has been allocated to CGUs as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Accupower	Accupower	8,660	8,660
Taihe Dahua	太和縣大華	39	39
DBSL	DBSL	1,937	1,937
Total	總計	10,636	10,636

The recoverable amounts of the above CGUs have been determined based on value-in-use calculations using cash flow projections based on financial budgets covering a five-year period approved by senior management.

The key assumptions adopted on the growth rate and discount rate used in the value-in-use calculations are based on management's best estimates. The growth rate of 3% (2018: 3%) is determined by considering both internal and external factors relating to the CGUs. The discount rates applied to the cash flow projections are 15% (2018: 15%) for Accupower, 20% (2018: 20%) for Taihe Dahua and 11% (2018: 11%) for DBSL.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of goodwill is based would not cause the carrying amount of goodwill to exceed its recoverable amount.

17. 商譽 (續)

商譽減值測試

透過業務合併收購的商譽已分配至各自現金產生單位(「現金產生單位」)作減值測試。

分配至現金產生單位之商譽賬面值如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Accupower	Accupower	8,660	8,660
Taihe Dahua	太和縣大華	39	39
DBSL	DBSL	1,937	1,937
Total	總計	10,636	10,636

現金產生單位的可收回金額乃根據現金流量預測以可使用價值方式計算，而該現金流量預測乃以高級管理層批准的五年期財務預算為基準。

計算可使用價值所採用的增長率及折現率的主要假設乃基於管理層的最佳估計。3% (二零一八年：3%) 的增長率乃經考慮與現金產生單位相關的內部及外部因素後釐定。Accupower、太和縣大華及DBSL現金流量預測所採用的折現率分別為15% (二零一八年：15%)、20% (二零一八年：20%) 及11% (二零一八年：11%)。

管理層認為，商譽可收回金額所依據之主要假設出現任何合理變動，不會導致商譽的賬面值超出其可收回金額。

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18. Other Intangible Assets

18. 其他無形資產

		Computer software	Deferred development costs	Customer relationship	Licence	Trademark	Total
		電腦軟件	開發成本	客戶關係	牌照	商標	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2019:	二零一九年十二月三十一日:						
Cost at 1 January 2019, net of accumulated amortisation	於二零一九年一月一日的成本， 扣除累計攤銷	3,456	488,696	19,136	86,500	17,655	615,443
Additions	添置	2,188	204,263	-	-	-	206,451
Amortisation provided during the year	年內攤銷撥備	(4,145)	(130,957)	(1,629)	(10,813)	(4,086)	(151,630)
Exchange realignment	匯兌調整	-	-	719	-	-	719
At 31 December 2019	於二零一九年十二月三十一日	1,499	562,002	18,226	75,687	13,569	670,983
At 31 December 2019:	於二零一九年十二月三十一日:						
Cost	成本	16,688	970,704	22,155	108,126	26,079	1,143,752
Accumulated amortisation	累計攤銷	(15,189)	(408,702)	(3,929)	(32,439)	(12,510)	(472,769)
Net carrying amount	賬面淨值	1,499	562,002	18,226	75,687	13,569	670,983
31 December 2018:	二零一八年十二月三十一日:						
At 1 January 2018:	於二零一八年一月一日:						
Cost	成本	10,954	556,866	4,588	108,126	21,490	702,024
Accumulated amortisation	累計攤銷	(7,089)	(194,898)	(671)	(10,813)	(4,338)	(217,809)
Net carrying amount	賬面淨值	3,865	361,968	3,917	97,313	17,152	484,215
Cost at 1 January 2018, net of accumulated amortisation	於二零一八年一月一日的成本， 扣除累計攤銷	3,865	361,968	3,917	97,313	17,152	484,215
Additions	添置	3,414	209,575	-	-	4,589	217,578
Acquisition of a subsidiary	收購一間附屬公司	132	-	16,246	-	-	16,378
Amortisation provided during the year	年內攤銷撥備	(3,955)	(82,847)	(1,629)	(10,813)	(4,086)	(103,330)
Exchange realignment	匯兌調整	-	-	602	-	-	602
At 31 December 2018	於二零一八年十二月三十一日	3,456	488,696	19,136	86,500	17,655	615,443
At 31 December 2018 and at 1 January 2019:	於二零一八年十二月三十一日 及於二零一九年一月一日:						
Cost	成本	14,500	766,441	21,436	108,126	26,079	936,582
Accumulated amortisation	累計攤銷	(11,044)	(277,745)	(2,300)	(21,626)	(8,424)	(321,139)
Net carrying amount	賬面淨值	3,456	488,696	19,136	86,500	17,655	615,443

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19. Equity Investments Designated at Fair Value Through Other Comprehensive Income

19. 指定按公允價值變動計入其他全面收益的權益性投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Equity investments designated at fair value through other comprehensive income:	指定按公允價值變動計入其他全面收益的權益性投資：		
Unlisted equity investments, at fair value	非上市權益性投資，按公允價值	164,709	137,148

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

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

During the year ended 31 December 2019, the Group disposed of part of its unlisted equity investments. The fair value on the date of sale was RMB7,349,000 and the accumulated gain recognised in other comprehensive income of RMB4,496,000 was transferred to retained earnings. During the year ended 31 December 2019, the Group received dividends in the amount of RMB225,000 (2018: Nil).

截至二零一九年十二月三十一日止年度，本集團已出售其部分未上市權益性投資。於出售日期的公允價值為人民幣7,349,000元且於其他全面收益確認的累計收益人民幣4,496,000元已轉撥至保留盈利。截至二零一九年十二月三十一日，本集團已收取股息之金額為人民幣225,000元（二零一八年：無）。

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20. Inventories

20. 存貨

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Raw materials	原料	344,180	632,446
Work in progress	在製品	816,658	795,069
Finished goods	製成品	656,128	535,451
		1,816,966	1,962,966

As at 31 December 2019, inventories with the amount of RMB6,166,000 (2018: RMB2,460,000) were written down to their net realisable value as disclosed in note 6.

誠如附註6所披露，於二零一九年十二月三十一日，金額為人民幣6,166,000元（二零一八年：人民幣2,460,000元）之存貨已撇減至其可變現淨值。

21. Completed Properties Held for Sale

21. 持作待售已落成物業

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Completed properties held for sale	持作待售已落成物業	-	15,856

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22. Trade Receivables

22. 貿易應收款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	2,338,905	2,450,675
Less: Impairment provision	減：減值撥備	(32,034)	(26,021)
		2,306,871	2,424,654

The Group grants different credit periods to its customers. Credit periods for individual customers are considered on a case-by-case basis. Certain customers are required to make partial payments before or upon delivery. The Group seeks to maintain strict control over its outstanding receivables and closely monitors them to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables of RMB205,917,000 (2018: RMB233,914,000) were under short term credit insurance and RMB57,357,000 (2018: RMB63,713,000) were under letters of credit. In addition, the Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing.

As at 31 December 2019, the Group pledged certain trade receivables amounting to RMB96,149,000 (2018: RMB31,592,000) to banks with recourse in exchange for cash (note 37). The proceeds from pledging the trade receivables of RMB81,582,000 (2018: RMB20,759,000) were accounted for as collateralised bank advances until the trade receivables were collected or the Group made good of any losses incurred by the banks. The details of the transfer of factored trade receivables are included in note 43 to the financial statements.

本集團向客戶授予不同的信貸期。各個客戶的信貸期逐一釐定。若干客戶須於交付前或交付時作出部分付款。本集團尋求對其未獲償還的應收款項維持嚴格控制，並密切監察該等賬款，以減低信貸風險。高級管理層會定期審閱逾期未付的結餘。貿易應收款項中人民幣205,917,000元（二零一八年：人民幣233,914,000元）訂有短期信用保險，而人民幣57,357,000元（二零一八年：人民幣63,713,000元）則訂有信用證。此外，本集團概無就該等結餘持有任何抵押品或採取其他信貸提升措施。貿易應收款項為不計息。

於二零一九年十二月三十一日，本集團向銀行抵押若干有追索權的貿易應收款項，金額為人民幣96,149,000元（二零一八年：人民幣31,592,000元），藉以換取現金（附註37）。抵押貿易應收款項所得款項人民幣81,582,000元（二零一八年：人民幣20,759,000元）乃列作有抵押銀行墊款，直至該等貿易應收款項獲收回或本集團彌補銀行產生的任何虧損為止。保理貿易應收款項轉讓之詳情載於財務報表附註43。

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22. Trade Receivables (continued)

An ageing analysis of the trade receivables as at 31 December 2019 and 2018 based on the invoice date, net of loss allowance, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 3 months	3個月內	1,713,636	1,735,538
3 to 6 months	3至6個月	303,817	403,444
6 to 12 months	6至12個月	147,672	214,842
1 to 2 years	1至2年	110,159	57,500
Over 2 years	2年以上	31,587	13,330
		2,306,871	2,424,654

22. 貿易應收款項 (續)

於二零一九年及二零一八年十二月三十一日之貿易應收款項按發票日(扣除虧損撥備)的賬齡分析如下:

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

貿易應收款項減值虧損撥備的變動載列如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At beginning of year	於年初	26,021	32,039
Impairment losses (note 6)	減值虧損(附註6)	6,013	3,266
Amount written off as uncollectible	撇銷為不可收回的款項	-	(9,284)
At end of year	於年末	32,034	26,021

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22. Trade Receivables (continued)

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

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

As at 31 December 2019

		Current 即期		Past due 逾期		Total 總計
		Customers with credit enhancement 信貸提升的 客戶	Ordinary customers 普通客戶	Customers with credit enhancement 信貸提升的 客戶	Ordinary customers 普通客戶	
Expected credit loss rate	預期信貸虧損率	0.04%	0.78%	0.57%	100.00%	1.37%
Gross carrying amount (RMB'000)	賬面總值 (人民幣千元)	1,855,815	312,449	142,558	28,083	2,338,905
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	710	2,429	812	28,083	32,034

22. 貿易應收款項 (續)

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

下表載列本集團使用撥備矩陣計算的貿易應收款項的信貸風險資料：

於二零一九年十二月三十一日

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22. Trade Receivables (continued)

As at 31 December 2018

		Current 即期		Past due 逾期		Total 總計
		Customers with credit enhancement 信貸提升的 客戶	Ordinary customers 普通客戶	Customers with credit enhancement 信貸提升的 客戶	Ordinary customers 普通客戶	
Expected credit loss rate	預期信貸虧損率	0.02%	0.68%	0.36%	100.00%	1.06%
Gross carrying amount (RMB'000)	賬面總值 (人民幣千元)	1,971,630	385,276	71,083	22,686	2,450,675
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	463	2,619	253	22,686	26,021

22. 貿易應收款項 (續)

於二零一八年十二月三十一日

23. Debt Investments at Fair Value Through Other Comprehensive Income

The balances as at 31 December 2019 and 31 December 2018 represent bills receivable held by the Group which were measured at fair value through other comprehensive income, since the bills receivable were held within the business model whose objective was achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows were solely payments of principal and interest on the principal amount outstanding.

23. 公允價值變動計入其他全面收益的債務投資

於二零一九年十二月三十一日及二零一八年十二月三十一日之結餘指本集團持有之公允價值變動計入其他全面收益的應收票據，原因為應收票據是按同時透過收取合約現金流量及出售金融資產為目的之商業模式下持有，而合約現金流量僅為支付本金及未償還本金之利息。

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23. Debt Investments at Fair Value Through Other Comprehensive Income (continued)

The ageing analysis of bills receivable presented based on the issue date at 31 December 2019 and 31 December 2018 is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 3 months	3個月內	16,614	44,126
3 to 6 months	3至6個月	102,891	97,210
6 to 12 months	6至12個月	15,279	23,289
		134,784	164,625

The net gain on changes in the fair value of the debt investments at fair value through other comprehensive income amounting to RMB1,357,000 (2018: net loss of RMB2,768,000) was recognised in the consolidated statement of other comprehensive income during the year.

23. 公允價值變動計入其他全面收益的債務投資 (續)

於二零一九年十二月三十一日及二零一八年十二月三十一日按發行日期呈列之應收票據賬齡分析如下：

年內，公允價值變動計入其他全面收益的債務投資的公允價值變動收益淨額人民幣1,357,000元（二零一八年：虧損淨額人民幣2,768,000元）於綜合其他全面收益表中確認。

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24. Prepayments, Other Receivables and Other Assets 24. 預付款項、其他應收款項及其他資產

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Prepayments	預付款項	115,789	139,671
Deposits and other receivables	訂金及其他應收款項	37,973	35,233
Loans to employees	向僱員作出的貸款	8,211	7,422
Interest receivables	應收利息	70	-
Current portion of prepaid land lease payments (note 16)	預付土地租賃款項的即期部分(附註16)	-	4,350
		162,043	186,676

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2019 and 2018, the loss allowance was assessed to be minimal.

