

NVC 雷士照明

雷士照明控股有限公司
NVC LIGHTING HOLDING LIMITED

(Incorporated in the Cayman Islands with Limited Liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 2222

Annual Report 2017 年報



EXCELLENCE

Making a difference

因卓越 而閃耀世界

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Corporate Information

公司資料

Executive Directors

WANG Donglei
WANG Dongming
XIAO Yu
WANG Keven Dun

Non-executive Directors

LI Huating
LI Wei
YANG Jianwen¹

Independent Non-executive Directors

LEE Kong Wai, Conway
WANG Xuexian
WEI Hongxiong
SU Ling

Joint Company Secretaries

LO Yee Har, Susan
LEUNG Ching Ching

Authorized Representatives

LO Yee Har, Susan
WANG Dongming

Registered Office

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman, KY1-1111
Cayman Islands

Headquarter

NVC Industrial Park
Ruhu Town, Huizhou City
Guangdong Province
PRC

Principal Place of Business in Hong Kong

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

- Ms. YANG Jianwen has resigned as a Non-executive Director, member of Audit Committee and member of Independent Investigations Committee with effect from 22 March 2018.

執行董事

王冬雷
王冬明
肖宇
王頓

非執行董事

李華亭
李偉
楊建文¹

獨立非執行董事

李港衛
王學先
魏宏雄
蘇嶺

聯席公司秘書

盧綺霞
梁晶晶

授權代表

盧綺霞
王冬明

註冊辦事處

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman, KY1-1111
Cayman Islands

總部

中國
廣東省
惠州市汝湖鎮
雷士工業園

香港主要營業地點

香港
皇后大道東183號
合和中心54樓

- 楊建文女士已辭任非執行董事、審核委員會成員及獨立調查委員會成員之職務，自2018年3月22日起生效。

Corporate Website

www.nvc-lighting.com.cn

Investor Relations

Email: ir@nvc-lighting.com

Principal Share Registrar and Transfer Office

SMP Partners (Cayman) Limited
Royal Bank House-3rd Floor
24 Shedden Road
P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Islands

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Principal Legal Advisor as to Hong Kong Laws

Freshfields Bruckhaus Deringer

Auditor

BDO Limited (Certified Public Accountants)

Principal Bankers

Industrial Bank, Huizhou Branch
Ping An Bank, Shenzhen Pingshan Branch
Hongkong and Shanghai Banking Corporation Limited

Investor and Media Relations Consultant

Wonderful Sky Financial Group Holdings Limited

公司網址

www.nvc-lighting.com.cn

投資者關係

電郵：ir@nvc-lighting.com

股份過戶登記總處

SMP Partners (Cayman) Limited
Royal Bank House-3rd Floor
24 Shedden Road
P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Islands

香港證券登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓
1712-1716號舖

香港法律主要法律顧問

富而德律師事務所

核數師

香港立信德豪會計師事務所有限公司 (執業會計師)

主要往來銀行

興業銀行惠州分行
平安銀行深圳坪山支行
香港上海滙豐銀行有限公司

投資者及傳媒關係顧問

皓天財經集團控股有限公司

Company Profile

公司介紹

NVC Lighting Holding Limited (the “Company”, together with its subsidiaries hereinafter referred to as the “Group”) is a leading supplier of lighting products in China, which is engaged in the design, development, production, marketing and sale of a wide variety of lighting products including lamp products, luminaire products and lighting electronic products. Our products are sold through the national sales network of 36 exclusive regional distributors and our 3,634 NVC outlets covering 31 provinces, municipalities and autonomous regions in China. Our production bases in China are located in Guangdong, Chongqing, Zhejiang and Shanghai and we have established research and development centre in Huizhou. We have set up operation agencies in more than 40 countries and regions around the world.

Since the establishment in 1998, we always insist on independent innovation in product research and development, and are committed to providing efficient, energy-saving, healthy and comfortable lighting solutions for the fields of construction, transportation, urban lighting, supermarket, hotel, office, housing and industry. We have maintained the leading position in the market, especially in the commercial lighting sector. On 20 May 2010, the Company's shares were listed on the main board of the Stock Exchange (stock code: 02222).

雷士照明控股有限公司（「本公司」，連同其附屬公司統稱「本集團」），是中國領先的照明產品供貨商，主要從事光源產品、燈具產品及照明電器產品等各類照明產品的設計、開發、生產、推廣和銷售。我們的產品通過36個獨家區域經銷商的銷售網絡及其3,634間雷士專賣店銷售，覆蓋中國31個省、直轄市和自治區。我們在中國擁有廣東、重慶、浙江、上海等生產基地，並在惠州設立了研發中心。此外，我們在全球超過40個國家和地區設立了經銷機構。

自1998年創立以來，我們始終堅持產品研發的自主創新，致力於為建築、交通、城市亮化、商超、酒店、辦公、家居、工業等領域提供高效節能、健康舒適的照明解決方案。我們一直保持行業領導地位，特別是在商業照明領域。於2010年5月20日，本公司股份在聯交所主板上市（股份代號：02222）。



Company Profile 公司介紹

As a professional lighting enterprise, our products and solutions are selected and used by a number of famous projects and brands, including the well-known projects such as the 2008 Beijing Olympic Games, the Shanghai World Expo 2010, Hangzhou G20 Summit, Tianjin Subway, Wuhan-Guangzhou Highspeed Railway and Shanghai Hongqiao Transport Hub, etc. and also by the world-class hotels such as Hilton, Sheraton and Intercontinental, and the domestic sales outlets of famous automotive brands such as Bentley, BMW and Toyota as well as the garment brands such as Metersbonwe, Septwolves, K-Boxing and Erdos. In 2011, we became the lighting and service cooperative partner of the Olympic Council of Asia. We entered into an agreement to become an "Official Cooperative Partner of International Swimming Federation" from 2013 to 2017 in 2013 and became the senior sponsor for the 2014 Qingdao International Horticultural Exposition.

The Group has devoted itself to beautify the commercial and living space with artificial lighting and protecting the ecological environment with environmentally-friendly and energy-saving lighting products. Therefore, we have been vigorously promoting the research and development and applications of advanced lighting technologies, accomplishing its brand beliefs and commitments with excellence and expertise.

作為一家專業的照明企業，我們的產品及應用解決方案獲眾多著名工程和知名品牌所採用，包括2008年北京奧運會、2010年上海世博會、杭州G20峰會、天津地鐵、武廣高速鐵路、上海虹橋交通樞紐等著名工程，希爾頓、喜來登、洲際等星級酒店，賓利、寶馬、豐田等著名汽車品牌的國內銷售網點，美特斯•邦威、七匹狼、勁霸、鄂爾多斯等服裝品牌。我們在2011年成為亞洲奧林匹克理事會照明及服務合作夥伴，並在2013年簽約成為2013年至2017年國際游泳聯合會官方合作夥伴，亦成為2014年青島世界園藝博覽會高級贊助商。

本集團致力於以人工照明美化商業與人居空間，並以環保節能照明保護健康的生態環境。因此，我們不斷推動先進照明技術的研發與應用，以專家精神，實踐品牌信念和承諾。

Financial Highlights

財務概要

For the years ended 31 December

截至12月31日止年度

		2017	2016	2015	2014	2013
		2017年	2016年	2015年	2014年	2013年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Revenue	收入	4,063,163	3,806,329	3,845,650	3,471,014	3,773,816
Gross profit	毛利	1,172,858	1,020,958	901,005	741,576	797,403
Gross profit margin (Note 1)	毛利率 (附註1)	28.9%	26.8%	23.4%	21.4%	21.1%
Profit/(loss) before income tax	稅前利潤/(虧損)	435,856	254,054	203,088	(314,587)	354,458
Profit/(loss) margin before income tax (Note 1)	稅前利潤/(虧損)率 (附註1)	10.7%	6.7%	5.3%	(9.1%)	9.4%
Profit/(loss) for the year (Note 2)	本年利潤/(虧損) (附註2)	331,600	178,583	127,737	(328,068)	282,107
Net profit/(loss) margin (Note 1)	淨利潤/(虧損)率 (附註1)	8.2%	4.7%	3.3%	(9.5%)	7.5%
Profit/(loss) for the year attributable to:	以下各方應佔本年利潤/(虧損):					
Owners of the parent	母公司擁有人	314,268	150,928	55,759	(354,153)	244,884
Non-controlling interests	非控制性權益	17,332	27,655	71,978	26,085	37,223

Note 1: Gross profit margin equals to gross profit divided by revenue; profit/(loss) margin before income tax equals to profit/(loss) before income tax divided by revenue; net profit/(loss) margin equals to profit/(loss) for the year divided by revenue.

Note 2: Profit/(loss) for the year represents profit before netting off profit for the year attributable to non-controlling interests.

附註1: 毛利率等於毛利除以收入; 稅前利潤/(虧損)率等於稅前利潤/(虧損)除以收入; 淨利潤/(虧損)率等於本年利潤/(虧損)除以收入。

附註2: 本年利潤/(虧損)為扣除非控制性權益應佔本年利潤前的利潤。

Financial Highlights

財務概要

As at 31 December

於12月31日

		2017	2016	2015	2014	2013
		2017年	2016年	2015年	2014年	2013年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Non-current assets	非流動資產	1,836,115	1,346,409	1,221,748	1,304,846	1,312,316
Current assets	流動資產	3,637,201	3,598,264	3,645,816	3,206,593	3,456,658
Current liabilities	流動負債	2,043,767	1,635,629	1,313,771	1,043,726	900,279
Net current assets	淨流動資產	1,593,434	1,962,635	2,332,045	2,162,867	2,556,379
Total assets less current liabilities	總資產減流動負債	3,429,549	3,309,044	3,553,793	3,467,713	3,868,695
Non-current liabilities	非流動負債	99,320	535,369	97,764	101,104	108,070
Total equity	總權益	3,330,229	2,773,675	3,456,029	3,366,609	3,760,625
Including:	其中：					
Equity attributable to owners of the parent	母公司擁有人應佔權益	3,242,052	2,703,481	3,316,907	3,247,462	3,676,870
Non-controlling interests	非控制性權益	88,177	70,194	139,122	119,147	83,755
Current ratio (Note 1)	流動比率 (附註1)	1.78	2.20	2.78	3.07	3.84

Note 1: Current ratio equals to current assets divided by current liabilities.

附註1：流動比率等於流動資產除以流動負債。

Milestones in 2017

2017年大事記

2月/February

雷士照明與由海爾家居等企業聯合發起的少海匯以及有住網正式簽訂戰略合作協議，本公司由此打入智慧家居生態圈。

NVC Lighting signed strategic cooperation agreements with Shaohaihui* (少海匯) jointly sponsored by Haier Home Integration* (海爾家居) and other enterprises, and Youzhu Website* (有住網), thus entering the ecosphere of the smart home.



4月/April

惠州雷士榮獲「第四屆中國LED首創獎」中國LED技術創新30強。

Huizhou NVC ranked among China's Top 30 enterprises in terms of LED technology innovation in the "Fourth LED Pioneering Award of China"* (第四屆中國LED首創獎).



6月/June

雷士照明以人民幣206.85億元的品牌價值，榮獲中國最具價值品牌500強。

NVC Lighting's brand value of RMB20.685 billion ranked among China's Top 500 Most Valuable Brands.



9月/September

惠州雷士「杭州市錢江世紀城沿江景觀帶夜景照明工程」項目榮獲「中照照明獎－照明工程設計獎」一等獎。

The first prize was awarded for Huizhou NVC's "Nightscape Lighting Project for Riverside Landscape Belt of Hangzhou Qianjiang Century City"* (杭州市錢江世紀城沿江景觀帶夜景照明工程) in the "China Lighting Award – Lighting Engineering Design Award"* (中照照明獎－照明工程設計獎).



Milestones in 2017 2017年大事記

9月/September

王冬雷董事長登上中央電視台《對話》節目「與世界對話的中國製造」。

Mr. Wang Donglei, Chairman, was invited to “Made in China for the World”* (與世界對話的中國製造) in the CCTV “Dialogue”* (對話) program.



11月/November

獲品牌觀察雜誌社頒發「企業品牌日授權書」，並將每年11月9日確定為「雷士品牌日」。

The “Authorization for Enterprise Brand Date” was granted by Brand Observer* (品牌觀察雜誌社), identifying November 9 as the “NVC Brand Date”.



12月/December

本公司獲亮點獎2017年度中國燈飾照明行業「行業領袖品牌」。

The Company won the “Industry Leading Brand” in China’s lighting industry in the Light Spot Award* (亮點獎) 2017.



12月/December

王冬雷董事長獲2017中國品牌建設「年度功勳人物」稱號。

Mr. Wang Donglei, Chairman, won the title of “Meritorious Person for China’s Brand Building in 2017”.



Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board of Directors (the "Board") of NVC Lighting Holding Limited (the "Company"), I hereby present to you the 2017 annual report of the Company and its subsidiaries (collectively referred to as the "Group").

In 2017, the global economy improved as a whole, and China's economy became the bellwether of global economic growth. The "Belt and Road Initiative" of the PRC government was promoted in an orderly manner. This brought about large energy-saving reconstruction demands to LED lighting enterprises. Meanwhile, market competition in the LED lighting industry was increasingly fierce. Especially in recent years, certain metallic raw material, components and parts and labor costs increased continuously, leading to shrinkage in profitability of manufacturing enterprises. LED manufacturing enterprises can only improve the quality, efficiency and core competitiveness and realize their sustainable development eventually through internal in-depth technical improvement or product mix adjustment, or through achieving scale economy and driving up the entry barrier via external horizontal merger and acquisition, or through optimization and integration of upstream and downstream resources via vertical merger and acquisition. Therefore, transformation is an inevitable choice for many manufacturing enterprises.

Attributable to the advantages as the No. 1 brand in the domestic lighting industry, the extensive and profound layout of sales channels, as well as the comprehensive cost reduction and efficiency improvement in internal management, the Group made satisfactory growth in results in 2017.

- Sales revenue amounted to RMB4,063,163,000, representing an increase of 6.7% as compared with the Corresponding Period;
- Gross profit amounted to RMB1,172,858,000, representing an increase of 14.9% as compared with the Corresponding Period;
- Profit attributable to owners of the parent amounted to RMB314,268,000, representing an increase of 108.2% as compared with the Corresponding Period;
- The sales revenue of LED lighting products amounted to RMB3,165,613,000, representing an increase of 17.4% as compared with the Corresponding Period.

致各位股東：

本人謹代表雷士照明控股有限公司（「本公司」）董事會（「董事會」），向各位提呈本公司及其附屬公司（統稱「本集團」）2017年年度報告。

2017年，世界經濟整體向好，中國經濟成為全球經濟增長的火車頭，中國政府「一帶一路」戰略的有序推進，給LED照明企業創造了巨大的節能改造需求。但與此同時，LED照明行業的市場競爭也日益激烈，特別是近幾年來部份金屬原材料、元器件及人工成本持續攀升，導致製造企業的利潤空間被壓縮。LED製造企業只有通過內部深度的技術革新或產品結構調整，或通過外部的橫向併購實現規模經濟，提高進入壁壘，亦或縱向併購實現上下游資源的優化整合，才能最終實現提質增效和提升核心競爭力，實現企業的可持續發展。因此，轉型也是當前很多製造企業無法繞開的選擇。

憑藉著國內照明行業第一的品牌優勢，廣泛而深入的銷售渠道佈局及內部管理上全方面的降成本提效率，2017年本集團取得了良好的業績增長。

- 銷售收入達人民幣4,063,163千元，與同期比較上升6.7%；
- 毛利達人民幣1,172,858千元，與同期比較上升14.9%；
- 母公司擁有人應佔的利潤達人民幣314,268千元，與同期比較上升108.2%；
- LED照明產品銷售收入達人民幣3,165,613千元，與同期比較上升17.4%。

In 2018, the Group will continue to develop business all over the world, conduct comprehensive and in-depth reforms in domestic and overseas sales channel expanding as well as internal management improvement, gradually transform itself from a manufacturing enterprise to a channel enterprise, devote itself to commercial lighting, home lighting, kitchen & bathroom and township channels, strive to become the first brand of smart lighting solution provider, and achieve the ultimate mission of using innovative technology and artistic design to bring people an infinitely beautiful living experience space.

Domestic sales

In the field of domestic commercial lighting, the Group will continue to be professional and dedicated, devote itself to creating a differentiated and leading integrated solutions provider that specializes in professional lighting, key clients and major projects. In terms of professional lighting, the Group will continue to strengthen and perfect the 400-project system, set up a channel engineering department to be responsible for the construction and management of exclusive regional distributors' project operation system so as to achieve the full coverage of project managers of core prefecture-level cities; establish one-on-one invisible channel design system, enhance the business reputation through the invisible channel, change from the initiative sales to users' selection; focus on spotlights, lamp panels, spot luminaries and other product lines, ensure that key products rank first in market share. In terms of key clients, the Group will focus on the top 20 clients in real estate and stores, and initially set up a dual-channel model of direct sales with key clients project system.

步入2018年，本集團將繼續縱橫四海、砥礪前行，在國內外銷售渠道拓展及內部管理提升等方面進行全面的深化改革，逐步從製造型企業向渠道型企業轉型，全面致力於商業照明、家居照明、櫥衛及鄉鎮渠道等細分市場，力爭成為智慧照明解決方案服務商第一品牌，實現以創新科技和藝術設計給人們帶來無限美好的生活體驗空間的終極企業使命。

國內銷售

在國內商業照明領域，本集團將秉承專業、專注的精神，致力於打造具備差異化和領先性的整體解決方案服務商，在專業照明、主要客戶及大項目等細分板塊做到專業化。在專業照明板塊，本集團將繼續加強和完善400工程體系，成立渠道工程部，負責獨家區域經銷商工程運營體系建設和管理工作，實現核心地級市工程經理全覆蓋；建立一對一的隱形渠道設計體系，通過隱形渠道提升商譽口碑，由商家主動推銷轉變為用戶主動選擇；同時以射燈、燈盤、筒燈等產品線為核心，力保重點產品市場佔有率第一。在主要客戶板塊，本集團將重點聚焦於地產、店鋪前20大客戶，初步搭建公司直營加重點客戶項目制的雙渠道模式。

Chairman's Statement

主席報告

In the field of domestic home lighting, the Group will continue to expand and deepen its channels. In 2018, it plans to establish 350 exclusive outlets and refurbish 230 outlets. In the meantime, the Group will initiate "500 Plan", establish 500 exclusive outlets with respective area of more than 500 square meters and respective retail sales of more than RMB5 million, introduce four-standardization (terminal image standardization, display standardization, store operations standardization, commodity operations standardization) management system into exclusive regional distributors to help them enhance user-centered retail management skills. In terms of channel promotion, in 2018 the Group plans to conduct more than 10,000 regular promotion activities such as "Factory Buying", "Lamp Replacement for Good" and "Plumbers", and use online media promotion to introduce online retail clients to exclusive outlets, directly promoting the terminal sales.

The kitchen & bathroom and township channels newly developed over the past two years will also become a key part of the strategic development of the Group in 2018. With the rapid development of the real estate industry and the upgrading of residents' consumption level in recent years, the integrated ceiling has been transformed from the ceiling of a single kitchen and bathroom to the "whole house custom-made" ceiling of the living room, dining room, hallway, balcony and bedroom. In 2018, the Group will take the opportunities in the industry and market to promote the investment of integrated houses, enter into the market through whole house ceiling and fully enter into the medium to high-end market of the ceiling industry. At the same time, the Group will strengthen its strategic cooperation with large-scale real estate developers and whole-house assembly platforms to provide customized kitchen and bathroom products, and prosper kitchen and bathroom channel. In terms of township channels, in 2018 the Group plans to set exclusive outlets in the Top 100 and Top 1000 towns, populated towns and southeastern coastal towns, provide training and policy support through standardized store management to assist exclusive outlets in the integration of plumber resources, set up E-commerce platforms in township channel to build the Group's township channel into a service provider that provides clients with basic design and one-stop water and electricity decoration.

在國內家居照明領域，本集團將繼續拓寬、拓深渠道，2018年計劃新建風格化專賣店350家，新裝修230家；同時啟動「500計劃」，利用三年時間，打造500家面積500平方以上零售額人民幣500萬元以上的專賣店，並在獨家區域經銷商中導入四個標準化（終端形象標準化、陳列標準化、門店運營標準化、商品運營標準化）管理體系，助力獨家區域經銷商提升以使用者為核心的零售管理能力。而在渠道推廣上，2018年本集團計劃開展「工廠購」、「好換燈」、「水電工」等常規推廣活動共計10,000餘場，並利用線上自媒體推廣，將終端線上零售客戶引流至專賣店，直接推動終端銷量的提升。

而近兩年新開發的櫥衛和鄉鎮渠道，2018年也將成為集團戰略發展的關鍵一環。隨著近年來房地產行業的高速發展及居民消費水準的升級，集成吊頂已從單一的廚衛空間吊頂向集合客廳、餐廳、過道、陽台、臥室的「全屋定制」吊頂轉型。2018年本集團將借助行業及市場機遇，推進集成屋招商，以全屋吊頂切入市場，全面進入吊頂行業中高端市場；同時加強與大型地產商、全屋整裝平台的戰略合作，提供定制化櫥衛產品，做大做強櫥衛渠道規模。針對鄉鎮渠道，2018年本集團計劃率先在百強及千強富鎮、人口大鎮、東南沿海城鎮設立專賣店，並通過標準化店面管理，提供培訓和政策支持，協助專賣店進行水電工資源整合，搭建鄉鎮渠道電商平台等方式，將本集團的鄉鎮渠道打造成為客戶提供基礎設計和一站式水電裝修的服務商。

Overseas sales

In terms of expanding the overseas channels, the Group will continue focusing on channel expansion and breakthrough in engineering projects, and attach importance to expanding channels in Southeast Asia, other developing countries and Gulf countries in Middle East. As for channel expansion, by virtue of the talent resources in Southeast Asia and the back support of the Middle East office, the Group will assist the distributors in Indonesia to complete the development of 200 secondary distributors, and assist the Gulf countries in Middle East to complete the layout of 100 sales outlets. Meanwhile, the Group innovates upon the marketing models, and enters the markets of Italy and surrounding countries by franchising model, in an attempt to develop 10 franchised outlets in major cities of Italy. The Group is also considering extending its sales channels into North America markets in order to increase its overseas sales. As for engineering projects, the Group will establish the key project follow-up team, so as to offer support in technology, personnel and specialized product development for seizing major overseas engineering projects such as “Yogyakarta Court in Indonesia”, “World Cup Main Stadium in Qatar”, “2020 World Expo in UAE”, “Royal Docks in London”, etc. Meanwhile, by virtue of the favorable policy of “Belt and Road Initiative”, the Group will strengthen cooperation with Tsinghua Design Institute, the “Belt and Road Initiative” Industry Alliance of the Chinese Academy of Sciences, etc., and integrate the products, R&D and back support resources within the Group to participate in the “Belt and Road Initiative” projects such as “Construction of Luang Prabang New City in Laos”, “Road Lamp Replacement in Sri Lanka”, “Coal-fired Power Plant in Dubai”, etc., in an effort to make some breakthroughs.

海外銷售

在海外渠道拓展上，本集團將繼續聚焦渠道拓展及工程項目突破，重點開拓東南亞及其他發展中國家以及中東海灣國家。渠道拓展上，本集團將借助東南亞人才資源及中東辦事處後台支持，協助印尼經銷商完成200家二級經銷商開發，協助中東海灣國家完成100家銷售網站佈局；同時創新營銷模式，在意大利及周邊國家以特許經營模式進入，力爭兩年內在意大利主要城市發展10家特許經營店。本集團亦在考慮將其銷售渠道拓展至北美市場，以增加集團的海外銷售額。在工程項目上本集團將組建重點工程項目跟進小組，為「印尼日惹球場」、「卡塔爾世界盃主場館」、「阿聯酋2020年世博會」及「倫敦皇家碼頭」等重大海外工程項目的搶奪提供技術、人員及特定產品開發支援；同時借助中國「一帶一路」的有利政策，本集團將與清華設計院、中科院一帶一路產業聯盟等加強合作，集結集團內部產品、研發及後台支持資源，參與「老撾瑯勃拉邦新城建設」、「斯裡蘭卡路燈替換」及「迪拜火力發電站」等一帶一路項目，力求有所突破。

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Other service platforms

In terms of public relations for the brand, the Group is committed to creating a brand leader in the lighting industry and the national high-end benchmarking brand in China. The Group profoundly promoted the brand by the activities such as “Blue Book” Promotion Series Activities of the 2018 China Building Decoration Association, “Zhurong Award” China Lighting Application Design Competition, NVC 20th anniversary celebration activities, etc. Meanwhile, the Group will endeavor to obtain professional recognition of the industry with the image as “Leader of Healthy Lighting Technology” free of flickering, blue light or dazzle light and by providing system solutions. In addition, the Group's brand has won the artistic recognition by cooperating with famous designers and design institutes, and by holding product design awards.

In 2018, the Group will focus on optimizing and integrating the resources on the three platforms of R&D, logistics and customer services, on the basis of promoting the four cost saving measures for reducing R&D cost, manufacturing cost, purchasing cost and labor cost. In terms of R&D platform, the Group will integrate internal resources to establish the Central Research Institute. Apart from completing the development of specialized commercial lighting products and home styled products in cooperation with the Group, the Central Research Institute will deeply research into the future lifestyle and healthy lighting, carry out upgrade and transformation of intelligent products and establish intelligent application scenario models, thereby opening the Group's new era in developing intelligent lighting. In terms of logistics platform, the Group will finish planning and layout of 8 logistics warehouses on the principle of resource optimization and concentrated operation in 2018, and establish then secondary distribution resource system by combining express delivery and logistics resources, thus realizing the “Next Day Delivery” of over 80% orders. In addition, the Group will launch the logistics system in 2018, which will connect through the information flows inside and outside various regions and refine data exchange platforms to achieve intensification, standardization and informationization of transport services. In terms of customer service platform, the Group will gradually promote use of 400 hotline on the basis of the

其他服務平台

在品牌公關方面，本集團立志打造中國照明行業龍頭品牌及民族高端製造標杆品牌，圍繞2018中國建築裝飾協會《藍皮書》推廣系列活動、「祝融獎」中國照明應用設計大賽、雷士20周年慶系列活動等進行深入的品牌推廣。同時，本集團將以無頻閃、無藍光、無炫光的「健康照明技術領跑者」形象及提供專業的系統解決方案，建立行業專業性認同；並通過與知名設計師、設計院進行跨界合作，舉辦設計大獎，獲取品牌的藝術性認同。

2018年本集團將在推動研發降成本、製造降成本、採購降成本及人工降成本四大降成本工作的基礎上，重點加強研發、物流及客服三大平台的資源優化和整合。研發平台上，本集團將整合內部資源，組建中央研究院，除了配合集團完成商業照明工程特定產品及家居風格化產品開發外，中央研究院也將立足於對未來生活形態和健康照明做深入研究，進行智能化產品升級改造及搭建智能化應用場景模型，開啟集團智慧照明研究新時代。物流平台方面，2018年本集團將基於資源優化及集約運營的原則完成全國8個物流倉的規劃佈局，並通過整合快遞和物流資源，建立二級配送資源體系，實現80%以上的訂單「次日達」；此外，2018年也將上線物流系統，通過打通各區域內外的信息流及細化資料交換平台，實現運輸服務集約化、標準化及信息化。而客服平台方面，2018年本集團將在已建立的集團標準化呼叫中心的基礎上，逐步推廣400熱線，提高業務處理流程的系統化程度；同時將上線售後服務平台系統，完成使用者管理、訂單管理、服務商管

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existing standardized call center in 2018, thus enhancing the systematic degree of business handling process; meanwhile, the Group will present the after-sales service platform system, so as to complete the development of user management, order management, service provider management, engineer management and assistant management modules, optimize the quick response mechanism, and upgrade the customer satisfaction.

The extensive and well-arranged channel resources have always been the precious treasure of the Group. In the future, the Group will use such channel advantages to gradually transform into a channel enterprise. The Group will plan to realize the mutual integration of online and offline channels by getting through the online channels; transform the offline channels and strengthen control of the exclusive regional distributors, so as to master the initiative power for engineering projects; initiate a new era of strategic transformation by creating sub-brands or introducing other matured brands, so as to create a new era of strategic restructuring of the Group.

Acknowledgement

Our stable development for more than 10 years depends on the wholehearted contributions and persistent support from the Board and all staff members. I would like to express my heartfelt thanks to the long-term support of all shareholders, clients, suppliers and distributors. In the future, we will strive forward steadily as in the past with full responsibility to all shareholders, clients, suppliers and distributors, with an aim to make NVC a world-wide respected brand and secure satisfactory results to repay the support from various sectors.

WANG Donglei
Chairman

Hong Kong
22 March 2018

理、工程師管理及輔助管理模塊的開發，完善快速響應機制，提升客戶滿意度。

廣泛且佈局完善的渠道資源一直以來是本集團的寶貴財富，未來本集團將利用此渠道優勢逐步向渠道型企業轉型，並計劃通過打通線上渠道，實現線上線下渠道相互融合；改造線下渠道及加強對獨家區域經銷商控制，掌握工程項目主動權；創立子品牌或引入其他成熟品牌的方式，開創本集團戰略轉型的新時代。

致謝

我們十幾年的穩步發展，離不開董事會同仁及全體員工的不離不棄及無私貢獻。本人對各股東、客戶、供貨商及經銷商的長期支持深表感謝。未來，我們將繼續秉著對各股東、客戶、供貨商及經銷商負責的態度，穩健務實地走好每一步，將雷士照明打造成讓世人尊敬的品牌，以令人滿意的業績回饋各界的支持。

王冬雷
董事長

香港
2018年3月22日

Management Discussion and Analysis

管理層討論與分析

Market and Business Review

In 2017, the global economy grew faster. The growth rate of developed economies, such as the Eurozone, the United States and Japan, was better than the expectation, while the relatively quick growth of emerging markets and developing economies became the major impetus stimulating global economic recovery. Therefore, the global economy achieved the best performance this year as compared to recent years. In spite of the highlights in global economy, the long-term low interest rate environment of developed countries, the continuous accumulation of global debt level and the three consecutive interest rate hikes by the Board of Governors of The Federal Reserve System, etc. all became the uncertainty factors inhibiting the continuous growth of global economy.

Under the background of the overall upturn of the global economy, the 2017 Gross Domestic Product in the PRC enjoyed a growth rate of 6.9% as compared with the Corresponding Period, which realized the first upswing since the downward economic growth rate in 2011, reflecting that Chinese economy has become the bellwether of global economic growth. Meanwhile, as the Chinese government further implemented the “Belt and Road Initiative” strategy, the export volume of lighting products in China kept rising. According to the Monthly Report on Export of LED Lighting Products in China, during January to November 2017, the amount of LED lighting products exported by Chinese enterprises totaled to US\$19.76 billion, representing an increase of 5.4% on a year-on-year basis; meanwhile, due to the lower power consumption level, developing countries alongside the “Belt and Road Initiative” had huge demand for LED energy-saving lighting products. “Belt and Road Initiative” has become the new blue ocean of export for the Chinese LED lighting enterprises having the cost-effective products and great overseas marketing capability (Data Source: Semiconductor Lighting Network).

市場及業績回顧

2017年，世界經濟增長步伐加快，發達經濟體如歐元區、美國及日本經濟增速均好於預期，而新興經濟體和發展中國家的較快增長成為拉動全球經濟復蘇的主要動力，世界經濟出現了近年來表現最好的一年。儘管世界經濟亮點突出，但發達國家長期的低利率環境、全球債務水準的持續積累、美國聯邦儲備委員會連續三次加息等都將成為抑制全球經濟持續增長的不確定性因素。

在世界經濟整體向好的背景下，2017年中國國內生產總值與同期比較增長6.9%，實現了2011年經濟增速下行以來的首次回升，中國經濟已成為全球經濟增長的火車頭。同時隨著中國政府「一帶一路」戰略的推進，中國照明產品出口量節節攀升，據《中國LED照明出口月度報告》顯示，於2017年一月至十一月，中國企業累計出口LED照明產品金額為197.6億美元，與同期比較增長5.4%；同時「一帶一路」沿線發展中國家因電力消費水準低，對LED節能照明產品的需求巨大，「一帶一路」已成為具備高性價產品及海外銷售能力的中國LED照明企業出口的新藍海（資料來源：半導體照明網）。

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As one of the eleven emerging industries in the PRC, the pattern of LED industry tended to be clear and the industry concentration degree became increasingly high through the rapid development in the recent years. However, the continuous increase in the cost of metallic raw materials, elements and labor led to the shrinkage of profit space. Therefore, the LED manufacturers can eventually improve quality, enhance efficiency and raise core competence, and achieve sustainable development only by the internally in-depth technological upgrade or adjustment of product mix, or by the externally horizontal mergers and acquisitions to realize scale economy and enhance entry barriers, or by vertical mergers and acquisitions to realize optimization and integration of upstream and downstream resources.

Attributable to the advantages as the No. 1 brand in the domestic lighting industry, the extensive and profound layout of sales channels, as well as the comprehensive cost reduction and efficiency improvement in internal management, the Group made satisfactory growth in results during the Reporting Period. In terms of channel expansion, the Group continued to implement resolutely the full channel development model with a focus on “commercial and home lighting” and gradually strengthened the control and expansion of the channel, such as continuously intensifying the 400 engineering system in the commercial lighting sector, effectively expanding project reserves and upgrading project conversion rate, and successfully winning or participating in winning bids for lots of large-scale national outdoor engineering projects. As for the home lighting sector, the Group continued strengthening terminal retail capability and independent design and R&D capability, thereby seizing market shares from various market segments by applying product differentiation strategies. During the Reporting Period, the kitchen and bathroom electric appliance channel performed well, which provided customers with the overall house integrated solutions by optimizing the product mix. In addition, the Group succeeded in entering the engineering fields, conducted strategic partnership with numerous famous real estate developers, and finally doubled the results. Meanwhile, the Group started to focus on the

LED產業作為中國十一大新興產業之一，經過近幾年的高速發展，產業格局已日趨明朗，行業集中化程度日益提高。但近兩年來部份金屬原材料、元器件及人工成本持續攀升，導致製造企業的利潤空間被壓縮，因此，LED製造企業只有通過企業內部深度的技術革新或產品結構調整，或通過外部的橫向併購實現規模經濟，提高進入壁壘，亦或縱向併購實現上下游資源的優化整合，才能最終實現提質增效和提升核心競爭力，實現企業的可持續發展。

憑藉著國內照明行業第一的品牌優勢，廣泛而深入的銷售渠道佈局及內部管理上全方面的降成本提效率，報告年度內本集團取得了良好的業績增長。在渠道拓展上，報告年度內本集團繼續堅定不移地實施商業照明與家居全渠道發展戰略，並逐步加強對渠道的管控與拓展，如在商業照明領域繼續強化400工程體系，有效擴充項目儲備池及提升項目轉化率，成功中標或參與中標多個國家大型戶外工程項目；家居照明領域持續強化終端零售能力及自主設計研發能力，通過差異化產品策略有效搶奪各細分領域市場份額。而報告年度內櫥衛渠道也表現優異，通過優化產品結構向客戶提供全屋集成的整體解決方案，並成功進入工程領域，與多家知名地產商開展戰略合作，最終實現業績翻倍。同時，本集團亦開始瞄準廣泛的鄉鎮渠道市場，啟動鄉鎮專賣店計劃，以實現銷售渠道的下沉及彌補鄉鎮渠道專賣店的空白。在內部增值提效上，通過有效推動研發降成本、製造降成本、採購降成本及人工降成本四大降成本策略的落地實施，

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extensive township channel and market, and initiated the plans of establishing exclusive outlets in towns, so as to expand the sales channels and fill up the gap of exclusive outlets in towns. In terms of internal quality increase and efficiency improvement, the Group's overall profitability was remarkably enhanced through implementation of the four cost saving measures for reducing R&D cost, manufacturing cost, purchasing cost and labor cost. In addition, through integrating internal resources and optimizing the organizational framework, the Group established the corresponding logistics platform, customer service platform and R&D platform system, which provided powerful back-end guarantee for the overall and orderly operation of the Group.

Sales and distribution

As for the NVC Brand in the PRC market, the Group had exclusive cooperation with 36 regional distributors during the Reporting Period. These exclusive regional distributors had a total of 3,634 exclusive outlets (100.0% coverage rate in the provincial capital, 93.36% coverage rate in the prefecture-level cities, 64.96% coverage rate in the county-level cities and 1.45% coverage rate in the town centers), and 3,733 counters (these counters were mainly located in township channels). During the Reporting Period, the Group adopted different marketing strategies by dividing the exclusive outlets into commercial lighting exclusive outlets, home lighting exclusive outlets, and commercial lighting & home lighting integrated outlets. As for the commercial lighting sector, the Group continued focusing on the implementation of the "400 Plan", so as to establish 400 key engineering project distributor teams nationwide to support the engineering projects. During the Reporting Period, the Group made fruitful achievements in engineering projects, and successfully won or participated in winning bids for lots of major projects including "Beijing Sub City Center", "Hong Kong-Zhuhai-Macao Bridge Zhuhai Port", "Qingdao Municipal Lighting Project", "Spring Festival Gala Zhuhai Sub-Venue" and "Chengdu Metro Line 7", and entered into a long-term strategic partnership agreement with Evergrande Real Estate Group Co., Ltd. to carry out comprehensive strategic cooperation. Moreover, the Group further reinforced the construction of invisible channels during the Reporting Period, cooperated with 892 organizations and gathered more than 2,500 designers to share their lighting design

顯著改善了集團整體盈利水準；而通過整合內部資源及優化組織架構，本集團亦針對性的搭建了物流平台、客服平台及研發平台體系，為集團整體有序運營提供了強有力的後台保障。

銷售及分銷

在中國雷士品牌市場方面，本集團於報告年度內擁有36個獨家區域經銷商，獨家區域經銷商已開發共計3,634家專賣店（省會城市覆蓋率為100.0%；地級城市覆蓋率為93.36%；縣級市或縣級城市覆蓋率為64.96%；鄉鎮城市覆蓋率為1.45%）及3,733家專櫃（專櫃主要集中於鄉鎮渠道）。報告年度內，本集團將專賣店細分為商業照明專賣店、家居照明專賣店、商業照明和家居照明綜合店以採取不同的營銷策略。在商業照明領域，本集團繼續重點推進「400計劃」，打造全國400家重點工程經銷商團隊以支持工程項目，報告年度內工程項目成果豐碩，已成功奪取或參與中標包括「北京城市副中心」、「港珠澳大橋珠海口岸」、「青島市政亮化工程」、「珠海春晚分會場」及「成都地鐵七號線」等在內的數個大型項目，並與恒大地產集團有限公司簽約成為長期戰略夥伴以開展全面的戰略合作；此外，報告年度內本集團進一步加大隱形渠道建設，通過贊助「祝融獎」全國照明設計師大賽，攜手892個單位，集結2,500餘名設計師分享照明設計案例及理念，有效地激活了各地設計師資源。在家居照明領域，報告年度內本集團繼續實施產品差異化戰

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cases and concepts by sponsoring “Zhurong Award” National Lighting Designers Competition, which effectively activated the designer resources in different regions. As for the home lighting sector, the Group has continued to implement the product differentiation strategy and establish the stylistic exclusive outlets to deeply dig out the potential various market segments. As a result, our home lighting products have preliminarily achieved the full-channel and all-user covered network advantages. Meanwhile, the Group proactively promoted the innovation in marketing models, established the “7S” customer experience marketing system (including shop experience system, case experience system, product experience system, service experience system, visual experience system, participation experience system and evaluation experience system) covering thousands of outlets, and carried out twenty-one “7S” trainings covering 1,016 exclusive outlets, thereby remarkably enhancing the sales capabilities of shopping guides in these outlets.

In respect of the international NVC Brand market, continuous efforts have been made to implement the globalization process of NVC brand during the Reporting Period. For instance, the Group conducted further channel expansion, independently created demands and successfully carried out various engineering projects in matured channels like UK. While the Middle East office started to operate during the Reporting Period, which enhanced understanding and control of the local market and dug out product demands and market potential, thereby providing market and technical support for distributors in the Middle East region. During the Reporting Period, the Group successfully won the bid for key engineering projects such as “Beverly Hills in Qatar”, “Al Ghurai Apartment Complex in Dubai”, “University of Kuwait”, etc. Meanwhile, the Group organized various brand marketing activities, such as major client recommendation event in Middle East, product show in Qatar and Kuwait, opening ceremony of new exclusive outlets in Kuwait, which have won favorable reputation. As for Southeast Asia and other developing channels, the Group paid attention to strengthening development of new customers and advancing the progress of engineering projects. During the Reporting Period, the Group has successfully developed distributorship resources in Indonesia, Brunei and Italy, and successfully participated in the first “Belt and Road Initiative Coal-fired Power Plant” and “NVC Full Solutions for Diamond Twin Tower Project” in Vietnam and

略，通過設立風格化專賣店，深度挖掘各細分市場潛能，目前家居照明產品已初步實現了全渠道、全用戶覆蓋的網絡優勢；同時積極進行營銷模式創新，建立覆蓋上千家店鋪的「7S」客戶體驗營銷系統（包括門店體驗系統、案例體驗系統、產品體驗系統、服務體驗系統、視覺體驗系統、參與體驗系統及評價體驗系統），並開展21場覆蓋1,016家專賣店的「7S」培訓，顯著提升了門店導購銷售能力。

在國際雷士品牌市場方面，於報告年度內，本集團繼續加大力度推進雷士品牌的全球化進程。如在英國等成熟渠道，本集團進一步進行渠道拓展，自主創造需求，並成功開展各類工程項目；而中東辦事處於報告年度內開始運行，通過加深對當地市場的理解與管控，挖掘產品需求及市場潛力，為中東各經銷商提供市場與技術支援。於報告年度內成功中標「卡塔爾貝弗利山莊」、「迪拜古賴爾家族公寓群」、「科威特大學」等重點工程項目；同時，舉辦的中東大客戶推薦活動、卡塔爾及科威特產品展會及科威特新專賣店開業慶典等品牌營銷活動亦贏取了良好的口碑；而針對東南亞及其他發展中渠道，本集團重點加強新客戶的開發和推進工程項目進程。於報告年度內，本集團已成功在印尼、文萊及意大利等區域開發了經銷商資源，且分別在越南和柬埔寨成功參與首個「一帶一路廣火電廠項目」和「NVC全套解決方案鑽石雙星項目」，同時開始籌建一帶一路項目小組以搶佔更多的沿線工程資源。但由於本集團在某些區域的起步較晚，銷售貢獻有限，且報告年度內

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Cambodia respectively. Meanwhile, the Group started to make preparations for establishing the “Belt and Road Initiative” Project Team so as to occupy more project resources alongside the One Belt One Road. However, sales contributions in some regions were limited as the Group just started operation there. During the Reporting Period, some engineering projects were not delivered on schedule, leading to the decrease in the international sales turnover of the NVC Brand as compared to the Corresponding Period.

As for the non-NVC Brand in the PRC and international market, the Group mainly supplied the well-known lighting enterprises with energy-saving lamps, energy-saving light tubes and other accessories in the form of ODM. During the Reporting Period, the Group specialized in serving major clients in North America and Europe, and continuously strengthened input of market resources to develop new clients. By virtue of the favorable opportunities arising from LED lighting products that gradually dominated the market, the Group gradually promoted the LED lighting products to enter the sales channels of major clients by utilizing the cost, technology and scale strengths, thus increasing the percentage of LED lighting products in sales. During the Reporting Period, the sales revenue of non-NVC brand products increased by 12.4% as compared with the Corresponding Period.

Product research, development and design

The Group endeavored to improve the comprehensive competitiveness of products mainly by R&D of new products and cost optimization and reduction. During the Reporting Period, the Group established a quick response mechanism, which was oriented on the market demands, and successfully developed 160 indoor products and specialized products for outdoor engineering, including key product series such as “Cezanne Hotel Spot Luminaires (塞尚酒店筒燈)”, “Vi-domi Spot Luminaires (維米工程筒燈)”, “Lingke Series (領客系列)”, “Lingshi Series (領勢系列)”, and “Gaosi Series (高斯系列)”. The Group improved the outdoor engineering products and successfully applied to outdoor engineering projects such as “Qingdao Municipal Lighting Project”, “Zhuhai Night Scene Lighting Project” and “Bangbu Olympic Sports Center”, and accumulated strong delivery capability of engineering products. Under the initial

部份工程項目未能如期交付，導致雷士品牌的國際銷售總額與同期比較有所下滑。

在中國及國際非雷士品牌市場方面，本集團主要以ODM形式為知名照明企業提供節能燈、節能燈管及其他配件產品。於報告年度內，本集團專注於服務北美及歐洲市場的主要客戶，同時不斷加強市場資源投入開發新客戶；借助LED照明產品逐步主導市場的有利機遇，本集團利用成本、技術及規模優勢逐步推進LED照明產品進入主要客戶銷售渠道，提升LED照明產品銷售佔比，致使報告年度內非雷士品牌產品銷售收入較同期增長12.4%。

產品研發及設計

本集團主要從新品研發及優化降成本兩個方面提升產品綜合競爭力。於報告年度內，本集團建立快速反應機制，以客戶需求為導向，成功開發室內產品及戶外工程專屬產品共計160項，包括「塞尚酒店筒燈」、「維米工程筒燈」、「領客系列」、「領勢系列」及「高斯系列」等重點產品系列，完善室外工程產品開發並成功應用於「青島市政亮化工程」、「珠海夜景亮化工程」及「蚌埠奧體中心」等戶外工程項目，打造強有力的工程產品交付能力。在已初步搭建的智慧照明控制系統框架下，報告年度內本集團完成了新型軌道系統1.0的開發。在優化降本方面，本集團持續推動產品的平台化、

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framework of the smart lighting control system, the Group completed the development of the new track system 1.0 during the Reporting Period. As for cost optimization, the Group continued to promote the platform orientation, standardization, modularization and series reform of the products, optimized the power configuration platform, and improved the flickering phenomenon. As a result, some products become flickering free. Meanwhile, the Group promoted the upgrade of light source platform, and obviously enhanced lighting effect of the products. In addition, the continual optimization of the LED912 spot luminaires automation project made the production capacity increase by 15% as compared with the Corresponding Period, and lead to sharp shrinkage of labor cost. In addition, the Group filed 303 new patent applications during the Reporting Period and together the Group had 233 successful patent application cases.

Brand promotion and honor

During the Reporting Period, the Group continued implementing the core brand concept of “Expert in Luminous Environment”, and devoted to creating the No. 1 brand of the lighting solution service providers in the era of Internet. During the Reporting Period, the Group with the brand value of RMB20.685 billion was elected by the World Brand Lab as one of the “14th China’s 500 Most Valuable Brands” again and remained the No.1 brand in the lighting industry for 6 consecutive years, reflecting the Group’s powerful brand strength and influence. During the selection of the Twelfth China Lighting Award held in September 2017, the Group’s “G20 Hangzhou Qianjiang Century City Lighting Project” won the “First Prize of China Lighting Award” with its amazing design and prominent overall lighting solution capability. Meanwhile, the Group was also honored as “Leading Brand of the Industry” of the 2017 China lighting industry, “Top 30 Enterprises for LED Technological Innovation in China” and “2016 Top 100 Enterprises of LED Lighting Industry in China”, which fully reflected the highly social recognition of NVC brand, and further enhanced our brand reputation. In addition, the Group further promoted the globalization process of the brand by means of advertising, media reporting and sponsoring the FINA Diving World Series, and the influence of NVC brand among the public was gradually deepening by carrying out activities such as “Zhurong Award” China Lighting Application Design Competition, interview of the Group’s President by the CCTV Dialogue TV programme.

標準化、模塊化及系列化改革，優化電源配置平台，改善頻閃現象，部份產品實現無頻閃，同時推進光源平台升級，顯著提升產品光效。此外，LED912筒燈自動化項目的持續優化使報告年度內生產產能較同期提高了15%，人工成本亦大幅縮減。此外，本集團於報告年度內新申請專利有303項，實際獲批授予專利有233項。

品牌推廣及榮譽

於報告年度內，本集團繼續推行「光環境專家」的品牌核心理念，致力於打造互聯網時代照明解決方案服務商第一品牌。報告年度內本集團以人民幣206.85億元的品牌價值獲評由世界品牌實驗室評選的第14屆「中國500最具價值品牌」稱號，連續6年行業第一，彰顯了強大的品牌實力和影響力。在2017年9月份舉行的第十二屆中國照明獎評選中，本集團的「G20杭州錢江世紀城照明工程」以其驚豔的設計和出眾的整體照明解決方案能力，一舉斬獲「中照照明獎一等獎」；同時，本集團還榮獲了2017年度中國燈飾照明行業「行業領袖品牌」、「中國LED技術創新30強」及「2016中國LED照明燈飾行業100強」等獎項，充分體現了社會各界對雷士品牌的高度認可，品牌美譽度進一步提升。此外，本集團圍繞廣告投放、媒體報導、贊助國際泳聯世界跳水系列賽等一系列方式推進品牌的全球化進程，而通過開展「祝融獎」中國照明應用設計大賽以及本集團董事長三次榮登中央電視台《對話》欄目等，雷士品牌在大眾中的影響力也在逐步深化。

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Progress of Litigation

Since December 2014, a subsidiary of the Company (the "Subsidiary") initiated a series of court proceedings in the PRC against Mr. WU Changjiang, a former director and the former chief executive officer of the Company, and other persons in relation to a number of alleged pledges and guarantees entered into by Mr. WU Changjiang purportedly on behalf of the Subsidiary, and certain counter-guarantees provided by a PRC company. During the Reporting Period, the Subsidiary was also a co-defendant in three PRC court actions commenced by two PRC banks and a finance company, respectively, in relation to several alleged pledges and guarantees purportedly entered into by Mr. WU Changjiang. Please refer to the Company's 2016 annual report and 2017 interim report for details.

In relation to one of the aforementioned court actions commenced by a PRC bank against the Subsidiary as a co-defendant, certain funds held by the Subsidiary had been frozen by such PRC bank. In April 2016, Chongqing Fifth Intermediate People's Court issued a judgment, which, among other things, ordered that the Subsidiary was jointly liable with another PRC company for the payment of RMB60,000,000, plus interest and costs, to such PRC bank. The Company filed an appeal against such judgment with the Chongqing Higher People's Court. In early 2017, the Company received the judgment of the Chongqing Higher People's Court which rejected the Subsidiary's appeal and upheld the first instance judgment. Please refer to the Company's announcement dated 27 February 2017 for details. The Subsidiary subsequently filed an application of retrial of the relevant PRC court judgments (please refer to the Company's 2017 interim report) but its application was rejected by the Chongqing Higher People's Court. The Subsidiary has recently filed an application of protest with the Chongqing People's Procuratorate to overturn the relevant judgments and for a retrial of this matter. The outcome of the protest application, according to the official legal documents received by the Subsidiary, is pending as of the date of approval of these financial statements.

訴訟進展

自2014年12月以來，本公司的一家附屬公司（「附屬公司」）向本公司前任董事及前任首席執行官吳長江先生及其他人士就若干由吳長江先生聲稱代表該附屬公司訂立的抵押和擔保以及由一家中國公司提供的若干反擔保於中國提起系列訴訟。於報告年度內，該附屬公司亦分別為由兩家中國銀行和一家財務公司於中國法院提起的關於數宗聲稱由吳長江先生訂立的抵押和擔保的三宗訴訟的共同被告。詳情請參見本公司2016年年報及2017年中報。

有關上述其中一起由一家中國銀行提起的針對該附屬公司作為共同被告的訴訟，該附屬公司持有的部份資金已被該中國銀行凍結。於2016年4月，重慶市第五中級人民法院作出判決，判令（其中包括）該附屬公司須就向該中國銀行支付人民幣60,000千元另加利息及開支與另一家中國公司承擔共同責任。本公司已經就該判決向重慶市高級人民法院提起上訴。於2017年初，本公司接獲重慶市高級人民法院駁回該附屬公司上訴及維持一審判決的判決書。詳情請參閱本公司日期為2017年2月27日的公告。該附屬公司隨後就相關中國法院判決申請重審（請參閱本公司2017年中報），但其申請遭重慶市高級人民法院駁回。該附屬公司近日向重慶市人民檢察院提出抗訴申請，以推翻有關判決並就該事項進行重審。根據該附屬公司收到的正式法律文件，於該等財務報表獲批准日期，該附屬公司仍在等待抗訴申請結果。

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In relation to one of the aforementioned court actions commenced by another PRC bank to Chongqing First Intermediate People's Court which alleges, among others, that the eight individuals/institutions (the "Eight Guarantors") including the Subsidiary should be jointly and severally liable as Guarantors for the debt of RMB35,497,000, plus interest, as owed by Chongqing En Wei Xi Industrial Development Co., Ltd. ("En Wei Xi") to the Bank. The Company received a judgment from the Chongqing First Intermediate People's Court in September 2016, which held, among other things, that the Eight Guarantors, including the Subsidiary, were jointly and severally liable with En Wei Xi for the payment of RMB35,497,000, plus interest and costs, to such PRC bank. The Subsidiary filed an appeal against such judgment with the Chongqing Higher People's Court. In June 2017, the Company received the judgment of the Chongqing Higher People's Court which rejected the Subsidiary's appeal and upheld the first instance judgment. Please refer to the Company's announcement dated 30 June 2017 for more information. The Subsidiary subsequently filed an application of retrial of the relevant PRC court judgments. The outcome of the retrial application, according to the official legal documents received by the Subsidiary, is pending as of the date of approval of these financial statements.

In relation to the aforementioned court action commenced by the finance company in the Chongqing First Intermediate People's Court, it was claimed that Mr. WU Changjiang, the Subsidiary and two other entities should be jointly and severally liable as guarantors for the debt of RMB34,000,000, plus interest, as owed by Ms. WU Lian to the finance company pursuant to several alleged agreements. The Company received a judgment from the Chongqing First Intermediate People's Court in October 2016, which, among other things, ordered that the guarantors, including the Subsidiary, were jointly and severally liable with Ms. WU Lian for the payment of RMB34,000,000 plus interest and costs, to the finance company. The Subsidiary filed an appeal against the judgment with the Chongqing Higher People's Court. In September 2017, the Company received the judgment of the Chongqing Higher People's Court which rejected the Subsidiary's appeal and upheld the first instance judgment. Please refer to the Company's announcement dated 14 September 2017 for a more information. The Subsidiary is in the process of applying for a protest of the relevant PRC court judgments.

有關上述其中一起由另一家中國銀行向重慶市第一中級人民法院提起的訴訟，要求（其中包括）包括該附屬公司在內的八名個人／機構（「八名擔保人」）就重慶恩緯西實業發展有限公司（「恩緯西」）向該等中國銀行所欠的人民幣35,497千元欠款另加利息的債務作為擔保人承擔連帶責任。本公司已於2016年9月收到重慶市第一中級人民法院就此等訴狀作出的判決，判令（除其他事項外）八名擔保人，包括該附屬公司，需就向該等中國銀行支付人民幣35,497千元欠款另加利息及開支與恩緯西承擔連帶責任。該附屬公司已向重慶市高級人民法院就該判決提起上訴。於2017年6月，本公司接獲重慶市高級人民法院駁回該附屬公司上訴及維持一審判決的判決書。詳情請參閱本公司日期為2017年6月30日的公告。該附屬公司隨後就相關中國法院判決申請重審。根據該附屬公司收到的正式法律文件，於該等財務報表獲批准日期，該附屬公司仍在等待重審申請結果。

有關上述由財務公司向重慶市第一中級人民法院提起的訴訟，要求吳長江先生、該附屬公司及其他兩家實體應就吳戀女士根據數份所謂的協議向該財務公司所欠的人民幣34,000千元欠款另加利息的債務作為擔保人承擔連帶責任。本公司已於2016年10月收到重慶市第一中級人民法院就此等訴狀作出的判決，判令擔保人，包括該附屬公司，需就向該等中國銀行支付人民幣34,000千元欠款另加利息及開支與吳戀女士承擔連帶責任。該附屬公司已向重慶市高級人民法院就該判決提起上訴。於2017年9月，本公司接獲重慶市高級人民法院駁回該附屬公司上訴及維持一審判決的判決書。詳情請參閱本公司日期為2017年9月14日的公告。該附屬公司正就相關中國法院判決申請抗訴。

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The Group's Main Products

The Group focuses on developing creative R&D capability, providing professional and optimized LED lighting solutions, and aim to promote the national energy-saving, emission-reduction scheme and enhance green lighting industry forward to more sustainable, healthy and well-regulated growth. The revenue from LED lighting products account for more than 78% of the Group's total revenue.

The Group's product can be divided into three segments: lamp products, luminaire products and lighting electronic products. The luminaire products mainly designed for 2 applications: commercial lighting luminaire products and home lighting luminaire products. Main product of commercial lighting include: downlights, ceiling lights, spotlights, panel lights, batten lights, flood lights, wall lights, garden lights, bollard, in-ground lights, underwater lights, street lights, tunnel lights and emergency lights series, which can be widely used in the large conference halls, hotels, supermarkets, offices, landed properties, roads and airports etc. Main product of home lighting include: aluminum lights, candle lights, wrought iron lights, flat-panel low-voltage lights, brass lights, Acrylic lights, kitchen and bathroom series etc, which can be widely used in the living room, dining room, bed room, children's room, kitchen, bathroom, balcony and many other indoor applications.

1. Luminaire Product Segment:

Samples of Main Products of Commercial Lighting Luminaire:
商業照明燈具主要產品示例：



Downlights Series
筒燈系列



Ceiling Light Series
天花燈系列



Multiple Light Series
格柵射燈系列

本集團主要產品

本集團致力於打造創新性研發能力，為客戶提供專業的LED照明集成式優化解決方案，以推進國家節能減排，發展綠色照明環保產業為使命，推進LED照明產業持續、健康、有序的發展。目前LED照明產品的收入佔本集團總銷售收入的78%。

本集團的產品分為光源產品、燈具產品、照明電器產品三大分部，其中燈具產品又按應用領域不同分為商業照明燈具產品和家居照明燈具產品。其中商業照明主要產品線包括筒燈、天花燈、射燈、燈盤、支架、投光燈、壁燈、庭院燈、草坪燈、埋地燈、水下燈、路燈、隧道燈及消防應急燈系列產品，主要的應用場所包括內外大型會場、酒店、商超、寫字樓、地產、道路、機場等；家居照明主要產品線包括鋁材燈、蠟燭燈、鐵藝燈、平板低壓燈、全銅燈、亞克力燈及廚衛產品等系列產品，涵蓋客廳、餐廳、臥室、兒童房、廚衛、陽台等多個室內應用場所。

一、燈具產品分部：

Management Discussion and Analysis 管理層討論與分析

Samples of Main Products of Commercial Lighting Luminaire:
商業照明燈具主要產品示例：



Track Light Series
軌道射燈系列



Flood Light Series
投光燈系列



Underwater Light Series
水下燈系列



Garden Light Series
庭院燈系列



Bollard Series
草坪燈系列



Wall Light Series
壁燈系列

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Batten Light Series
支架系列



Panel Light Series
燈盤系列



Street Light Series
路燈系列



Tunnel Light Series
隧道燈系列



In-ground Light Series
埋地燈系列



Emergency Light Series 1
消防應急系列一



Emergency Light Series 2
消防應急系列二

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Samples of Main Products of Home Lighting Luminaire:
家居照明燈具主要產品示例：



Aluminum Light Series
鋁材燈系列



Flat-panel Low-voltage
Light Series
平板低壓燈系列



Candle Light Series
蠟燭燈系列



Brass Light Series
全銅燈系列



Wrought Iron Light Series
鐵藝燈系列



Acrylic Light Series
亞克力燈系列



Ventilator Series
換氣扇系列



Bath Heater Series
浴霸系列



Integrated Ceiling Light Series
集成吊頂系列

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2. Lamp Product Segment:

二、光源產品分部：



Bulb Lamp Series
球泡燈系列



Candle Lamp Series
蠟燭燈系列



Spiral Energy-saving
Lamp Series
螺旋節能燈系列



U-shaped Energy-saving
Lamp Tube Series
U型節能燈管系列



S-shaped Energy-saving
Lamp Tube Series
S型節能燈管系列

3. Lighting Electronic Products Segment:

三、照明電器產品分部：



American Standard
LED Drive Series
美標LED驅動電源系列



European Standard
LED Drive Series
歐標LED驅動電源系列



Electronic Ballast Series
電子鎮流器系列

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Financial Review

Revenue

Revenue represents the invoiced value of goods sold, after allowances for returns and trade discounts. During the Reporting Period, the revenue of the Group increased by 6.7% from the Corresponding Period to RMB4,063,163,000. In particular, the LED lighting products recorded revenue of RMB3,165,613,000 with an increase of 17.4% from the Corresponding Period.

Revenue by product segments

The table below sets forth the revenue by product segments (luminaire, lamp and lighting electronic products) and the growth rate of each segment.

		Year ended 31 December 截至12月31日止年度		
		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣	Growth rate 增長率
Luminaire products	燈具產品	2,882,289	2,644,430	9.0%
Lamp products	光源產品	917,645	942,142	(2.6%)
Lighting electronic products	照明電器產品	263,229	219,757	19.8%
Total	合計	4,063,163	3,806,329	6.7%

During the Reporting Period, the sales of luminaire products increased by 9.0%, which was mainly benefited from the successful transformation of the dual-channel development model of “commercial and home lighting”, as well as the stable growth in the sales of commercial and home luminaire products of the Group. The sales of lamp products decreased by 2.6%, which was mainly attributed to the gradual shrinkage of market size and the decline in both sales volumes and prices of the traditional lamp products. The sales of lighting electronic products grew by 19.8%, mainly benefited from the Group’s increase in development of and investment of market resources in non-NVC brand LED lighting electronic products and the stable increase of sales orders from major international customers for non-NVC brand LED lighting electronic products during the Reporting Period.

財務回顧

銷售收入

銷售收入指已售貨物的發票價值，經扣除退貨和折扣的淨額。於報告年度內，本集團取得銷售收入為人民幣4,063,163千元，較同期增長6.7%，其中LED照明產品取得銷售收入人民幣3,165,613千元，較同期增長17.4%。

按產品分部劃分的收入

下表載列按產品分部（燈具、光源和照明電器）劃分的收入及各分部的增長率。

於報告年度內，燈具產品銷售增長9.0%，主要得益於本集團商業照明和家居照明雙渠道業務模式的成功轉型，商業照明燈具及家居照明燈具產品銷售穩步提升；光源產品銷售下降2.6%，主要是由於傳統光源產品市場容量逐步縮小，銷量及價格持續走低所致；照明電器產品銷售增長19.8%，該增長得益於報告年度內本集團加大非雷士品牌LED照明電器產品開發及市場資源投入，主要的國際客戶的非雷士品牌LED照明電器產品銷售訂單穩步增加。

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管理層討論與分析

Revenue by geographical locations, NVC brand sales and non-NVC brand sales

The table below sets forth the revenue by geographical locations, NVC brand products and non-NVC brand products and the growth rate of each item. Our non-NVC brand products primarily consist of ODM products.

按地理位置及雷士品牌與非雷士品牌銷售劃分的收入

下表載列按地理位置及雷士品牌產品和非雷士品牌產品劃分的銷售收入及各項目的增長率。我們的非雷士品牌產品主要由ODM產品組成。

		Years ended 31 December 截至12月31日止年度		
		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣	Growth rate 增長率
Sales revenue from PRC		來自中國的銷售收入		
NVC brand	雷士品牌	2,543,813	2,316,747	9.8%
Non-NVC brand	非雷士品牌	266,481	313,080	(14.9%)
<i>Subtotal</i>	<i>小計</i>	2,810,294	2,629,827	6.9%
Sales revenue from international market		來自國際的銷售收入		
NVC brand	雷士品牌	280,852	387,859	(27.6%)
Non-NVC brand	非雷士品牌	972,017	788,643	23.3%
<i>Subtotal</i>	<i>小計</i>	1,252,869	1,176,502	6.5%
Total	合計	4,063,163	3,806,329	6.7%

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Revenue by LED lighting products and non-LED lighting products

The table below sets forth our revenue from LED lighting products and non-LED lighting products and the growth rate of each item.

按LED照明產品和非LED照明產品分部劃分

下表載列按LED照明產品和非LED照明產品劃分的收入及各項目的增長率。

		Years ended 31 December 截至12月31日止年度		
		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣	Growth rate 增長率
LED lighting products	LED照明產品	3,165,613	2,696,868	17.4%
Non-LED lighting products	非LED照明產品	897,550	1,109,461	(19.1%)
Total	合計	4,063,163	3,806,329	6.7%

During the Reporting Period, the sales of LED lighting products increased by 17.4%, and the sales of non-LED lighting products decreased by 19.1%, mainly because the Group grasped the favorable opportunity in the rising consumer demands and market penetration of the LED lighting industry, and successfully seized the market share of LED lighting products by continuously strengthening the R&D of new LED lighting products, expansion of marketing channels and input of market resources; as affected by the fierce competition of LED lighting products, the sales of traditional lighting products shrank, the both of which took on a trading-off trend.

於報告年度內，LED照明產品銷售增長17.4%，非LED照明產品銷售下降19.1%，主要是本集團抓住LED照明行業消費需求及市場滲透率上升的有利機遇，通過持續加強LED照明新品研發、渠道拓展及市場資源投入，成功搶佔LED照明產品市場份額；而受LED照明產品的激烈競爭影響，傳統照明產品銷售萎縮，兩者呈現此消彼長的態勢。

Management Discussion and Analysis

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Cost of Sales

Cost of sales mainly consists of the cost of raw materials, outsourced manufacturing costs, direct and indirect labor costs and indirect costs. Major raw materials of the Group include iron, aluminum and alloys, fluorescent powder, glass tubes, electronics components and LED packaged chips. Outsourced manufacturing costs primarily include the cost of purchased semi-finished products and finished products produced by other manufacturers and used in the production of our products. Indirect costs primarily include water, electricity, depreciation and amortisation and others. The table below sets forth the composition of our cost of sales:

銷售成本

銷售成本主要包括原材料成本、外包生產成本、直接和間接勞工成本及間接費用。本集團的主要原材料包括鐵、鋁及合金、螢光粉、玻璃管、電子元器件以及LED封裝芯片等。外包生產成本主要包括採購其他製造商生產的、用於我們的產品生產的半成品以及成品的成本。間接費用成本主要包括水、電、折舊和攤銷以及其他。下表列示銷售成本的組成：

Years ended 31 December
截至12月31日止年度

		2017		2016	
		2017年	Percentage in	2016年	Percentage in
		RMB'000	revenue (%)	RMB'000	revenue (%)
		千人民幣	佔收入	千人民幣	佔收入
			比例(%)		比例(%)
Raw materials	原材料	2,003,602	49.3%	1,907,153	50.1%
Outsourced manufacturing costs	外包生產成本	530,346	13.0%	508,702	13.4%
Labor costs	勞工成本	254,050	6.3%	275,305	7.2%
Indirect costs	間接費用	102,307	2.5%	94,211	2.5%
Total	合計	2,890,305	71.1%	2,785,371	73.2%

During the Reporting Period, the cost of sales as a percentage to revenue decreased from 73.2% to 71.1%, the gross profit margin increased from 26.8% to 28.9%, mainly benefited from, on the one hand, the adjustment of operating price of some products, and on the other hand, the positive effect resulting from the four cost saving measures for reducing R&D cost, purchasing cost, manufacturing cost and labor cost continuously implemented by the Group, including strengthening technological upgrade, structural optimization and improvement of process flow of the products, adopting public procurement and tendering, dealing with inactive stocks timely, implementing "Amoeba" operating model and enhancing lean production management, etc., which have significantly controlled the costs and improved the overall gross profit margin level.

於報告年度內，銷售成本佔收入的百分比從73.2%降至71.1%，毛利率從26.8%升至28.9%，一方面得益於部份產品運營價的調整，另一方面，本集團持續推行的研發降成本、採購降成本、製造降成本及人工降成本等四大降成本措施取得積極成效，包括加強產品的技術升級、結構優化及工藝流程改善、公開採購招標、及時處置呆滯庫存、推行「阿米巴」經營模式及加強精益生產管理等，使各項成本得到明顯控制，提高了整體毛利率水準。

Management Discussion and Analysis

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Gross profit and gross profit margin

Gross profit is calculated as the net value of sales revenue less cost of sales.

During the Reporting Period, gross profit from sales was RMB1,172,858,000, representing an increase of 14.9% as compared with the Corresponding Period; gross profit margin of sales increased from 26.8% to 28.9%. The gross profit and gross profit margin by segments are as follows:

- (i) The table below shows the gross profit and gross profit margin by product segments (luminaire, lamp and lighting electronic products):

		Years ended 31 December 截至12月31日止年度			
		2017 2017年		2016 2016年	
		RMB'000 千人民幣	(%) (%)	RMB'000 千人民幣	(%) (%)
Luminaire products	燈具產品	993,378	34.5%	817,517	30.9%
Lamp products	光源產品	114,519	12.5%	152,193	16.2%
Lighting electronic products	照明電器產品	64,961	24.7%	51,248	23.3%
Total	合計	1,172,858	28.9%	1,020,958	26.8%

During the Reporting Period, the gross profit margin of luminaire products increased from 30.9% to 34.5%, mainly benefited from the positive effect resulting from the four cost saving measures for reducing R&D cost, purchasing cost, manufacturing cost and labor cost continuously implemented by the Group, as well as the increase in operating price of some luminaire products. The gross profit margin of lamp products decreased from 16.2% to 12.5%, mainly because on the one hand more favourable price discounts were offered to major clients in order to stabilise the order resources of the international market; and on the other hand, the traditional lamp products suffered from decline in both sales volumes

毛利及毛利率

毛利指銷售收入減去銷售成本後的淨額。

於報告年度內，銷售毛利為人民幣1,172,858千元，與同期比較增長14.9%，銷售毛利率從26.8%升至28.9%。各分部的毛利及毛利率列示如下：

- (i) 下表載列各產品分部（燈具、光源和照明電器）的毛利和毛利率：

於報告年度內，燈具產品毛利率從30.9%上升至34.5%，主要是本集團持續推行的研發降成本、採購降成本、製造降成本及人工降成本等四大降成本措施取得積極成效，以及部分燈具產品運營價的提高；光源產品毛利率從16.2%下降至12.5%，主要由於一方面LED光源產品為穩定國際市場訂單資源而給予主要客戶更高的價格優惠；另一方面傳統光源產品受LED光源產品競爭影響呈現量價齊跌的局面，致使整

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and prices as affected by the competition with LED lamp products, thereby leading to the decrease in overall gross profit margin of lamp products. The gross profit margin of lighting electronic products increased from 23.3% to 24.7%, mainly attributed to the favorable effect resulting from the launch of new LED lighting electronic products with high gross profit margin into the market, the comprehensive cost saving measures adopted by the Group, and the impact from the exchange fluctuation.

體光源產品毛利率下降；而照明電器產品毛利率從23.3%上升至24.7%，主要是高毛利率的LED照明電器新品投放市場並取得良好效果，以及本集團推行的全面降成本措施及匯率波動的影響。

(ii) The table below shows the gross profit and gross profit margin by geographical locations and NVC brand products and non-NVC brand products:

(ii) 下表列示所示期間的按地理位置及雷士及非雷士品牌的毛利及毛利率：

		Years ended 31 December 截至12月31日止年度			
		2017 2017年		2016 2016年	
		RMB'000 千人民幣	(%) (%)	RMB'000 千人民幣	(%) (%)
Gross profit from PRC sales:	中國銷售產生的毛利：				
NVC brand	雷士品牌	924,100	36.3%	745,727	32.2%
Non-NVC brand	非雷士品牌	49,443	18.6%	58,579	18.7%
<i>Subtotal</i>	<i>小計</i>	973,543	34.6%	804,306	30.6%
Gross profit from international sales:	國際銷售產生的毛利：				
NVC brand	雷士品牌	59,023	21.0%	78,376	20.2%
Non-NVC brand	非雷士品牌	140,292	14.4%	138,276	17.5%
<i>Subtotal</i>	<i>小計</i>	199,315	15.9%	216,652	18.4%
Total	合計	1,172,858	28.9%	1,020,958	26.8%

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During the Reporting Period, the gross profit margin from PRC sales increased from 30.6% to 34.6%, mainly benefited from the favorable results resulting from the comprehensive cost saving measures adopted by the Group, the increase in operating price of some products and the impact of changes in product mix. The gross profit margin from international sales decreased from 18.4% to 15.9%, mainly attributed to the more favourable price discounts offered in order to stabilise the order share of major clients at the international market, as well as the decline in the gross profit margin of a subsidiary of the Group that operated on the international market as affected by local exchange fluctuation.