上述結餘所包括的金融資產與無近期違約記錄及逾期款項有關。於二零一九年及二零一八年十二月三十一日，本集團估計虧損撥備甚低。

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25. Financial Assets/Liabilities at Fair Value Through Profit or Loss

25. 公允價值變動計入損益的金融資產／負債

	2019	
	Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元
Listed equity investments, at fair value 上市權益性投資，按公允價值	466	–
Unlisted equity investments, at fair value 非上市權益性投資，按公允價值	9,002	–
Commodity future contracts, at fair value 商品期貨合約，按公允價值	–	5,457
Other unlisted investment, at fair value 其他非上市投資，按公允價值	56,135	–
	65,603	5,457

	2018	
	Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元
Listed equity investments, at fair value 上市權益性投資，按公允價值	12,588	–

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

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

The Group uses derivative financial instruments, such as commodity future contracts to hedge its price fluctuation risk. These commodity future contracts are not designated for hedge purposes and are measured at fair value through profit or loss.

本集團使用衍生金融工具，例如商品期貨合約以對沖其價格波動風險。該等商品期貨合約並非指定為對沖用途且按公允價值變動計入損益計量。

The above other unlisted investment was the right to receive the proceeds from future sales of the properties. For details, refer to note 35. It was mandatorily classified as financial assets at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

以上其他非上市投資乃收取未來物業銷售所得款項的權利。有關詳情，請參閱附註35。該等投資強制分類為公允價值變動計入損益的金融資產，此乃由於其合約現金流量並非純粹為本金及利息付款。

26. Structured Bank Deposits

26. 結構性銀行存款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Structured bank deposits, in licensed banks in Mainland China: With floating rate, at fair value	中國內地持牌銀行之 結構性銀行存款： 按浮動利率計息， 按公允價值計量	59,793	109,866

The structured bank deposits were wealth management products issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. The net gain on changes in the fair value of the structured bank deposits amounting to RMB4,901,000 (2018: RMB866,000) was recognised in the consolidated statement of profit or loss during the year.

結構性銀行存款為中國內地銀行發行的理財產品。彼等被強制分類為公允價值變動計入損益的金融資產，此乃由於其合約現金流量並非純粹為本金及利息付款。年內，結構性銀行存款的公允價值變動收益淨額人民幣4,901,000元（二零一八年：人民幣866,000元）於綜合損益表中確認。

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27. Cash and Bank Balances and Time Deposits

27. 現金及銀行結餘以及定期存款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	280,903	425,311
Time deposits	定期存款	464,146	452,216
		745,049	877,527
Less: Pledged for interest-bearing bank borrowings	減：已就計息銀行借貸抵押	(4,675)	(104,561)
Pledged for bills payable	已就應付票據抵押	(427,684)	(303,714)
Pledged for letters of credit	已就信用證抵押	(31,787)	(43,941)
		(464,146)	(452,216)
Cash and cash equivalents	現金及現金等價物	280,903	425,311
Denominated in RMB	以人民幣計值	638,484	706,693
Denominated in US\$	以美元計值	49,838	134,619
Denominated in HK\$	以港元計值	37,808	19,511
Denominated in Indian Rupee	以印度盧比計值	7,041	11,482
Denominated in Malaysian Dollar ("MYR")	以馬來西亞令吉 (「馬來西亞令吉」)計值	4,113	1,597
Denominated in Singapore Dollar ("SG\$")	以新加坡元(「新元」)計值	603	1,209
Denominated in Euro ("EUR")	以歐元(「歐元」)計值	4,863	1,149
Denominated in Australian Dollar ("AU\$")	以澳元(「澳元」)計值	881	901
Denominated in Sri Lankan Rupee	以斯里蘭卡盧比計值	1,418	366
		745,049	877,527

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The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

27. 現金及銀行結餘以及定期存款 (續)

人民幣不得自由兌換作外幣，然而，根據中國外匯管制條例及結匯、售匯及付匯管理規定，本集團獲批准透過授權銀行將人民幣兌換作外幣以進行外匯業務。

存於銀行的現金按每日銀行存款利率的浮動息率賺取利息。短期定期存款之存款期由一日至三個月不等，視乎本集團之實時現金要求而定，各自按短期存款利率獲取利息。銀行結餘及抵押存款存於近期無拖欠記錄且信譽良好的銀行。

28. Trade and Bills Payables**28. 貿易應付款項及應付票據**

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	805,666	980,460
Bills payable	應付票據	1,204,035	1,021,248
		2,009,701	2,001,708

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28. Trade and Bills Payables (continued)

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

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 3 months	3個月內	989,445	937,623
3 to 6 months	3至6個月	348,314	390,884
6 to 12 months	6至12個月	655,414	632,798
1 to 2 years	1至2年	11,630	36,028
2 to 3 years	2至3年	604	1,483
Over 3 years	超過3年	4,294	2,892
		2,009,701	2,001,708

The trade payables are non-interest-bearing and are normally settled on 90-day terms. All the bills payable have maturity dates within 365 days. As at 31 December 2019, bills payable amounting to RMB722,500,000 (2018: RMB432,967,000) were issued on intercompany sales transactions within the Group and these bills were discounted to banks for short term financing.

As at 31 December 2019, certain of the Group's bills payable were secured by the pledge of certain of the Group's time deposits amounting to RMB427,684,000 (2018: RMB303,714,000) (note 37).

28. 貿易應付款項及應付票據 (續)

於報告期末，貿易應付款項及應付票據按發票日期的賬齡分析如下：

貿易應付款項為不計息，且一般須於90日內支付。所有應付票據均於365日內到期。於二零一九年十二月三十一日，本集團就集團內公司間進行的銷售交易發行金額為人民幣722,500,000元（二零一八年：人民幣432,967,000元）的應付票據，且該等票據貼現予銀行作短期融資。

於二零一九年十二月三十一日，本集團若干應付票據以本集團金額為人民幣427,684,000元（二零一八年：人民幣303,714,000元）的若干定期存款的質押作擔保（附註37）。

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29. Other Payables and Accruals

29. 其他應付款項及應計費用

			31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
	Notes 附註				
Provision for social insurance and retirement benefits		社會保險及退休福利撥備	158,565	159,011	159,011
Contract liabilities	(a)	合約負債	143,635	178,188	178,188
Accrued expenses		應計開支	107,008	99,534	99,534
Accrued payroll		應計工資	104,991	105,592	105,592
Lease liabilities	16 (c)	租賃負債	7,877	3,040	-
Payables for purchase of items of property, plant and equipment		購買物業、廠房及設備項目的應付款項	60,616	24,312	24,312
Provision for product warranties		產品保修金撥備	15,869	13,010	13,010
Tax payables other than current income tax liabilities		應付稅項 (即期所得稅負債除外)	176,029	135,305	135,305
Payables to non-controlling shareholders	39	應付非控股股東之款項	55,158	43,418	43,418
Others	(b)	其他	25,061	18,998	18,998
			854,809	780,408	777,368

Notes:

附註:

(a) Details of contract liabilities are as follows:

(a) 合約負債詳情如下:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	1 January 2018 二零一八年 一月一日 RMB'000 人民幣千元
Short-term advances received from customers	已收客戶短期墊款			
Sale of goods	銷售貨物	143,635	178,188	133,257

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

合約負債為就交付工業產品已收之短期墊款。

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

(b) 其他應付款項不計息，且並無固定還款期。

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30. Interest-Bearing Bank Borrowings

30. 計息銀行借貸

		31 December 2019 二零一九年十二月三十一日			31 December 2018 二零一八年十二月三十一日		
		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 8.65 1.50至8.65	2020 二零二零年	1,050,581	1.50 to 7.53 1.50至7.53	2019 二零一九年	1,077,598
Collateralised bank advances, secured	銀行墊款，有抵押	2.00 to 2.40 2.00至2.40	2020 二零二零年	81,582	2.00 to 2.40 2.00至2.40	2019 二零一九年	20,759
Interest-bearing bank borrowings, guaranteed	計息銀行借貸，有擔保	2.56 to 8.70 2.56至8.70	2020 二零二零年	443,314	2.56 to 8.32 2.56至8.32	2019 二零一九年	665,727
Current portion of long term bank borrowings, guaranteed	長期銀行借款即期部分，有擔保	LIBOR + 2.50	2020 二零二零年	694,519	LIBOR + 2.50	2019 二零一九年	407,217
				2,269,996			2,171,301
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	2021-2028 二零二一年至 二零二八年	36,190	1.50 to 7.53 1.50至7.53	2020-2028 二零二零年至 二零二八年	34,113
Interest-bearing bank borrowings, guaranteed	計息銀行借貸，有擔保	-	-	-	LIBOR + 2.50	2020 二零二零年	678,694
				36,190			712,807
				2,306,186			2,884,108
Denominated in RMB	以人民幣計值			892,414			1,063,699
Denominated in US\$	以美元計值			831,612			1,218,810
Denominated in HK\$	以港元計值			537,878			556,440
Denominated in S\$	以新元計值			14,465			15,502
Denominated in MYR	以馬來西亞令吉計值			22,171			24,043
Denominated in EUR	以歐元計值			943			-
Denominated in GBP	以英鎊計值			6,703			5,614
				2,306,186			2,884,108

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30. Interest-Bearing Bank Borrowings (continued)

30. 計息銀行借貸 (續)

Analysed into:

分析如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Bank loans and advances repayable:	須償還的銀行貸款及墊款:		
Within one year	一年內	2,269,996	2,171,301
In the second year	第二年	22,771	699,650
In the third to fifth years, inclusive	第三年至第五年， 包括首尾兩年	5,630	5,944
Beyond five years	五年後	7,789	7,213
		2,306,186	2,884,108

The Group's bank borrowings are secured by the following pledge or guarantees:

本集團的銀行借貸以下述質押或擔保作抵押:

- (i) pledge of the Group's assets with a total value of RMB910,529,000 (2018: RMB858,718,000) for the bank borrowings as disclosed in note 37.
- (ii) cross guarantees executed by companies within the Group.

- (i) 就銀行借貸以本集團總價值人民幣910,529,000元(二零一八年:人民幣858,718,000元)的資產作出的質押(於附註37披露)。
- (ii) 本集團內公司簽訂的相互擔保。

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30. Interest-Bearing Bank Borrowings (continued)

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

Under the Facility Agreement, there are specific performance obligations on Mr. Dong Li, the controlling shareholder of the Company, to not cease to own, directly or indirectly, at least 51% of the beneficial interest in the Company, carrying at least 51% of the voting right, free from any security. Further, Mr. Dong Li shall not cease to have management control over the Company or cease to be the Chairman of the board of directors of the Company. At the date of approval of these audited consolidated financial statements for the year ended 31 December 2019, such obligations have been complied with.

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

As at 31 December 2019, the outstanding term loan balance under the Facility Agreement amounting to US\$100,000,000 (equivalent to RMB694,519,000) is repayable within one year. The term loan bears interest at LIBOR+2.5% per annum.