於報告年度內，中國銷售產生的毛利率從30.6%上升到34.6%，主要得益於本集團的全面降成本措施取得積極效果、部分產品營運價提高以及產品結構變動的影響；而國際銷售產生的毛利率從18.4%下降到15.9%，主要是報告年度內本集團為穩定國際市場主要客戶的訂單份額而給予更高的價格優惠，以及本集團一家在國際市場經營的附屬公司受當地匯率波動致使毛利率下降。

(iii) The table below sets forth the gross profit and gross profit margins of LED lighting products and non-LED lighting products:

(iii) 下表載列LED照明產品以及非LED照明產品的毛利及毛利率：

		Years ended 31 December 截至12月31日止年度			
		2017 2017年		2016 2016年	
		RMB'000 千人民幣	(%) (%)	RMB'000 千人民幣	(%) (%)
LED lighting products	LED照明產品	994,832	31.4%	788,901	29.3%
Non-LED lighting products	非LED照明產品	178,026	19.8%	232,057	20.9%
Total gross profit	總毛利	1,172,858	28.9%	1,020,958	26.8%

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Other income and gains

Our other income and gains mainly consist of rental income, gain on sales of scrap materials, fair value gain of derivative component of convertible bonds, gain arising from waiver of other payables, government grants and interest income (the breakdown of other income and gains is provided in note 5 to the consolidated financial statements on page 284 to 285 of this annual report). We received various types of government grants in the form of tax subsidies and incentives for research and development activities and expansion of production capacity of energy-saving lamp. Government subsidies are provided by relevant authorities at their discretion, and may not be recurring in nature. During the Reporting Period, other income and gains increased significantly to RMB127,604,000 as compared with the Corresponding Period, which was mainly due to the effect from the fair value gain of derivative component of convertible bonds and the gain arising from waiver of other payables during the Reporting Period.

Selling and distribution costs

Our selling and distribution costs mainly consist of freight costs, advertising and promotion expenses, staff costs and other expenses. Others include office expenses, custom clearance expenses, travelling expenses, depreciation and amortisation, insurance fees and other miscellaneous.

During the Reporting Period, our selling and distribution costs were RMB401,923,000, representing an increase of 11.7% as compared with the Corresponding Period. The increase was mainly attributed to the increase in staff costs and freight costs compared with the Corresponding Period. Our selling and distribution costs as a percentage in revenue increased from 9.5% to 9.9%.

Administrative expenses

Our administrative expenses mainly consist of staff costs, amortisation and depreciation, research and development expenses, office expenses and other expenses including tax expenses, audit fees, other professional fees and other miscellaneous expenses. These taxes mainly include land use tax and stamp duty in connection with our administrative functions.

其他收入及收益

我們的其他收入及收益主要包括租金收入、銷售廢料、可換股債券衍生工具部份公允價值收益、豁免其他應付賬款產生的收益、政府補助及利息收入等（其他收入及收益的組成請參照本年度報告第284頁至第285頁之合併財務報表附註5）。同時我們收到各種作為稅收補貼以及鼓勵進行科技研發和擴大節能燈產能的政府補助。這些政府補助由相關機構酌情發放，未必屬於經常性。於報告年度內，其他收入及收益較同期大幅增長至人民幣127,604千元，主要是報告年度內因可換股債券衍生工具部份公允價值變動收益及豁免其他應付賬款產生的收益的影響。

銷售及分銷費用

我們的銷售及分銷費用主要包括運費、宣傳和推廣費、員工成本和其他費用，包括辦公費、報關費、交通費、折舊和攤銷、保險費和其他雜項。

於報告年度內，我們的銷售及分銷費用較同期增長11.7%，至人民幣401,923千元。該增長主要是員工成本及運費等較同期有所增加。我們的銷售及分銷費用佔收入的比例由9.5%上升至9.9%。

管理費用

管理費用主要包括員工成本、攤銷和折舊、研發費、辦公費用及其他費用，主要包括稅項、審計費、其他專業費用和其他雜項。這些稅項主要包括與我們的行政部門有關的土地使用稅和印花稅。

Management Discussion and Analysis

管理層討論與分析

During the Reporting Period, our administrative expenses were RMB356,895,000, representing a decrease of 13.5% as compared with the Corresponding Period, which was mainly due to the decrease of staff costs, other professional fees and impairment loss as compared with the Corresponding Period. Our administrative expenses as a percentage in revenue decreased from 10.8% to 8.8%.

Other expenses

Other expenses mainly consist of losses on disposal of property, plant and equipment and scrap, fair value change of held-for-trading investments, net exchange losses, donation and other miscellaneous expenses.

Finance costs

Finance costs represent interests on bank loans, interest expenses on convertible bonds and other interest expenses.

Share of results of associates

This item represents the Group's share of net profits or net losses in the associates during the Reporting Period.

Income tax

During the Reporting Period, the Group's income tax expense amounted to RMB104,256,000.

Profit for the year (including profit attributable to non-controlling interests)

Due to the factors mentioned above, our net profit for the year (including profit attributable to non-controlling interests) was RMB331,600,000 during the Reporting Period.

於報告年度內，我們的管理費用較同期下降13.5%，至人民幣356,895千元，主要是員工成本、其他專業費用及減值損失較同期有所下降。我們的管理費用佔收入的比例由10.8%下降至8.8%。

其他費用

其他費用主要包括處置物業、廠房、設備及廢料的損失、交易性金融資產公允價值變動、匯兌損失淨額、捐贈支出和其他雜項開支。

財務費用

財務費用為銀行貸款利息、可換股債券利息開支及其他利息支出。

應佔聯營公司業績

本項反映於報告年度內本集團在聯營公司中享有的淨利潤或承擔的淨虧損份額。

所得稅

於報告年度內，本集團所得稅開支達人民幣104,256千元。

本年淨利潤（包括非控制性權益應佔利潤部份）

由於上述因素，於報告年度內，我們本年淨利潤（包括非控制性權益應佔利潤部份）為人民幣331,600千元。

Management Discussion and Analysis

管理層討論與分析

Exchange differences on translation of foreign operations

During the Reporting Period, our exchange differences on translation of foreign operations were RMB2,136,000. These exchange differences primarily arose from the translation of the financial statements of the Company and the overseas subsidiaries which are denominated in foreign currencies.

Profit attributable to owners of the parent for the year

Due to the factors mentioned above, profit attributable to owners of the parent was RMB314,268,000 during the Reporting Period.

Profit attributable to non-controlling interests for the year

During the Reporting Period, profit attributable to non-controlling interests was RMB17,332,000.

換算海外業務產生的匯兌差額

於報告年度內，我們的換算海外業務產生的匯兌差額為人民幣2,136千元，此匯兌差額主要是以外幣計價的本公司及海外附屬公司財務報表的換算造成。

母公司擁有人應佔的本年利潤

由於上述因素，於報告年度內，母公司擁有人應佔的利潤為人民幣314,268千元。

非控制性權益應佔的本年利潤

於報告年度內，非控制性權益應佔的利潤為人民幣17,332千元。

Management Discussion and Analysis

管理層討論與分析

Cash Flow and Liquidity

Cash flow

The table below sets out selected cash flow data from our consolidated statement of cash flows.

現金流量及流動性

現金流量

下表載列從我們的合併現金流量表中節選的現金流量數據。

		31 December 12月31日	
		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Net cash flows from operating activities	經營活動所得現金 流量淨額	493,774	743,483
Net cash flows used in investing activities	投資活動所用現金 流量淨額	(543,709)	(782,101)
Net cash flows from financing activities	融資活動所得現金 流量淨額	171,308	251,968
Net increase in cash and cash equivalents	現金及現金等價物 增加淨額	121,373	213,350
Cash and cash equivalents at beginning of year	年初現金及現金等價物	1,160,155	917,953
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(15,939)	28,852
Cash and cash equivalents as stated in the consolidated statement of cash flows	於合併現金流量表中呈列 的現金及現金等價物	1,265,589	1,160,155
Cash and bank balances classified as assets held for sale	劃分為持有待售資產的 現金及現金等價物	-	-
Cash and cash equivalents as stated in the consolidated statement of financial position	於合併財務狀況表中呈列 的現金及現金等價物	1,265,589	1,160,155

At the end of the Reporting Period, the cash and bank balances of the Group were mainly denominated in RMB, HK\$, GBP, BRL and US\$. 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.

於本報告年度末，本集團的現金及銀行結餘主要以人民幣、港元、英鎊、巴西雷亞爾及美元計值。人民幣不可自由轉換為其他貨幣。然而，根據中國內地的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准通過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

Management Discussion and Analysis

管理層討論與分析

Liquidity

Net current assets and working capital sufficiency

The table below sets out our current assets, current liabilities and net current assets as at the end of the Reporting Period.

流動性

淨流動資產及營運資金的充足性

下表載列於報告年度末的流動資產、流動負債及淨流動資產。

		31 December 12月31日	
		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
CURRENT ASSETS	流動資產		
Inventories	存貨	425,384	401,668
Trade and bills receivables	貿易及票據應收賬款	1,092,554	1,218,003
Prepayments, deposits and other receivables	預付款、保證金及其他應收賬款	397,213	343,115
Income tax recoverable	預付所得稅	11,741	4,596
Other current assets	其他流動資產	41,512	25,303
Held-for-trading investments	交易性金融資產	88,786	–
Restricted bank balances and short-term deposits	受限制的銀行結餘及短期存款	314,422	445,424
Cash and cash equivalents	現金及現金等價物	1,265,589	1,160,155
Total current assets	流動資產小計	3,637,201	3,598,264
CURRENT LIABILITIES	流動負債		
Trade and bills payables	貿易及票據應付賬款	820,833	750,036
Other payables and accruals	其他應付款及預提費用	728,749	749,975
Interest-bearing loans and borrowings	計息貸款及借款	24,940	48,411
Government grants	政府補助	2,012	2,026
Income tax payable	應繳所得稅	34,071	24,951
Convertible bonds – derivative component	可換股債券 – 衍生工具部份	11,933	60,230
Convertible bonds – liability component	可換股債券 – 負債部份	421,229	–
Total current liabilities	流動負債小計	2,043,767	1,635,629
NET CURRENT ASSETS	淨流動資產	1,593,434	1,962,635

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2017 and 31 December 2016, net current assets of the Group amounted to RMB1,593,434,000 and RMB1,962,635,000, respectively, and the current ratio was 1.78 and 2.20, respectively. In light of our current liquidity position, the unutilised banking facilities available to the Group and our projected cash flows generated from operations, the Directors believe that we have sufficient working capital for our present requirements and for the next 12 months.

Capital management

The table below sets out our gearing ratio as at the end of the Reporting Period.

於2017年12月31日和2016年12月31日，本集團的淨流動資產總額分別為人民幣1,593,434千元和人民幣1,962,635千元，流動比率分別為1.78和2.20。鑒於我們目前的流動性狀況，本集團在銀行尚未使用的信貸餘額及預期因經營而產生的現金，董事認為我們擁有充足的營運資金來應付目前及未來12個月的資金需求。

資本管理

下表載列於報告年度末的資本負債比率。

		31 December 12月31日	
		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Interest-bearing loans and borrowings and convertible bonds – liability component	計息貸款及借款及可換股債券 – 負債部份	446,169	488,683
Total debt	債務合計	446,169	488,683
Less: cash and cash equivalents and short-term deposits (excluding restricted bank balance)	減：現金及現金等價物及短期存款（扣除受限制銀行存款）	(1,580,011)	(1,550,183)
Net debt	淨債務	N/A 不適用	N/A 不適用
Total equity attributable to owners of the parent	母公司擁有人應佔總權益	3,242,052	2,703,481
Gearing ratio	資本負債比率	N/A 不適用	N/A 不適用

Management Discussion and Analysis

管理層討論與分析

The primary goal of our capital management is to maintain the stability and growth of our financial position. We regularly review and manage our capital structure and make corresponding adjustments, after taking into consideration changes in economic conditions, our future capital requirements, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities. We manage our capital by monitoring our gearing ratio (which is calculated as net debt divided by the total equity attributable to owners of the parent). Net debt is the balance of interest-bearing loans and convertible bonds – liability component less cash and cash equivalents and short-term deposits (excluding restricted bank balances).

Inventories

The balance of inventories represents our balance of stock of raw materials, work in progress and finished goods as at the end of the Reporting Period. We monitor our inventories on a regular basis. For the year ended 31 December 2017, turnover of average inventories (in days) (average inventories equal to the inventories at the beginning of the year plus inventories at the end of the year (after provision), divided by two. Turnover of average inventories (in days) equals to the average inventories divided by the cost of sales and then multiplied by 365) was 52.2 days, while it was 58.8 days in 2016.

More details about the inventories are provided in note 20 to the consolidated financial statements on page 322 of this annual report.

我們資本管理的主要目標是保持公司財務狀況的穩定性及增長。我們定期審查並管理我們的資本結構，並在考慮經濟狀況的轉變、未來資本需要、當前及預期的盈利能力及營運現金流量、預期資本支出及預期策略性投資機會後作出相應的調整。我們透過監控公司的資本負債比率（淨債務除以母公司擁有人應佔總權益）來管理資本。淨債務為計息貸款以及可換股債券－負債部份扣除現金及現金等價物及短期存款（扣除受限制銀行存款）之餘額。

存貨

存貨結餘指本集團在本報告年度末的原材料、在製品及產成品庫存餘額。本集團對存貨進行定期監控。截至2017年12月31日止年度，平均存貨週轉天數（平均存貨等於年初存貨加上年末存貨（減去存貨跌價準備後）除以二。平均存貨週轉天數等於平均存貨除以銷售成本，然後乘以365）為52.2天，而2016年為58.8天。

有關存貨的詳細情況請參照本年度報告第322頁的合併財務報表附註20。

Management Discussion and Analysis

管理層討論與分析

Trade and bills receivables

Trade receivables of the Group represented proceeds receivable from sale of goods. The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit periods generally range from 30 to 180 days for major customers. Each major customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balance. Overdue interests of several trade receivables are calculated at an annual interest rate of 12%.

For the year ended 31 December 2017, turnover of average trade and bills receivables (in days) (average trade and bills receivables equal to the trade and bills receivables at the beginning of the year plus trade and bills receivables at the end of the year (before provision), divided by two. Turnover of average trade and bills receivables (in days) equals to the average trade and bills receivables divided by revenue and then multiplied by 365) was 118.4 days, while it was 129.4 days in 2016.

More details about the trade and bills receivables are provided in note 21 to the consolidated financial statements on pages 323 to 326 of this annual report.

Trade and bills payables

During the year ended 31 December 2017, turnover of average trade and bills payables (in days) (average trade and bills payables equal to trade and bills payables at the beginning of the year plus trade and bills payables at the end of the year, divided by two. Turnover of average trade and bills payables (in days) equals to average trade and bills payables divided by cost of sales and then multiplied by 365) was 99.2 days, while it was 89.2 days in 2016.

貿易及票據應收賬款

本集團的貿易應收賬款指來自貨物銷售的應收所得款項。本集團與客戶之間主要通過信用交易，但新客戶一般需要提前支付。主要客戶的信用期限一般介於30天至180天不等。每位主要客戶均設置最高信用限額。本集團尋求對其未結清應收款項維持嚴格監控，並已建立一個信用監控部門以將信用風險降至最低。高級管理人員定期複核逾期結餘。鑒於上述情況及本集團貿易應收賬款與大量分散客戶有關，信用風險的集中度並不高。本集團並無就其貿易應收賬款持有任何抵押品或採取其他信用增級。若干貿易應收賬款的逾期利息按年利率12%計算。

截至2017年12月31日止年度，平均貿易及票據應收賬款週轉天數（平均貿易及票據應收賬款等於年初貿易及票據應收賬款加上年末貿易及票據應收賬款（扣除撥備前）除以二。平均貿易及票據應收賬款週轉天數等於平均貿易及票據應收賬款除以收入，然後乘以365）為118.4天，而2016年為129.4天。

有關貿易及票據應收賬款的詳細情況請參照本年度報告第323頁至第326頁的合併財務報表附註21。

貿易及票據應付賬款

截至2017年12月31日止年度，平均貿易及票據應付賬款週轉天數（平均貿易及票據應付賬款等於年初貿易及票據應付賬款加上年末貿易及票據應付賬款除以二。平均貿易及票據應付賬款週轉天數等於平均貿易及票據應付賬款除以銷售成本，然後乘以365）為99.2天，而2016年為89.2天。

Management Discussion and Analysis

管理層討論與分析

More details about the trade and bills payables are provided in note 26 to the consolidated financial statements on pages 334 to 335 of this annual report.

Interest-bearing loans and borrowings

More details about the interest-bearing loans and borrowings are provided in note 28 to the consolidated financial statements on page 337 of this annual report.

Convertible bonds

More details about the convertible bonds are provided in note 45 to the consolidated financial statements on page 393 to page 396 of this annual report.

Capital expenditure

We funded our capital expenditure with cash generated from operations and bank loans, and cash generated from issue of shares or convertible bonds. Our capital expenditure is primarily related to expenditure on property, plant and equipment, and other intangible assets. During the Reporting Period, the Group's capital expenditure amounted to RMB75,713,000, mainly attributable to the increase in machinery equipment, moulds, non-productive equipment and intangible assets.

Off-balance Sheet Arrangement

Except for the derivative component of Convertible Bonds mentioned in note 45 to the consolidated financial statements on page 393 to 396 of this annual report, we did not have any outstanding derivative financial instruments or off-balance sheet guarantees for outstanding loans. We did not engage in trading activities involving non-exchange traded contracts.

Capital Commitments

The details of capital commitments are referred to in note 37 to the consolidated financial statements on page 357 of this annual report.

有關貿易及票據應付賬款的詳細情況請參照本年度報告第334頁至第335頁的合併財務報表附註26。

計息貸款及借款

有關計息貸款及借款的詳細情況請參照本年度報告337頁合併財務報表附註28。

可換股債券

有關可換股債券的詳細情況請參照本年度報告第393頁至第396頁的合併財務報表附註45。

資本支出

我們的資本支出來源為經營業務所產生的現金、銀行貸款所取得的現金以及發行股份或可換股債券所取得的現金。資本支出主要為有關物業、廠房及設備、及其他無形資產。於報告年度內，本集團資本支出為人民幣75,713千元，主要是機器設備、模具、非生產設備以及無形資產的增加。

表外安排

除了本年度報告第393頁至第396頁之合併財務報表附註45提到的可換股債券的衍生工具部份外，我們概無任何已發行的衍生金融工具及未還貸款的表外擔保。我們概未從事涉及非交易所買賣合約的交易活動。

資本承諾

有關資本承諾詳情請參考本年度報告第357頁之合併財務報表附註37。

Management Discussion and Analysis

管理層討論與分析

Merger, Acquisition and Investment

On 21 April 2017, the Company formed the Guoyuan China Growth Investment Fund LP (the “Limited Partnership”) with Guoyuan Asset Management (Asia) Limited (as the general partner) by the contribution of USD30,000,000. The Limited Partnership intends to invest in (including but not limited to) shares of private companies related to emerging industries such as the lighting, energy saving, environmentally friendly industries or private equity funds. Through the Limited Partnership, the Company will be able to benefit from a wealth of attractive investment opportunities in the lighting, energy saving, environmentally friendly industries and achieving economies of scale and synergies. This can also enhance the Company’s ability to grow organically through the effective use of resources which will save capital expenditure and optimise cash management, thus improving the overall competitiveness of the Company. Please refer to the Company’s announcement dated 21 April 2017 for more information. During the Reporting Period, the limited partnership has not yet commenced its external investment.

On 7 June 2017, Huizhou NVC, a wholly-owned subsidiary of the Company, has entered into a purchase agreement with Zhuhai Ruiheng Investment Co., Ltd. (the “Vendor”), pursuant to which Huizhou NVC has agreed to acquire, and the Vendor has agreed to sell, certain properties at a cash consideration of RMB345,000,000. The Group intends to use the office buildings, business exhibition rooms and car parking spaces comprised in such properties for office purposes. The Group intends to use such properties as the office for key businesses of the Group such as household lighting business upon the completion of the acquisition. The Board considers that the acquisition of such properties will meet the Group’s rapid business development demand, achieve rental savings and enable effective appreciation of the assets of the Group. Please refer to the Company’s announcement dated 7 June 2017 for more information.

兼併、收購及投資

於2017年4月21日，本公司出資30,000千美元與普通合夥人Guoyuan Asset Management (Asia) Limited成立國元中國成長投資基金有限合夥（「有限合夥企業」），該有限合夥企業擬投資於（包括但不限於）照明、節能、環保等新興行業有關的私募股權和私募股權投資基金。通過成立有限合夥企業，本公司將獲益於照明、節能、環保產業中具有吸引力之投資機會並實現規模經濟和協同效益。此舉還將通過有效利用資源、節約資本支出和優化現金管理提高本公司有機增長能力，並提高本公司整體競爭力。詳情請參照本公司2017年4月21日的公告。於報告年度內，該有限合夥企業尚未開始對外投資。

於2017年6月7日，本公司全資附屬公司惠州雷士與珠海瑞恒投資有限公司（「賣方」）訂立購買協議，據此，惠州雷士已同意收購，且賣方已同意出售有關物業，現金代價為人民幣345,000千元。本集團擬將有關物業所包含的寫字樓、營業展廳及地下停車場用作辦公用途。本集團擬於收購事項完成後將有關物業用作本集團家居照明等核心業務的辦事處。董事會認為相關物業收購事項可滿足本集團快速增長的業務需求，節省租金，並能實現本集團資產之有效增值。詳情請參照本公司2017年6月7日的公告。

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管理層討論與分析

On 12 June 2017, the Board announced that it has resolved to acquire shares of ETIC (the shares of which are listed on the Shenzhen Stock Exchange, stock code: 002005) to the amount of no more than RMB110,000,000 on market before 31 December 2017 with the acquisition price of no more than RMB5.45 per share of ETIC. Assuming a purchase price of RMB5.45 per share of ETIC, it is estimated that the total number of shares of ETIC to be acquired by the Company will be approximately 20,183,486 shares, representing 1.45% of the total issued shares of ETIC on 12 June 2017.

Immediately prior to the above acquisition of shares of ETIC, Mr. WANG Donglei indirectly held 20.94% of the total issued shares of ETIC and was a substantial shareholder of ETIC. Mr. WANG Donglei is also the Chairman, Chief Executive Officer and Executive Director of the Company. Although the Company shall acquire shares of ETIC on market from the public, such acquisition was regarded as a connected transaction of the Company under Rule 14A.28 of the Listing Rules.

ETIC is an important business partner of the Company in its industrial chain. The strategic investment in ETIC will enhance the Company's strategic cooperation relationship with ETIC. ETIC is focusing on the production and sale of small household appliances and LED products in the PRC. With a positive outlook on the LED products market and the future performance of ETIC, the Company believes that such share acquisition presents a valuable investment opportunity for the Group to capture the potential growth of ETIC, which will bring benefits to the Group. The Company also considers that the current stock price of ETIC is also at a reasonable standard and of investment value. For more details, please refer to the announcement of the Company dated 12 June 2017.

On 30 October 2017, Huizhou NVC, the Company's wholly-owned subsidiary, proposed to invest RMB10,000,000 to establish a wholly-owned subsidiary Zhuhai NVC Logistics Co., Ltd.* (珠海市雷士物流有限公司) ("NVC Logistics"). NVC Logistics is principally engaged in providing transportation and warehousing services etc. As at the date of this annual report, the registered capital of NVC Logistics has not been fully paid.

於2017年6月12日，董事會宣佈其已通過決議，在2017年12月31日之前於場內收購總額不超過人民幣110,000千元的德豪潤達（其股份於深圳證券交易所上市，股份代號：002005）之股份。每股德豪潤達股份收購價格不高於人民幣5.45元。假設以每股德豪潤達股份人民幣5.45元購買，預計將為本公司所收購的德豪潤達股份總數將為約20,183,486股，佔2017年6月12日時德豪潤達全部已發行股份的1.45%。

緊隨上述收購德豪潤達之股份之前，王冬雷先生間接持有德豪潤達20.94%的全部已發行股份，並為德豪潤達之主要股東。王冬雷先生亦為本公司董事長、首席執行官及執行董事。儘管本公司將於場內向公眾收購德豪潤達之股份，收購事項將被視為上市規則14A.28條項下本公司之關連交易。

德豪潤達為本公司產業鏈中的重要業務夥伴。對德豪潤達的戰略投資將增強本公司與德豪潤達的戰略合作關係。德豪潤達專注於中國的小型家用電器以及LED產品的生產和銷售。基於對LED產品市場及德豪潤達的未來營運的樂觀預期，本公司相信相關股份收購事項為本集團提供了捕捉德豪潤達潛在增長之寶貴投資機會，將為本集團帶來利益。本公司亦認為德豪潤達目前之股票價格亦位於合理水準且具備投資價值。詳情請參照本公司2017年6月12日的公告。

於2017年10月30日，本公司全資附屬公司惠州雷士擬投資人民幣10,000千元成立全資附屬公司珠海市雷士物流有限公司（「雷士物流」）。雷士物流的主營業務為提供運輸及倉儲服務等，截止本年度報告日，雷士物流之註冊資金尚未繳足。

Management Discussion and Analysis

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On 14 December 2017, Huizhou NVC, the Company's wholly-owned subsidiary, contributed RMB9,000,000 to establish a subsidiary, Zhuhai NVC Youpin Industrial Co., Ltd* (珠海雷士優品實業有限公司) ("NVC Youpin"), 90% equity interest of which is held by Huizhou NVC. NVC Youpin is principally engaged in the production and sale of lamp products, luminaire products and lighting electronic products etc.

Save as disclosed in the above, the Group made no material acquisition, merger or sale of subsidiaries and associates during the Reporting Period.

Other Significant Investment and Performance

Huizhou NVC, the Company's wholly-owned subsidiary, signed a partnership agreement with the general partner to establish a limited partnership. Through the establishment of the limited partnership, the Company will be able to benefit from a wealth of attractive investment opportunities in the lighting industry and achieving economies of scale and synergies. For more details, please refer to the announcement of the Company dated 4 May 2016. During the Reporting Period, the limited partnership has not yet commenced its external investment.

As mentioned in the announcement of the Company dated 23 May 2016, the Board has approved the Company to establish an investment fund in form of a limited partnership to engage in investment in the distributors of the Company. The expected source of fund for the investment will be the fund generated from the daily operations and financing of the Company. During the Reporting Period, the investment has not yet been carried out.

於2017年12月14日，本公司全資附屬公司惠州雷士出資人民幣9,000千元成立附屬公司珠海雷士優品實業有限公司（「雷士優品」），惠州雷士佔雷士優品90%股權。雷士優品的主營業務為生產及銷售光源、燈具及照明電器產品等。

除上述披露之外，於報告年度內，本集團沒有進行重大附屬公司、聯營公司的收購、兼併或出售。

其他重大投資及表現

本公司的全資附屬公司惠州雷士與普通合夥人訂立合夥協議成立有限合夥企業。通過成立有限合夥企業，本公司將獲益於照明行業中具有吸引力之投資機會並實現規模經濟和協同效益。詳情請參照本公司2016年5月4日的公告。於報告年度內，該有限合夥企業尚未開始對外投資。

如本公司日期為2016年5月23日的公告所述，董事會已批准本公司以有限合夥形式成立投資基金，以投資於本公司的經銷商。該投資的預計資金來源為本公司日常經營及融資所產生的資金。於報告年度內，該投資尚未進行。

Management Discussion and Analysis

管理層討論與分析

Contingent Liabilities

- (a) As at 31 December 2017, contingent liabilities not provided for in the consolidated financial statements were as follows:

Alleged guarantees given to banks and a finance company in connection with facilities granted to:	聲稱就授予下列公司／人士信貸而給予銀行及一家財務公司的擔保：
Two PRC companies and Ms. WU Lian, an individual	兩間中國公司及吳戀女士（個別人士）

- (b) The Group acted as defendant in lawsuits brought by two PRC banks and a PRC finance company alleging that the Group should assume guarantee liabilities and interests according to alleged guarantee agreements entered into by Mr. WU Changjiang (the Company's former CEO) purportedly on behalf of a subsidiary of the Group. The Directors consider that the likelihood of the Group sustaining further losses from the guarantees is remote, and accordingly no provision for claims arising from the litigations is considered necessary as at 31 December 2016 and 2017, save for the related legal and other costs. Based on the respective court judgments, interests are imposed on the principal amounts as disclosed in (a) above, which are calculated on (i) principal amount of approximately RMB62,000,000 at 9.9% per annum plus compound interest at 9.9% per annum on unpaid interest since 21 October 2014; (ii) principal amount of approximately RMB34,000,000 at four times of six-month borrowing rate of the People's Bank of China since 8 October 2015; and (iii) principal amount of approximately RMB35,497,000 at 0.05% per day since 4 January 2015.

或有負債

- (a) 截至2017年12月31日止，未於合併財務報表計提撥備的或然負債如下：

31 December 12月31日	
2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
131,497	131,497

- (b) 本集團為由兩家中國銀行及一間中國財務公司根據由本公司前任首席執行官吳長江先生所謂代表本集團一家附屬公司訂立的聲稱擔保協議起訴本集團須承擔擔保責任及利息的訴訟的被告。董事認為本集團須承受該等擔保的進一步損失的可能性不大，因此，除有關法律及其他成本費用外，於2016年12月31日及2017年12月31日毋須就源自該等訴訟的任何索償計提撥備。根據相關法院判決，誠如上述(a)所披露，本金款項所徵收的利息會以(i)本金款項約人民幣62,000千元以每年9.9%另加自2014年10月21日起未支付利息以每年9.9%的複合利率；(ii)本金款項約人民幣34,000千元自2015年10月8日起以中國人民銀行六個月借款利率的四倍；及(iii)本金款項約人民幣35,497千元自2015年1月4日起以每日0.05%計算。

Management Discussion and Analysis

管理層討論與分析

Pledge of Assets

Save for those disclosed in other parts of this annual report, at the end of the Reporting Period, certain assets of the Group were pledged as follows:

- (1) As at 31 December 2017, certain land use rights with aggregate carrying amounts of RMB46,995,000 (31 December 2016: RMB48,314,000) and certain buildings included in property, plant and equipment with aggregate carrying amounts of RMB238,747,000 (31 December 2016: RMB242,510,000) and RMB43,797,000 (31 December 2016: RMB43,108,000) were pledged for the Group's applications of assets preservation in certain PRC legal proceedings and bank borrowings respectively.
- (2) As at 31 December 2017, certain trade receivables with carrying amounts of RMB24,004,000 (31 December 2016: RMB47,347,000) were pledged to secure the bank borrowings.
- (3) In accordance with several letters of guarantee, deposits with carrying amounts of RMB101,525,000 (31 December 2016: RMB34,533,000) were pledged for issuing letters of guarantee.
- (4) The amount represented deposits with carrying amounts of RMB27,561,000 (31 December 2016: RMB26,501,000) pledged for the Group's applications of assets preservation in certain PRC legal proceedings.

抵押資產

除本年度報告其他部份內容所披露資料外，於本報告年度末，本集團已質押的若干資產如下：

- (1) 於2017年12月31日，若干賬面值合計人民幣46,995千元（2016年12月31日：人民幣48,314千元）的土地使用權及若干計入物業、廠房及設備的賬面值合計人民幣238,747千元（2016年12月31日：人民幣242,510千元）及人民幣43,797千元（2016年12月31日：人民幣43,108千元）的樓宇分別由於本集團的某些中國法律訴訟而申請資產保全及作為銀行借款的抵押。
- (2) 於2017年12月31日，賬面值人民幣24,004千元（2016年12月31日：人民幣47,347千元）的若干貿易應收賬款已質押作為銀行借款的抵押。
- (3) 根據數封銀行保函協議，賬面值為人民幣101,525千元的存款（2016年12月31日：人民幣34,533千元）已質押以發出銀行保函。
- (4) 為在本集團的某些中國法律訴訟中申請資產保全，賬面值為人民幣27,561千元（2016年12月31日：人民幣26,501千元）的存款已進行質押。

Management Discussion and Analysis

管理層討論與分析

Market Risks

We are exposed to various market risks in the ordinary course of business. Our risk management strategy aims to minimise the adverse effects of these risks to our financial results.

Foreign currency risk

We are exposed to transactional currency risk. Such risk arises from sales or procurement by an operating unit in currencies other than its functional currency. As a result, we are exposed to fluctuations in the exchange rate between the functional currencies and foreign currencies. During the Reporting Period, the Group had entered into several forward exchange contracts in place to hedge the foreign exchange exposure and did not experience any material difficulties or negative impacts on our operations or liquidity as a result of fluctuations on currency exchange rates.

Commodity price risk

We are exposed to fluctuations in the prices of raw materials which are influenced by global changes as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect our financial performance. We did not enter into any commodity derivative instruments to hedge the potential commodity price changes.

Liquidity risk

We monitor our risk of having a shortage of funds by considering the maturity of our financial instruments, financial assets and liabilities and projected cash flows from operations. Our goal is to maintain a balance between continuity and flexibility of funding through the use of bank loans and other interest-bearing loans. Our Directors have reviewed our working capital and capital expenditure requirements and determined that we have no significant liquidity risk.

市場風險

在日常業務過程中，我們面臨下述各種市場風險。我們的風險管理策略旨在將這些風險對我們財務業績的影響降至最低。

外幣風險

我們承受貨幣交易風險。交易風險因營運單位以其功能貨幣以外的貨幣進行銷售或採購而產生。因此，我們面臨功能貨幣與外幣之間的匯率波動的風險。於報告年度內，本集團簽訂若干匯率遠期合同以對沖匯率風險，因此並無因貨幣匯率的波動而令我們營運或流動資金出現任何重大困難或負面影響。

商品價格風險

我們承受原材料價格波動的風險。原材料價格受全球變動及地區性供求狀況的影響。原材料價格的波動可能對我們的財務業績產生不利影響。本公司尚未簽訂過任何商品衍生工具以對沖潛在的商品價格變化。

流動資金風險

我們通過考慮我們金融票據、金融資產及負債的到期日和預計從營運產生的現金流量來監控資金短缺的風險。我們的目標是通過使用銀行貸款和其他計息貸款使資金的連續性和靈活性保持平衡。我們的董事已審核我們的營運資金及資本開支要求，並確定我們沒有重大流動資金風險。

Management Discussion and Analysis

管理層討論與分析

Credit risk

Our major credit risk arises from exposure to a substantial number of trade and bills receivables, deposits and other receivables from debtors. We have policies in place to ensure that the sales of products are made to customers with an appropriate credit limit, and we have strict control over credit limits of trade receivables. Our cash and short-term deposits are mainly deposited with registered banks in Mainland China and Hong Kong. We also have policies that limit our credit risk exposure to any financial institutions. The carrying amounts of trade and bills receivables, deposits and other receivables, cash and cash equivalents and short-term deposits included in the consolidated statement of financial position represent our maximum exposure to credit risk in relation to our financial assets. We have no other financial assets which carry significant exposure to credit risk. In 2017, we entered into a number of one-year insurance contracts with China Export & Credit Insurance Corporation, which covered 90% uncollectible receivables from international sales between the period from 1 December 2017 to 30 November 2018 with a maximum compensation amount of US\$35,000,000 (equivalent to approximately RMB228,697,000). We purchased such insurance in order to minimise our exposure to credit risk as we expand our business. We plan to renew such insurance contracts when they become due. For domestic sales, the insurance contracts with China Export & Credit Insurance Corporation were due on 30 November 2017, and would not be renewed. In respect of the exposure to domestic credit risk, it's expected that we will take the approach of requiring the customers to provide relevant physical collateral since 2018 to cover the credit risk arising from domestic sales.

Employees

As at 31 December 2017, the Group had approximately 6,441 employees in total (31 December 2016: 6,238). The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits including social insurance contributions, employee provident fund schemes, and discretionary incentive and share option schemes.

信用風險

我們的主要信用風險來自於債務人的大量貿易及票據應收賬款、保證金及其他應收賬款。我們已訂立政策確保產品出售予有適當信用額度的客戶，且我們嚴格控制貿易應收賬款的信用額度。我們的現金和短期存款主要存於中國大陸及香港的註冊銀行。我們亦有限制暴露於任何金融機構的信用風險政策。合併財務狀況表中的貿易及票據應收賬款、保證金及其他應收賬款的賬面值、現金和現金等價物及短期存款反映了本集團就有關金融資產的最大信用風險。我們沒有其他帶有重大信用風險的金融資產。2017年，我們與中國出口信用保險公司訂立若干一年期保險合同，在其承保範圍內，覆蓋於2017年12月1日至2018年11月30日期間的海外銷售應收賬款不可回收金額的90%，國際銷售的最高賠償金額為35,000千美元（折合約人民幣228,697千元）。我們購買上述保險是為了最大程度降低我們擴張業務所帶來的信用風險。我們計劃於到期時將該等保險合同續期。而針對國內銷售，與中國出口信用保險公司的保險合同已於2017年11月30日到期，且我們不再續保。預計自2018年開始對於國內信用風險敞口部份，我們將採取要求客戶提供相應實物擔保的方式，以覆蓋國內銷售所產生的信用風險。

僱員

於2017年12月31日，本集團的總員工人數約6,441名（2016年12月31日：6,238人）。本集團會定期就有關市場慣例及個別僱員的表現審核僱員薪酬及福利。除支付基本薪金外，僱員也享受其他福利包括社會保險、員工公積金計劃、酌情性獎勵及購股權計劃。

Directors and Senior Management

董事及高級管理層

Executive Directors



Mr. WANG Donglei (王冬雷), aged 54, is an Executive Director, the Chairman and the Chief Executive Officer of the Company. Mr. WANG joined the Group in January 2013. He has many years of experience in product research and development, manufacturing and business management. In 1996, Mr. WANG participated in the founding of Zhuhai China Resources Electric Co., Ltd.* (珠海華潤電器有限公司) (which was subsequently renamed as Elec-Tech International Co., Ltd. (廣東德豪潤達電氣股份有限公司) and the shares of which were listed on the Shenzhen Stock Exchange in China in 2004) and served as the chairman and the general manager. Since 2001, he has been serving as the chairman and a director of ETIC. At present, Mr. WANG also holds positions in various subsidiaries of Elec-Tech International Group which include: the chairman of Zhuhai Hansheng Precision Machinery Co., Ltd.* (珠海瀚盛精密機械有限公司), the chairman of Appliance Co. of America (Zhuhai) Co., Ltd.* (北美電器(珠海)有限公司), the chairman of Elec-Tech (Hong Kong) Optoelectronic Technology Co., Ltd.* (德豪(香港)光電科技有限公司), executive director of 3E Semiconductor (Wuhu) Co., Ltd.* (三頤(蕪湖)半導體有限公司), executive director of Elec-Tech (Dalian) Investment Co., Ltd.* (德豪(大連)投資有限公司), director of Zhuhai Elec-Tech International Co., Ltd.* (珠海德豪潤達電器有限公司), director of ETI-LED Solutions Japan Co. Ltd, director of Elec-Tech US Inc., director of ETI Solid State Lighting Inc. and director of ETI LED Solutions Inc.. Mr. WANG graduated from China Dalian Institute of Technology (subsequently renamed as Dalian University of Technology) with a bachelor's degree in engineering. Mr. WANG Donglei is the elder brother of Mr. WANG Dongming and Mr. WANG Sheng, and the father of Mr. WANG Keven Dun.

執行董事

王冬雷先生，現年54歲，是本公司執行董事、董事長兼首席執行官。王先生於2013年1月加入本集團。他擁有多年的產品研發、生產製造、企業管理經驗。王先生曾於1996年參與創辦珠海華潤電器有限公司(後更名為廣東德豪潤達電氣股份有限公司，其股份於2004年在中國深圳證券交易所上市)，並擔任董事長兼總經理。他自2001年起至今擔任德豪潤達的董事及董事長。目前，王先生分別於以下德豪潤達集團下屬公司中擔任職務：珠海瀚盛精密機械有限公司董事長、北美電器(珠海)有限公司董事長、德豪(香港)光電科技有限公司董事長、三頤(蕪湖)半導體有限公司執行董事、德豪(大連)投資有限公司執行董事、珠海德豪潤達電器有限公司董事、ETI-LED Solutions Japan株式會社董事、Elec-Tech US Inc.董事、ETI Solid State Lighting Inc.董事及ETI LED Solutions Inc.董事。王先生畢業於中國大連工學院(後更名為大連理工大學)，並獲得工學學士學位。王冬雷先生是王冬明先生及王晟先生的兄長，以及王頓先生的父親。

Directors and Senior Management 董事及高級管理層

Mr. WANG holds 90% equity interest in Wuhu Elec-Tech Investment Co., Ltd.* (蕪湖德豪投資有限公司); Wuhu Elec-Tech Investment Co., Ltd.* (蕪湖德豪投資有限公司) in turn holds 16.57% of the shares of ETIC. ETIC held 24.30% of the total issued shares of the Company as of 31 December 2017.



Mr. WANG Dongming (王冬明), aged 47, is an Executive Director of the Company. Mr. WANG joined the Group in June 2013. Mr. WANG has more than 19 years' of experience in electrical and finance industry, and has many years of experience in manufacturing, finance and business management. He was the vice finance manager of China Infrastructure Materials Corporation* (中國基建物資總公司) and the general manager of its Shenzhen subsidiary, respectively, from 1992 to 2000. From 2000 to 2013, Mr. WANG acted as an executive director, a vice general manager, the chief financial officer of ETIC, the shares of which are listed on the Shenzhen Stock Exchange in China, and the general manager of lighting division of ETIC. Mr. WANG is currently a director of NVC Lighting & Electrical Technology Singapore Pte. Ltd. Mr. WANG graduated from Shaanxi Institute of Finance and Economics (陝西財經學院) with a bachelor degree in finance and accounting in 1992. Mr. WANG Dongming is the younger brother of Mr. WANG Donglei and Mr. WANG Sheng, and the uncle of Mr. WANG Keven Dun.

王先生持有蕪湖德豪投資有限公司90%的股權；蕪湖德豪投資有限公司持有德豪潤達16.57%的股份。於2017年12月31日，德豪潤達持有本公司已發行股份的24.30%。

王冬明先生，現年47歲，是本公司執行董事。王先生於2013年6月加入本集團。王先生在電氣、財務行業擁有逾19年的經驗，並具有多年的生產製造、財務、經營管理經驗。他曾於1992年至2000年間分別擔任中國基建物資總公司財務副經理及深圳公司總經理。王先生亦曾於2000年至2013年間擔任德豪潤達（一間股份於中國深圳證券交易所上市之公司）之執行董事、副總經理、財務總監及照明事業部總經理。王先生目前擔任NVC Lighting & Electrical Technology Singapore Pte. Ltd 董事。王先生於1992年畢業於陝西財經學院，並取得了財會專業學士學位。王冬明先生是王冬雷先生及王晟先生的弟弟，以及是王頓先生的叔叔。

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Mr. XIAO Yu (肖宇), aged 58, is an Executive Director of the Company. Mr. XIAO joined the Group in May 2014 as a Non-executive Director and re-designated as an Executive Director in August 2014. Mr. XIAO graduated from Dalian Institute of Technology (later renamed as Dalian University of Technology) with a bachelor's degree in 1985 and also graduated with an EMBA's degree from School of Economics and Management of Tsinghua University in 2008. He holds the engineer's qualification certificate. From July 1986 to June 1996, Mr. XIAO worked in Beijing Beinei Group* (北京北內集團) as the deputy chief coordinator and the party secretary of the Communist Party of China of the Central Coordination Office, during which he was awarded the titles of Beijing Model Worker and Beijing Excellent Young Intellectual. He was the chairman and general manager of Westar (Zhongshan) Electrical Appliance Manufacturing Co., Ltd.* (威斯達電器(中山)製造有限公司), a subsidiary of Elec-Tech International Group from July 1996 to August 2004, was the deputy general manager of the Elec-Tech International Group and the chairman of Westar (Zhongshan) Electrical Appliance Manufacturing Co., Ltd.* (威斯達電器(中山)製造有限公司) from September 2004 to February 2008, and was senior vice president of ETIC from March 2012 to December 2014. From May 2008 to the present, he has successively served as the consultant to the president of Elec-Tech International Group, the chairman and general manager of Elec-Tech Photoelectric Technology (Dalian) Co., Ltd.* (大連德豪光電科技有限公司) and the general manager of Elec-Tech Photoelectric Technology (Wuhu) Co., Ltd.*

肖宇先生，現年58歲，是本公司執行董事。肖先生於2014年5月加入本集團，擔任非執行董事，其後於2014年8月調任為執行董事。肖先生於1985年畢業於大連工學院（後更名為大連理工大學）並取得學士學位及於2008年畢業於清華大學經濟管理學院高級工商管理專業，獲碩士學位。他具有中國工程師資格證書。肖先生曾於1986年7月至1996年6月期間在北京北內集團總公司工作，擔任副總調度長兼總調度室黨委書記，期間曾被評為北京市勞動模範、北京市優秀青年知識份子。他亦曾於1996年7月至2004年8月期間擔任德豪潤達集團下屬公司威斯達電器(中山)製造有限公司的董事長兼總經理、於2004年9月至2008年2月期間擔任德豪潤達集團常務副總經理兼威斯達電器(中山)製造有限公司的董事長及於2012年3月至2014年12月期間擔任德豪潤達高級副總裁。他自2008年5月至今歷任德豪潤達集團的總裁顧問、大連德豪光電科技有限公司的董事長兼總經理及蕪湖德豪潤達光電科技

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(蕪湖德豪潤達光電科技有限公司). Currently, Mr. XIAO works in different subsidiaries of Elec-Tech International Group as: a director of Zhuhai East Yingcheng Precision Die-casting Co., Ltd.* (珠海市東部穎承精密壓鑄有限公司), a director of Appliance of America (Zhuhai) Limited* (北美電器(珠海)有限公司), an executive director of Elec-Tech Photoelectric Technology (Dalian) Co., Ltd.* (大連德豪光電科技有限公司) and an executive director of Leitong Photoelectric Device (Huizhou) Co., Ltd.* (惠州雷通光電器件有限公司). Mr. XIAO has extensive experience in production management. He once served as a senior officer in companies listed in Mainland China for several years and therefore has in-depth knowledge and understanding on corporate governance and corporate management.



Mr. WANG Keven Dun (王頓), aged 25, is an Executive Director of the Company. Mr. WANG joined the Group in December 2016. Mr. WANG has been the analyst in Compass Lexecon LLC. from August 2014 to December 2016. Mr. WANG obtained a bachelor degree in Economics and Molecular and Cell Biology from University of California, Berkeley in 2014. Mr. WANG Keven Dun is the son of Mr. WANG Donglei, the chairman and chief executive officer of the Company, and the nephew of Mr. WANG Sheng, vice president of procurement logistics system of the Company, and Mr. WANG Dongming, the Executive Director of the Company.

有限公司總經理。目前，肖先生分別於以下德豪潤達集團下屬公司中擔任職務：珠海市東部穎承精密壓鑄有限公司董事、北美電器(珠海)有限公司董事、大連德豪光電科技有限公司執行董事、惠州雷通光電器件有限公司執行董事。肖先生具有長期的企業生產管理工作經驗，其間數年擔任中國大陸上市公司高級管理人員，對公司治理、企業管理等具有深刻的認識和理解。

王頓先生，現年25歲，是本公司執行董事。王先生於2016年12月加入本集團。王先生自2014年8月至2016年12月於Compass Lexecon LLC.擔任分析師。王先生於2014年於加州大學伯克利分校取得經濟學和分子與細胞生物學學士學位。王頓先生是本公司董事長兼首席執行官王冬雷先生的兒子，並且是本公司採購物流系統副總裁王晟先生及本公司執行董事王冬明先生的侄子。

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Non-executive Directors



Mr. LI Huating (李華亭), aged 55, is a Non-executive Director of the Company. Mr. LI joined the Group in December 2016. From September 1985 to May 1996, Mr. LI worked in China Resources National Corporation; from June 1996 to August 2001, he successively served as the director and the general manager of Zhuhai China Resources Electric Co., Ltd., and concurrently served as the general manager of Zhuhai Hansheng Precision Machinery Co., Ltd.; from August 2001 to now, he has served as the director of ETIC (the shares of which are listed on the Shenzhen Stock Exchange, stock code: 002005); from August 2014 to now, he has served as the deputy chairman and the general manager of ETIC. Mr. LI obtained a bachelor degree in engineering from Dalian University of Technology in 1985.



Mr. LI Wei (李偉), aged 47, is a Non-executive Director of the Company. Mr. LI joined the Company in May 2014. Mr. LI graduated from Department of Economics, Renmin University of China in June 1995 with a Master's degree in economics. He is a certified public accountant in China and a sponsor representative approved by China Securities Regulatory Commission. From June 2006 to July 2008, Mr. LI was the general manager of the headquarter of investment banking division of Shenyin & Wanguo Securities Co., Ltd. (申銀萬國證券股份有限公司). From July 2008 to the present, he is the managing director of the headquarter of investment banking division of China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司). Mr. LI has many years' of experience in investment banking services of financial institutions and profound knowledge on domestic and overseas economies and capital market. His long involvement in investment banking business has enabled him to acquire insightful understanding and extensive experience in corporate development strategies, corporate governance and financial management.

非執行董事

李華亭先生，現年55歲，是本公司非執行董事。李先生於2016年12月加入本公司。李先生自1985年9月至1996年5月任職於中國華潤總公司；自1996年6月至2001年8月歷任珠海華潤電器有限公司董事、總經理；自1996年6月至2001年8月兼任珠海瀚盛精密機械有限公司總經理；自2001年8月起至今擔任德豪潤達（其股份於深圳證券交易所上市，股份代號：002005）董事，自2014年8月起至今擔任德豪潤達副董事長及總經理。李先生於1985年於大連理工大學取得工程學學士學位。

李偉先生，現年47歲，是本公司非執行董事。李先生於2014年5月加入本公司。李先生於1995年6月畢業於中國人民大學經濟系，並獲得經濟學碩士學位。他具有中國註冊會計師資格及中國證監會頒發的保薦代表人資格。李先生曾於2006年6月至2008年7月期間擔任申銀萬國證券股份有限公司投資銀行部總部總經理。他於2008年7月至今擔任中國銀河證券股份有限公司投資銀行總部董事總經理。李先生具有多年的金融機構投資銀行工作經歷，對國際、國內經濟和資本市場認識深刻。長期的投資銀行業務實踐，讓李先生對企業戰略、公司治理、財務管理有較為深刻的理解和豐富的經驗。

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Ms. YANG Jianwen (楊建文), aged 39, was a Non-executive Director of the Company. Ms. YANG joined the Company in June 2016. Ms. YANG joined SAIF (Beijing) Advisors Ltd. ("SAIF", which is an affiliated company of SB Asia Investment Fund II L.P., the substantial shareholder of the Company) in 2007 and is currently an Executive Director of SAIF. Prior to joining SAIF, Ms. YANG was a Consultant in Mercer Management Consulting Beijing office from 2003 to 2005, providing strategic insights and tailored solutions to help clients achieve sustainable result. Mercer Management Consulting is now renamed as Oliver Wyman, a leading global management consulting firm under Marsh & McLennan Companies Inc. (NYSE: MMC). From 2001 to 2003, Ms. YANG, served as an auditor in KPMG Beijing office providing audit service to multinational corporations and Chinese companies. Ms. YANG graduated from Renmin University of China with a bachelor's degree in Economics in 2001 and from the Wharton School, University of Pennsylvania, with a Master's degree of Business Administration in 2007.

Ms. YANG has resigned as a Non-executive Director of the Company with effect from 22 March 2018.

楊建文女士，現年39歲，是本公司非執行董事。楊女士於2016年6月加入本公司。楊女士於2007年加入SAIF (Beijing) Advisors Ltd. (「SAIF」，是本公司主要股東SB Asia Investment Fund II L.P.的聯屬公司)，目前是SAIF的執行董事。加入SAIF前，楊女士於2003年至2005年在美世管理顧問公司北京辦公室擔任諮詢顧問，為客戶提供戰略諮詢和定制化的解決方案。美世管理顧問公司現更名為奧緯諮詢公司，是諮詢集團Marsh & McLennan Companies Inc. (紐約證券交易所：MMC)旗下的一家全球領先的管理諮詢公司。於2001年至2003年期間，楊女士就職於畢馬威會計師事務所，擔任審計師一職，為跨國公司和中國企業提供審計服務。楊女士於2001年畢業於中國人民大學經濟學院，獲經濟學學士學位，並於2007年畢業於賓夕法尼亞大學沃頓商學院，取得工商管理碩士學位。

楊女士已辭任本公司非執行董事，自2018年3月22日起生效。

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Independent Non-executive Directors 獨立非執行董事



Mr. LEE Kong Wai, Conway (李港衛), aged 63, is an Independent Non-executive Director of the Company. Mr. LEE joined the Company in November 2012. He received a bachelor of arts degree from Kingston University (formerly known as Kingston Polytechnic) in London and further obtained his postgraduate diploma in business from Curtin University of Technology in Australia. Mr. LEE served as a partner of Ernst & Young (“EY”) for over 29 years, until 2009, during which he held key leadership positions in the development of EY in China. Mr. LEE is a member of the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants, Australia and New Zealand, Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Macau Society of Certified Practising Accountants. Mr. LEE currently also serves as an independent non-executive director of the following companies: Chaowei Power Holdings Limited, West China Cement Limited, China Modern Dairy Holdings Ltd., GOME Retail Holdings Limited, Tibet Water Resources Ltd., Yashili International Holdings Ltd., GCL New Energy Holdings Limited, WH Group Limited, China Rundong Auto Group Limited (all shares of which are listed on the main board of the Stock Exchange) and Guotai Junan Securities Co., Ltd. (the shares of which are listed on the main board of the Stock Exchange and the Shanghai Stock Exchange). He acted as an independent non-executive director of China Taiping Insurance Holdings Company

李港衛先生，現年63歲，是本公司獨立非執行董事。李先生於2012年11月加入本公司。他於倫敦金斯頓大學（前身為金斯頓理工學院）獲得文學學士學位，隨後於澳大利亞科廷理工大學獲得商學深造文憑。李先生直至2009年止曾任安永會計師事務所（「安永」）合夥人共29年，為安永發展中國業務擔當主要領導角色。李先生是英格蘭及威爾斯特許會計師公會、澳大利亞及新西蘭特許會計師公會、英國特許會計師公會、香港會計師公會及澳門會計師公會會員。李先生現為超威動力控股有限公司、中國西部水泥有限公司、中國現代牧業控股有限公司、國美零售控股有限公司、西藏水資源有限公司、雅士利國際控股有限公司、協鑫新能源控股有限公司、萬洲國際有限公司、中國潤東汽車集團有限公司（上述公司之股份均在聯交所主板上市）和國泰君安證券股份有限公司（一間股份於聯交所主板及上海交易所上市之公司）之獨立非執行董事。他曾於2009年10月至2013年8月期間擔任中國太平保險控股有限公司（一間於聯交所主板上市之公司）之獨立非執行董事，及

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Limited (the shares of which are listed on main board of the Stock Exchange) from October 2009 to August 2013 and also acted as a non-executive director and vice chairman of Merry Garden Holdings Limited (now known as China Environmental Technology and Bioenergy Holdings Limited) (the shares of which are listed on the main board of Stock Exchange) from July 2014 to September 2015. He was an independent non-executive director of CITIC Securities Company Limited (the shares of which are listed on main board of the Stock Exchange and the Shanghai Stock Exchange) from November 2011 to May 2016. Mr. LEE was a member of the Chinese People's Political Consultative Conference of Hunan Province (中國湖南省政協委員) in China from 2008 to 2017.



Mr. WANG Xuexian (王學先), aged 54, is an Independent Non-executive Director of the Company. Mr. WANG joined the Company in May 2014. Mr. WANG graduated from Renmin University of China with a Master's degree in Civil Laws in January 1990. He is a lawyer in China, and his qualification for serving as an independent director has been approved by the Shanghai Stock Exchange. From January 1990 to the present, he has worked as an assistant professor and lecturer in Dalian University of Technology. He currently serves as a deputy professor of Dalian University of Technology, a lawyer of Heng Xin Law Office* (遼寧恒信律師事務所) in Liaoning, and an independent director of ETIC (the shares of which are listed on Shenzhen Stock Exchange of China, stock code: 002005) and Yantai Zhaojin Lifu Precious Metals Co., Ltd* (煙臺招金勵福貴金屬股份有限公司). Mr. WANG is also an arbitrator

於2014年7月至2015年9月期間擔任美麗家園控股有限公司(現為中科生物控股有限公司)(一間股份於聯交所主板上市之公司)之非執行董事及副主席。他亦曾於2011年11月至2016年5月期間擔任中信證券股份有限公司(一間於聯交所主板及上海交易所上市之公司)之獨立非執行董事。李先生於2008年至2017年期間曾任中國政協湖南省委員會委員。

王學先先生，現年54歲，是本公司獨立非執行董事。王先生於2014年5月加入本公司。王先生於1990年1月畢業於中國人民大學，並獲得民法學碩士學位。他具有中國律師資格，並已取得上海證券交易所獨立董事資格。王先生自1990年1月至今在大連理工大學工作，歷任助教、講師。目前，王先生擔任大連理工大學副教授、遼寧恒信律師事務所律師、德豪潤達(一間股份於中國深圳證券交易所上市之公司，股份代號：002005)之獨立董事及煙臺招金勵福貴金屬股份有限公司之獨立董事。

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of the Dalian Arbitration Commission. Mr. WANG has extensive experience in law studies, teaching and the work of lawyers, once served as an independent director of several listed or unlisted companies in the Mainland China, and has in-depth knowledge and understanding on domestic and overseas laws, corporate management and corporate governance.



Mr. WEI Hongxiong (魏宏雄), aged 44, is an Independent Non-executive Director of the Company. Mr. WEI joined the Company in May 2014. Mr. WEI graduated from Xi'an Polytechnic University with a bachelor's degree in engineering. Mr. WEI is currently a full-time lawyer of China Commercial Law Firm in Guangdong* (廣東華商律師事務所) and a law expert of the Expert Pool of the Shenzhen Nanshan Science and Technology Commission. He is a statistician and patent agent in China. Mr. Wei also obtained the qualification of an independent director of a listed company of the China Securities Regulatory Commission on February 23, 2017. In 1998, he started to work in the Shantou Haojiang Development and Reform Bureau, mainly engaging in the planning and studies of economic and social development, and the feasibility studies and approval of major projects. From 2006 to the present, he has worked as a full-time lawyer. Mr. WEI once served as a deputy director of the Legal Services Commission of the Cultural Industry of the Shenzhen Lawyers Association. Mr. WEI is mainly engaged in corporate establishment and regulatory governance, restructuring and reorganization, issuance and listing of shares, acquisitions and mergers, private equity, intellectual property rights

王先生亦為大連仲裁委員會仲裁員。王先生具有長期的法律研究、教學及律師工作經驗，也曾擔任數家中國大陸上市及非上市公司獨立董事，對境內外法律、企業管理、公司治理等具有深刻的認識和理解。

魏宏雄先生，現年44歲，是本公司獨立非執行董事。魏先生於2014年5月加入本公司。魏先生畢業於西安工程大學，並獲得工學學士學位。魏先生現為廣東華商律師事務所專職律師及深圳市南山科技專家庫法律專家。他持有中國統計師及中國專利代理人資格。魏先生亦於2017年2月23日獲得中國證券監督管理委員會上市公司獨立董事資格。他自1998年開始在汕頭市濠江區發展和改革局工作，主要從事經濟和社會發展的規劃和研究、重大項目可行性研究和立項審批工作。自2006年起至今從事專職律師工作。魏先生曾擔任深圳市律師協會文化產業法律業務委員會副主任。魏先生的主要專業領域為公司設立及規範治理、改制重組、股票發行上市、收購兼併、私募基金、智慧財產權等法律

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and other law services. He once served as a long-term legal advisor of many enterprises, had/has been dealing with and participating in the restructuring and listing of many enterprises (A shares, red chips) and special law services such as those for the construction of major projects. He has many years' of experience in the provision of law services such as those for corporate governance, securities and capital market and intellectual property rights.



Mr. SU Ling (蘇嶺), aged 53, is an Independent Non-executive Director of the Company. Mr. SU joined the Company in December 2016. From 1986 to 1990, he worked as an officer in the former Bureau of Drugs of the Ministry of Health; from 1992 to 1993, he served as a visiting scientist in the Center for Drug Evaluation and Research of the U.S. Food and Drug Administration; from 1996 to 1999, he served as a researcher in epidemiology of the Merck Research Laboratories of Merck & Co Inc.; from 2000 to 2002, he served as the medical director of the Merck China; from January 2003 to November 2003, he served as the senior director of global regulatory strategy of the Merck Research Laboratories of Merck & Co Inc.; from 2004 to 2007, he served as the director of the medical and drug development department in Shanghai Roche Pharmaceuticals Co., Ltd.; from 2007 to 2010, he served as the vice president and the head of the Asia-Pacific clinical research and development department in Wyeth Pharmaceutical Co., Ltd.; from 2010 to 2012, he served as the senior vice president and head of the Pharma Development Department in Greater China in Beijing Novartis Pharmaceuticals Co.,

業務。他亦擔任多家企業常年法律顧問，曾經或正在辦理及參與多家企業改制上市（A股、紅籌）、重大項目建設等專項法律業務，具有多年的公司規範治理、證券及資本市場、智慧財產權等領域法律服務經驗。

蘇嶺先生，現年53歲，是本公司獨立非執行董事。蘇先生於2016年12月加入本公司。蘇先生自1986年至1990年，於中國國家衛生部藥政管理局擔任科員；自1992年至1993年，於美國食品藥品管理局藥品評價與研究中心擔任客座研究員；自1996年至1999年，於美國默沙東公司默克研究所擔任流行病學研究員；自2000年至2002年，於默沙東（中國）公司擔任醫學總監；自2003年1月至2003年11月，於美國默沙東公司默克研究所擔任全球註冊策略高級總監；自2004年至2007年，於上海羅氏製藥有限公司擔任醫學及藥品開發部總監；自2007年至2010年，於惠氏製藥有限公司擔任副總裁暨亞太區臨床研究開發部負責人；自2010年至2012年，於北京諾華製藥有限公司擔任高級副總裁暨大中國區藥品開發部負責人；自2012年至2016年，於盛德國際律師事務所擔任生命

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Ltd.; from 2012 to 2016, he served as the life science strategic advisor in Sidley Austin LLP; from 2016 to present, he has been a venture partner of Lily Asia Ventures, the professor and the director of Institute of the Drug Regulatory Science in Shenyang Pharmaceutical University. Mr. SU graduated from School of Pharmacy, Shanghai Medical University (currently known as School of Pharmacy, Fudan University) majoring in pharmacology in 1986, obtained a master's degree in drug clinical research and development from University of North Carolina in 1992 and obtained a doctoral degree in epidemiology from University of North Carolina in 1996.

科學戰略顧問；自2016起至今，於禮來亞洲基金擔任風險合夥人，瀋陽藥科大學擔任教授及藥品監管科學研究所所長。蘇先生於1986年畢業於上海醫科大學藥學院（現為復旦大學藥學院）藥理專業，於1992年於北卡羅萊納大學取得藥物臨床研發專業碩士學位，於1996年於北卡羅萊納大學取得流行病學博士學位。

Senior Management



Mr. WANG Donglei (王冬雷), aged 54, is the chief executive officer of the Company. His biographical details are set out above under the paragraph headed “Executive Directors”.

高級管理層

王冬雷先生，現年54歲，是本公司首席執行官。他的個人簡介已在上文「執行董事」一段中述明。



Mr. XIAO Yu (肖宇), aged 58, is the vice-president in charge of the components system of the Company. His biographical details are set out above under the paragraph headed “Executive Directors”.

肖宇先生，現年58歲，是本公司部件系統的副總裁。他的個人簡介已在上文「執行董事」一段中述明。

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Mr. ZHANG Peng (張鵬), aged 45, is the president of the Company. Mr. ZHANG joined the Group in June 2016. Mr. ZHANG has about 20 years experience of sales, brand operations and management. Mr. ZHANG served as General Manager of Beijing Industry and Trade in Haier Group from 2003 to 2004. From 2004 to 2008, he was the Director of Global Brand Operations of Haier Group. From 2008 to 2016, he was the General Manager of RRS (日日順) of Haier Group. Mr. ZHANG graduated from Qingdao University in 1996 with a bachelor's degree in electrical engineering and obtained a master's degree in business administration from the Graduate School of Shanghai Jiaotong University in 2014.

張鵬先生，現年45歲，是本公司的總裁。張先生於2016年6月加入本集團。張先生擁有約20年的銷售、品牌營運及管理經驗。張先生自2003年至2004年，任職海爾集團北京工貿總經理；自2004年至2008年，擔任海爾集團全球品牌運營總監；自2008年至2016年，擔任海爾集團日日順總經理。張先生於1996年畢業於青島大學，取得電氣專業學士學位，並於2014年取得上海交通大學研究生院工商管理碩士學位。



Mr. WANG Sheng (王晟), aged 51, is a vice president of procurement logistics system of the Company. Mr. WANG has over 20 years' of experience in procurement management. Before joining the Group in 2014, Mr. WANG has taken up the posts of deputy general manager, vice president and vice chairman at ETIC from 1996 to 2014. In 2004, Mr. WANG obtained a master's degree in Business Management from Zhongshan University. Mr. WANG Sheng is Mr. WANG Donglei's younger brother and Mr. WANG Dongming's elder brother, and Mr. WANG Keven Dun's uncle.

王晟先生，現年51歲，是本公司採購物流系統的副總裁。王先生在採購管理方面擁有逾20年的經驗。在2014年加入本集團前，王先生曾於1996年至2014年期間在德豪潤達擔任副總經理、副總裁和副董事長等不同職務。王先生於2004年取得中山大學工商管理碩士學位。王晟先生是王冬雷先生的弟弟及王冬明先生的兄長，以及王頓先生的叔叔。

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Mr. TAN Ying (談鷹), aged 51, is the chief financial officer and vice-president of overseas marketing company of the Company. Before joining the Group in 2006, Mr. TAN was the financial accountant in Goodman Fielder Ingredients Limited from 1999 to 2000 and the financial director in Shenzhen New World Sunlong Tech Co., Ltd.* (深圳新世界翔龍網絡技術有限公司) and Shenzhen Sun Long Communication Co., Ltd.* (深圳市翔龍通訊有限公司) from 2000 to 2006. Mr. TAN received an MBA degree from University of Manchester in 2007. He is a fellow member of the Financial Service Institute of Australia.

談鷹先生，現年51歲，是本公司的首席財務官兼海外營銷公司的副總裁。在2006年加入本集團前，談先生曾於1999年至2000年期間擔任Goodman Fielder Ingredients Limited的財務會計師，並於2000年至2006年期間擔任深圳新世界翔龍網絡技術有限公司及深圳市翔龍通訊有限公司的財務總監。談先生於2007年獲得了曼徹斯特大學的工商管理碩士學位。他現為澳大利亞金融服務業協會的會員。



Mr. HONG Xiaosong (洪曉松), aged 50, is a vice-president of Research and Development Department of the Company. Mr. HONG served as the manager of Shenzhen Golden Decorative Lighting Corp. Ltd.* (深圳黃金燈飾集團) from 1995 to 2000. He was the deputy general manager of Shenzhen Golden Lighting Engineering Corp. Ltd.* (深圳金照明工程公司) from 2000 to 2004 and Shenzhen Jinyueliang Lighting Technology Co., Ltd.* (深圳市金悅亮光源技術有限公司) from 2004 to 2007, respectively. After joining the Group in 2007, Mr. HONG successfully developed various kinds of lightings specifically designed for the Olympic Games, which paved the way for our products to be used in the Olympic Games. Mr. HONG is a qualified national registered senior lighting designer and a senior member of China Illuminating Engineering Society. He has been committed to the development and promotion of new type energy-saving lamp products since 2004. He is one of

洪曉松先生，現年50歲，是本公司研發系統的副總裁。洪先生曾於1995年至2000年擔任深圳黃金燈飾集團經理，自2000年至2004年及自2004年至2007年分別擔任深圳金照明工程公司和深圳市金悅亮光源技術有限公司副總經理。洪先生於2007年加入本集團後，成功研發多種奧運會專用燈具，使本集團產品屹立於奧運會賽場。洪先生是「國家註冊高級照明設計師」及中國照明學會高級會員，自2004年開始

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the pioneers engaged in the promotion of LED engineering application in China and has obtained various patents for product technologies. Mr. HONG obtained a bachelor's degree in mechanical manufacturing from Chongqing University in 1989 and also received an EMBA degree from China Europe International Business School in 2015.



Mr. XU Jin, aged 46, is the vice president of the Household Product Business Department of the Company. Mr. XU joined the Group in May 2015. He has about 22 years of experience in marketing and management. He acted as the channel manager and the division general manager of AVON Products (China) from 1996 to 2004. He served as the national marketing director of Danone Group from 2004 to 2011. He acted as the general manager of OPPL Lighting in East China from 2011 to 2015. He has successively acted as the general manager of household product sales, the general manager of the Home Lighting Business Department and the vice president of the Group since 2015. Mr. XU graduated from Western Sydney University and holds a bachelor degree in law and a MBA degree.



Mr. WANG Qingbo, aged 42, is the vice president of the Commercial Lighting Business Department of the Company. Mr. WANG joined the Group in June 2015. Mr. WANG has 18 years of experience in finance and management. Mr. WANG acted as chief financial officer of household electric appliance in Midea Group Co., Ltd. from 2002 to 2012. He worked as chief financial officer of the Logistics Business Department of Midea Group Co., Ltd. from 2013 to 2014. He acted as the vice

致力於新型節能光源的研發及推廣，是國內最早一批從事推廣LED工程應用的人員之一，取得多項產品技術專利。洪先生於1989年取得重慶大學機械製造專業學士學位，並於2015年取得中歐國際工商學院高級管理人員工商管理碩士(EMBA)學位。

徐進先生，現年46歲，是本公司家居事業部副總裁。徐先生於2015年5月加入本集團。徐先生擁有約22年行銷及管理經驗。徐先生自1996至2004年擔任雅芳(中國)公司渠道經理、分公司總經理。自2004至2011年在達能集團任全國行銷總監。自2011至2015年任歐普照明華東總經理。自2015年先後擔任本集團家居銷售總經理、家居照明事業部總經理、集團副總裁。徐先生畢業於西悉尼大學，獲有法學學士、工商管理碩士學位。

王慶波先生，現年42歲，是本公司商照事業部副總裁。王先生於2015年6月加入本集團。王先生擁有18年的財務及管理經驗。王先生自2002年至2012年任職美的集團股份有限公司生活電器財務總監；自2013年至2014年，擔任美的集團股份有限公司物流事業部財務總監。自2014年至2015年，任廣東新邦物流有限公司財務副

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president of finance in Guangdong Xinbang Logistics Co., Ltd.* (廣東新邦物流有限公司) from 2014 to 2015. Mr. WANG graduated from Zhongnan University of Economics (later renamed as Zhongnan University of Economics and Law) in 1999 and holds a bachelor degree in accountancy.

總裁。王先生於1999年畢業於中南財經大學（後更名為中南財經政法大學），取得會計學專業學士學位。



Mr. LIU Qijiang, aged 42, is the deputy general manager of the Strategic Center of the Company. He joined the Company in July 2017. Before joining the Group in 2017, Mr. LIU successively served as a human resource specialist and manager in Huawei Technologies Co., Ltd. from 1997 to 2005. He acted as the vice president of human resources in China Hasan International Holdings Co., Ltd.* (中國海山國際投資控股有限公司) from 2008 to 2012. He acted as the assistant to chairman and the director of human resources in Huafu Industrial Co., Ltd.* (華福實業股份有限公司) from 2012 to 2015. He worked as the vice president of human resources and operation in Hebei Jichi Investment Group Co., Ltd. after 2015. Mr. LIU obtained a master's degree from Tongji University in 2008. He has many years of experience in enterprise operation and human resource management.

劉起江先生，現年42歲，是本公司戰略中心的副總裁，於2017年7月加入本公司。在2017年加入本集團前，劉先生曾於1997年至2005年在華為技術有限公司，先後任人力資源專員、經理職務；2008年至2012年在中國海山國際投資控股有限公司，任人力資源副總裁職務；2012年至2015年在華福實業股份有限公司，任董事長助理兼人力資源總監；2015年後在河北驥馳投資集團有限公司，任人力資源和運營副總裁。劉先生於2008年獲得同濟大學碩士學位。他擁有多年的企業運營及人力資源管理經驗。

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Joint Company Secretaries



Ms. LO Yee Har, Susan (盧綺霞), aged 59, was appointed as a joint company secretary on 24 March 2010. Ms. LO is an Executive Director of Tricor Services Limited and a fellow member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. She has over 30 years' of experience in corporate advisory services. Prior to joining Tricor Services Limited, Ms. LO served as a director of the company secretarial department of Tengis Limited (now known as "Tricor Tengis Limited"). Ms. LO has provided various secretarial and corporate services to many listed companies.



Miss LEUNG Ching Ching (梁晶晶), aged 37, was appointed as a joint company secretary on 1 April 2014. Miss LEUNG is a manager of corporate services of Tricor Services Limited. Miss LEUNG has over 10 years' of experience in company secretarial industry, and provided services to clients ranging from private companies to public companies listed on the main board of the Stock Exchange. Other than the Company, Miss LEUNG is currently also named company secretary to three other listed companies of which the shares are listed on the main board of the Stock Exchange. Miss LEUNG is a Chartered Secretary and an Associate of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom. Miss LEUNG graduated from The Chinese University of Hong Kong and admitted to the bachelor's degree of Social Science. She also received a master of arts degree in Professional Accounting and Information System from City University of Hong Kong.

聯席公司秘書

盧綺霞女士，現年59歲，於2010年3月24日獲委任為聯席公司秘書。盧女士是卓佳專業商務有限公司執行董事和特許秘書及行政人員公會以及香港特許秘書公會資深會士。她在企業諮詢服務方面擁有逾30年的經驗。在加入卓佳專業商務有限公司之前，盧女士曾擔任登捷時有限公司（現為「卓佳登捷時有限公司」）的公司秘書部總監。盧女士曾向多家上市公司提供各種秘書及企業服務。

梁晶晶小姐，現年37歲，於2014年4月1日獲委任為聯席公司秘書。梁小姐為卓佳專業商務有限公司之企業服務經理。梁小姐在公司秘書界擁有逾10年經驗，向包括私人公司及於聯交所主板上市的公眾公司在內的客戶提供服務。除本公司外，梁小姐現同時為另外三家股份於聯交所主板上市的公司擔任公司秘書。梁小姐為一名特許秘書，亦為香港特許秘書公會以及英國特許秘書及行政人員公會的會員。梁小姐畢業於香港中文大學並獲授予社會科學學士學位。她亦持有香港城市大學專業會計與資訊系統文學碩士學位。

Report of Directors

董事會報告

The Directors present their report together with the audited financial statements for the year ended 31 December 2017 (“Financial Statements”).

Principal Activities

The Company was redomiciled from the British Virgin Islands to the Cayman Islands on 30 March 2010 and incorporated as an exempted company with limited liability. The Group's operations are conducted mainly through the direct and indirect subsidiaries of the Company. The Group is principally engaged in the design, development, production, marketing and sale of a variety of lighting products including three principal product categories, namely, luminaire products, lamp products and lighting electronics products. During the Reporting Period, there is no significant change in the Group's principal activities. The analysis of the principal activities of the Group during the year ended 31 December 2017 is set out in the consolidated statement of profit or loss of the consolidated financial statements on page 199.

Results and Dividends

The Group's profit for the Reporting Period and the state of affairs of the Group as at 31 December 2017 are set out in the consolidated financial statements on pages 199 to 404 of this annual report.

The Board proposed to declare final dividend of HK1 cent (equivalent to approximately RMB0.8 cent) per share payable to the shareholders whose names appear on the register of members of the Company on Monday, 11 June 2018, which is subject to the approval of the Company's shareholders (“Shareholders”) at the forthcoming annual general meeting (the “Annual General Meeting”). Based on the 3,581,805,000 shares in issue as at 31 December 2017, it is expected that the final dividend payable will amount to approximately HK\$35,818,000 (equivalent to approximately RMB29,940,000) (tax inclusive). Subject to the approval of the Shareholders at the Annual General Meeting, the final dividend is expected to be paid to the eligible Shareholders by no later than 31 July 2018.

董事會呈報本報告連同本集團截至2017年12月31日止年度經審計財務報表（「財務報表」）。

主營業務

本公司於2010年3月30日從英屬維爾京群島遷至開曼群島註冊成立為獲豁免有限責任公司。本集團的經營主要通過本公司的直接或間接附屬公司進行。本集團的主要業務是設計、開發、生產、推廣和銷售各種各樣的照明產品，包括燈具產品、光源產品和照明電器產品等三個主要產品類別。報告年度內，本集團的主營業務沒有重大變化。本集團截至2017年12月31日止年度主營業務的分析，載於合併財務報表第199頁的合併損益表。

業績及股息

本集團於報告年度的利潤以及本集團截至2017年12月31日的財務狀況載於本年度報告第199頁至第404頁的合併財務報表。

董事會建議派發末期股息，每股1港仙（折合約人民幣0.8分）予於2018年6月11日（星期一）名列本公司股東名冊之股東。該建議須待本公司股東（「股東」）於應屆股東周年大會（「股東周年大會」）上批准方可生效。按2017年12月31日已發行股份3,581,805,000股計算，預計將支付末期股息額大約為35,818,000港元（折合約人民幣29,940,000元）（含稅）。待股東於股東周年大會批准後，末期股息預期將不遲於2018年7月31日派付予合資格股東。

Annual General Meeting

The Annual General Meeting of the Company is scheduled to be held on 4 June 2018. A notice convening the Annual General Meeting will be published and dispatched to Shareholders in due course.

Closure of Register of Members

The Register of Members will be closed from Wednesday, 30 May 2018 to Monday, 4 June 2018 (both days inclusive) and from Friday, 8 June 2018 to Monday, 11 June 2018 (both days inclusive), during which periods no transfer of shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on Tuesday, 29 May 2018. In order to qualify for the proposed final dividend (subject to the approval by Shareholders at the Annual General Meeting), all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at the abovementioned address for registration before 4:30 p.m. on Thursday, 7 June 2018.

Business Review

The discussion for the business review of the Reporting Period of the Group as well as the major risks and uncertainty factors facing the Group are set forth in the "Management Discussion and Analysis" on pages 16 to 51 of this annual report. The future business development of the Group are set forth in the "Chairman's Statement" on pages 10 to 15 of this annual report. The critical indices adopted in the financial statements for the analysis of the performance of the Group during the Reporting Period are set forth in the "Financial Highlights" on pages 6 to 7 of this annual report.

股東周年大會

本公司之股東周年大會謹訂於2018年6月4日舉行。召開股東周年大會之通告將於適當時候刊發及寄發予股東。

暫停辦理股份過戶登記手續

本公司將於2018年5月30日(星期三)至2018年6月4日(星期一)(包括首尾兩天)期間以及2018年6月8日(星期五)至2018年6月11日(星期一)(包括首尾兩天)期間暫停辦理股份過戶登記手續。股東如欲符合資格出席股東周年大會並於會上投票，所有股份過戶文件連同有關股票必須於2018年5月29日(星期二)下午四時三十分之前送達本公司的香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。股東如欲收取建議派發的末期股息(惟須經股東於股東周年大會上批准)，所有股份過戶文件連同有關股票必須於2018年6月7日(星期四)下午四時三十分之前送達本公司的香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續，地址如上所述。

業務回顧

本集團報告年度內之業務回顧以及本集團面對的主要風險及不確定性因素之討論載於本年度報告第16頁至第51頁之「管理層討論與分析」。有關本集團未來業務發展載於本年度報告第10頁至第15頁之「主席報告」。採用財務表現關鍵指標對本集團報告年度內表現之分析載於本年度報告第6頁至第7頁之「財務概要」。

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Compliance with Laws and Regulations

The Group has complied with relevant laws and regulations affecting the operation of the Group significantly.

Relationship with Stakeholders

As confirmed by the Group, our employees, clients and business cooperative partners are the key to our sustainable development. The Group is committed to the establishment of close relationship with our employees and the provision of application solutions for our clients' premium lighting, and strengthens the cooperation with our business cooperative partners so as to attain the win-win outcome for various parties, and push ahead with the healthy and rapid development of the lighting industry.

Environmental Protection and Social Responsibility

The Group is committed to the support for the sustainable environmental protection. As the leading supplier for lighting products, the Group shall comply with various environmental protection laws and regulations formulated by the relevant government department. The Group is the advocate pioneer for green lighting and committed to the promotion of "Lighting Environment": to beautify the commercial and living space with artificial lighting, protect the healthy living environment for mankind with energy-saving lighting for environmental protection, and support the energy-saving environmental protection business for the PRC and even the whole world with action taken. Meanwhile, the Group has proactively performed its social responsibilities such as having advocated and pushed forward with the public welfare project of "luminosity charity walk" for a decade since 2007 with the footprints of charity covering over ten provincial cities to take lighting and warmth to the local children by means of improving the lighting environment, supporting education with love, fulfilling their wishes and so on. The Group will go further to continue to carry out the enterprise social responsibilities as a means of feedback to our society.

遵守法律法規

本集團已遵守對本集團營運構成重大影響的相關法律和法規。

與持份者的關係

本集團確認我們的僱員、客戶及業務夥伴是我們可持續發展的關鍵。本集團致力與僱員建立密切關係、為客戶提供優質的照明應用解決方案，並加強與我們的業務夥伴合作，以達到多方共贏，推動照明產業健康、快速的向前發展。

環境保護及社會責任

本集團致力支持環境可持續性。作為領先的照明產品供應商，本集團須遵守有關政府部門制定的各項環保法律和法規。本集團是綠色照明的宣導者，致力宣導「光環境」：以人工照明美化商業及人居空間，以環保型節能照明保護人類健康生存環境，以行動支持中國乃至世界的節能環保事業。同時，本集團積極踐行社會責任，2007年發起並推動了光明行公益工程，十年如一日，足跡已遍佈10多個省市，通過改善照明環境、愛心支教、心願實現等方式，為當地孩子們帶去光明和溫暖。本集團將再接再厲，繼續努力實踐企業社會責任，回饋社會。

Issue of New Shares under General Mandate

On 2 June 2017, the Company and Rising Wealth Limited, Lead Investment Limited, Mr. YE Yong, Mr. FENG Chuntian and Ms. ZOU Xiaoyang (being the subscribers) entered into a subscription agreement, pursuant to which the subscribers conditionally agreed to subscribe and the Company conditionally agreed to allot and issue in aggregate a total of 368,357,000 subscription shares. The subscription price of HK\$0.80 per subscription share represents a discount of approximately 8.05% to the closing price of HK\$0.87 per share as quoted on the Stock Exchange on 2 June 2017, being the date of the subscription agreement; and a discount of approximately 8.05% to the average of the closing prices of approximately HK\$0.87 per share as quoted on the Stock Exchange for the last five trading days immediately before 2 June 2017, being the date of the subscription agreement. The subscription shares represent approximately 11.46% of the issued share capital of the Company as at the date of the subscription agreement and approximately 10.28% of the total issued share capital of the Company as enlarged by the allotment and issue of the subscription shares. According to the par value of US\$0.0000001 each share, the nominal value of the subscription shares is US\$36.84 (equivalent to approximately HK\$286.62).

The Directors have considered various ways of raising additional funds for future use and they consider that the issue of the subscription shares is an appropriate means of raising additional capital for the Company since the shareholder base of the Company will be enlarged, the capital base of the Company can be broadened at a relatively low cost compared to bank borrowings or the issue of debt securities, and the financial position of the Group will be improved for establishing and strengthening the existing and future business of the Group. The Board considers that the terms of the subscription agreements mentioned above are on normal commercial terms and are fair and reasonable and in the interests of the Company and the shareholders as a whole. As at the date of this annual report, all the net proceeds had been used for general corporate (including purchasing office, supporting facilities and exhibition hall).

根據一般授權發行新股份

於2017年6月2日，本公司與認購人財升有限公司、Lead Investment Limited、葉勇先生、馮春天先生及鄧肖揚女士等訂立認購協議，據此，認購人有條件同意認購，且本公司有條件同意配發及發行合共368,357,000股認購股份。每股認購股份的價格是0.80港元，相當於每股股份於2017年6月2日（即認購協議日期）在聯交所所報收市價為0.87港元折讓約8.05%；及每股股份於緊接2017年6月2日（即認購協議日期）前最後五個交易日在聯交所所報平均收市價約0.87港元折讓約8.05%。認購股份佔本公司於認購協議日期已發行股本約11.46%及本公司經配發及發行認購股份擴大之已發行總股本約10.28%。按每股股份0.0000001美元之面值，認購股份面值為36.84美元（折合約286.62港元）。

董事已考慮各種籌集額外資本之方式以供未來之用，並認為發行認購股份為本公司籌集額外資本之合適途徑，原因為本公司之股東基礎將可擴大，本公司能以相對較銀行借貸或發行債務證券為低之成本擴闊資本基礎，且本集團之財務狀況亦將會改善，有助本集團建立及強化現有及未來業務。董事會認為，上述認購協議之條款乃按正常商業條款訂立，屬公平合理，且符合本公司及股東之整體利益。於本年度報告日期，所得款項淨額已全部用於一般公司用途（包括購買辦公場所、配套設施及展廳）。

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The gross proceeds of this subscription amounts to approximately HK\$294,686,000. After deducting the relevant expenses, the net proceeds from the issue of the subscription shares amount to approximately HK\$294,000,000. The net price for each subscription share is approximately HK\$0.798. For more details, please refer to the announcement of the Company dated 4 June 2017. This subscription was completed on 13 June 2017.

On 27 June 2017, the Company and Rising Wealth Limited (being the subscriber) entered into a subscription agreement, pursuant to which the subscriber conditionally agreed to subscribe and the Company conditionally agreed to allot and issue in aggregate a total of 257,330,000 subscription shares. The subscription price of HK\$0.80 per subscription share represents a discount of approximately 2.44% to the closing price of HK\$0.82 per share as quoted on the Stock Exchange on 27 June 2017, being the date of the subscription agreement; and a discount of approximately 7.19% to the average of the closing prices of approximately HK\$0.862 per share as quoted on the Stock Exchange for the last five trading days immediately before 27 June 2017, being the date of the subscription agreement. The subscription shares represent approximately 7.18% of the issued share capital of the Company as at the date of the subscription agreement and approximately 6.70% of the total issued share capital of the Company as enlarged by the allotment and issue of the subscribed shares. According to the par value of US\$0.0000001 each share, the nominal value of the subscription shares is US\$25.73 (equivalent to approximately HK\$200.67). For more details, please refer to the announcement of the Company dated 27 June 2017. This subscription was terminated on 27 December 2017. For more details, please refer to the announcement of the company dated 27 December 2017.

該次認購事項之所得款項總額約為294,686千港元，扣除相關開支後，發行認購股份所得款項淨額約為294,000千港元。每股認購股份之淨價格約為0.798港元。詳情請參照本公司2017年6月4日的公告。該次認購事項已於2017年6月13日完成。

於2017年6月27日，本公司與認購人財升有限公司訂立認購協議，據此，認購人有條件同意認購，且本公司有條件同意配發及發行合共257,330,000股認購股份。每股認購股份的價格是0.80港元，相當於每股股份於2017年6月27日（即認購協議日期）在聯交所所報收市價為0.82港元折讓約2.44%；及每股股份於緊接2017年6月27日（即認購協議日期）前最後五個交易日在聯交所所報平均收市價約0.862港元折讓約7.19%。認購股份佔本公司於認購協議日期已發行股本約7.18%及本公司經配發及發行認購股份擴大之已發行總股本約6.70%。按每股股份0.0000001美元之面值，認購股份面值為25.73美元（折合約200.67港元）。詳情請參照本公司2017年6月27日的公告。該次認購事項已於2017年12月27日終止。詳情請參照本公司2017年12月27日的公告。

Convertible Bonds

On 20 May 2016, for the purpose of raising additional capital for general corporate and business development and working capital requirements, the Company and an independent third party entered into a subscription agreement (the “Subscription Agreement”) in relation to the issue of convertible bonds denominated in HK\$ in an aggregate principal amount of HK\$500,000,000 (the “Convertible Bonds”). The Convertible Bonds have been issued on 7 June 2016.

Pursuant to the Subscription Agreement, the Convertible Bonds are convertible into fully paid ordinary shares:

- (a) on or after the issue date (i.e. 7 June 2016) and up to and excluding the close of business on the second anniversary of the issue date (the “First Maturity Date”), i.e. June 2018, at an initial conversion price of HK\$0.925 per share (subject to anti-dilutive adjustments); and
- (b) with extension up to and excluding the close of business on the fourth anniversary of the issue date if agreed by the Company and the bondholder in writing at least 30 days prior to the First Maturity Date (the “Second Maturity Date”).

Based on the initial conversion price of HK\$0.925, a maximum number of 540,540,540 conversion shares will be allotted and issued upon exercise of the Conversion Rights attached to the Convertible Bonds in full.

可換股債券

於2016年5月20日，為籌集額外資本用於一般公司用途、業務拓展及營運資金需求之目的，本公司與一名獨立第三方就發行以港元計值的本金額合共500,000,000港元的可換股債券（「可換股債券」）訂立認購協議（「認購協議」）。可換股債券已於2016年6月7日發行。

根據認購協議，可換股債券可轉換為已繳足普通股：

- (a) 於發行日（即2016年6月7日）或之後起直至發行日第二個周年當日營業時間結束（不包括該日）（「首個到期日」）（即2018年6月）止期間按初始換股價每股0.925港元（須經反攤薄調整）；及
- (b) 倘本公司及債券持有人於首個到期日前最少30日以書面方式同意延期直至發行日第四個周年當日營業時間結束（不包括該日）（「第二個到期日」）。

基於初始換股價0.925港元，於可換股債券所附換股權獲悉數行使後，將配發及發行最多540,540,540股換股股份。

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The Convertible Bonds bear interest at the rate of 7.8% per annum on the principal amount of the bonds outstanding. The interest will be payable by the Company semi-annually in arrears. The outstanding amount of the Convertible Bonds will be redeemed on maturity (the date falling on the First Maturity Date or the Second Maturity Date where applicable) at a value equal to the aggregate of (1) its principal amount outstanding; and (2) the interest accrued.

The Convertible Bonds that contain both liability and conversion option components were classified separately into their respective items on initial recognition. The embedded derivative of conversion option is therefore accounted for as a derivative. The fair values of the derivative component are determined based on the valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent firm of professionally qualified valuers, using the binomial option pricing model. Changes in fair value of that component between the measurement dates are recognised in profit or loss. The fair value of the liability component is measured as the present value of the expected payments and principal repayment at maturity on initial recognition and is carried as a liability on the amortised cost basis until extinguished on conversion or redemption.

During the Reporting Period, no convertible bonds have been converted into shares of the Company.

可換股債券按尚未贖回債券本金額以年利率7.8%計息。本公司將於每半年期後支付利息。可換股債券未行使金額將於到期時（首個到期日或第二個到期日當日（倘適用））按(1)其尚未贖回本金額；及(2)應計利息之和贖回。

包含負債及換股權部份的可換股債券於初步確認時分開歸類為獨立項目。換股權部份的嵌入式衍生工具因此入賬列作衍生工具。衍生工具部份的公允價值乃根據一家獨立專業合資格評估師仲量聯行企業評估及諮詢有限公司以二項式期權定價模式進行的估值釐定。該部份於計量日期間的公允價值變動確認為損益。負債部份的公允價值於初步確認時按預期付款及本金還款於到期時的現值計量，並按攤餘成本計入負債，直至被轉換或被贖回為止。

於報告年度內，未有可換股債券被轉換為本公司股份。

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The movements of the liability component and derivative component of the Convertible Bonds during the Reporting Period are as follows:

於報告年度，可換股債券的負債部份及衍生工具部份的變動如下：

		Liability component of Convertible Bonds 可換股債券的負債部份 RMB'000 千人民幣	Derivative component of Convertible Bonds 可換股債券的衍生工具部份 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Issued Convertible Bonds	已發行可換股債券	416,493	10,841	427,334
Effective interest expenses recognised to profit or loss	於損益表確認的實際利息支出	22,321	-	22,321
Interest paid	已付利息	(17,936)	-	(17,936)
Fair value change	公允價值變動	-	46,889	46,889
Exchange realignment	外匯調整	19,394	2,500	21,894
31 December 2016 and 1 January 2017	2016年12月31日及2017年1月1日	440,272	60,230	500,502
Effective interest expenses recognised to profit or loss	於損益表確認的實際利息支出	40,262	-	40,262
Interest paid	已付利息	(33,664)	-	(33,664)
Fair value change	公允價值變動	-	(46,228)	(46,228)
Exchange realignment	外匯調整	(25,641)	(2,069)	(27,710)
At 31 December 2017	2017年12月31日	421,229	11,933	433,162

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The major inputs for the valuation of the fair value of the derivative component of Convertible Bonds as at 31 December 2016 and 2017 are shown as follows:

於2016年12月31日及於2017年12月31日可換股債券衍生工具部份公允價值估值的主要輸入數據列示如下：

		31 December 12月31日	
		2017 2017年	2016 2016年
Share price	股價	HK\$0.770 0.770港元	HK\$0.990 0.990港元
Conversion price	換股價	HK\$0.925 0.925港元	HK\$0.925 0.925港元
Risk-free rate	無風險利率	1.018%	1.002%
Volatility	波幅	37.01%	28.00%

Equity-linked Agreement

Apart from the Share Option Scheme of the Group set forth on pages 86 to 91 and the Convertible Bonds of the Group set forth on pages 73 to 76 of this annual report, the Group neither entered into nor had any equity-linked agreement during the Reporting Period.

Permitted Indemnity Provision

According to the Company's Articles of Association, each director is entitled to the compensation out of the assets and profits of the Company for all actions, costs, charges, losses, damages, expenses or liabilities incurred due to the execution of his/her duties or taken place related to such execution. The Company has taken out the appropriate directors' and officers' liability insurance policy for the directors and officers of the Group as a means of security.

股票掛鈎協議

除於本年度報告第86頁至第91頁載述的本集團的購股權計劃及第73至第76頁載述的本集團的可換股債券，於報告年度內，本集團並無訂立或存在任何股票掛鈎協議。

准許的彌償條文

根據本公司之組織章程細則，每位董事有權就其任期內，或因執行其職務而可能遭致或發生與此相關之一切訴訟、費用、收費、損失、損害、開支或責任從本公司資產及利潤中獲得賠償。本公司已為本集團董事及高級職員購買適當的董事及高級職員責任保險作為保障。

Use of Net Proceeds Received from the Initial Public Offering

On 20 May 2010, net proceeds received from the initial public offering, including the exercise of Over-allotment Option, after deducting related expenses, were approximately HK\$1.467 billion. Out of which, as at 31 December 2017, approximately HK\$367 million was used for capital expenditure, approximately HK\$367 million was used for the continual implementation of our branding strategies and enhancement of our sales network, approximately HK\$147 million was used for enhancing our research and development efforts, approximately HK\$439 million was used for our expansion plans, both in the PRC and the international markets and approximately HK\$147 million was used for working capital and other general corporate purposes.

Financial Highlights

A summary of the published results and of the assets and liabilities of the Group for the last five reporting periods is set out on pages 6 to 7 of this annual report.

Bank Loans and Other Borrowings

Details of bank loans and other borrowings and the Convertible Bonds are set out in note 28 to the consolidated financial statements on pages 337 and note 45 to the consolidated financial statements on pages 393 to 396 of this annual report.

Save as disclosed in the section headed “Connected Transactions, Potential Connected Transactions and Continuing Connected Transactions” below, the Group did not grant any loans to any entities, nor did it offer any financial assistance to its associates or make any guarantee for the facilities granted to its associates.

首次公開發行所得款項淨額的應用

於2010年5月20日，首次公開發行所得款項淨額（包括行使超額配股權，經扣除相關開支）約為1,467百萬港元。截至2017年12月31日止，該首次公開發行所得款項淨額當中已有約367百萬港元用作資本支出，約367百萬港元已用於持續實行我們的品牌戰略及增強我們的銷售網絡，約147百萬港元已用於加強研發工作，約439百萬港元已用於我們在中國及國際市場實行的擴張計劃以及約147百萬港元已用作營運資金和其他一般企業用途。

財務概要

本集團過去五個報告年度的經審計的業績和資產及負債之概要，載於本年度報告第6頁至第7頁。

銀行貸款及其他借款

有關銀行貸款及其他借款及可換股債券的詳情，載於本年度報告第337頁合併財務報表附註28以及第393頁至第396頁合併財務報表附註45。

除下文「關連交易、可能的關連交易及持續關連交易」所披露者外，本集團沒有給予某實體的貸款，也沒有提供予聯屬公司的財務資助或為聯屬公司融資所作出的擔保。

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Property, Plant and Equipment

Details of movements in the property, plant and equipment for the Reporting Period are set out in note 14 to the consolidated financial statements on pages 300 to 302 of this annual report.

Share Capital

Details of movements in the share capital for the Reporting Period are set out in note 30 to the consolidated financial statements on page 339 of this annual report.

Reserves

Details of movements in the reserves of the Company and the Group for the Reporting Period are set out in note 32 to the consolidated financial statements on pages 343 to 345 and the consolidated statement of changes in equity on pages 203 to 204 of this annual report.

Distributable Reserves

As at 31 December 2017, the Company's reserves available for distribution amounted to RMB1,703,229,000, of which RMB29,940,000 has been proposed as a final dividend for the Reporting Period.

Public Float

As of the date of this annual report, based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules for the Reporting Period and at any time prior to the date of this annual report.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Articles of Association or applicable laws of the Cayman Islands where the Company was incorporated.

物業、廠房及設備

於報告年度內，物業、廠房及設備的變動詳情，載於本年度報告第300頁至第302頁合併財務報表附註14。

股本

於報告年度內的股本變動詳情，載於本年度報告第339頁合併財務報表附註30。

儲備

於報告年度內，本公司及本集團的儲備變動詳情，載於本年度報告第343頁至第345頁合併財務報表附註32和第203頁至第204頁合併權益變動表。

可供分派之儲備

於2017年12月31日，本公司的可供分派之儲備為人民幣1,703,229千元，其中有人民幣29,940千元被建議宣派為本報告年度末期股息。

公眾持股量

截至本年度報告日，根據本公司可公開取得之資料及就本公司董事會所知悉，本公司在報告年度內，及截至本年度報告日前任何時間保持《上市規則》所指定之公眾持股量。

優先購買權

本公司組織章程或其註冊成立所在地開曼群島之適用法律並無載列有關優先購買權的條文。

Tax Allowances

The Company is not aware of any particular tax allowances granted to the Company's shareholders due to their interests in its securities.

Directors

The directors of the Company during the Reporting Period and up to the date of this annual report are as follows:

Executive Directors

WANG Donglei	appointed on 11 January 2013 and re-designated as an Executive Director on 2 February 2015
WANG Dongming XIAO Yu	appointed on 21 June 2013 appointed on 29 May 2014 and re-designated as an Executive Director on 8 August 2014
WANG Keven Dun	appointed on 12 December 2016

Non-executive Directors

LI Wei	appointed on 29 May 2014
LI Huating	appointed on 12 December 2016
YANG Jianwen	appointed on 15 June 2016 and resigned on 22 March 2018

稅項減免

本公司並不知悉本公司股東因持有本公司證券而可獲得任何稅項減免。

董事

於報告年度內及截至本年度報告日期，本公司董事名單如下：

執行董事

王冬雷	於2013年1月11日 獲委任，並於2015年2月2日 調任為執行董事
王冬明 肖宇	於2013年6月21日獲委任 於2014年5月29日獲委任， 並於2014年8月8日 調任為執行董事
王頓	於2016年12月12日獲委任

非執行董事

李偉	於2014年5月29日獲委任
李華亭	於2016年12月12日獲委任
楊建文	於2016年6月15日獲委任， 並於2018年3月22日辭任

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Independent Non-executive Directors

LEE Kong Wai, Conway	appointed on 28 November 2012
WANG Xuexian	appointed on 29 May 2014
WEI Hongxiong	appointed on 29 May 2014
SU Ling	appointed on 19 December 2016

Ms. YANG Jianwen resigned as a Non-executive Director, a member of the Audit Committee and a member of Independent Investigations Committee in order to devote more time to pursue her other business commitments with effect from 22 March 2018. Ms. YANG Jianwen has confirmed that she has no disagreement with the Board and there is no other matter in relation to her resignation that needs to be brought to the attention of the Shareholders.

Directors' and Senior Management's Biographies

Directors' and senior management's biographies are set out in the section headed "Directors and Senior Management" on pages 52 to 67 of this annual report.

Directors' Service Contracts

The relevant information on Directors' service contracts is set out in the section headed "Appointment and Re-election of Directors" in the "Corporate Governance Report" on pages 115 to 116 of this annual report.

Directors' Interests in Transactions, Arrangements or Contracts

Save for the Acquisition, the Renewed Trademark Licensing Agreement, the Renewed Framework Finished Products and Raw Materials Purchase Agreement, the New ETIC Sales Agreement, the Transportation and Warehousing Services Framework Agreement and the Sales Framework Agreement as disclosed below, no Director nor an entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company's holding company, or any of its subsidiaries or fellow subsidiaries was a party during or at the end of the Reporting Period.

獨立非執行董事

李港衛	於2012年11月28日獲委任
王學先	於2014年5月29日獲委任
魏宏雄	於2014年5月29日獲委任
蘇嶺	於2016年12月19日獲委任

楊建文女士為投入更多時間於彼等之其他事務，辭任非執行董事、審核委員會成員及獨立調查委員會成員職務，自2018年3月22日起生效。楊建文女士已確認其與董事會並無意見分歧，亦無任何與其辭任有關之其他事項須提請股東注意。

董事及高級管理層履歷

董事及高級管理層履歷載於本年度報告第52頁至第67頁的「董事及高級管理層」一節。

董事服務合同

董事服務合同相關資訊載於本年度報告第115頁至第116頁的「企業管治報告」中的「董事的委任及重選」一節。

董事於交易、安排及合同之權益

除下文披露的收購事項、經續期的商標許可協議、經續期的產成品及原材料採購框架協議、新德豪潤達銷售協議、運輸及倉儲服務框架協議及銷售框架協議外，於報告年度內或報告年度末，概無董事或與董事有關連之實體於本公司之控股公司或其任何附屬公司或同系附屬公司所參與訂立，且對本集團之業務有重大意義之任何交易、安排或合同中直接或間接擁有重大權益。

Confirmation of Independence from the Independent Non-executive Directors

The Company has received from each of the Independent Non-executive Directors, namely Mr. LEE Kong Wai, Conway, Mr. WANG Xuexian, Mr. WEI Hongxiong and Mr. SU Ling, the annual confirmation letter of their respective independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that the Independent Non-executive Directors were independent from their respective date of appointment to 31 December 2017 and remain independent as of the date of this annual report.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares or Debentures

As at 31 December 2017, none of the Directors or chief executives of the Company have or are deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notifiable to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or recorded in the register required to be maintained by the Company pursuant to Section 352 of Part XV of the SFO, or which were notifiable to the Company and the Stock Exchange pursuant to the provisions of the Model Code.

Interests and short positions of substantial shareholders in the shares and underlying shares

As at 31 December 2017, to the best knowledge of the Directors and chief executives of the Company, the following shareholders (other than Directors or chief executives of the Company) had 5% or more interests or short positions in the issued shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

獨立非執行董事確認其獨立性

本公司已接獲各獨立非執行董事（李港衛先生、王學先先生、魏宏雄先生及蘇嶺先生）根據《上市規則》第3.13條各自發出之年度獨立性確認函。本公司認為，各獨立非執行董事從各自委任日期起至2017年12月31日期間一直屬獨立人士，截至本年度報告日仍然如此。

董事及最高行政人員於股份、相關股份或債權證中擁有的權益及淡倉

於2017年12月31日，本公司董事及最高行政人員並無於本公司及其相聯法團（定義見《證券及期貨條例》第XV部份）的股份、相關股份及債權證中擁有根據《證券及期貨條例》第XV部份第7及8部份須知會本公司及聯交所（包括根據《證券及期貨條例》規定，彼等當作或視為擁有之權益或淡倉）或根據《證券及期貨條例》第XV部份第352條規定須予存置之登記冊或根據標準守則須另行知會本公司及聯交所之權益及淡倉。

主要股東所持股份及相關股份的權益及淡倉

於2017年12月31日，就本公司董事及最高行政人員所知，根據《證券及期貨條例》第336條所存置的主要股東登記名冊顯示，下列股東（非本公司董事或最高行政人員）於本公司已發行股份及相關股份中擁有5%或以上的權益或淡倉：

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Name of shareholder 股東名稱	Nature of Interests 權益性質	Class of shares 股份類別	Number of shares or underlying shares 股份或相關股份數目	Percentage of the total issued shares 佔已發行股份 總數的百分比
Elec-Tech International (H.K.) Company Limited 德豪潤達國際(香港)有限公司	Beneficial owner 實益擁有人	Ordinary shares 普通股	870,346,000 (L) (Note 1) (附註1)	24.30%
ETIC 德豪潤達	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	870,346,000 (L) (Note 2) (附註2)	24.30%
Haitong Securities Co., Ltd.	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	845,746,000 (L) (Note 3) (附註3)	23.61%
Haitong International Securities Group Limited	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	845,746,000 (L) (Note 3) (附註3)	23.61%
Andrew Y. YAN 閻焱	Beneficial owner 實益擁有人	Ordinary shares 普通股	22,274,000 (L)	0.62%
	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	599,123,000 (L) (Note 4) (附註4)	16.73%
Cisco System, Inc.	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	588,223,000 (L) (Note 5) (附註5)	16.42%
SB Asia Investment Fund II L.P.	Beneficial owner 實益擁有人	Ordinary shares 普通股	588,223,000 (L)	16.42%
SAIF II GP, L.P.	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	588,223,000 (L) (Note 6) (附註6)	16.42%

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Name of shareholder 股東名稱	Nature of Interests 權益性質	Class of shares 股份類別	Number of shares or underlying shares 股份或相關股份數目	Percentage of the total issued shares 佔已發行股份 總數的百分比
SAIF Partners II LP	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	588,223,000 (L) (Note 6) (附註6)	16.42%
SAIF II GP Capital Ltd	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	588,223,000 (L) (Note 6) (附註6)	16.42%
Guoyuan Investment Fund Series SPC (Acting on behalf of Guoyuan Global Income Fund Segregated Portfolio)	Investment manager 投資經理	Ordinary shares 普通股	540,540,540 (L) (Note 7) (附註7)	15.09%
Guoyuan Investment Fund Series SPC (代表Guoyuan Global Income Fund Segregated Portfolio行事)				
Schneider Electric Asia Pacific Limited	Beneficial owner 實益擁有人	Ordinary shares 普通股	288,371,000 (L)	8.05%
Schneider Electric Industries SAS	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	288,371,000 (L) (Note 8) (附註8)	8.05%
Schneider Electric SE	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	288,371,000 (L) (Note 8) (附註8)	8.05%
YE Yong 葉勇	Beneficial owner 實益擁有人	Ordinary shares 普通股	270,227,000 (L)	7.54%
	Spouse's interest 配偶的權益	Ordinary shares 普通股	7,433,000 (L) (Note 9) (附註9)	0.21%

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Notes:

1. (L) represents long position.
2. These shares were held by Elec-Tech International (H.K.) Company Limited. As Elec-Tech International (H.K.) Company Limited is a wholly-owned subsidiary of ETIC, ETIC is deemed to be interested in all these shares.
3. These shares are held by Haitong International Securities Company Limited. As Haitong International Securities Company Limited is a wholly-owned subsidiary of Haitong International Finance Company Limited, which in turn is a wholly-owned subsidiary of Haitong International (BVI) Limited, which is a wholly-owned subsidiary of Haitong International Securities Group Limited, 61.77% interest of Haitong International Securities Group Limited is held by Haitong International Holdings Limited, and which is a wholly-owned subsidiary of Haitong Securities Co., Ltd., Haitong Securities Co., Ltd. and Haitong International Securities Group Limited are deemed to be interested in these shares.
4. These shares were held by SB Asia Investment Fund II L.P. (588,223,000 shares) and SAIF Partners IV L.P. (10,900,000 shares), respectively. As all these companies are held by Mr. Andrew Y. YAN indirectly, Mr. Andrew Y. YAN is deemed to be interested in the shares of the Company held by the aforesaid companies.
5. These shares were held by SB Asia Investment Fund II L.P. As Cisco Systems, Inc. (as limited partner) held 38.9% interests in SB Asia Investment Fund II L.P., Cisco Systems, Inc. is deemed to be interested in these shares.

附註：

1. (L)代表好倉。
2. 該等股份由德豪潤達國際(香港)有限公司持有。德豪潤達國際(香港)有限公司是德豪潤達的全資附屬公司，因此德豪潤達被視為於該等股份中擁有權益。
3. 該等股份由Haitong International Securities Company Limited持有。Haitong International Securities Company Limited是Haitong International Finance Company Limited的全資附屬公司，Haitong International Finance Company Limited是Haitong International (BVI) Limited的全資附屬公司，Haitong International (BVI) Limited是Haitong International Securities Group Limited的全資附屬公司，Haitong International Holdings Limited持有Haitong International Securities Group Limited 61.77%的權益，而Haitong International Holdings Limited又是Haitong Securities Co., Ltd.的全資附屬公司，因此Haitong Securities Co., Ltd.及Haitong International Securities Group Limited被視為於該等股份中擁有權益。
4. 該等股份分別由SB Asia Investment Fund II L.P. 持有588,223,000股及SAIF Partners IV L.P.持有10,900,000股。由於該等公司全部為閻焱先生間接持有，因此閻焱先生被視作擁有該等公司於本公司所持有股份數目中之全部權益。
5. 該等股份由SB Asia Investment Fund II L.P. 持有。由於Cisco Systems, Inc. 以有限合夥人的身份持有SB Asia Investment Fund II L.P. 38.9%的權益，因此Cisco Systems, Inc. 被視為於該等股份中擁有權益。

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6. These shares were held by SB Asia Investment Fund II L.P. As the interests of SB Asia Investment Fund II L.P. is held by SAIF II GP, L.P., SAIF Partners II LP and SAIF II GP Capital Ltd directly or indirectly, SAIF II GP, L.P., SAIF Partners II LP and SAIF II GP Capital Ltd are deemed to be interested in these shares.
7. These shares represent the maximum number of shares to be issued and allotted upon exercise in full of the conversion rights attaching to the Convertible Bonds issued by the Company pursuant to the subscription agreement dated 20 May 2016 entered into between the Company and Guoyuan Investment Fund Series SPC (acting on behalf of Guoyuan Global Income Fund Segregated Portfolio).
8. These shares were held by Schneider Electric Asia Pacific Limited. As Schneider Electric Asia Pacific Limited is a wholly-owned subsidiary of Schneider Electric Industries SAS, which in turn is a wholly-owned subsidiary of Schneider Electric SE, Schneider Electric Industries SAS and Schneider Electric SE are deemed to be interested in these shares.
9. As these shares are held by Ms. GAO Xia, the spouse of Mr. YE Yong, Mr. YE Yong is deemed to be interested in these shares.

Save as disclosed above, as at 31 December 2017, so far as the Directors are aware, no other person (except the Directors and chief executive) or corporation had 5% or more interests or short positions in the shares and underlying shares of the Company which were recorded in the register required to be maintained by the Company pursuant to Section 336 of the SFO.

6. 該等股份由SB Asia Investment Fund II L.P. 持有。由於SB Asia Investment Fund II L.P. 之權益為SAIF II GP, L.P.、SAIF Partners II LP及SAIF II GP Capital Ltd直接或間接持有，因此SAIF II GP, L.P.、SAIF Partners II LP及SAIF II GP Capital Ltd被視為於該等股份中擁有權益。
7. 該等股份為根據本公司於2016年5月20日與Guoyuan Investment Fund Series SPC（代表Guoyuan Global Income Fund Segregated Portfolio行事）訂立的認購協議，於本公司發行的可換股債券所附換股權獲悉數行使後，將予發行及配發最多的股份。
8. 該等股份由Schneider Electric Asia Pacific Limited持有。Schneider Electric Asia Pacific Limited是Schneider Electric Industries SAS的全資附屬公司，而Schneider Electric Industries SAS又是Schneider Electric SE的全資附屬公司，因此Schneider Electric Industries SAS及Schneider Electric SE被視為於該等股份中擁有權益。
9. 該等股份由葉勇先生的配偶高霞女士持有，因此葉勇先生被視為於該等股份中擁有權益。

除上文所披露者外，就董事所知，於2017年12月31日，概無任何人士（本公司董事或最高行政人員除外）或法團擁有須登記於根據《證券及期貨條例》第336條規定本公司須備存的登記冊內的本公司股份及相關股份5%或以上的權益或淡倉。

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Share Option Scheme and Pre-IPO Share Option Scheme

(a) Share Option Scheme

A share option scheme (the “Share Option Scheme”) was conditionally approved and adopted at an extraordinary general meeting held on 27 April 2010. The purpose of the Share Option Scheme is to provide the Company with a means of incentivising and retaining employees, and to encourage employees to work towards enhancing the value of the Company and promoting the long-term growth of the Company. This scheme will link the value of the Company with the interests of the participants, enabling participants and the Company to develop together and promoting the Company’s corporate culture. The Directors may, at their discretion, invite any Directors (including executive Directors, non-executive Directors and independent non-executive Directors), employees and advisors, consultants, distributors, contractors, contract manufacturers, agents, customers, business partners and service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group to participate in the Share Option Scheme. The period within which the options must be exercised shall be determined by the Directors at the time of grant and such period must expire no later than 10 years from the date when the Board resolves to make the offer of options to the grantees. All outstanding options shall lapse when the grantee is dead or retired, the employment of the grantee ceases or where the grantee is no longer an employee of the Group.

購股權計劃及首次公開發行 前購股權計劃

(a) 購股權計劃

本公司為提供激勵和挽留僱員，並鼓勵僱員努力提升本公司的價值，促進本公司的長期發展，在2010年4月27日經股東特別大會條件批准和採納購股權計劃（「購股權計劃」）。該計劃將本公司的價值與參與者的利益緊密相連，促進參與者與本公司共同發展，並提高本公司的企業文化。董事可酌情邀請任何董事（包括執行董事、非執行董事和獨立非執行董事）、僱員以及董事會全權酌情認為已對或將對本集團作出貢獻的本集團任何成員公司的顧問、專業顧問、經銷商、承包商、訂約生產商、代理人、客戶、業務夥伴和服務供應商參與購股權計劃。董事授出購股權時決定購股權的行使期限，而有關行使期必須不遲於董事會決議向承授人授出購股權當日起計滿10年屆滿。承授人身故、退休、離職或不再為本集團成員時，所有未行使購股權會失效。

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The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme or any other share option schemes adopted by the Company shall not exceed 10% (the Company may refresh the 10% limit in certain conditions) of the aggregate of the shares in issue on the listing date or 30% of the shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to each participant under the Share Option Scheme or any other share option scheme adopted by the Company in any 12-month period must not exceed 1% of the shares in issue. Any further grant of options which would result in the number of shares issued as aforesaid exceeding the said 1% limit requires shareholders' prior approval with the relevant participant and his associates abstaining from voting. At the time of grant of the options, our Company may specify any minimum period(s) for which an option must be held before it can be exercised. The Share Option Scheme does not contain any such minimum period.

The subscription price for the Shares under the Option Scheme shall be no less than the highest of (a) the closing price of the shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant; (b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Stock Exchange business days immediately preceding the date of grant; and (c) the nominal value of a share upon its issue. The amount payable by a grantee on acceptance of a grant of options is US\$1.00. Life of the Share Option Scheme is ten years and ends on the date of the tenth anniversary of the adoption of the Share Option Scheme. Further details of the Share Option Scheme are set out in the prospectus of the Company dated 7 May 2010.

During the Reporting Period, no option was granted under the Share Option Scheme.

根據購股權計劃或本公司採納的任何其他購股權計劃所授出的所有購股權獲行使時可發行的股份數目上限不得超過本公司上市日期已發行股份的10%（本公司可在某些情況下更新此10%上限）或本公司不時已發行股份的30%。每名參與者於任何12個月期間根據購股權計劃或本公司採納的任何其他購股權計劃授予每名參與者的購股權獲行使時已發行及將發行的股份總數不得超過已發行股份的1%。如果再授出購股權會導致按上述方式發行的股份數目超過1%，則須經股東事先批准，而相關參與者及其聯繫人必須放棄投票。於授出購股權時，本公司可指明行使購股權前須持有有關購股權的任何最短時限。購股權計劃並無包括任何該等最短時限。

根據購股權計劃可認購的股份的認購價不得低於以下三者的最高者：(a)聯交所於授出日期發出的每日報價表所列的股份收市價；(b)聯交所於緊接授出日期前五個聯交所營業日發出的每日報價表所列的股份平均收市價；及(c)一股股份於發行時的賬面值。承授人接納購股權的應付金額為1.00美元。購股權計劃的有效期為十年，於購股權計劃採納滿十周年之日屆滿。購股權計劃的進一步詳情載於本公司於2010年5月7日刊發的招股書。

於報告年度內，並無根據購股權計劃授出任何購股權。

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董事會報告

(b) Pre-IPO Share Option Scheme

The Company adopted the pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") as approved by the Board on 15 October 2006 and amended on 23 December 2009 and 24 March 2010. The purpose of the Pre-IPO Share Option Scheme is to assist the Company in attracting, retaining and motivating key employees, Directors, consultants and strategic suppliers. The Pre-IPO Share Option Scheme was valid and effective for the period of time commencing on 15 October 2006 and expired on the day immediately prior to the date on which dealings commence in the ordinary shares on the Stock Exchange. The Company may at any time amend or terminate the Pre-IPO Share Option Scheme as advised by the Board at its discretion. The termination of the Pre-IPO Share Option Scheme has no effect on the outstanding share options granted under the Pre-IPO Share Option Scheme. Any such outstanding share options shall continue in effect in accordance with their terms and conditions and the terms and conditions of the Pre-IPO Share Option Scheme. The extent to which any eligible person is entitled to be granted options pursuant to the Pre-IPO Share Option Scheme is to be determined in the sole discretion of the Board, provided, however, that the number of shares issued to or reserved for issuance to any one person pursuant to the options and other stock option plans or share compensation arrangements shall not exceed 3% of the number of shares in issue (on a fully-diluted basis), including those shares of the Company which are issuable upon the exercise or conversion of outstanding securities of the Company, including the options previously granted under the Pre-IPO Share Option Scheme and any options granted under other stock options, stock option plans or other share compensation arrangements which the Company may issue or establish in addition to the Pre-IPO Share Option Scheme. The aggregate number of shares subject to the Pre-IPO Share Option Scheme is 240,429,000 shares, representing 8.11% of the issued share capital of the Company following the IPO.

(b) 首次公開發行前購股權計劃

本公司已採納首次公開發行前購股權計劃（「首次公開發行前購股權計劃」）。本計劃於2006年10月15日經董事會批准，並於2009年12月23日及2010年3月24日修訂。授出首次公開發行前購股權旨在吸引、留住及激勵重要僱員、董事、顧問及戰略供應商。該計劃於2006年10月15日起至緊隨本公司普通股在聯交所開始買賣當日前日期間生效及有效。本公司可根據董事會酌情決定隨時修訂或終止首次公開發行前購股權計劃。首次公開發行前購股權計劃的終止對根據首次公開發行前購股權計劃授出的未行使購股權並無影響。任何有關未行使購股權將按照其條款及條件以及首次公開發行前購股權計劃的條款及條件繼續有效。任何合資格人士有權根據首次公開發行前購股權計劃獲授予的購股權由董事會絕對全權酌情決定。然而，前提是根據購股權及其他股份期權計劃或股份報酬安排向任何一名人士發行或保留以供發行的股份數目，不得超過已發行股份數目的3%（按全面攤薄基準），包括在行使或轉換本公司已發行證券（包括過往根據首次公開發行前購股權計劃授出的購股權及根據本公司可能發行或設立的其他股份期權、股份期權計劃或其他股份報酬安排（除首次公開發行購股權計劃）授予的任何期權）時可予發行的該等股份。首次公開發行前購股權計劃所涉及的股份總數為240,429,000股股份，佔首次公開發行後本公司已發行股本的8.11%。

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董事會報告

Options have been granted under the Pre-IPO Share Option Scheme and shall expire no later than 10 years from the date the Board resolves to make the offer of options to the grantees. Options granted to grantees under the Pre-IPO Share Option Scheme shall vest immediately to the grantees, or vest to the grantees at a rate not more than 25% of each such grant for each year commencing from the date when the grantees can exercise such options granted to them. The exercise price of these share options was determined by the Board with reference to the market value of the Company's ordinary shares and the Company's equity value.

In the event that the Board allows a grantee to exercise an option granted under this Pre-IPO Share Option Scheme by delivering shares previously owned by such grantee and unless otherwise expressly provided by the Board, any shares delivered which were initially acquired by the grantee from the Company (upon exercise of a share option or otherwise) must have been owned by the grantee at least six months as at the date of delivery. The Company will not be obligated to deliver any shares unless and until it receives full payment of the exercise or purchase price therefore and any related withholding obligations and any other conditions to exercise or purchase have been satisfied. Unless otherwise expressly provided, the Board may at any time eliminate or limit a grantee's ability to pay the purchase or exercise price of any option granted under this Pre-IPO Share Option Scheme by any method other than cash payment to the Company. The Board may take all actions necessary to alter the method of option exercise and the exchange and transmittal of proceeds with respect to grantees resident in the PRC not having permanent residence in a country other than the PRC in order to comply with applicable PRC foreign exchange and tax regulations. Further details of the Pre-IPO Share Option Scheme are set out in the prospectus of the Company dated 7 May 2010.

首次公開發行前購股權計劃所涉購股權已授出，有效期至董事會決議向承授人授出購股權之日起不超過10年屆滿。根據本首次公開發行前購股權計劃授予承授人的購股權須立即歸屬於該承授人，或自承授人可行使授予其購股權的日期起每年按各有關購股權不超過25%的比率歸屬於該承授人。購股權行使價乃由董事會參考本公司普通股的市值及本公司的權益價值釐定。

倘董事會藉交付承授人過往擁有的股份來允許承授人行使根據首次公開發行前購股權計劃授出的購股權，除非董事會另有明文規定，否則該承授人（通過行使購股權或以其他方式）向本公司首次購買並已交付的任何股份須於交付日期之時已由該承授人擁有至少六個月。除非及直至本公司收到行使或購買價的悉數付款，以及相關扣繳責任及行使或購買的任何其他條件已予以履行，否則本公司將無義務交付任何股份。除非另有明文規定，否則董事會可隨時終止或限制承授人以現金支付外的任何其他方式就首次公開發行前購股權計劃授出的任何購股權向本公司支付購買或行使價的能力。董事會可採取任何必要措施更改購股權的行使方式以及就居住在中國並在中國以外的國家無永久居住權的承授人對所得款項的兌換及傳送，以遵守適用的中國外匯及稅務法規。首次公開發行前購股權計劃的進一步詳情載於本公司於2010年5月7日刊發的招股書。

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As at 31 December 2017, details of outstanding options granted under the Pre-IPO Share Option Scheme are as follows:

於2017年12月31日，首次公開發行前購股權計劃項下尚未行使的購股權詳情如下：

Name of the grantee 承授人姓名	Class of shares 股份類別	Relationship with the Group 與本集團的關係	Number of Shares outstanding as at 1 January 2017 於2017年1月1日尚未行使的股份數目	Number of Shares outstanding as at 31 December 2017 於2017年12月31日尚未行使的股份數目	Exercise price (HK\$ per share) 行權價格 (港元/股)	Date of grant 授予日	Expiry date 到期日	Percentage of the number of Shares outstanding as at 31 December 2017 to the total issued shares 於2017年12月31日尚未行使的股份數目佔已發行股份總數的百分比
Others (including senior management) 其他人員 (含高級管理人員)	Share options 購股權	Employees and others 僱員及其他	1,000,000	-	2.1	24 March 2010 2010年3月24日	8 February 2017 2017年2月8日	-
Total 合計			1,000,000	-				-

For further details, please refer to note 31 to the consolidated financial statements on pages 340 to 342 of this annual report and the prospectus of the Company dated 7 May 2010.

有關購股權可參閱本年度報告第340頁至第342頁的合併財務報表附註31及公司於2010年5月7日刊發的招股書。

During the Reporting Period, out of the share options granted under the Pre-IPO Share Option Scheme, none of the share options was exercised or cancelled.

於報告年度內，首次公開發行前購股權計劃的所授予購股權中未有購股權被行使或註銷。

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董事會報告

During the Reporting Period, out of the share options granted under the Pre-IPO Share Option Scheme, 1,000,000 share options lapsed due to the expiration of the share option. The lapsed share options are as follows:

Number of share options lapsed 失效購股權數目	Exercise price (HK\$ per share) 行權價格 (港元 / 股)	Date of grant 授予日	Expiry date 到期日
1,000,000	2.1	24 March 2010 2010年3月24日	8 February 2017 2017年2月8日

As at 31 December 2017, there was no outstanding share options granted under the Pre-IPO Share Option Scheme.

於報告年度內，首次公開發行前購股權計劃的所授予購股權中有1,000,000份因行權期限到期而失效。失效的購股權如下：

於2017年12月31日，並無尚未行使的首次公開發行前購股權計劃所授予的購股權。

Purchase, Sale or Redemption of Shares

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

收購、出售或贖回股份

於報告年度內，本公司或其任何附屬公司概無收購、出售或贖回任何本公司上市證券。

Interests of Directors in Competing Business

Save for those disclosed in the following paragraphs by the Company, during the Reporting Period, none of the Directors or their respective associates (as defined under the Listing Rules) of the Company was interested in any business which competes or is likely to compete with the businesses of the Group.

董事於競爭業務之權益

除本公司於下文所披露之外，於報告年度內，本公司董事及其各自的聯繫人（定義見《上市規則》）概無於與本集團業務競爭或可能競爭之業務中擁有權益。

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董事會報告

Mr. WANG Donglei, an Executive Director, the Chairman and the Chief Executive Officer of the Company, holds 90% equity interest in Wuhu Elec-Tech Investment Co., Ltd.* (蕪湖德豪投資有限公司), Wuhu Elec-Tech Investment Co., Ltd.* (蕪湖德豪投資有限公司) in turn holds 16.57% of the shares of ETIC, and ETIC in turn holds 24.30% of the shares (870,346,000 shares as at 31 December 2017) of the Company. Mr. WANG Donglei is also a director and chairman of ETIC and holds directorships in a number of subsidiaries of ETIC Group. Apart from this, Mr. XIAO Yu holds directorships in a number of subsidiaries of ETIC Group and Mr. LI Huating is a deputy chairman and general manager of ETIC. To the best knowledge of the Company, ETIC was established on 14 May 1996 with issued capital of RMB1,764,720,000 as at 31 December 2017, the shares of which were listed on the Shenzhen Stock Exchange in June 2004. Based on the preliminary annual result of ETIC dated 13 February 2018 (unaudited and subject to further adjustment), its operating revenue for the year of 2017 is approximately RMB4,203,131,000, its net loss is approximately RMB896,495,000 and its total assets is approximately RMB14,209,926,000. The principal business of ETIC is production and sale of small household appliances and LED products, while the Group's subsidiaries are principally engaged in the production and sale of lamp products, luminaire products and lighting electronic products, including a variety of LED lamps, luminaires and electrical products. As a result, Mr. WANG Donglei, Mr. XIAO Yu and Mr. LI Huating are deemed to be interested, directly or indirectly, in the business that competes or may compete with that of the Company and/or its subsidiaries.

本公司執行董事兼董事長和首席執行官王冬雷先生持有蕪湖德豪投資有限公司90%的股權；蕪湖德豪投資有限公司持有德豪潤達16.57%的股份；德豪潤達持有本公司24.30%的股份（截止2017年12月31日持有870,346,000股股份）。王冬雷先生亦擔任德豪潤達的董事及董事長以及在德豪潤達集團多家附屬公司中擔任董事職務。除此之外，肖宇先生在德豪潤達集團多家附屬公司擔任董事職務以及李華亭先生擔任德豪潤達之副董事長及總經理。據本公司所知，德豪潤達乃於1996年5月14日成立，截止2017年12月31日股本為人民幣1,764,720千元。該公司之股份於2004年6月在深圳證券交易所上市。根據德豪潤達日期為2018年2月13日的初步年度業績（未經審核及可能作進一步調整），其2017年度的營業收入約為人民幣4,203,131千元，其淨虧損約為人民幣896,495千元，總資產約為人民幣14,209,926千元。德豪潤達的主營業務為生產和銷售小家電及LED產品，由於本集團附屬公司主要從事光源、燈具及照明電器產品的生產及銷售，亦包括各種LED光源、燈具及電器產品，因此王冬雷先生、肖宇先生、李華亭先生被視為於直接或間接對本公司及／或附屬公司業務構成競爭或可能構成競爭的業務上佔有權益。

Controlling Shareholders and Their Pledge of Shares

During the Reporting Period, the Company did not have any controlling shareholders.

Connected Transactions, Potential Connected Transactions and Continuing Connected Transactions

The Acquisition

On 12 June 2017, the Board announced that it has resolved to acquire shares of ETIC to the amount of no more than RMB110,000,000 on market before 31 December 2017 with the acquisition price of no more than RMB5.45 per share of ETIC. Assuming a purchase price of RMB5.45 per share of ETIC, it was estimated that the total number of shares of ETIC to be acquired by the Company would be approximately 20,183,486 shares, representing 1.45% of the total issued shares of ETIC on 12 June 2017. (please refer to the Company's announcement dated 12 June 2017 for more information).

On 31 December 2017, the total number of shares of ETIC held by a subsidiary of the Company was 20,363,832 shares, representing 1.154% of the total issued shares of ETIC on 31 December 2017.

控股股東及其質押股份

於報告年度內，本公司沒有控股股東。

關連交易、可能的關連交易及持續關連交易

收購事項

於2017年6月12日，董事會宣佈其已通過決議，在2017年12月31日之前於場內收購總額不超過人民幣110,000千元的德豪潤達之股份。每股德豪潤達股份不高於人民幣5.45元。假設以每股德豪潤達股份人民幣5.45元購買，預計將為本公司所收購的德豪潤達股份總數將為約20,183,486股，佔2017年6月12日時德豪潤達全部已發行股份的1.45%。（詳情請參照本公司日期為2017年6月12日的公告）。

截止2017年12月31日，本公司之附屬公司持有的德豪潤達股份總數為20,363,832股，佔2017年12月31日德豪潤達全部已發行股份的1.154%。

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Immediately prior to the Acquisition, Mr. WANG Donglei indirectly held 20.94% of total issued shares of ETIC and was a substantial shareholder of ETIC. Mr. WANG Donglei is also the Chairman, Chief Executive Officer and executive Director of the Company. Although the Company will acquire shares of ETIC on market from the public, the Acquisition will be regarded as a connected transaction of the Company under Rule 14A.28 of the Listing Rules. ETIC is an important business partner of the Company in its industrial chain. The strategic investment in ETIC will enhance the Company's strategic cooperation relationship with ETIC. ETIC is focusing on the production and sale of small household appliances and LED products in the PRC. With a positive outlook on the LED products market and the future performance of ETIC, the Company believes that the Acquisition presents a valuable investment opportunity for the Group to capture the potential growth of ETIC, which will bring benefits to the Group. The Company also considers that the current stock price of ETIC is also at a reasonable level and of investment value. The Directors (including the independent non-executive Directors) consider that the Acquisition is on normal commercial terms, fair and reasonable, and is in the interests of the Company and its Shareholders as a whole.

Potential Connected Transactions

Purported Pledge and Guarantee Agreements

Please refer to the relevant section in the 2016 annual report of the Company for details of the Purported Pledge and Guarantee Agreements. The Company repeats its earlier statement that it is still seeking legal advice in relation to the legal validity of the Purported Pledge and Guarantee Agreements.

The Board would like to reiterate that the entering into of the Relevant Purported Pledge and Guarantee Agreements was not carried out with the knowledge of the current Board. Accordingly, the Board is not presently aware of a fair and reasonable justification for the entering into of the Relevant Purported Pledge and Guarantee Agreements, nor has the Board been provided with a proper explanation which indicates that the Relevant Purported Pledge and Guarantee Agreements are in the interests of the Company or its shareholders as a whole. NVC

緊隨收購事項之前，王冬雷先生間接持有德豪潤達20.94%的全部已發行股份，並為德豪潤達之主要股東。王冬雷先生亦為本公司董事長、首席執行官及執行董事。儘管本公司將於場內向公眾收購德豪潤達之股份，收購事項將被視為上市規則14A.28條項下本公司之關連交易。德豪潤達為本公司產業鏈中的重要業務夥伴，對德豪潤達的戰略投資將增強本公司與德豪潤達的戰略合作關係。德豪潤達專注於中國的小型家用電器以及LED產品的生產和銷售。基於對LED產品市場及德豪潤達的未來營運的樂觀預期，本公司相信收購事項為本集團提供了捕捉德豪潤達潛在增長之寶貴投資機會，將為本集團帶來利益。本公司亦認為德豪潤達目前之股票價格亦位於合理水平且具備投資價值。董事（包括獨立非執行董事）認為收購事項乃基於正常商業條款，屬公平合理且符合本公司及股東之整體利益。

可能的關連交易

所謂質押及擔保協議

所謂質押及擔保協議的詳情，請參見本公司2016年年度報告的相關章節。本公司重申其早前的聲明，即其仍在就所謂質押及擔保協議的法律效力徵求法律意見。

董事會重申，相關所謂質押及擔保協議是在現任董事會並不知情的情況下訂立的。因此，董事會並不知悉簽訂的相關所謂質押及擔保協議有何公平、合理的理由，董事會亦未獲表明相關所謂質押及擔保協議符合本公司或其股東整體利益的適當解釋。雷士中國已就特定的所謂質押及擔保協議對吳長江先生及其他被告在中國提起數宗訴訟。在該些訴訟

China has commenced several proceedings in the PRC against Mr. WU Changjiang and other defendants in connection with certain Purported Pledge and Guarantee Agreements. In those proceedings, NVC China's position is that the Purported Pledge and Guarantee Agreements are not legally valid or enforceable. Please refer to the Company's announcement dated 14 April 2015 for more information.

Please refer to the section headed "Progress of Litigation" in pages 22 to 23 in this annual report for more information about the progress of the relevant litigation.

Counter Guarantees from Wu Ji

Please refer to the relevant section in the 2016 annual report of the Company for details of the Counter Guarantees from Wu Ji.

The Company repeats its earlier statement that the Letters of Counter Guarantee are currently referred to in ongoing litigation in the PRC involving NVC China, and the Board notes that the court has not yet made a determination in relation to their legal validity and enforceability.

The Board would like to reiterate that the Board only became aware of the executed Letters of Counter Guarantees in 2015. The Letters of Counter Guarantee relate to a number of pledge and guarantee agreements, entered into by Mr. WU Changjiang, purportedly on behalf of the Company. The Board was not previously aware of NVC China's purported entering into of the pledge and guarantee agreements. The Board is also not presently aware of a fair and reasonable justification for the Letters of Counter Guarantee and/or the pledge and guarantee agreements, nor has Mr. WU Changjiang provided the Board with a proper explanation which indicates that these letters and agreements are in the interests of the Company or its shareholders as a whole. Nonetheless, the Board notes that the Letters of Counter Guarantees have apparently been granted in return for the purported pledge and guarantee agreements entered into by the Company in relation to the various loans mentioned above. Please refer to the Company's announcement dated 2 September 2015 for more information.

中，雷士中國的立場是，所謂質押及擔保協議為法律無效或不可執行。詳情請參閱本公司日期為2015年4月14日的公告。

相關訴訟進展詳情請參見本年度報告第22頁至第23頁的「訴訟進展」一節。

無極的反擔保

無極的反擔保的詳情，請參見本公司2016年年度報告的相關章節。

本公司重申其先前的陳述：反擔保函在中國現正進行中而涉及雷士中國的訴訟中有被提及。而董事會表示法院尚未對反擔保函作出有關法律有效性和可執行性的裁定。

董事會希望重申，董事會僅在2015年方獲悉經簽署的反擔保函。反擔保函涉及若干由吳長江先生據稱代表本公司訂立的質押及擔保協議。董事會此前對雷士中國據稱訂立質押及擔保協議並不知情。董事會目前亦不知悉訂立反擔保函及／或質押及擔保協議有任何公平合理的理據，且吳長江先生亦未向董事會提供適當解釋，說明該等函件和協議符合本公司或其股東的整體利益。儘管如此，董事會注意到，反擔保函看似為換取本公司就以上所述各項貸款訂立所謂的質押及擔保協議而授出。欲知更多詳情，請查閱本公司日期為2015年9月2日的公告。

Report of Directors

董事會報告

Continuing Connected Transactions Exempted from Independent Shareholders' Approval

Renewed Framework Raw Material Purchase Agreement

We entered into a renewed framework raw material purchase agreement dated 22 January 2016 with World Bright and Quzhou Aushite. As World Bright and Quzhou Aushite are associates (as defined under the Listing Rules) of Mr. WU Jiannong, a director and a substantial shareholder (as defined under the Listing Rules) of Zhejiang NVC, a subsidiary of the Company, World Bright and Quzhou Aushite are connected persons of the Company (as defined under the Listing Rules), and the transactions between which and the Company constitute connected transactions of the Company under Chapter 14A of Listing Rules. Pursuant to such agreement, we agreed to purchase raw materials (on a non-exclusive basis) including glass tubes from World Bright, phosphor powder from Quzhou Aushite. The quality, quantity and technical standards of the raw materials delivered by these suppliers must meet the Company's standards as set out in the sub-contract for each purchase and the prices charged by these suppliers will be agreed following arm's length negotiations between the relevant parties with reference to the prevailing market rates. The term of the renewed framework raw material purchase agreement is three years commencing from 1 January 2016.

The maximum aggregate annual amounts payable by us to World Bright and Quzhou Aushite under the renewed framework raw material purchase agreement for the years ended 31 December 2016, 2017 and 2018 are RMB18,760,000, RMB18,760,000 and RMB18,760,000, respectively.

During the Reporting Period, the actual amount paid by us under the renewed framework raw material purchase agreement was RMB8,096,000, which did not exceed the annual cap.

豁免獨立股東批准的持續關連交易

經續期的原材料採購框架協議

我們於2016年1月22日與世明及衢州奧仕特訂立一項經續期的原材料採購框架協議。由於世明及衢州奧仕特是本公司一家附屬公司，浙江雷士的董事和主要股東（定義見《上市規則》）吳建農先生的聯繫人（定義見《上市規則》），世明及衢州奧仕特為本公司關連人士（定義見《上市規則》），而其與本公司之間的交易構成上市規則14A章項下的關連交易。根據該協議，我們同意採購（按非排他性基準）原材料，如向世明採購玻璃燈管和向衢州奧仕特採購螢光粉等。該等供應商交付的原材料質量、數量、技術標準必須符合我們每次採購的分包合同條文所訂明的標準，而該等供應商收取的價格將由有關各方經公平磋商後參照市場現行收費協定。該經續期的框架協議自2016年1月1日起，為期三年。

截至2016年、2017年及2018年12月31日止年度，我們就訂立經續期的原材料採購框架協議而應支付世明及衢州奧仕特的最高年度總額分別為人民幣18.76百萬元、人民幣18.76百萬元和人民幣18.76百萬元。

於報告年度內，我們就訂立經續期的原材料採購框架協議而應支付的實際金額為人民幣8,096千元，沒有超過年度上限。

Renewed Framework Equipment Purchase Agreement

We entered into a renewed framework equipment purchase agreement dated 22 January 2016 with Jiangshan Youhe during our usual course of business. As Jiangshan Youhe is an associate (as defined under the Listing Rules) of Mr. WU Jiannong, a director and a substantial shareholder (as defined under the Listing Rules) of Zhejiang NVC, a subsidiary of the Company, Jiangshan Youhe is a connected person of the Company (as defined under the Listing Rules), and the transactions between which and the Company constitute connected transactions of the Company under Chapter 14A of Listing Rules. Pursuant to such agreement, we purchase manufacturing equipment and software from Jiangshan Youhe. The fees charged by Jiangshan Youhe will be agreed based on arm's length negotiations with reference to the prevailing market rates. The term of this renewed framework equipment purchase agreement is three years commencing on 1 January 2016.

The maximum aggregate annual amounts payable by us under the renewed framework equipment purchase agreement for the years ended 31 December 2016, 2017 and 2018 are RMB4,500,000, RMB3,500,000 and RMB3,500,000, respectively.

During the Reporting Period, we did not have any transaction with Jiangshan Youhe arising from the renewed framework equipment purchase agreement.

Renewed Trademark Licensing Agreement

Huizhou NVC, a wholly owned subsidiary of the Company entered into a renewed trademark licensing agreement on 22 January 2016 with ETIC, which is a substantial shareholder (as defined under the Listing Rules) of the Company, pursuant to which, Huizhou NVC grants ETIC, a non-transferrable right to use certain registered trademarks of the Company, including "NVC" and "雷士", as well as granting ETIC the right to use the Company's registered trademark in combination with ETIC's own brand as "NVCETI" and "雷士德豪" on ETIC's LED lamp products.