30. 計息銀行借貸 (續)

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

根據融資協議，有特定履約責任，即董李先生(本公司控股股東)不得終止擁有(直接或間接)本公司至少51%的實益權益(附至少51%的表決權)(不附任何抵押)。此外，董李先生不得終止擁有本公司的管理控制權或不出任本公司的董事會主席。於批准該等截至二零一九年十二月三十一日止年度經審核綜合財務報表日期，有關責任已得到遵守。

本公司五間全資附屬公司，即Catherine Holdings、理士電源、Leoch Battery Company、Leoch Battery Pte.及理士國際營銷為擔保人，擔保本集團準時履行融資協議項下的責任。

於二零一九年十二月三十一日，融資協議項下尚未償還定期貸款結餘為100,000,000美元(相當於人民幣694,519,000元)，於一年內償還。定期貸款每年按LIBOR+2.5%計息。

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31. Deferred Tax

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Provision for impairment of trade receivables	Depreciation and impairment of property, plant and equipment	Tax losses	Equipment invested in subsidiaries with revalued amounts	Change in fair value of debt investments at fair value through other comprehensive income	Unpaid payroll and accruals	Provision for impairment of inventories	Unrealised profit	Deferred government grants	Change in fair value of financial liabilities at fair value through profit or loss	Total	
	貿易應收款項減值撥備	物業、廠房及設備折舊及減值	稅項虧損	金額經重估的投資於附屬公司的設備	公允價值變動計入其他全面的債務投資的公允價值變動	未付工資及應計費用	存貨減值撥備	未變現溢利	遞延政府補貼	公允價值變動計入損益的金融負債的公允價值變動	合計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Gross deferred tax assets at 1 January 2018	於二零一八年一月一日的遞延稅項資產總值	5,611	4,297	17,068	3,515	-	5,234	2,248	8,488	2,849	-	49,310
Deferred tax credited/(charged) to the statement of profit or loss during the year	年內計入/(扣除自)損益表的遞延稅項	(1,504)	(1,190)	1,988	(712)	-	554	418	1,269	2,176	-	2,999
Deferred tax credited to other comprehensive income during the year	年內計入其他全面收益的遞延稅項	-	-	-	-	692	-	-	-	-	-	692
Gross deferred tax assets at 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日的遞延稅項資產總值	4,107	3,107	19,056	2,803	692	5,788	2,666	9,757	5,025	-	53,001
Deferred tax credited/(charged) to the statement of profit or loss during the year	年內計入/(扣除自)損益表的遞延稅項	1,503	(1,158)	(2,461)	(712)	-	683	1,147	(963)	46	546	(1,369)
Deferred tax charged to other comprehensive income during the year	年內扣除自其他全面收益的遞延稅項	-	-	-	-	(339)	-	-	-	-	-	(339)
Gross deferred tax assets at 31 December 2019	於二零一九年十二月三十一日的遞延稅項資產總值	5,610	1,949	16,595	2,091	353	6,471	3,813	8,794	5,071	546	51,293

31. 遞延稅項

年內遞延稅項資產及負債的變動情況如下：

遞延稅項資產

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31. Deferred Tax (continued)

31. 遞延稅項 (續)

Deferred tax liabilities

遞延稅項負債

		Change in fair value of equity investments designated at fair value	Change in fair value of structured bank deposits	Fair value adjustments arising from acquisition of subsidiaries	Change in fair value of financial assets through profit or loss	Others	Total
		Capitalised interest expense	through other comprehensive income	value of			
		指定按公允價值變動計入其他全面收益的公允價值變動	指定按公允價值變動計入其他全面收益的公允價值變動	結構性銀行存款的公允價值變動	收購附屬公司產生之公允價值調整	公允價值變動計入損益的金融資產的公允價值變動	其他
		已資本化的利息開支	全面收益的權益性投資的公允價值變動	公允價值變動	公允價值調整	公允價值變動	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Gross deferred tax liabilities at 1 January 2018	於二零一八年一月一日的遞延稅項負債總值	7,741	17,198	-	28,856	-	54,554
Acquisition of a subsidiary	收購附屬公司	-	-	-	3,087	-	3,087
Deferred tax charged/(credited) to the statement of profit or loss during the year	年內扣除自/(計入)損益表的遞延稅項	(1,299)	-	130	(3,716)	-	(5,053)
Deferred tax credited to other comprehensive income during the year	年內計入其他全面收益的遞延稅項	-	(4,915)	-	-	-	(4,915)
Exchange realignment	匯兌調整	-	-	-	8	-	8
Gross deferred tax liabilities at 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日的遞延稅項負債總值	6,442	12,283	130	28,235	-	47,681
Deferred tax charged/(credited) to the statement of profit or loss during the year	年內扣除自/(計入)損益表的遞延稅項	(1,299)	-	(11)	(3,716)	14,034	8,912
Deferred tax charged to other comprehensive income during the year	年內扣除自其他全面收益的遞延稅項	-	7,505	-	-	-	7,505
Exchange realignment	匯兌調整	-	-	-	140	-	140
Gross deferred tax liabilities at 31 December 2019	於二零一九年十二月三十一日遞延稅項負債總值	5,143	19,788	119	24,659	14,034	64,238

31. Deferred Tax (continued)

Deferred tax liabilities (continued)

The Group has tax losses arising in Mainland China of RMB70,253,000 (2018: RMB83,127,000) that will expire in five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

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

At 31 December 2019, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future and therefore, no deferred tax liabilities have been recognised as at 31 December 2019 and 2018. As at 31 December 2019, the aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB781,651,000 (2018: RMB703,624,000).

31. 遞延稅項 (續)

遞延稅項負債 (續)

本集團於中國內地產生稅項虧損人民幣70,253,000元(二零一八年:人民幣83,127,000元),該款項可五年內用於抵銷未來應課稅溢利。由於該等虧損乃由已虧損一段時日的附屬公司所產生,故並無就此確認遞延稅項資產,及被認為不太可能有應課稅溢利可經動用稅項虧損抵減。

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

於二零一九年十二月三十一日,並無就本集團在中國內地成立的附屬公司的未匯出盈利(須繳納預扣稅)應付的預扣稅確認遞延稅項。董事認為,該等附屬公司在可見將來不太可能分配盈利,因而於二零一九年及二零一八年十二月三十一日並未就此確認遞延稅項負債。於二零一九年十二月三十一日,與於中國內地附屬公司的投資有關而並無就此確認遞延稅項負債的暫時性差額總額合共約為人民幣781,651,000元(二零一八年:人民幣703,624,000元)。

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32. Share Capital

32. 股本

Shares

股份

		2019 二零一九年	2018 二零一八年
Authorised:	法定：		
10,000,000,000 (31 December 2018: 10,000,000,000) ordinary shares of HK\$0.1 each (HK\$'000)	10,000,000,000 (二零一八年 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 (2018: 1,357,521,666) ordinary shares of HK\$0.1 each (HK\$'000)	1,357,521,666 股 (二零一八年： 1,357,521,666 股) 每股面值 0.1港元的普通股 (千港元)	135,752	135,752
Equivalent to RMB'000	相當於人民幣千元	116,213	116,213

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

本公司股本變動概述如下：

		Number of shares in issue 已發行 股份數目	Share capital 股本 RMB'000 人民幣千元
	Note 附註		
At 1 January 2018	於二零一八年一月一日	1,357,271,666	116,192
Exercise of share options	行使購股權 (i)	250,000	21
At 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年 十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	1,357,521,666	116,213

32. Share Capital (continued)

Shares (continued)

- (i) The subscription rights attaching to 250,000 share options were exercised at subscription prices ranging from HK\$0.80 to HK\$0.90 per share, resulting in the issue of 250,000 shares of HK\$0.10 each for a total cash consideration, before expenses, of RMB168,000. An amount of RMB163,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

Share options

Details of the Company's share option schemes and the share options issued under the schemes are included in note 33 to the financial statements.

33. Share Option Schemes

Pre-IPO Share Option Scheme

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

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

32. 股本 (續)

股份 (續)

- (i) 250,000份購股權隨附的認購權已按每股0.80港元至0.90港元的認購價行使，導致發行250,000股每股面值0.10港元的股份，未扣除開支的總現金代價為人民幣168,000元。購股權獲行使後，人民幣163,000元即自購股權儲備轉撥至股份溢價賬內。

購股權

本公司購股權計劃及根據該計劃發行之購股權之詳情載於財務報表附註33。

33. 購股權計劃

首次公開發售前購股權計劃

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

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

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33. Share Option Schemes (continued)

Pre-IPO Share Option Scheme (continued)

The maximum number of the shares in respect of which options may be granted under the Pre-IPO Share Option Scheme shall be 60,000,000 shares, representing approximately 4.5% of the total issued share capital of the Company immediately after the completion of the global offering, taking no account of the exercise of the over-allotment option.

The subscription price in respect of each share under the Pre-IPO Share Option Scheme is determined by the board of directors at its discretion and set out in the relevant offer letters provided that it should not be less than the nominal value of the shares.

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

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

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

33. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

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

首次公開發售前購股權計劃項下每股股份的認購價乃由董事會按其酌情權釐定，並載於有關要約函件內，但其不得少於股份的面值。

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

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

購股權並無賦予持有人任何權利，以享有股息或於股東大會上投票。

31 December 2019
二零一九年十二月三十一日**33. Share Option Schemes**
*(continued)***Pre-IPO Share Option Scheme**
(continued)

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

		2019 二零一九年		2018 二零一八年	
		Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	1.44	14,253	1.50	17,508
Exercised during the year	年內行使	-	-	0.80	(200)
Forfeited during the year	年內沒收	1.63	(5,100)	1.80	(3,055)
At 31 December	於十二月三十一日	1.34	9,153	1.44	14,253

No share options were exercised during the year while the weighted average closing price of the Company's shares at the dates on which the options were exercised in 2018 was HK\$1.03 per share.

33. 購股權計劃 (續)**首次公開發售前購股權計劃**
(續)

於年內首次公開發售前購股權計劃項下尚未行使的購股權如下：

年內，概無購股權獲行使。二零一八年，本公司股份於購股權獲行使日期之加權平均收市價為每股1.03港元。

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33. Share Option Schemes (continued)

Pre-IPO Share Option Scheme (continued)

Movements in the Company's share options under the Pre-IPO Share Option Scheme during the year are as follows:

Name or category of participant	參與者姓名或類別	Number of share options 購股權數量			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 2019 於二零一九年一月一日	Forfeited during the year 年內沒收	At 31 December 2019 於二零一九年十二月三十一日			
Director Ms. Yin Haiyan	董事 印海燕女士	150,000	-	150,000	1 June 2010 二零一零年六月一日	1 June 2012 to 31 May 2022 二零一二年六月一日至 二零二二年 五月三十一日	1.200
Other employees in aggregate	其他僱員共計	14,103,000	(5,100,000)	9,003,000	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
		14,253,000	(5,100,000)	9,153,000			

33. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

年內，本公司於首次公開發售前購股權計劃項下的購股權變動如下：

31 December 2019
二零一九年十二月三十一日**33. Share Option Schemes**
*(continued)***Pre-IPO Share Option Scheme**
(continued)

The exercise prices and exercise periods of the Pre-IPO Share Options outstanding at 31 December 2019 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 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 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 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 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 0.400港元	1 June 2012 to 31 May 2022 二零一二年六月一日至二零二二年五月三十一日
20,000	HK\$0.400 0.400港元	1 June 2013 to 31 May 2022 二零一三年六月一日至二零二二年五月三十一日
20,000	HK\$0.400 0.400港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
20,000	HK\$0.400 0.400港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日

33. 購股權計劃 (續)**首次公開發售前購股權計劃**
(續)

於二零一九年十二月三十一日尚未行使的首次公開發售前購股權的行使價及行使期如下：

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二零一九年十二月三十一日

33. Share Option Schemes (continued)

Pre-IPO Share Option Scheme (continued)

33. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
42,500	HK\$0.600 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
42,500	HK\$0.600 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
42,500	HK\$0.600 0.600港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
42,500	HK\$0.600 0.600港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
37,500	HK\$0.800 0.800港元	1 June 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
45,500	HK\$0.800 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
112,500	HK\$0.800 0.800港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
112,500	HK\$0.800 0.800港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
425,000	HK\$1.000 1.000港元	1 June 2012 to 31 May 2022 二零一二年六月一日至二零二二年五月三十一日
657,000	HK\$1.000 1.000港元	1 June 2013 to 31 May 2022 二零一三年六月一日至二零二二年五月三十一日

33. Share Option Schemes
(continued)Pre-IPO Share Option Scheme
(continued)

33. 購股權計劃 (續)

首次公開發售前購股權計劃
(續)

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
725,000	HK\$1.000 1.000港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
725,000	HK\$1.000 1.000港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
87,500	HK\$1.200 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
87,500	HK\$1.200 1.200港元	1 June 2013 to 31 May 2022 二零一三年六月一日至二零二二年五月三十一日
212,500	HK\$1.200 1.200港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
212,500	HK\$1.200 1.200港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
212,500	HK\$1.400 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
212,500	HK\$1.400 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
212,500	HK\$1.400 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
212,500	HK\$1.400 1.400港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日

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二零一九年十二月三十一日

33. Share Option Schemes (continued)

Pre-IPO Share Option Scheme (continued)

33. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
80,000	HK\$1.600 1.600港元	1 June 2012 to 31 May 2022 二零一二年六月一日至二零二二年五月三十一日
80,000	HK\$1.600 1.600港元	1 June 2013 to 31 May 2022 二零一三年六月一日至二零二二年五月三十一日
80,000	HK\$1.600 1.600港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
80,000	HK\$1.600 1.600港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
400,000	HK\$1.800 1.800港元	1 June 2012 to 31 May 2022 二零一二年六月一日至二零二二年五月三十一日
400,000	HK\$1.800 1.800港元	1 June 2013 to 31 May 2022 二零一三年六月一日至二零二二年五月三十一日
400,000	HK\$1.800 1.800港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
400,000	HK\$1.800 1.800港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
622,500	HK\$2.000 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

33. Share Option Schemes
(continued)Pre-IPO Share Option Scheme
(continued)

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
622,500	HK\$2.000 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
622,500	HK\$2.000 2.000港元	1 June 2014 to 31 May 2022 二零一四年六月一日至二零二二年五月三十一日
622,500	HK\$2.000 2.000港元	1 June 2015 to 31 May 2022 二零一五年六月一日至二零二二年五月三十一日
9,153,000		

At the end of the reporting period, the Company had outstanding Pre-IPO Share Options for the subscription of 9,153,000 shares under the Pre-IPO Share Option Scheme, which represented approximately 0.7% 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 9,153,000 additional ordinary shares of the Company and additional share capital of HK\$915,000 (equivalent to RMB820,000) and share premium of HK\$11,332,000 (equivalent to RMB10,151,000), before related issuance expenses.