經續期的設備採購框架協議

於2016年1月22日，我們在日常業務過程中與江山友和訂立經續期的設備採購框架協議。由於江山友和是本公司一家附屬公司，浙江雷士的董事和主要股東（定義見《上市規則》）吳建農先生的聯繫人（定義見《上市規則》），江山友和為本公司關連人士（定義見《上市規則》），而其與本公司之間的交易構成上市規則14A章項下的關連交易。根據該協議，我們從江山友和購買生產設備和配件。江山友和所收取的價格將由有關各方經公平磋商後參照市場現行收費協定。該經續期的設備採購框架協議自2016年1月1日起，為期三年。

截至2016年、2017年及2018年12月31日止年度，我們就訂立經續期的設備採購框架協議而應支付費用的最高年度總額分別為人民幣4.5百萬元、人民幣3.5百萬元和人民幣3.5百萬元。

於報告年度內，我們未就訂立經續期的設備採購框架協議與江山友和產生任何交易。

經續期的商標許可協議

2016年1月22日，本公司的一家全資附屬公司惠州雷士和本公司的主要股東（定義見《上市規則》）德豪潤達訂立了一份經續期的商標許可協議。根據該協議，惠州雷士授予德豪潤達一項使用本公司某些註冊商標，包括「NVC」和「雷士」的不可轉讓的權利，並允許德豪潤達在德豪潤達的LED光源產品上使用本

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The licensing is worldwide but is exclusive only on certain ETIC's LED lamp products. As ETIC is a substantial shareholder of the Company, it is a connected person of the Company (as defined under the Listing Rules), and the transactions between which and the Company constitute connected transactions of the Company under Chapter 14A of Listing Rules. The trademark licensing fee is agreed based on arm's length negotiations and is on normal commercial terms. The term of the renewed trademark licensing agreement is three years commencing on 1 January 2016. To further promote the Company's brand name and to implement the Company's strategic development plan for LED products, the Company decided to enter into such licensing agreement for the production of certain LED lamp products using the Company's registered trademarks. ETIC has a well-established sales channel for LED lamp products which is complementary to our existing product sales channel. ETIC is a vertically well-integrated LED lamp producer and its product quality and price are very competitive in the market. The Board believes that through cooperation with ETIC, the Company's sales and distribution network coverage of LED lamp products will be further extended, which is expected to further improve the Company's operation results (please refer to the Company's announcement dated 22 January 2016 for more information).

The maximum aggregate annual amounts of trademark licence fees receivable by us from ETIC under the renewed trademark licensing agreement for the years ended 31 December 2016, 2017 and 2018 are RMB55,000,000, RMB55,000,000 and RMB55,000,000, respectively.

During the Reporting Period, we did not have any transaction with ETIC under the renewed trademark licensing agreement.

公司的註冊商標和德豪潤達自有品牌結合的聯合商標「NVCETI」和「雷士德豪」，該許可在全球範圍內適用但僅限於德豪潤達的特定LED光源產品上具有排他性。由於德豪潤達為本公司主要股東，其為本公司關連人士（定義見《上市規則》），而其與本公司之間的交易構成上市規則14A章項下的關聯交易。商標許可費是經由雙方通過公平磋商後按一般商務條款約定的。該商標許可協議自2016年1月1日起，為期三年。為進一步推廣本公司品牌及實施本公司LED產品戰略開發計劃，本公司決定訂立該等許可協議，使用本公司的註冊商標生產某些LED光源產品。德豪潤達擁有成熟的LED光源產品銷售渠道，可以與本公司的現有產品銷售渠道形成互補。德豪潤達是一家縱向一體化的LED光源產品生產商，其產品質量和價格在市場上極具競爭力。董事會相信，通過與德豪潤達的合作，本公司LED光源產品的銷售和分銷網絡將得到進一步的擴展，預期能進一步提升本公司的經營業績（詳情請參見本公司日期為2016年1月22日的公告）。

截至2016年、2017年及2018年12月31日止年度，我們就經續期的商標許可協議而應收取德豪潤達的最高年度總額分別為人民幣55百萬元、人民幣55百萬元和人民幣55百萬元。

於報告年度內，我們未就經續期的商標許可協議與德豪潤達產生任何交易。

Renewed Framework Finished Products and Raw Materials Purchase Agreement

We entered into a renewed framework finished products and raw materials purchase agreement on 22 January 2016 with ETIC, which is a substantial shareholder (as defined under the Listing Rules) of the Company, pursuant to which, the Company agreed to purchase finished products and raw materials including but not limited to LED chips and LED lamp products from ETIC and its subsidiaries on a non-exclusive basis. As ETIC is a substantial shareholder of the Company, it is a connected person of the Company (as defined under the Listing Rules), and the transactions between which and the Company constitute connected transactions of the Company under Chapter 14A of Listing Rules. The quality, quantity and technical standards of the products delivered by ETIC and its subsidiaries must meet the Company's standards as set out in the sub-contract for each purchase order. The prices charged by ETIC and its subsidiaries will be agreed following arm's length negotiations between the parties with reference to the prevailing market rates. The term of the framework agreement is three years commencing on 1 January 2016. The Company entered into such purchase agreement given the Group has a continuous demand for the relevant finished products and raw materials in the next three years and the fees charged by ETIC and its affiliates are competitive (please refer to the Company's announcement dated 22 January 2016 for more information).

In view of the better-than-expected demand of ETIC's products, the Company expects the original annual caps will not be sufficient to meet the Company's requirements. On 29 November 2016, the Board approved to revise upward the original annual caps (Please refer to the announcement of the Company dated 29 November 2016 for details). The maximum aggregate annual amounts payable to ETIC and its subsidiaries under the renewed framework finished products and raw materials purchase agreement for the years ended 31 December 2016, 2017 and 2018 are RMB120,000,000, RMB130,000,000 and RMB140,000,000, respectively.

經續期的產成品及原材料採購框架協議

2016年1月22日，本公司與本公司的主要股東（定義見《上市規則》）德豪潤達訂立了一份經續期的產成品及原材料採購框架協議。根據該協議，本公司同意按非排他性基準從德豪潤達及其附屬公司採購產成品及原材料，包括但不限於LED芯片和LED光源等產品。由於德豪潤達為本公司主要股東，其為本公司關連人士（定義見《上市規則》），而其與本公司之間的交易構成上市規則14A章項下的關連交易。德豪潤達及其附屬公司交付的產品的品質、數量及技術標準須符合為每筆採購訂單而簽訂的單項合同中載明的本公司標準。德豪潤達及其附屬公司所收取的價格將由雙方通過公平磋商參照市場現行收費標準釐定。該框架協議自2016年1月1日起，為期三年。鑒於本集團於未來三年對相關產成品和原材料的持續需求，而德豪潤達及其關聯公司所收取的費用具有競爭力，故本公司訂立該採購協議（詳情請參見本公司日期為2016年1月22日的公告）。

由於對德豪潤達產品需求較預期為佳，本公司預期原有年度上限不足以滿足本公司需求。於2016年11月29日，董事會批准上調原有年度上限（詳情請見本公司2016年11月29日的公告）。截至2016年、2017年及2018年12月31日止年度，我們就經續期的產成品及原材料採購框架協議而支付德豪潤達及其附屬公司的最高年度總額分別為人民幣120百萬元、人民幣130百萬元和人民幣140百萬元。

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During the Reporting Period, the actual amount paid by us to ETIC and its subsidiaries under the renewed framework finished products and raw materials purchase agreement was RMB124,248,000 which did not exceed the annual cap.

New ETIC Sales Agreement

We entered into a framework sales agreement (the “New ETIC Sales Agreement”) on 14 March 2016 with ETIC, which is a substantial shareholder (as defined under the Listing Rules) of the Company, pursuant to which, the Company agreed to sell finished products including but not limited to LED luminaire products to ETIC on a non-exclusive basis. As ETIC is a substantial shareholder of the Company, it is a connected person of the Company (as defined under the Listing Rules), and the transactions between which and the Company constitute connected transactions of the Company under Chapter 14A of Listing Rules. The quality, quantity and technical standards of the products delivered by the Group must meet ETIC and its subsidiaries’ standards as set out in the sub-contract for each sales order. The prices paid by ETIC will be agreed following arm’s length negotiations between the parties with reference to the prevailing market rates. The term of the framework agreement is three years commencing on 1 January 2016. The Company entered into such sales agreement given the continued demand for such finished products by ETIC and its affiliates in the next three years and the fees paid/payable by ETIC and its affiliates are competitive (please refer to the Company’s announcement dated 14 March 2016 for more information).

The maximum aggregate annual amounts receivable by us from ETIC and its subsidiaries under the New ETIC Sales Agreement for the years ended 31 December 2016, 2017 and 2018 are RMB100,000,000, RMB100,000,000 and RMB100,000,000, respectively.

於報告年度內，我們就經續期的產成品及原材料採購框架協議而支付德豪潤達及其附屬公司的實際金額為人民幣124,248千元，沒有超過年度上限。

新德豪潤達銷售協議

2016年3月14日，本公司與本公司的主要股東（定義見《上市規則》）德豪潤達訂立了一份銷售框架協議（「新德豪潤達銷售協議」）。根據該協議，本公司同意按非排他性基準向德豪潤達銷售產成品，包括但不限於LED燈具。由於德豪潤達為本公司主要股東，其為本公司關連人士（定義見《上市規則》），而其與本公司之間的交易構成上市規則14A章項下的關聯交易。本集團交付的產品的品質、數量及技術標準須符合為每筆銷售訂單而簽訂的單項合同中載明的德豪潤達及其附屬公司的標準。德豪潤達所支付的價格將由雙方通過公平磋商參照市場現行收費標準釐定。該框架協議自2016年1月1日起，為期三年。鑒於本集團於未來三年對相關產成品的持續需求，而德豪潤達及其關聯公司所已付／應付的費用具有競爭力，故本公司訂立該等銷售協議（詳情請參見本公司日期為2016年3月14日的公告）。

截至2016年、2017年及2018年12月31日止年度，我們就新德豪潤達銷售協議而收取德豪潤達及其附屬公司的最高年度總額分別為人民幣100百萬元、人民幣100百萬元和人民幣100百萬元。

During the Reporting Period, the actual amount received by us from ETIC and its subsidiaries under the New ETIC Sales Agreement was RMB2,934,000 which did not exceed the annual cap.

The Lease Agreement I

We entered into a lease agreement on 22 January 2016 with ETIC, which is a substantial shareholder (as defined under the Listing Rules) of the Company, pursuant to which the Group agrees to lease certain properties from ETIC and its affiliates (the "Lease Agreement I"). As ETIC is a substantial shareholder of the Company, it is a connected person of the Company (as defined under the Listing Rules), and the transactions between which and the Company constitute connected transactions of the Company under Chapter 14A of Listing Rules. Details of each properties to be leased will be set out in the sub-contract for each lease. The rent charged by ETIC and its Affiliates will be agreed following arm's length negotiations between the parties with reference to the prevailing market price. The term of the Lease Agreement I is three years commencing on 1 January 2016. The Company entered into the Lease Agreement I given the Group has a continuous demand for the relevant properties in the next three years and the rent charged by ETIC and its affiliates are competitive (please refer to the Company's announcement dated 22 January 2016 for more information).

The maximum aggregate annual amounts paid by us to ETIC under the Lease Agreement I for the years ended 31 December 2016, 2017 and 2018 are RMB2,000,000, RMB2,000,000 and RMB2,000,000, respectively.

During the Reporting Period, the actual amount paid by us to ETIC and its subsidiaries under the Lease Agreement I was RMB183,000 which did not exceed the annual cap.

於報告年度內，我們就新德豪潤達銷售協議而應收取德豪潤達及其附屬公司的實際金額為人民幣2,934千元，沒有超過年度上限。

租賃協議一

2016年1月22日，本公司與本公司的主要股東（定義見《上市規則》）德豪潤達訂立了一份租賃協議，據此本集團同意自德豪潤達及其關聯公司租賃若干物業（「租賃協議一」）。由於德豪潤達為本公司主要股東，其為本公司關連人士（定義見《上市規則》），而其與本公司之間的交易構成上市規則14A章項下的關聯交易。有關將予租賃的各項物業的詳情將載於各項租賃的單項合同。德豪潤達及其關聯公司所收取的租金將由協議雙方通過公平磋商參照市場現行收費標準釐定。該租賃協議一自2016年1月1日起，為期三年。鑒於本集團於未來三年對相關物業的持續需求，且德豪潤達及其關聯公司所收取的租金具有競爭力，故本公司決定訂立租賃協議一（詳情請參見本公司日期為2016年1月22日的公告）。

截至2016年、2017年及2018年12月31日止年度，我們就租賃協議一而應付給德豪潤達的最高年度總額分別為人民幣2百萬元、人民幣2百萬元和人民幣2百萬元。

於報告年度內，我們就租賃協議一而應付給德豪潤達及其附屬公司的實際金額為人民幣183千元，沒有超過年度上限。

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The Lease Agreement II

We entered into a lease agreement on 22 January 2016 with ETIC, which is a substantial shareholder (as defined under the Listing Rules) of the Company, pursuant to which the Group agrees to lease certain properties to ETIC and its affiliates (the “Lease Agreement II”). As ETIC is a substantial shareholder of the Company, it is a connected person of the Company (as defined under the Listing Rules), and the transactions between which and the Company constitute connected transactions of the Company under Chapter 14A of Listing Rules. Details of each properties to be leased will be set out in the sub-contract for each lease. The rent charged by the Group will be agreed following arm’s length negotiations between the parties with reference to the prevailing market price. The term of the Lease Agreement II is three years commencing on 1 January 2016. The Company entered into the Lease Agreement II given ETIC and its affiliates have a continuous demand for such properties in the next three years and the rent paid/payable by ETIC and its affiliates are competitive (please refer to the Company’s announcement dated 22 January 2016 for more information).

The maximum aggregate annual amounts received by us from ETIC under the Lease Agreement II for the years ended 31 December 2016, 2017 and 2018 are RMB5,000,000, RMB5,000,000 and RMB5,000,000, respectively.

During the Reporting Period, the actual amount received by us from ETIC and its subsidiaries under the Lease Agreement II was RMB1,143,000 which did not exceed the annual cap.

Please refer to the section headed “Directors and Senior Management” of this annual report for information of the Directors’ positions and interests in ETIC group.

租賃協議二

2016年1月22日，本公司與本公司的主要股東（定義見《上市規則》）德豪潤達訂立了一份租賃協議，據此本集團同意租賃若干物業予德豪潤達及其關聯公司（「租賃協議二」）。由於德豪潤達為本公司主要股東，其為本公司關連人士（定義見《上市規則》），而其與本公司之間的交易構成上市規則14A章項下的關聯交易。有關將予租賃的各項物業的詳情將載於為各項租賃簽訂的單項合同。本集團所收取的租金將由協議雙方通過公平磋商參照市場現行收費標準釐定。該租賃協議二自2016年1月1日起，為期三年。鑒於德豪潤達及其關聯公司於未來三年對該等物業的持續需求，且德豪潤達及其關聯公司已付／應付的租金具有競爭力，故本公司訂立租賃協議二（詳情請參見本公司日期為2016年1月22日的公告）。

截至2016年、2017年及2018年12月31日止年度，我們就租賃協議二而應收取德豪潤達的最高年度總額分別為人民幣5百萬元、人民幣5百萬元和人民幣5百萬元。

於報告年度內，我們就租賃協議二而應收取德豪潤達及其附屬公司的實際金額為人民幣1,143千元，沒有超過年度上限。

本公司董事於德豪潤達集團任職及權益情況請見本年度報告「董事及高級管理層」部份。

Services Agreement

NVC HK, a wholly-owned subsidiary of the Company, entered into the Services Agreement on 18 May 2017 with NVC Lighting & Electrical Technology Singapore Pte. Ltd. ("NVC Singapore"), pursuant to which NVC Singapore has agreed to provide services in relation to lighting solutions and management of the distributors and dealers in the Asia Pacific and East Europe region for NVC HK. NVC HK is a wholly-owned subsidiary of the Company. NVC Singapore is a subsidiary of Mr. WANG Dongming, an executive Director of the Company. Mr. WANG Dongming holds 60% equity interest of NVC Singapore. Therefore, NVC Singapore is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Services Agreement constitute the connected transactions of the Company under the Listing Rules. Pursuant to the Services Agreement, NVC Singapore will charge consultant fee from NVC HK based on monthly expenses of human resources incurred by the Service Provider. The annual actual expenses depend on actual business developments and the related budget. The term of the Services Agreement is three years commencing on 1 January 2017. NVC Singapore can provide the Group with desirable profession services based on its personnel with professional knowledge and experience, and it is more cost-efficient than operating and managing such activities overseas by the Group itself. (please refer to the Company's announcement dated 18 May 2017 for more information).

The maximum aggregate annual amounts paid by us to NVC Singapore under the Services Agreement for the years ended 31 December 2017, 2018 and 2019 are RMB5,000,000, RMB6,500,000 and RMB8,500,000, respectively.

During the Reporting Period, the actual amount paid by us to NVC Singapore under the Services Agreement was RMB3,430,000 which did not exceed the annual cap.

服務協議

2017年5月18日，本公司全資附屬公司香港雷士與NVC Lighting & Electrical Technology Singapore Pte. Ltd. (「新加坡雷士」) 訂立服務協議，據此新加坡雷士同意向香港雷士提供與照明解決方案及亞太和東歐地區的分銷商和經銷商管理有關的服務。香港雷士為本公司全資附屬公司。新加坡雷士為本公司一名執行董事王冬明先生的附屬公司，王冬明先生持有新加坡雷士60%的股權權益。因此，新加坡雷士為上市規則第14A章下本公司之關連人士，服務協議項下擬進行之交易相應構成上市規則下本公司之關連交易。依照服務協議，新加坡雷士將向香港雷士收取顧問費，費用基於服務提供方產生的月度人力資源費用。每年實際發生的費用將按照實際業務發展及相關預算確定。該服務協議自2017年1月1日起，為期三年。新加坡雷士基於其富有專業知識及經驗的人員團隊可為本集團提供合意的專業服務，並且其相較於由本集團自身在海外運營和管理此等活動更具成本效益。(詳情請參見本公司日期為2017年5月18日的公告)。

截至2017年、2018年及2019年12月31日止年度，我們就服務協議而應支付新加坡雷士的最高年度總額分別為人民幣5百萬元、人民幣6.5百萬元和人民幣8.5百萬元。

於報告年度內，我們就服務協議而應支付新加坡雷士的實際金額為人民幣3,430千元，沒有超過年度上限。

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Transportation and Warehousing Services Framework Agreement

The Company entered into a transportation and warehousing services framework agreement (the “Transportation and Warehousing Services Framework”) on 22 December 2017 with ETIC, which is a substantial shareholder (as defined under the Listing Rules) of the company, pursuant to which the Group agrees to provide transportation and warehousing services to ETIC and its associates; As ETIC is a substantial shareholder of the Company, it is a connected person of the Company (as defined under the Listing Rules), and the transactions between which and the Company constitute connected transactions of the Company under the Chapter 14A of Listing Rules. Individual agreements will be entered into between the parties with respect to the specific services pursuant to the terms of the Transportation and Warehousing Services Framework Agreement. Such individual agreements will be entered in the ordinary and usual course of business and on normal commercial terms. The payment arrangement should be provided in the individual agreements. The prices charged by the Group will be agreed upon arm’s length negotiations between the parties with reference to the prevailing market price. The term of the Transportation and Warehousing Services Framework is three years commencing from 1 January 2018. The entering of the Transportation and Warehousing Services Framework Agreement will enable the Company to (i) enhance the customer base in the field of transportation and warehousing services; and (ii) expand sources of income by providing transportation and warehousing services. (Please refer to the Company’s announcement dated 22 December 2017 for more information)

The maximum aggregate annual amounts receivable to ETIC under the Transportation and Warehousing Services Framework Agreement for the years ended 31 December 2018, 2019 and 2020 are RMB60,000,000, RMB80,000,000 and RMB100,000,000, respectively.

運輸及倉儲服務框架協議

於2017年12月22日，本公司與本公司的主要股東（定義見《上市規則》）德豪潤達訂立一份運輸及倉儲服務框架協議（「運輸及倉儲服務框架協議」），據此，本集團同意向德豪潤達及其聯繫人提供運輸及倉儲服務。由於德豪潤達為本公司主要股東，其為本公司關連人士（定義見《上市規則》），而其與本公司之間的交易構成上市規則14A章項下的關連交易。協議雙方將根據運輸及倉儲服務框架協議的條款就特定服務訂立獨立協議。該等獨立協議將於一般及日常業務過程中按照一般商業條款訂立。付款安排應於獨立協議中規定。由本集團所收取的價格將由訂約方通過公平磋商參照市場現行收費標準釐定。運輸及倉儲服務框架協議自2018年1月1日起，為期三年。訂立運輸及倉儲服務框架協議將使本公司得以(i)於運輸及倉儲服務領域加強客戶基礎；及(ii)透過提供運輸及倉儲服務擴大收入來源。（詳情請參見本公司日期為2017年12月22日的公告）

截至2018年、2019年及2020年12月31日止年度，我們就租賃運輸及倉儲服務協議而應收取德豪潤達的最高年度總額分別為人民幣60百萬元、人民幣80百萬元和人民幣100百萬元。

Sales Framework Agreement

We entered into a sales framework agreement (the “Sales Framework Agreement”) on 22 December 2017 with NVC Singapore, pursuant to which the Group agrees to sell finished products to NVC Singapore and its associates. NVC Singapore is a subsidiary of Mr. Wang Dongming, an executive director of the company, who holds 60% equity interest of NVC Singapore. Therefore NVC Singapore is a connected person of the Company under Chapter 14A of the Listing Rules, the proposed transactions under the Sales Framework Agreement constitute connected transactions of the Company under the Listing Rules. Individual agreements will be entered into between the parties with respect to the specific finished products pursuant to the terms of the Sales Framework Agreement. Such individual agreements will be entered in the ordinary and usual course of business and on normal commercial terms. The payment arrangement should be provided in the individual agreements. The prices charged by the Group for the finished products will be agreed upon arm’s length negotiations between the parties with reference to the market price for the same or similar type of products provided in the same or surrounding regions. The entering of the Sales Framework Agreement will facilitate the penetration of the Company’s products into Singapore and ASEAN market and enhance the Company’s brand awareness. The term of the Sales Framework Agreement is three years commencing from 1 January 2018. (Please refer to the Company’s announcement dated 22 December 2017 for more information)

The maximum aggregate annual amounts receivable to NVC Singapore under the Sales Framework Agreement for the years ended 31 December 2018, 2019 and 2020 are RMB20,000,000, RMB30,000,000 and RMB40,000,000, respectively.

銷售框架協議

2017年12月22日，本公司與加坡雷士訂立一份銷售框架協議（「銷售框架協議」），據此，本集團同意向新加坡雷士及其聯繫人銷售產成品。新加坡雷士為本公司一名執行董事王冬明先生的附屬公司，王冬明先生持有新加坡雷士60%的股權權益。因此，新加坡雷士為上市規則第14A章下本公司之關連人士，銷售協議項下擬進行之交易相應構成上市規則下本公司之關連交易。訂約方將根據銷售框架協議之條款訂立有關特定產成品之獨立協議。該等獨立協議將於一般及日常業務過程中按照一般商業條款訂立。付款安排應於獨立協議中規定。本集團收取的產成品價格將由訂約方通過公平磋商參照於同區域或周邊地區相同或類似產品之市場收費標準釐定。訂立銷售框架協議將有助於本公司產品滲透至新加坡及東盟市場，並增強本公司品牌知名度。該銷售框架協議自2018年1月1日起，為期三年。（詳情請參見本公司日期為2017年12月22日的公告）

截至2018年、2019年及2020年12月31日止年度，我們就銷售框架協議而應收取新加坡雷士的最高年度總額分別為人民幣20百萬元、人民幣30百萬元和人民幣40百萬元。

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Confirmation on Continuing Connected Transaction

Pursuant to rule 14A.55 of the Listing Rules, the above Continuing Connected Transactions have been reviewed by the Independent Non-executive Directors, who confirmed that these Continuing Connected Transactions were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to relevant agreements governing them on terms that were 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 the 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 a letter containing a conclusion that the continuing connected transactions disclosed by the Group above have no non-compliance with Rule 14A.56 of Listing Rule. The auditor's letter has confirmed that nothing has come to their attention that causes them to believe that the continuing connected transactions:

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group as stated in this annual report;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the continuing connected transactions; and

持續關連交易的確認

根據《上市規則》第14A.55條，本公司獨立非執行董事已審閱上述持續關連交易。本公司獨立非執行董事確認，該等持續關連交易是：

- (i) 於本集團一般及日常業務過程中訂立；
- (ii) 按一般商業條款或更優的條款進行；及
- (iii) 根據規管有關交易的相關協議進行，條款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請根據香港會計師公會發出的香港審驗服務準則第3000號「審核及審閱歷史財務資料以外的審驗服務」，及參考香港會計師公會的執行指引第740號「關於香港上市規則所述持續關連交易的核數師函件」以匯報本集團持續關連交易。核數師已出具函件，總結本集團上述披露的持續關連交易中，並無違反《上市規則》第14A.56條。核數師的函件確認其並未注意到任何事情可使他們認為持續關連交易：

- (i) 並未獲董事會批准；
- (ii) 在各重大方面沒有按照本年報所述的本集團定價政策進行；
- (iii) 在各重大方面沒有根據持續關連交易的有關協議進行；及



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(iv) have exceeded their respective annual caps for the financial year ended 31 December 2017 set out in the previous announcements of the Company.

A copy of the auditor's letter has been submitted by the Company to the Stock Exchange.

During the year ended 31 December 2017, the Group entered into certain transactions with "related parties" as defined under the applicable accounting standards, which include (1) transactions that could constitute connected transactions in the event that the Relevant Purported Pledge and Guarantee Agreements are determined to be legally valid, and (2) transactions that constitute continuing connected transactions for which the disclosure requirements under Chapter 14A of the Listing Rules have been complied with. Details of the material related party transactions are disclosed in note 40 to the consolidated financial statements of this annual report.

Disclosures pursuant to Rules 13.21 and 13.22 of the Listing Rules

The Board is not aware of any circumstances resulting in the responsibility of disclosure under Rules 13.21 and 13.22 of the Listing Rules.

(iv) 超逾在本公司之前發出的公告中所載其各自於截至二零一七年十二月三十一日止財政年度的年度上限。

本公司已將有關核數師函件副本送呈聯交所。

截至2017年12月31日止年度，本集團與根據適用會計準則界定的「關聯方」訂立若干交易，包括(1)倘相關所謂質押及擔保協議被認定為有法律效力，可能構成關連交易的交易；及(2)符合《上市規則》第14A章披露規定的持續關連交易的交易。重大關聯方交易的詳情披露於本年度報告之合併財務報表附註40。

根據上市規則第13.21條及13.22條的披露

董事會並不知悉任何根據《上市規則》第13.21條及13.22條須予披露的情況。

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Remuneration Policy

The Group's remuneration policy is to compensate our employees based on their performance, qualifications and our results of operations.

The emoluments of our Directors and senior management are determined by our Remuneration Committee with reference to our results of operations, their individual performance and the comparable market statistics.

The Company was not aware of any arrangement under which a Director has waived or agreed to waive any emoluments. Details of the remuneration of the Directors and the Group's five highest-paid individuals are set out in note 9 and note 10 to the consolidated financial statements on pages 288 to 293 of this annual report, respectively.

Housing Fund and Pension Scheme

According to the relevant PRC laws and regulations, the Group's subsidiaries operating in the PRC are required to participate in the housing fund and the defined contribution pension scheme operated by local governments. Under these schemes, the Group is required to pay to the defined contribution schemes based on a certain percentage of the remuneration of its employees. The only obligation of the Group with respect to the housing fund and pension scheme is to make the required contributions under the scheme. Contributions made under the housing fund and pension scheme are charged in the statements of profit or loss as incurred.

The Company may not utilize any forfeited contributions in order to make fewer contributions than the current amounts.

During the Reporting Period, the Group's contributions to the housing fund and pension scheme were RMB65,855,000. Details of the Group's contributions to the housing fund and pension scheme are set out in note 7 on pages 286 to 287 and note 9 on pages 288 to 292 to the consolidated financial statements of this annual report, respectively.

薪酬政策

本集團的薪酬政策為根據僱員表現、資歷及本集團經營業績作出回報。

本公司董事及高級管理人員的薪酬由薪酬委員會依據本公司的經營業績、個人表現及可比較的市場統計而決定。

本公司並未獲悉任何董事已放棄或同意放棄任何薪酬的安排。董事薪酬及本集團五名最高薪酬人士的詳情分別載於本年度報告第288頁至第293頁的合併財務報表附註9和附註10。

住房公積金及退休金計劃

根據中國相關的法律及法規，本集團於中國經營的附屬公司均須參與地方政府組織的住房公積金及退休金界定供款計劃。根據該計劃，本集團須按其僱員薪金的若干百分比向界定供款計劃供款。本集團對住房公積金及退休金計劃的唯一義務乃支付現在所需的供款。對住房公積金及退休金計劃作出的供款於發生時在損益表扣除。

本公司不可以動用已被沒收的供款以減低現有的供款水準。

本報告年度內，本集團就住房公積金及退休金計劃所作的供款為人民幣65,855千元。本集團就住房公積金及退休金計劃的供款詳情分別載於本年度報告第286頁至第287頁的合併財務報表附註7及第288頁至第292頁的合併財務報表附註9。

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 Reporting Period.

Charitable Contributions

During the Reporting Period, the Group made donations of approximately RMB190,000.

Major Customers and Suppliers

During the Reporting Period, the revenue from the sales to our top five customers accounted for less than 30% of the Group's total revenue and the purchases of goods and services from our top five suppliers accounted for less than 30% of the Group's total purchases.

Compliance with the Code on Corporate Governance Practices and the Code on Corporate Governance

During the Reporting Period, the Company had complied with the principles and codes provisions set out in the Corporate Governance Code, except for code provision A.2.1. Please refer to Corporate Governance Report on pages 112 to 134 of this annual report for further details.

Model Code for Securities Transactions

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all Directors, and all of them have confirmed that they have complied with all relevant requirements as set out in the Model Code during the Reporting Period, the details are set out in the "Corporate Governance Report" on page 112 to 113 of this annual report.

管理合同

於報告年度內，本公司並無進行或簽署任何與本公司全部或重大部份業務之管理及行政有關之合同。

捐贈支出

於報告年度內，本集團捐贈支出約為人民幣190千元。

主要客戶及供貨商

於報告年度內，本集團向五大客戶銷售所得的收入佔本集團總收入的比例及向五大供應商採購的貨物及服務佔本集團總採購的比例均低於30%。

遵守企業管治常規守則及企業管治守則

於報告年度內，本公司一直遵守企業管治守則所載的原則和守則條文，惟守則條文第A.2.1條除外。詳情請參照本年度報告第112頁至第134頁的企業管治報告。

證券交易的標準守則

本公司已採納標準守則作為有關董事進行證券交易的行為守則。本公司已向所有董事作出個別查詢，而所有董事已確認本報告年度已遵從標準守則所載的所有相關規定，具體詳情載於本年度報告第112頁至第113頁的「企業管治報告」內。

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Events after the Reporting Period

On 14 March 2018, the Company entered into a non-binding co-operation framework agreement (the “Co-operation Framework Agreement”) with ETIC and Mr. WANG Donglei (each a “Party”, together the “Parties”), pursuant to which, subject to entering into definitive agreements, the Company intends to sell, and ETIC and Mr. WANG Donglei intend to acquire, directly and indirectly, the Company’s domestic lighting products manufacturing business (the “Target Assets”) which includes but not limited to the entire share capital of Huizhou NVC (the “Potential Disposal”). The definitive scope of the Target Assets will be subject to further discussions between the Parties.

In the past two years, the profitability of lighting product manufacturers shrunk due to sustained increase in costs of certain metal raw material, components and labour. In 2018, in order to strengthen its core competitiveness and achieve sustainable development, the Group formulated a strategy of gradually transforming from a manufacturing enterprise to a channel enterprise. The Potential Disposal contemplated under the Co-operation Framework Agreement can reduce the proportion of manufacturing business in the Group, and is therefore in line with the development strategy and long-term interests of the Group. For more details, please refer to the announcement of the Company dated 14 March 2018.

On 16 March 2018, the Company entered into a sale and purchase agreement (the “Sale and Purchase Agreement”) with Roman International (HK) Co., Limited (香港羅曼國際有限公司) (“the Seller”), pursuant to which, the Company agrees to acquire, and the Seller agrees to sell, a 40% equity interest in Blue Light (HK) Trading Co., Limited (香港蔚藍芯光貿易有限公司) (“the Target Company”) at a consideration of RMB315,000,000. The Target Company controls a business engaged in the sale and distribution of lighting products through e-commerce platforms and distribution channels. As at the date of execution of the Sale and Purchase Agreement, the Target Company indirectly holds 85% equity interest in Wuhu NVC Electronic Business Co., Ltd. (“Wuhu Electronic”) and the Company indirectly holds 10% equity interest in Wuhu Electronic. Upon Completion, the Company will hold 40% equity interest in the Target Company, and indirectly hold, in aggregate, 44% equity interest in Wuhu Electronic.

報告期後事項

於2018年3月14日，本公司與德豪潤達及王冬雷先生（各為一名「訂約方」，合稱「各訂約方」）訂立一份不具約束力的合作框架協議（「合作框架協議」），據此，受限於具體協議的簽訂，本公司有意出售，且德豪潤達及王冬雷先生有意向直接或間接收購本公司之國內照明產品製造業務（「標的資產」），其包括但不限於惠州雷士之全部股本（「潛在出售」）。標的資產的具體範圍將由各訂約方進一步協商確定。

近兩年來，由於部份金屬原材料、元器件及人工成本持續攀升，導致照明產品製造企業的利潤空間被壓縮。本集團為了提升核心競爭力、實現可持續發展，在2018年制定了逐步從製造型企業向渠道型企業轉型的戰略。合作框架協議項下所涉及的潛在出售能夠減少製造業務在集團中的比重，因此符合集團的發展戰略和長遠利益。詳情請參照本公司日期為2018年3月14日的公告。

於2018年3月16日，本公司與香港羅曼國際有限公司（「賣方」）訂立一份買賣協議（「買賣協議」），據此，本公司同意收購而賣方同意出售香港蔚藍芯光貿易有限公司（「目標公司」）的40%股權，代價為人民幣315,000千元，目標公司控制一項從事透過電子商貿平台及分銷渠道銷售及分銷照明產品之業務。於買賣協議簽署日期，目標公司間接持有蕪湖雷士照明電子商務有限公司（「蕪湖電商」）的85%股權，而本公司則間接持有蕪湖電商的10%股權。於交割後，本公司將持有目標公司的40%股權，並間接持有蕪湖電商合計44%的股權。

Report of Directors

董事會報告

Such acquisition will strengthen the Company's ability to develop and/or cooperate with online-to-offline sales and distribution channels. The source of funds for such acquisition is mainly self-owned funds and bank loans. Following such acquisition, the Company will continue to expand the variety of its sales and distribution channels and benefit from the collection, analysis and application of big data in respect of consumer behaviour. For more details, please refer to the announcement of the Company dated 19 March 2018.

Audit Committee

The Audit Committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2017.

Auditor

On 16 December 2015, the Board passed, by a majority, resolutions to terminate the contract with Messrs Ernst & Young ("EY") as the auditor of the Company and appoint BDO Limited ("BDO") as the new auditor of the Company (together, the "Change of Auditor"). The above-mentioned Change of Auditor has been passed by the Shareholders in the Extraordinary General Meeting which was held on 17 March 2016.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and the consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in this annual report have been audited by the Group's auditor, BDO, to the amounts set out in the Group's audited consolidated financial statements for the year.

A resolution to re-appoint BDO as our auditor will be submitted for shareholders' approval at forthcoming annual general meeting.

By order of the Board
Chairman
WANG Donglei

Hong Kong
22 March 2018

本次收購將增強本公司發展線上至線下的銷售及分銷渠道及／或與之合作的能力。本次收購資金來源主要為自有資金及銀行貸款。隨本次收購後，本公司將繼續拓展其銷售及分銷渠道種類，並受益於消費者行為相關大數據的收集、分析及應用。詳情請參照本公司日期為2018年3月19日的公告。

審核委員會

本公司審核委員會已審閱本集團截至2017年12月31日止年度之經審核合併財務報表。

核數師

於2015年12月16日，董事會以多數同意通過終止安永會計師事務所（「安永」）擔任本公司核數師之協議，並委任香港立信德豪會計師事務所有限公司（「立信」）為本公司核數師（合稱為「更換核數師」）。上述之更換核數師已於2016年3月17日舉行之股東特別大會獲得股東通過。

本年度報告所列截至2017年12月31日止年度的本集團合併財務狀況表、合併損益表、合併全面損益表及有關附註載明的本集團於該年度經審核合併財務報表金額數字經已獲本集團的核數師立信審核。

本公司擬再次委任立信為本公司核數師的決議案將於本公司即將舉行的股東周年大會上提呈供股東批准。

承董事會命
董事長
王冬雷

香港
2018年3月22日

Corporate Governance Report

企業管治報告

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

Corporate Governance Practices

The Board is committed to achieving high corporate governance standards.

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Board are of the opinion that, during the Reporting Period, the Company had fully complied with the principles and code provisions as set out in the CG Code, except for Code Provision A.2.1. which requires that the role of chairman and chief executive officer should be separate and should not be performed by the same person. The details of deviation are set out in section headed "Chairman and Chief Executive Officer" below in this Corporate Governance Report.

Model Code for Securities Transactions

The Company has adopted the Model Code which was set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions.

Specific enquiry has been made to all the Directors and all of them have confirmed that they have complied with the Model Code throughout the year ended 31 December 2017.

The Company has also established written guidelines no less exacting than the Model Code for securities transactions by the relevant employees who are likely to be in possession of unpublished price-sensitive information of the Company (the "Employees Written Guidelines").

董事會提呈載於本集團截至2017年12月31日止年度年報的企業管治報告。

企業管治常規

董事會致力達致高水準的企業管治。

本公司企業管治常規乃以企業管治守則所載的原則及守則條文為基礎。

董事會相信，高水準的企業管治可提供一個重要框架，使本集團能保障股東利益、提高企業價值、制定其業務策略及政策、以及提高其透明度和問責性。

董事會認為，本公司於報告年度內一直全面遵守企業管治守則所載的原則和守則條文，惟守則條文第A.2.1條除外，該條文規定主席及行政總裁的角色應分開及不應由同一個人擔任。偏離詳情載列於下文本企業管治報告中「董事長及首席執行官」一節。

證券交易的標準守則

本公司已採納《上市規則》附錄10所載標準守則作為有關董事進行證券交易的行為守則。

本公司已向所有董事作出個別查詢，而所有董事已確認彼等已於截至2017年12月31日止整個年度內一直遵守標準守則。

就可能擁有本公司非公開股價敏感資料的有關僱員所進行的證券交易，本公司亦已制定嚴苛程度不遜於標準守則的書面指引（「僱員書面指引」）。

Corporate Governance Report 企業管治報告

The Company is not aware any incident of non-compliance of the Employees Written Guidelines by the relevant employees.

Board of Directors

The Board oversees the Group's businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

During the Reporting Period and up to the date of this annual report, the Board comprises the following Directors:

Executive Directors:	WANG Donglei (<i>Chairman and Chief Executive Officer</i>) WANG Dongming XIAO Yu WANG Keven Dun
Non-executive Directors:	LI Huating (<i>Vice Chairman</i>) LI Wei YANG Jianwen (<i>Resigned on 22 March 2018</i>)
Independent Non-executive Directors:	LEE Kong Wai, Conway WANG Xuexian WEI Hongxiang SU Ling

The biographical information of the Directors are set out in the section headed "Directors and Senior Management" on pages 52 to 67 of this annual report.

The relationships between the Directors are disclosed in the respective Director's biography under the section "Directors and Senior Management" on pages 52 to 67 of this annual report.

就本公司所知，並無有關僱員未遵守僱員書面指引的事件。

董事會

董事會負責監管本集團業務、策略決策及表現，並應客觀行事，所作決策須符合本公司的最佳利益。

董事會定期檢討董事於履行其對本公司的職責時所須作出的貢獻，以及其是否投入足夠時間以履行該等職責。

董事會架構

於報告年度內及截至本年度報告日期，董事會由以下董事組成：

執行董事：	王冬雷 (<i>董事長兼首席執行官</i>) 王冬明 肖宇 王頓
非執行董事：	李華亭 (<i>副董事長</i>) 李偉 楊建文 (<i>於2018年3月22日辭任</i>)
獨立非執行董事：	李港衛 王學先 魏宏雄 蘇嶺

董事的履歷資料載於本年度報告第52至第67頁「董事及高級管理層」一節。

董事之間的關係於本年度報告第52至第67頁「董事及高級管理層」一節項下各董事的履歷中披露。

Corporate Governance Report

企業管治報告

Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

During the Reporting Period, Mr. WANG Donglei assumed the roles of both Chairman and Chief Executive Officer, the Company deviated from this code provision. Mr. WANG Donglei is the chairman and general manager of ETIC, which is the controlling corporation of the largest shareholder of the Company, Elec-Tech International (H.K.) Company Limited. Mr. WANG Donglei has many years of experience in product research and development, manufacturing and business management. The dual role arrangement provides strong and consistent market leadership and is critical for efficient business planning and decision making of the Company. As all major decisions are made in consultation with members of the Board and its other relevant committees, and there are four Independent Non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purposes of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

Independent Non-executive Directors

During the Reporting Period, the Board met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the Independent Non-executive Directors, namely Mr. LEE Kong Wai, Conway, Mr. WANG Xuexian, Mr. WEI Hongxiong and Mr. SU Ling in respect of their respective independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers that all Independent Non-executive Directors were independent from their respective date of appointment to 31 December 2017.

董事長及首席執行官

企業管治守則的守則條文第A.2.1條規定主席及行政總裁的角色應分開及不應由同一個人擔任。

於報告年度內，王冬雷先生身兼董事長及首席執行官兩職，故本公司偏離此條文。王冬雷先生為德豪潤達的董事長及總經理，而該公司為本公司第一大股東德豪潤達國際（香港）有限公司的控股公司，且王冬雷先生擁有多年的產品研發、生產製造及企業管理經驗。這雙重角色有助於貫徹有力而統一的市場領導，對本公司有效率之業務規劃和決策至為重要。由於所有主要決策均會諮詢董事會及其有關委員會，並且董事會有四名獨立非執行董事提出獨立見解，故董事會認為有足夠保障措施確保董事會權力平衡。董事會亦會繼續檢討及監察本公司的常規，以符合企業管治守則規定及保持本公司高水準的企業管治常規。

獨立非執行董事

於報告年度內，董事會已遵守《上市規則》的規定，即委任至少三名獨立非執行董事（佔董事會的三分之一），其中一名獨立非執行董事具備適當的專業資格或會計或相關財務管理專業知識。

本公司已接獲各獨立非執行董事（即李港衛先生、王學先先生、魏宏雄先生及蘇嶺先生）根據《上市規則》第3.13條所載之獨立性指引各自發出之年度獨立性確認函。本公司認為，各獨立非執行董事從各自委任日期起至2017年12月31日期間止一直屬獨立人士。

Appointment and Re-election of Directors

Code provision A.4.1 of the CG Code stipulates that Non-executive Directors shall be appointed for a specific term, subject to re-election, while code provision A.4.2 of the CG Code states that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The procedures and process of appointment, re-election and removal of Directors are laid down in the Company's Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of Independent Non-executive Directors.

Each of the Executive Directors has entered into a service contract with the Company for a term of three years with effect from their respective date of appointment unless terminated by not less than three months' written notice served by either the Executive Directors or the Company. Each of the Non-executive Directors and Independent Non-executive Directors has signed an appointment letter with the Company for a term of three years with effect from their respective date of appointment unless terminated by not less than three months' written notice served by either the Non-executive Directors of the Company. The above appointments are subject to the provisions of retirement and rotation of Directors under the Company's Articles of Association.

董事的委任及重選

企業管治守則條文第A.4.1條規定，非執行董事須有指定任期，並須接受重選，而企業管治守則條文第A.4.2條指出，所有獲委任填補臨時空缺的董事須在獲委任後首次股東大會上由股東選任，且每位董事（包括按指定任期委任的董事）須至少每三年輪席告退一次。

董事委任、重選及罷免程序及過程載於本公司組織章程。提名委員會負責檢討董事會架構，發展及制定提名及委任董事的相關程序，監察董事委任及繼任安排以及評估獨立非執行董事的獨立性。

各執行董事已與本公司訂立服務合約，除執行董事或本公司以不少於三個月的書面通知終止合約，否則該等合約自各自委任日期起計為期三年。非執行董事及獨立非執行董事已各自與本公司簽立委任書，自彼等各自委任日期起計為期三年，除非本公司任何一位非執行董事發出不少於三個月之書面通知而終止。上述委任須遵守本公司組織章程項下董事退任及輪席告退的規定。

Corporate Governance Report

企業管治報告

In accordance with Article 83(3) of the Company's Articles of Association, any new director appointed to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment, any new director appointed as an addition to the Board shall submit himself/herself for re-election by shareholders at the next following annual general meeting after appointment. And in accordance with Article 84(1) and (2) of the Company's Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any director who wishes to retire and not to offer himself/herself for re-election. Any further directors so to retire shall be those of the Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Accordingly, Mr. WANG Donglei, Mr. WANG Dongming, Mr. XIAO Yu and Mr. LI Wei will be subject to re-election on the forthcoming annual general meeting. None of the Directors who is proposed for re-election or any other Directors has a service contract with us that is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Responsibilities of the Directors and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

根據本公司的組織章程第83(3)條，任何獲委任填補臨時空缺之任何新任董事均須於其獲委任後首個股東大會上經股東重選，任何獲委任新加入董事會之董事須於獲委任後下一個股東大會由股東重選。且根據本公司的組織章程第84(1)及(2)條，於每屆股東周年大會上，當時為數三分之一的董事（或如董事人數並非三的倍數，則須為最接近但不少於三分之一的董事人數）均須輪席退任，惟每位董事須至少每三年於股東周年大會上退任一次。而輪席退任的董事須包括（就必需確定輪席退任董事數目而言）願意退任且不擬膺選連任的任何董事。其他須如此退任的董事乃自上次連任或獲委任起計任期最長而須輪席退任的董事，惟倘有數位人士於同日出任或連任董事，則應以抽籤方式決定退任董事人選（除非彼等之間另有協定）。因此，王冬雷先生、王冬明先生、肖宇先生及李偉先生均合資格亦願意於股東周年大會上膺選連任。待重選的董事以及任何其他董事概不存在公司在一年內不可在不予賠償（法定賠償除外）的情況下終止的服務合約。

董事及管理層職責

董事會負責領導及控制本公司，並共同負責指引及監督本公司業務。

董事會直接及間接透過其委員會定立戰略向管理層指導及提供方向，並監督其實施，監控本集團的營運及財務業績，並確保有效的內部控制及風險管理系統得以實施。

Corporate Governance Report

企業管治報告

All Directors, including Non-executive Directors and Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Independent Non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may request the joint company secretaries and senior management to provide services and advice. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

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

Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

所有董事（包括非執行董事及獨立非執行董事）已為董事會帶來多領域的寶貴業務經驗、知識及專長，使其高效及有效地運作。

獨立非執行董事負責確保本公司高水準的監管申報，在董事會於企業行動及營運帶來有效的獨立判斷提供平衡。

所有董事均可全面並及時獲得本公司所有資料以及要求公司聯席秘書及高級管理層提供服務及意見。董事可通過要求在適當情況下尋求獨立專業意見，以向本公司履行其職責，費用由本公司承擔。

董事須向本公司披露彼等擔任的其他職務的詳情，而董事會定期審閱各董事向本公司履行其職責時須作出的貢獻。

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易（特別是或會涉及利益衝突者）、財務資料、委任董事及本公司其他重大營運事宜。

有關執行董事會決策、指導及協調本公司日常營運及管理之職責乃授予首席執行官及高級管理層。獲授權職能及工作任務乃定期檢討。上述高級職員訂立任何重大交易前須取得董事會批准。

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Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors will be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

董事持續專業發展

董事應及時瞭解監管動態及變化以有效履行彼等職責及確保他們對董事會作出適切貢獻。

每名新委任董事首次獲委任時將接受正式、全面及特設的就任導引，以確保董事適當瞭解本公司的業務及運作，並完全得知其於《上市規則》及有關法定規例下的職責及責任。

董事應參與適用的持續專業發展，務求發展及更新彼等的知識及技能。本公司將為董事安排內部籌辦的簡報會，於適當情況下向董事發出相關題材的閱讀資料，並鼓勵所有董事出席相關培訓課程，費用由本公司承擔。

Corporate Governance Report

企業管治報告

The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors for the year ended 31 December 2017 are summarized as follows:

董事於截至2017年12月31日止年度收到的有關董事職責及監管業務發展的持續性的專業發展記錄概述如下：

Name of Directors 董事姓名		Type of Training ^{Notes} 培訓類別 ^{附註}
Executive Directors		
WANG Donglei	執行董事 王冬雷	B
WANG Dongming	王冬明	B
XIAO Yu	肖宇	B
WANG Keven Dun	王頓	B
Non-Executive Directors		
LI Huating	非執行董事 李華亭	B
LI Wei	李偉	B
YANG Jianwen (Note 1)	楊建文 (附註1)	B
Independent Non-Executive Directors		
LEE Kong Wai, Conway	獨立非執行董事 李港衛	A/B
WANG Xuexian	王學先	B
WEI Hongxiong	魏宏雄	B
SU Ling	蘇嶺	B

Notes:

- Ms. YANG Jianwen resigned on 22 March 2018.

Types of Training

- A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops
- B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

附註：

- 楊建文女士於2018年3月22日辭任。

培訓類別

- A：參加培訓課程，包括但不限於介紹會、研討會、會議和講習班
- B：閱讀相關新聞快訊、報紙、期刊、雜誌和相關出版物

Corporate Governance Report

企業管治報告

Board Committees

The Board has established five committees, namely the Audit Committee, Remuneration Committee, Nomination Committee, Strategy and Planning Committee and Independent Investigations Committee, for overseeing particular aspects of the Company's affairs. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The majority of the members of Audit Committee, Remuneration Committee and Nomination Committee are Independent Non-executive Directors.

Audit Committee

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee include maintaining relationship with the auditor of the Group, reviewing financial information of the Group, supervising the financial reporting system, risk management and internal control system of the Group, and the duties of corporate governance designated by the Board.

During the Reporting Period, the Audit Committee held three meetings to review, in respect of annual financial results for the year ended 31 December 2016, the interim results and reports for the period ended 30 June 2017, and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and engagement of non-audit services and relevant scope of works and, connected transactions and arrangements for employees to raise concerns about possible improprieties.

董事委員會

董事會已成立五個委員會，分別為審核委員會、薪酬委員會、提名委員會、戰略與規劃委員會和獨立調查委員會，以監察本公司特定方面的事務。審核委員會、薪酬委員會及提名委員會的職權範圍刊載於本公司網站及聯交所網站，並於股東要求時可供查閱。

審核委員會、薪酬委員會及提名委員會的成員大多數為獨立非執行董事。

審核委員會

審核委員會的職權範圍的嚴苛程度概不遜於企業管治守則所載列的標準。審核委員會的主要職責包括維持與本集團核數師的關係；審閱本集團的財務資料；監督本集團的財務報告制度、風險管理及內部監控系統；以及董事會轉授的企業管治職責。

於報告年度內，審核委員會共舉行了三次會議，以審閱截至2016年12月31日止年度的年度財務業績及截至2017年6月30日止期間的中期業績及報告，以及有關財務報告、經營及合規控制、風險管理及內部監控制度的有效性、內部審核職能、委聘外聘核數師及參與非審核服務及工作的相關範圍、關聯交易及保證員工就或有不當事項提出疑問的安排。

Corporate Governance Report

企業管治報告

The Audit Committee also met the external auditors twice.

Rule 3.21 of the Listing Rules requires the Audit Committee to comprise a minimum of three members with Independent Non-executive Directors in majority and at least one member with appropriate professional qualifications or accounting or related financial management expertise.

Ms. YANG Jianwen has resigned as a Non-executive Director with effect from 22 March 2018, therefore, she ceased to be the member of Audit Committee. As of the date of this annual report, the Audit Committee consists of two members, namely, Independent Non-executive Director Mr. LEE Kong Wai, Conway and Independent Non-executive Director Mr. WANG Xuexian, respectively. Mr. LEE Kong Wai, Conway has been appointed as the Chairman of the Audit Committee.

Following Ms. YANG Jianwen's resignation, the Audit Committee would have two members only, which falls below the minimum requirements provided in the terms of reference of the Audit Committee. The Company is in the process of identifying and shall appoint suitable candidates to fill up the vacancy of the Audit Committee as soon as practicable.

Remuneration Committee

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee adopted the model set out in item (ii) under the code provision B.1.2(c) of the CG Code, i.e., making recommendations to the Board on the remuneration packages of individual Executive Directors and senior management.

審核委員會亦曾與外聘核數師舉行兩次會議。

《上市規則》第3.21條規定審核委員會須包括至少三名成員，獨立非執行董事須佔大多數，至少一名成員具備適當的專業資格或會計或相關財務管理專業知識。

楊建文女士已辭任非執行董事，自2018年3月22日起生效，故她不再是審核委員會成員。於本年度報告日期，審核委員會由兩位成員組成，分別為獨立非執行董事李港衛先生及獨立非執行董事王學先先生。李港衛先生已被委任為審核委員會主席。

於楊建文女士辭任後，審核委員會僅餘兩名成員，人數少於審核委員會職權範圍所規定的最低要求。本公司現正儘快物色及委任適當人選，以填補審核委員會之空缺。

薪酬委員會

薪酬委員會的職權範圍的嚴苛程度概不遜於企業管治守則所載列的標準。薪酬委員會的主要職責包括審閱個別董事及高級管理層的薪酬待遇、全體董事及高級管理層的薪酬政策及架構並就此向董事會提供意見，及設立透明程序以制定有關薪酬政策及架構，從而確保概無董事或任何彼等的聯繫人士參與釐定彼等自身的薪酬。

薪酬委員會採取了企業管治守則條文第B.1.2(c)條項下第(ii)款中所列模式，即向董事會建議個別執行董事及高級管理人員的薪酬待遇。

Corporate Governance Report

企業管治報告

During the Reporting Period, the Remuneration Committee met twice to review and make recommendation to the Board on the remuneration policy and structure of the Company, and the performance and the remuneration packages of the Executive Directors and senior management, and review the terms of Executive Directors' service contracts and other related matters.

Rule 3.25 of the Listing Rules requires an issuer to establish a Remuneration Committee chaired by Independent Non-executive Director and comprising a majority of Independent Non-executive Directors.

As of the date of this annual report, the Remuneration Committee consists of three members, namely, Non-executive Director Mr. LI Wei, Independent Non-executive Director Mr. LEE Kong Wai, Conway and Independent Non-executive Director Mr. WEI Hongxiong, respectively. Mr. WEI Hongxiong is the chairman of the Remuneration Committee.

In addition to the information about remuneration disclosed in note 9 and note 10 to the consolidated financial statements on pages 288 to 293 of this annual report, the remuneration of the senior management of the Company falls in the following bands:

薪酬委員會於報告年度舉行兩次會議，以審閱本公司薪酬政策及架構，以及執行董事及高級管理層的表現及薪酬待遇、審閱執行董事的服務合約及其他相關事宜，並就此向董事會提供意見。

《上市規則》第3.25條規定發行人須成立薪酬委員會，由獨立非執行董事擔任主席及獨立非執行董事應佔大多數。

於本年度報告日期，薪酬委員會由三位成員組成，分別為非執行董事李偉先生、獨立非執行董事李港衛先生及獨立非執行董事魏宏雄先生。魏宏雄先生為薪酬委員會主席。

除於本年度報告第288頁至第293頁的合併財務報表附註9和附註10披露的薪酬資訊外，本公司其他高級管理人員的薪酬等級在以下組別內：

Number of Members of Senior Management 高級管理層人數

Nil to HK\$1,000,000	零至1,000,000港元	5
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	–
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	–
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	–

Nomination Committee

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of Independent Non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience etc. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The Board has set measurable objectives (in terms of gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services) to implement the Board diversity policy and review such objects from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the Board diversity policy, as appropriate, to ensure its continued effectiveness from time to time.

提名委員會

提名委員會的職權範圍的嚴苛程度概不遜於企業管治守則所載列的標準。提名委員會的主要職責包括檢討董事會的架構，發展及制定提名及委任董事的相關程序，就董事委任及繼任計劃向董事會提供意見，以及評估獨立非執行董事的獨立性。

評估董事會的組成時，提名委員會會考慮本公司董事會成員多元化政策所列的有關董事會成員多元化的不同方面及因素，包括但不限於性別、年齡、文化及教育背景、專業資格、技術、知識及行業及地區經驗。提名委員會會討論及就董事會成員多元化可量化目標達成共識（如適合），並建議董事會採納。

在物色及挑選本公司董事合適候選人時，提名委員會向董事會提出建議前，會考慮到候選人的性格、資歷、經驗、獨立性及其他相關必要條件，以配合企業策略及達成董事會成員多元化（如適合）。

董事會已制定可計量目標（於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期方面）以推行董事會多元化政策，並不時檢視該等目標以確保其合適度及確定達致該等目標之進度。提名委員會將在適當時候檢討董事會多元化政策，以不時確保該政策行之有效。

Corporate Governance Report

企業管治報告

During the Reporting Period, the Nomination Committee met once to review the structure, size and composition of the Board and the independence of the Independent Non-executive Directors, and to consider the qualifications of the retiring directors standing for election at the Annual General Meeting. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Code Provision A.5.1 of the CG Code requires an issuer to establish a Nomination Committee chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.

As of the date of this annual report, the Nomination Committee consists of three members, namely, Executive Director Mr. WANG Donglei, Independent Non-executive Director Mr. LEE Kong Wai, Conway and Independent Non-executive Director Mr. WEI Hongxiong, respectively. Mr. WANG Donglei is the chairman of the Nomination Committee.

Strategy and Planning Committee

The primary function of the Strategy and Planning Committee is to propose and formulate the strategic development plan of the Company for the Board's consideration.

As of the date of this annual report, the Strategy and Planning Committee consists of four members, namely, Executive Director Mr. WANG Donglei, Executive Director Mr. XIAO Yu, Non-executive Director Mr. LI Wei and Independent Non-executive Director Mr. WANG Xuexian, respectively. Mr. WANG Donglei is the chairman of the Strategy and Planning Committee. During the Reporting Period, no meeting was convened by the Strategy and Planning Committee.

於報告年度內，提名委員會舉行一次會議以檢討董事會結構、人數及構成以及獨立非執行董事的獨立性，以及考慮於股東周年大會上膺選連任的退任董事的資格。提名委員會認為，董事會已維持多樣的觀點及角度之適當平衡。

企業管治守則的守則條文第A.5.1條規定，發行人須成立提名委員會，由董事會主席或獨立非執行董事擔任主席及獨立非執行董事應佔大多數。

於本年度報告日期，提名委員會由三位成員組成，分別為執行董事王冬雷先生、獨立非執行董事李港衛先生及獨立非執行董事魏宏雄先生。王冬雷先生為提名委員會主席。

戰略與規劃委員會

戰略與規劃委員會的主要職責為建議及制定本公司策略發展計劃以供董事會考慮。

於本年度報告日期，戰略與規劃委員會由四位成員組成，分別為執行董事王冬雷先生、執行董事肖宇先生、非執行董事李偉先生及獨立非執行董事王學先先生。王冬雷先生為戰略與規劃委員會主席。於報告年度內，戰略與規劃委員會未召開會議。

Independent Investigations Committee

To advance the internal investigations into matters involving Mr. WU Changjiang, the former Executive Director and Chief Executive Officer of the Company, the Company has established the Independent Investigations Committee under the Board. The Independent Investigations Committee has been authorized by the Board to exercise powers and perform duties on behalf of the Board in relation to the conduct of the investigations into, among other things, the alleged wrongdoing of Mr. WU Changjiang. The Independent Investigations Committee has also been authorized to consider and make recommendations to the Board with respect to any potential proceedings arising from the internal investigations. In connection with the Company's investigations of the alleged wrongdoing of Mr. WU Changjiang, the Independent Investigations Committee has instructed a third-party service provider to conduct a forensic review of related irregularities and an internal controls assessment of the Company and its key subsidiaries. The forensic review and the internal controls assessment has been completed. Please refer to the announcements of the Company dated 17 July 2015 and 17 September 2015 for details.

Ms. YANG Jianwen has resigned as a Non-executive Director with effect from 22 March 2018, therefore, she ceased to be the member of Independent Investigations Committee. As of the date of this annual report, the Independent Investigations Committee consists of three members, namely, Independent Non-executive Director Mr. LEE Kong Wai, Conway, Independent Non-executive Director Mr. WANG Xuexian and Independent Non-executive Director Mr. WEI Hongxiong, respectively. During the Reporting Period, no meeting was convened by the Independent Investigations Committee.

獨立調查委員會

為推進本公司前執行董事及首席執行官吳長江先生參與的有關事件的內部調查的進行，本公司在董事會下成立了獨立調查委員會。董事會已授權獨立調查委員會在本公司對吳長江先生可能的不法行為進行內部調查時，代表董事會行使相關權力並履行相關職責。獨立調查委員會亦獲授權對內部調查可能引致的任何訴訟程序予以考量並向董事會提出相關建議。就本公司對吳長江先生涉嫌的違規行為的調查，獨立調查委員會指示第三方服務機構對有關違規行為展開法務調查，並對本公司及其主要附屬公司進行內控評估，法務調查及內部監控評估現已完成。詳情請參閱本公司日期為2015年7月17日及2015年9月17日的公告。

楊建文女士已辭任非執行董事，自2018年3月22日起生效，故她不再是獨立調查委員會成員。於本年度報告日期，獨立調查委員會由三名成員組成，分別為獨立非執行董事李港衛先生、獨立非執行董事王學先先生及獨立非執行董事魏宏雄先生。於報告年度內，獨立調查委員會未召開會議。

Corporate Governance Report

企業管治報告

Appointment and Resignation of Directors and Change in Directors' Information

From 1 January 2017 to the date of this annual report, the appointment and resignation of Directors and changes in the Directors' information of the Company are as follows:

Mr. WEI Hongxiong, the Independent Non-executive Director of the Company, has obtained the qualification to be the independent director of listed company from China Securities Regulatory Commission in February 2017.

Mr. LEE Kong Wai, Conway, the Independent Non-executive Director of the Company, has been appointed as an independent non-executive director of Guotai Junan Securities Co., Ltd. (the shares of which are listed on the main board of the Stock Exchange and the Shanghai Stock Exchange, stock code: 2611 and 601211) with effect from 11 April 2017.

Ms. YANG Jianwen has resigned as a Non-executive Director, member of Audit Committee and member of Independent Investigations Committee with effect from 22 March 2018.

Corporate Governance Functions

The Board has delegated the responsibility for performing the functions set out in the code provision D.3.1 of the CG Code to the Audit Committee.

During the Reporting Period, the Audit Committee had reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

董事任免及資料變更

自2017年1月1日至本年度報告之日，本公司董事委任、辭任及資料變更情況如下：

本公司獨立非執行董事魏宏雄先生於2017年2月獲得中國證券監督管理委員會上市公司獨立董事資格。

本公司獨立非執行董事李港衛先生自2017年4月11日起擔任國泰君安證券股份有限公司（一間股份於聯交所主板及上海證券交易所上市之公司，股份代號：2611及601211）之獨立非執行董事。

楊建文女士辭任非執行董事、審核委員會成員及獨立調查委員會成員，自2018年3月22日起生效。

企業管治職能

董事會已授權審核委員會負責履行企業管治守則的守則條文第D.3.1條所載職能。

於報告年度內，審核委員會已檢查本公司企業管治政策及常規，董事及高級管理層的培訓及持續專業發展，本公司遵守法律及監管規定的政策及常規，遵守標準守則及僱員書面指引的情況，以及本公司遵守企業管治守則及於本企業管治報告作出披露的情況。

Corporate Governance Report

企業管治報告

Attendance Records of Directors

During the Reporting Period, the Company held eight Board meetings in total. The attendance record of each director at the Board and Board Committee meetings and the general meetings of the Company held during the Reporting Period is set out in the table below:

董事出席會議的記錄

於報告年度內，本公司共舉行八次董事會會議。各董事出席於報告年度舉行的董事會及董事委員會會議以及本公司股東大會的記錄載列於下表：

Name of Director 董事姓名	Board 董事會	Attendance/Number of Meetings 出席/會議舉行次數						
		Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Strategy and Planning Committee 戰略與規劃委員會	Independent Investigations Committee 獨立調查委員會	Annual General Meeting 股東周年大會	Extraordinary General Meeting 股東特別大會
WANG Donglei 王冬雷	8/8			1/1	0/0		1/1	0/1
WANG Dongming 王冬明	7/8						1/1	0/1
XIAO Yu 肖宇	8/8				0/0		1/1	1/1
WANG Keven Dun 王頓	8/8						1/1	1/1
LI Huating 李華亭	7/8						1/1	0/1
LI Wei 李偉	7/8		2/2		0/0		1/1	0/1
YANG Jianwen (Note 1) 楊建文 (附註1)	8/8	3/3				0/0	1/1	0/1
LEE Kong Wai, Conway 李港衛	8/8	3/3	2/2	1/1		0/0	1/1	1/1
WANG Xuexian 王學先	7/8	3/3			0/0	0/0	1/1	0/1
WEI Hongxiong 魏宏雄	8/8		2/2	1/1		0/0	1/1	1/1
SU Ling 蘇嶺	8/8						1/1	0/1

Note:

- Ms. YANG Jianwen resigned on 22 March 2018 and was no longer a member of Audit Committee and a member of Independent Investigations Committee.
- During the Reporting Period, no Board or Committee meeting was attended by a Director's alternate.

Apart from regular Board meetings, the Chairman also held one meeting with the Non-executive Directors (including Independent Non-executive Directors) without the presence of Executive Directors during the Reporting Period.

附註：

- 楊建文女士於2018年3月22日辭任，不再為審核委員會成員及獨立調查委員會成員。
- 於報告年度內，概無替任董事代為出席董事會或委員會會議。

除定期董事會會議外，於報告年度內，主席亦與非執行董事（包括獨立非執行董事）舉行一次會議，而並無執行董事出席。

Corporate Governance Report

企業管治報告

Risk Management and Internal Controls

The Board shall confirm its responsibilities for the risk management and internal control of the Group and examine its effectiveness through the audit committee to safeguard the assets and investment of the Group as well as the interests of shareholders. The risk management and internal control system aims at the management but not the elimination of risks of failure to attain the business target, and only provides reasonable but not absolute guarantee for not having material misstatements or losses.

Characteristics of the risk management and internal control system of the Company, and the program for reviewing the effectiveness of the risk management and internal control system:

The Board shall be responsible for the risk management and internal control system, continue to inspect its effectiveness and warrant that the Group shall establish and maintain the effective risk management and internal control system; inspect the risk management and internal control of the Group at least once a year; supervise the management in respect of the design, implementation and supervision of the risk management and internal control system;

The audit committee shall be responsible for the inspection of the risk management and internal control system of the Company; the assessment for the outcome of the evaluating and auditing the risk management and internal control system; the supervision and promotion of rectifying the defects of the risk management and internal control; the discussion with the management over the risk management and internal control system in order to ensure that the management has performed its duties to set up the effective system; at the same time, proactively or upon the appointment by the Board, the research in respect of the material investigation outcome regarding the matters of the risk management and internal control system and the response of the management for the outcome of the investigation;

風險管理及內部監控

董事會確認其對本集團風險管理和內部控制系統的責任，並通過審核委員會審查其有效性，以保障本集團的資產及投資以及股東利益。該風險管理及內部控制系統乃旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大失實陳述或損失作出合理而非絕對保證。

本公司的風險管理和內部控制系統的特點，以及用以檢討風險管理及內部監控系統有效性的程序：

董事會對風險管理及內部控制系統負責並持續檢查其有效性，保證本集團建立及維持有效的風險管理及內部監控系統；最少每年一次對本集團的風險管理及內部控制系統進行檢查；監督管理層對風險管理及內部控制系統的設計、實施及監督；

審核委員會負責檢查本公司風險管理及內部控制系統；評估風險管理及內部控制評價和審計的結果，督促風險管理及內控缺陷的整改；並與管理層討論風險管理及內部控制系統，確保管理層已履行職責建立有效的系統；同時，主動或應董事會的委派，就有關風險管理及內部控制事宜的重要調查結果及管理層對調查結果的回應進行研究；

Corporate Governance Report

企業管治報告

The management shall undertake the duties of risk management and internal control; formulate the appropriate strategy in response to the risk; conduct the risk alert in advance and promptly issue the risk management report; at the same time, be responsible for evaluating the internal control; identify the defects of the internal control and formulate the rectification scheme; inform the Board and the audit committee of the relevant information.

Programs for Identifying, Assessing and Managing the Material Risk:

Risk identification: to determine the standards for measuring the risk; identify the potential risk which may affect the Group.

Risk assessment: to assess the identified risk and classify the level of the risk.

Risk response: to select the strategy in response to the level of the risk for the risk control department to follow up whether the strategy in response is effective; at the same time, formulate the relevant policy in response to avoid the recurrence of the risk or minimize the relevant risk.

Risk supervision: to continue the regular inspection of the relevant risk; promptly revise the risk management and internal control procedure; ensure that the relevant controlling procedure is appropriate and effective; provide the management and the Board with the regular report on the outcome of risk supervision.

The Company shall set up the internal audit department and the risk control department to regularly monitor and assess the internal risk and control system of each department in order to determine the risk which may affect the business and other aspects of the Group (including key operational and financial processes, regulatory compliance and information safety).

管理層承擔風險管理及內部監控的職責，制定應對風險的對策，進行風險預警及按時出具風險管理報告。同時，負責內部控制評價工作，認定內部控制缺陷並制定整改方案，並將相關資訊回饋至董事會及審核委員會。

用於識別、評估及管理重大風險的程序：

風險識別：確定風險衡量標準，識別可能對本集團構成潛在影響的風險。

風險評估：對識別出的風險進行評估並劃分風險等級。

風險應對：根據風險等級選擇應對策略，並由風險管控部門跟進相關應對策略是否有效；同時制定相關對策避免風險的再次發生或降低相關風險。

風險監督：持續並定期檢查有關風險，適時修訂風險管理及內部監控程序，保證相關監控程序適當、有效；向管理層及董事會定期匯報風險監督的結果。

本公司設立內部審計部及風險控制部，以定期對各部門進行內部風險和控制系統進行監控和評估，以確定可能影響本集團業務及其他方面（包括關鍵營運及財務流程、監管合規及信息安全）的風險。

Corporate Governance Report

企業管治報告

With the support from the audit committee, the Board, having examined the risk management and internal control system for the year ended 31 December 2017 (including the financial, operational and compliance control) by means of the risk assessment report and the internal audit report, is of the opinion that such systems are effective and adequate. The annual examination has also covered the adequacy of resources, employees' qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions.

The Company has set up the program for the purpose of issue-reporting, so as to encourage the employees of the Company to express their questions on the premise of confidentiality in respect of the potential misconduct concerning the financial report, the internal control or other matters of the Company.

As for the surveillance and disclosure of the inside information, the Company has adopted the policy for the disclosure of inside information, with the aim to ensure that the internal personnel shall comply with the requirements for confidentiality and perform the responsibility for the disclosure of inside information. The policy has expressly set forth the identification of inside information and the decision-making tree for taking the required action. The employees and other relevant parties shall maintain strict confidentiality in respect of the inside information. In the event of disclosing the inside information, it shall be made on the fair, true and effective basis.

Directors' Responsibility in Respect of the Financial Statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the year ended 31 December 2017.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

董事會在審核委員會的支持下藉助風險評估報告及內部審計報告審查了截至2017年12月31日止年度的風險管理和內部監控制度，包括財務、營運及合規控制，並認為該等體系為有效及足夠。年度審查亦涵蓋公司在會計、內部審核及財務匯報職能方面的資源、員工資歷和經驗、員工培訓及有關預算的充足性。

本公司設立舉報程序，以鼓勵本公司職員在保密的前提下就財務報告、內部監控或本公司其他事項可能出現的不當行為提出疑問。

有關內幕消息之監視及披露，本公司已採納內幕消息披露政策，旨在確保內部人士遵守保密要求，並履行內幕消息的披露責任。政策清晰載述辨別內幕消息及所需採取行動之決策樹。僱員及其他相關方須對內幕消息嚴謹保密。倘就內幕消息作出披露，方法須為公平、真實及有效。

董事有關財務報表的責任

董事確認彼等編製本集團截至2017年12月31日止年度合併財務報表的責任。

董事並不知悉任何重大不確定因素涉及可能對本公司持續經營能力造成重大疑惑的事件或情況。

Corporate Governance Report

企業管治報告

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditors' Report on pages 187 to 198 of this annual report. Shareholders are advised to read the paragraph of qualified opinion in the independent auditor's report.

Auditors' Remuneration

The remuneration paid to the Company's external auditors of the Company in respect of audit services and non-audit services for the Reporting Period amounted to RMB3,000,000 and RMB1,000,000 respectively.

An analysis of the remuneration paid to the external auditors of the Company, BDO Limited, in respect of audit services and non-audit services for the Reporting Period is set out below:

Service Category 服務項目		Fees Paid/Payable 已付／應付費用 RMB'000 千人民幣
Audit Services	審核服務	3,000
Non-audit Services:	非審核服務：	
– Review of interim results	– 審閱中期業績	1,000
		4,000

Company Secretary

Ms. LO Yee Har Susan and Miss LEUNG Ching Ching of Tricor Services Limited, external service provider, have been engaged by the Company as its joint company secretaries. Its primary contact person at the Company is Mr. TAN Ying, the chief financial officer and vice-president of overseas marketing company of the Company. During the Reporting Period, Ms. LO and Miss LEUNG have complied with Rule 3.29 of the Listing Rules of taking no less than 15 hours of relevant professional training.

本公司獨立核數師有關其對合併財務報表的申報責任的聲明載於本年度報告第187頁至第198頁的獨立核數師報告內。建議股東閱讀獨立核數師報告之保留意見一段。

核數師酬金

於報告年度內，本公司就審核服務及非審核服務支付本公司外聘核數師的薪金分別為人民幣3,000千元及人民幣1,000千元。

本公司就報告年度的審核服務及非審核服務支付予本公司外聘核數師香港立信德豪會計師事務所有限公司的薪金列載如下：

公司秘書

外聘服務機構商卓佳專業商務有限公司的盧綺霞女士及梁晶晶小姐獲本公司聘任為其聯席公司秘書。其於本公司之主要聯絡人士為本公司首席財務官兼海外營銷公司的副總裁談鷹先生。於報告年度內，盧女士及梁小姐已遵守《上市規則》第3.29條接受不少於15小時之相關專業培訓之規定。

Corporate Governance Report

企業管治報告

Shareholders' Rights

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Director. Pursuant to the Listing Rules, all resolutions put forward at general meetings will be voted on by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and poll results will be posted on the websites of the Company and the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting by Shareholders

Pursuant to article 58 of the Company's Articles of Association, an extraordinary general meeting (the "EGM") may be convened by the Board upon requisition of one or more Shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of the deposit of the requisition, the Board fails to proceed to convene such EGM, the requisitionist(s) himself (themselves) may do so in the same manner, while all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The requisitionist(s) must state the objects clearly in the requisition, sign the requisition and deposit the same to the Board or the company secretaries or the primary contact person of the Company.

Putting Forward Proposals at General Meetings

There are no provisions allowing shareholders to put forward new resolutions at the general meetings under the Cayman Islands Companies Law (2013 Revision) or the Articles of Association of the Company. However, shareholders who wish to put forward proposal at general meetings may convene an EGM following the procedures set out above.

股東權利

為保障股東權益及權利，各重大個別事宜（包括推選個別董事）以獨立決議案形式於股東大會上提呈。根據《上市規則》，除主席以誠實信用原則作出決定，容許純粹有關程序或行政事宜的決議案以舉手方式表達外，所有於股東大會上提呈的決議案將以投票方式表決，而投票表決結果將於各股東大會後刊載於本公司及聯交所網站。

股東召開股東特別大會

根據本公司組織章程細則第58條，持有不少於本公司繳足股本（附有於本公司股東大會的投票權）十分之一的一名或以上股東遞交要求後，董事會可召開股東特別大會（「股東特別大會」）。該等會議須於有關要求遞交後兩個月內舉行。倘於要求遞交後21日內，董事會未能召開股東特別大會，則遞交要求人士可自行按相同方式召開有關大會，而遞交要求人士因董事會未能召開有關大會而產生的所有合理費用須由本公司補償予遞交要求人士。

遞交要求人士須在要求中指明大會目的，簽署要求書並將其遞交予本公司董事會或公司秘書或主要聯絡人士。

於股東大會上提出議案

開曼群島公司法（2013年修訂版）及本公司組織章程細則並無條文准許股東於股東大會上提呈新決議案。然而，有意於股東大會上提出議案的股東可根據上文所載的程序召開股東特別大會。

Corporate Governance Report

企業管治報告

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Primary Contact Person

Shareholders may send their requisitions, proposed resolutions for the general meeting or enquiries to the Board as mentioned above to the primary contact person of the Company as set out below:

Name: The Chairman of NVC Lighting Holding Limited
Address: Level 54, Hopewell Centre, 183 Queen's Road
East, Hong Kong
Fax: (852) 2956 2192

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Communication with Shareholders and Investors

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The chairman of the Board as well as chairman of Audit Committee, Remuneration Committee and Nomination Committee and, in their absence, other members of the respective committees will make themselves available at the annual general meetings to meet Shareholders and answer their enquiries.

向董事會作出查詢

就向董事會作出任何查詢而言，股東可將書面查詢送交至本公司。本公司通常不會處理口頭或匿名查詢。

主要聯絡人士

股東可將上文召開股東大會的要求、提呈議案或向董事會的查詢送交至下文所載本公司主要聯絡人士：

名稱：雷士照明控股有限公司董事長
地址：香港皇后大道東183號
合和中心54樓
傳真：(852) 2956 2192

為免存疑，股東須遞交及送交書面要求、通知或聲明、或查詢（視情況而定）至上述地址，並提供彼等全名、聯絡詳情及身份以使其生效。股東資料可能根據法律規定而予以披露。

與股東及投資者的溝通

本公司相信，與股東有效溝通乃促進投資者關係及投資者瞭解本集團業務表現及策略所必需。本公司盡力保持與股東之間的對話，尤其是透過股東周年大會及其他股東大會。董事會主席、審核委員會主席、薪酬委員會主席及提名委員會主席（如彼等未能出席，則各委員會成員），將出席股東周年大會，以會見股東及回答彼等的提問。

Corporate Governance Report

企業管治報告

During the Reporting Period, the Company did not make any changes to its Articles of Association. An up to date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

To promote effective communication, the Company maintains a website at www.nvc-lighting.com.cn, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

Going Concern

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

於報告年度內，本公司並無對公司組織章程作出任何更改。本公司最新的組織章程亦可於本公司網站及聯交所網站查詢。

為促進有效溝通，本公司設有網站 www.nvc-lighting.com.cn，網站載有本公司業務發展及營運、財務資料、企業管治常規及其他豐富資料及各項更新，以供公眾人士查閱。

持續經營能力

概無有關任何事件或情況的重大不明朗因素可對本公司的持續經營能力構成重大疑問。

Environmental, Social and Governance Report

環境、社會及管治報告

About the Report

Reporting Guideline

This Report is the second Environment, Social and Governance (“ESG”) Report published by NVC Lighting Holding Limited. It has been prepared in compliance with the “Environmental, Social, and Governance Reporting Reporting Guide” set out in Appendix 27 to the Rules Governing the Listing of Securities on the Main Board of Hong Kong Exchanges and Clearing Limited, as well as based on actual situation of the Company. The Report aims at improving stakeholders’ awareness of environment, social and the sustainability strategy of the Company. The Board of Directors of the Company has approved the Report and confirmed that it is accurate, factual and complete.

Reporting Scope

The Report discloses the environmental and social performance of the Group from 1 January 2017 to 31 December 2017. In addition to the headquarters of NVC Lighting Holding Limited and Huizhou base, the scope of this Report was expanded as compared to 2016, including data from Chongqing Wanzhou base, Zhejiang Jiangshan base and Shanghai Qingpu base. The disclosure of all indicators in the Report can be seen in the ESG content index at the end of the Report.

Feedback

We will continue to improve the content and format of the ESG Report in the future. For any inquiries or recommendations, please do not hesitate to contact us. Contact information is as follows:

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關於本報告

報告指引

本報告為雷士照明控股有限公司第二份對外發佈的《環境、社會及管治報告》，乃遵守香港聯合交易所主板上市規則附錄二十七《環境、社會及管治報告指引》及根據本公司實際情況而編製。本報告目的為提高利益相關方對公司的環境及社會表現的認識，以及對公司可持續發展戰略的瞭解。本公司董事會已審閱本報告，確認內容準確、真實和完整。

報告範圍

本報告披露本集團於二零一七年一月一日至二零一七年十二月三十一日期間內的環境及社會表現。本報告中披露的範圍較二零一六年有所擴大，除原有雷士照明集團總部及廣東惠州基地外，今年的數據亦包含重慶萬州基地、浙江江山基地及上海青浦基地。各項指標於報告中的披露情況，可參見報告最後的環境、社會及管治內容索引。

意見反饋

我們將在未來持續改進和完善環境、社會及管治報告的內容和形式。如對本報告有任何疑問或建議，歡迎隨時聯繫本公司。聯繫方式如下：

雷士照明控股有限公司
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Environmental, Social and Governance Report

環境、社會及管治報告

Chairman's Message

Dear stakeholders,

In 2017, we were making steady progress on implementing the new meaning of NVC, i.e. open and connected, continuous growth, and leading the transformation. We fully leveraged the advantages of our entire corporate value chain, striving for the transition towards green and environment-friendly LED lighting products, and providing energy-efficient, healthy and comfortable lighting solutions for our customers. We adhered to the attitude of independent innovation and participated in research projects of green lighting technology such as Research on Key Technologies of High Efficiency and High Reliability LED Lamps during the year. We have been committed to offering excellent products and technologies to lead our businesses, and the sustainable development of the lighting industry.

Building on last year's our first Environment, Social and Governance ("ESG") Report, we looked at and improved the data collection process and expanded the scope of disclosure in order to be compatible with the industry's best practices gradually. Through ongoing data collection and reporting, the Group have had significantly more understanding of the environment protection, employees, operation management, etc, and continuously improved its ESG management by internal scrutiny. In 2017, we further expanded the sustainability data collection scope to cover additional three production bases, i.e. Chongqing Wanzhou Base, Zhejiang Jiangshan Base and Shanghai Qingpu Base, representing NVC's all main production bases. We hope this helps present to all stakeholders comprehensively about NVC's work and performance on ESG.

主席致辭

致各利益相關方：

2017年，我們貫徹雷士「NVC」開放互聯、生生不息、引領變革的新寓意，穩健前行。我們充分利用完整的企業生態鏈優勢，全力向綠色環保的LED照明產品轉型，積極為客戶提供高效節能、健康舒適的照明解決方案。我們堅持自主創新態度，年內參與「高效高可靠LED燈具關鍵技術研究」等綠色照明技術研究課題，致力以優秀產品和技術帶領企業，乃至照明行業的可持續發展。

建立於去年首份環境、社會及管治（「ESG」）報告的基礎上，我們審視並完善資料收集過程，拓寬披露範圍，向行業最佳準則逐步邁進。通過定期資訊收集和匯報過程，集團上下對環保、員工、運營管理等工作大幅增加瞭解，並透過這種內部審視的形式持續改進ESG管理工作。2017年，我們將可持續發展數據收集範圍進一步擴大，新增重慶萬州、浙江江山及上海青浦三個生產基地，基本覆蓋雷士照明主要生產基地，藉此希望向各利益相關方更全面地展現雷士照明於ESG方面的工作內容和表現。

Environmental, Social and Governance Report

環境、社會及管治報告

In 2017, the priority of our environmental management was the control of resources consumption and emissions of the four major production bases. Each production base's environmental management process is completed through cooperation and coordination between departments through a mode of corporate autonomy and supervision of the Group, satisfying the bottom line of compliant emissions. Building on compliance, we paid attention to the consumption of energy, water, raw materials and many other resources, studied on and carried out related energy-saving, water-saving measures to lower the consumption of the natural resources of the company. We were committed to reducing the impact on the environment during the production process. We also made our employees aware of the idea of green office and green living through advocacy and education, guiding them to take practical actions to participate in environmental protection.

Employees are NVC's core resources. We have been looking deep into creating and optimizing human resources and transforming them into a drive for sustainable development of the Group. We offer all-rounded protection on the rights and interests of our employees. We require the entire Group to fully achieve compliance in all aspects related closely with the employees such as employment benefits, work safety and occupational disease prevention. On the basis of providing safe and harmonious work environment, we put emphasis on the development of individual employees so that they can develop themselves while utilizing their own talents at NVC. We provide different development channels for different employees through professional training curriculum system including NVC university so that they can grow together with NVC.

On the operational front, we aim at providing excellent products and services for our customers. Independent research and development have always been our top priority. With a strict quality management process and detailed supplier management process in place, our teams are committed to making excellent products from the cradle of research and development in a reliable and environment-friendly way. We have set up complete quality management standards regarding the inspector's qualification management to selection of verification standards, and from the inspection of raw materials of suppliers to the quality inspection of the finished products. We also regularly analyzed and reported the product quality within the Group. Our professional, comprehensive and caring services have helped us to be able to provide excellent solutions for customers in all fields such as construction, transportation, office, housing and industry.

2017年，我們的環境管理工作重點放於四大生產基地的資源耗用和排放控制方面。通過企業自主、集團監察的模式，各生產基地內由多部門共同協作，形成完整的環境管理過程，牢牢把握合規排放的底線。於合規基礎上，我們關注能源、水資源、原材料等資源耗用情況，研究及落實有關節能、節水等措施，減少企業對自然資源的消耗。除致力降低工廠生產過程的環境影響以外，我們亦通過宣傳教育，將綠色辦公、綠色生活的理念帶給員工，指導雷士照明員工以實際行動參與環保工作。

員工是雷士照明的核心資源，持續打造和優化人力資源，將人力資源轉化為企業可持續發展動力是我們一直努力深化的議題。我們全方位保障僱員權益，從僱傭福利、工作安全、職業病預防等與員工密切相關的各個方面，要求集團上下實現全面合規。為員工提供安全、和諧工作環境的基礎上，我們重視員工發展，力求使每一位員工能夠於雷士照明這個平臺上得到充分發揮和成長。透過雷士大學等專業培訓課程體系，我們為員工提供不同方向的發展通道，讓員工與雷士照明共同成長。

運營方面，雷士照明為客戶提供優秀產品和服務是我們的目所在，一直堅持把自主研發放在首位。配合嚴格品質管制過程和細緻的供應商管理流程，我們的團隊致力使優秀產品從研發的搖籃中可靠、環保地實現。我們設置完整品質管制規範，覆蓋從檢驗人員的資質管理至檢定標準的選擇，從供應商原材料檢驗至最終成品質檢的過程，並在集團內定期作產品品質分析和匯報。配合專業、全面、貼心的客戶服務工作，使雷士照明的產品於建築、交通、辦公、家居、工業等各個領域，均能為客戶提供卓越的解決方案。

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環境、社會及管治報告

We advocate continuous improvement and sustainable growth. My team and I believe that sustainable development can supplement with the Company's operation and management. In 2017, we strengthened our communications with the stakeholders regarding the topic of sustainable development. Through a wide variety of communications channels including questionnaire and phone interview, we learnt the feedback and perspectives from our employees, suppliers, customers, etc, regarding NVC's management approach on environmental and social issues. We also responded to their demands and accepted their suggestions. Looking forward, we will continue to uphold our attitude of open interconnection and listen to the opinions of all parties in an open manner. We will also continue to launch green lighting solutions compatible with the national development strategies to further improve the Group's work on environmental and social aspects. We hope you continue to support us on the journey of our development!

持續改進，生生不息。我和我的團隊均認為可持續發展和公司的運營及管理兩者相輔相成。2017年，我們加強就可持續發展議題與利益相關方的溝通工作，利用問卷調查、電話訪談等多種方式，瞭解員工、供應商、客戶等群體對雷士照明環境、社會管理上的評價和看法，回應訴求，吸納建議。展望未來，我們將繼續秉持開放互聯的態度，以開放的態度，聆聽各方意見，並配合國家發展戰略，持續推出綠色照明方案，進一步改善集團環境、社會管理工作。於雷士照明未來的發展道路上，希望繼續有您的支持！

By Order of the Board

Wang Donglei

Chairman

March, 2018

承董事會命

王冬雷

董事長

二零一八年三月

Environmental, Social and Governance Report

環境、社會及管治報告

Sustainability Management

Artificial lighting is closely related to modern work and living. The Group is devoted to independent innovation and committed to providing energy-efficient, healthy and comfortable lighting solutions for customers in all fields. We integrate internal and external resources through design, R&D, manufacturing, sales, etc. to maintain a continuous growth, creating values for customers and bringing positive benefits to the society and environment. As with the new meaning added to NVC (N represents Nexus, meaning open and connected; V represents Vigor, meaning continuous growth; and C represents Change, meaning leader of transformation), the Group is committed to leading the transformation of the lighting industry through innovation and creativity to promote the energy-saving and environment-friendly lighting programs, driving the sustainable development of the economy, society and environment.

In addition to efforts put in products, the Group is also dedicated to continuous improvement of its operation and management. Since we published our first Environment, Social and Governance Report in 2016, we have gradually established an embryonic governance framework for sustainable development. Led by Risk Control Center of the Group, relevant departments including System Management Department, Human Resources Department, Property Department, Suppliers Management Department, etc., are gathered to establish a working group for governance and report work of sustainable development. In 2017, we further connected with the Group's main production bases and expanded our sustainability data reporting scope to cover Chongqing Wanzhou Base, Zhejiang Jiangshan Base and Shanghai Qingpu Base, in addition to Guangzhou Huizhou Base, such data reporting scope basically covered the Group's entire production business.

可持續發展管理

人工照明與現代工作、生活息息相關，本集團銳意自主創新，致力為各領域提供高效節能、健康舒適的照明解決方案。通過設計、研發、製造、銷售等環節，我們整合內外各方資源，保持企業發展，為客戶創造價值，為社會與環境帶來正面效益。正如雷士「NVC」被賦予的新寓意，N代表「Nexus（開放互聯）」，V是「Vigor（生生不息）」，C意味著「Change（引領變革）」，本集團通過創新創造，致力引領照明行業的變革，推廣節能、環保的照明方案，推動經濟、社會及環境的可持續發展。

不僅在產品方面努力，本集團亦在自身的運營管理方面致力持續改進。自2016年籌備發佈首份《環境、社會及管治報告》開始，我們逐步形成可持續發展管治架構雛形。在集團風控中心牽頭下，聯合體系管理部、人力資源部、物業部、供應商管理部等多個相關部門組成工作組，開展可持續發展管治匯報工作。2017年，我們更進一步聯接集團下屬主要生產基地，從過往僅廣東惠州基地開展可持續發展數據匯報工作，迅速拓展至重慶萬州基地、浙江江山基地及上海青浦基地，數據匯報範圍基本涵蓋本集團生產業務。

Environmental, Social and Governance Report

環境、社會及管治報告

NVC's Value Creation Model

雷士照明價值創造模型



Environmental, Social and Governance Report

環境、社會及管治報告

In 2017, the Group continued to conduct materiality assessment on environmental and social topics. By commissioning a third-party consultant to conduct phone interviews and questionnaires with different stakeholder groups, the Group aims to understand the outcome of its socially responsible initiatives and get the grips with the improvement direction on sustainability. Based on the assessment, we identified two major material topics, i.e. employees and products. On the employee front, the material topics are employees' rights and interests, as well as occupational safety and health. On the product front, the material topics are green products and product health and safety. This Report has disclosed more detailed information as to the above material topics.

2017年，本集團繼續進行環境及社會議題的實質性分析，委託第三方顧問與不同利益相關方進行電話訪談及作出問卷調查，深入瞭解本集團的企業社會責任實踐活動，更好地把握本集團可持續發展的改善方向。通過是次調查分析，我們識別出兩大類實質性議題，包括員工和產品兩方面。員工方面，實質性議題分別為員工權益和職業安全與健康；產品方面則為綠色產品及產品健康安全。本報告將針對以上實質性議題作出更詳盡的披露。

Material Topics 實質性議題	Descriptions of Topics 議題描述	Response from the Group 本集團回應
Employees' rights and interests 員工權益	Legally guarantee the employees' basic rights and interests; anti-discrimination; safeguard human rights; and provide training to employees 依法保障員工基本權益，反歧視、保障人權，及提供培訓	<ul style="list-style-type: none"> Compliance with international labor standards Improvement of remuneration and welfare management system Design of dual-channel occupational training and development road Establishment of NVC University 遵守國際勞工標準 完善薪酬及福利管理制度 設計「雙通道發展」的職業培訓發展道路 打造雷士大學
Occupational safety and health 職業安全與健康	Caring about the employees' physical and mental health and provide safe working environment for employees 關心員工身心健康，為僱員提供安全的工作環境	<ul style="list-style-type: none"> Development of emergency response procedures and regular arrangement of escape drills Provision of occupational safety and health training for employees 制定應急響應程序，定期安排逃生演習 為員工提供職安健培訓

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Material Topics 實質性議題	Descriptions of Topics 議題描述	Response from the Group 本集團回應
Green product 綠色產品	Researching, developing and producing green energy-saving lighting products to protect the environment 研發生產綠色節能照明產品，保護環境	<ul style="list-style-type: none"> Establishment of NVC (Beijing) Lighting Environment Innovation Institute The key national special project – Research on High-Efficiency and Long-Life LED Driven Power Supply Technologies – has been approved 成立雷士（北京）光環境創新研究院 獲批國家重點專項 – 「高效長壽命LED驅動電源技術研究」
Product health and safety 產品健康安全	Provision of high quality and safe lighting products for customers 為客戶提供優質安全的照明產品	<ul style="list-style-type: none"> Establishment of product monitoring, measurement and control procedures Obtaining ISO 9001:2008 certification for quality control system 設有《產品監視和測量控制程序》 取得ISO 9001:2008品質管制體系認證

Cohesion of Employees

In the knowledge-based economy era, the Group regards its human resources as a major impetus for its continuous business development. We attach great importance to the management of human resources, dedicating to improve employees' welfare, providing training and opportunities of development for employees, putting occupational safety and health as top priority, and creating harmonious and friendly working environment for employees. Looking ahead, we will continue to recruit, nurture and retain excellent talents to ensure long-term success of the Group.

凝聚員工力量

在知識型經濟的時代，本集團視人力資源為推動業務持續發展的重要動力。我們非常重視人力資源的管理，致力完善員工福利，為員工提供培訓與發展機會，並將職業安全健康放在首位，營造和諧友愛的工作氛圍。未來，我們將繼續招攬、培育及保留優秀人才，以確保集團長遠的成功。

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環境、社會及管治報告

Diversity and Harmony; Respect for Human Rights

We strictly comply with relevant national labor laws and regulations, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and provisions for prohibition of use of child labor, making sure equal opportunities for work and avoiding any form of discrimination, including age, sex, marriage, sexual orientation, race, religion, disability or political background. We strictly prohibit the use of child labor and forced labor in our business operation process. In 2017, the Group were not aware of any reports regarding violation of employee's basic rights, or the use of child labor or forced labor.

The Group is engaged in design, manufacturing and sale of lighting electrical products. We comply with the code of ethics of Electronic Industry Corporate Citizenship, making sure the work environment of the electronic industry's supply chain is safe and the employees are treated with respect and dignity. To this end, in addition to compliance with national laws, the Group also adopts several international accepted standards, including ILO Declaration on Fundamental Principles and Rights at Work, and UN Universal Declaration of Human Rights, to ensure our labor standards are in line with international levels.

Employee Composition

Diversity of employees helps the Group to flexibly respond to changes in business environment and improve innovative capability. As of 31 December 2017, there were 5,895 employees in the headquarters of the Group and its four major bases, 26% of which were management staff and the remaining 74% were frontline employees. Among the above-said employees, the ratio of male to female is 43:57. Most of our employees were 30 years old or under, accounting for 53%; those between 31 to 50 accounted for 46%; and those above 50 accounted for 1%. In terms of education background, 21% were associate degree or above, among which, 34 were postgraduates.

多元共融 尊重人權

我們嚴格遵守國家相關勞動法律與法規，包括《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《禁止使用童工規定》等，以確保平等的工作機會並避免任何形式的歧視，包括年齡、性別、婚姻狀況、性取向、種族、宗教、殘疾或政治背景等歧視。我們於業務營運過程中嚴禁使用童工及強制勞工。於2017年，本集團無獲悉任何有關違反僱員基本權利、僱用童工或強制勞工的舉報。

本集團從事照明電器產品設計製造銷售，遵照電子行業公民聯盟行為準則，以確保電子行業供應鏈的工作環境安全，員工受到尊重並享有尊嚴。為此，本集團除遵守國家法律，亦採納多項國際公認的標準，包括國際勞工組織《關於工作中的基本原則和權利宣言》以及聯合國《世界人權宣言》，確保我們於勞工標準方面的規範符合國際水準。

員工組成

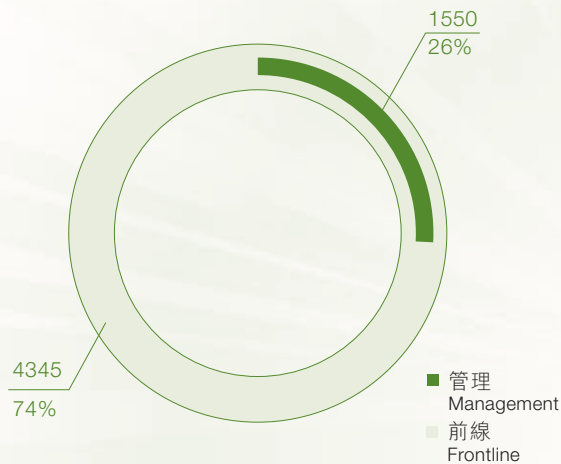
員工多元化有助本集團靈活應變商業環境的變化和提高創新能力。截至2017年12月31日，本集團總部及四大基地共聘用5,895名員工，其中26%為管理層人員，74%為前線員工。我們員工的男女比例為43:57。員工的年齡主要集中在30歲及以下，佔53%；31至50歲員工佔46%，50歲以上員工佔1%。學歷分佈方面，21%的員工擁有大專或以上的學歷，其中擁有研究生學歷34人。

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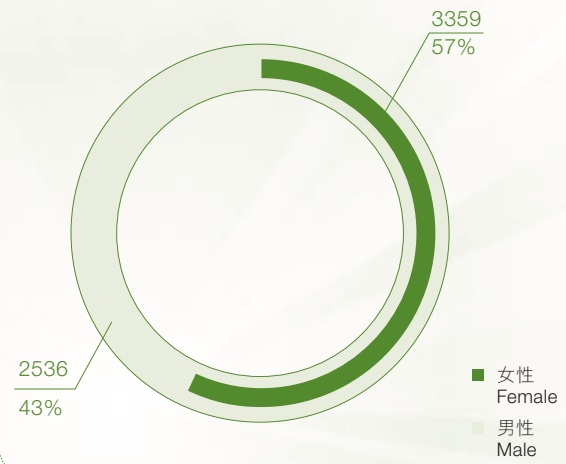
Functional Distribution

員工職能分佈



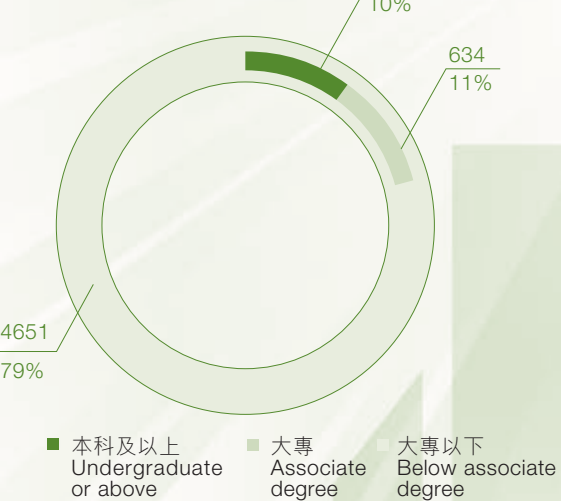
Gender Distribution

員工性別分佈



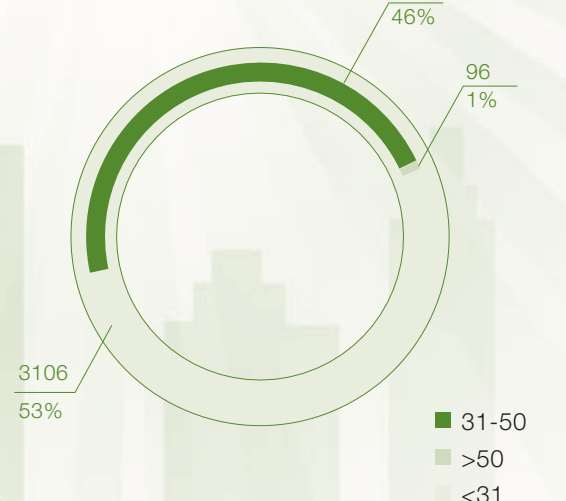
Educational Distribution

員工學歷分佈



Age Distribution

員工年齡分佈



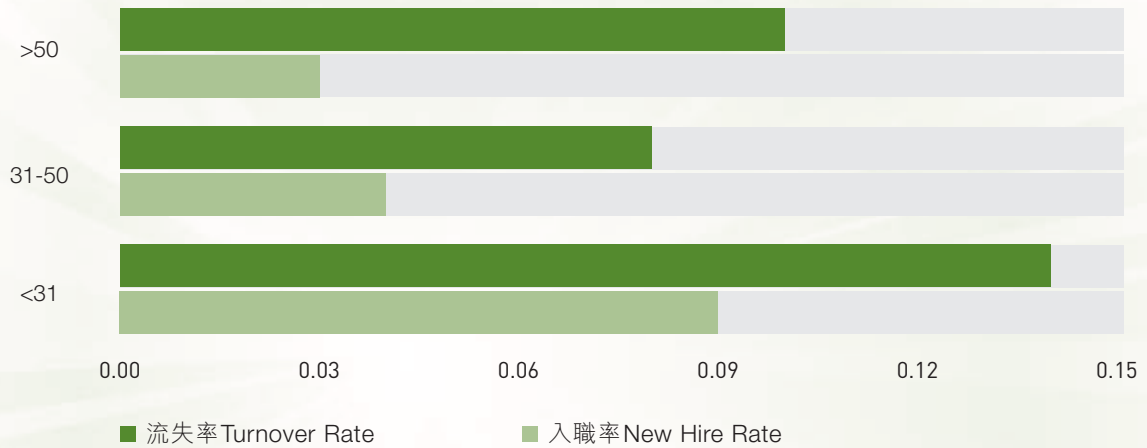
The Group actively improves its remuneration, benefit, training and development system to retain and attract excellent talents. In 2017, the Group's quarterly average new hire rate and turnover rate of employees were 6% and 11% respectively, as shown by gender and age in the figure below.

本集團積極以完善的薪酬福利和培訓發展制度挽留及吸納優秀人才。2017年，本集團的季度平均入職率為6%，平均流失率為11%。以下圖表按性別及年齡列出集團員工的季度平均流失率和入職率。

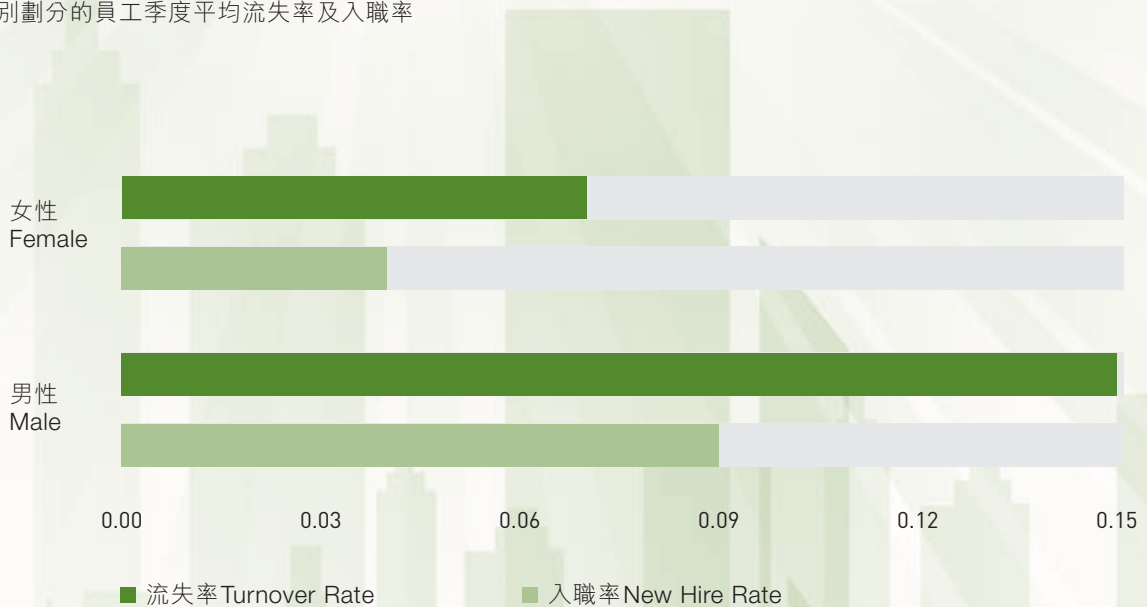
Environmental, Social and Governance Report

環境、社會及管治報告

Quarterly Average Turnover Rate and New Hire Rate of Employees by Age
按年齡劃分的員工季度平均流失率及入職率



Quarterly Average Turnover Rate and New Hire Rate of Employees by Gender
按性別劃分的員工季度平均流失率及入職率



Environmental, Social and Governance Report

環境、社會及管治報告

Talent Management

The Group has set up well-rounded human resources management policy and system, including employee manual, recruitment and dismissal management system, remuneration management system, performance management measures, social liability procedural documents, and measures for human resources information management. This has laid a good foundation for personnel management.

Remuneration and Benefits

Employees create value for the Group while we share our development outcome with employees. In order to retain talents, the Group has set up an improved and highly transparent remuneration management system. The employees' remuneration structure includes basic salary, performance bonus, overtime pay, allowance and reward. According to the requirements of national, provincial and municipal governments, the Group has developed different remuneration strategies for different types of talents to provide performance and ability-oriented, internally equal and market-competitive remunerations to employees by referencing the remuneration levels of proximate regions and the industry, combining with the actual production features of the Company and based on the value of a position. The working hours and holiday benefits are all in line with the local laws and regulations of the places where the Company operates.

To boost morale, the Group provides diverse benefits to employees. We provide all statutory benefits to employees as required by the state, including social insurance and housing provident fund for employees from mainland China. In addition to statutory benefits, the Group also provides employees with corporate benefits such as mobile phone communication subsidy, business trip subsidy, lunch subsidy, summer high temperature subsidy, full-attendance bonus, work age bonus, and quality improvement bonus.

人才管理

本集團設立完善的人力管理政策體系，包括員工手冊、集團招聘及解聘管理制度、薪酬管理制度、績效管理辦法、社會責任程序文件，以及人力資源資訊管理辦法，奠定了良好的人事管理基礎。

薪酬福利

員工為企業創造價值，企業與員工分享發展成果。為保留人才，本集團設立完善及透明度高的薪酬管理制度。僱員薪酬結構包括基本工資、績效獎金、加班工資、補貼和獎勵工資。根據國家及省市政府有關規定，本集團參考周邊地區和同行業薪酬水準，結合本公司實際生產特點而制定，並以職位價值為基礎，以績效和能力為導向，根據不同人才類型定制不同的薪酬策略，向員工提供內部公平，具有市場競爭力的薪酬。工作時數及假期福利均符合運營所在地法律、法規要求。

為提高士氣，本集團為員工提供多元化的福利。我們按國家要求為員工提供所有法定福利，包括為內地僱員繳納社會保險及住房公積金。除法定福利外，本集團亦為僱員提供手機通訊補貼、出差補貼、午餐補貼、夏季降溫補貼、全勤獎、工齡獎，及品質提升獎等公司福利。

Environmental, Social and Governance Report

環境、社會及管治報告

Recruitment and Promotion

The Group upholds a fair, impartial and open recruitment principle, and recruits talents by external recruitment, internal promotion, recommendation from employees, etc. In addition, the Group's management model offers an open work environment for employees, mechanisms for fair treatment of employees and employee complaints, such that employees are able to give full play to their functions. The Group has systematic promotion systems which encourage excellent employees and promote them to actively make contributions to the Company's operation and management.

Team Cohesion

To strengthen the employees' sense of belonging, the Group organizes various types of employee activities irregularly to enrich the employee's life and relieve their work stress. In 2017, our regional bases organized several team building activities. For example, Shanghai Base held a sport contest. Enriched employee activities can effectively enhance communication and exchange between employees and enhance cohesion of teams while showing good team style and features.

Training and Development

As a leading company of China's lighting source product industry, the Group attaches great importance to talent nurturing and development. The career development model features dual channels. One is the channel towards management, i.e. one can be promoted to higher level of management by leading teams and enhancing their own management skills; the other is the channel towards professionals, i.e. one can be promoted to higher level of professionals through sustained and in-depth development in certain specific field. The Group has invested enormously to establish NVC University and appointed international and domestic renowned lecturers to provide systematic professional training to professional managers of all business modules, frontline employees and dealers. We implement complete training plans to help our employees to make progress in career. This will promote the Group to grow and develop in turn.

招聘晉升

本集團秉持「公平、公正、公開」的招聘原則，採用包括外部招聘、內部選拔和員工推薦等方式招攬人才。此外，本集團的管理模式提供開放的工作環境，給予員工公平待遇及申訴機制，為員工提供一個能夠充分發揮職能的工作環境。本集團設有系統性的晉升制度，鼓勵表現優秀的員工，促進其對公司經營管理的積極貢獻。

凝聚團隊

為增強員工歸屬感，本集團不定期組織各式各樣的員工活動，為僱員提供豐富的業餘生活，舒緩工作壓力。於2017年，我們的地區基地組織多個團隊建設活動，如上海基地舉行體育競賽等。豐富的員工活動，能有效增進員工之間的溝通和交流，提升團隊凝聚力，同時展現了良好的團隊風貌。

培訓與發展

作為中國光源產品行業的領軍企業，本集團重視對人才的培養與發展工作。本集團設置「雙通道發展」的職業發展道路，分別為管理發展通道，即通過帶領和管理團隊，提升管理能力，進而獲得管理職務晉升；另外為專業發展通道，即在特定專業領域持續深入發展，進而獲得專業等級晉升。本集團更投入巨資打造雷士大學，外聘國內外知名講師對各業務模組的職業經理人、基層員工及經銷商進行系統化專業培訓。藉由實施完善的培訓計劃，我們幫助僱員於職業上取得進展，進而促進本集團的成長與發展。

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We are dedicated to designing and implementing diversified training programs in order to provide trainings for employees of different levels and professional background. We target to deliver effective training to cope with the diversified demand of our employees. The employees' training and career development commences as of the first day they joined in the Group. We implement pre-job training for newly-employed employees. Human Resources Department will organize training for new employees, so that they can understand the Company's basic system and related safety policy. This will help them integrate into the working environment of the Group. Then, further training will be arranged for new employees by their functions. Such training will be conducted in different ways, including classroom teaching, seminars, and group meetings. Special operators will need to accept statutory training and obtain related operation certificates. In 2017, the Group conducted various types of specific training programs, providing development opportunities to employees of all levels including managers, directors, shop managers and new graduates. We believe that such programs could improve general capacity and quality of employees and facilitate a continuous increase of value of our Group. In 2017, the Group's total training person-time reached 28,451 and the total training hours reached 72,870 hours.

為滿足員工不同的發展需求，我們致力設計及執行多元化的培訓項目，針對不同層級、不同專業需求的員工提供相對的培訓課程。僱員的培訓及職業發展自其加入本集團的第一天起即開始。我們實行新僱員入職培訓，人力資源部統一組織對新員工進行培訓，讓員工瞭解公司的基本制度和相關安全政策，幫助員工快速融入本集團工作環境，並將根據各自職能安排進一步培訓。培訓按不同方式進行，包括課堂教學、研討會、小組會等。而特種作業人員則需要接受法定培訓並取得操作證。2017年，本集團總共開展多種不同類型、具針對性的培訓項目，為公司各等級的員工，包括經理、總監、店長及應屆畢業生等提供培訓發展機會。我們相信這些項目能提高員工總體能力及質素，協助本集團持續地產生價值。2017年本集團培訓總人次為28,451，培訓總時數高達72,870小時。



Occupational Training Site in Shanghai Qingpu
上海青浦基地職業培訓現場

Environmental, Social and Governance Report

環境、社會及管治報告

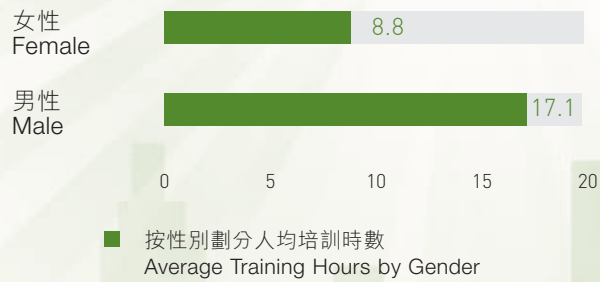
Total Training Person-time by Function
按職能劃分培訓總人次



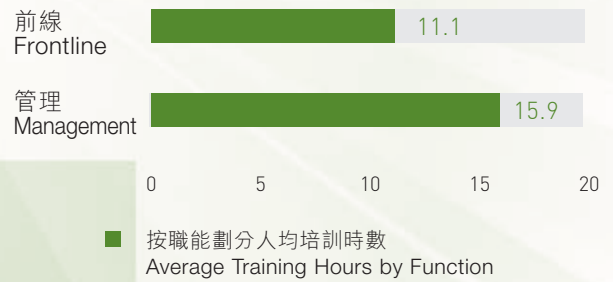
Total Training Person-time by Gender
按性別劃分培訓總人次



Average Training Hours by Gender
按性別劃分人均培訓時數



Average Training Hours by Function
按職能劃分人均培訓時數



Environmental, Social and Governance Report

環境、社會及管治報告

2017 Key Training Programmes 2017年重點培訓項目

Reserved General Manager Nurturing Plan 總經理儲幹培養計劃	The Group's headquarters implemented reserved general manager cultivation plans and created a three-year special product manager training camp and a half-year special new graduate management trainee training camp. 在集團總部實施總經理儲幹培養計劃、打造為期三年的產品經理特訓營和為期半年的應屆畢業生管培特訓營。
Gold Medal Shop Manager Nurturing Plan 「金牌店長」培養計劃	As to sale channel system, a three-year gold medal shop manager cultivation plan was implemented and dealer corporatization operation trainings were conducted. 在銷售渠道系統方面，開展為期三年的「金牌店長」培養計劃和經銷商公司化運營培訓課程。
Special NEW Graduate Management Trainee Training Camp 應屆畢業管培生特訓營	The Group recruited new graduates from colleges and universities to participate in management trainee training camp for establishing the Group's young talent pool. 進行校園招聘，吸納高校應屆畢業生參與管培生特訓營，為集團建立年輕人才儲備

Occupational Safety and Health

The Group is devoted to providing a safe working environment for all employees, safeguarding their safety and health. We strictly comply with related laws and regulations, including the *Production Safety Law of the People's Republic of China*, *Law on Prevention of Occupational Disease of the People's Republic of China*, *Measures for the Supervision and Administration of Occupational Health Surveillance*, *Regulations of Guangdong Province on Production Safety* and others. We are committed to taking all necessary measures to reduce the risks of jeopardizing the health and safety in workplace. In 2017, the Group were not aware of any work-related fatalities. The rate of work-related injuries of the Group was 0.51% and the lost days due to work-related injuries was 310 days.

職業安全與健康

本集團致力為全體僱員提供安全的工作環境，保障僱員的安全與健康。我們嚴格遵守相關法律法規，包括《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》、《職業健康監護管理辦法》及《廣東省安全生產條例》等，並致力採取一切必要措施，以降低在工作場所危害健康與安全的風險。於2017年，本集團無獲悉任何因工死亡事件，工傷事故率及因工傷損失日數分別為0.51%和310日。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group developed a series of codes of conduct regarding occupational health and safety, and professional ethics according to EICC, including hiring safety and health professionals to arrange regular safety inspection and assess the safety and health status of the Company's activities, in order to reduce potential risk factors and prevent accidents. Meanwhile, the Group developed emergency response procedures, regularly arranged first-aid treatment, outbreak, evacuation and escape drills. The Group also established accident report and investigation systems to encourage its employees to report any accident and unsafe factor.

根據電子行業公民聯盟行為準則，本集團制定一系列的職業健康與安全職業道德的行為標準。當中包括聘請安全衛生專業人士，安排定期安全檢測，評估公司活動的安全衛生狀況，減少潛在的危險因素，預防意外事故。同時，制定應急響應程序，定期安排急救、滅火和疏散逃生演習。本集團亦建立事故報告和調查制度，鼓勵員工報告事故和不安全因素。



As for the prevention of occupational disease, the Group established a comprehensive set of rules on managing occupational safety and health, with the Human Resources Department being the core coordinator. Such rules are clear in functions and responsibility. The functions and responsibility of each department have all been clearly included into the *Details about Management of Occupational Health and Safety of the Group* and shall be reviewed on a regular basis. In addition, as required by regulations, we regularly organize employees for health examination, and provide employees with personal protective equipment which are replaced regularly.

對於預防職業病，本集團建立起一套以人力資源部為核心，且分工明確、責任清晰完整的職業健康安全管理操作體系。各部門的職責與任務都清晰地列於本集團的「職業健康安全管理操作細則」中，定期更新。另外，我們按法規要求定期對員工提供健康檢查，及為員工提供個人保護用品，並定期更換。

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In order to improve the employees' awareness of occupational safety, the Group promotes the education related to occupational health and safety, delegating the Human Resources Department the responsibility to organize relevant trainings, including pre-job training on professional health and on-the-job training, such as provision of employees training on prevention of cross-infection of disease. Apart from regular trainings, we required that all departments shall place obvious labels or marks at production and construction sites and declare rules, procedures and emergency rescue measures in relation to the prevention and control of occupational diseases and release the test results about dangerous factors that might lead to occupational diseases in workplace. In 2017, the person-time of occupational safety and health education training reached 2,575. There were 7,432 hours of safety training in total.

為提高員工的職業安全意識，本集團推行職業安全健康教育，由人力資源部主要負責制定相關培訓，包括崗前職業衛生培訓和在崗定期培訓，如為員工提供防止交叉感染病知識的培訓。除定期培訓以外，我們還規定各部門需於生產、施工現場的醒目位置設置標示，公佈有關職業病防治的規章制度、操作規程、職業病危害事故應急救援措施，以及工作場所職業病危害因素檢測結果。2017年，職安健教育培訓總人次為2,575，安全培訓總時數達7,432小時。

Occupational Safety and Health Performance

職業安全健康績效

	2017	2016
	2017年	2016年
Rate of work-related injuries	0.51%	0.43%
工傷事故率		
Lost days due to work-related injuries	310	140
因工傷損失日數		
Work-related fatalities	0	0
因工死亡人數		
Total training person-time	2,575	1,686
培訓總人次		
Total training hours	7,432	2,565
培訓總時數		

Remarks: The data boundary of 2016 only covered Guangdong Huizhou Base. The data boundary of 2017 covered Chongqing Wanzhou Base, Zhejiang Jiangshan Base and Shanghai Qingpu Base, in addition to Guangdong Huizhou Base.

備註： 2016年數據邊界僅為廣東惠州基地；2017年數據邊界除廣東惠州基地外，還新增重慶萬州基地、浙江江山基地及上海青浦基地。



Environmental, Social and Governance Report 環境、社會及管治報告

Create Greener Environment

As an expert in luminous environment, the Group is devoted to pushing forward green lighting through innovation and R&D, providing efficient and energy-saving lighting solutions to customers of all fields, such as, building, transportation, city lighting, supermarket, hotel, office, housing, industry. We strictly follow laws related to environment, continue to improve management systems, improve the efficiency of energy use, and control discharge of waste water, waste gas and solid wastes to gradually alleviate the impact over environment by operation.

Environmental Compliance

The Group strictly complies with national laws and regulations related to the environment, including *Environmental Protection Law of the People's Republic of China*, *Guangdong Standards about Limitations on Discharge of Air Pollutants*, *Prevention and Control of Water Pollution Law*, *Marine Environmental Protection Law* and *Limit on Discharge of Water Pollutants of Guangdong*. In 2017, the Group had not been imposed any fines or non-monetary sanctions due to non-compliance of environmental laws and regulations.

創造綠色環境

作為光環境專家，本集團致力通過創新研發，推動綠色照明，為建築、交通、城市亮化、商超、酒店、辦公、家居、工業等領域提供高效節能的照明解決方案。我們嚴格遵守相關環境法律法規，不斷完善管理系統，提升能源使用效益，並控制三廢排放，減少運營對環境產生的影響。

環境合規

本集團的運營嚴格遵守國家相關的環境法律法規，包括《中華人民共和國環境保護法》、《廣東省大氣污染物限值排放標準》、《水污染防治法》、《海洋環境保護法》、以及《廣東省水污染物排放限值》等。2017年內，本集團沒有因違反任何環境法律法規而遭到重大罰款或非金錢制裁。

Environmental, Social and Governance Report

環境、社會及管治報告

Environmental Management

The Group is dedicated to achieving harmonious coexistence between its operation and the natural environment. It developed *Environmental Operation Control Procedures*, with an aim to realize efficient management of the environmental problems related to its operation through cooperation between departments. First, all departments shall identify the environment-related problems in sections where they are responsible for. And the General Affairs Department and Human Resources Department shall be responsible for setting goals for environmental protection and the management of equipment requirements and coordinating with System Management Department to evaluate the actual environmental factors before taking corresponding measures for correction and prevention. Finally, the System Management Department shall be responsible for the verification of the results of correction and prevention.



In 2017, the Group completed the renewal of ISO 14001 environmental management system certification (2015 version).

The bases of the Group also developed corresponding Environmental Protection Management System, strictly managed the Company's environmental protection facilities and production devices, implemented construction project Three-Simultaneities system, conducted environmental impact assessment, developed emergency response plans for environment pollution accidents, conducted education and training on environmental protection for employees, etc. Some production bases set up environmental protection management committee according to the actual conditions who is responsible for organization, coordination and assessment of the Company's environmental protection work, requiring all members of such management agency to strictly perform their duties.

環境管理

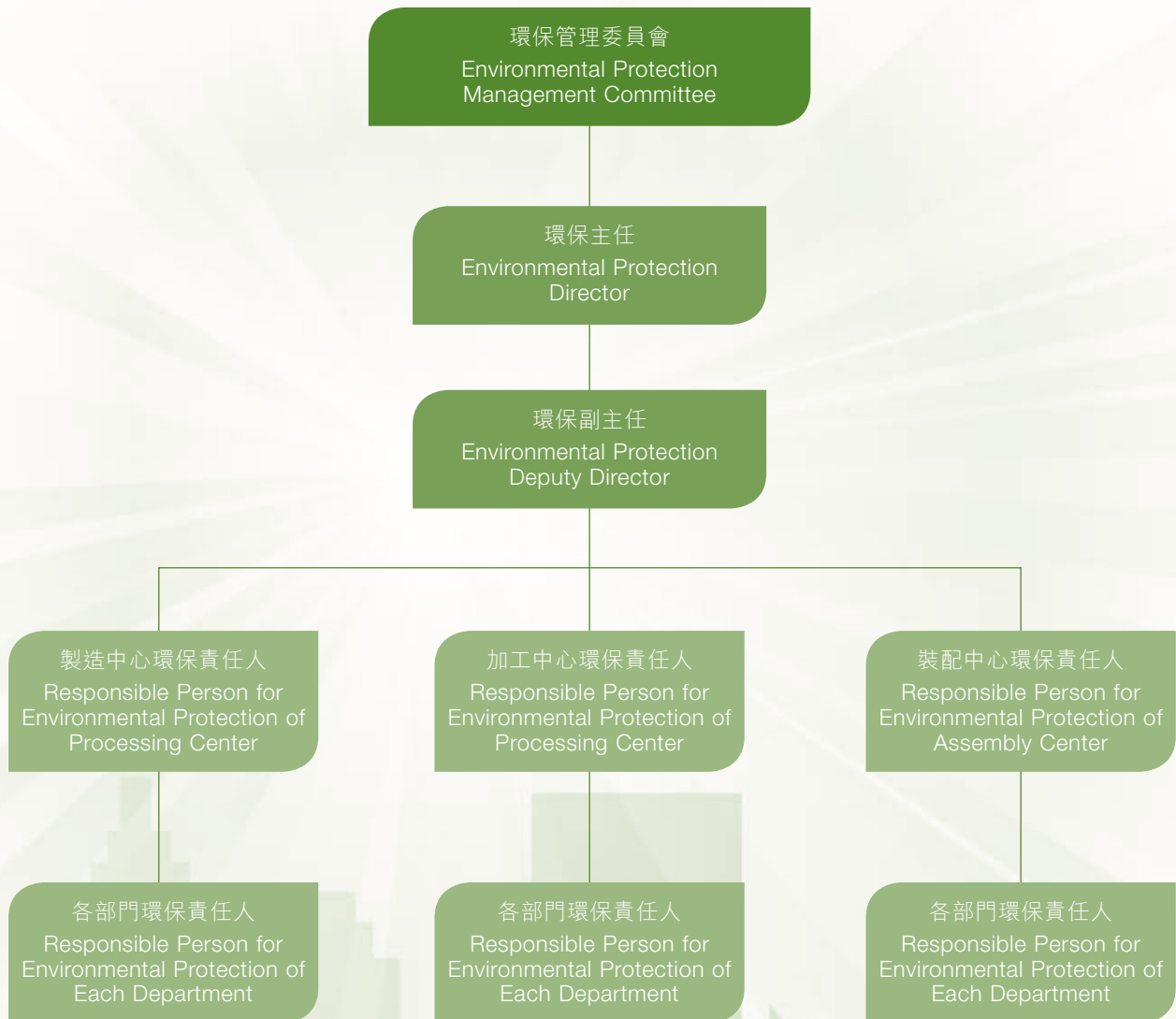
本集團致力達致營運與自然環境的和諧共存，設立《環境運行控制程序》，通過各部門的協作，有效管理集團運營的環境相關議題。各部門首先識別其所負責區域的環境議題，再由總務部及人力資源部設定環境目標及設備管理要求，並協同體系管理部評價實際環境因素，採取糾正或預防措施，最後由體系管理部門驗證其糾正或預防效果。

2017年，本集團完成ISO 14001環境管理體系2015版更新換證工作。

本集團旗下基地亦相應制定《環境保護管理制度》，嚴格管理公司的環保設施和生產裝置、落實建設項目「三同時」制度並進行環境影響評價、制定環境污染事故應急預案，以及進行員工環保教育培訓等。部份生產基地根據實際情況設立環保管理委員會，負責組織、協調和考核公司的環保工作，並要求管理機構的所有成員嚴格執行其職責。

Environmental, Social and Governance Report

環境、社會及管治報告



Environmental Protection Management Structure of Shanghai Qingpu Base
上海青浦基地環保管理工作架構

Environmental, Social and Governance Report

環境、社會及管治報告

Resources Consumption

The Group strictly follows the Rules about Management of Energy and Resources, advocates and educates its employees to save water and electricity, etc., in order to reduce consumption of resources.

Energy

The main types of energy consumed by the Group's four major bases included electricity, natural gas, diesel oil, gasoline and liquefied petroleum gas, of which, the electricity accounted for a largest percentage, up to 78%, followed by the natural gas, accounting for 19%. In 2017, the Group's four major bases consumed a total of 58,943,989 kWh of electricity, equivalent to 212,198 gigajoules (GJ), a total of 1,361,813 m³ of natural gas, equivalent to 53,017 GJ, a total of 1,132 liters and 82,089 liters of diesel oil and gasoline respectively, equivalent to 2,657 GJ, and a total of 100,387 kg of liquefied petroleum gas, equivalent to 5,037 GJ. The total energy intensity of the Group's four major bases was 0.067 GJ/one thousand of revenue in RMB. The Group's vehicle decreased in quantity, thus leading to significant drop in oil consumption of cars.

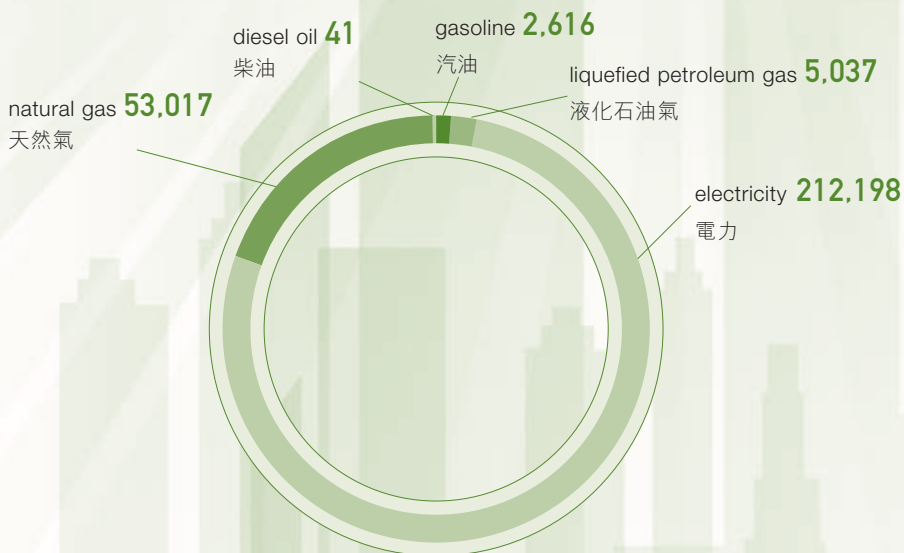
資源耗用

本集團嚴格執行《能源資源管理規定》，提倡並教育員工節約用水、用電等，以減少資源消耗。

能源

本集團四大基地主要耗用的能源類型為電力、天然氣、柴油、汽油及液化石油氣，當中電力所佔比例最大，達78%；其次為天然氣，佔19%。2017年，本集團四大生產基地總用電量為58,943,989度，折合212,198千兆焦耳；天然氣耗用量為1,361,813立方米，折合53,017千兆焦耳；柴油和汽油耗用量分別為1,132升和82,089升，折合共2,657千兆焦耳；液化氣耗用量為100,387公斤，折合5,037千兆焦耳。本集團四大生產基地的總能源密度為0.067千兆焦耳／千元人民幣營業額。本集團的車輛數量下降，因而汽車油耗大幅降低。

Consumption Distribution of Main Types of Energy (GJ)
能源類型消耗分佈 (千兆焦耳)



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Followed by the project to replace Huizhou Base's public lighting with LED lamps that save energy last year, in 2017, Shanghai Base replaced its fluorescent lamps in its plant and office lighting system with energy-saving LED tubes, greatly reducing its electricity consumption. In addition, the Company also set up Equipment Department responsible for unified management of central air conditioning and office air conditioning and timely maintenance of all blown switches and valves to reduce energy consumption.

Water Resources

The Group's four major bases mainly use tap water as water resources and there is no problem in sourcing fitable water. It consumed a total of 488,925 tons of water in 2017 and the water intensity was 0.120 ton/a thousand of revenue in RMB. The Group is continuously exploring feasible water-conservation methods. In respect of domestic water consumption, we installed water-conservation facilities in staff bathrooms and toilets. In respect of production and building equipment water consumption, we used water-conservation cooling towers. In Guangdong Huizhou plants, the Group implemented techniques combining cooling towers and cooling pool, which allow the reuse of cooling water when it get cooled after flowing through underground reflow cooling pool.

承接去年惠州基地的公共照明更換LED節能燈工程，上海基地在2017年將車間及辦公室的照明系統由螢光燈更換為節能環保的LED燈管，大大減少其用電量。另外，公司設有設備部門統一管理中央空調及辦公室空調，以及對所有漏氣的開關閥門及時維修，減少能源消耗。

水資源

本集團四大基地採用的水資源類型均為自來水，於獲取適用水源上沒有任何問題。2017年總用水量為488,925噸，用水密度為0.120噸／千元人民幣營業額。本集團亦積極探索可行的節水方案。針對生活用水，我們在員工浴室、廁所等安裝節水型器具；對於生產和樓宇設備用水，我們採用節水型冷卻塔。在廣東惠州基地生產車間，本集團推行冷卻塔與冷卻池相結合的技術，使大量冷卻水通過回流地下式冷卻水池得到良好的冷卻後再重複利用。

Types of Resources 資源類型	Unit 單位	2017 2017年	2016 2016年
Electricity 電	kWh 度／千瓦時	58,943,989	18,624,000
Natural Gas 天然氣	m ³ 立方米	1,361,813	278,443
Diesel oil 柴油	Liter 升	1,132	-
Gasoline 汽油	Liter 升	82,089	1,611,076
LPG 液化氣	Kg 公斤	100,387	-
Tap Water 自來水	Ton 噸	488,925	272,983

Remarks: The data boundary of 2016 only covered Guangdong Huizhou Base; and the data boundary of 2017 covered Chongqing Wanzhou Base, Zhejiang Jiangshan Base and Shanghai Qingpu Base, in addition to Guangdong Huizhou Base.

備註：2016年數據邊界僅為廣東惠州基地；2017年數據邊界除廣東惠州基地外，還新增重慶萬州基地、浙江江山基地及上海青浦基地。

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Emissions Management

The Group has developed *Management of Emission of Waste Gas, Waste Water and Solid wastes* as to such emissions during the process of manufacturing and marketing of luminaires, with an aim to ensure its such emissions meet related requirements. In 2017, the Group delegated a third party to conduct tests and no excessive emissions were found. These tests included waste water, waste gas and noise test.

Greenhouse Gas

The Group's greenhouse gas emissions are mainly direct emissions from natural gas, gasoline and diesel oil burning, and indirect emissions from electricity consumption. In 2017, the Group's four major bases discharged a total of 39,943 tons of greenhouse gas.

排放管理

針對燈具製造及銷售過程中所排放的廢氣、廢水及廢棄物，本集團制定「三廢排放管理」，確保集團排放達到相關規定要求。2017年，本集團委託第三方所執行的廢水、廢氣及噪聲檢測中，並沒有任何超標排放情況發生。

溫室氣體

本集團的溫室氣體排放源主要包括燃燒天然氣、汽油和柴油產生的直接排放，及耗用購買電力的間接排放。2017年，本集團四大基地的溫室氣體總排放量為39,943噸。

Greenhouse Gas 溫室氣體	Unit 單位	2017 Emissions 2017年排放量	2016 Emissions 2016年排放量
Total emissions 總排放量	Ton carbon dioxide equivalent 噸二氧化碳當量	39,943	16,215
Direct emissions (Scope 1) 直接排放 (範圍一)	Ton carbon dioxide equivalent 噸二氧化碳當量	3,469	4,335
Indirect emissions (Scope 2) 間接排放 (範圍二)	Ton carbon dioxide equivalent 噸二氧化碳當量	36,474	11,800

Remarks: The data boundary of 2016 only covered Guangdong Huizhou Base; and the data boundary of 2017 covered Chongqing Wanzhou Base, Zhejiang Jiangshan Base and Shanghai Qingpu Base, in addition to Guangdong Huizhou Base.

備註：2016年數據邊界僅為廣東惠州基地。2017年數據邊界除廣東惠州基地外，還新增重慶萬州基地、浙江江山基地及上海青浦基地。

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Waste Gas

The Group strictly controls the emissions of industrial waste gas according to the requirements of the local environmental protection departments of the places where it operates. Some plants even set up online pollution source monitoring system. During the year, third party test reports showed that emissions of all bases complied with related laws, regulations and standards, including *Prevention and Control of Air Pollutants Law, Standards about Comprehensive Discharge of Air Pollutants, Limit on Discharge of Air Pollutants of Guangdong*, and etc.

The waste gas pollutants discharged from the Group mainly included nitrogen oxide, sulfur dioxide and smoke released from fuel combustion by plant and vehicle. The Group actively takes measures to deal with such wastes and pollutants. For example, on plant VOCs emissions, Shanghai Qingpu Base delegated an accepted environmental protection equipment company to design waste gas governance engineering and adopted advance and mature processes, including activated carbon adsorption device, in order to reduce the impact of the pollutant emissions on the environment. In 2017, the nitrogen oxide, sulfur dioxide and particulate matter (PM) released from the Group's vehicle exhausts were respectively 0.177 tons, 0.001 tons and 0.016 tons, while the nitrogen oxide, sulfur dioxide and smoke released from the waste gas pollutants generated by the plant equipment were respectively 3.459 tons, 1.601 tons and 6.560 tons.

廢氣

本集團按照運營所在地環保部門要求，嚴格控制工業廢氣的排放，部份廠區更設有污染源線上監控系統。年內第三方檢測報告顯示所有基地的排放均符合相關法規及標準，包括《大氣污染防治法》、《大氣污染物綜合排放標準》和《廣東省大氣污染物排放限值》等。

本集團排放的廢氣污染物主要包括工廠設備及車輛設備燃料燃燒所釋出的氮氧化物、二氧化硫及煙塵。本集團積極採取廢棄物污染物處理措施，如上海青浦基地針對工廠VOC的排放，委託認可環保設備公司設計廢氣治理工程，採用先進成熟工藝，包括裝設活性炭吸附裝置，減少污染物排放對環境的影響。2017年，本集團車輛尾氣排放的氮氧化物、二氧化硫及懸浮顆粒排放量分別為0.177噸、0.001噸和0.016噸。而由工廠設備產生的廢氣污染物排放則為氮氧化物3.459噸、二氧化硫1.601噸及煙塵6.560噸。

Types of Pollutants 污染物排放類型	Unit 單位	2017 Emissions 2017年排放量
Nitrogen oxide 氮氧化物	Ton 噸	3.636
Sulfur dioxide 二氧化硫	Ton 噸	1.601
PM 懸浮顆粒	Ton 噸	6.576

Remark: The sources of waste gas pollutant emissions included emissions from plant equipment and vehicle exhausts

備註： 廢氣污染物排放來源包括工廠設備排放及車輛尾氣排放

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Waste Water

In 2017, the waste water generated in the Group's operation process was mainly the sanitary sewage. Its chemical oxygen demand, and ammonia – nitrogen pollutant emissions were respectively 18.2 tons and 1.4 tons. The third party test reports showed that such emissions of all production bases were in line with Integrated Sewage Discharge Standard and the discharge standards set up by the local people's governments. As to sewage treatment, we have developed strict rules about treatment of sewage and carried out separate treatment for industrial waste water and sanitary sewage. The General Affairs Department was responsible for the management of equipment in the sewage treatment station, and also for the training and management of the equipment operators.

Types of Pollutants 污染物排放類型	Unit 單位	2017 Emissions 2017年排放量
Chemical oxygen demand 化學需氧量	Ton 噸	18.2
Ammonia – nitrogen 氨氮	Ton 噸	1.4

Wastes

We are devoting to reduce the wastes generated from our operation and have developed Provisions for Management of Wastes to effectively manage the process to dispose of the hazardous wastes and non-hazardous wastes in order to avoid polluting the environment.

In the production process, the Group generates hazardous wastes, such as waste oil, waste sludge, packages for waste gas and mineral oil, mercury contained waste lamp tube, oily waste water, waste packing bucket and waste lamp tube. In 2017, the Group's four major bases generated 918 tons of hazardous wastes, of which 95% was waste sludge generated from waste water treatment. All bases centrally collected the hazardous wastes according to local legislation and then transported them to the qualified environmental protection companies for treatment. In 2017, there were no hazardous waste spilling events occurred.

廢水

年內，本集團運營過程中所產生的廢水以生活廢水為主，其化學需氧量及氨氮兩類主要污染物排放量分別為18.2噸及1.4噸，第三方檢測報告顯示所有生產基地的排放均符合《污水綜合排放標準》及地方人民政府的排放標準。針對污水處理，我們已制定嚴格的廢水治理操作規程，將工業污水及生活污水分開治理，由總務部負責污水處理站設備管理和設備操作人員的培訓與管理。

廢棄物

我們致力減少運營所產生的廢物，並制定《廢棄物管理規定》，有效管理危險廢棄物及一般廢棄物的處置過程，避免對環境造成污染。

本集團生產過程中會產生廢油、剩餘污泥、廢棄礦物油包裝、含汞廢燈管、含油廢水、廢包裝桶，及廢燈管等有害廢棄物。2017年，本集團四大基地所產生的危險廢棄物為918噸，95%為廢水處理過程產生的剩餘污泥。各基地按當地法例將危險廢棄物集中收集後，交由認可的環保公司處理。2017年並無發生任何危險廢棄物溢漏事件。

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As for the non-hazardous wastes, we, according to the guidelines of the Provisions for Management of Wastes, categorize and collect the recyclable wastes, such as, waste paper, plastic, metal, wood and powder, and then transport them to qualified recycling agents for treatment. Wastes with no recycling and utilization value are passed to local municipal environmental sanitation department for central collection and treatment. During the year, the Group processed a total of 2,875 tons of non-hazardous wastes for external recycling.

針對一般廢棄物，我們根據《廢棄物管理規定》的指引，將可回收的廢物如廢紙、塑膠、金屬、木材及粉末等分類收集後，交由認可回收商處理；無回收利用價值的廢棄物則交由當地市政環衛部門收集處理。年內，本集團進行外部回收的一般廢棄物共2,875噸。

Types of Discharged Pollutants 污染物排放類型	Unit 單位	2017 Emissions 2017年排放量
Hazardous wastes 危險廢棄物	Ton 噸	918
Non-hazardous wastes (for external recycling) 一般廢棄物 (外部回收)	Ton 噸	2,875

Remark: The disposal tonnage of general wastes (for external recycling) excluded Guangdong Huizhou Base

備註： 一般廢棄物（外部回收）的處理量未包含廣東惠州基地

Green R&D and Production

As a national brand in lighting field, the Group strives to research and develop energy-efficient lighting system and internally promote environmental protection culture to ensure the Group compliant with environmental protection spirits in design, R&D, production and sales and to drive the industry to achieve the goal of "Make the World More Healthy and Sustainable".

綠色研發及生產

本集團作為照明領域民族品牌，務求通過研發高能效照明系統及對內推動環保文化，令本集團業務由設計、研發、生產到銷售的每一環節都符合環保精神，並驅動行業達至「讓世界更健康、可持續性更強」的目標。

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Green and Innovative

The Group supports lighting research innovation and sets up NVC (Beijing) Lighting Environment Innovation Institute. It is a technology innovation entity. It promotes the LED era luminaires to develop and provides more environment-friendly and clean solutions for solving professional lighting problems.



NVC (Beijing) Lighting Environment Innovation Institute
雷士(北京)光環境創新研究院

In 2017, led by Institute of Engineering Thermophysics, Chinese Academy of Sciences, the proposal of the key national special project – Research on Key Technologies of High-Efficiency and High-Reliability LED Luminaires – applied for by 23 units, including the Group's Guangdong Huizhou Base and Shanghai Qingpu Base, has been approved. And it has formally began the start-up procedures. This Project will significantly increase the lighting efficiency and reliability of high power luminaires. The innovative technologies based on this Project will significantly increase the industrial level of China's high power LED luminaires.

綠色創新

本集團支援光環境研究創新，成立了雷士(北京)光環境創新研究院。雷士(北京)光環境創新研究院作為技術創新主體，從光學研究和創新層面上，推動LED時代整個照明燈具的發展，為照明專業問題提供更環保潔淨的解決方案。

2017年，由中國科學院工程熱物理研究所作為項目總牽頭單位，本集團廣東惠州基地及上海青浦基地等23家單位共同申報的國家重點專項「高效高可靠LED燈具關鍵技術研究」獲批立項，正式進入啟動程序。該項目將大幅提高大功率燈具的光效和可靠性，基於此項目創新技術將顯著提升中國大功率LED燈具的產業化水準。

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Promotion of Green Culture

The Group is dedicated to promoting the green culture and strives to reduce unnecessary wastes in the production process. We advocate and education employees to save water and electricity, including turn off lights, water and air-conditioner, save paper and separate wastes into different dustbins depending on whether they are “recyclable” or “non-recyclable”. We are also dedicated to reducing consumption of resources, cutting use of unnecessary packaging materials and adopting renewable materials.