33. 購股權計劃 (續)

首次公開發售前購股權計劃
(續)

於本報告期末，本公司擁有未行使首次公開發售前購股權，可認購首次公開發售前購股權計劃項下9,153,000股股份，相當於本公司於當日的已發行股本約0.7%。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9,153,000股本公司額外普通股股份，以及額外股本915,000港元（相等於人民幣820,000元）及股份溢價11,332,000港元（相等於人民幣10,151,000元）（扣除相關發行開支前）。

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33. Share Option Schemes (continued)

Pre-IPO Share Option Scheme (continued)

At the date of approval of these financial statements, the Company had 6,983,000 share options outstanding under the Pre-IPO Share Option Scheme, which represented approximately 0.5% 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 Scheme include any director or employee (whether full time or part time), consultant or advisor of the Group who, in the sole discretion of the board of directors, has contributed to or will contribute to the Group.

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

33. 購股權計劃 (續)

首次公開發售前購股權計劃 (續)

於該等財務報表獲批當日，本公司根據首次公開發售前購股權計劃擁有6,983,000份尚未行使的購股權，相當於當日本公司已發行股份之約0.5%。

購股權計劃

本公司實行一項購股權計劃（「購股權計劃」），經本公司所有股東於二零一零年十月十四日通過的書面決議案（於本公司於二零一八年五月十八日舉行的股東週年大會上修訂）批准及採納，旨在向為本集團作出貢獻或不斷努力提升本集團利益之合資格人士提供獎勵或獎賞，或為董事會不時批准的其他目的。計劃的合資格人士包括董事會全權認為已對或將對本集團作出貢獻的本集團任何董事或僱員（不論全職或兼職）、顧問或諮詢人。

購股權計劃乃提供予本集團任何成員公司的董事及僱員（不論全職或兼職）。

33. Share Option Schemes (continued)

Share Option Scheme (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting and certain disclosure and reporting requirements.

The maximum number of unexercised share options currently permitted to be granted under the Scheme and any other share option schemes, must not, in aggregate, exceed 30% of the total number of shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting and certain disclosure and reporting requirements.

The subscription price of share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the shares of the Company. A consideration of RMB1.00 is payable on acceptance of the offer of an option or options.

33. 購股權計劃 (續)

購股權計劃 (續)

授予本公司董事、主要行政人員或主要股東或彼等的任何聯繫人士的購股權，須事先取得獨立非執行董事的批准。此外，在任何十二個月期間授予本公司的主要股東或獨立非執行董事，或彼等的任何聯繫人士的任何購股權，倘超逾本公司於任何時間的發行股份的0.1%或總值逾五百萬港元（根據於授出日期本公司的股價而釐定）者，則須事先在股東大會上取得股東批准，並須遵守若干披露及申報規定。

按計劃及任何其他購股權計劃目前可授予之尚未行使購股權之最高數目，不得超過本公司於任何時間已發行股份總數之30%。於任何十二個月期間，根據購股權計劃授予每位合資格參與者之購股權可發行股份之最高數目在任何時候均限於本公司已發行股份之1%。超越此限制之任何進一步授出之購股權須先獲得股東於股東大會批准，並遵守若干披露及申報規定。

購股權之認購價由董事會決定，但不得低於(i)於授出購股權之日本公司股份在聯交所之收市價；(ii)緊接授出日期前五個交易日本公司股份在聯交所之平均收市價；及(iii)本公司股份之面值（以最高者為準）。接受購股權要約或購股權時應支付人民幣1.00元的代價。

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33. Share Option Schemes (continued)

Share Option Scheme (continued)

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

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

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

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

33. 購股權計劃 (續)

購股權計劃 (續)

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

行使根據購股權計劃授出的購股權以行使購股權的要約函件所列明之條件為準。

購股權並無賦予持有人任何權利，以享有股息或於股東大會上投票。

以下為年內購股權計劃項下的尚未行使購股權：

		2019 二零一九年		2018 二零一八年	
		Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	1.33	23,364	1.29	29,174
Granted during the year	年內授出	1.28	24,850	-	-
Exercised during the year	年內行使	-	-	0.90	(50)
Lapsed during the year	年內失效	1.86	(700)	0.90	(3,610)
Forfeited during the year	年內沒收	1.44	(4,287)	1.49	(2,150)
At 31 December	於十二月三十一日	1.28	43,227	1.33	23,364

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二零一九年十二月三十一日33. Share Option Schemes
(continued)

Share Option Scheme (continued)

Movements in the Company's share options under the Share Option Scheme during the year are as follows:

Name or category of participant	參與者姓名或類別	Number of share options 購股權數量				At 31 December 2019 於二零一九年 十二月三十一日	Date of grant of share options 購股權授出日期	Exercise period of share options 購股權行使期	Exercise price of share options 購股權行使價 HK\$ per share 每股港元
		At 1 January 2019 於二零一九年 一月一日	Granted during the year 年內授出	Forfeited during the year 年內沒收	Lapsed during the year 年內失效				
Directors	董事								
Mr. Cao Yixiong Alan	曹亦雄先生	300,000	-	-	-	300,000	22 November 2016 二零一六年十一月二十二日	1 December 2017 to 21 November 2026 二零一七年十二月一日至 二零二六年十一月二十一日	1.020
Mr. Cao Yixiong Alan	曹亦雄先生	-	200,000	-	-	200,000	19 July 2019 二零一九年七月十九日	1 August 2020 to 18 July 2029 二零二零年八月一日至 二零二九年七月十八日	1.280
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
Mr. Lau Chi Kit	劉智傑先生	-	200,000	-	-	200,000	19 July 2019 二零一九年七月十九日	1 August 2020 to 18 July 2029 二零二零年八月一日至 二零二九年七月十八日	1.280
Ms. Yin Haiyan	印海燕女士	150,000	-	-	-	150,000	22 November 2016 二零一六年十一月二十二日	1 December 2017 to 21 November 2026 二零一七年十二月一日至 二零二六年十一月二十一日	1.020
Ms. Yin Haiyan	印海燕女士	150,000	-	-	-	150,000	4 December 2017 二零一七年十二月四日	16 December 2018 to 3 December 2027 二零一八年十二月十六日至 二零二七年十二月三日	1.442
Ms. Yin Haiyan	印海燕女士	-	900,000	-	-	900,000	19 July 2019 二零一九年七月十九日	1 August 2020 to 18 July 2029 二零二零年八月一日至 二零二九年七月十八日	1.280
		1,200,000	1,300,000	-	-	2,500,000			

33. 購股權計劃 (續)

購股權計劃 (續)

年內本公司購股權計劃項下購股權之變動如下：

Notes to the Financial Statements 財務報表附註

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33. Share Option Schemes (continued)

33. 購股權計劃 (續)

Share Option Scheme (continued)

購股權計劃 (續)

Name or category of participant	參與者姓名或類別	Number of share options 購股權數量				At 31 December 2019 於二零一九年 十二月三十一日	Date of grant of share options 購股權授出日期	Exercise period of share options 購股權行使期	Exercise price of share options 購股權行使價 HK\$ per share 每股港元
		At 1 January 2019 於二零一九年 一月一日	Granted during the year 年內授出	Forfeited during the year 年內沒收	Lapsed during the year 年內失效				
Other employees in aggregate	其他僱員合計	700,000	-	-	(700,000)	-	21 July 2014 二零一四年七月二十一日	20 August 2015 to 20 July 2019 二零一五年八月二十日至 二零一九年七月二十日	1.860
		2,254,000	-	(237,000)	-	2,017,000	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
		6,460,000	-	(100,000)	-	6,360,000	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
		3,800,000	-	(1,450,000)	-	2,350,000	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
		5,950,000	-	(400,000)	-	5,550,000	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
		-	23,550,000	(2,100,000)	-	21,450,000	19 July 2019 二零一九年七月十九日	1 August 2020 to 18 July 2029 二零二零年八月一日至 二零二九年七月十八日	1.280
	22,164,000	23,550,000	(4,287,000)	(700,000)	40,727,000				
	23,364,000	24,850,000	(4,287,000)	(700,000)	43,227,000				

31 December 2019
二零一九年十二月三十一日**33. Share Option Schemes**
*(continued)***33. 購股權計劃 (續)****Share Option Scheme (continued)****購股權計劃 (續)**

The exercise prices and exercise periods of the share options outstanding at 31 December 2019 are as follows:

於二零一九年十二月三十一日尚未行使的購股權的行使價及行使期如下：

Number of options 購股權數目	Exercise price per share 每股行使價	Exercise period 行使期
1,500,000	HK\$0.810 0.810港元	1 December 2016 to 25 November 2020 二零一六年十二月一日至二零二零年十一月二十五日
2,017,000	HK\$1.018 1.018港元	1 May 2016 to 31 March 2020 二零一六年五月一日至二零二零年三月三十一日
7,260,000	HK\$1.020 1.020港元	1 December 2017 to 21 November 2026 二零一七年十二月一日至二零二六年十一月二十一日
1,500,000	HK\$1.822 1.822港元	1 June 2018 to 15 May 2027 二零一八年六月一日至二零二七年五月十五日
2,350,000	HK\$1.760 1.760港元	1 June 2018 to 24 May 2027 二零一八年六月一日至二零二七年五月二十四日
5,850,000	HK\$1.442 1.442港元	16 December 2018 to 3 December 2027 二零一八年十二月十六日至二零二七年十二月三日
22,750,000	HK\$1.280 1.280港元	1 August 2020 to 18 July 2022 二零二零年八月一日至二零二二年七月十八日
43,227,000		

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33. Share Option Schemes (continued)

Share Option Scheme (continued)

On 19 July 2019, 24,850,000 share options under the Share Option Scheme were granted to 76 employees of the Group. The fair value of these options was HK\$5,107,000 (equivalent to RMB4,486,000), of which the Group recognised a share option expense of HK\$1,190,000 (equivalent to RMB1,046,000) in the current year.

The fair value of the share options granted under the Share Option Scheme was estimated as at the date of grant by management, using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Grant date	授出日期	19 July 2019 二零一九年 七月十九日
Exercise price (HK\$ per share)	行使價 (每股港元)	1.280
Expected dividend yield (%)	預期股息率 (%)	–
Expected volatility (%)	預期波幅 (%)	48.12
Risk-free interest rate (%)	無風險利率 (%)	1.41
Expected life of share options (years)	預期購股權的年期 (年)	10
Weighted average share price at grant date (HK\$ per share)	於授出日期的加權平均股價 (每股港元)	0.620

The expected life of the share options is not necessarily indicative of the exercise patterns that may occur. The expected volatility may not necessarily reflect the actual outcome.

33. 購股權計劃 (續)

購股權計劃 (續)

於二零一九年七月十九日，根據購股權計劃，24,850,000份購股權已向本集團76名僱員授出。該等購股權的公允價值為5,107,000港元（相當於人民幣4,486,000元），當中，本集團已於本年度確認購股權開支1,190,000港元（相當於人民幣1,046,000元）。

根據購股權計劃授出的購股權的公允價值於授出日期獲管理層採用二項式點陣模型，並考慮授出購股權所依據的條款及條件而進行估計。下表載列採用該模型時輸入的資料：

購股權的預期年期未必是可能發生的行使模式的指標。預期波幅未必一定反映實際結果。

33. Share Option Schemes (continued)

Share Option Scheme (continued)

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had outstanding share options for the subscription of 43,227,000 shares under the Share Option Scheme, which represented approximately 3.2% 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 43,227,000 additional ordinary shares of the Company and additional share capital of HK\$4,323,000 (equivalent to RMB3,872,000) and share premium of HK\$51,027,000 (equivalent to RMB45,709,000), before related issuance expenses.

At the date of approval of these financial statements, the Company had 41,097,000 share options outstanding under the Share Option Scheme, which represented approximately 3.0% of the Company's shares in issue as at that date.

34. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity in the financial statements.

33. 購股權計劃 (續)

購股權計劃 (續)

已授出購股權的其他特徵並無被納入公允價值的計量內。

於報告期末，本公司擁有未行使購股權，可認購購股權計劃項下43,227,000股股份，相當於本公司於當日的已發行股本約3.2%。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43,227,000股本公司額外普通股股份，以及額外股本4,323,000港元（相等於人民幣3,872,000元）及股份溢價51,027,000港元（相等於人民幣45,709,000元）（扣除相關發行開支前）。

於該等財務報表獲批日期，根據購股權計劃，本公司擁有41,097,000份未行使購股權，相當於本公司於當日已發行股本約3.0%。

34. 儲備

本集團本年度及過往年度的儲備金額及其變動情況在財務報表的綜合權益變動表中呈列。

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34. Reserves (continued)

Merger reserve

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

Statutory reserve fund

In accordance with the PRC Company Law, the PRC subsidiaries of the Group are required to allocate 10% of their profit after tax to the reserve fund until this reserve reaches 50% of the registered capital of the PRC subsidiaries. Subject to certain restrictions set out in the Company Law of the PRC, part of the reserve fund may be converted to increase paid-up capital/issued capital of the PRC subsidiaries, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital. The reserve fund of the PRC subsidiaries amounted to RMB145,619,000 and RMB139,194,000 as at 31 December 2019 and 2018, respectively.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies outside the PRC. The reserve is dealt with in accordance with the accounting policy set out in note 2.4.

Share option reserve

Details of the Company's share option schemes and the share options issued under the schemes are included in note 33 to the financial statements.

34. 儲備 (續)

合併儲備

本集團的合併儲備指本公司董事兼控股股東董李先生於二零一零年六月八日集團重組前向由其直接持有的附屬公司注資及倘收購一間非全資附屬公司之其他權益，則為收購成本及所收購非控股權益之間的差額。

法定公積金

根據中國公司法，本集團的中國附屬公司須將其釐定的稅後溢利10%撥入法定公積金，直至該儲備達到註冊資本的50%為止。在中國公司法訂明的若干限制規限下，部分法定公積金可予以轉換以增加中國附屬公司繳足資本／已發行股本，惟於資本化後的剩餘結餘須不低於註冊資本的25%。中國附屬公司的公積金於二零一九年及二零一八年十二月三十一日分別為人民幣145,619,000元及人民幣139,194,000元。

匯兌波動儲備

匯兌波動儲備包括所有因換算中國以外公司財務報表而產生的匯兌差額。該儲備按載於附註2.4的會計政策處理。

購股權儲備

有關本公司的購股權計劃及按計劃發行的購股權詳情，載於財務報表附註33。

34. Reserves (continued)

Fair value reserve

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

35. Disposal of a Subsidiary

In 2014, Jiangsu Siting Real Estate Co., Ltd. (“**Jiangsu Siting**”), a subsidiary of the Company, entered into an arrangement (the “**Arrangement**”) with a constructor (the “**Constructor**”), an independent third party, to develop a residential property project for, among others, staff quarters (the “**Project**”). The Constructor is responsible for the management and funding of the Project and sale of the properties after they are completed. There are certain profit sharing arrangements between Jiangsu Siting and the Constructor in accordance with the Arrangement, including that Jiangsu Siting will retain certain units of the properties (the “**Properties**”). The performance of the Constructor under the Arrangement will be guaranteed by an independent third party.

On 13 May 2019, Leoch Battery Technology Co., Ltd., the immediate holding company of Jiangsu Siting, entered into a share transfer agreement with the Constructor to dispose of its 100% equity interest in Jiangsu Siting for a cash consideration of RMB20,000,000 and the proceeds from future sales of the Properties. The consideration was determined by reference to the fair value of the equity interest of Jiangsu Siting disposed of as at 30 April 2019.

34. 儲備 (續)

公允價值儲備

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

35. 出售一間附屬公司

於二零一四年，本公司附屬公司江蘇思廷置業有限公司(「**江蘇思廷**」)與一名獨立第三方建築商(「**建築商**」)訂立一項安排(「**該安排**」)，以開發一個住宅物業項目，其中包括員工宿舍(「**該項目**」)。建築商負責該項目的管理和融資以及物業完工後的銷售。根據該安排，江蘇思廷與建築商之間存在若干利潤分享安排，包括竣工後江蘇思廷將保留若干物業單位(「**有關物業**」)。建築商於該安排下之履約情況由獨立第三方擔保。

於二零一九年五月十三日，江蘇思廷直接控股公司理士電池技術有限公司與建築商訂立一份股份轉讓協議，以現金代價人民幣20,000,000元及未來出售有關物業的所得款項為代價出售其於江蘇思廷的100%股權。該代價乃參考所出售江蘇思廷股權於二零一九年四月三十日之公允價值釐定。

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35. Disposal of a Subsidiary (continued)

35. 出售一間附屬公司 (續)

The carrying values of the assets and liabilities of Jiangsu Siting on the date of disposal were as follows:

於出售日期江蘇思廷資產及負債的賬面值如下：

		Notes 附註	2019 二零一九年 RMB\$'000 人民幣千元
Net assets disposed of:	所出售淨資產：		
Property, plant and equipment	物業、廠房及設備	13	16,823
Properties under development	發展中物業	15	66,645
Right-of-use assets	使用權資產	16(b)	6,219
Completed properties held for sale	持作待售之已落成物業		11,670
Prepayments, other receivables and other assets	預付款項、其他應收款項及 其他資產		11,061
Cash and cash equivalents	現金及現金等價物		17,954
Trade and bills payables	貿易應付款項及應付票據		(63,241)
Other payables and accruals	其他應付款項及應計費用		(53,045)
Income tax payable	應付所得稅		(683)
Gain on disposal of a subsidiary	出售一間附屬公司之收益		56,101
			69,504
Satisfied by:	以下列方式支付：		
Cash	現金		15,200
Other payables and accruals*	其他應付款項及應計費用*		4,800
Financial assets at fair value through profit or loss#	公允價值變動計入損益 之金融資產#	25	49,504
			69,504

35. Disposal of a Subsidiary
(continued)

- * Out of the cash consideration of RMB20,000,000, there was an amount of RMB4,800,000 included in other payables and accruals, which was due to the Constructor by Leoch Battery Technology Co., Ltd. as at the disposal date and used to settle part of the cash consideration.
- # Financial assets at fair value through profit or loss represent the right to receive the proceeds from future sales of the Properties, which were classified at initial recognition as fair value through profit or loss.

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

35. 出售一間附屬公司 (續)

- * 現金代價人民幣20,000,000元中，人民幣4,800,000元計入其他應付款項及應計費用，乃於出售日期理士電池技術有限公司結欠建築商的款額，用於清償部分現金代價。
- # 公允價值變動計入損益之金融資產指自未來出售該等物業獲得所得款項的權利，該金融資產於初步確認時分類為公允價值變動計入損益。

有關出售一間附屬公司的現金及現金等價物淨流出的分析如下：

		RMB\$'000 人民幣千元
Cash consideration	現金代價	15,200
Cash and cash equivalents disposed of	所出售之現金及現金等價物	(17,954)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售一間附屬公司的現金及現金等價物淨流出	(2,754)

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36. Notes to the Consolidated Statement of Cash Flows

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB11,756,000 and RMB11,756,000, respectively, in respect of lease arrangements for property, machinery and other equipment (2018: Nil).

During the year, the Group had non-cash decreases in property, plant and equipment, investment properties, right-of-use assets, other payables and accruals and non-controlling interests of RMB18,583,000, RMB13,861,000, RMB6,561,000, RMB2,741,000 and RMB36,264,000, respectively, in respect of distribution to a non-controlling shareholder (2018: Nil).

36. 綜合現金流量表附註

(a) 主要非現金交易

年內，本集團就物業、機器及其他設備租賃安排之使用權資產及租賃負債的非現金添置分別為人民幣11,756,000元及人民幣11,756,000元（二零一八年：無）。

年內，本集團就分派予一名非控股股東之物業、廠房及設備、投資物業、使用權資產、其他應付款項及應計費用以及非控股權益的非現金減少分別為人民幣18,583,000元、人民幣13,861,000元、人民幣6,561,000元、人民幣2,741,000元及人民幣36,264,000元（二零一八年：無）。

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Statement of Cash Flows
(continued)

36. 綜合現金流量表附註 (續)

(b) Changes in liabilities arising from
financing activities

(b) 融資活動產生之負債變動

2019

二零一九年

		Bank and other loans 銀行及 其他貸款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
At 31 December 2018	於二零一八年 十二月三十一日	2,884,108	-
Effect of adoption of IFRS 16	採納國際財務報告準則 第16號之影響	-	14,886
At 1 January 2019 (restated)	於二零一九年一月一日 (經重列)	2,884,108	14,886
Changes from financing cash flows	融資現金流量變動	(623,770)	(8,574)
New leases	新租賃	-	11,756
Foreign exchange movement	外匯變動	45,848	166
Interest expense	利息開支	-	1,347
Decrease arising from disposal of a subsidiary	出售一間附屬公司所得減少	-	(155)
At 31 December 2019	於二零一九年 十二月三十一日	2,306,186	19,426

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36. Notes to the Consolidated Statement of Cash Flows (continued)

(b) Changes in liabilities arising from financing activities (continued)

2018

		Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	3,013,891
Changes from financing cash flows	融資現金流量變動	(211,099)
Foreign exchange movement	外匯變動	81,316
At 31 December 2018	於二零一八年十二月三十一日	2,884,108

(c) Total cash outflow for leases

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

36. 綜合現金流量表附註 (續)

(b) 融資活動產生之負債變動 (續)

二零一八年

(c) 租賃現金流出總額

計入現金流量表之租賃現金流出總額如下：

		2019 二零一九年 RMB'000 人民幣千元
Within operating activities	計入經營活動	6,856
Within investing activities	計入投資活動	1,480
Within financing activities	計入融資活動	8,574
		16,910

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37. Pledge of Assets

37. 資產抵押

		Prepaid land lease payments 預付土地 租賃款項 RMB'000 人民幣千元 (note 16) (附註16)	Property, plant and equipment 物業·廠房 及設備 RMB'000 人民幣千元 (note 13) (附註13)	Pledged deposits 已抵押存款 RMB'000 人民幣千元 (note 27) (附註27)	Trade receivables 貿易應收 款項 RMB'000 人民幣千元 (note 22) (附註22)	Total 總計 RMB'000 人民幣千元
31 December 2019	二零一九年 十二月三十一日					
Interest-bearing bank borrowings (note 30)	計息銀行借貸 (附註30)	60,356	749,349	4,675	96,149	910,529
Bills payable (note 28)	應付票據(附註28)	-	-	427,684	-	427,684
Issue of letters of credit	發出信用證	-	-	31,787	-	31,787
		60,356	749,349	464,146	96,149	1,370,000
31 December 2018	二零一八年 十二月三十一日					
Interest-bearing bank borrowings (note 30)	計息銀行借貸 (附註30)	50,297	672,268	104,561	31,592	858,718
Bills payable (note 28)	應付票據(附註28)	-	-	303,714	-	303,714
Issue of letters of credit	發出信用證	-	-	43,941	-	43,941
		50,297	672,268	452,216	31,592	1,206,373

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38. Commitments

38. 承諾

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

(a) 於報告期結束時，本集團有以下資本承諾：

	Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	附註		
Contracted, but not provided for: 已訂約但未撥備：			
Land and buildings 土地及樓宇		208	1,340
Construction of a property 建築物業	(i)	–	393,044
Plant and machinery 廠房及機器		589	814
Capital contribution for investments in equity investments designated at fair value through other comprehensive income 指定為公允價值變動計入其他全面收益的權益性投資的投資注資		15,988	15,932
		16,785	411,130

Note:

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 (the “**Construction Contract**”) with Shenzhen Shekou Costal Realty Company Limited (the “**Developer**”), in relation to the construction of a property. Due to delay in the construction, the Group and the Developer reached a mutual agreement to terminate the Construction Contract with the Developer. All the deposits and payments paid by the Group under the Construction Contract have been refunded to the Group in full in 2019.

附註：

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（本公司之附屬公司）共同與深圳市蛇口海濱置業有限公司（「**開發商**」）訂立建造合約（「**建造合約**」），內容有關建造一項物業。由於建設延遲，本集團與開發商已達成協議以與其終止建造合約。本集團根據建造合約所付之所有按金及付款已於二零一九年悉數退還予本集團。

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38. Commitments (continued)

(b) Operating lease commitments as at 31 December 2018

The Group leased certain of its properties, machinery and other equipment from its related companies (note 39(c)) and independent third parties under operating lease arrangements. Leases for properties were negotiated for terms ranging from one to three years.