Pursuit of Excellent Quality

As a leading company of lighting industry, NVC sets up strict requirements on product safety, stability and reliability and implements various quality management measures on product design, R&D, manufacturing and sales. It is dedicated to improving its product quality and meeting the needs of its customers.

Compliant Operation

NVC strictly complies with laws and regulations of electronic products in order to safeguard consumer safety. The sales of the Group's products complies with *Product Quality Law of the People's Republic of China* as well as industrial and regional regulations. We, by strictly following the procedure of inspection, ensure that all our products to be sold are in compliance with requirements. In addition, we set up a standard for the usage of our brand logo. Our product adverts are carried out in compliance with the *Advertising Law of the People's Republic of China* and other applicable laws and regulations. In 2017, the Group had not been imposed any material fines or non-cash sanctions relating to the health and safety of products and services, advertising, logo as well as customer privacy matters.

推動綠色文化

本集團致力推動綠色文化，務求生產過程中減少不必要的浪費。我們提倡並教育員工節約用水用電，從點滴做起，包括隨手關燈、關水、關空調、節約用紙、廢棄物按「可回收品」或「不可回收品」標識放入垃圾箱等。我們亦致力降低資源耗用，減少使用不必要的包裝材料，選擇可循環再用物料。

追求卓越品質

雷士照明作為照明行業的領頭企業，我們對產品的安全性、穩定性和可靠性要求嚴格。通過從設計、研發、製造到銷售實施各種品質管制措施，致力提升產品品質，滿足客戶需要。

合規經營

雷士照明嚴格遵守電器產品的法律法規及標準，保障顧客安全。本集團產品銷售完全符合《中華人民共和國產品品質法》，以及行業和地區的法例標準。我們通過嚴謹檢驗過程確保出廠產品符合要求。另外，我們設立品牌標識使用規範，產品廣告宣傳遵守《中華人民共和國廣告法》等法律法規進行。2017年，本集團沒有因產品和服務的健康與安全、廣告、標籤及客戶私隱事宜，而受到重大罰款或非金錢制裁。

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R&D and Innovation

NVC is dedicated to research and development of new technologies and new products. We combine the market demands with our product professionalization standards to produce intelligent and healthy products. We have set up improved R&D systems and achieved integration of the industry, schools and research institutions through our rich experiences and continuous inputs. At present, NVC has 4 major manufacturing bases in China, 2 internationalized R&D centers and nationally qualified labs. We also have set up overseas product development centers in line with EU standards. During the year, the Group had more than 94 new inventions and patents applications, including 34 utility model applications and 56 design patent applications, of which, 65 were granted patents, including 22 utility models and 43 design patents.

The approved key national R&D plan and special project – Research on High-Efficiency and Long-Life LED Driven Power Supply Technologies

研發創新

雷士照明一直致力於新技術及新產品的研發。我們結合市場需求，在產品專業化的標準上，實現產品的智慧化和健康化。經過不斷的積累和持續的投入，我們建立起完善的研發體系，實現產、學、研一體化。目前，雷士照明於國內擁有4大製造基地、2個國際標準化研發中心和國家認可實驗室，亦於海外建有符合歐盟標準的產品開發中心。年內，本集團發明專利申請超過94項，授權65項。其中，實用新型申請為34項，授權22項，外觀申請56項，授權43項。

獲批國家重點研發計劃專項「高效長壽命LED驅動電源技術研究」



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Led by Institute of Engineering Thermophysics, Chinese Academy of Sciences, the proposal of the key national special project – Research on Key Technologies of High-Efficiency and High-Reliability LED Luminaires – applied for by 23 units, including the Group's Guangdong Huizhou Base and Shanghai Qingpu Base, has been approved during the year. Of which, the subject of Research on High-Efficiency and Long-Life LED Driven Power Supply Technologies was led by the Group. This subject will lead to lower switching loss, less electromagnetic radiation and higher power supply quality and 4 inventions and patents to be applied for. Meanwhile, this subject will tackle the difficulty in thermal management of high power and high power density LED luminaires, break through the bottleneck of driven power supply operating in a long service life under high temperature, and improve the systematic lighting efficiency and reliability of luminaires.

Quality Management

The Group has obtained the ISO 9001:2008 quality management system certification in 2010 and continue to renew our certification. Furthermore, the Group has set up *Product Monitoring and Surveying Control Procedures* for inspecting and surveying the purchased raw materials or parts, accessory materials and OEM products, the characteristics of process products during the production process, semi-finished products and finished products, so as to inspect whether the products meeting the specified requirements, and prevent those not inspected or substandard from entering into markets.

As to quality management, the Group first checks the qualification of the inspecting and surveying personnel. Such personnel must qualify the probation and evaluation before taking the job. As for the monitoring and surveying basis, the Group has set up Inspection Department and regards the inspection, test and methods related standard documents corresponding to all stages as the basis for the Group to monitor and survey its products.

由中國科學院工程熱物理研究所作為項目總牽頭單位，本集團廣東惠州基地、上海青浦基地等23家單位共同申報的國家重點專項「高效高可靠LED燈具關鍵技術研究」於年內獲批立項。其中，本集團成為「高效長壽命LED驅動電源技術研究」課題牽頭單位。該課題將能降低開關損耗和電磁輻射，提高電源品質，並將申請發明專利4項。同時，該課題將解決大功率高功率密度LED燈具熱管理難題，突破驅動電源高溫長壽命運行的瓶頸，提升燈具系統高效及可靠性。

質量管控

本集團早於2010年已取得ISO 9001:2008品質管制體系認證，並持續進行更新換證工作。另外，本集團設有《產品監視和測量控制程序》監察和測量採購的原材料或零部件、輔助材料及OEM產品和生產過程中制程品、半成品及成品的產品特性，以驗證產品是否符合規定要求，未經檢驗或不合格的產品確保不投放市場。

品質管控工作方面，本集團首先檢視產品監察和測量人員的資格。相關人員必須經試用考評合格後方能上崗執行監察和測量工作。在監視和測量依據方面，本集團設立檢驗科，並將各個階段相對應的檢驗、試驗及方法標準相關文件，作為本集團產品監視和測量的依據。

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As to daily quality examination work, we monitor and survey our products in procurement stage, intermediate stage and final stage. In procurement stage, we test the materials from suppliers in terms of its appearance, size and texture based on *Inspection Flow of Supplied Materials and Raw Material Inspection, Feedback and Treatment Process* to ensure that all purchased materials complying with the Group's designed quality requirements. As for those unqualified products, the Purchase Department shall return the products, accept after screening or accept by concession in accordance with *Control Procedures for Unqualified Products*.

In the intermediate stage, we, in the production process, set up several inspection points for product inspection and test by stationed inspectors of Quality Department based on *Quality Control Procedures for Process Products* and the quality characteristics of semi-products of different stages of the production process. After being confirmed qualified, the products will be labeled with inspection mark, and then recorded in Product Flow Sheet. Qualified semi-products will be transferred to next process and related inspection and test data will be put into the Company's computer LAN ERP system by designated personnel.

In the final stage, we control the quality of the finished products, including conducting quality inspection on multiple items, e.g. air leak, cleanliness, and appearance inspection. Unqualified finished products will be disposed of according to *Flow of Processing Quality Abnormality Feedback and Control Procedures for Unqualified Products*, so as to ensure they will not be used. For unqualified products that can be reworked, we also make second input and carry out second test.

Finally, the Quality Department will regularly analyze the monitoring and surveying data about the purchased products, semi-products in the production process, and finished products. If any data is found abnormal, it will, according to the *Control Procedures for Correction and Prevention Measures*, require related departments to carry out correction and prevention measures and track such measures for verification.

日常質檢工作方面，我們於進貨階段、中間階段以及最終階段均進行監察和測量。在進貨階段，透過《來料檢驗流程》以及《原材料報檢、反饋、處理流程》，我們會對供應商的來料於外觀、尺寸、材質等方面進行檢驗，保證來料品質符合集團設計的品質要求。若有發現不合格品，採購部門將按照《不合格品控制程序》進行退貨、篩選接收或讓步接收的方式處置。

於中間階段，我們根據《制程品質質量控制流程》，以及生產過程不同階段半成品的品質特性，在生產流程中設置若干個檢驗點，由品質部駐點檢驗員進行檢驗測試。確認合格後，作好檢驗標識，並在「產品流程單」進行記錄。合格半成品轉入下道工序，並由專人將檢驗測試數據登錄公司電腦局域網企業資源計劃(ERP)系統。

於最終階段，我們對完工的產品作出品質控制，包括進行多項品質檢驗，例如漏氣和清潔度外觀檢驗等。不合格產成品會按《品質異常反饋處理流程》及《不合格品控制程序》規定處置，以確保不被使用。我們也會對可返工的不合格品進行二次投入及檢驗。

最後，品質部會定期對採購產品、生產過程半成品和產成品的監視和測量數據進行統計分析，發現異常數據時按《糾正和預防措施控制程序》要求相關部門作出糾正和預防措施，並進行跟蹤驗證。

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Control Flow of Product Monitoring and Surveying 產品監視和測量控制流程



Furthermore, the Group has also developed its *Management System for Recall of Defective Consumer Products*. We have formed a product recall group and developed recall plans. If any consumer product is found defective, we will safely and quickly recall it. In this case, we will, within 5 working days, take initiative to file our recall plan with the quality inspection department of the province where we operate. Then, the Group will publicly release in a timely manner the recall information through press conferences, posters, traditional media, network media and many other channels. We will notify the sellers and reach a consensus with them about the responsibilities and actions of recall measures, and take initiative to contact the consumers. Upon recall, we will immediately process such recalled products, analyze the defection reasons and develop feasible prevention and correction measures. Finally, we will summarize our recall work and submit to the information system of the provincial quality supervision bureau the Phased Report of Recall of Defective Consumer Products and Summarized Report of Recall of Defective Consumer Products. In daily operation, we will collect teaching materials and cases about product recall to provide training to related department so as to avoid the occurrence of similar quality related events.

此外，本集團亦設有《缺陷消費品召回管理制度》。我們成立產品召回小組，並制定召回計劃，若發現缺陷消費品，我們會安全、迅速地召回產品。於該情況下，我們會於5個工作日內主動向所在省級質檢部門備案召回計劃。然後，集團會及時於新聞發佈會、海報、傳統媒體、網路媒體等渠道向公眾發佈召回資訊。我們會通知銷售者，就召回措施的責任和行動達成共識，並主動聯繫顧客。實施產品召回後，立即進行召回產品處理，分析產品缺陷原因，制定可行的預防和糾正措施。最後，我們將進行召回總結，並於省質監局資訊系統上提交《缺陷消費品召回階段性報告》和《缺陷消費品召回總結報告》。而日常運營中，我們會收集產品召回教材案例，對相關部門進行培訓，以避免類似品質事故發生。

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Improved Product Certification

Product certification is an important part to ensure product quality. The Group actively push forward product test and certification work. In order to ensure the products to fully meet related safety requirements, the Group conduct routine inspection and confirmation inspection of the products to be certificated. The Company establishes Certification Management Department to undertake application for certification, rectification, renewal of certification and etc. And as for the renewal of certificates due to modification of relevant certification standards, the Department of Standardized R&D System shall provide unified scheme.

At present, the Group headquarters and its production bases have certificates such as China Compulsory Certificate (CCC), China Quality Certificate (CQC) and CQC Energy-saving Certification. For the products to be sold overseas, the Group also follows the local requirements to obtain American UL certificate, America DLC certificate and European ENEC certificate and many other international certificates.

Customer-oriented

Customer Satisfaction

In order to fully understand the customers' comments on our products and services, thus, to improve the customer satisfaction, the Group developed Evaluation Procedure for Customer Satisfaction and carried out investigation on customer satisfaction in each quarter. When a product quality problem is found, we will organize such investigation for specific customers in order to understand their satisfaction. In 2017, based on the customer survey, the Group proposed appropriate correction measures as to the delivery period, product quality, service, price, etc. to keep improving our services. Furthermore, NVC provided to employees "7S" customer experience-oriented systematic marketing training. "7S" is a system including participation, vision, store, service, product, case and evaluation experiences. It gives a comprehensive diagnosis of any existing problems of the store, helps propose practical solutions and facilitates to improve the quality of our customer service.

完善產品認證

產品認證為確保品質的重要一環，本集團積極推動產品測試及認證工作。為確保產品完全符合相關的安全要求，集團對認證產品進行例行檢驗及確認檢驗。公司設有認證管理部，負責認證產品的申請、整改、續證等工作，若因產品認證相關標準換版而導致已獲證產品證書需要換版，將由研發系統標準化部統一規劃提出。

目前，本集團總部及下屬生產基地擁有的產品認證包括中國強制性產品認證「CCC」、自願性產品認證「CQC」及CQC節能認證。本集團的外銷產品亦根據產品銷售地要求，進行包括美國UL認證，美國DLC認證及歐洲標準電氣認證(ENEC)等國際認證。

以客為本

客戶滿意度

為充分瞭解客戶對我們的產品和服務的意見，提升顧客的滿意度，本集團制定《顧客滿意度測量評價程序》，每季度進行客戶滿意度調查工作。另外，若出現產品品質問題，我們會組織對特定產品的顧客滿意程度調查。2017年，本集團根據客戶滿意度調查結果，就交期、產品品質、服務、價格等方面提出相應糾正措施，持續改善我們的服務。此外，雷士照明為員工提供「7S」客戶體驗行銷系統培訓。「7S」為包括參與、視覺、門店、服務、產品、案例及評價的體驗系統，可全面診斷門店存在的問題及提出切實解決方法，改善我們客戶服務的品質。

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We devote to ensuring to timely and effectively process the customers' request for return of goods. Whenever an *Application Form for Customers to Return or Exchange Goods* is received, corresponding customer service specialist will review and approve it. Meanwhile, Maintenance Department will conduct a monthly analysis on the return to sale ratio, so that the staff of related departments know the return information and also the specific return reasons. This will be a drive for quality improvement.

Customer Complaint

The Group keeps dealing with any customer complaint timely, properly and effectively. We provide customers with convenient means for consultation and complaints. We also deal with different types of complaints by different means. During the year, the headquarters and Huizhou base had received 45,050 calls from customers, of which 95.8% was for consultation, 4% was about complaints and less than 2.8% was about product quality. Upon receiving customer complaint, the engineer will test the product, exchange and return defective products to the Company.

We also have developed *Process for Dealing with Customer Complaints*. Upon receiving a customer complaint, the corresponding customer service specialist will timely extract and then classify the valid information into appropriate grade for handling it in a specified time limit. Finally, he/she will fill in the *Report on Abnormal Work of Customer Service Department*. Upon receiving such report, the appropriate customer complaint engineer will check such information for product or service problem, and feed it back to related department for handling. In addition, our Quality Technology Department or the Quality Department of any of our base will also, depending on the grade of a customer complaint and specified handling time limit, conduct preliminary analysis, provide temporary handling counter-measures, and confirm whether the customer needs to return the defective product for analysis or arrange an on-site confirmation by a customer service specialist or quality technology personnel. Customer complaint engineer will, within the specified time, provide the final analysis of causes and improved programs, inform the customer on the final solutions. When we handle a relatively serious customer complaint, our caring representative will, within 3 working days, pay a return visit as to the final handling result.

我們致力確保客戶退貨得到及時、有效的處理。客服專員收到《客戶退換貨申請表》後會進行審批。同時，維修科每月會對客戶退貨與銷售比例進行分析，以便相關部門人員瞭解退貨情況及退貨具體原因，推動產品的品質改善。

客戶投訴

本集團堅持及時、妥善、高效地處理客戶投訴。我們為客戶提供方便的諮詢和投訴方法。根據不同的投訴類型，我們為客戶提供相應的處理方式。年內，本集團總部及惠州基地共接獲客戶來電45,050次，其中諮詢來電佔95.8%，投訴來電約為4%，而關於產品品質的則少於2.8%。工程師收到異常客訴後，會進行檢測並換下不良品退回公司。

我們亦設定《客戶投訴處理流程》。客服專員在接到客訴後，及時提取有效資訊，將客訴資訊以等級分類，在標準處理時限內處理，並填寫《客服部工作異常報告》。而客訴工程師在接到報告後，核實客訴資訊是否屬於產品和服務問題，並將相關投訴資訊反饋給相關部門處理。另外，我們的品質技術部或基地的品質部門也會根據客訴等級參照標準處理時限，給予初步分析及臨時處理對策，並確認是否需寄回不良品分析，或安排客服或品質技術人員到現場確認。客訴工程師會於規定時間內提供最終的原因分析及改善方案，回覆客戶最終的處理方案。於處理較嚴重的客戶投訴時，我們的關懷代表根據流程中的最終處理結果，於3個工作日內對客訴處理結果進行回訪。

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Brand Value

The Group has also received various corporate honors over the years. In 2017, we again were awarded as “China’s 500 Most Valuable Brands”. As an international lighting corporate, NVC’s brand values in the amount of RMB20.685 billion, ranking first in the lighting industry for 6 consecutive years. Furthermore, the Group’s Shanghai Qingpu Base was also awarded as “High-tech Corporate” and “Shanghai Municipal Patent Pilot Corporate”, selected as a “Professional, Refine, Characteristic and Novel” small and medium-size corporate, and identified as “Qingpu District Corporate Technology Center”.

Management of Supply Chains

Suppliers are especially important to the quality of the Group’s products. Therefore, NVC handles affairs related to suppliers from two aspects, including the screening standards and management of suppliers, as well as procurement procedures, in order to create high quality supply chain platform. As of December 31, 2017, the Group has had a total of 400 material suppliers, most of which are located in mainland China.

The Group screens and manages suppliers based on the *Procedure for Management and Control of Suppliers* it has developed. Every month, we collect data from suppliers, and conduct a statistic analysis on aspects such as quality, delivery, service and cost for grading. For low-grade suppliers, we implement Quality Improvement Plan and other measurements, such as lowering supply ratio, or even terminating cooperation. Those suppliers with serious quality issues shall be examined on site by personnel from the Group with immediate arrangement.

In addition, the Group has stipulated annual evaluation plan for suppliers, ensuring that each supplier is examined for at least once per year. The Group also updates *Qualified Supplier Catalog* to timely end the business relationships with unqualified and uncooperative suppliers. The Group shall convene at least one conference for all suppliers to convey the new guidelines and requirements about production quality of the Group and to share cases of improvement, thus, promoting all suppliers to improve the quality of the supplied products, therefore, meeting the needs for the development of both the Group and suppliers.

品牌價值

本集團在歷年來亦獲得各項企業榮譽。年內，我們再次獲得「中國品牌價值500強」榮譽。作為全球化照明企業，雷士照明擁有的品牌價值達206.85億元人民幣，為連續6年照明行業第一。另外，本集團上海青浦基地亦被評定為「高新技術企業」及「上海市專利試點企業」，亦被選為「專精特新」中小企業，及獲認定為「青浦區企業技術中心」。

供應鏈管理

供應商對集團的產品品質尤其重要。雷士照明在供應商的篩選管理及採購程序兩方面著手，致力打造高質素的供應鏈平臺。截至2017年12月31日，本集團共有材料供應商逾400家，大部份位於中國內地。

本集團制定《供方管理控制程序》，對供應商作出篩選及管理。我們每月對供應商進行資料收集，從供貨品質、交付、服務及成本方面進行統計分析及供應商等級。對低等級的供應商實行《品質整改計劃》，並實施下調貨源比例以至終止合作等懲罰措施。對於出現嚴重品質問題的供應商，我們會第一時間組織人員對供應商進行現場審查。

此外，本集團亦制定年度供應商審核計劃，保證每家供應商審核頻次每年不少於1次，並每季度更新「合格供應商目錄」，及時清理不合格、不合作供應商。本集團每年至少召開一次供應商品質大會，傳達集團公司新的品質方針和要求，與各供應商進行分享改善案例，促使各供應商不斷提高供貨的產品品質，滿足雷士照明及供應商的發展需要。

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The Group will enter into *Supply and Demand Cooperation Agreement* with new suppliers. In addition to requiring suppliers to ensure the quality of products and services, we also examine the suppliers' performance in environmental protection and occupational safety. We will add in such agreement terms as to environmental protection and occupational safety and health management. The suppliers shall guarantee that their products and services comply with laws and regulations as to environmental protection and workers' occupational health at national, local and industrial level. While maintaining production quality, the Group gives priority to production craft or equipment without contamination or with less contamination. In addition, we also add in such agreement terms on confidentiality and intellectual property rights, in order to protect each party's intellectual property rights.

Anti-Corruption Policy

The Group has established anti-corruption systems, especially standards about professional practice of the board directors and medium and senior level management, in order to build up a clean working attitude, to avoid wrong doings that harm interests of the Company, shareholders and employees and to prevent illegal behaviours of commercial bribery, extortion, fraud and money laundering.

We have established Department for Internal Audit as our standing organ directing reporting to the Company's Board and conducting anti-corruption work together with internally and externally related institutions such as management at all levels and suppliers. In addition, we internally conduct anti-corruption trainings through many means, in order to ensure that the employees understand relevant laws and the Company's anti-corruption policy, handling procedures and relevant measures.

導入新供應商時，本集團將與供應商簽署《供需合作協定書》。除要求供應商保證產品及服務品質外，我們亦會檢視供應商在環境及職業安全方面的表現。我們在協議書中加入環境職業安全健康管理條款，供應商需保證滿足國家、地方、行業的有關環境保護、勞工職業健康保護的法律、法規的要求。在保證要求的產品品質條件下，我們要求優先考慮採用無污染或少污染的生產工藝及設備。協議書中亦加入保密及知識財產權條款，保障雙方的智慧財產權。

反貪腐政策

本集團建立反貪腐制度，特別是董事及中高級別管理人員的職業行為規範，以樹立廉潔的工作態度，防止發生損害公司、股東及員工利益的行為，以及防範各類商業賄賂、勒索、欺詐及洗黑錢等非法行為。

我們設立審計內控部為公司反舞弊工作常設機構，直接向公司董事會報告，與各級管理人員、供應商等內外關聯機構進行反貪腐的工作。此外，我們在公司內部以多種形式進行反貪腐培訓，確保員工瞭解相關法律，及公司的反舞弊政策、處理方式及有關措施。

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We carry out risk evaluation on anti-fraud annually, including its importance and potential, and implement in various forms of necessary measures for internal control of fraud in areas with high risks, thus containing corruption from the very beginning. The Group also encourages real-name whistleblowing. Employees and parties who have a business relationship directly or indirectly with the Group can report any illegal actions such as fraud, through reporting telephone, e-mail, mail or by other means. If what is reported is found true upon investigation, the informant will be commended and rewarded by the Company. Meanwhile, we require that we must keep confidential the informant's identity to ensure that his/her personal interests are not infringed. Besides, we have worked out commitment of honest operation and categorized the commitment separately for our suppliers, customers and internal employees, encouraging both internal and external actions to prevent fraud. In 2017, the Group received no report of any illegal actions, such as, commercial bribery, extortion, fraud and money laundering.

Fulfillment of Social Welfare Projects

For many years, NVC has insisted on fulfilling its corporate social responsibility in practical action. It provides fund, material and other supports to poverty relief, environmental protection, education and many other aspects by carrying out branded public welfare activities such as "NVC Guangming School", "NVC Public Welfare Forest".

In addition, the Group actively assumes its social responsibility by applying market-based means. NVC implements "30,000+Township Franchised Stores", in which, a certain ratio of such stores must assume social responsibility for poverty relief. NVC promises that within 3 years, it will select from poor areas not less than 3,000 children from poor families, training them to work in its plants or sale systems. Meanwhile, it will also provide fund, goods credit, commercial skill training and store establishment support to 500 to 1,000 excellent individuals selected from such employees, in order to lead them to a commercial road to gaining wealth on their own.

我們每年進行舞弊風險評估，評估包括舞弊風險的重要性和可能性。透過針對發生舞弊行為的高風險區域，我們以不同的形式實施內部控制措施，從而在源頭預防舞弊的發生。集團也鼓勵實名舉報舞弊等違規行為，員工及與公司擁有業務關係的社會各方可通過電話、電子郵箱、郵政信函等舉報渠道投訴。經查證屬實，公司會視情況予以表彰和獎勵。同時我們規定必須對舉報人的身份保密，以保證舉報人的人身利益不受侵害。另外，我們也制定誠信經營承諾書，分為供應商、客戶及內部員工等版本，鼓勵集團內外共同抵制舞弊行為。年內，集團沒有接獲有關商業賄賂、勒索、欺詐和洗黑錢等非法行為的舉報。

實踐社會公益

雷士照明多年來堅持以實際行動踐行企業的社會責任。通過「光明校舍」、「雷士公益林」等品牌公益活動，對扶貧、環保、教育等方面提供資金、物資等各方面支援。

另外，本集團積極應用市場化的手段承擔社會責任。於雷士照明的「3萬+鄉鎮專賣店計劃」中，必須有一定比例的鄉鎮門店承擔扶貧的社會責任。雷士照明承諾，3年內在貧困地區選拔、培訓不少於3,000名寒門子弟，進入雷士照明旗下工廠或銷售體系工作，並從中選拔優秀的500至1,000人為其提供資金、貨品信貸、商業技能培訓及開店支援，引導其走上自食其力的商業致富之路。



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In July 2017, NVC's chairman Wang Donglei was invited to attend the Forum "Hong Fund 7.27 - Chinese Community Thinking Date" and delivered "Responsibility Creates Future" themed speech. She said, corporations shall put emphasis on taking up social responsibility to help poor areas to get rid of poverty. NVC supports "Hong Fund (鴻基金)", which cares for the life and study of the left-behind children, joins hands with Chinese poverty alleviation net and participates in the creation of the Chinese entrepreneurs' alliance for poverty alleviation, to contribute to the cause of China's poverty alleviation. In addition, the Group also provides fund support to secondary schools and primary schools in the place where it operates. In 2017, we provided a total of RMB40,000 to several secondary schools and primary schools in Huizhou area. We make efforts to create a society with harmonious-development together through persistent social public welfare practice.

2017年7月，雷士照明董事長王冬雷受邀出席「鴻基金7.27中國社群思維日」論壇，並發表「責任創造未來」的主題演講，表示企業應注重承擔社會責任，力助貧困地區脫貧致富。雷士照明支持「鴻基金」，關愛留守兒童生活、學習，並攜手中國扶貧網，參與創建中國企業家扶貧聯盟，為中國扶貧事業貢獻力量。此外，本集團亦向運營所在地中小學提供資助。2017年，我們向惠州地區數間中小學合共資助四萬元人民幣。透過持之以恆的社會公益實踐，我們為共同創造和諧發展的社會而努力。

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Performance Data Summary

數據表現摘要

Unit		2017 [^]	2016 [*]	
單位		2017年 [^]	2016年 [*]	
Environment	Resources Consumption			
環境	資源消耗			
	Electricity	kWh	58,943,989	18,624,000
	電力	度 / 千瓦時		
	Gasoline	Liter	82,089	1,611,076
	汽油	升		
	Diesel Oil	Liter	1,132	–
	柴油	升		
	Natural Gas	m ³	1,361,813	278,443
	天然氣	立方米		
	LPG	Kg	100,387	–
	液化氣	公斤		
	Total Energy Intensity	GJ/a thousand	0.067	–
	總能源密度	of revenue in RMB 千兆焦耳 / 千元人民幣營業額		
	Tap Water	Ton	488,925	272,983
	自來水	噸		
	Water intensity	Ton/a thousand	0.120	–
	用水密度	of revenue in RMB 噸 / 千元人民幣營業額		
	Greenhouse Gas			
	溫室氣體			
	Total Emission of Greenhouse Gas	Ton carbon dioxide	39,943	16,215
	溫室氣體總排放量	equivalence 噸二氧化碳當量		
	Direct Emission (Scope 1)	Ton carbon dioxide	3,469	4,335
	直接排放 (範圍一)	equivalence 噸二氧化碳當量		
	Indirect Emission (Scope 2)	Ton carbon dioxide	36,474	11,800
	間接排放 (範圍二)	equivalence 噸二氧化碳當量		
	Waste Gas Pollutants			
	廢氣污染物			
	Nitrogen Oxide	Ton	3.636	–
	氮氧化物	噸		

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Unit 單位		2017^ 2017年^	2016* 2016年*
Sulfur Dioxide 二氧化硫	Ton 噸	1,601	–
PM 煙塵	Ton 噸	6,576	–
Waste Water Pollutants 廢水污染物			
Chemical Oxygen Demand 化學需氧量	Ton 噸	18.2	
Ammonia – Nitrogen 氨氮	Ton 噸	1.4	
Wastes 廢棄物			
Hazardous Wastes 危險廢棄物	Ton 噸	918	65.54
Non-hazardous Wastes (for external recycling) 一般廢棄物(外部回收)	Ton 噸	2,875	–
Consumption of Packaging Materials (Guangdong Huizhou Base) 包裝材料使用量(廣東惠州基地)			
Plastic Bags 塑膠袋	Pcs 件	81,489,549	52,262,177
Color Boxes 彩盒	Pcs 件	81,686,757	70,473,043
Paper Boxes 紙箱	Pcs 件	27,375,070	8,731,860
Labels 標籤	Pcs 件	209,404,146	126,463,389
Employees 員工	Total Number of Employees 總人數	5,895	1,894
	Gender Distribution 性別分佈		
	Male 男性	2,536	1,143

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Unit 單位	2017 [^] 2017年 [^]	2016* 2016年*
Female 女性	3,359	751
Functional Distribution 職能分佈		
Management 管理	1,550	758
Frontline 前線	4,345	1,136
Age Distribution 年齡分佈		
<31	3,106	891
31-50	2,693	946
> 50	96	57
Regional Distribution 地區分佈		
Mainland China 內地	5,895	1,690
Hong Kong and Other Regions 香港及其他	0	204
Turnover Rate of Employees (by ages) 流失情況 – 按年齡		
Number of Turnover Employees 流失人數		
<31	1,445	1,676
31-50	1,053	
> 50	57	
Average Quarterly Turnover Rate 季度平均流失比率		
<31	14%	18%
31-50	8%	
> 50	10%	
Turnover Rate of Employees (by gender) 流失情況 – 按性別		
Number of Turnover Employees 流失人數		
Male 男性	1,602	1,676

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Unit 單位	2017^ 2017年^	2016* 2016年*
Female 女性	953	
Average Quarterly Turnover Rate 季度平均流失比率		
Male 男性	15%	18%
Female 女性	7%	
New Hire (by ages) 新招聘情況 – 按年齡		
Number of Employees New Hired 新入職人數		
<31	933	1,076
31-50	565	
> 50	16	
Average Quarterly New Hire Rate 季度平均新入職率		
<31	9%	12%
31-50	4%	
> 50	3%	
New Hire (by gender) 新招聘情況 – 按性別		
Number of Employees New Hired 新入職人數		
Male 男性	975	1,076
Female 女性	539	
Average Quarterly New Hire Rate 季度平均新入職率		
Male 男性	9%	12%
Female 女性	4%	
Training Performance (by gender) 培訓績效 – 按性別		
Total Person-time Training 培訓總人次		
Male 男性	14,343	–

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Unit 單位	2017 [^] 2017年 [^]	2016* 2016年*
Female 女性	14,108	–
Total Training Hours 培訓總時數		
Male 男性	43,390	–
Female 女性	29,480	–
Training Performance (by functions) 員工培訓績效 – 按職能		
Total Person-time Training 培訓總人次		
Management 管理	5,550	–
Employee 前線	22,901	–
Total Training Hours 培訓總時數		
Management 管理	24,675	–
Frontline Employee 前線	48,195	–
Occupational Safety and Health		
Training		
職業安全與健康培訓		
Total Person-time Training 培訓總人次	2,575	1,686
Total Training Hours 培訓總時數	7,432	2,565
Occupational Safety and Health		
Performance		
職業安全健康績效		
Number of work-related Injuries 工傷事故數	30	10
Rate of work-related Injuries 工傷率	0.51%	0.43%
Lost days due to work-related Injuries 因工傷損失工作日數	310	140

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Unit 單位		2017 [^] 2017年 [^]	2016* 2016年*
	Work-related fatalities 因工死亡人數	0	0
Community 社區	Participation and Public Welfare Investment 參與和公益投入		
	Public Welfare Donation 10,000 RMB 公益捐款 萬元人民幣	4	22

[^] Unless otherwise specified, 2017 data collection boundary included the Group's headquarters, Guangdong Huizhou Base, Chongqing Wanzhou Base, Zhejiang Jiangshan Base and Shanghai Qingpu Base.

* Unless otherwise specified, 2016 data collection boundary only included the Group's headquarters and Guangdong Huizhou Base

[^] 如無特別說明，2017年數據收集邊界為本集團總部、廣東惠州基地、重慶萬州基地、浙江江山基地及上海青浦基地

* 如無特別說明，2016年數據收集邊界為本集團總部及廣東惠州基地

ESG Content Index

內容索引

KPIs 關鍵績效指標	HKEX ESG Reporting Guide Requirements 港交所ESG報告指南要求	Report Chapters/Remarks 報告章節 / 備註
A. Environmental A. 環境		
Aspect A1 層面A1	Emissions 排放物	
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Creation of Green Environment – Environmental Compliance and Management of Emission 創造綠色環境 – 環境合規、排放管理

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KPI A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放資料。	Creation of Green Environment – Management of Emission 創造綠色環境 – 排放管理
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 溫室氣體總排放量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	Creation of Green Environment – Management of Emission 創造綠色環境 – 排放管理
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	Creation of Green Environment – Management of Emission 創造綠色環境 – 排放管理
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	Creation of Green Environment – Management of Emission 創造綠色環境 – 排放管理
KPI A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	Creation of Green Environment – Management of Emission 創造綠色環境 – 排放管理
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Creation of Green Environment – Management of Emission 創造綠色環境 – 排放管理
Aspect A2 層面A2	Use of Resources 資源使用	
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源（包括能源、水及其他原材料）的政策。	Creation of Green Environment – Consumption of Resources 創造綠色環境 – 資源耗用
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源（如電、氣或油）總耗量（以千個千瓦時計算）及密度（如以每產量單位、每項設施計算）。	Creation of Green Environment – Consumption of Resources 創造綠色環境 – 資源耗用

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KPI A2.2	Water consumption in total and intensity (e.g.per unit of production volume, per facility). 總耗水量及密度（如以每產量單位、每項設施計算）。	Creation of Green Environment – Consumption of Resources 創造綠色環境 – 資源耗用
KPI A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	Creation of Green Environment – Consumption of Resources 創造綠色環境 – 資源耗用
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	Creation of Green Environment – Consumption of Resources 創造綠色環境 – 資源耗用
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量（以噸計算）及（如適用）每生產單位估量。	Data Summary 數據表現摘要
Aspect A3 層面A3	The Environment and Natural Resources 環境及天然資源	
General Disclosure 一般披露	Policies on minimizing the issuers' significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Creation of Green Environment – Environmental Management 創造綠色環境 – 環境管理
KPI A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Creation of Green Environment – Green R&D and Production 創造綠色環境 – 綠色研發及生產

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B. Society		
B. 社會		
Aspect B1		
層面B1		
General Disclosure 一般披露	Employment 僱傭 Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：	Cohesion of Employees – Diversity and Harmony and Respect for Human Rights, Management of Talents 凝聚員工力量 – 多元共融尊重人權、人才管理
KPI B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Cohesion of Employees – Composition of Employees 凝聚員工力量 – 員工組成
KPI B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	Cohesion of Employees – Composition of Employees 凝聚員工力量 – 員工組成
Aspect B2		
層面B2		
General Disclosure 一般披露	Health and Safety 健康與安全 Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的：	Cohesion of Employees – Occupational Safety and Health 凝聚員工力量 – 職業安全與健康
KPI B2.1	(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	During the reporting period, there was no death due to occupational injuries 報告年度內，沒有因工死亡事故發生

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KPI B2.2	Lost days due to work injury. 因工傷損失工作日數。	Cohesion of Employees – Occupational Safety and Health 凝聚員工力量－職業安全與 健康
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Cohesion of Employees – Occupational Safety and Health 凝聚員工力量－職業安全與 健康
Aspect B3 層面B3	Development and Training 發展及培訓	
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓 活動。	Cohesion of Employees – Training and Development 凝聚員工力量－培訓與發展
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別（如高級管理層、中級管理層等）劃分的 受訓僱員百分比。	Cohesion of Employees – Training and Development 凝聚員工力量－培訓與發展
KPI B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	Cohesion of Employees – Training and Development 凝聚員工力量－培訓與發展
Aspect B4 層面B4	Labour Standards 勞工準則	
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour. 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Cohesion of Employees – Diversity and Harmony and Respect for Human Rights, 凝聚員工歷練－多元共融尊 重人權

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KPI B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	Cohesion of Employees – Compliant Operation and Respect for Human Rights 凝聚員工力量 – 合規經營尊重人權
KPI B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	During the reporting period, there was no report of breach 報告年度內，沒有違規報告
Aspect B5 層面B5	Supply Chain Management 供應鏈管理	
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Pursuit of Excellent Quality – Management of Supply Chains 追求卓越品質 – 供應鏈管理
KPI B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	Pursuit of Excellent Quality – Management of Supply Chains 追求卓越品質 – 供應鏈管理
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	Pursuit of Excellent Quality – Management of Supply Chains 追求卓越品質 – 供應鏈管理
Aspect B6 層面B6	Product Responsibility 產品責任	
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Pursuit of Excellent Quality – Compliant Operation, Quality Management, Customer-oriented 追求卓越品質 – 合規經營、品質管控、以客為本

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KPIs 關鍵績效指標	HKEX ESG Reporting Guide Requirements 港交所ESG報告指南要求	Report Chapters/Remarks 報告章節／備註
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	During the reporting period, there was no recycling events due to reasons of safety and health 報告年度內，沒有發生因安全與健康理由而需回收的事件
KPI B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	Pursuit of Excellent Quality – Compliant Operation, Quality Management, Customer-oriented 追求卓越品質 – 合規經營、品質管控、以客為本
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障智慧財產權有關的慣例。	Pursuit of Excellent Quality – R&D and Innovation, Management of Supply Chains 追求卓越品質 – 研發創新、供應鏈管理
KPI B6.4	Description of quality assurance process and recall procedures. 描述品質檢定過程及產品回收程序。	Pursuit of Excellent Quality – Quality Management 追求卓越品質 – 品質管控
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	No Material Risks Related to the Company Business 公司業務沒有相關重大風險
Aspect B7 層面B7 General Disclosure 一般披露	Anti-corruption 反貪污 Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Pursuit of Excellent Quality – Anti-Corruption Policy 追求卓越品質 – 反貪腐政策

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KPIs 關鍵績效指標	HKEX ESG Reporting Guide Requirements 港交所ESG報告指南要求	Report Chapters/Remarks 報告章節／備註
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	During the reporting period, there was no report of corruption case 報告年度內，沒有接獲貪污訴訟的報告
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	Pursuit of Excellent Quality – Anti-Corruption Policy 追求卓越品質 – 反貪腐政策
Aspect B8 層面B8	Community Investment 社區投資	
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	Pursuit of Excellent Quality – Fulfillment of Social Welfare Projects 追求卓越品質 – 實踐社會公益
KPI B8.1	Focus areas of contribution (e.g.education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇（如教育、環境事宜、勞工需求、健康、文化、體育）。	Pursuit of Excellent Quality – Fulfillment of Social Welfare Projects 追求卓越品質 – 實踐社會公益
KPI B8.2	Resources contributed (e.g.money or time) to the focus area. 在專注範疇所動用資源（如金錢或時間）。	Pursuit of Excellent Quality – Fulfillment of Social Welfare Projects 追求卓越品質 – 實踐社會公益

Independent Auditor's Report 獨立核數師報告



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TO THE SHAREHOLDERS OF NVC LIGHTING HOLDING LIMITED
(Incorporated in the Cayman Islands with limited liability)

致雷士照明控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

Qualified Opinion

保留意見

We have audited the consolidated financial statements of NVC Lighting Holding Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 199 to 404, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

我們已審計載於第199至第404頁之雷士照明控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表，包括於2017年12月31日的合併財務狀況表及截至該日止年度的合併損益表、合併全面損益表、合併權益變動表及合併現金流量表，以及合併財務報表附註包括主要會計政策概要。

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements present fairly, in all material respects, of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們認為，除了我們的報告中「保留意見基礎」段落所述事項可能帶來的影響外，合併財務報表乃根據國際財務報告準則(「國際財務報告準則」)在所有重大方面真實而公允地反映貴集團於2017年12月31日的合併業務狀況及截至該日止年度的合併財務表現及合併現金流量，並已根據香港公司條例的披露規定妥為編製。

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獨立核數師報告

Basis for Qualified Opinion

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts

As set out in Note 33 to the consolidated financial statements, a subsidiary of the Company (the "Subsidiary") entered into several pledge and guarantee agreements in 2013 and 2014 (the "Pledge and Guarantee Agreements") with certain banks in the People's Republic of China (the "PRC"), providing guarantees to the banks for their loan facilities granted to certain borrowers. Counter guarantees were provided by one of the borrowers of the bank loans (the "Borrower") to the Group. During 2014, aggregate pledged time deposits of RMB550,924,000 of the Subsidiary had been withdrawn by the banks due to default of the bank loans under the guarantees of the Subsidiary.

The Group initiated legal actions to claim the counter guarantees provided by the Borrower. The directors are of the opinion that an amount of RMB265,564,000 (the "Recoverable Amount") is recoverable. Therefore other receivables of RMB550,924,000 due from the Borrower were included in "Prepayments, deposits and other receivables" in the consolidated statement of financial position as at 31 December 2014 as set out in Note 22 to the consolidated financial statements, and a provision for the irrecoverable amount of RMB285,360,000 had been recognised in profit or loss for the year ended 31 December 2014. There was no subsequent reversal of the provision or further provision recognised. As at 31 December 2017, the other receivables of RMB550,924,000 and provision thereon of RMB285,360,000 were included in "Prepayments, deposits and other receivables" as detailed in Note 22 to the consolidated financial statements.

保留意見基礎

(a) 其他應收款項減值及關於財務擔保合約的不確定性

如合併財務報表附註33列明，貴公司一家附屬公司（「該附屬公司」）分別於2013年及2014年與中華人民共和國（「中國」）境內若干銀行訂立數項質押及擔保協議（「質押及擔保協議」），就該等銀行向其若干借款人授予貸款融資而提供擔保。各筆銀行貸款其中一名借款人（「該借款人」）向貴集團提供若干反擔保。數家銀行基於該附屬公司擔保的數項銀行貸款違約，已於2014年度提取該附屬公司質押定期存款總額為人民幣550,924千元。

貴集團已採取法律行動，就該借款人提供的反擔保提出索償。董事認為可收回人民幣265,564千元的金額（「可收回金額」）。因此，於2014年12月31日，其他應收借款人款項人民幣550,924千元的金額已計入合併財務報表附註22所載之合併財務狀況表內「預付款、保證金及其他應收賬款」一項，並對不可收回金額人民幣285,360千元計提撥備，且於截至2014年12月31日止年度的損益表內確認。並無後續撥回計提撥備或確認進一步的撥備。於2017年12月31日，其他應收賬款人民幣550,924千元及相關撥備人民幣285,360千元已計入合併財務報表附註22之「預付款、保證金及其他應收賬款」一項。

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Basis for Qualified Opinion (continued)

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts (continued)

As set out in Notes 33 and 34 to the consolidated financial statements, the Subsidiary also entered into guarantee agreements with another PRC bank in 2013 (the "Guarantee Agreement 1") and a PRC finance company in 2014 (the "Guarantee Agreement 2") respectively, providing guarantees to the PRC bank and the PRC finance company for their loan facilities granted to their borrowers. The outstanding loans of RMB35,497,000 and RMB34,000,000 in relation to the Guarantee Agreements 1 and 2 were in default in 2015 and 2014 respectively. The PRC bank and the PRC finance company took legal actions against the respective borrowers and the guarantors (including the Borrower and the Subsidiary as guarantors) to recover the loan balances and interests.

For the Guarantee Agreement 1, according to the first court judgement in 2016 and the final court judgement in 2017, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC bank of the outstanding loan, plus interest and costs. The Subsidiary has filed application of retrial of the PRC court judgements and the commencement of related legal proceeding has been accepted by the PRC court in January 2018. The related outcome of the retrial according to the official legal documents received by the Subsidiary is pending as of the date of approval of these consolidated financial statements.

For the Guarantee Agreement 2, according to the first court judgement in 2016 and the final court judgement in 2017, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC finance company of the outstanding loan, plus interest and costs. The Subsidiary is in the process of applying for protest of the PRC court judgements.

保留意見基礎 (續)

(a) 其他應收款項減值及關於財務擔保合約的不確定性 (續)

誠如合併財務報表附註33及34所載，該附屬公司亦分別於2013年與另一家中國銀行訂立擔保協議（「擔保協議1」）以及於2014年與一家中國財務公司訂立擔保協議（「擔保協議2」），為該家中國銀行及該家中國財務公司向其借款人授予貸款融資提供擔保。就擔保協議1及擔保協議2的未償還貸款人民幣35,497千元及人民幣34,000千元分別於2015年及2014年違約。該家中國銀行及該家中國財務公司已採取法律行動向各借款人及一眾擔保人（包括該借款人及該附屬公司，作為擔保人）追討貸款結餘及利息。

就擔保協議1而言，根據於2016年的首次法院判決及於2017年的最終法院判決，該附屬公司被裁定須就向該家中國銀行支付未償還貸款另加利息及開支承擔共同責任。該附屬公司已就中國法院判決申請重審，且中國法院已於2018年1月同意受理相關法律訴訟。根據該附屬公司收到的正式法律文件，重審的相關結果在該等合併財務報表獲批准當日尚未公佈。

就擔保協議2而言，根據於2016年的首次法院判決及於2017年的最終法院判決，該附屬公司被裁定須就向該家中國財務公司支付未償還貸款另加利息及開支承擔共同責任。該附屬公司正就中國法院判決申請抗訴。

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獨立核數師報告

Basis for Qualified Opinion (continued)

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts (continued)

Accordingly, the Group is of the view that the legal proceedings in relation to Guarantee Agreements 1 and 2 are still in progress notwithstanding the respective final court judgements.

The directors, with reference to legal opinions obtained and other factors, consider that the likelihood of the Group sustaining losses from the Guarantee Agreements 1 and 2 is remote as it is considered that the loans had sufficient underlying securities including the Borrower's guarantees and the Subsidiary is only one of the guarantors for the loans. As a result, the directors considered that no provision thereon is considered necessary as at 31 December 2016 and 2017.

However, the legal proceedings in relation to the Pledge and Guarantee Agreements and the Guarantee Agreement 1 are still in progress and we are not able to obtain sufficient appropriate audit evidence to assess the likelihood of successfully applying for the protest of the PRC court judgements by the Subsidiary in relation to Guarantee Agreement 2 and the likely outcome of such protest of the PRC court judgements, and we are not able to obtain sufficient appropriate audit evidence to ascertain the above management assessment. Accordingly we are not able to assess the likely outcome of the legal proceedings in respect of the amount that the Group would recover from the Borrower's assets as determined by the court and the amount ultimately to be recovered from the Borrower in connection with the Pledge and Guarantee Agreements, and to determine if any provision arising from the Guarantee Agreements 1 and 2 is necessary. As a result, we are not able to ascertain the recoverability of the Recoverable Amount due from the Borrower and any provision for the Guarantee Agreements 1 and 2 as at 31 December 2017 should be recognised.

保留意見基礎 (續)

(a) 其他應收款項減值及關於財務擔保合約的不確定性 (續)

因此，貴集團認為，儘管已作出相關最終法院判決，但與擔保協議1及擔保協議2有關的法律訴訟仍在進行中。

經參考取得的法律意見及其他因素，董事認為，貴集團須就擔保協議1及擔保協議2承擔損失的可能性輕微，因據悉該貸款具有足夠的相關擔保（包括該借款人的擔保），而該附屬公司亦僅為該貸款的其中一名擔保人。因此，董事認為不需要於2016年及2017年12月31日作出相關撥備。

然而，有關質押及擔保協議以及擔保協議1的法律訴訟仍在進行中，我們未能取得充分恰當的審核證據以評估該附屬公司成功就擔保協議2的中國法院判決申請抗辯的可能性以及就中國法院判決進行相關抗辯的可能結果，且我們無法取得充分恰當的審核證據以確定管理層的上述評估。因此，我們無法評估就貴集團可依法庭判決收回該借款人資產的款額的法律訴訟可能的結果及就質押及擔保協議最終向該借款人收回的款額，亦無法確定是否需要就擔保協議1及擔保協議2作出任何撥備。因此，我們無法確定能否回收應收該借款人的可收回金額及應否於2017年12月31日就擔保協議1及擔保協議2計提撥備。就應收該借款人款項可收回金額的任何調整及於2017年12月31日就擔保協議1及擔保協議2確

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Basis for Qualified Opinion (continued)

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts (continued)

Any adjustments to the Recoverable Amount due from the Borrower and any provision to be recognised as at 31 December 2017 in respect of Guarantee Agreements 1 and 2 would have a consequential impact on the Group's net assets as at 31 December 2017 and the Group's financial performance for the year then ended. Our audit opinion on the consolidated financial statements for the year ended 31 December 2016 was qualified in this respect.

(b) Provision for loss on financial guarantee contract

As set out in Notes 33 and 34 to the consolidated financial statements, in addition to the agreements as mentioned in the above paragraphs, the Subsidiary entered into a guarantee agreement (the "Guarantee Agreement 3") with a PRC bank in 2014, providing guarantee to the bank for a loan facility granted to its borrower. The bank loan was in default in 2014 and the bank took legal actions against the borrower and the guarantors (including the Subsidiary) to recover the bank loan balance and interest. A court order was issued to freeze assets of the guarantors (including the Subsidiary) in the amount of RMB62,000,000. As a result of the court order, bank balance of the Subsidiary in the amount of RMB55,396,000 had been frozen by the bank as at 31 December 2016 which was included in "Restricted bank balances and short-term deposits" in the consolidated statement of financial position as at 31 December 2016 as set out in Note 25 to the consolidated financial statements. According to the first court judgement in 2016 and the final court judgement in 2017, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC bank of RMB60,000,000, plus interest and costs. In February 2017, the frozen bank balance of the Subsidiary has been withdrawn by the court for the purpose of settlement of the claim by the PRC bank. During the year,

保留意見基礎 (續)

(a) 其他應收款項減值及關於財務擔保合約的不確定性 (續)

認的任何計提撥備，將會對 貴集團於2017年12月31日的淨資產及 貴集團截至該日止年度的財務表現構成重大影響。我們對截至2016年12月31日止年度的合併財務報表的審核意見就此作出保留。

(b) 財務擔保合約損失撥備

誠如合併財務報表附註33及34所載，除以上段落所述的協議，該附屬公司於2014年與中國的一家銀行訂立一項擔保協議（「擔保協議3」），為銀行向其借款人授予貸款融資提供擔保。該銀行之貸款未能於2014年償還，而該銀行已採取法律行動向借款人及一眾擔保人（包括該附屬公司）追討銀行貸款結餘及利息。經已發出法院指令凍結擔保人（包括該附屬公司）資產，即金額人民幣62,000千元。鑒於該法院指令，該附屬公司金額為人民幣55,396千元的銀行存款已於2016年12月31日被銀行凍結，誠如載於合併財務報表附註25，該筆存款已計入2016年12月31日的合併財務狀況表的「受限制的銀行結餘及短期存款」。根據於2016年的首次法院判決及於2017年的最終法院判決，該附屬公司被裁定須就向該家中國銀行支付人民幣60,000千元款項另加利息及成本承擔共同責任。於2017年2月，該附屬

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獨立核數師報告

Basis for Qualified Opinion (continued)

(b) Provision for loss on financial guarantee contract (continued)

the Subsidiary filed an application of retrial of the PRC court judgements in relation to Guarantee Agreement 3 which was rejected by the PRC court. During the year, the Subsidiary has filed an application of protest of the PRC court judgements and the commencement of related legal proceeding has been accepted by the PRC court in March 2018. The related outcome of the protest according to the official legal documents received by the Subsidiary is pending as of the date of approval of these consolidated financial statements.

Accordingly, the Group is of the view that the legal proceeding is still in progress notwithstanding the final court judgement and the rejection of the application of retrial. As at 31 December 2017, the withdrawn amount of RMB55,396,000 was included in "Prepayments, deposits and other receivables" in the consolidated statement of financial position as set out in Note 22 to the consolidated financial statements.

The directors, with reference to legal opinion obtained and other factors, consider that the likelihood of the Group sustaining losses from the guarantee is remote as it is considered that the bank loan had sufficient underlying securities and the Subsidiary is only one of the guarantors for the bank loan. The directors believe that the withdrawn bank balance will be fully recovered upon the conclusion of the protest of the PRC court judgements and no provision on the frozen and subsequently withdrawn amount is considered necessary as at 31 December 2016 and 2017 respectively. In addition, the directors are of the opinion that no provision on any shortfall between the amount to be ultimately settled by the Group under the Guarantee Agreement 3 and the Subsidiary's frozen and subsequently withdrawn bank balance is considered necessary as at 31 December 2016 and 2017 respectively.

保留意見基礎 (續)

(b) 財務擔保合約損失撥備 (續)

公司的被凍結銀行存款被法院提取以支付該家中國銀行的索償。年內，該附屬公司已就擔保協議3的中國法院判決申請重審，然相關申請被中國法院駁回。年內，該附屬公司已就中國法院判決申請抗訴，中國法院已於2018年3月受理相關法律訴訟。根據該附屬公司收到的正式法律文件，抗訴的相關結果在該等合併財務報表獲批准當日尚未公佈。

因此，貴集團認為，儘管已作出最終法院判決且重審申請遭拒絕，但法律訴訟仍在進行中。於2017年12月31日，誠如合併財務報表附註22所載，人民幣55,396千元的被提取金額已計入合併財務狀況表內「預付款、保證金及其他應收賬款」一項。

經參考取得的法律意見及其他因素，董事認為貴集團須就該項擔保承擔損失的可能性輕微，因據悉該銀行貸款具有足夠的相關擔保，而該附屬公司亦僅為該銀行貸款的其中一名擔保人。董事相信當中國法院判決抗訴完結時，被提取的銀行存款將可悉數收回，且於2016年及2017年12月31日無需對被凍結及其後被提取的金額計提撥備。此外，董事認為，貴集團根據擔保協議3最終作出的付款金額與該附屬公司被凍結及其後被提取的銀行存款之間的差額亦不需要於2016年及2017年12月31日計提撥備。

Independent Auditor's Report 獨立核數師報告

Basis for Qualified Opinion (continued)

(b) Provision for loss on financial guarantee contract (continued)

However, as the legal proceeding is still in progress, we are not able to obtain sufficient appropriate audit evidence to assess the likely outcome of the legal proceeding in respect of whether the Subsidiary is jointly liable for the payment to the PRC bank of RMB60,000,000 and accordingly whether and to what extent the Group would recover the withdrawn amount from the court, and we are not able to obtain sufficient appropriate audit evidence to ascertain the above management assessment. Accordingly, we are not able to ascertain whether any provision on the frozen and subsequently withdrawn amount as at 31 December 2017, and any shortfall between the amount to be ultimately settled by the Group under the Guarantee Agreement 3 and the Subsidiary's frozen and subsequently withdrawn amount is required to be made as at 31 December 2017.

Any provisions that should have been made as at 31 December 2017 would have a consequential impact on the Group's net assets as at 31 December 2017 and the Group's financial performance for the year then ended. Our audit opinion on the consolidated financial statements for the year ended 31 December 2016 was qualified in this respect.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants (the "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 qualified opinion.

保留意見基礎 (續)

(b) 財務擔保合約損失撥備 (續)

然而，由於法律訴訟仍在進行中，我們未能取得充分恰當的審核證據以評估就該附屬公司是否須共同承擔向該家中國銀行支付人民幣60,000千元款項以及與貴集團能否向法院追回被提取金額及能夠追回多少金額有關的法律訴訟的可能結果，且我們無法取得充分恰當的審核證據以確定管理層的上述評估。因此，我們未能確定於2017年12月31日是否應就被凍結及其後提取的金額計提撥備，及貴集團根據擔保協議3最終作出的付款金額與該附屬公司被凍結及其後被提取的銀行存款之間的差額是否需要於2017年12月31日計提撥備。

任何應於2017年12月31日計提的撥備將對貴集團於2017年12月31日的淨資產及貴集團截至該日止年度的財務表現構成重大影響。我們對截至2016年12月31日止年度的合併財務報表的審核意見就此作出保留。

我們已根據香港會計師公會（「香港會計師公會」）頒佈的香港審計準則（「香港審計準則」）進行審核。根據該等準則，我們的責任於本報告「核數師就審計合併財務報表的責任」一節中詳述。根據香港會計師公會「國際職業會計師道德守則」（「守則」），我們獨立於貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得的審核憑證足夠及能適當地為我們的保留意見提供基礎。

Independent Auditor's Report 獨立核數師報告

Other Information in the Annual Report

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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. As described in the "Basis for Qualified Opinion" section above, we were not able to obtain sufficient appropriate evidence about impairment of other receivables and uncertainties relating to financial guarantee contracts; and provision for loss on financial guarantee contract. Accordingly we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

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, we do not provide a separate opinion on these matters. In addition to the matters described in the "Basis for Qualified Opinion" section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

年度報告的其他資料

董事負責其他資料。其他資料包括本公司年報中除合併財務報表及核數師報告外的其他資料。

我們對合併財務報表的意見不包括其他資料，我們不會作出任何形式的保證結論。

關於我們對合併財務報表的審核，我們的責任是閱讀其他資料，並考慮其他資料是否與合併財務報表或在審核中獲知的一致，或有否出現重大錯誤陳述。根據我們所做的工作，如果我們認為這些其他資料存在重大錯誤陳述，我們必須報告該事實。誠如上文「保留意見基礎」一節所述，我們無法取得有關財務擔保合同的其他應收款項減值撥備及其不確定性；及財務擔保合同損失撥備的充足合適證據。因此，我們無法斷定其他資料是否存在有關該等事項的重大錯誤陳述。

關鍵審核事項

關鍵審核事項為我們的專業判斷中，審核本期合併財務報表中最重要的事項。我們於審核整體合併財務報表處理此等事項及就此形成意見，而不會就此等事項單獨發表意見。除本報告「保留意見基礎」一節所述之事項外，我們已釐定下文所述事項為我們之報告將傳達之關鍵審核事項。

Independent Auditor's Report 獨立核數師報告

Impairment assessment on intangible assets with indefinite useful lives

Refer to Notes 2.3, 3 and 17 to the consolidated financial statements.

Included in other intangible assets of the Group are trademarks of RMB270,000,000 with indefinite useful lives as at 31 December 2017.

We focused on this area due to the size of trademarks with indefinite useful lives. Furthermore, the directors' assessment of the value-in-use calculation of the Group's cash-generating unit ("CGU") involves judgement and estimates about the future results of the businesses, key assumptions including budgeted gross margins, discount rate and growth rate applied to future cash flow forecast.

Our response:

Our audit procedures included, amongst others, the followings:

- (i) Evaluating and checking the composition of the Group's future cash flow forecasts in the CGU, and the process by which they were drawn up, including testing the underlying value-in-use calculations and comparing them to the latest approved budgets;
- (ii) Assessing the reasonableness of the key assumptions by comparing the current year actual results with the 2017 figures included in the prior year forecast, by reference to future plans and by performing independent market analysis; and
- (iii) Utilising our own valuation specialists' work when considering the appropriateness of the discount rate and long-term growth rate.

無使用期限的無形資產的減值評估

參見合併財務報表附註2.3、3及17。

於2017年12月31日，貴集團其他無形資產包括無使用期限的商標人民幣270,000,000元。

鑒於無使用期限商標的大小，我們專注於此領域。此外，董事對使用貴集團現金產生單位（「現金產生單位」）計算的價值評估涉及對未來營業業績的判斷和估計，及包括預算毛利率、貼現率及適用於未來現金流量預測的增長率的主要假設。

我們的回覆：

我們的審計程序包括（但不限於）下列各項：

- (i) 評估及檢查貴集團現金產生單位的未來現金流量預測的構成及其產生過程，包括測試基本使用價值計算並將其與最新批准的預算進行比較；
- (ii) 通過參考未來計劃及進行獨立市場分析，比較當前年度實際業績與上一年度預測中包含的2017年數據，以評估關鍵假設的合理性；及
- (iii) 在考慮貼現率及長期增長率的合適性時利用我們自己的估值專家的估值結果。

Independent Auditor's Report 獨立核數師報告

Directors' Responsibilities for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs 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.

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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our engagement, 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.

董事對合併財務報表的責任

貴公司董事須負責根據國際財務報告準則及香港公司條例的披露規定編製並公允地呈列該等合併財務報表，並為其認為必須為使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述的內部監控負責。

編製合併財務報表時，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，以及使用持續經營為會計基礎，除非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。

董事亦負責監督貴集團財務報告過程，審核委員會協助董事履行其有關責任。

核數師就審計合併財務報表的責任

我們的目標為合理確定整體合併財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有我們意見的核數師報告。我們僅向閣下（作為整體）按照委任條款報告，除此之外本報告別無其他目的。我們不會就本報告內容向任何其他人士負上或承擔任何責任。

合理確定屬高層次核證，但不能擔保根據香港審計準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據合併財務報表作出的經濟決定時，則被視為重大錯誤陳述。

Independent Auditor's Report 獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism 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.

核數師就審計合併財務報表的責任 (續)

根據香港審計準則進行審核時，我們運用專業判斷，於整個審核過程中抱持專業懷疑態度。我們亦：

- 識別及評估合併財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為我們的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 瞭解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對 貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘我們總結認為存在重大不確定因素，我們需於核數師報告中提請注意合併財務報表內的相關資料披露，或如果相關披露不足，則修訂我們的意見。我們的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致 貴集團不再具有持續經營的能力。

Independent Auditor's Report 獨立核數師報告

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 directors, 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.

BDO Limited

Certified Public Accountants

Lam Siu Fung

Practising Certificate Number: P05308

Hong Kong, 22 March 2018



NVC LIGHTING HOLDING LIMITED
雷士照明控股有限公司

核數師就審計合併財務報表的責任 (續)

- 評估合併財務報表(包括資料披露)的整體列報、架構及內容，以及合併財務報表是否已公允反映及列報相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就合併財務報表發表意見。我們須負責指導、監督及執行集團的審核工作。我們須為我們的審核意見承擔全部責任。

我們與審核委員會就(其中包括)審核工作的計劃範圍及時間安排及重大審核發現，包括我們於審核期間識別出內部監控的任何重大缺陷溝通。

我們亦向審核委員會提交聲明，說明我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們的獨立性的關係及其他事宜及相關防範措施(如適用)與負責管治的人員溝通。

我們從與董事溝通的事項中，決定哪些事項對本期合併財務報表的審核工作最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

香港立信德豪會計師事務所有限公司

執業會計師

林兆豐

執業證書編號：P05308

香港，2018年3月22日

Consolidated Statement of Profit or Loss

合併損益表

Year ended 31 December 2017 截至2017年12月31日止年度

		Notes 附註	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
REVENUE	收入	5	4,063,163	3,806,329
Cost of sales	銷售成本		(2,890,305)	(2,785,371)
Gross profit	毛利		1,172,858	1,020,958
Other income and gains	其他收入及收益	5	127,604	95,829
Selling and distribution costs	銷售及分銷費用		(401,923)	(359,812)
Administrative expenses	管理費用		(356,895)	(412,806)
Other expenses	其他費用	6	(81,160)	(78,565)
Finance costs	財務費用	8	(42,096)	(25,769)
Share of results of associates	應佔聯營公司業績		17,468	6,800
Gain on disposal of a subsidiary	處置一家附屬公司收益	48	-	7,419
PROFIT BEFORE INCOME TAX	稅前利潤	7	435,856	254,054
Income tax	所得稅	11	(104,256)	(75,471)
PROFIT FOR THE YEAR	本年利潤		331,600	178,583
Attributable to:	以下各方應佔：			
Owners of the parent	母公司擁有人		314,268	150,928
Non-controlling interests	非控制性權益		17,332	27,655
			331,600	178,583
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益 擁有人應佔每股盈利			(Re-presented) (經重列)
Basic	基本	13	RMB9.18 cents 人民幣9.18分	RMB4.74 cents 人民幣4.74分
Diluted	攤薄	13	RMB7.78 cents 人民幣7.78分	RMB4.74 cents 人民幣4.74分

Consolidated Statement of Comprehensive Income

合併全面收入表

Year ended 31 December 2017 截至2017年12月31日止年度

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
PROFIT FOR THE YEAR	本年利潤	331,600	178,583
OTHER COMPREHENSIVE INCOME	其他全面收入		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	其後重新分類至損益表的其他全面收入：		
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	(2,136)	(35,863)
Fair value gain/(loss) on available-for-sale financial assets	可供出售金融資產公允價值變動收益	(3,000)	1,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年全面收入合計	326,464	143,720
Attributable to:	以下各方應佔：		
Owners of the parent	母公司擁有人	308,606	117,092
Non-controlling interests	非控制性權益	17,858	26,628
		326,464	143,720

Consolidated Statement of Financial Position

合併財務狀況表

31 December 2017 2017年12月31日

			2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	619,497	650,583
Prepaid land lease payments	預付土地租金	15	46,119	47,439
Goodwill	商譽	16	21,161	21,161
Other intangible assets	其他無形資產	17	294,575	312,240
Investments in associates	於聯營公司投資	18	54,518	41,030
Investment in a joint venture	於合營公司投資	46	100,000	100,000
Long term investments	長期投資	47	218,026	23,000
Deferred tax assets	遞延稅項資產	19	52,258	48,704
Prepayments	預付款	22	429,961	102,252
Total non-current assets	非流動資產合計		1,836,115	1,346,409
CURRENT ASSETS	流動資產			
Inventories	存貨	20	425,384	401,668
Trade and bills receivables	貿易及票據應收賬款	21	1,092,554	1,218,003
Prepayments, deposits and other receivables	預付款、保證金及其他應收賬款	22	397,213	343,115
Income tax recoverable	預付所得稅		11,741	4,596
Other current assets	其他流動資產	23	41,512	25,303
Held-for-trading investments	持作買賣投資	24	88,786	-
Restricted bank balances and short-term deposits	受限制的銀行結餘及短期存款	25	314,422	445,424
Cash and cash equivalents	現金及現金等價物	25	1,265,589	1,160,155
Total current assets	流動資產合計		3,637,201	3,598,264
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易及票據應付賬款	26	820,833	750,036
Other payables and accruals	其他應付款項及應計費用	27	728,749	749,975
Interest-bearing loans and borrowings	計息貸款及借款	28	24,940	48,411
Government grants	政府補助	29	2,012	2,026
Income tax payable	應繳所得稅		34,071	24,951
Convertible bonds – derivative component	可換股債券 – 衍生工具部份	45	11,933	60,230
Convertible bonds – liability component	可換股債券 – 負債部份	45	421,229	-
Total current liabilities	流動負債合計		2,043,767	1,635,629
NET CURRENT ASSETS	淨流動資產		1,593,434	1,962,635
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		3,429,549	3,309,044

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Consolidated Statement of Financial Position

合併財務狀況表

31 December 2017 2017年12月31日

		Notes 附註	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
NON-CURRENT LIABILITIES	非流動負債			
Government grants	政府補助	29	12,112	12,859
Deferred tax liabilities	遞延稅項負債	19	87,208	82,238
Convertible bonds – liability component	可換股債券 – 負債部份	45	–	440,272
Total non-current liabilities	非流動負債合計		99,320	535,369
Net assets	淨資產		3,330,229	2,773,675
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	30	3	2
Reserves	儲備	32	3,212,109	2,674,734
Proposed final dividend	建議宣派末期股息	12	29,940	28,745
			3,242,052	2,703,481
Non-controlling interests	非控制性權益		88,177	70,194
Total equity	總權益		3,330,229	2,773,675

WANG Donglei
王冬雷
Director
董事

XIAO Yu
肖宇
Director
董事

Consolidated Statement of Changes in Equity

合併權益變動表

Year ended 31 December 2017 截至2017年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔										Total equity 總權益 RMB'000 千人民幣		
		Share capital 股本 RMB'000 千人民幣	Share premium 股份溢價 RMB'000 千人民幣	Equity reserve 權益儲備 RMB'000 千人民幣	Other reserve 其他儲備 RMB'000 千人民幣	Shareholders' contribution 股東出資 RMB'000 千人民幣	Statutory reserve 法定公積金 RMB'000 千人民幣	Employee benefit reserve 僱員福利儲備 RMB'000 千人民幣	Foreign currency translation reserve 外幣換算儲備 RMB'000 千人民幣	Retained profits 留存利潤 RMB'000 千人民幣	Proposed final dividend 建議派末期股息 RMB'000 千人民幣		Total 合計 RMB'000 千人民幣	Non-controlling interests 非控制性權益 RMB'000 千人民幣
At 1 January 2016	2016年1月1日	2	1,840,716	(4,158)	-	6,416	130,452	4,549	(92,553)	1,405,273	26,210	3,316,907	139,122	3,456,029
Profit for the year	本年度利潤	-	-	-	-	-	-	-	-	150,928	-	150,928	27,655	178,583
Other comprehensive income:	其他全面收入:	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	-	-	-	-	(34,836)	-	-	(34,836)	(1,027)	(35,863)
Fair value change on available-for-sale financial assets	可供出售金融資產公允價值變動	-	-	-	1,000	-	-	-	-	-	-	1,000	-	1,000
Total comprehensive income for the year	本年全面收入合計	-	-	-	1,000	-	-	-	(34,836)	150,928	-	117,092	26,628	143,720
Issue of new shares	發行新股份	-	60,742	-	-	-	-	-	-	-	-	60,742	-	60,742
Transfer to statutory reserve	轉入法定公積金	-	-	-	-	-	26,772	-	-	(26,772)	-	-	-	-
Lapse of share options	購股權失效	-	-	-	-	-	-	(4,244)	-	4,244	-	-	-	-
Employee share option arrangements	僱員購股權安排	-	-	-	-	-	-	7	-	-	-	7	-	7
Acquisition of additional interests in a subsidiary	收購一家附屬公司額外股權	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital contribution to a non-wholly-owned subsidiary from non-controlling interests	非控股權益向非全資附屬公司出資	-	(765,057)	-	-	-	-	-	-	-	-	(765,057)	(28,790)	(793,847)
Dividends paid to non-controlling shareholders	向非控制性股東派付股息	-	-	-	-	-	-	-	-	-	-	-	2,434	2,434
Transfer upon disposal of a subsidiary	處置一家附屬公司後轉入	-	-	-	-	-	(767)	-	-	767	-	-	-	(69,200)
Dividend paid	已付股息	-	-	-	-	-	-	-	-	-	(26,210)	(26,210)	-	(26,210)
Proposed final 2016 dividend	建議2016年末期股息	-	(28,745)	-	-	-	-	-	-	-	28,745	-	-	-
At 31 December 2016	2016年12月31日	2	1,107,656	(4,158)	1,000	6,416	156,457	312	(127,389)	1,534,440	28,745	2,703,481	70,194	2,773,675

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Consolidated Statement of Changes in Equity

合併權益變動表

Year ended 31 December 2017 截至2017年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔																								
		Share capital		Share premium		Equity reserve		Other reserve		Shareholders' contribution		Statutory reserve		Employee equity benefit reserve		Foreign currency translation reserve		Retained profits		Proposed final dividend		Non-controlling interests		Total equity		
		股本	股份溢價	權益儲備	其他儲備	股東出資	法定公積金	僱員權益福利準備	外幣換算準備	留存利潤	建議派末期股息	非控制性權益	合計	總權益	總權益	總權益	總權益	總權益	總權益	總權益	總權益	總權益	總權益	總權益	總權益	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	
At 1 January 2017	2017年1月1日	2	1,107,656	(4,158)	1,000	6,416	156,457	312	(127,389)	1,534,440	28,745	70,194	2,703,481	2,773,675												
Profit for the year	本年度利潤	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income:	其他全面收入：																									
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	-	-	-	-	(2,662)	-	-	-	(2,662)	(2,136)												
Fair value change on available-for-sale financial assets	可供出售金融資產公允價值變動	-	-	-	(3,000)	-	-	-	-	-	-	-	(3,000)	(3,000)												
Total comprehensive income for the year	本年全面收入合計	-	-	-	(3,000)	-	-	-	(2,662)	-	-	-	(2,662)	326,464												
Issue of new shares	發行新股份	1	259,021	-	-	-	-	-	-	-	-	-	-	259,022												
Transfer to statutory reserve	轉入法定公積金	-	-	-	-	-	-	-	-	-	-	-	-	-												
Lapse of share options	購股權失效	-	-	-	-	-	26,198	(312)	-	(26,198)	-	-	(312)	(312)												
Acquisition of a subsidiary	收購一家附屬公司	-	-	-	-	-	-	-	-	-	-	-	-	-												
Dividend paid	已付股息	-	-	-	-	-	-	-	-	-	(28,745)	-	(28,745)	125												
Proposed final 2017 dividend	建議2017年末期股息	-	(29,940)	-	-	-	-	-	-	-	29,940	-	29,940	(28,745)												
At 31 December 2017	2017年12月31日	3	1,336,737	(4,158)	(2,000)	6,416	182,655	-	(130,051)	1,822,510	29,940	88,177	3,242,052	3,330,229												

Consolidated Statement of Cash Flows

合併現金流量表

Year ended 31 December 2017 截至2017年12月31日止年度

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Profit before income tax	稅前利潤	435,856	254,054
Adjustments for:	經以下各項調整：		
Interest income	利息收入	(25,868)	(14,505)
Finance costs	財務費用	42,096	25,769
Share of results of associates	應佔聯營公司業績	(17,468)	(6,800)
Gain on disposal of a subsidiary	處置一家附屬公司 收益	-	(7,419)
Loss on disposal of items of property, plant and equipment	處置物業、廠房及 設備項目的虧損	16,642	30,173
Depreciation of items of property, plant and equipment	物業、廠房及設備 項目折舊	82,229	94,069
Amortisation of prepaid land lease payments	攤銷預付土地 租賃款項	1,319	1,319
Amortisation of other intangible assets (Reversal of impairment)/impairment of property, plant and equipment, net	其他無形資產攤銷 物業、廠房及設備 (減值撥回)/ 減值，淨額	4,293	5,007
Impairment of other intangible assets	其他無形資產減值	18,165	-
Impairment of trade receivables, net	貿易應收賬款 淨額減值	15,839	38,913
Impairment of prepayments and other receivables, net	預付款及其他應收 款項淨額減值	929	10,594
Reversal of write-down of inventories	撥回存貨撇減	(14,499)	(39,770)
Recovery of bad debts	收回壞賬	11,457	-
Government grants released to consolidated statement of profit or loss	撥至合併損益表的 政府補助	(16,532)	(18,124)
Fair value change of derivative component of convertible bonds	可換股債券衍生工具 部份的公允價值 變動	(46,228)	46,889
Unrealised exchange differences	未變現匯兌差額	(14,777)	24,482
Waiver of other payables	其他應付賬款豁免	(16,718)	-
Fair value change of held-for-trading investments	持作買賣投資的 公允價值變動	12,004	-
Equity-settled share option expense	權益結算購股權開支	-	7
		488,712	457,465

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Consolidated Statement of Cash Flows

合併現金流量表

Year ended 31 December 2017 截至2017年12月31日止年度

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
(Increase)/decrease in inventories	存貨(增加)／減少	(5,958)	123,231
Decrease/(increase) in trade and bills receivables	貿易及票據應收賬款減少／(增加)	102,864	(84,479)
Increase in prepayments, deposits and other receivables	預付款、保證金及其他應收賬款增加	(55,109)	(18,900)
Decrease in trade receivables with maturity more than one year	超過一年到期的貿易應收賬款減少	-	13,856
Increase in other current assets	其他流動資產增加	(16,209)	(8,788)
Increase in trade and bills payables	貿易及票據應付賬款增加	70,072	140,891
(Decrease)/increase in other payables and accruals	其他應付賬款及應計費用減少／(增加)	(5,505)	187,404
Receipt of government grants	收到政府補助	15,771	16,556
Cash generated from operations	經營所得現金	594,638	827,236
Income tax paid	已繳所得稅	(100,864)	(83,753)
Net cash generated from operating activities	經營活動所得現金流量淨額	493,774	743,483
CASH FLOWS FROM INVESTING ACTIVITIES		投資活動所得現金流量	
Interest received	已收利息	25,868	14,505
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	3,203	6,873
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(397,427)	(138,163)
Dividend received from an associate	收取一家聯營公司股息	3,000	-
Acquisition of interest in a subsidiary	收購一家附屬公司權益	-	(752,022)
Purchase of long term investments	購買長期投資	(204,268)	(22,000)
Purchase of held-for-trading investments	購買持作買賣投資	(302,669)	-
Proceeds from disposal of held-for-trading investment	處置持作買賣投資的所得款	202,597	-
Investments in associates	於聯營公司投資	-	(7,800)
Refund of investment in an associate	於聯營公司之投資退款	980	-
Investment in a joint venture	於合營公司投資	-	(100,000)

Consolidated Statement of Cash Flows

合併現金流量表

Year ended 31 December 2017 截至2017年12月31日止年度

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Proceeds from disposal of a subsidiary	處置一家附屬公司 所得款項	-	25,127
Additions to other intangible assets	添置其他無形資產	(5,995)	(23,504)
Decrease in the restricted bank balance and short-term deposits	受限制銀行結餘 及短期存款減少	131,002	214,883
Net cash used in investing activities	投資活動所用 現金淨額	(543,709)	(782,101)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得 現金流量		
Capital contribution from non-controlling shareholders	非控制性股東增資	-	2,434
Dividends paid to non-controlling shareholders	向非控制性股東派付 股息	-	(69,200)
Dividends paid	已派股息	(28,745)	(26,210)
New bank loans	新增銀行借款	366,339	48,411
Repayment of bank loans	償還銀行借款	(389,810)	(170,159)
Interest paid	已付利息	(35,498)	(21,384)
Proceeds from issuance of convertible bonds	發行可換股債券 所得款項	-	427,334
Proceeds from issue of new shares	發行新股所得款項	259,022	60,742
Net cash generated from financing activities	融資活動所得 現金淨額	171,308	251,968
Net increase in cash and cash equivalents	現金及現金等價物 增加淨額	121,373	213,350
Cash and cash equivalents at beginning of year	年初現金及現金等價物	1,160,155	917,953
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(15,939)	28,852
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及 現金等價物	1,265,589	1,160,155
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物 結餘分析		
Cash and bank balances, unrestricted	現金及銀行結餘， 不受限制	1,265,589	1,160,155

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

1. Corporate Information

NVC Lighting Holding Limited (the “Company”, together with its subsidiaries are collectively referred to as the “Group”) was incorporated in the territory of the British Virgin Islands (the “BVI”) as a limited liability company on 2 March 2006 and was redomiciled to the Cayman Islands on 30 March 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s shares are listed on the Main Board of Stock Exchange of Hong Kong Limited.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise the manufacture and sale of lamps, luminaries, lighting electronic products and related products. Information on the Group’s subsidiaries is set out in Note 39.