As at 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

38. 承諾 (續)

(b) 於二零一八年十二月三十一日的經營租賃承擔

本集團根據經營租賃安排向其關連公司(附註39(c))及獨立第三方租用若干物業、機器及其他設備。物業租賃的磋商租限介乎1至3年。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃於下列期間到期的未來最低租賃付款總額如下：

		2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	6,313
In the second to fifth years, inclusive	第二至第五年，包括首尾兩年	10,484
		16,797

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39. Related Party Transactions

39. 關連人士交易

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

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

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
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)	11,481	8,356
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)	59,313	101,687
Leases of office premises to related companies	向關連公司租賃辦公室物業			
Related companies wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司	(i)	257	1,029
Interest expense to related parties	向關連人士支付利息開支			
Non-controlling shareholders of a subsidiary	附屬公司之非控股股東	39(b)(i)	1,740	1,740

Note:

- (i) The purchases of raw materials, 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 not less favourable to the Group than terms available to or from (as appropriate) independent third parties.

The related party transactions in respect of the purchases of raw materials, 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、產品銷售及辦公室物業租賃乃根據共同議定的價格按對本集團而言不遜於向獨立第三方提供或獲獨立第三方（如適合）提供的條款進行。

上述關於購買原材料、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。

39. Related Party Transactions
(continued)

39. 關連人士交易 (續)

(b) Outstanding balances with related parties:

(b) 與關連人士的未償還結餘：

		Due from related parties 應收關連人士款項		Due to related parties 應付關連人士款項	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		Notes 附註			
Current:	即期：				
Non-controlling shareholders of a subsidiary	一間附屬公司的非控股股東	(i)	-	-	55,158
Related companies wholly owned by Mr. Dong Li	董李先生全資擁有的關連公司	(ii)	4,446	55,117	41,590
			4,446	55,117	96,748
					57,333

Notes:

- (i) As at 31 December 2019, a loan amounting to RMB40,000,000 from non-controlling shareholders of a subsidiary was unsecured, bore interest rate at 4.35% per annum and had no fixed terms of repayment and a loan amounting to RMB10,000,000 from a non-controlling shareholder of a subsidiary was unsecured, interest-free and had no fixed terms of repayment.
- (ii) As at 31 December 2019 and 2018, all balances with the related companies wholly owned by Mr. Dong Li were trade in nature, unsecured, interest-free and had no fixed terms of repayment.

附註：

- (i) 於二零一九年十二月三十一日，來自一間附屬公司之非控股股東之貸款人民幣40,000,000元為無抵押、按年利率4.35%計息及無固定還款期及應收一間附屬公司之非控股股東之貸款人民幣10,000,000元為無抵押、免息及無固定還款期。
- (ii) 於二零一九年及二零一八年十二月三十一日，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。

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39. Related Party Transactions (continued)

- (c) The Group has rental contracts with one related company wholly owned by Mr. Dong Li and one related company wholly owned by Mr. Dong Li's spouse. As at 31 December 2019, the Group had total lease liabilities with these related companies under non-cancellable leases falling due as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Lease liabilities included in other payables and accruals – current	包括在其他應付款項及應計費用中的租賃負債—即期	4,774	–
Lease liabilities included in other liabilities – non-current	包括在其他負債中的租賃負債—非即期	5,105	–
		9,879	–

Under such rental contracts, the minimum lease payment during the period was RMB5,075,000. As at 31 December 2019, the Group's right-of-use assets relating to such rental contracts amounted to RMB9,792,000 (31 December 2018: Nil).

39. 關連人士交易 (續)

- (c) 本集團與董李先生全資擁有的一間關連公司及董李先生配偶全資擁有的一間關連公司訂有租賃合約。於二零一九年十二月三十一日，本集團與該等關連公司的不可撤銷租賃的租賃負債總額如下：

根據該等租賃合約，期內的最低租賃付款為人民幣5,075,000元。於二零一九年十二月三十一日，本集團與該等租賃合約有關的使用權資產為人民幣9,792,000元（二零一八年十二月三十一日：無）。

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二零一九年十二月三十一日39. Related Party Transactions
(continued)

39. 關連人士交易 (續)

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

(d) 本集團主要管理人員的酬金：

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Basic salaries and other benefits	基本薪金及其他福利	7,585	6,507
Equity-settled share option expenses	以權益結算的購股權開支	1,006	722
Pension scheme contributions	退休金計劃供款	116	119
		8,707	7,348

Further details of directors' emoluments are included in note 8 to the financial statements.

有關董事酬金之進一步詳情載於財務報表附註8。

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40. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2019

Financial assets

40. 按類別分析的金融工具

各類別金融工具於報告期末的賬面值如下：

二零一九年

金融資產

		Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
		公允價值變動計入損益的金融資產	公允價值變動計入其他全面收益的金融資產			
		Mandatorily designated as such	Debt investments	Equity investments	按攤銷成本計量之金融資產	
		強制如此指定	債務投資	權益性投資	計量之金融資產	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資	-	-	164,709	-	164,709
Debt investments at fair value through other comprehensive income	公允價值變動計入其他全面收益的債務投資	-	134,784	-	-	134,784
Trade receivables	貿易應收款項	-	-	-	2,306,871	2,306,871
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	-	-	-	46,184	46,184
Financial assets at fair value through profit or loss	公允價值變動計入損益的金融資產	65,603	-	-	-	65,603
Structured bank deposits	結構性銀行存款	59,793	-	-	-	59,793
Pledged deposits	已抵押存款	-	-	-	464,146	464,146
Cash and cash equivalents	現金及現金等價物	-	-	-	280,903	280,903
		125,396	134,784	164,709	3,098,104	3,522,993

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Category (continued)

2019

Financial liabilities

40. 按類別分析的金融工具
(續)

二零一九年

金融負債

		Financial liabilities at fair value through profit or loss 公允價值變動計入損益的金融負債	Financial liabilities at amortised cost 按攤銷成本計量的金融負債	Total 總計
	Mandatorily designated as such 強制如此指定	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	-	2,009,701	2,009,701
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	-	140,835	140,835
Financial liabilities at fair value through profit or loss	公允價值變動計入損益的金融負債	5,457	-	5,457
Interest-bearing bank borrowings	計息銀行借貸	-	2,306,186	2,306,186
		5,457	4,456,722	4,462,179

Notes to the Financial Statements 財務報表附註

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40. Financial Instruments by Category (continued)

2018

Financial assets

40. 按類別分析的金融工具 (續)

二零一八年

金融資產

		Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
		公允價值變動計入損益的金融資產	Held for trading	Debt investments		
		持作買賣	債務投資	權益性投資	按攤銷成本計量之金融資產	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資	-	-	137,148	-	137,148
Debt investments at fair value through other comprehensive income	公允價值變動計入其他全面收益的債務投資	-	164,625	-	-	164,625
Trade receivables	貿易應收款項	-	-	-	2,424,654	2,424,654
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	-	-	-	42,655	42,655
Financial assets at fair value through profit or loss	公允價值變動計入損益的金融資產	12,588	-	-	-	12,588
Structured bank deposits	結構性銀行存款	109,866	-	-	-	109,866
Pledged deposits	已抵押存款	-	-	-	452,216	452,216
Cash and cash equivalents	現金及現金等價物	-	-	-	425,311	425,311
		122,454	164,625	137,148	3,344,836	3,769,063

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Category (continued)

2018

Financial liabilities

40. 按類別分析的金融工具
(續)

二零一八年

金融負債

		Financial liabilities at amortised cost 按攤銷成本計量的金融負債 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	2,001,708
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	86,728
Interest-bearing bank borrowings	計息銀行借貸	2,884,108
		4,972,544

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41. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments approximate to their fair values.

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets and financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

41. 金融工具公允價值及公允價值層級

本集團金融工具的賬面值及公允價值與其公允價值相近。

管理層已評估現金及現金等價物、已抵押存款、貿易應收款項、貿易應付款項及應付票據、計入預付款項、其他應收款項及其他資產的金融資產、以及計入其他應付款項及應計費用的金融負債的公允價值，與其賬面值相若，主要由於該等工具屬短期性質。

本集團由財務經理領導的融資部門負責制定金融工具公允價值計量的政策及程序。財務經理直接向首席財務官及審核委員會彙報。於各報告日期，財務部門分析金融工具價值的變動情況，並釐定估值所用的主要投入。該估值由首席財務官審閱及批准。審核委員會每年兩次就有關中期及年度財務報告的估值過程及結果進行討論。

金融資產及負債的公允價值以該工具自願交易方（強迫或清盤出售除外）當前交易下可交易金額入賬。以下方法及假設均用來估算公允價值。

41. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

The fair values of the non-current portion of interest-bearing bank borrowings approximate to their amortised costs which have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2019 were assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments at fair value through profit or loss have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple and price to earnings ("P/E") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

41. 金融工具公允價值及公允價值層級 (續)

計息銀行借貸非即期部分之公允價值與其攤銷成本相若，其攤銷成本乃使用類似條款工具之現行利率、信貸風險及剩餘年期折現預期未來現金流計算。由於本集團於二零一九年十二月三十一日的計息銀行借貸自身不履約風險導致的公允價值變動被評定為微不足道。

上市權益性投資的公允價值乃基於市場報價。公允價值變動計入損益的非上市權益性投資之公允價值已基於並無可觀察市價或費率作為依據的假設採用市場基礎估值技術估定。估值要求董事按行業、規模、槓桿及策略釐定可資比較上市公司（同業），並就各已識別可資比較公司計算適合價格倍數，如企業價值對除利息、稅項、折舊及攤銷前盈利（「EV/EBITDA」）倍數及市盈率（「P/E」）倍數。該倍數以可資比較公司之企業價值除以盈利計量因素計算。貿易倍數隨後按公司特定之事實及情況，就不流通性及可資比較公司之間的規模差異折現。已折現倍數應用以非上市權益性投資之相應盈利計量因素，以計量公允價值。董事認為，因估值技術而產生的估計公允價值（計入綜合財務狀況表）以及相關公允價值變動（計入損益）均屬合理，亦為報告期末的最恰當值。

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41. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using the asset-based approach. The assets of the unlisted company include cash and cash equivalents, short-term principal-protected investment and investments in portfolio companies. Management has assessed that the fair values of cash and cash equivalents, the short-term principal-protected investment and the liabilities approximate to their carrying amounts with consideration of the nature and the short-term maturities of these instruments. The fair value of the investments in portfolio companies is estimated using different valuation methodologies according to the nature of individual investments, such as the trading price of listed shares, price of recent investments, market multiples and the discounted cash flow method.

The fair values of debt investments at fair value through other comprehensive income, which are bills receivable, have been estimated using a discounted cash flow valuation model based on the interest rate yield curve.

41. 金融工具公允價值及公允價值層級 (續)

指定按公允價值變動計入其他全面收益的非上市權益性投資的公允價值使用資產法進行估算。非上市公司資產包括現金及現金等價物、短期保本投資及組合公司投資。管理層已評估現金及現金等價物、短期保本投資及負債的公允價值，約至該等工具性質代價及短期內到期的賬面值。於組合公司的投資的公允價值根據個別投資的性質採用不同的估值方法估值，包括上市股份的交易價格、近期投資的價格、市場倍數及現金流量折現法。

公允價值變動計入其他全面收益的債務投資（即應收票據）的公允價值使用基於利率收益率曲線的現金流量折現估值模式估算。

41. Fair Value and Fair Value Hierarchy of Financial Instruments *(continued)*

The fair values of structured bank deposits, which represent wealth management products issued by banks in Mainland China, have been estimated using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group invests in other unlisted investments, which represent the right to receive the proceeds from future sales of the properties. The Group has estimated the fair value of these unlisted investments by using a market-based valuation technique based on the selling price of comparable properties.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with good credit ratings. Derivative financial instruments, including commodity future contracts are based on quoted market prices.