The consolidated financial statements are presented in Renminbi (“RMB”), which is different from the Company’s functional currency (United States dollars). These consolidated financial statements are presented in RMB because management considers that a substantial majority of the Group’s transactions are denominated in RMB and the Group primarily generates and expends cash in RMB. Accordingly, RMB presents more reliable and more relevant information about the Group’s transactions.

1. 公司資料

雷士照明控股有限公司（「本公司」，連同其附屬公司統稱「本集團」）是一家於2006年3月2日在英屬維爾京群島（「英屬維爾京群島」）註冊成立的有限責任公司。於2010年3月30日，本公司遷冊至開曼群島，成為開曼群島法例第22章公司法（1961年法例三，經合併及修訂）下的獲豁免有限責任公司。本公司目前的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司股份於香港聯合交易所有限公司主板上上市。

本公司主要業務為投資控股。附屬公司的主要業務包括生產及銷售光源、燈具、照明電器及相關產品。本集團附屬公司的資料載於附註39。

合併財務報表以人民幣（「人民幣」）呈列，而本公司的功能貨幣為美元（「美元」）。由於管理層認為本集團大部份交易以人民幣計值及本集團產生及所用現金主要以人民幣計值，故該等合併財務報表以人民幣呈列。因此，人民幣將呈列與本集團交易更關連的可靠資料。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

2.1 Basis of Preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”), which in collective term include all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the IASB, and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”). The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that have been measured at fair value. These consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group and its subsidiaries for the year ended 31 December 2017. 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.

2.1 編製基礎

該等合併財務報表乃根據國際會計準則委員會（「國際會計準則委員會」）所頒佈之國際會計準則（「國際財務報告準則」）以及香港公司條例的披露要求編製。國際財務報告準則包括國際會計準則委員會頒佈之所有適用個別國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋。此外，合併財務報表包括香港聯合交易所有限公司證券上市規則（「上市規則」）之適用披露規定，其按歷史成本基準編製，惟按公允價值計量的若干金融工具除外。該等合併財務報表均以人民幣呈列，除非另有指明，所有數值均四捨五入到最接近的千位（'000）。

合併基準

合併財務報表包括本集團及其附屬公司於截至2017年12月31日止年度的財務報表。附屬公司編製財務報表的報告年度與本公司的報告年度相同，並採用一致的會計政策。附屬公司的業績自本集團取得其控制權的日期起計入合併財務報表內，直至其控制權終止之日為止。

利潤或虧損及其他全面收入項目歸屬本集團母公司擁有人及非控制性權益，即使導致非控制性權益出現虧絀結餘。本集團成員公司之間交易所產生的集團內資產和負債、權益、收入、支出和現金流已於合併時全數抵銷。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

2.1 Basis of Preparation (continued)

Basis of consolidation (continued)

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

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

2.1 編製基礎 (續)

合併基準 (續)

倘事實和情況顯示下文附屬公司會計政策所述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資公司。附屬公司的所有權權益變動（沒有失去控制權），按權益交易入賬。

倘本集團失去對附屬公司之控制權，則終止確認(i)該附屬公司之資產（包括商譽）及負債，(ii)任何非控制性權益之賬面價值及(iii)於權益內記錄之累計匯兌差額；及確認(i)已收代價之公允價值，(ii)所保留任何投資之公允價值及(iii)於損益賬中確認任何因此產生之利潤或虧絀。倘本集團已直接出售有關資產及負債，先前於其他全面收入確認之本集團應佔部份規定按相同基準重新分類至損益或留存利潤（如適當）。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.2 Adoption of IFRSs

(a) Adoption of new/revised IFRSs – effective 1 January 2017

In the current year, the Group has applied, for the first time, the following new/revised IFRSs, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2017.

Amendments to IAS 7	Disclosure initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to IFRSs 2014 – 2016 Cycle	Amendments to IFRS 12 Disclosure of Interests in Other Entities

Except as explained below, the adoption of these amendments has no material impact on the Group's consolidated financial statements.

2.2 採納國際財務報告準則

(a) 採納新訂／經修訂國際財務報告準則－於2017年1月1日生效

於本年度內，本集團已首次採用以下與本集團合併財務報表相關及於2017年1月1日開始之年度期間生效之新訂／經修訂國際財務報告準則。

國際會計準則第7號之修訂	披露計劃
國際會計準則第12號之修訂	就未變現虧損確認遞延稅項資產
2014年至2016年週期國際財務報告準則之年度改進	國際財務報告準則第12號之修訂披露於其他實體的權益

除下文所闡釋者外，採納該等修訂並無對本集團之合併財務報表產生重大影響。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2017 (continued)

Amendments to IAS 7 – Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in the note to the consolidated statement of cash flows, Note 50.

Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

The adoption of the amendments has no impact on these financial statements as the clarified treatment is consistent with the manner in which the Group has previously recognised deferred tax assets.

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則 – 於2017年1月1日生效 (續)

國際會計準則第7號之修訂 – 披露計劃

有關修訂引入一項額外披露，將使財務報表使用者能夠評價融資活動產生的負債變動。

採納此等修訂導致於綜合現金流量表附註50中呈列額外披露。

國際會計準則第12號之修訂 – 就未變現虧損確認遞延稅項資產

有關修訂乃確認遞延稅項資產及澄清若干必要考慮，包括如何計算以公允價值計量的債務工具相關的遞延稅項資產入賬。

採納此等修訂對該等財務報表並無影響，因為澄清後的處理方式與本集團先前確認遞延稅項資產的方式一致。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2017 (continued)

Annual Improvements to IFRSs 2014-2016 Cycle – Amendments to IFRS 12, Disclosure of Interests in Other Entities

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IFRS 12, Disclosure of Interests in Other Entities, to clarify that the disclosure requirements of IFRS 12, other than the requirements to disclose summarised financial information, also apply to an entity's interests in other entities classified as held for sale or discontinued operations in accordance with IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

The adoption of the amendments to IFRS 12 has no impact on these financial statements as the latter treatment is consistent with the manner in which the Group has previously dealt with disclosures relating to its interests in other entities classified as held for sale or discontinued operations in accordance with IFRS 5.

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則 – 於2017年1月1日生效 (續)

2014年至2016年週期國際財務報告準則之年度改進 – 國際財務報告準則第12號之修訂披露於其他實體的權益

根據年度改進程序頒佈之修訂對目前尚不清晰之準則作出輕微且非緊急之變動。其中包括國際財務報告準則第12號之修訂(披露於其他實體的權益)，以釐清國際財務報告準則第12號的披露規定(披露財務資料概要的規定除外)亦適用於實體於根據國際財務報告準則第5號，持有待售的非流動資產及終止運營分類為持有待售的其他實體或終止運營的權益。

由於後者處理與本集團之前處理有關其於其他實體之權益(根據國際財務報告準則第5號分類為持有待售或終止運營)的披露的方式貫徹一致，採納國際財務報告準則第12號之修訂對該等財務報表並無影響。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective

The following new/revised IFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Annual Improvements to IFRSs 2014-2016 Cycle	Amendments to IFRS 1 First-time adoption of International Financial Reporting Standards ¹
Annual Improvements to IFRSs 2014-2016 Cycle	Amendments to IAS 28 Investments in Associates and Joint Ventures ²
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IFRS 3 Business Combinations ²
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IFRS 11 Joint Arrangements ²
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IAS 12 Income Taxes ²
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IAS 23 Borrowing Costs ²
Amendments to IFRS 2	Classification and Measurement of Share-Based Payment Transactions ¹
IFRS 9	Financial Instruments ¹
Amendments to IFRS 9	Prepayment Features with Negative Compensation ²

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則

本集團並無提前採納下列已頒佈但尚未生效且與本集團之財務報表潛在相關之新訂／經修訂國際財務報告準則。

2014年至2016年週期國際財務報告準則之年度改進	國際財務報告準則第1號之修訂首次採納國際財務報告準則 ¹
2014年至2016年週期國際財務報告準則之年度改進	國際會計準則第28號之修訂於聯營公司及合營公司的投資 ²
2015年至2017年週期國際財務報告準則之年度改進	國際財務報告準則第3號之修訂業務合併 ²
2015年至2017年週期國際財務報告準則之年度改進	國際財務報告準則第11號之修訂合營安排 ²
2015年至2017年週期國際財務報告準則之年度改進	國際會計準則第12號之修訂所得稅 ²
2015年至2017年週期國際財務報告準則之年度改進	國際會計準則第23號之修訂借款成本 ²
國際財務報告準則第2號之修訂	以股份為基礎的支付交易的分類及計量 ¹
國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第9號之修訂	附帶負補償的提前還款特性 ²

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合併財務報表附註

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2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

IFRS 15	Revenue from Contracts with Customers ¹
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts with Customers ¹
IFRS 16	Leases ²
IFRIC 22	Foreign Currency Transactions and Advance Consideration ¹
IFRIC 23	Uncertainty Over Income Tax Treatments ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for annual periods beginning on or after 1 January 2019
- ³ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

國際財務報告準則第15號	來自客戶合約之收益 ¹
國際財務報告準則第15號之修訂	國際財務報告準則第15號來自客戶合約之收益之澄清 ¹
國際財務報告準則第16號	租賃 ²
國際財務報告詮釋委員會詮釋第22號	外幣交易及預付款 ¹
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 ²
國際財務報告準則第10號之修訂及國際會計準則第28號之修訂	投資者與其聯營公司或合營企業間之資產出售或注資 ³

- ¹ 2018年1月1日或之後開始之年度期間生效
- ² 2019年1月1日或之後開始之年度期間生效
- ³ 該等修訂最初旨在於2016年1月1日或之後開始之期間生效。生效日期已經被推遲／撤銷。繼續允許提早採納有關修訂。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

Annual Improvements to IFRSs 2014-2016 Cycle – Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standard

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IFRS 1, First-time Adoption of International Financial Reporting Standards, removing transition provision exemptions relating to accounting periods that had already passed and were therefore no longer applicable.

Annual Improvements to IFRSs 2014-2016 Cycle – Amendments to IAS 28 Investments in Associates and Joint Ventures

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IAS 28, Investments in Associates and Joint Ventures, clarifying that a Venture Capital organisation's permissible election to measure its associates or joint ventures at fair value is made separately for each associate or joint venture.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

2014年至2016年週期國際財務報告準則之年度改進 – 國際財務報告準則第1號之修訂首次採納國際財務報告準則

根據年度改進程序頒佈之修訂對目前尚不清晰之準則作出輕微且非緊急之變動。其中包括國際財務報告準則第1號之修訂(首次採納國際財務報告準則)，該修訂刪去與已結束因而不再適用會計期間有關的過渡條文豁免。

2014年至2016年週期國際財務報告準則之年度改進 – 國際會計準則第28號之修訂於聯營公司及合營公司的投資

根據年度改進程序頒佈之修訂對目前尚不清晰之準則作出輕微且非緊急之變動。其中包括國際會計準則第28號(於聯營公司及合營公司的投資)，澄清風險資本機構可選擇按公允價值計量聯營公司或合營公司時，可對每間聯營公司或合營公司分別作出有關選擇。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

- (b) **New/revised IFRSs that have been issued but are not yet effective (continued)**

Annual Improvements to IFRSs 2015-2017 Cycle – Amendments to IFRS 3 Business Combinations

The amendment clarifies that a company remeasures its previously held interest in a joint operation that is a business when it obtains control of the business. Paragraph 42A is added to clarify this requirement.

Annual Improvements to IFRSs 2015-2017 Cycle – Amendments to IFRS 11 Joint Arrangements

The amendment clarifies that a company that participates in but does not have joint control over a joint operation, does not remeasure its previously held interest in the joint operation which is a business when it obtains joint control of the business. Paragraph B33CA is added to IFRS 11 to clarify this requirement.

2.2 採納國際財務報告準則 (續)

- (b) **已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)**

2015年至2017年週期國際財務報告準則之年度改進－國際財務報告準則第3號之修訂業務合併

該修訂釐清一家公司取得一項屬業務的合營企業的控制權時會重新計量其先前於該業務中持有的權益。新增第42A段澄清此規定。

2015年至2017年週期國際財務報告準則之年度改進－國際財務報告準則第11號之修訂合營安排

該修訂釐清一家公司(從事但並未取得一項屬業務的合營企業的控制權)，取得該業務控制權時不會重新計量其先前於該業務中持有的權益。新增國際財務報告準則第11號第B33CA段澄清此規定。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.2 Adoption of IFRSs (continued)

(b) **New/revised IFRSs that have been issued but are not yet effective (continued)**

**Annual Improvements to IFRSs 2015-2017 Cycle
– Amendments to IAS 12 Income Tax**

The amendment clarifies that a company accounts for all income tax consequences of dividend payments in the same way as the entity recognised the originating transaction or event that generated the distributable profit giving rise to the dividend. Paragraph 57A to IAS 12 is added to clarify this point.

**Annual Improvements to IFRSs 2015-2017 Cycle
– Amendments to IAS 23 Borrowing Costs**

The amendment clarifies that when a qualifying asset is ready for its intended use or sale and (some of) the related specific borrowing remains outstanding, that borrowing is treated as general borrowings. Paragraph 14 of IAS 23 is amended to convey this principle.

2.2 採納國際財務報告準則 (續)

(b) **已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)**

國際財務報告準則2015年至2017年週期之年度改進 – 國際會計準則第12號之修訂所得稅

該修訂釐清一家公司須以與實體確認產生股息之可分派溢利的交易或事項的相同方式承擔支付股息的全部所得稅結果。新增國際會計準則第12號第57A段澄清此規定。

國際財務報告準則2015年至2017年週期之年度改進 – 國際會計準則第23號之修訂借款成本

該修訂釐清當符合條件的資產可作擬定用途或達可銷售狀態且(部份)相關特定借款仍未償還時，該借款被視為一般借款。國際會計準則第23號第14段已獲修訂以傳達該原則。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

- (b) **New/revised IFRSs that have been issued but are not yet effective (continued)**

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

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

2.2 採納國際財務報告準則 (續)

- (b) **已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)**

國際財務報告準則第2號之修訂 – 股份支付交易的分類及計量

該等修訂就歸屬及非歸屬條件對計量以下各項時之影響所作會計處理作出規定：以現金結算股份支付；預扣稅責任具有淨額結算特徵之股份支付交易；以及交易類別由現金結算變更為權益結算之以股份支付條款及條件之修訂。

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合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

IFRS 9 – Financial Instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity’s business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss (“FVTPL”).

IFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in IAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

國際財務報告準則第9號 – 金融工具

國際財務報告準則第9號就分類及計量金融資產引入新規定。按目的為持有資產以收取合約現金流量（業務模式測試）之業務模式所持有債務工具，以及合約條款導致產生現金流量而有關現金流量純粹為支付本金及尚未償還本金之利息（合約現金流量特徵測試）之債務工具，一般按攤銷成本計量。倘實體之業務模式目的為持有及收取合約現金流量以及出售金融資產，則通過合約現金流量特徵測試之債務工具按公允價值計入其他全面收入（「公允價值計入其他全面收入」）計量。實體可於初步確認時作出不可撤回之選擇，按公允價值計入其他全面收入計量並非持作買賣之權益工具。所有其他債務及權益工具按公允價值計入損益（「公允價值計入損益」）計量。

國際財務報告準則第9號包含適用於所有並非按公允價值計入損益計量之金融資產之新預期虧損減值模式（旨在取代國際會計準則第39號之產生虧損模式）及新訂一般對沖會計規定，讓實體可更有效地於財務報表反映其風險管理活動。

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合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

IFRS 9 – Financial Instruments (continued)

IFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from IAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, IFRS 9 retains the requirements in IAS 39 for derecognition of financial assets and financial liabilities.

The directors of the Company has reviewed the Group's trade and other receivables as at 31 December 2017 and anticipates that the application of the expected credit loss model of IFRS 9 in the future will result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets and is not likely to have other material impact on the results and financial position of the Group based on an analysis of the Group's exiting business model.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

國際財務報告準則第9號 – 金融工具 (續)

國際財務報告準則第9號沿用國際會計準則第39號項下金融負債之確認、分類及計量規定，惟指定按公允價值計入損益之金融負債除外，其中負債之信貸風險變動導致之公允價值變動金額於其他全面收入確認，惟會產生或擴大會計錯配者則作別論。此外，國際財務報告準則第9號保留國際會計準則第39號終止確認金融資產及金融負債之規定。

本公司董事已審閱本集團於2017年12月31日的貿易及其他應收款項，並預計日後應用國際財務報告準則第9號的預期信貸損失模式將會導致對尚未就本集團金融資產產生的信貸損失提前撥備，且按照對本集團現時業務模式的分析不大可能會對本集團的業績及財務狀況造成其他重大影響。

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合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

IFRS 9 – Financial Instruments (continued)

Furthermore, the long-term investments will be classified as financial assets at FVTOCI or FVTPL based on the Group's business model in managing the investments under IFRS 9. The classification may have an impact on the financial position and results of operations.

The above assessments were made based on an analysis of the Group's financial assets as at 31 December 2017 on the basis of the facts and circumstances that existed at that date. As facts and circumstances may change during the period leading up to the initial date of application of IFRS 9, which is expected to be 1 January 2018, the assessment of the potential impact is subject to change.

Amendments to IFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

國際財務報告準則第9號 – 金融工具 (續)

此外，根據國際財務報告準則第9號，長期投資將按照本集團管理投資的業務模式被分類為公允價值計入其他全面收入或公允價值計入損益之金融資產。該分類或會對財務狀況及經營業績產生影響。

以上評估乃按對本集團於2017年12月31日的金融資產按照於該日存在的事實及情況作出的分析得出。由於直至初步應用國際財務報告準則第9號當日（預期將為2018年1月1日）期間內的事實及情況可能會出現變動，故對潛在影響的評估屬可予變動。

國際財務報告準則第9號之修訂 – 附帶負補償的提前還款特性

該修訂釐清倘符合指定條件，負補償的可預付金融資產可按攤銷成本或按公允價值計入其他全面收入的方式計量 – 而非按公允價值計入損益的方式計量。

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合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

IFRS 15 – Revenue from Contracts with customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 supersedes existing revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

IFRS 15 requires the application of a five-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

IFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under IFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

國際財務報告準則第15號 – 來自客戶合約之收益

新訂準則制定確認收益之單一框架。該框架之核心原則為實體確認收益以顯示向客戶轉讓所承諾貨品或服務款額反映實體預期就交換貨品及服務有權獲得之代價。國際財務報告準則第15號取代現時之收益確認指引，包括國際會計準則第18號收益、國際會計準則第11號建築合約及相關詮釋。

國際財務報告準則第15號規定按五個步驟確認收益：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：按履約責任分配交易價
- 第五步：完成履約責任時確認收益

國際財務報告準則第15號包含與特定收益相關課題之特定指引，該等指引或會更改根據國際財務報告準則現時應用之方法。該準則亦顯著提升與收益相關之質化與量化披露。

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31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

IFRS 15 – Revenue from Contracts with customers (continued)

Management has performed a preliminary assessment and expects that the recognition of sales rebates under IFRS 15 may affect the amount of the transaction price to which the Group expects to be entitled in sale transactions. This may result in a significant impact on the Group's financial position and results of operations. Besides, there will be additional disclosure requirement under IFRS 15 upon its adoption. IFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.

Amendments IFRS 15 – Clarifications to IFRS 15 Revenue from Contracts with customers

The amendments to IFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

國際財務報告準則第15號 – 來自客戶合約之收益 (續)

管理層已進行初步評估且預期根據國際財務報告準則第15號確認銷售回扣或會對本集團預計獲得的銷售交易的交易價產生影響。這可能導致對本集團的財務狀況及經營業績造成重大影響。此外，於採納國際財務報告準則第15號時將存在額外披露規定。國際財務報告準則第15號於2018年1月1日或之後開始的年度期間生效，並允許提早應用。

國際財務報告準則第15號之修訂 – 國際財務報告準則第15號來自客戶合約之收益之澄清

國際財務報告準則第15號之修訂包括對識別履行責任作出之澄清；應用委託人及代理人；知識產權許可；及過渡需要。

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2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

IFRS 16 – Leases

IFRS 16, which upon the effective date will supersede IAS 17 – Leases and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under IFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, IAS 17.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

國際財務報告準則第16號 – 租賃

國際財務報告準則第16號於生效日期將取代國際會計準則第17號租賃及相關詮釋，引入單一承租人會計處理模式並規定承租人就為期超過12個月之所有租賃確認資產及負債，除非相關資產為低價值資產。具體而言，根據國際財務報告準則第16號，承租人須確認使用權資產（表示其有權使用相關租賃資產）及租賃負債（表示其有責任支付租賃款項）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部份及利息部份，在現金流量表中呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可註銷租賃付款，亦包括承租人合理肯定會行使選擇權延續租賃或行使終止租賃選擇權之情況下，將於選擇權期間內作出之付款。就根據前訂準則國際會計準則第17號分類為經營租賃之租賃而言，此會計處理方法與承租人會計法顯著不同。

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2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

IFRS 16 – Leases (continued)

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of approximately RMB4,991,000 as disclosed in Note 36(b). A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16. In addition, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete a detailed review.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

國際財務報告準則第16號 – 租賃 (續)

就出租人會計法而言，國際財務報告準則第16號大致沿用國際會計準則第17號之出租人會計法規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同會計處理。

於2017年12月31日，本集團的不可撤銷經營租賃承擔為人民幣4,991,000元（披露於附註36(b)）。初步評估顯示，該等安排將符合國際財務報告準則第16號租賃的定義，因此，本集團將就所有該等租賃確認使用權資產及相應負債，除非於應用國際財務報告準則第16號後符合低價值或短期租賃。此外，應用新規定可能導致上文所示計量、呈列及披露變動。然而，在本公司董事完成詳細審閱之前，提供財務影響之合理估計並不切實際。

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合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

IFRIC 22 – Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretations specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

HK(IFRIC) – Int 23 – Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of IAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

國際財務報告詮釋委員會 詮釋第22號 – 外幣交易及 預付款

該詮釋就以下事項提供指引，即如何為釐定用於涉及以外幣支付或收取預付代價的交易的匯率而釐定交易日期，以及如何確認非貨幣資產或非貨幣負債。該詮釋指出，釐定首次確認相關資產、開支或收益（或當中部份）所使用之匯率之交易日期為實體首次確認支付或收取預付代價產生的非貨幣資產或非貨幣負債之日。

香港（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

該詮釋透過就如何反映所得稅會計處理涉及的不確定性因素提供指引，為國際會計準則第12號所得稅的規定提供支持。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

(b) **New/revised IFRSs that have been issued but are not yet effective (continued)**

HK(IFRIC) – Int 23 – Uncertainty over Income Tax Treatments (continued)

Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

2.2 採納國際財務報告準則 (續)

(b) **已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)**

香港 (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 (續)

根據該詮釋，實體須釐定分別或集中考慮各項不確定稅項處理，以更好預測不確定性因素的解決方式。實體亦須假設稅務機關將會檢討其有權檢討的金額，並在作出上述檢討時完全知曉所有相關資料。如實體釐定稅務機關可能會接受一項不確定稅項處理，則實體應按與其稅務申報相同的方式計量即期及遞延稅項。否則，釐定稅項涉及的不確定性因素採用「最可能金額」或「預期值」法兩者中能更好預測不確定性因素解決方式的方法來反映。

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合併財務報表附註

31 December 2017 2017年12月31日

2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. Except for those disclosed above, the Group has so far concluded that the application of these new pronouncements will have no material impact on the Group's financial statements.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

國際財務報告準則第10號及國際會計準則第28號之修訂－投資者與其聯營公司或合營企業間之資產出售或注資

該等修訂澄清實體向其聯營公司或合營企業出售或注入資產時，將予確認之收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務之資產，則僅須就不相關投資者於合營企業或聯營公司之權益確認收益或虧損。

本集團已經開始評估採用上述準則及現有準則之修訂對本集團之影響。除上文該等披露者外，本集團目前總結認為，應用該等新聲明將不會對本集團的財務報表產生重大影響。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies

Subsidiaries

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).

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 arrangements; and
- (c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are stated at cost less any impairment losses.

2.3 主要會計政策概要

附屬公司

附屬公司指受本公司直接或間接控制的實體（包括結構性實體）。倘本集團透過參與被投資方業務而享有或有權取得被投資方的可變回報，且有能力行使在被投資方的權力影響有關回報，則本集團擁有該實體的控制權（即賦予本集團指導被投資方相關活動的現時能力）。

倘本公司直接或間接擁有的被投資方投票權或類似權利不及大半，則評估本公司對被投資方是否擁有權力時，本集團會考慮所有相關事實及情況，包括：

- (a) 與該被投資方其他投票權擁有人的合約安排；
- (b) 根據其他合約安排所享有的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的業績按已收及應收股息為限計入本公司損益表。本公司對附屬公司的投資根據國際財務報告準則第5號*非流動資產持有待售及終止營運並無歸類為持有待售*，乃按成本減任何減值損失列賬。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Investments in associates and joint ventures

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

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

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

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

2.3 主要會計政策概要 (續)

於聯營公司及合營公司的投資

聯營公司是本集團擁有一般不低於20%投票權的長期權益，並可對其行使重大影響力的實體。重大影響力乃有權參與被投資方之財務及經營政策決定而非控制或共同控制該等政策。

合營公司為一項合營安排，據此，擁有該安排的共同控制權的各方均有權享有該項安排的資產淨值。共同控制權指訂約協定共享安排控制權，僅在相關活動決策須經共享控制權的各方一致同意的情況下存在。

於釐定重大影響力時的考慮因素類似於釐定對附屬公司的控制權必要的考慮因素。

本集團於聯營公司及合營公司的投資按照權益會計法，以本集團應佔淨資產減去任何減值損失，記入合併財務狀況表中。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Investments in associates and joint ventures (continued)

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

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 主要會計政策概要 (續)

於聯營公司及合營公司的投資 (續)

本集團應佔聯營公司及合營公司收購後業績和其他全面收入應分別記入合併損益表及合併其他全面收入。此外，倘直接於聯營公司或合營公司的權益確認一項變動，則本集團會視乎情況於合併權益變動表確認應佔任何變動。本集團與其聯營公司或合營公司之間交易的未變現損益按本集團於聯營公司或合營公司的投資撇除，但如未變現損失可證明已轉讓資產出現減值則除外。因收購聯營公司或合營公司而產生的商譽乃作為本集團於聯營公司或合營公司投資的一部份列賬。

企業合併及商譽

企業合併乃採用收購法入賬。轉讓之對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。於各企業合併中，本集團選擇是否以公允價值或被收購方可辨認資產淨值的應佔比例，計算於被收購方屬現時擁有人權益並賦予擁有人權利於清盤時按比例分佔實體的資產淨值的非控制性權益。非控制性權益的所有其他部份乃按公允價值計量。收購相關成本於產生時列為開支。

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合併財務報表附註

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2.3 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 that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. 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.

2.3 主要會計政策概要 (續)

企業合併及商譽 (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對認為適合分類及指定的金融資產及承擔的金融負債進行評估，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘企業合併分階段進行，先前持有的股權於按其於收購日期的公允價值重新計量及任何由此產生的收益或虧損於損益賬確認。

由收購方將予轉讓的任何或有對價將於收購日期按公允價值確認。被分類為一項資產或負債的或有對價（為金融工具及屬於國際會計準則第39號的範疇）乃按公允價值計量，及公允價值變動於損益賬確認或確認為其他全面收入的變動。倘或有代價不屬國際會計準則第39號的範圍，則按適當的國際財務報告準則計量。分類為權益的或有對價不會重新計量，且其日後結算於權益內入賬。

商譽起初按成本計量，即已轉讓總對價、已確認非控制性權益及本集團先前由持有的被收購方股權的公允價值總額，超逾與所收購可辨認資產淨值及所承擔負債的差額。如總對價及其他項目低於所收購資產淨值的公允價值，於重新評估後其差額將於損益內確認為議價收購收益。

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

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

2.3 主要會計政策概要 (續)

企業合併及商譽 (續)

於初始確認後，商譽按成本減任何累計減值損失計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於12月31日進行商譽之年度減值測試。為進行減值測試，因企業合併而購入的商譽自購入之日被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產出單位或現金產出單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關的現金產出單位（或現金產出單位組別）的可收回金額釐定。當現金產出單位（或現金產出單位組別）的可收回金額低於賬面金額時，減值損失便予以確認。已就商譽確認的減值損失不得於未來期間撥回。

倘商譽已獲分配至現金產出單位（或現金產出單位組別）的部份而該單位的部份業務已處置，則在釐定處置的收益或虧損時，與所處置業務相關的商譽會計入該業務的賬面值。在該情況下處置的商譽，乃根據所處置業務的相對價值及現金產出單位的保留份額進行計量。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

2.3 主要會計政策概要 (續)

公允價值計量

公允價值指於計量日市場參與者之間的有序交易中，就出售資產所收取之價格或轉讓負債所支付之價格。計量公允價值時假設出售資產或轉讓負債之交易於資產或負債的主要市場或（在未有主要市場的情況下）最有利市場進行。主要或最有利市場須為本集團能參與的市場。假設市場參與者基於最佳經濟利益行事，資產或負債的公允價值使用市場參與者為資產或負債定價所用假設計量。

非金融資產之公允價值計量會計及市場參與者將資產用於最高增值及最佳用途或售予會將資產用於最高增值及最佳用途之另一名市場參與者而創造經濟利益的能力。

本集團針對不同情況使用不同估值方法，確保有足夠數據計量公允價值，並盡量利用相關可觀察數據，減少使用不可觀察數據。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Fair value measurement (continued)

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

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

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

2.3 主要會計政策概要 (續)

公允價值計量 (續)

公允價值於合併財務報表確認或披露之所有資產及負債，均基於對計量公允價值整體而言屬重要之最低層輸入數據按下述公允價值層級分類：

- | | | |
|-----|---|-----------------------------------|
| 第一層 | - | 按同等資產或負債於活躍市場之報價(未經調整)計算 |
| 第二層 | - | 按估值方法計算(計量公允價值的重要最低層輸入數據可直接或間接觀察) |
| 第三層 | - | 按估值方法計算(計量公允價值的重要最低層輸入數據不可觀察) |

對於按經常性基準於合併財務報表確認之資產及負債，本集團於各呈報期結算日重新評估分類(基於對計量公允價值整體而言屬重大之最低層輸入數據)，確定有否在不同層級之間轉移。

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2.3 Summary of Significant Accounting Policies *(continued)*

Impairment of non-financial assets

Where 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 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 profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.3 主要會計政策概要 (續)

非金融資產減值

如有跡象顯示資產出現減值，或須對資產進行年度減值測試（存貨、遞延稅項資產及金融資產除外），則會估計該項資產的可收回金額。資產的可收回金額為資產或現金產出單位的使用價值或其公允價值減處置成本的較高者，並就個別資產釐定，惟該項資產並無產生大部份獨立於其他資產或其他組別資產的現金流入則除外，於此情況下，就該項資產所屬的現金產出單位釐定可收回金額。

減值損失僅於資產賬面值超逾可收回金額時確認。於評估使用價值時，估計未來現金流量以反映當時市場對貨幣時間價值及該項資產的特有風險的估計的稅前折現率折減至現值。減值損失於產生期間自損益表扣除，但如該資產按重估金額列賬，則減值損失會根據該重估資產的有關會計政策列賬。

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合併財務報表附註

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2.3 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, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

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 the parent of the Company;

2.3 主要會計政策概要 (續)

非金融資產減值 (續)

於各報告年度末，均會評估是否有跡象顯示過往已確認的減值損失不再存在或可能減少。如出現該跡象，則會估計可收回金額。過往確認的資產（商譽除外）減值損失僅於用於釐定該項資產的可收回金額所採用的估計出現變化時撥回，但有關金額不得超逾假設過往年度並無就該項資產確認減值損失而應有的賬面值（已扣除任何折舊／攤銷）。撥回減值損失於產生期間計入損益表，但如該資產按重估金額列賬，則減值損失撥回會根據該重估資產的有關會計政策列賬。

關聯方

倘一方符合下列條件，則視為與本集團有關聯：

- (a) 該方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) 對本集團有重大影響；或
 - (iii) 為本集團或本公司母公司的主要管理人員的其中一名成員；

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2.3 Summary of Significant Accounting Policies *(continued)*

Related parties *(continued)*

or

(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);

2.3 主要會計政策概要 (續)

關聯方 (續)

或

(b) 該方為實體，且符合下列任何條件：

- (i) 該實體與本集團屬同一集團之成員公司；
- (ii) 一間實體為另一實體的聯營公司或合資公司(或另一實體的母公司、附屬公司或同系附屬公司)；
- (iii) 該實體與本集團屬同一第三方之合營公司；
- (iv) 一間實體為第三方之合營公司而另一實體為該第三方實體之聯營公司；
- (v) 該實體為本集團或與本集團有關的任何實體的僱員而設的離職後福利計劃的受益人；
- (vi) 該實體受(a)內所識別人士控制或共同控制；

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2.3 Summary of Significant Accounting Policies (continued)

Related parties (continued)

- (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 party, provides key management personnel services to the Group or the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

2.3 主要會計政策概要 (續)

關聯方 (續)

- (vii) (a)(i)內所識別人土對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員；及
- (viii) 有關實體，或作為集團任何成員的一方，向本集團或本公司母公司提供主要的管理人員服務。

該名人士的近親為可能被預期於與實體進行交易時影響該名人士或受該名人士影響的該等家族成員並包括：

- (i) 該名人士的子女及配偶或家庭夥伴；
- (ii) 該名人士的配偶或家庭夥伴的子女；及
- (iii) 該名人士或該名人士的配偶或家庭夥伴的家屬。

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2.3 Summary of Significant Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for “Non-current assets held for sale”. 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 principal annual rates used for this purpose are as follows:

Buildings	18 to 40 years
Leasehold improvements	3 to 5 years
Plant and machinery	3 to 10 years
Furniture and fixtures	2 to 5 years
Motor vehicles	4 to 8 years

2.3 主要會計政策概要 (續)

物業、廠房及設備

除在建工程外，物業、廠房及設備以成本減累計折舊和任何減值損失列賬。倘一項物業、廠房及設備歸類為持有待售資產或屬持有待售的處置群組之一部份，則不作折舊處理並根據國際財務報告準則第5號入賬，有關「歸類為持有待售項目之非流動資產」之會計政策對此已作進一步闡述。物業、廠房及設備之成本包括其購買價及任何使資產達到可使用狀態和地點作擬定用途之直接應佔成本。

物業、廠房及設備投入運作後產生之開支，例如維修和保養開支，一般於產生期間自損益表扣除。於符合確認條件之情況下，重大檢修之開支於資產賬面值中資本化為一項重置。倘物業、廠房及設備之重要部份須分階段更換，則本集團將該等部份確認為具有特定使用年期之個別資產並相應計提折舊。

折舊按下列估計可使用年限對物業、廠房及設備各項目扣除剩餘價值後，以直線法撇銷其成本計算。所使用之主要年率如下：

樓宇	18至40年
裝修費	3至5年
廠房及機械	3至10年
傢俱及裝置	2至5年
機動車輛	4至8年

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2.3 Summary of Significant Accounting Policies (continued)

Property, plant and equipment (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 the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised 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 is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Prepaid land lease payments

Prepaid land lease payments represent prepayments for acquiring rights to use land in the People's Republic of China (the "PRC") for 46 to 50 years. Land use rights granted are recognised initially at acquisition cost. Land use rights of the Group are held for its own use. They are stated at cost, less accumulated amortisation and any impairment losses. Amortisation is charged to the statement of profit or loss on the straight-line basis over the period of the land use rights.

2.3 主要會計政策概要 (續)

物業、廠房及設備 (續)

如物業、廠房及設備之某項目部份具有不同可使用年期，則該項目之成本按合理基準分配在各部份中，而每一部份個別計算折舊。剩餘價值、可使用年期及折舊方法最少須於各財政年度結算日進行檢查，並在適當情況下作出調整。

如初始確認之物業、廠房及設備包括任何重要部份已處置或預期不會因使用或處置有關資產而產生任何未來經濟利益，則該項目會終止確認。因處置或報廢而產生之任何損益（按有關資產之出售所得款項淨額與賬面值之間之差額計算），於該資產終止確認之年度計入損益表內。

在建工程按成本減任何減值損失列賬，且不予折舊。成本包括直接建造成本及建造期間之有關借入資金之資本化借貸成本。於完成及可供使用時，在建工程重新分類至適當之物業、廠房及設備類別下。

預付土地租金

預付土地租金指在中華人民共和國（「中國」）獲得46至50年土地使用權之預付款。獲批授之土地使用權初步按獲得成本確認。本集團之土地使用權持作自用，按成本減去累積攤銷及任何減值損失列賬。攤銷按直線法在土地使用權之期限內在損益表列銷。

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2.3 Summary of Significant Accounting Policies *(continued)*

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at 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 either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life on the straight-line basis 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.

Intangible assets with indefinite useful lives are tested for impairment at least annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Trademarks

Trademarks are accounted for as intangible assets with indefinite useful lives and are not amortised. They are stated at cost less any impairment losses.

Computer software

Computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives ranging from five to ten years.

2.3 主要會計政策概要 (續)

無形資產 (商譽除外)

獨立收購之無形資產初步確認時按成本計算。於企業合併中購入之無形資產之成本為收購當日之公允價值。無形資產之可使用年期可分為有限或無限。年期有限之無形資產其後於可使用經濟年期內按直線法攤銷。並當有跡象顯示無形資產可能減值時，管理層將評估其減值金額。可使用年期有限之無形資產之攤銷期間及方法，最少會於每個財政年度末檢查。

可使用年期無限之無形資產至少每年按個別或按視作現金產出單位進行減值測試。該無形資產不予攤銷。可使用年期無限之無形資產之可使用年期每年進行檢查，以確定是否仍然可以支援年期無限之評估。如不支援，將按未來適用法將可使用年期評估由無限改為有限之變化記錄入賬。

商標

商標入賬記作可使用年期無限之無形資產，且不予攤銷，按成本減去任何減值虧損列賬。

電腦軟件

電腦軟件按成本減去任何減值損失列賬，並按直線法在其估計可使用年期（五至十年）攤銷。

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2.3 Summary of Significant Accounting Policies (continued)

Intangible assets (other than goodwill) (continued)

Customer relationships

Contractual customer relationships are stated at cost and are amortised on the straight-line basis over their estimated useful lives ranging from six months to five years.

Research and development costs

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

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 to ten years, commencing from the date when the products are put into commercial production.

2.3 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

客戶關係

合同客戶關係按成本列賬，並按直線法在其估計可使用年期（六個月至五年）攤銷。

研發費用

所有研究費用都在發生時在損益表列銷。

開發新產品之項目所產生之支出僅在本集團可以證實以下情況時予以資本化和遞延，使無形資產完成並可使用或銷售在技術上可行；有完成之意向且有能力使用或出售資產；資產如何產生未來經濟效益；具備完成項目之資源；及能夠可靠地計量開發期間之支出。不符合上述標準之產品開發支出在發生時記作費用。

遞延開發費用乃按費用減任何減值虧損列賬以及按直線基準在有關產品不超出五至十年商業壽命（由產品投入商業生產之日期起計）之期間予以攤銷。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Intangible assets (other than goodwill) *(continued)*

Patents

The patents were granted for a period of 10 years by the relevant government agency in different jurisdiction with the option of renewal at the end of this period. Patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 to 10 years.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. The Group had no financial leases during the current year or the prior year.

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

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

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

2.3 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

專利權

專利權已經由不同的司法管轄區的相關政府機關授予，有效期十年，並可選擇自本期間結束後更新。專利權按成本減去任何減值損失列賬，並按直線法在其估計可使用年期（5至10年）攤銷。

租賃

將資產所有權（法定業權除外）之大部份報酬與風險轉讓至本集團之租賃列為融資租賃。本集團於本年度或過往年度並無融資租賃。

凡資產擁有權之絕大部份報酬及風險仍歸出租人所有之租賃，均列作經營租賃。如本集團是出租人，則本集團根據經營租賃出租之資產均計入非流動資產，而經營租賃之應收租金則以直線法在租賃期內計入損益表。如本集團是承租人，則經營租賃之應付租金（扣除得自出租人之任何激勵）以直線法在租賃期內自損益表扣除。

經營租賃項下之預付土地租賃付款最初按成本列賬，其後以直線法於租賃期內確認。

當租金未能在土地及樓宇項目之間可靠劃分，則租金全數入賬為土地及樓宇成本，作為物業、廠房及設備項下之融資租賃。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Investments and other financial assets

Initial recognition and measurement

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

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

2.3 主要會計政策概要 (續)

投資及其他金融資產

初始確認及計量

金融資產在初始確認時乃分類為透過損益賬以公允價值列賬之金融資產、貸款及應收款項、持有至到期之投資及可供出售金融投資、或被指定為有效對沖中之對沖工具之衍生工具(如適用)。金融資產於初始確認時以公允價值加來自收購金融資產的交易成本計算，惟透過損益賬以公允價值列賬的金融資產除外。

所有一般買賣之金融資產概於交易日(即本集團承諾購買或出售該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。

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2.3 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on the classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

The Group has not designated any financial assets upon initial recognition as at fair value through profit or loss.

2.3 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量

金融資產之後續計量所依據之分類如下：

按公允價值計入損益之金融資產

透過損益賬以公允價值列賬之金融資產包括交易性金融資產及在初始確認時被指定為按公允價值計入損益之金融資產。金融資產如以短期賣出為目的而購買，則分類為交易性資產。除非被指定為有效之對沖工具（定義見國際會計準則第39號），否則包括可分離之嵌入式衍生金融工具在內之衍生金融工具也可分類為交易性金融資產。

按公允價值計入損益之金融資產將按照公允價值列入財務狀況表，正的淨公允價值變動呈列於利潤表之其他收入及收益及負的公允價值變動呈列於利潤表之財務費用。公允價值變動淨額並不包括該等金融資產之股息或利息，該等股息或利息乃根據下文「收入確認」載列之政策確認。

於初始確認時指定為按公允價值計入損益之金融資產乃於初始確認日期及僅於符合國際會計準則第39號之準則時作出指定。

本集團從未將任何金融資產於初始確認時指定為按公允價值計入損益。

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2.3 Summary of Significant Accounting Policies *(continued)*

Investments and other financial assets *(continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

2.3 主要會計政策概要 (續)

投資及其他金融資產 (續)

貸款及應收款項

貸款及應收款項為具有固定或可確定之付款，但在活躍市場中無報價之非衍生金融資產。於初始計量後，該等資產其後用實際利率法按攤銷成本減任何減值撥備計量。計算攤銷成本時會計入收購所產生之任何折現或溢價，亦包括作為實際利率一部份之費用或成本。實際利率攤銷列入損益表中之其他收入及收益。減值產生之損失於損益表確認為有關貸款之財務費用及有關應收款項之其他開支。

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2.3 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. 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 other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in other expenses.

The Group had no held-to-maturity financial investments during the years ended 31 December 2016 and 2017.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions. The Group's long term investments are classified under available-for-sale financial assets.

2.3 主要會計政策概要 (續)

投資及其他金融資產 (續)

持有至到期之投資

具有固定或可釐定付款及固定到期日之非衍生金融資產，在本集團有意願及能力將其持有至到期日時將會獲分類為持有至到期日投資。持有至到期日投資其後會採用實際利率法按攤銷成本減任何減值準備計量。攤銷成本經計收購之任何折讓或溢價和屬實際利率組成部份之費用或成本後計算。實際利率攤銷計入收益表中之其他收入及收益。減值產生之虧損於收益表內之其他開支內確認。

本集團於截至2016年及2017年12月31日止年度均無持有至到期之投資。

可供出售金融投資

可供出售金融投資是在上市和非上市之股本投資之非衍生金融資產及債務證券。凡股本投資既未被列為持有以供交易，亦不按公允價值在損益中入賬，均列為可供出售之股本投資。凡打算無限定期持有並可因流動性需求或市況變化出售之債務證券，亦都劃入此類。本集團的長期投資歸類為可供出售金融資產。

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2.3 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the other reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the other reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for “Revenue recognition” below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

Further details of long term investments during the years ended 31 December 2016 and 2017 are set out in Note 47.

2.3 主要會計政策概要 (續)

投資及其他金融資產 (續)

可供出售金融投資 (續)

經初始確認後，可供出售金融投資日後按公允價值計量，其未變現損益將作為其他全面收入，在其他儲備中確認，直至該投資被取消確認（屆時累積損益確認為損益表中之其他收入），或直至該投資被認定出現減值（屆時累積損益從其他儲備重新分類至損益表中之其他損益）。在持有可供出售金融投資之同時所賺取之利息及股息將分別作為利息收入及股息收入進行呈報，按照下文「收入確認」所載政策，確認為損益表中之其他收入。

當非上市股本投資的公允價值由於(a)公允價值合理估計範圍的變化對該投資而言屬重大或(b)上述範圍內各種預計的機率難以合理評估並用於估計公允價值而無法可靠計量時，該等投資以成本減任何減值虧損列賬。

於截至2016年及2017年12月31日止年度的長期投資的進一步詳情載於附註47。

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2.3 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 primarily 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 the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.3 主要會計政策概要 (續)

金融資產之終止確認

金融資產(或,如適用,一項金融資產之一部份或一組類似金融資產之一部份)主要在下列情況將被終止確認(例如自本集團的合併財務狀況表中剔除):

- 收取該項資產所得現金流量之權利已經屆滿;或
- 本集團已轉讓其收取該項資產所得現金流量之權利,或根據一項「轉付」安排,承擔向第三者全數支付已收取現金流量之責任,且不會嚴重延緩;且(a)本集團已轉讓該項資產絕大部份風險及回報,或(b)本集團並無轉讓或保留該項資產絕大部份風險及回報,但已轉讓該項資產之控制權。

當本集團轉讓其收取該項資產所得現金流量之權利或訂立轉付安排後,其將評估其是否保留該項資產之擁有權之風險及回報以及保留之程度。倘本集團並無轉讓或保留該項資產之絕大部份風險及回報,且並無轉讓該項資產之控制權,本集團繼續按本集團於資產之持續參與程度而確認該轉讓資產的入賬。在此類情況下,本集團亦確認了一項關連負債。已轉讓資產和關連負債根據反映本集團保留之權利及義務之基準予以計量。

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2.3 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 assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exist if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.3 主要會計政策概要 (續)

金融資產之終止確認 (續)

持續涉及指本集團就已轉讓資產作出之保證，已轉讓資產乃以該項資產之原賬面值及本集團或須償還之代價數額上限（以較低者為準）計算。

金融資產減值

本集團於各報告年度末評估有否客觀證據顯示金融資產或金融資產組合出現減值。在初始資產確認後出現一個或多個已發生事件，且對該項或該組金融資產之估計未來現金流量造成之影響能夠可靠估計時，該項或該組金融資產方會被視作減值。減值證據可包括有跡象顯示一名或一群債務人正在經歷重大財政困難、違約或未能償還利息或本金、有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量之減少，例如欠款數目變動或出現與違約相關之經濟狀況變動。

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2.3 Summary of Significant Accounting Policies *(continued)*

Impairment of financial assets *(continued)*

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

2.3 主要會計政策概要 (續)

金融資產減值 (續)

按攤銷成本列賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先會分別就個別重大金融資產或共同就個別非重大金融資產，評估是否存在減值。倘本集團認定個別經評估之金融資產（無論重大與否）並無客觀證據顯示存在減值，則該項資產會歸入一組具有相似信貸風險特性之金融資產內，並共同評估該組金融資產是否存在減值。經個別評估減值且其減值虧損已予確認或繼續確認入賬之資產不會納入集體減值評估。

任何已識別的減值損失金額乃按該資產之賬面值與預計日後現金流量現值之間差額（但不包括尚未產生之日後信貸虧損）計算。估計日後現金流量之現值以金融資產之初始實際利率（即初步確認時計算之實際利率）折現。

資產之賬面值將透過撥備賬扣除，而損失則於損益表確認。利息收入按經沖減之賬面值持續累計，且採用計量減值虧損時用以貼現未來現金流量之利率。貸款及應收款項連同任何相關撥備乃於未來收回無望及所有抵押品均已變現或已轉讓予本集團時即予撇銷。

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2.3 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the consolidated statement of profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in profit or loss.

2.3 主要會計政策概要 (續)

金融資產減值 (續)

按攤銷成本列賬之金融資產 (續)

倘若在其後期間估計減值虧損金額由於確認減值之後發生之事項增加或減少，則透過調整撥備賬增加或減少先前確認之減值虧損。倘撇銷之款項稍後可予收回，則收回款項會貸記合併損益表之其他開支。

按成本列賬之資產

倘有客觀證據表明，因未能可靠計量公允價值而未按公允價值列示之非上市股本工具，或與該等非上市股本工具有關並須以交付該等工具結算之衍生資產出現減值虧損，則虧損金額按該資產之賬面值與預期未來現金流量之現值（按類似財務資產之現行市率折現）之差額入賬。該等資產之減值虧損不予撥回。

可供出售金融投資

對於可供出售金融投資，本集團於各呈報期末評估有否客觀證據顯示一項或一組投資出現減值。

倘可供出售資產已減值，其成本（已扣除任何本金付款及攤銷）與當時公允價值的差額，減去以往已於損益表確認的減值虧損，從其他綜合收益轉入損益表確認。

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2.3 Summary of Significant Accounting Policies *(continued)*

Impairment of financial assets *(continued)*

Available-for-sale financial investments (continued)

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. “Significant” is evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.3 主要會計政策概要 (續)

金融資產減值 (續)

可供出售金融投資 (續)

對於分類為可供出售的股權投資，相關客觀證據包括投資的公允價值顯著或持續跌至低於成本。「顯著」乃根據投資的原始成本評定，而「持續」乃根據公允價值低於初始成本之期間確定。倘有減值證據，則累計虧損－按收購成本與當時公允價值之差額，扣除以往於損益表確認的投資減值虧損計算－從其他綜合收益轉入損益表確認。歸類為可供出售股權投資的減值虧損不得透過損益表撥回，減值確認後公允價值的增加直接於其他綜合收益確認。

確定「顯著」或「持續」的定義時須作出判斷。在作出判斷時，本集團會評估（其中包括）一項投資的公允價值少於其成本的持續時間或程度。

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2.3 Summary of Significant Accounting Policies (continued)

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 as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and bills payables, other payables and interest-bearing bank loans and borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and 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.

2.3 主要會計政策概要 (續)

金融負債

初始確認及計量

金融負債在初始確認時乃視情況分類為透過損益賬以公允價值列賬之金融負債、貸款及借款、或在有效對沖中被指定為對沖工具之衍生工具。

所有金融負債按公允價值初始確認，如屬貸款及借款，則扣除直接相關之交易之成本。

本集團之金融負債包括貿易應付賬款、其他應付款項及計息銀行貸款及借款。

後續計量

金融負債之後續計量所依據之分類如下：

貸款及借款

經初步確認後，計息貸款及借款日後用實際利率法按攤銷成本計量，如折現影響並不重大，則按成本入賬。當負債終止確認及已透過實際利率攤銷時，損益在損益表中確認。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Financial liabilities *(continued)*

Loans and borrowings *(continued)*

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.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

2.3 主要會計政策概要 (續)

金融負債 (續)

貸款及借款 (續)

計算攤銷成本時會考慮到收購之折價或溢價，以及屬於實際利率之組成部份之費用或成本。實際利率之攤銷將確認為損益表中之財務費用。

財務擔保合同

本集團作出之財務擔保合同即要求作出付款以償付持有人因特定債務人未能根據債務工具之條款償還到期款項而招致損失之合同。財務擔保合同初始按其公允價值確認為負債（就發出該合同直接應佔之交易成本進行調整）。初步確認後，本集團按以下兩者中之較高者計量財務擔保合同：(i)對用以於報告期末清償現有負債所需開支之最佳估計金額；及(ii)初步確認之金額減（倘適用）累計攤銷。

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2.3 Summary of Significant Accounting Policies (continued)

Financial liabilities (continued)

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. If the conversion option is classified as an equity instrument, the remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

If the conversion option of convertible bonds exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in the statement of profit or loss.

2.3 主要會計政策概要 (續)

金融負債 (續)

可換股債券

可換股債券中顯示負債特徵的部份，在扣除交易成本後在財務狀況表中確認為負債。發行可換股債券時，採用同等非可換股債券的市值，釐定負債部份的公允價值，該數額按攤銷成本基準持續列為長期負債，直至換股或贖回被註銷為止。倘若轉換期權被歸類為權益工具，則所得款項餘款分配至已確認的換股期權，扣除交易成本後計入股東權益。於其後年度，換股期權的賬面值不會重新計量。交易成本乃根據首次確認該等工具時，所得款項於負債及權益成份的分配攤分至可換股債券的負債及權益成份。

倘可換股債券的換股期權顯示嵌入式衍生工具的特徵，則與其負債部份分開入賬。於首次確認時，可換股債券的衍生工具部份按公允價值計量，並列為衍生財務工具部份。若所得款項超出首次確認為衍生工具部份的金額，則超出金額確認為負債部份。交易成本根據所得款項於工具首次確認時在負債與衍生工具部份之間的分配，分別列為可換股債券負債部份的交易成本及衍生工具部份的交易成本。有關負債部份的交易成本部份於首次確認時確認為負債部份。有關衍生工具部份則即時在損益表內確認。

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2.3 Summary of Significant Accounting Policies *(continued)*

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position 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

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 taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

2.3 主要會計政策概要 (續)

金融負債之終止確認

當負債項下之責任被解除或取消或屆滿，金融負債將被終止確認。

如現有金融負債由同一放債人以條款實質上相異之負債所取代，或現有負債之條款作出重大修訂，此類交換或修訂將被視為終止確認原負債及確認新負債處理，有關賬面值之差額於損益表確認。

抵銷金融工具

當且僅當現時存在一項可依法強制執行之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

衍生金融工具初始按訂立衍生合同當日之公允價值確認，其後按公允價值重新計量。如有關公允價值為正數，則該等衍生工具按資產列賬，如公允價值為負數，則按負債列賬。

衍生工具因公允價值變動所產生之任何損益均直接計入損益表，惟現金流量對沖之有效部份除外，其於其他全面收入中確認。

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2.3 Summary of Significant Accounting Policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

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, and assets similar in nature to cash, which are not restricted as to use.

2.3 主要會計政策概要 (續)

存貨

存貨按成本及可變現淨值兩者中之較低者入賬。成本基於加權平均成本法確定，對於在製品和產成品而言，其成本由直接材料、直接人工和適當比例之間接費用組成。可變現淨值乃按估計售價減去直到完成及出售時產生之任何估計成本計算。

現金及現金等價物

就合併現金流量表而言，現金及現金等價物是指手頭現金及活期存款，以及購入後通常於三個月內到期，可隨時轉換為已知金額現金之短期高變現能力但價值改變風險不大之投資，減按要求償還且組成本集團現金管理之不可或缺部份之銀行透支。

就合併財務狀況表而言，現金及現金等價物包括並無限制使用的手頭現金及銀行存款，包括定期存款，以及性質類似現金之資產。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss.

Provisions for product warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

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 countries in which the Group operates.

Deferred income 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.

2.3 主要會計政策概要 (續)

撥備

如因過往事項而產生現時責任(法定或推定)，且將來極可能需要流出資源以解除有關責任時，則確認撥備，惟責任所涉及之金額必須能可靠地估計。

如折現影響重大，則就撥備而確認之金額為預期清償債務所需之未來開支於報告年度末之現值。因時間流逝而引致之折現現值之增加計入合併損益表內之財務費用。

本集團就若干產品之產品保修而計提之撥備，乃按銷售額及過往維修及退貨水準之經驗，並於適當情況下貼現至其現值為基準確認。

所得稅

所得稅包括即期及遞延稅項。與損益外確認之項目有關之所得稅在損益表外確認，即在其他全面收入中確認或直接在權益中確認。

即期稅項資產及負債按預期可自稅務機關收回或支付予稅務機關之金額計量，其依據乃報告年度適用或主要之報告年度適用之稅率(及稅法)(已考慮本集團業務所在國現行釋義及慣例)。

遞延所得稅乃採用負債法就報告年度末資產及負債之稅基與其用作財務呈報之賬面值之間各項暫時差額作出撥備。

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2.3 Summary of Significant Accounting Policies (continued)

Income tax (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred income 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, associates and a joint venture, when 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 income tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2.3 主要會計政策概要 (續)

所得稅 (續)

就所有應課稅暫時差額確認遞延所得稅負債，惟以下各項除外：

- 在交易時不影響會計利潤或應課稅利潤或虧損之非企業合併交易中，初始確認資產或負債時產生之遞延所得稅負債；及
- 就於附屬公司、聯營公司及一間合營公司之投資相關之應課稅暫時差額而言，則為撥回暫時差額之時間可以控制，並且暫時差額於可見將來可能不會被撥回。

遞延所得稅資產根據所有可扣稅暫時差額、結轉未動用稅項抵免及任何未動用稅項虧損確認，直至再無可能有應課稅利潤可用作抵銷可扣除暫時差額以及可利用結轉未動用稅項抵免及未動用稅項虧損為止，惟以下各項除外：

- 在交易時不影響會計利潤或應課稅利潤或虧損之非企業合併交易中，初始確認資產或負債時產生與可扣除暫時差額有關之遞延稅項資產；及

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Income tax *(continued)*

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and a joint venture, 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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.3 主要會計政策概要 (續)

所得稅 (續)

- 就於附屬公司、聯營公司及合營公司的投資的相關可扣除暫時差額而言，遞延稅項資產僅可在暫時差額將於可見將來撥回，並且應課稅利潤將可用以抵銷暫時差額的情況下確認。

遞延稅項資產的賬面值於各報告年度末審閱，並於不再有足夠應課稅利潤可供所有或部份遞延稅項資產動用時減少。未確認的遞延稅項資產於各報告年度末重新評估，並於可能有足夠應課稅利潤可供所有或部份遞延稅項資產收回的情況下予以確認。

遞延稅項資產及負債按預期適用於變現資產或清償負債期間的稅率計量，並以報告年度末前已制定或已實質上制定的稅率（及稅務法例）為基準。

倘存在法律上可強制執行的權利，可將即期稅項資產與即期稅項負債抵銷，且遞延稅項有關同一課稅實體及同一稅務機關，則遞延稅項資產與遞延稅項負債相抵銷。

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2.3 Summary of Significant Accounting Policies (continued)

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 it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the statement of profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably, on the following bases:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer, usually on despatch of the goods, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

2.3 主要會計政策概要 (續)

政府補助

倘能合理保證能收取補助及已符合所有附帶的條件，則政府補助按其公允價值確認。倘補助涉及開支項目，則會在按擬用以彌償已列支成本的期間系統地確認為收入。

倘補助涉及資產，則其公允價值將計入遞延收入賬，並在有關資產的預計可使用年期內每年以等額分期撥入損益表或自資產之賬面值扣除，並以已扣減折舊費用方式計入損益表。

當本集團收取非貨幣性資產補助時，補助按非貨幣性資產的公允價值計量，並在相關資產預計可使用年期平均分配計入收益表。

收入確認

收入在經濟利益很可能流入本集團並且能可靠計量時，將按以下基準確認：

銷售貨品

銷售貨品的收入於貨品擁有權的絕大部份風險及回報已轉移至買方時（通常指發貨時）確認，前提是本集團既沒有保留通常與所有權相聯繫的繼續管理權，又沒有對已售貨物實施有效控制。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Revenue recognition *(continued)*

Interest income

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

Rental income

Rental income arising from operating leases is recognised on the straight-line basis over the lease terms.

Royalty income

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Handling income

Handling income is recognised when services are provided.

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").

2.3 主要會計政策概要 (續)

收入確認 (續)

利息收入

利息收入按權責發生制基準使用實際利率法確認，即採用將金融工具預計年期內的估計未來現金收款折現至淨金融資產賬面價值的利率。

租金收入

經營租賃產生的租金收入於各租約年期按直線法確認。

使用費收入

使用費根據有關協議的實質按權責發生制基準確認。

手續費

手續費乃於服務提供時確認。

股份支付

本公司訂立購股權計劃，以向為本集團成功營運作出貢獻的合資格參與者提供激勵及獎勵。本集團僱員（包括董事）以股份支付交易的形式收取薪酬，據此僱員提供服務作為權益工具的對價（「權益結算交易」）。

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2.3 Summary of Significant Accounting Policies (continued)

Share-based payments (continued)

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair values of share options are determined by management using the Black-Scholes valuation model, or a binomial option pricing model, where appropriate.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in the employee benefit expense. The cumulative expense recognised for equity-settled transactions at the end of each 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.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2.3 主要會計政策概要 (續)

股份支付 (續)

權益結算交易與僱員以權益結算交易的成本乃參照該等權益工具於授予日期的公允價值計量。購股權的公允價值由管理層採用柏力克－舒爾斯估值模型（「BS」模型）或二項式期權定價模型（適用情況下）釐定。

與僱員進行的權益結算交易成本，連同權益相應增加部份，在績效及／或服務條件獲得履行期間內確認於僱員福利開支。在歸屬日期之前各報告年度末就權益結算交易確認的累計開支反映歸屬期屆滿的程度及本集團對最終歸屬的權益工具數量的最佳估計。於本期損益表扣除或計入的金額指於期初及期終確認的累計開支變動。

除須視乎市場或非歸屬條件歸屬的權益結算交易外，對於最終未予歸屬的獎勵，則不確認任何開支。對於須視乎市場或非歸屬條件歸屬的權益結算交易，在其他所有績效及／或服務條件都符合的情況下，不管市場或非歸屬條件是否達到要求，都視作已歸屬。

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合併財務報表附註

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2.3 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.

2.3 主要會計政策概要 (續)

股份支付 (續)

於修訂權益結算獎勵的條款時，倘滿足最初的獎勵條款，將會至少確認開支，猶如有關係款並無作出修訂。此外，亦會就任何增加股份付款交易的總公允價值，或於修訂當日計算時對僱員有利的修訂條款確認相關的費用。

倘若註銷權益結算獎勵，則會視作獎勵已於註銷當日歸屬，而任何未就獎勵確認的開支將立即確認。這包括未滿足本集團或僱員控制的非歸屬條件時的獎勵。然而，倘以新獎勵取代所註銷的獎勵，並於授出當日列作取代獎勵，則所註銷及新授出的獎勵將視作原有獎勵的修訂，有關詳情載於上段。

尚未行使的購股權的攤薄影響在每股攤薄盈利的計算中反映為額外的股權攤薄。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Other employee benefits

Defined contribution plan for the PRC employees

Pursuant to the relevant PRC laws and regulations, the employees of the Group's subsidiaries operating in the PRC are required to participate in a central pension scheme operated by the local municipal government. The Group's subsidiaries operating in the PRC are required to contribute a certain percentage of the salaries of their employees to the central pension scheme. The only obligation of the Group with respect to the central pension scheme is to pay the ongoing required contributions. Contributions are charged to the statement of profit or loss when they become payable in accordance with the rules of the central pension scheme.

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 expensed 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.

2.3 主要會計政策概要 (續)

其他僱員福利

中國僱員的界定供款計劃

根據中國相關的法律及法規，本集團於中國大陸經營的附屬公司的僱員均須參與地方市政府運作的中央退休金計劃。本集團於中國大陸經營的附屬公司須按其僱員薪金的若干百分比向中央退休金計劃供款。本集團對中央退休金計劃的唯一義務乃支付現在所需的供款。供款乃於根據中央退休金計劃的規定須予支付時在損益表扣除。

借款成本

直接歸屬於收購、建造或生產符合條件的資產（即需要經過相當長時間才能達到預定可使用或可銷售狀態的資產）的借款成本，經資本化後計入該等資產的成本。當該等資產基本達到預定可使用或可銷售狀態後，借款成本停止資本化。專項借款作臨時投資所賺取的投資收入，在該借款撥作符合條件的資產的開支之前，從資本化借款成本中扣除。所有其他借款成本在其發生的當期確認為開支。借款成本由利息及企業就借款所產生的其他成本所組成。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- (a) where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (b) receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of share premium within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

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.