41. 金融工具公允價值及公允價值層級 (續)

結構性銀行存款，即中國內地銀行發行的理財產品，其公允價值已採用基於具有類似條款及風險的工具的市場利率的現金流量折現估值模式估算。

本集團投資於其他非上市投資，該等投資乃收取未來物業銷售所得款項的權利。本集團已使用市場基礎估值技術基於可資比較物業之售價估計該等非上市投資之公允價值。

本集團與眾多對手方（主要為信貸評級良好之金融機構）訂立衍生金融工具。衍生金融工具包括基於市場報價之商品期貨合約。

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41. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

41. 金融工具公允價值及公允價值層級 (續)

公允價值層級

下表載列本集團金融工具的公允價值計量層級：

按公允價值計量的資產

		Fair value measurement using 公允價值計量所用層級			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		活躍市場報價 (第1層)	重大可觀察 輸入數據 (第2層)	重大不可觀察 輸入數據 (第3層)	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
2019	二零一九年				
Equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資	-	-	164,709	164,709
Debt investments at fair value through other comprehensive income	公允價值變動計入其他全面收益的債務投資	-	134,784	-	134,784
Structured bank deposits	結構性銀行存款	-	59,793	-	59,793
Financial assets at fair value through profit or loss	公允價值變動計入損益的金融資產	466	56,135	9,002	65,603
		466	250,712	173,711	424,889
2018	二零一八年				
Equity investments designated at fair value through other comprehensive income	指定按公允價值變動計入其他全面收益的權益性投資	-	-	137,148	137,148
Debt investments at fair value through other comprehensive income	公允價值變動計入其他全面收益的債務投資	-	164,625	-	164,625
Structured bank deposits	結構性銀行存款	-	109,866	-	109,866
Financial assets at fair value through profit or loss	公允價值變動計入損益的金融資產	12,588	-	-	12,588
		12,588	274,491	137,148	424,227

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41. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

41. 金融工具公允價值及公允價值層級 (續)

Fair value hierarchy (continued)

公允價值層級 (續)

Assets measured at fair value (continued)

按公允價值計量的資產 (續)

The movements in fair value measurements within Level 3 during the year are as follows:

年內第3層公允價值計量變動如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Equity investments designated at fair value through other comprehensive income:	指定按公允價值變動計入其他全面收益的權益性投資：		
At 1 January	於一月一日	137,148	132,576
Total gains/(losses) recognised in other comprehensive income	已於其他全面收益確認之收益／(虧損)總額	34,513	(19,659)
Transfer into Level 3 (note)	轉入第3層(附註)	11,751	-
Total losses recognised in profit or loss	已於損益確認之虧損總額	(2,749)	-
Additions	添置	-	23,431
Disposals	出售	(7,349)	-
Exchange realignment	匯兌調整	397	800
At 31 December	於十二月三十一日	173,711	137,148

Note: The Group's policy is to recognise the transfer into Level 3 as of the date of the event or change in circumstances that caused the transfer.

附註：本集團的政策為於導致轉撥的事件或情況發生變化當日確認轉入第3層。

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41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities measured at fair value

41. 金融工具公允價值及公允價值層級 (續)

公允價值層級 (續)

按公允價值計量的負債

		Fair value measurement using 公允價值計量所用層級			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		活躍市場報價 (第1層)	重大可觀察 輸入數據 (第2層)	重大不可觀察 輸入數據 (第3層)	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
2019	二零一九年				
Financial liabilities at fair value through profit or loss	公允價值變動計入損益的金融負債	5,457	-	-	5,457

The Group did not have any financial liabilities measured at fair value as at 31 December 2018.

As at 31 December 2019, the Group transfers its financial assets at fair value through profit or loss amounting to approximately RMB11,751,000 from Level 1 to Level 3 fair value hierarchy. As at 31 December 2019, the fair values have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. As at 31 December 2018, the fair values were based on quoted market prices.

As at 31 December 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

於二零一八年十二月三十一日，本集團並無任何按公允價值計量的金融負債。

於二零一九年十二月三十一日，本集團將其公允價值變動計入損益的金融資產約人民幣11,751,000元由公允價值層級第1層轉入第3層。於二零一九年十二月三十一日，該公允價值已基於並無可觀察市價或費率作為依據的假設採用市場基礎估值技術估定。於二零一八年十二月三十一日，該公允價值乃基於市場報價。

於二零一八年十二月三十一日，公允價值計量概無在第一層級和第二層級之間發生轉移，及金融資產及金融負債也沒有轉入或轉出第三層級。

42. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank borrowings, and cash and pledged deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating rates.

42. 金融風險管理目的及政策

本集團的主要金融工具（衍生工具除外）為計息銀行借貸及現金及有抵押存款。該等金融工具的主要用途乃本集團的營運融資。本集團擁有各種其他金融資產及負債，例如貿易應收款項及貿易應付款項，乃由其經營直接產生。

本集團金融工具產生的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會已審閱並同意各項風險的管理政策，有關政策於下文概述。本集團有關衍生工具的會計政策載於財務報表附註2.4。

利率風險

本集團因市場利率變動而面對的風險主要與本集團以浮動利率計息的長期債務有關。

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42. Financial Risk Management Objectives and Policies (continued)

Interest rate risk (continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax and the Group's equity.

42. 金融風險管理目的及政策 (續)

利率風險 (續)

下表列示在所有變量維持不變情況下，利率合理可能變動對本集團稅前溢利及本集團權益於報告期末的敏感度。

		Increase/ (decrease) in basis points 基點增加/ (減少)	Increase/ (decrease) in profit before tax 稅前溢利 增加/(減少) RMB'000 人民幣千元	Increase/ (decrease) in equity* 權益增加/ (減少)* RMB'000 人民幣千元
2019	二零一九年			
RMB	人民幣	50	(29)	-
RMB	人民幣	(50)	29	-
SG\$	新加坡元	50	(72)	-
SG\$	新加坡元	(50)	72	-
US\$	美元	50	(18)	-
US\$	美元	(50)	18	-
MYR	馬來西亞令吉	50	(57)	-
MYR	馬來西亞令吉	(50)	57	-
EUR	歐元	50	(4)	-
EUR	歐元	(50)	4	-
2018	二零一八年			
RMB	人民幣	50	(34)	-
RMB	人民幣	(50)	34	-
SG\$	新加坡元	50	(70)	-
SG\$	新加坡元	(50)	70	-
US\$	美元	50	(3,393)	-
US\$	美元	(50)	3,393	-
MYR	馬來西亞令吉	50	(67)	-
MYR	馬來西亞令吉	(50)	67	-

* Excluding retained profits

* 不包括保留溢利

42. Financial Risk Management Objectives and Policies (continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. The Group operates in Hong Kong, the United States, Singapore, Malaysia and Mainland China. For companies in Mainland China, their principal activities are transacted in RMB. For other companies outside of Mainland China, their principal activities are transacted in currencies other than the units' functional currencies. Approximately 38% (2018: 35%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sales, whilst approximately 66% (2018: 62%) of costs were denominated in the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

42. 金融風險管理目的及政策 (續)

外幣風險

本集團承受交易貨幣風險。該等風險源自經營單位以單位功能貨幣以外的貨幣進行買賣。本集團於香港、美國、新加坡、馬來西亞及中國內地經營業務。就中國內地的公司而言，彼等的主要業務以人民幣進行交易。就中國內地境外的其他公司而言，彼等的主要業務以單位功能貨幣以外的貨幣進行交易。本集團約38%（二零一八年：35%）的銷售以經營單位功能貨幣以外的貨幣計值，但約66%（二零一八年：62%）的成本乃以經營單位功能貨幣列值。

下表列示在所有變量維持不變情況下，匯率合理可能變動對本集團稅前溢利（由於貨幣資產及負債的公允價值變動）及本集團權益於報告期末的敏感度。

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42. Financial Risk Management Objectives and Policies (continued)

Foreign currency risk (continued)

42. 金融風險管理目的及政策 (續)

外幣風險 (續)

		Increase/ (decrease) in exchange rate 匯率 上漲/(下跌) %	Increase/ (decrease) in profit before tax 稅前溢利 增加/(減少) RMB'000 人民幣千元
2019	二零一九年		
If RMB weakens against US\$	倘人民幣兌美元貶值	5	(39,910)
If RMB strengthens against US\$	倘人民幣兌美元升值	(5)	39,910
If RMB weakens against HK\$	倘人民幣兌港元貶值	5	(12,462)
If RMB strengthens against HK\$	倘人民幣兌港元升值	(5)	12,462
2018	二零一八年		
If RMB weakens against US\$	倘人民幣兌美元貶值	5	(39,742)
If RMB strengthens against US\$	倘人民幣兌美元升值	(5)	39,742
If RMB weakens against HK\$	倘人民幣兌港元貶值	5	(18,838)
If RMB strengthens against HK\$	倘人民幣兌港元升值	(5)	18,838

Credit risk

Management has made a detailed analysis of the credit risk of different customers and divided the customers into two classes, i.e., type A customers, which have good credit ratings or have coverage by letters of credit or other forms of credit insurance and type B customers, which are the other diversified customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, and therefore, the Group's exposure to bad debts is not significant.

信貸風險

管理層已對不同客戶的信貸風險進行詳細分析，並將客戶劃分為兩類，即A類客戶（信用評級良好或有信用證或其他信貸保險形式的保障）及B類客戶（其他多元化客戶）。按照本集團的政策，所有擬按信貸條款進行交易的客戶，必須先通過信貸核實程序。此外，本集團持續監察應收結餘的情況，因此本集團的壞賬風險並不重大。

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Objectives and Policies
(continued)

Credit risk (continued)

Maximum exposure and year-end staging

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

As at 31 December 2019

42. 金融風險管理目的及政策
(續)

信貸風險 (續)

最大風險敞口及年末階段分類

下表顯示於十二月三十一日基於本集團信貸政策（主要基於過往既有資料，除非有毋須過多成本或精力即可獲取的其他資料可用）得出的信貸質素及最大信貸風險敞口及年末階段分類。

於二零一九年十二月三十一日

		12-month ECLs	Lifetime ECLs			Total
		12個月預期 信貸虧損	全期預期信貸虧損			
		Stage 1	Stage 2	Stage 3	Simplified approach	
		第1階段	第2階段	第3階段	簡化方法	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade receivables*	貿易應收款項*	-	-	-	2,306,871	2,306,871
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	46,184	-	-	-	46,184
Pledged deposits	已抵押存款	464,146	-	-	-	464,146
Cash and cash equivalents	現金及現金等價物	280,903	-	-	-	280,903
		791,233	-	-	2,306,871	3,098,104

Notes to the Financial Statements 財務報表附註

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42. Financial Risk Management Objectives and Policies (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2018

		12-month ECLs 12個月預期 信貸虧損	Lifetime ECLs 全期預期信貸虧損			Total 總計
		Stage 1 第1階段 RMB'000 人民幣千元	Stage 2 第2階段 RMB'000 人民幣千元	Stage 3 第3階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables*	貿易應收款項*	-	-	-	2,424,654	2,424,654
Financial assets included in prepayments, other receivables and other assets	計入預付款項、 其他應收款項及 其他資產的 金融資產	42,655	-	-	-	42,655
Pledged deposits	已抵押存款	452,216	-	-	-	452,216
Cash and cash equivalents	現金及現金等價物	425,311	-	-	-	425,311
		920,182	-	-	2,424,654	3,344,836

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 22.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 22 to the financial statements.

42. 金融風險管理目的及政策 (續)

信貸風險 (續)

最大風險敞口及年末階段分類 (續)

於二零一八年十二月三十一日

* 就本集團應用簡化方法進行減值評估的貿易應收款項而言，基於撥備矩陣的資料於附註22披露。

本集團自貿易應收款項產生的信貸風險敞口的量化數據於財務報表附註22披露。

42. Financial Risk Management Objectives and Policies (continued)

Credit risk (continued)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and lease liabilities. In addition, banking facilities have been put in place for contingency purposes.

42. 金融風險管理目的及政策 (續)

信貸風險 (續)

由於本集團僅與獲認可兼信譽可靠的第三方進行交易，故不需要任何抵押。信貸風險集中的情況按客戶／對手方、地區及行業進行管理。鑒於本集團之貿易應收款項之客戶基礎廣泛分佈於各個領域及行業，故本集團內並無重大集中信貸風險。

流動資金風險

本集團採用週期性流動資金計劃工具監控資金短缺的風險。此工具考慮其金融工具與金融資產（如貿易應收款項）的到期日以及來自業務的估計現金流量。

本集團的目的是透過銀行借貸及租賃負債，維持本集團資金的延續性和靈活性的平衡。此外，本集團亦備有銀行融資以應付或有事件。

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42. Financial Risk Management Objectives and Policies (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities, based on the contractual undiscounted payments, is as follows:

42. 金融風險管理目的及政策 (續)

流動資金風險 (續)

本集團的金融負債的到期狀況按合約未貼現付款分析如下：

		On demand 於要求時 RMB'000 人民幣千元	Less than 1 year 少於1年 RMB'000 人民幣千元	1 to 5 years 1至5年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2019	二零一九年				
Lease liabilities	租賃負債	-	8,179	13,368	21,547
Interest-bearing bank borrowings	計息銀行借貸	-	2,336,876	46,245	2,383,121
Trade and bills payables	貿易應付款項及 應付票據	-	2,009,701	-	2,009,701
Other payables and accruals (excluding lease liabilities)	其他應付款項及 應計費用(不包括 租賃負債)	-	140,835	-	140,835
		-	4,495,591	59,613	4,555,204

42. Financial Risk Management
Objectives and Policies
(continued)42. 金融風險管理目的及政策
(續)

Liquidity risk (continued)

流動資金風險 (續)

		On demand 於要求時 RMB'000 人民幣千元	Less than 1 year 少於1年 RMB'000 人民幣千元	1 to 5 years 1至5年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2018	二零一八年				
Interest-bearing bank borrowings	計息銀行借貸	-	2,180,868	790,711	2,971,579
Trade and bills payables	貿易應付款項及應付票據	-	2,001,708	-	2,001,708
Other payables and accruals	其他應付款項及應計費用	-	86,728	-	86,728
		-	4,269,304	790,711	5,060,015

Capital management

The primary objectives of the Group's capital management are to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

資本管理

本集團資本管理的主要目標為確保本集團維持強勁信貸評級以及維持健康的資本比率支持其業務，以及將股東的價值提升至最高。

本集團根據經濟狀況變動管理其資本架構及作出調整。本集團可通過支付予股東的股息、向股東發還資本或發行新股等方法，維持或調整資本架構。截至二零一九年及二零一八年十二月三十一日止年度內，管理資本的目標、政策或程序並無變動。

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42. Financial Risk Management Objectives and Policies (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is interest-bearing bank borrowings divided by total assets. The gearing ratios as at the end of the reporting periods were as follows:

42. 金融風險管理目的及政策 (續)

資本管理 (續)

本集團以資產負債比率監控資本，該比率為計息銀行借貸除以總資產。報告期末的資產負債比率如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest-bearing bank borrowings	計息銀行借貸	2,306,186	2,884,108
Total assets	資產總值	8,671,526	9,032,055
Gearing ratio	資本負債比率	27%	32%

43. Transfers of Financial Assets

Transferred financial assets that are not derecognised in their entirety

As part of its normal business, the Group entered into a trade receivable factoring arrangement (the “**Factoring Arrangement**”) and transferred certain trade receivables to banks. The Group is exposed to default risks of the trade debtors after the transfer. Subsequent to the transfer, the Group did not retain any rights on the use of the trade receivables, including the sale, transfer or pledge of the trade receivables to any other third parties. The original carrying value of the trade receivables transferred under the Factoring Arrangement that have not been settled as at 31 December 2019 amounted to RMB96,149,000 (2018: RMB31,592,000). The carrying amount of the assets that the Group continued to recognise as at 31 December 2019 was RMB96,149,000 (2018: RMB31,592,000) and that of the associated liabilities as at 31 December 2019 was RMB81,582,000 (2018: RMB20,759,000), which were recognised as collateralised bank advances, secured (note 30).

Financial assets that are derecognised in their entirety

During the years ended 31 December 2019 and 2018, the Group factored trade receivables to a bank on a non-recourse basis for cash. In the opinion of the Directors, the Group has transferred substantially all risks and rewards associated with the factored trade receivables. Accordingly, the Group derecognised the full carrying amount of the trade receivables factored. The carrying amount of the trade receivables derecognised as at 31 December 2019 was RMB96,923,000 (2018: RMB35,048,000).

43. 轉讓金融資產

未被全部終止確認的已轉讓金融資產

作為正常業務的一部分，本集團已訂立貿易應收款項保理安排（「**該保理安排**」），將若干貿易應收款項轉讓予銀行。本集團承受於轉讓後貿易債務人的違約風險。於進行轉讓後，本集團並無保留使用貿易應收款項（包括向任何其他第三方銷售、轉讓或質押貿易應收款項）的任何權利。於二零一九年十二月三十一日，根據該保理安排轉讓而尚未清償的貿易應收款項的原賬面值為人民幣96,149,000元（二零一八年：人民幣31,592,000元）。於二零一九年十二月三十一日，本集團繼續確認的資產的賬面值為人民幣96,149,000元（二零一八年：人民幣31,592,000元），而於二零一九年十二月三十一日的相關負債的賬面值為人民幣81,582,000元（二零一八年：人民幣20,759,000元），並確認為有抵押的抵押化的銀行墊款（附註30）。

已全部終止確認的金融資產

於截至二零一九年及二零一八年十二月三十一日止年度，本集團按非追索基準向一間銀行保理貿易應收款項以獲取資金。董事認為，本集團已將保理貿易應收款項的絕大部分風險及回報轉讓。因此，本集團終止確認保理貿易應收款項之全部賬面值。已終止確認的貿易應收款項於二零一九年十二月三十一日之賬面值為人民幣96,923,000元（二零一八年：人民幣35,048,000元）。

Notes to the Financial Statements 財務報表附註

31 December 2019
二零一九年十二月三十一日

44. Statement of Financial Position of The Company 44. 本公司之財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

有關本公司於報告期末之財務狀況表之資料如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司之投資	2,013,431	2,498,768
CURRENT ASSETS	流動資產		
Cash and cash equivalents	現金及現金等價物	310	396
Financial assets at fair value through profit or loss	公允價值變動計入損益的金融資產	9,468	12,588
Total current assets	流動資產總值	9,778	12,984
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	1,908	2,541
Interest-bearing bank borrowings	計息銀行借貸	694,519	407,217
Total current liabilities	流動負債總值	696,427	409,758
NET CURRENT LIABILITIES	流動負債淨值	(686,649)	(396,774)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	1,326,782	2,101,994
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank borrowings	計息銀行借貸	-	678,694
Net assets	資產淨值	1,326,782	1,423,300
EQUITY	權益		
Issued capital	已發行股本	116,213	116,213
Reserves (note)	儲備(附註)	1,210,569	1,307,087
Total equity	權益總額	1,326,782	1,423,300

31 December 2019
二零一九年十二月三十一日44. Statement of Financial Position
of The Company (continued)

44. 本公司之財務狀況表 (續)

Note:

附註:

A summary of the Company's reserves is as follows:

本公司之儲備概要如下:

		Share premium account	Shareholders' contribution	Share option reserve	Exchange fluctuation reserve	Accumulated losses	Total
		股份溢價賬 RMB'000 人民幣千元	股東出資 RMB'000 人民幣千元	購股權儲備 RMB'000 人民幣千元	匯兌波動 儲備 RMB'000 人民幣千元	累計虧損 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年 一月一日	1,148,599	337,830	29,892	-	(134,916)	1,381,405
Loss and total comprehensive loss for the year	本年度虧損及 全面虧損總額	-	-	-	-	(130,766)	(130,766)
Exercise of share options	行使購股權	310	-	(163)	-	-	147
Exchange differences on translation of foreign operations	換算境外業務的 匯兌差額	-	-	-	51,290	-	51,290
Equity-settled share option arrangements	以權益結算的 購股權安排	-	-	5,011	-	-	5,011
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日 及二零一九年 一月一日	1,148,909	337,830	34,740	51,290	(265,682)	1,307,087
Loss and total comprehensive loss for the year	本年度虧損及 全面虧損總額	-	-	-	-	(96,906)	(96,906)
Exchange differences on translation of foreign operations	換算境外業務的 匯兌差額	-	-	-	21,571	-	21,571
Final 2018 dividend paid	已付二零一八年 末期股息	-	-	-	-	(23,884)	(23,884)
Equity-settled share option arrangements	以權益結算的 購股權安排	-	-	2,701	-	-	2,701
At 31 December 2019	於二零一九年 十二月三十一日	1,148,909	337,830	37,441	72,861	(386,472)	1,210,569

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to share premium account when the related options are exercised, or be transferred to retained profits should the related options expire.

購股權儲備包括已授出而未行使的購股權的公允價值，有關詳情於財務報表附註2.4有關以股份為基礎的付款的會計政策中進一步解釋。該金額在有關購股權獲行使時會轉撥至股份溢價賬或在有關購股權屆滿時轉撥至保留溢利。

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45. Events After the Reporting Period

On 2 January 2020, the Company offered to grant share options to various eligible participants under the share option scheme of the Company adopted on 14 October 2010 and amended at the Annual General Meeting held on 18 May 2018, to subscribe for a total of 900,000 ordinary shares of HK\$0.1 each in the capital of the Company.

The outbreak of novel coronavirus (COVID-19) continues to spread across the world. The COVID-19 has certain impact on the business operations of the Group. All trading offices and factories except in Singapore and Vietnam have been disrupting. However, factories in the PRC and trading office in Hong Kong have resumed operation gradually. In the opinion of the management, the disruption is temporary, but the degree of the impact depends on the situation of the epidemic preventive measures and the duration of the epidemic.

The Group will closely monitor the situation and make timely response and adjustments in the future, assess and react actively to its impacts on the financial position and operating results of the Group.

46. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 27 March 2020.

45. 報告期後事件

於二零二零年一月二日，本公司根據本公司於二零一零年十月十四日採納及於二零一八年五月十八日舉行的股東週年大會上修訂的購股權計劃向各合資格參與者授出購股權，以認購本公司股本中合共900,000股每股面值0.1港元的普通股。

新型冠狀病毒(COVID-19)疫情繼續在世界範圍內蔓延。COVID-19對本集團的業務運營有一定程度的影響。除新加坡及越南外，所有貿易辦事處及工廠均已中止營運。然而，中國的工廠及香港的貿易辦事處已逐漸恢復運營。管理層認為，干擾為暫時的，但影響的程度取決於防疫措施的情況及疫情的持續時間。

本集團將密切監察有關情況，並於日後作出及時反應及作出調整，評估疫情對本集團財務狀況及經營業績的影響並作出積極反應。

46. 批准財務報表

該等財務報表已於二零二零年三月二十七日獲董事會批准並授權刊發。

Five Year Financial Summary

五年財務摘要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements is set out below:

摘錄自己刊印經審核財務報表的本集團於過往五個財政年度的業績及資產、負債及非控股權益概要載列如下：

		Year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
RESULTS	業績					
REVENUE	收益	8,362,722	9,544,418	9,465,444	6,262,870	4,330,893
Cost of sales	銷售成本	(7,347,336)	(8,489,396)	(8,302,904)	(5,237,286)	(3,561,184)
Gross profit	毛利	1,015,386	1,055,022	1,162,540	1,025,584	769,709
Other income and gains	其他收入及收益	173,784	118,326	94,031	65,752	70,567
Selling and distribution expenses	銷售及分銷開支	(392,029)	(408,667)	(367,199)	(296,682)	(216,466)
Administrative expenses	行政開支	(273,530)	(269,719)	(260,742)	(224,567)	(216,802)
Research and development costs	研發成本	(119,347)	(111,025)	(143,084)	(101,865)	(84,859)
(Impairment losses)/reversal of impairment on financial assets	金融資產(減值虧損)/減值撥回	(6,013)	(3,266)	7,713	(21,910)	(1,247)
Other expenses	其他開支	(41,717)	(35,329)	(34,639)	(53,914)	(74,321)
Finance costs	財務成本	(197,772)	(202,356)	(151,788)	(108,931)	(104,673)
Share of profit and loss of a joint venture and an associate	應佔一間合營企業及聯營公司的溢利及虧損	-	-	-	(2,931)	(7,352)
PROFIT BEFORE TAX	稅前溢利	158,762	142,986	306,832	280,536	134,556
Income tax expense	所得稅開支	(31,229)	(15,846)	(35,352)	(48,749)	(28,251)
PROFIT FOR THE YEAR	本年度溢利	127,533	127,140	271,480	231,787	106,305
Profit for the year attributable to:	以下人士應佔本年度溢利:					
Owners of the parent	母公司擁有人	132,586	106,418	242,885	241,898	106,579
Non-controlling interests	非控股權益	(5,053)	20,722	28,595	(10,111)	(274)
		127,533	127,140	271,480	231,787	106,305

Assets, Liabilities and
Non-Controlling Interests

資產、負債及非控股權益

		As at 31 December 於十二月三十一日				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
TOTAL ASSETS	資產總值	8,671,526	9,032,055	8,625,282	6,873,302	5,733,508
TOTAL LIABILITIES	負債總額	(5,397,337)	(5,858,151)	(5,578,594)	(4,115,373)	(3,287,926)
NON-CONTROLLING INTERESTS	非控股權益	(156,443)	(196,977)	(170,078)	(60,041)	(5,994)
		3,117,746	2,976,927	2,876,610	2,697,888	2,439,588

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