2.3 主要會計政策概要 (續)

銷售稅

收入、費用及資產按扣除銷售稅後的淨額確認，以下情況除外：

- (a) 因購買資產或服務發生的銷售稅若不可從稅務機關收回，則銷售稅確認為資產採購成本或開支項目的一部份（如適用）；及
- (b) 已包含銷售稅金額列賬的應收款項和應付款項。

銷售稅可從稅務機關收回淨額或應付稅務機關淨額將計入合併財務狀況表應收款項或應付款項部份。

股息

建議宣派末期股息於財務狀況表內權益部份單獨列為股份溢價分配，直至在股東大會上獲得股東批准並由董事會宣派為止。當該等股息已獲股東批准及已宣派，則其被確認為負債。

由於本公司組織章程大綱及章程細則授予董事權力宣派中期股息，中期股息同時獲提呈及宣派。因此，中期股息於提呈及宣派時即確認為負債。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Foreign currencies

The consolidated financial statements are presented in RMB, which is different from the Company's functional currency of United States Dollar ("US\$"). 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. All differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

2.3 主要會計政策概要 (續)

外幣

合併財務報表以人民幣呈列，此有別於本公司的功能貨幣美元。本集團每一個個體決定其功能貨幣，而該等個體呈列於財務報表中之項目以該等功能貨幣計算。本集團內各實體記錄的外幣交易首先按交易日期適用的各個相關功能貨幣匯率入賬。於報告期完結日以外幣為單位的貨幣資產與負債按該日適用的匯率換算。結算或換算貨幣項目產生的差額於損益表內確認。

除與境外實體的投資淨額有效對沖的外幣借貸差額，乃直接計入其他綜合收益，直至出售該投資淨額為止，屆時其將於收益表內確認，所有因貨幣項目結算或匯兌產生的差額均會計入損益表。由該等借貸的匯兌差額所產生的稅款及稅收抵免亦會於其他全面收益中列賬。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Foreign currencies *(continued)*

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).

The functional currencies of the Company and certain subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company 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 foreign currency translation reserve, a separate component of equity. On disposal of a subsidiary with a functional currency other than RMB, the component of other comprehensive income relating to that particular subsidiary is recognised in the consolidated 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.

2.3 主要會計政策概要 (續)

外幣 (續)

根據歷史成本計算的外幣非貨幣項目按首次交易日期的匯率換算。根據公允價值計算的外幣非貨幣項目按計算公允價值當日的匯率換算。重新換算按公允價值計量的非貨幣項目而產生的收益或虧損，按確認該項目的公允價值變動的收益或虧損一致的方法處理（即其他全面收益或損益已確認的項目的公允價值收益或虧損，其匯兌差額亦分別於其他全面收益或損益確認）。

本公司及若干附屬公司之功能貨幣並非人民幣。於報告期完結日，該等個體之資產及負債按報告期完結日之匯率折算為本公司之呈報貨幣，該等個體之損益表按本年度之加權平均匯率折算為人民幣。

所導致的匯兌差額被確認為其他全面收益並累積於匯兌準備。於處置海外業務時，與該特定附屬公司有關的其他全面收益組成部份於收益表內確認。

任何由於兼併外國業務產生的商譽及任何對兼併外國業務帶來的資產及負債的賬面價值的公允價值調整，被當作外國業務的資產及負債處理，並在會計期末做相應換算。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Foreign currencies (continued)

For the purpose of the consolidated statement of cash flows, the cash flows of the Company and certain subsidiaries, whose functional currencies are not RMB, are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the Company and certain subsidiaries, whose functional currencies are not RMB, 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.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the consolidated financial statements:

Corporate income taxes

Significant management judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

2.3 主要會計政策概要 (續)

外幣 (續)

就合併現金流量表而言，本公司及若干附屬公司的功能貨幣並非人民幣，故現金流量按現金流量日期適用的匯率換算為人民幣。本公司及若干附屬公司的功能貨幣並非人民幣，在本年度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. 主要會計判斷及估計

本集團財務報表的編製要求管理層作出可能影響收入、支出、資產及負債等報告金額、與之相關的披露及或有負債披露的判斷、估計及假設。該等假設及估計的不確定性可能導致須於未來對資產或負債的賬面值作出重大調整的結果。

判斷

在應用本集團會計政策過程中，管理層已作出以下對合併財務報表中所確認的金額有最重大影響的判斷：

企業所得稅

管理層於釐定所得稅撥備時須就若干交易的日後稅務處理方式作出重大判斷。本集團會審慎評估交易的稅務影響，並相應地作出稅項撥備。有關該等交易的稅務處理方式會定期重新考慮以計及稅務法例的所有變動。

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合併財務報表附註

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3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Fair value measurement of derivative financial instrument

Convertible bonds – derivative component included in the Group's financial statements requires measurement at, and/or disclosure of, fair value. In assessing the fair value of the conversion option giving rise to the derivative, the generally accepted option pricing model was used to calculate the fair value. The option pricing model requires the input of subjective assumptions, including the expected volatility and yield. Any changes in these assumptions can significantly affect the estimate of the fair value of the derivative.

Fair value measurement

Certain assets and liabilities included in the Group's financial statements require measurement at, and disclosure of, fair value. Further details of fair value measurement are disclosed in Note 42. The Group measures the following items at fair value:

- (i) Convertible bonds – derivative component (Note 45)
- (ii) Available-for-sale financial assets (Note 47)
- (iii) Held-for-trading investments (Note 24)

More detailed information in relation to the fair value measurement of the items are set out in the respective notes.

3. 主要會計判斷及估計 (續)

估計的不確定性

於報告年度末會對日後及其他估計不確定性的主要來源作出重大假設，很大機會導致下一財政年度的資產及負債的賬面值須作出重大調整的假設載述如下。

衍生金融工具的公允價值計量

本集團財務報表列示的可換股債券 – 衍生工具組合部份要求按公允價值計量及／或披露。於評估產生衍生工具的轉換期權的公允價值時，採用普遍接受的期權定價模型計算公允價值。期權定價模型需帶入主觀假設，包括預期波幅及收益。該等假設的任何變化均會對衍生工具的公允價值的估計產生重大影響。

公允價值計量

本集團財務報表中列示的若干資產及負債要求按公允價值計量及披露。公允價值計量的其他詳情載於附註42。本集團按公允價值計量以下項目：

- (i) 可換股債券 – 衍生工具部份 (附註45)
- (ii) 可供出售金融資產 (附註47)
- (iii) 持作買賣投資 (附註24)

有關項目公允價值計量的更多詳情，請參見相應附註。

Notes to Consolidated Financial Statements

合併財務報表附註

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3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Useful lives of other intangible assets

The Group determines the estimated useful lives for its intangible assets based on their best estimate on the expected future cash flows from the assets. The useful lives of the Group's trademarks were estimated to be indefinite. Intangible assets with indefinite useful lives are tested for impairment at least annually and at other times when such an indication exists. Further details are set out in Note 17.

Impairment of non-financial assets other than goodwill

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing (i) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (ii) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (iii) the appropriate key assumption to be applied in preparing cash flow projections including whether these cash flow projections are discounted using appropriate rates. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test significantly.

3. 主要會計判斷及估計 (續)

估計的不確定性 (續)

其他無形資產的可使用年期

本集團基於彼等對來自資產的預期未來現金流量的最佳估計，釐定其無形資產的估計可用年期。估計本集團商標擁有無限可用年期。擁有無限可用年期的無形資產至少每年或在有跡象顯示減值的其他時間進行減值測試。詳情載於財務報表附註17。

非金融資產 (商譽除外) 減值

於釐定資產有否出現減值或過往導致資產減值的情況不再存在時，本集團須作出判斷，特別是評估：(i)有否出現可能影響資產價值的事件或影響資產價值的該等事件已不存在；(ii)資產賬面值能否獲得日後現金流量現值淨額支援，而日後現金流量按資產的持續使用或終止確認估計；及(iii)編製現金流量預測所採用的合適主要假設包括該等現金流量預測是否以合適比率折現。倘管理層所選用以決定減值水準的假設（包括現金流量預測所用折現率或增長率假設）有變，或對減值測試所用現值淨額構成重大影響。

Notes to Consolidated Financial Statements

合併財務報表附註

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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 deductible temporary differences 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. Further details are set out in Note 19.

Recognition of a deferred tax liability for withholding taxes

The PRC New Corporate Income Tax Law, which became effective on 1 January 2008, states that the distribution of dividends by a foreign-invested enterprise established in Mainland China to its foreign investors, from its earnings after 31 December 2007, shall be subject to withholding corporate income taxes at a rate of 10%. The Group carefully evaluates the necessity of dividend distribution of its PRC subsidiaries out of profits earned after 31 December 2007 and makes decisions on such dividend distribution based on the senior management's judgement. Details are set out in Note 19.

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in Note 2.3. 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. Further details are set out in Note 17.

3. 主要會計判斷及估計 (續)

估計的不確定性 (續)

遞延稅項資產

所有可扣除暫時差額，如日後有可能出現應課稅利潤，可用作抵銷該等可扣除暫時差額，均確認為遞延稅項資產。釐定可確認的遞延稅項資產金額時，管理層須根據未來應課稅利潤的可能時間及水準以及未來稅務規劃策略作出重大判斷。進一步詳情載於附註19。

確認預扣所得稅的遞延稅項負債

於2008年1月1日生效的中國新企業所得稅法規定，於2007年12月31日後，於中國內地成立的外資企業由其收益向其境外投資者分派股息須繳納10%的預扣所得稅。本集團會審慎評估於2007年12月31日後由其中國附屬公司賺取的利潤分派股息的必要性，並基於高級管理層的判斷作出該等分派股息的決定。詳情載於附註19。

開發成本

開發成本乃根據附註2.3所載研發成本的會計政策予以資本化。釐定資本化金額時，管理層須對有關資產的預期未來現金的產生、應用的折現率及預期產生利益年期作出假設。進一步詳情載於附註17。

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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. Further details are given in Note 16.

Impairment provision for trade and other receivables

The provision policy for doubtful debts of the Group is based on the ongoing evaluation of the collectability and ageing analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

Provision for loss on financial guarantee contracts

The Group exposes to the risk of loss arising from legal proceedings as mentioned in Note 33. Due to potential outcomes and uncertainties around the legal proceedings, significant management judgement on determining the provision amount, if any, to be recorded in the consolidated financial statements is required.

3. 主要會計判斷及估計 (續)

估計的不確定性 (續)

商譽減值

本集團至少每年釐定商譽有否出現減值。這需要估計獲分配商譽的現金產出單位的使用價值。在估計使用價值時，本集團須估計預期現金產出單位未來產生的現金流量，以及選擇合適的折現率以計算該等現金流量的現值。進一步詳情載於附註16。

貿易及其他應收款項減值撥備

本集團對可疑債權的壞賬政策是對未收回應收款項的可收回性作持續評估並進行賬齡分析，加上管理層判斷然後作出呆賬準備。評估應收款項的最終變現能力需要進行大量判斷，包括各客戶的信譽及過往付款記錄。倘本集團客戶的財務狀況惡化，導致其付款能力轉弱，則須作出額外減值。

財務擔保合約損失撥備

如附註33所述，本集團面臨法律訴訟所引起的損失風險。由於法律訴訟中潛在的結果及不確定性，需要對釐定合併財務報表中記錄的撥備金額（如有）作出重大管理判斷。

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4. Operating Segment Information

For management purposes, the Group is organised into business units based on the products and services and has three reportable operating segments as follows:

(a) Luminaire products segment

Luminaire products represent a complete lighting unit that consists of a lighting fixture, a lamp (namely the light source such as a light bulb or tube) and a lighting electronic device. The luminaire products are sold as complete lighting units or units without lamps and lighting electronics, based on the need of end customers;

(b) Lamp products segment

Lamp products represent a range of light bulbs and tubes for compact fluorescent lamps, HID lamps, fluorescent lamps, halogen lamps and LED lamps; and

(c) Lighting electronic products segment

Lighting electronic products represent electronic transformers, electronic and inductive ballasts for fluorescent, LED and HID lamps, and HID ballast boxes.

4. 經營分部資料

出於管理目的，本集團基於其產品及服務組成業務單元，劃分以下三個報告業務分部：

(a) 燈具產品分部

燈具產品是指一整套照明器材，包括燈具外殼、光源（即燈泡或燈管等燈光來源）和照明電器。基於終端客戶的需求，出售的燈具產品為整燈或不含光源和照明電器的照明器材；

(b) 光源產品分部

光源產品是指用於緊湊型螢光光源、高強度放電（「HID」）光源、螢光光源、鹵鎢光源和發光二極管（「LED」）光源的一系列燈泡和燈管；及

(c) 照明電器產品分部

照明電器產品是指電子變壓器、用於螢光、LED和HID光源的電子與電感鎮流器和HID鎮流器盒。

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4. Operating Segment Information (continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before income tax. The adjusted profit or loss before income tax is measured consistently with the Group's profit or loss before income tax except that interest income, finance costs, unallocated income and gains as well as head office and corporate expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Since total assets, liabilities and capital expenditures for each reportable segment are not regularly provided to the chief operating decision maker, the directors are of the opinion that the disclosure of such amounts is not necessary.

4. 經營分部資料 (續)

為制定資源分配決策及評估業績，管理層將分別監控本集團業務分部的業績。分部業績按照報告分部利潤或虧損評估（根據經調整稅前利潤或虧損計量）。經調整稅前利潤或虧損的計量與本集團的稅前利潤或虧損相同，惟利息收入、財務費用、未分配收入及收益和總辦事處及企業開支則不包括在該計量中。

分部間的銷售及轉讓以在當時現行市場價格基礎上向第三方作出的銷售價格為參照進行交易。

由於各報告分部的總資產、負債及資本開支並不經常提供予主要經營決策人，董事認為該等金額的披露並非必要。

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4. Operating Segment Information (continued)

4. 經營分部資料 (續)

		2017 2017年			
		Luminaire products 燈具產品 RMB'000 千人民幣	Lamp products 光源產品 RMB'000 千人民幣	Lighting electronic products 照明電器產品 RMB'000 千人民幣	Consolidated 合併 RMB'000 千人民幣
Segment revenue:	分部收入：				
Sales to external customers	銷往外部客戶	2,882,289	917,645	263,229	4,063,163
Intersegment sales	分部間的銷售	-	676	27,756	28,432
		2,882,289	918,321	290,985	4,091,595
<i>Reconciliation</i>	<i>調節項目</i>				
Elimination of intersegment sales	抵銷分部間的業績				(28,432)
Revenue	收入				4,063,163
Segment results	分部業績	993,378	114,767	67,434	1,175,579
<i>Reconciliation</i>	<i>調節項目</i>				
Elimination of intersegment results	抵銷分部間的業績				(2,721)
Interest income	利息收入				25,868
Recovery of bad debts	收回壞賬				11,457
Wavier of other payables	豁免其他應付賬款				16,718
Fair value change of the derivative component of convertible bonds	可換股債券衍生工具部份的公允價值變動				46,228
Unallocated income and gains	未分配收入及收益				27,333
Corporate and other unallocated expenses [#]	企業及其他未分配開支 [#]				(793,167)
Loss on disposal of property, plant and equipment	處置物業、廠房及設備的損失				(16,642)
Impairment on other intangible assets	其他無形資產減值				(18,165)
Fair value change of held-for-trading investments	持作買賣投資的公允價值變動				(12,004)
Finance costs	財務費用				(42,096)
Share of results of associates	應佔聯營公司業績				17,468
Profit before income tax	稅前利潤				435,856
Other segment information:	其他分部資料：				
Impairment of trade receivables, prepayments and other receivables	貿易應收賬款、預付款項及其他應收款的減值	16,496	272	-	16,768

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4. Operating Segment Information (continued)

4. 經營分部資料 (續)

		2017 2017年			
		Luminaire products 燈具產品 RMB'000 千人民幣	Lamp products 光源產品 RMB'000 千人民幣	Lighting electronic products 照明電器產品 RMB'000 千人民幣	Consolidated 合併 RMB'000 千人民幣
Reversal of impairment of property, plant and equipment	物業、廠房及設備的減值撥回	(291)	(12)	(29)	(332)
Unallocated impairment of property, plant and equipment associated with head office and corporate assets	與總辦事處及企業資產有關的未分配物業、廠房及設備的減值				305
Total reversal of impairment of property, plant and equipment, net	物業、廠房及設備的減值撥回淨額合計				(27)
(Reversal of write-down)/ write-down of inventories	(撥回撇減)/ 撇減 - 存貨	(10,040)	(5,725)	1,266	(14,499)
Depreciation and amortisation	折舊及攤銷	39,342	19,781	4,148	63,271
Unallocated depreciation and amortisation associated with head office and corporate assets	與總辦事處及企業資產有關的未分配折舊及攤銷				24,570
Total depreciation and amortisation	折舊及攤銷合計				87,841
Capital expenditure	資本支出	37,406	12,775	11,022	61,203
Unallocated capital expenditure associated with head office and corporate assets	與總辦事處及企業資產有關的未分配資本支出				14,510
Total capital expenditure*	資本支出合計*				75,713

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4. Operating Segment Information (continued)

4. 經營分部資料 (續)

		2016 2016年			
		Luminaire products 燈具產品 RMB'000 千人民幣	Lamp products 光源產品 RMB'000 千人民幣	Lighting electronic products 照明電器產品 RMB'000 千人民幣	Consolidated 合併 RMB'000 千人民幣
Segment revenue:	分部收入：				
Sales to external customers	銷往外部客戶	2,644,430	942,142	219,757	3,806,329
Intersegment sales	分部間的銷售	-	1,158	13,499	14,657
		2,644,430	943,300	233,256	3,820,986
<i>Reconciliation</i>	<i>調節項目</i>				
Elimination of intersegment sales	抵銷分部間的銷售				(14,657)
Revenue	收入				3,806,329
Segment results	分部業績	817,517	152,445	52,101	1,022,063
<i>Reconciliation</i>	<i>調節項目</i>				
Elimination of intersegment results	抵銷分部間的業績				(1,105)
Interest income	利息收入				14,505
Unallocated income and gains	未分配收入及收益				81,324
Corporate and other unallocated expenses [#]	企業及其他未分配開支 [#]				(774,121)
Fair value change of the derivative component of convertible bonds	可換股債券衍生工具部份的公允價值變動				(46,889)
Share of results of associates	應佔聯營公司業績				6,800
Gain on disposal of a subsidiary	處置一家附屬公司收益				7,419
Finance costs	財務費用				(25,769)
Loss on disposal of property, plant and equipment	處置物業、廠房及設備的損失				(30,173)
Profit before income tax	稅前利潤				254,054
Other segment information:	其他分部資料：				
Impairment of trade receivables, prepayments and other receivables	貿易應收賬款、預付款項及其他應收款的減值	49,484	23	-	49,507

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4. Operating Segment Information (continued)

4. 經營分部資料 (續)

		2016 2016年			
		Luminaire products 燈具產品 RMB'000 千人民幣	Lamp products 光源產品 RMB'000 千人民幣	Lighting electronic products 照明電器產品 RMB'000 千人民幣	Consolidated 合併 RMB'000 千人民幣
Impairment of property, plant and equipment	物業、廠房及設備的減值	11,700	126	800	12,626
Unallocated impairment of property, plant and equipment associated with head office and corporate assets	與總辦事處及企業資產有關的 未分配物業、廠房及設備的 減值				181
Total impairment of property, plant and equipment	物業、廠房及設備的減值合計				12,807
Write-down/(reversal of write-back) of inventories	撇減/(撥回撇減) 存貨	1,427	(38,242)	(2,955)	(39,770)
Depreciation and amortisation	折舊及攤銷	43,006	27,765	4,567	75,338
Unallocated depreciation and amortisation associated with head office and corporate assets	與總辦事處及企業資產有關的 未分配折舊及攤銷				25,057
Total depreciation and amortisation	折舊及攤銷合計				100,395
Capital expenditure	資本支出	31,592	13,885	9,320	54,797
Unallocated capital expenditure associated with head office and corporate assets	與總辦事處及企業資產有關的 未分配資本支出				31,477
Total capital expenditure*	資本支出合計*				86,274

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

* 資本支出包括添置物業、廠房及設備及其他無形資產。

Corporate and other unallocated expenses consist of unallocated depreciation, amortisation and staff costs, freight expenses, impairment loss of trade receivables, prepayments and other receivables and exchange losses.

企業及其他未分配費用包括未分配折舊、攤銷及員工成本、運費、貿易應收賬款、預付款及其他應收款項的減值虧損以及匯兌虧損。

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4. Operating Segment Information (continued)

Geographical information

(a) Revenue from external customers

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
The PRC	中國	2,810,294	2,629,827
Other countries	其他國家	1,252,869	1,176,502
		4,063,163	3,806,329

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

(b) Non-current assets

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
The PRC	中國	1,519,769	1,229,662
Other countries	其他國家	46,062	45,043
		1,565,831	1,274,705

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

Information about major customers

No single customer contributed more than 10% of total revenue of the Group for the years ended 31 December 2017 and 2016.

4. 經營分部資料 (續)

地區資料

(a) 外部客戶的收入

	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
The PRC	2,810,294	2,629,827
Other countries	1,252,869	1,176,502
	4,063,163	3,806,329

上述收入資料乃按客戶所在地劃分。

(b) 非流動資產

	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
The PRC	1,519,769	1,229,662
Other countries	46,062	45,043
	1,565,831	1,274,705

上述非流動資產的資料乃按資產所在地劃分，並不包括遞延稅項資產及金融資產。

有關主要客戶的資料

於截至2017年及2016年12月31日止年度，並無單一客戶佔本集團總收入10%以上。

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5. Revenue, Other Income and Gains

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follows:

5. 收入、其他收入及收益

收入指已售貨品的發票價值，經扣除退貨和折扣的淨額。

收入、其他收入及收益的分析如下：

			2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
<u>Revenue</u>	<u>收入</u>			
Sale of goods	貨物銷售		4,063,163	3,806,329
<u>Other income</u>	<u>其他收入</u>			
Government grants	政府補助	(a)	16,532	18,124
Trademark licence fees	商標許可費	(b)	452	2,467
Bank interest income	銀行利息收入		25,437	14,087
Other interest income	其他利息收入		431	418
Rental income	租金收入		3,660	2,728
Recovery of bad debts	收回壞賬		11,457	-
Waiver of other payables	豁免其他應付賬款		16,718	-
Fair value change of the derivative component of convertible bonds	可換股債券衍生工具部份的公允價值變動	45	46,228	-
Handling income	手續費		-	9,874
Others, net	其他，淨值		2,109	10,080
			123,024	57,778
<u>Gains</u>	<u>收益</u>			
Gain on sale of scrap materials	銷售廢料的收益		4,580	-
Exchange gains, net	匯兌收益淨額		-	38,051
			4,580	38,051
			127,604	95,829

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5. Revenue, Other Income and Gains (continued)

Notes:

- (a) Various government grants have been received by the Group's PRC subsidiaries as tax subsidies and incentives for research and development activities and the expansion of production capacity of energy-saving lamps. Government grants for which expenditure has not been undertaken and those associated with assets are recognised as deferred income in the consolidated statement of financial position (Note 29).
- (b) The Group licensed the "NVC" trademark to those related companies in 2016 and an associate in 2017 at 3% to 5% of the sales amount of these companies as trademark licence fees. Details of the related party transactions are set out in Note 40.

5. 收入、其他收入及收益 (續)

附註：

- (a) 本集團中國附屬公司已收取各種政府補助作為就研發活動及擴大節能燈產能而發放的稅項補助及激勵。尚未用作開支的政府補助及與資產相關的政府補助已於合併財務狀況表確認為遞延收入(附註29)。
- (b) 本集團許可一些公司，包括於2016年許可一家關聯公司、於2017年許可一家聯營公司使用「雷士」品牌，並收取該等公司銷售額的3%至5%作為商標許可費。關聯方交易詳情載於附註40。

6. Other Expenses

6. 其他費用

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
	Note 附註		
Fair value change of derivative component of convertible bonds	可換股債券衍生工具部份的公允價值變動 45	-	46,889
Loss on disposal of items of property, plant and equipment	物業、廠房及設備項目的處置損失	16,642	30,173
Fair value change of held-for-trading investments	持作買賣投資之公允價值變動	12,004	-
Exchange losses, net	匯兌虧損淨額	44,156	-
Others	其他	8,358	1,503
		81,160	78,565

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7. Profit before Income Tax

This is arrived at after charging/(crediting):

7. 稅前利潤

為經扣除／(計入) 下列項目所得：

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Cost of inventories sold	已售存貨成本	2,904,804	2,825,141
Auditor's remuneration	核數師薪酬	4,000	3,780
Depreciation	折舊	82,229	94,069
Amortisation of prepaid land lease payments	預付土地租金攤銷	1,319	1,319
Amortisation of computer software and patents*	電腦軟件及專利權攤銷*	1,462	1,830
(Reversal of impairment)/impairment of property, plant and equipment, net	物業、廠房及設備的 (減值撥回)/減值， 淨額	(27)	12,807
Impairment of trade receivables, net	貿易應收賬款減值， 淨額	15,839	38,913
Impairment of other intangible assets	其他無形資產的減值	18,165	-
Impairment of prepayments and other receivables, net	預付款項及其他應收 款項減值，淨額	929	10,594
Reversal of write-down of inventories	撥回存貨撇減	(14,499)	(39,770)
Research and development costs:	研發成本：		
Deferred expenditure amortised*	已攤銷的遞延開支*	2,831	3,177
Current year expenditure	本年度開支	85,554	72,365
Less: Government grants released**	減：已變現政府補助**	-	(125)
		85,554	72,240
		88,385	75,417
Minimum lease payments	最低租賃付款	30,448	26,488
Employee benefit expenses (excluding directors' and chief executive's remuneration (Note 9)):	僱員福利開支(不包含 董事及最高行政 人員薪酬(附註9)):		
Wages and salaries	工資和薪金	509,833	497,823
Equity-settled share option expense	權益結算購股權開支	-	7
Pension scheme contributions (defined contribution scheme)	退休金計劃供款 (界定供款計劃)	65,759	67,657
Other welfare expenses	其他福利開支	16,896	16,256
		592,488	581,743

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7. Profit Before Income Tax (continued)

- * The amortisation of computer software and patents and the amortisation of deferred development costs for the year are included in “Cost of sales” and “Administrative expenses” respectively in the consolidated statement of profit or loss.
- ** Various government grants have been received for setting up research activities in Chongqing City, Guangdong and Zhejiang Province, the PRC, to support the development of energy-saving products and LED products. The government grants released have been deducted from the research and development costs to which they relate. Government grants received for which related expenditure has not yet been undertaken are included in government grants in the consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

8. Finance Costs

An analysis of finance costs is as follows:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Interest on bank loans	銀行貸款利息	1,452	3,448
Interest on convertible bonds (Note 45)	可換股債券利息 (附註45)	40,262	22,321
Interest on other loans	其他貸款利息	382	-
		42,096	25,769

7. 稅前利潤 (續)

- * 本年度電腦軟件及專利權攤銷以及遞延開發成本攤銷計入合併損益表「銷售成本」及「管理費用」。
- ** 在中國重慶市、廣東省及浙江省開展研究活動，以支持節能產品及LED產品的開發，並已因此獲得多項政府補助。發放的政府補助已扣除相關研發成本。就尚未承擔的有關支出而獲得的政府補助計入合併財務狀況表的政府補助。上述補助並無附有任何未實現的條件或有事項。

8. 財務費用

財務費用分析如下：

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9. Directors' and Chief Executive's Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules and disclosure requirements of section 383 of the Hong Kong Companies Ordinance (Cap. 622) (the Ordinance) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G) (the Regulation), is as follows:

9. 董事及主要行政人員薪酬

根據上市規則及香港公司條例（第622章）第383條（條例）的披露規定以及公司法規第622G章（董事權益信息披露）（法規）披露的本年度董事及最高行政人員薪酬如下：

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Fees	袍金	4,330	4,022
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	6,242	5,995
Performance-related bonuses*	業績獎金*	2,755	2,778
Pension scheme contributions	退休金計劃供款	94	64
		9,091	8,837
		13,421	12,859

* Certain executive directors of the Company are entitled to bonus payments which are based on the profit after income tax of the Group and their individual performance.

* 本公司若干執行董事有權獲得根據本集團稅後利潤及其個別表現的獎金。

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9. Directors' and Chief Executive's Remuneration (continued)

(a) Independent non-executive directors

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

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Mr. WEI Hongxiong	魏宏雄先生	433	429
Mr. WANG Xuexian	王學先先生	433	429
Mr. LEE Kong Wai, Conway	李港衛先生	433	429
Ms. WU Ling ⁷	吳玲女士 ⁷	-	281
Mr. SU Ling ⁸	蘇嶺先生 ⁸	433	15
		1,732	1,583

There were no other emoluments payable to the independent non-executive directors during the year (2016: RMBNil).

9. 董事及主要行政人員薪酬 (續)

(a) 獨立非執行董事

本年度付予獨立非執行董事的袍金如下：

本年度，並無其他應付獨立非執行董事的薪酬 (2016年：人民幣零元)。

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9. Directors' and Chief Executive's Remuneration (continued)

9. 董事及主要行政人員薪酬 (續)

(b) Executive directors, non-executive directors and the chief executive

(b) 執行董事、非執行董事及最高行政人員

		2017 2017年				
		Salaries, allowances and benefits	Performance- related bonuses	Equity- settled share option expense	Pension scheme contributions	Total
		Fees in kind				
		薪金、津貼 袍金及實物利益	業績獎金	購股權開支	退休金 計劃供款	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Executive directors:	執行董事：					
Mr. WANG Donglei	王冬雷先生	433	3,004	1,950	-	5,387
Mr. WANG Dongming	王冬明先生	-	1,446	-	-	1,446
Mr. XIAO Yu	肖宇先生	433	989	605	78	2,105
Mr. WANG Keven Dun ²	王頓先生 ²	433	803	200	16	1,452
		1,299	6,242	2,755	94	10,390
Non-executive directors:	非執行董事：					
Mr. LI Wei	李偉先生	433	-	-	-	433
Mr. LI Huating ⁴	李華亭先生 ⁴	433	-	-	-	433
Ms. YANG Jianwen ⁶	楊建文女士 ⁶	433	-	-	-	433
		1,299	-	-	-	1,299
		2,598	6,242	2,755	94	11,689

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9. Directors' and Chief Executive's Remuneration (continued)

(b) Executive directors, non-executive directors and the chief executive (continued)

9. 董事及主要行政人員薪酬 (續)

(b) 執行董事、非執行董事及最高行政人員 (續)

		2016 2016年					
		Salaries, allowances and benefits Fees	Performance- related bonuses in kind	Equity- settled share option expense	Pension scheme contributions	Total	
		薪金、津貼 及實物利益	業績獎金	權益結算 購股權開支	退休金 計劃供款	合計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	
Executive directors:	執行董事：						
Mr. WANG Donglei	王冬雷先生	429	3,004	1,800	-	5,233	
Mr. WANG Dongming	王冬明先生	-	1,448	432	-	1,880	
Mr. XIAO Yu	肖宇先生	429	893	546	64	1,932	
Mr. XIONG Jie ¹	熊傑先生 ¹	281	605	-	-	886	
Mr. WANG Keven Dun ²	王頓先生 ²	24	45	-	-	69	
		1,163	5,995	2,778	64	10,000	
Non-executive directors:	非執行董事：						
Mr. LI Wei	李偉先生	429	-	-	-	429	
Mr. LIN Ho-Ping ⁵	林和平先生 ⁵	196	-	-	-	196	
Mr. ZHU Hai ³	朱海先生 ³	395	-	-	-	395	
Mr. LI Huating ⁴	李華亭先生 ⁴	24	-	-	-	24	
Ms. YANG Jianwen ⁶	楊建文女士 ⁶	232	-	-	-	232	
		1,276	-	-	-	1,276	
		2,439	5,995	2,778	64	11,276	

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9. Directors' and Chief Executive's Remuneration (continued)

(b) Executive directors, non-executive directors and the chief executive (continued)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

- 1 Mr. XIONG Jie has resigned as executive director on 25 August 2016.
- 2 Mr. WANG Keven Dun was appointed as executive director on 12 December 2016.
- 3 Mr. ZHU Hai has resigned as non-executive director on 1 December 2016.
- 4 Mr. LI Huating was appointed as non-executive director on 12 December 2016.
- 5 Mr. LIN Ho-Ping was retired as non-executive director on 15 June 2016.
- 6 Ms. YANG Jianwen was appointed as non-executive director on 15 June 2016 and resigned on 22 March 2018.
- 7 Ms. WU Ling was resigned as independent non-executive director on 25 August 2016.
- 8 Mr. SU Ling was appointed as independent non-executive director on 19 December 2016.

9. 董事及主要行政人員薪酬 (續)

(b) 執行董事、非執行董事及最高行政人員 (續)

本年度，董事或最高行政人員並無訂立放棄或同意放棄任何薪酬的安排。

- 1 熊傑先生於2016年8月25日辭任執行董事。
- 2 王頓先生於2016年12月12日獲委任為執行董事。
- 3 朱海先生於2016年12月1日辭任非執行董事。
- 4 李華亭先生於2016年12月12日獲委任為非執行董事。
- 5 林和平先生於2016年6月15日辭任非執行董事。
- 6 楊建文女士於2016年6月15日獲委任為非執行董事，於2018年3月22日辭任。
- 7 吳玲女士於2016年8月25日辭任獨立非執行董事。
- 8 蘇嶺先生於2016年12月19日獲委任為獨立非執行董事。

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10. Five Highest Paid Employees

The five highest paid employees during the year included three directors (2016: three directors), details of whose remuneration are set out in Note 9 above. Details of the remuneration for the year of the remaining two (2016: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	4,519	3,228
Performance-related bonuses	業績獎金	2,266	1,100
Pension scheme contributions	退休金計劃供款	77	31
		6,862	4,359

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

		Number of employees 僱員數目	
		2017 2017年	2016 2016年
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	2
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至5,500,000港元	1	-
		2	2

10. 五位最高薪酬僱員

本年度，五位最高薪酬僱員包括三位董事（2016年：三位董事），其薪酬詳情載於上述附註9。既不是董事亦不是本公司最高行政人員的餘下兩位（2016年：兩位）最高薪酬僱員的薪酬詳情如下：

非董事及非最高行政人員的最高薪酬僱員的人數介於以下範圍內：

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11. Income Tax

The Group is subject to income tax on an individual legal entity basis on profits arising in or derived from the tax jurisdictions in which most of the companies within the Group are domiciled and operate. No provision for Hong Kong profits tax or United Kingdom ("UK") corporation income tax has been made as the Group had no assessable profits arising in Hong Kong or the UK during the reporting period (2016: RMBNil). Taxes on the corporate income elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the Group operates.

11. 所得稅

本集團內的絕大部份公司須根據所處地及經營地的稅務司法管轄區產生或賺取的利潤，按獨立法人實體基準繳納所得稅。由於本集團於報告年度並無在香港或英國（「英國」）產生任何應課稅溢利，因此並無就香港利得稅或英國企業所得稅計提撥備（2016年：人民幣零元）。其他地方的企業所得稅乃按本集團經營所在國家（或司法管轄區）現行的稅率計算。

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Current – the PRC	即期 – 中國		
– Charge for the year	– 年內支出	109,641	74,631
– Over-provision in prior years	– 以前年度超提	(6,801)	(916)
Deferred (Note 19)	遞延 (附註19)	1,416	1,756
Income tax for the year	年內所得稅	104,256	75,471

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合併財務報表附註

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11. Income Tax (continued)

The income tax for the year can be reconciled to the profit before income tax in the consolidated statement of profit or loss as follows:

11. 所得稅 (續)

本年所得稅開支與合併損益表載列之稅前利潤對賬如下：

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Profit before income tax	稅前利潤	435,856	254,054
Notional tax on profit before income tax, calculated at the rates applicable in the tax jurisdictions concerned	按有關稅項司法管轄區之適用稅率計算之稅前利潤之名義稅項	97,700	65,747
Income not subject to tax	毋須課稅收入	(27,113)	(5,397)
Expenses not deductible for tax	不可扣稅支出	15,194	10,773
Over-provision in prior years	以前年度超提	(6,801)	(916)
Tax losses not recognised	未確認的稅項虧損	18,823	1,862
Effect of deductible temporary differences which have not been recognised as deferred tax assets	未確認為遞延所得稅資產的可抵扣暫時性差異的影響	6,453	3,402
Income tax	所得稅	104,256	75,471

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11. Income Tax (continued)

The Company's subsidiaries located in the PRC are subject to enterprise income tax ("EIT") at the statutory tax rate of 25%.

Chongqing NVC Lighting Co., Ltd. ("Chongqing NVC") and NVC Lighting (China) Co., Ltd. ("NVC China"), two subsidiaries located in the west of the PRC, were recognised as western development enterprises by the local tax authority and are entitled to the preferential tax rate of 15% until 2020 according to a local tax policy on western development issued in 2011.

Shanghai Arcata Electronics Co., Ltd. ("Shanghai Arcata"), a subsidiary located in Shanghai as a foreign-invested enterprise was recognised as a high-tech enterprise by the PRC tax authority and entitled a preferential tax rate of 15% in prior years and continued to enjoy a preferential tax rate of 15% for three years starting from years 2014 and 2017 respectively due to the review evaluations of high-tech enterprises.

Zhejiang Jiangshan Sunny Electron Co., Ltd. ("Sunny") was recognised as a high-tech enterprise by the PRC tax authority and entitled a preferential tax rate of 15% for three years starting from year 2011. Sunny enjoyed a preferential tax rate of 15% for three years starting from year 2014 due to the review evaluation of high-tech enterprises.

Jiangshan Phoebus Lighting Electron Co., Ltd. ("Jiangshan Phoebus") was recognised as a high-tech enterprise by the PRC tax authority and entitled a preferential tax rate of 15% for three years starting from year 2012. Jiangshan Phoebus enjoyed a preferential tax rate of 15% for three years starting from year 2014 due to the review evaluation of high-tech enterprises.

During the year, Sunny and Jiangshan Phoebus did not apply for a review evaluation of the high-tech enterprise. As a result, they are subject to EIT at the statutory tax rate of 25%.

11. 所得稅 (續)

本公司位於中國的附屬公司須按25%的法定稅率繳納企業所得稅(「企業所得稅」)。

重慶雷士照明有限公司(「重慶雷士」)及雷士照明(中國)有限公司(「雷士中國」)為兩家位於中國西部的附屬公司，獲當地稅務機關確認為西部開發企業，按照2011年就西部發展頒佈的一項地方稅務政策，直至2020年享有15%的優惠稅率。

上海阿卡得電子有限公司(「上海阿卡得」)為一家位於上海的外商投資企業的附屬公司，上海阿卡得被中國稅務機關確認為高新技術企業，並於過往年度享受15%的優惠稅率。上海阿卡得經審查評估為高新技術企業，於2014年起三年及2017年繼續享受15%的優惠稅率。

浙江江山三友電子有限公司(「三友」)被中國稅務機關確認為高新技術企業，並於2011年起計三年享受15%的優惠稅率。三友經審查評估為高新技術企業，於2014年起三年享受15%的優惠稅率。

江山菲普斯照明有限公司(「江山菲普斯」)被中國稅務機關確認為高新技術企業，於2012年起計三年享受15%的優惠稅率。江山菲普斯經審查評估為高新技術企業，於2014年起三年享受15%的優惠稅率。

年內，三友及江山菲普斯並未申請審查評估高新技術企業。因此，彼等須按法定稅率25%繳納企業所得稅。

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12. Dividend

	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Proposed final dividend of HK1 cent per ordinary share (2016: HK1 cent per ordinary share)	29,940	28,745

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度建議宣派的末期股息須在即將舉行的股東周年大會上獲得本公司股東的批准，方可作實。

13. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculations of basic earnings per share are based on:

	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Profit: Profit attributable to ordinary equity holders of the parent	314,268	150,928

盈利：
歸屬於母公司普通股
權益擁有人
應佔的利潤

13. 母公司普通股權益擁有人應佔每股盈利

基本每股盈利的計算乃基於：

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13. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent (continued)

13. 母公司普通股權益擁有人應佔每股盈利 (續)

		Number of shares 股份數目	
		2017 2017年 '000 千股	2016 2016年 '000 千股 (Re-presented) (經重列)
<u>Shares</u>	<u>股份</u>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算基本每股盈利的當年已發行的普通股加權平均數	3,422,660	3,181,806

The calculations of diluted earnings per share are based on:

攤薄每股盈利的計算乃基於：

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
<u>Profit:</u>	<u>盈利：</u>		
Profit attributable to ordinary equity holders of the parent	歸屬於母公司普通股權益擁有人應佔的利潤	314,268	150,928
Effect of dilutive potential ordinary shares:	潛在普通股的攤薄作用：		
Interest on convertible bonds (net of tax)	可換股債券利息 (扣除稅項)	40,262	N/A 不適用
Fair value gain of the derivative component of convertible bonds	可換股債券衍生工具部份的公允價值收益	(46,228)	N/A 不適用
Earnings for the purposes of diluted earnings per share	用於計算攤薄每股收益的盈利	308,302	150,928

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13. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent (continued)

13. 母公司普通股權益擁有人應佔每股盈利 (續)

		Number of shares 股份數目	
		2017 2017年 '000 千股	2016 2016年 '000 千股 (Re-presented) (經重列)
<u>Shares</u>	<u>股份</u>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算基本每股盈利的當年已發行的普通股加權平均數	3,422,660	3,181,806
Effect of dilutive potential ordinary shares:	潛在普通股的攤薄作用：		
– convertible bonds	– 可換股債券	540,541	N/A 不適用
Weighted average number of ordinary shares for the purposes of diluted earnings per share	用於計算攤薄每股盈利的普通股加權平均數	3,963,201	3,181,806

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of those share options is higher than the average market price of shares for the years ended 31 December 2017 and 2016.

No adjustment had been made to the basic earnings per share amount presented for the year ended 31 December 2016 in respect of a dilution as the impact of the convertible bonds outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

Basic and diluted earnings per share for the year ended 31 December 2016 are re-presented to reflect the bonus element of issue of new ordinary shares during the current year.

攤薄每股盈利的計算並不假設已行使本公司未行使的購股權，因為購股權行使價格高於截至2017年及2016年12月31日止年度的股票平均市價。

由於尚未轉換之可換股債券對所呈列基本每股盈利金額具反攤薄影響，故並無對所呈列之截至2016年12月31日止年度基本每股盈利金額作出攤薄調整。

重新列報截至2016年12月31日止年度的基本及攤薄每股盈利以反映本年度新發行普通股的紅利因素。

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31 December 2017 2017年12月31日

14. Property, Plant and Equipment

14. 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
		樓宇	裝修費	廠房及機械	傢具及裝置	機動車輛	在建工程	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
31 December 2017	2017年12月31日							
Cost:	成本：							
At 1 January 2017	於2017年1月1日	453,940	52,223	649,399	42,376	27,952	9,883	1,235,773
Additions	添置	221	1,283	39,736	5,320	3,460	19,698	69,718
Transfers	轉撥	-	210	12,739	-	-	(12,949)	-
Disposals	處置	-	(3,080)	(77,250)	(922)	(1,078)	-	(82,330)
Exchange realignment	外匯調整	1,476	(71)	60	107	(253)	-	1,319
At 31 December 2017	於2017年12月31日	455,637	50,565	624,684	46,881	30,081	16,632	1,224,480
Accumulated depreciation:	累計折舊：							
At 1 January 2017	於2017年1月1日	(84,670)	(49,880)	(386,615)	(30,326)	(17,544)	-	(569,035)
Charged for the year	年內支出	(13,108)	(2,843)	(58,718)	(4,808)	(2,752)	-	(82,229)
Disposals	處置	-	3,080	54,961	796	994	-	59,831
Exchange realignment	外匯調整	(112)	86	(50)	(111)	111	-	(76)
At 31 December 2017	於2017年12月31日	(97,890)	(49,557)	(390,422)	(34,449)	(19,191)	-	(591,509)
Impairment:	減值：							
At 1 January 2017	於2017年1月1日	-	-	(15,839)	(304)	(12)	-	(16,155)
Charged for the year	年內支出	-	-	(4,141)	(692)	(20)	-	(4,853)
Disposals	處置	-	-	2,622	28	4	-	2,654
Reversal	撥回	-	-	4,786	94	-	-	4,880
At 31 December 2017	於2017年12月31日	-	-	(12,572)	(874)	(28)	-	(13,474)
Net carrying amount:	淨賬面值：							
At 31 December 2017	於2017年12月31日	357,747	1,008	221,690	11,558	10,862	16,632	619,497

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31 December 2017 2017年12月31日

14. Property, Plant and Equipment (continued)

14. 物業、廠房及設備 (續)

		Buildings	Leasehold improvements	Plant and machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
		樓宇	裝修費	廠房及機械	傢具及裝置	機動車輛	在建工程	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
31 December 2016	2016年12月31日							
Cost:	成本：							
At 1 January 2016	於2016年1月1日	459,654	56,571	675,967	41,603	26,587	6,242	1,266,624
Additions	添置	338	2,228	27,823	3,415	4,023	24,943	62,770
Transfers	轉撥	-	-	20,513	-	-	(20,513)	-
Disposals	處置	-	(6,099)	(74,891)	(1,849)	(2,856)	(789)	(86,484)
Exchange realignment	外匯調整	(6,052)	(477)	(13)	(793)	198	-	(7,137)
At 31 December 2016	於2016年12月31日	453,940	52,223	649,399	42,376	27,952	9,883	1,235,773
Accumulated depreciation:	累計折舊：							
At 1 January 2016	於2016年1月1日	(71,983)	(50,882)	(358,603)	(26,563)	(17,102)	-	(525,133)
Charged for the year	年內支出	(13,082)	(4,841)	(67,984)	(4,905)	(3,257)	-	(94,069)
Disposals	處置	-	6,099	39,511	1,019	2,809	-	49,438
Exchange realignment	外匯調整	395	(256)	461	123	6	-	729
At 31 December 2016	於2016年12月31日	(84,670)	(49,880)	(386,615)	(30,326)	(17,544)	-	(569,035)
Impairment:	減值：							
At 1 January 2016	於2016年1月1日	-	-	(3,338)	-	(10)	-	(3,348)
Charged for the year	年內支出	-	-	(12,501)	(304)	(2)	-	(12,807)
At 31 December 2016	於2016年12月31日	-	-	(15,839)	(304)	(12)	-	(16,155)
Net carrying amount:	淨賬面值：							
At 31 December 2016	於2016年12月31日	369,270	2,343	246,945	11,746	10,396	9,883	650,583

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31 December 2017 2017年12月31日

14. Property, Plant and Equipment (continued)

As at 31 December 2017, land use rights with aggregate carrying amounts of RMB46,995,000 (2016: RMB48,314,000) (Note 15) and certain buildings included in property, plant and equipment with aggregate carrying amount of RMB238,747,000 (2016: RMB242,510,000) and RMB43,797,000 (2016: RMB43,108,000) were pledged for the Group's applications of assets preservation in certain PRC legal proceedings and bank loan facilities respectively.

For the year ended 31 December 2017, the items of plant and machinery of RMB4,141,000 (2016: RMB12,501,000) were fully impaired to their recoverable amounts because the Group decided to cease production of certain products due to market conditions. In addition, there was a reversal of impairment of RMB4,786,000 (2016: RMBNil) as certain of the impaired items of plant and machinery have been used for production of other products during the year.

14. 物業、廠房及設備 (續)

於2017年12月31日，賬面值合共人民幣46,995,000元（2016年：人民幣48,314,000元）的土地使用權（附註15）及賬面值合共人民幣238,747,000元（2016年：人民幣242,510,000元）及人民幣43,797,000元（2016年：人民幣43,108,000元）的若干樓宇（包括物業、廠房及設備）分別就本集團於若干中國法律程序中申請資產保全及銀行貸款信貸已抵押。

於截至2017年12月31日止年度，廠房及機械項目人民幣4,141,000元（2016年：人民幣12,501,000元）已悉數減值至其可收回金額，此乃由於今年的市場情況，因此本集團決定停止生產若干產品。此外，由於廠房及機械的若干減值項目於年內用於生產其他產品，故有減值撥回人民幣4,786,000元（2016年：人民幣零元）。

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31 December 2017 2017年12月31日

15. Prepaid Land Lease Payments

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Carrying amount at 1 January	於1月1日的賬面值	48,314	49,633
Charged to profit or loss	自損益表扣除	(1,319)	(1,319)
Carrying amount at 31 December	於12月31日的賬面值	46,995	48,314
Current portion included in prepayments, deposits and other receivables	計入預付款、保證金及其他應收款項的流動部份	(876)	(875)
Non-current portion	非流動部份	46,119	47,439

The leasehold lands are situated in the PRC and pledged with more details as set out in Note 14.

租賃土地位於中國，並已抵押，詳情載於附註14。

16. Goodwill

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
At 1 January and 31 December	於1月1日及12月31日		
Cost	成本	231,287	231,287
Accumulated impairment	累計減值	(210,126)	(210,126)
Net carrying amount	賬面淨值	21,161	21,161

Impairment testing of goodwill

Except for the insignificant goodwill acquired from the business combination of Huizhou Huixin Hardware Co., Ltd., goodwill acquired through business combinations has been allocated to the following cash-generating units for impairment testing:

16. 商譽

商譽的減值測試

除自惠州市匯鑫五金製品有限公司企業合併獲得的金額不重大的商譽外，因企業合併而獲得的商譽已分配予以下現金產出單位以進行減值測試：

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31 December 2017 2017年12月31日

16. Goodwill (continued)

Impairment testing of goodwill (continued)

Lighting electronic products cash-generating unit in Shanghai Arcata

The carrying amount of goodwill allocated to the lighting electronic products cash-generating unit in Shanghai Arcata amounted to RMB7,369,000 as at 31 December 2016 and 2017.

The recoverable amount of the lighting electronic products cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 18.72% (2016: 18.33%). The growth rate used to extrapolate the cash flows of the electronic products unit beyond the five-year period is 2% (2016: 2%) which was the same as the long term average growth rate of the lighting industry.

As at 31 December 2017, the value in use of the cash-generating unit exceeded its carrying amount, and hence the goodwill allocated to this cash-generating unit was not regarded as impaired (2016: RMBNil).

16. 商譽 (續)

商譽的減值測試 (續)

上海阿卡得照明電器產品現金產出單位

於2016年及2017年12月31日，分派予上海阿卡得照明電器產品現金產出單位的商譽賬面值為人民幣7,369,000元。

照明電器產品現金產出單位的可回收金額乃依據高級管理層批准的按五年期財務預算作出的現金流量預測的使用價值的計算釐定。適用於現金流量預測的折現率是18.72% (2016年：18.33%)。用於推斷照明電器產品現金產出單位五年期間之後的現金流量的增長率是2% (2016年：2%)，與照明行業的長期平均增長率相同。

於2017年12月31日，現金產出單位的使用價值超過其賬面值，因此分配予此現金產出單位的商譽被視為未發生減值 (2016年：人民幣零元)。

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合併財務報表附註

31 December 2017 2017年12月31日

16. Goodwill (continued)

Impairment testing of goodwill (continued)

Spot luminaries products cash-generating unit in Chongqing NVC

The carrying amount of goodwill allocated to the spot luminaries products cash-generating unit in Chongqing NVC amounted to RMB10,999,000 as at 31 December 2016 and 2017.

The recoverable amount of the spot luminaries products cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 19.21% (2016: 19.32%). The growth rate used to extrapolate the cash flows of the spot luminaries products unit beyond the five-year period is zero (2016: zero) as the spot luminaries products cash-generating unit has reached its full production capacity.

As at 31 December 2017, the value in use of the cash-generating unit exceeded its carrying amount, and hence the goodwill allocated to this cash-generating unit was not regarded as impaired (2016: RMBNil).

Decorative fluorescent luminaries products cash-generating unit in Chongqing NVC

The carrying amount of goodwill allocated to the decorative fluorescent luminaries products cash-generating unit in Chongqing NVC amounted to RMB2,133,000 as at 31 December 2016 and 2017.

16. 商譽 (續)

商譽的減值測試 (續)

重慶雷士筒燈產品現金產出單位

於2016年及2017年12月31日，分派予重慶雷士筒燈產品現金產出單位的商譽賬面值為人民幣10,999,000元。

筒燈產品現金產出單位的可回收金額乃依據高級管理層批准的按五年期財務預算作出的現金流量預測的使用價值的計算釐定。適用於現金流量預測的折現率是19.21% (2016年：19.32%)。用於推斷筒燈產品現金產出單位五年期間之後的現金流量的增長率是零 (2016年：零)，原因是筒燈產品現金產出單位已達全面產能。

於2017年12月31日，現金產出單位的使用價值超過其賬面值，因此分配予此現金產出單位的商譽被視為未發生減值 (2016年：人民幣零元)。

重慶雷士的燈盤支架產品現金產出單位

於2016年及2017年12月31日，分派予重慶雷士的燈盤支架產品現金產出單位的商譽賬面值為人民幣2,133,000元。

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16. Goodwill (continued)

Impairment testing of goodwill (continued)

Decorative fluorescent luminaries products cash-generating unit in Chongqing NVC (continued)

The recoverable amount of the decorative fluorescent luminaries products cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 19.11% (2016: 19.25%). The growth rate used to extrapolate the cash flows of the decorative fluorescent luminaries products unit beyond the five-year period is zero (2016: zero) as the decorative fluorescent luminaries products cash-generating unit has reached its full production capacity.

As at 31 December 2017, the value in use of the cash-generating unit exceeded its carrying amount, and hence the goodwill allocated to this cash-generating unit was not regarded as impaired (2016: RMBNil).

16. 商譽 (續)

商譽的減值測試 (續)

重慶雷士的燈盤支架產品現金產出單位 (續)

燈盤支架產品現金產出單位的可回收金額按使用價值依據高級管理層批准的按五年期財務預算作出的現金流預測的使用價值的計算釐定。適用於現金流量預測的折現率是19.11%(2016年:19.25%)。用於推斷燈盤支架產品現金產出單位五年期間之後的現金流量的增長率是零(2016年:零)，原因是燈盤支架產品現金產出單位已達其全面產能。

於2017年12月31日，現金產出單位的使用價值超過其賬面值，因此分配予此現金產生單位的商譽被視為未發生減值(2016年:人民幣零元)。

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31 December 2017 2017年12月31日

16. Goodwill (continued)

Impairment testing of goodwill (continued)

The carrying amounts of goodwill allocated to the cash-generating units are as follows:

		2017 2017年				
		Lighting electronic products 照明電器 產品 RMB'000 千人民幣	Spot luminaries products 筒燈產品 RMB'000 千人民幣	Decorative fluorescent luminaries products 燈盤支架 產品 RMB'000 千人民幣	Others 其他 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Carrying amount of goodwill	商譽的賬面值	7,369	10,999	2,133	660	21,161
		2016 2016年				
		Lighting electronic products 照明電器 產品 RMB'000 千人民幣	Spot luminaries products 筒燈產品 RMB'000 千人民幣	Decorative fluorescent luminaries products 燈盤支架 產品 RMB'000 千人民幣	Others 其他 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Carrying amount of goodwill	商譽的賬面值	7,369	10,999	2,133	660	21,161

16. 商譽 (續)

商譽的減值測試 (續)

分配予現金產出單位的商譽的賬面值如下：

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16. Goodwill (continued)

Impairment testing of goodwill (continued)

Assumptions were used in the value-in-use calculation of each cash-generating unit for 31 December 2016 and 2017. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

Raw materials price inflation – The basis used to determine the value assigned to raw materials price inflation is the forecast prices indices during the budget year for the countries from where raw materials are sourced.

The values assigned to the key assumptions on market development of lighting electronic products, spot luminaries products and decorative fluorescent luminaries products, discount rates and raw materials price inflation are consistent with external information sources.

16. 商譽 (續)

商譽的減值測試 (續)

計算2016年及2017年12月31日各現金產出單位的使用價值時採用假設。管理層進行商譽減值測試時預測現金流量所用的各重要假設如下：

預測毛利率 – 釐定分配給預測毛利率的價值的依據是緊接著預測年度之前一個年度取得的平均毛利率，因預期效率的提高及預期市場的開發而提高。

折現率 – 所用的折現率是稅前折現率，並反映有關單位的具體風險。

原材料價格上漲 – 釐定分配給原材料價格上漲的價值的依據是原材料來源國預算年度的預測價格指數。

對照明電器產品、筒燈產品及燈盤支架產品的市場發展賦予重要假設的價值、折現率及原材料價格上漲與外部資料來源相一致。

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17. Other Intangible Assets

17. 其他無形資產

		Trademarks	Computer software	Customer relationships	Deferred development costs	Patents	Total
		商標	電腦軟件	客戶關係	遞延開發成本	專利權	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
31 December 2017	2017年12月31日						
Cost:	成本：						
At 1 January 2017	於2017年1月1日	270,000	14,370	37,327	50,450	91,855	464,002
Additions	添置	-	5,202	-	793	-	5,995
Disposal	處置	-	(200)	-	-	-	(200)
Exchange realignment	外匯調整	-	(70)	-	-	(1,174)	(1,244)
At 31 December 2017	於2017年12月31日	270,000	19,302	37,327	51,243	90,681	468,553
Accumulated amortisation:	累計攤銷：						
At 1 January 2017	於2017年1月1日	-	(8,495)	(32,670)	(26,063)	(65,248)	(132,476)
Charged for the year	年內支出	-	(1,462)	-	(2,831)	-	(4,293)
Disposal	處置	-	200	-	-	-	200
Exchange realignment	外匯調整	-	42	-	-	-	42
At 31 December 2017	於2017年12月31日	-	(9,715)	(32,670)	(28,894)	(65,248)	(136,527)
Impairment:	減值：						
At 1 January 2017	於2017年1月1日	-	-	(4,657)	(5,999)	(8,630)	(19,286)
Provision for the year	年內撥備	-	(1,447)	-	-	(16,718)	(18,165)
At 31 December 2017	於2017年12月31日	-	(1,447)	(4,657)	(5,999)	(25,348)	(37,451)
Net carrying amount:	淨賬面值：						
At 31 December 2017	於2017年12月31日	270,000	8,140	-	16,350	85	294,575

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17. Other Intangible Assets (continued)

17. 其他無形資產 (續)

		Trademarks 商標 RMB'000 千人民幣	Computer software 電腦軟件 RMB'000 千人民幣	Customer relationships 客戶關係 RMB'000 千人民幣	Deferred development costs 遞延開發成本 RMB'000 千人民幣	Patents 專利權 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
31 December 2016	2016年12月31日						
Cost:	成本：						
At 1 January 2016	於2016年1月1日	270,000	15,053	37,327	45,665	73,965	442,010
Additions	添置	-	829	-	4,785	17,890	23,504
Disposal	處置	-	(1,722)	-	-	-	(1,722)
Exchange realignment	外匯調整	-	210	-	-	-	210
At 31 December 2016	於2016年12月31日	270,000	14,370	37,327	50,450	91,855	464,002
Accumulated amortisation:	累計攤銷：						
At 1 January 2016	於2016年1月1日	-	(7,301)	(32,670)	(22,886)	(64,893)	(127,750)
Charged for the year	年內支出	-	(1,475)	-	(3,177)	(355)	(5,007)
Disposal	處置	-	353	-	-	-	353
Exchange realignment	外匯調整	-	(72)	-	-	-	(72)
At 31 December 2016	於2016年12月31日	-	(8,495)	(32,670)	(26,063)	(65,248)	(132,476)
Impairment:	減值：						
At 1 January 2016 and 31 December 2016	於2016年1月1日及 2016年12月31日	-	-	(4,657)	(5,999)	(8,630)	(19,286)
Net carrying amount:	淨賬面值：						
At 31 December 2016	於2016年12月31日	270,000	5,875	-	18,388	17,977	312,240

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17. Other Intangible Assets (continued)

The useful lives of trademarks are estimated by senior management to be indefinite as the trademarks are renewable at insignificant cost at the option of the Group. The trademarks are tested for impairment annually, and no impairment provision was recorded as at 31 December 2017 (2016: RMBNil).

Impairment testing of intangible assets with indefinite useful lives

Trademarks with indefinite useful lives have been allocated to the following cash-generating unit for impairment testing:

Lighting products cash-generating unit in Huizhou NVC Lighting Technology Co., Ltd. ("Huizhou NVC") and Chongqing NVC

The recoverable amount of the lighting products cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. Management adopted a growth rate of 10% and royalty rate of 3% by reference to past experience and external sources of information (2016: a growth rate of 10% and royalty rate of 3%). The discount rate applied to the cash flow projections is 19.31% (2016: 19.17%). The growth rate used to extrapolate the cash flows of the lighting products unit beyond the five-year period is 2% (2016: 2%) which was the same as the long term average growth rate of the lighting industry.

As at 31 December 2017, the value in use of the cash-generating unit exceeded its carrying amount, and hence the trademarks allocated to this cash-generating unit were not regarded as impaired (2016: RMBNil).

17. 其他無形資產 (續)

高級管理層估計商標使用年期為無限，因為本集團有權重續商標使用年期，且相關費用甚微。商標每年會進行減值測試，於2017年12月31日並無錄得減值撥備(2016年：人民幣零元)。

無限使用年期無形資產的減值測試

無限使用年期商標已經分配到下列現金產出單位進行減值測試：

惠州雷士光電科技有限公司 (「惠州雷士」) 及重慶雷士照明產品現金產出單位

照明產品現金產出單位的可回收金額乃根據高級管理層批准的按五年期財務預算作出的現金流量預測的使用價值的計算釐定。管理層參照過往經驗和外部資訊來源，採用10%的增長率及3%的專利費率(2016年：10%的增長率及3%的專利費率)。適用於現金流量預測的折現率是19.31%(2016年：19.17%)。用於推斷照明產品現金產出單位五年期間之後的現金流量的增長率是2%(2016年：2%)，與照明行業的長期平均增長率相同。

於2017年12月31日，現金產出單位的使用價值超過其賬面值，因此分配到該現金產出單位的商標被視為未發生減值(2016年：人民幣零元)。

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17. Other Intangible Assets (continued)

Impairment testing of intangible assets with indefinite useful lives (continued)

Lighting products cash-generating unit in Huizhou NVC Lighting Technology Co., Ltd. ("Huizhou NVC") and Chongqing NVC (continued)

Assumptions were used in the value-in-use calculation of the lighting products cash-generating unit for 31 December 2016 and 2017. The following describes each key assumption on which management has based its cash flow projections to undertake the above impairment testing:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the year immediately before the budget year, increased for expected efficiency improvement, and expected market development.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

Growth rate – Rate is based on published industrial research.

18. Investments in Associates

17. 其他無形資產 (續)

無限使用年期無形資產的減值測試 (續)

惠州雷士光電科技有限公司 (「惠州雷士」) 及重慶雷士照明產品現金產出單位 (續)

計算2016年及2017年12月31日照明產品現金產生單位的使用價值時採用假設。管理層進行上述減值測試時預測現金流量所用的各重要假設如下：

預測毛利率 – 釐定分配給預測毛利率的價值的依據是緊接著預測年度之前一個年度取得的平均毛利率，因預期效率的提高及預期市場的開發而提高。

折現率 – 所用的折現率是稅前折現率，並反映有關單位的具體風險。

增長率 – 增長率基於已公佈的行業研究。

18. 於聯營公司投資

		2017 2017年 RMB'000 千人民幣	2016 千人民幣 RMB'000 千人民幣
Share of net assets	應佔淨資產	53,668	40,180
Goodwill	商譽	850	850
		54,518	41,030

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18. Investments in Associates (continued)

Particulars of the major associates are as follows:

Name 名稱	Place of establishment/ registration and business 成立地點/ 註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔 所有者權益百分比	Principal activities 主營業務
Mianyang Leici Electronic Technology Co., Ltd. ("Mianyang Leici")	PRC/ Mainland China	35	Research and development, production and sale of magnetic electronic components, lighting electronics and photoelectric components
綿陽雷磁電子科技有限公司 ("綿陽雷磁")	中國/中國	35	研發、生產和銷售電磁元件、照明電子及光電元件
Huizhou Thorled-opto Co., Ltd. ("Huizhou Thor")	PRC/ Mainland China	49	Research and development, production and sale of light-emitting diode, emission receiver tube, digital tube packaging series products
惠州雷通光電器件有限公司 ("惠州雷通")	中國/中國	49	研發、生產和銷售發光二極管、發射接收管、數碼管封裝系列產品
Tongheng NVC Lighting Technology (Shanghai) Co., Ltd	PRC/ Mainland China	20	Trading of lamps, luminaries and other lighting products and installation services of lighting construction project
同恒雷士光電科技(上海)有限公司	中國/中國	20	買賣光源、燈具及其他照明產品，及照明施工項目安裝服務

18. 於聯營公司投資 (續)

主要聯營公司的詳情如下：

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18. Investments in Associates (continued)

18. 於聯營公司投資 (續)

Name 名稱	Place of establishment/ registration and business 成立地點/ 註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔 所有者權益百分比	Principal activities 主營業務
NVC&OLLE Lighting (Wuhu) Company Limited ("OLLE")	PRC/ Mainland China	10	Trading of lamps, luminaries, other lighting products, low voltage electrical appliances and fire equipment products and accessories as well as research and development of LED lighting products
蕪湖雷士歐樂照明貿易 有限公司 (「歐樂」)	中國 / 中國	10	買賣光源、燈具、其他照明產品、 低壓電器及消防器材產品及配 件，以及研究及開發LED照明產 品
Wuhu NVC Electronic Business Co., Ltd ("Wuhu Electronic")	PRC/ Mainland China	10	Trading of lamps, luminaries, other lighting products on online platform
蕪湖雷士照明電子商務 有限公司 (「蕪湖電商」)	中國 / 中國	10	在線平台買賣光源、燈具及其他照 明產品

The Group's shareholdings in the associates are held through a wholly-owned subsidiary of the Company.

In the opinion of the directors, OLLE and Wuhu Electronic are regarded as associates of the Group mainly because the Group appoints directors in the respective board of directors of these investee companies and has material transactions with the investee companies which indicates the Group's significant influence on these investee companies.

本集團於該聯營公司的股權是透過本公司的全資附屬公司持有。

董事認為，歐樂及蕪湖電商被視為本集團的聯營公司，主要因為本集團在該等被投資公司各自的董事會中任命董事並與該等被投資公司有重大交易，表示本集團對該等被投資公司有重大影響。

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18. Investments in Associates (continued)

The following table illustrates the summarised financial information in respect of material associates reconciled to the carrying amounts in the consolidated financial statements:

31 December 2017
2017年12月31日

		Huizhou Thor 惠州雷通 RMB'000 千人民幣	Mianyang Leici 綿陽雷磁 RMB'000 千人民幣	Wuhu Electronic 蕪湖電商 RMB'000 千人民幣
Current assets	流動資產	65,905	29,625	432,337
Non-current assets, excluding goodwill	非流動資產 (不包括商譽)	30,698	846	6,258
Goodwill on acquisition of the associate	收購聯營公司商譽	850	-	-
Current liabilities	流動負債	(31,562)	(18,205)	(285,038)
Non-current liabilities	非流動負債	-	-	-
Net assets	淨資產	65,891	12,266	153,557
Net assets, excluding goodwill	淨資產，不包括商譽	65,041	12,266	153,557
Proportion of the Group's ownership	本集團所有權百分比	49%	35%	10%
Group's share of net assets of the associates, excluding goodwill	本集團應佔聯營公司淨資產，不包括商譽	31,870	4,293	15,356
Goodwill on acquisition of the associate	收購聯營公司商譽	850	-	-
Carrying amount of the investment	投資賬面值	32,720	4,293	15,356

18. 於聯營公司投資 (續)

下表列示主要聯營公司於合併財務報表賬面值調節的財務資料概要：

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18. Investments in Associates (continued)

18. 於聯營公司投資 (續)

31 December 2016 2016年12月31日		Huizhou Thor 惠州雷通 RMB'000 千人民幣	Mianyang Leici 綿陽雷磁 RMB'000 千人民幣	Wuhu Electronic 蕪湖電商 RMB'000 千人民幣
Current assets	流動資產	24,549	22,058	650,504
Non-current assets, excluding goodwill	非流動資產 (不包括商譽)	36,005	1,163	2,910
Goodwill on acquisition of the associate	收購聯營公司商譽	850	-	-
Current liabilities	流動負債	(7,143)	(11,606)	(588,777)
Non-current liabilities	非流動負債	-	-	-
Net assets	淨資產	54,261	11,615	64,637
Net assets, excluding goodwill	淨資產，不包括商譽	53,411	11,615	64,637
Proportion of the Group's ownership	本集團所有權百分比	49%	35%	10%
Group's share of net assets of the associates, excluding goodwill	本集團應佔聯營公司 淨資產，不包括商譽	26,171	4,065	6,464
Goodwill on acquisition of the associate	收購聯營公司商譽	850	-	-
Carrying amount of the investment	投資賬面值	27,021	4,065	6,464

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18. Investments in Associates (continued)

2017 2017年	
Revenue	收入
Profit for the year	本年度利潤
Total comprehensive income for the year	本年度全面收入合計

18. 於聯營公司投資 (續)

Huizhou Thor 惠州雷通 RMB'000 千人民幣	Mianyang Leici 綿陽雷磁 RMB'000 千人民幣	Wuhu Electronic 蕪湖電商 RMB'000 千人民幣
69,397	50,257	519,470
11,630	651	118,920
11,630	651	118,920

2016
2016年

Revenue	收入
Profit/(loss) for the year	本年度利潤/(虧損)
Total comprehensive income for the year	本年度全面收入合計

Huizhou Thor 惠州雷通 RMB'000 千人民幣	Mianyang Leici 綿陽雷磁 RMB'000 千人民幣	Wuhu Electronic 蕪湖電商 RMB'000 千人民幣
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45,696	50,624	535,689
2,110	(850)	60,637
2,110	(850)	60,637

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

下表描述本集團的聯營公司(個別而言並非重大)的合計財務資料:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Share of the associates' loss for the year	本年度應佔聯營公司虧損	(351)	-
Share of the associates' total comprehensive income	應佔聯營公司全面收入合計	(351)	-
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司的投資的合計賬面值	2,149	3,480

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19. Deferred Tax

The movements in deferred tax assets and liabilities are as follows:

Deferred tax assets

At 1 January 2017	於2017年1月1日
Deferred tax charged to profit or loss during the year	年內扣自損益表的遞延稅項
Effect of change in tax rate	稅率變動產生的影響
At 31 December 2017	於2017年12月31日

19. 遞延稅項

遞延稅項資產及負債變動如下：

遞延稅項資產

2017 2017年		
Fair value adjustments arising from business combinations	Deductible temporary differences	Total
企業合併引致之公允價值調整	可扣稅暫時差額	合計
RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
219	48,485	48,704
-	(2,480)	(2,480)
-	6,034	6,034
219	52,039	52,258

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31 December 2017 2017年12月31日

19. Deferred Tax (continued)

Deferred tax assets (continued)

		2016 2016年		
		Fair value adjustments arising from business combinations 企業合併 引致之公允 價值調整 RMB'000 千人民幣	Deductible temporary differences 可扣稅 暫時差額 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
At 1 January 2016	於2016年1月1日	219	51,348	51,567
Deferred tax charged to profit or loss during the year	年內扣自損益表的 遞延稅項	-	(2,863)	(2,863)
At 31 December 2016	於2016年12月31日	219	48,485	48,704

The Group has accumulated tax losses of RMB28,032,000 as at 31 December 2017 (2016: RMB9,532,000) that are available indefinitely for offsetting against future taxable profits of the respective group companies in which the losses arose. In addition, the Group has accumulated tax losses of RMB92,810,000 as at 31 December 2017 (2016: RMB32,280,000), which will expire in one to five years for offsetting against taxable future profits.

於2017年12月31日，本集團的累計稅項虧損為人民幣28,032,000元（2016年：人民幣9,532,000元），可無限期抵銷該等產生虧損公司的未來應課稅利潤。此外，本集團於2017年12月31日的累計稅項虧損為人民幣92,810,000元（2016年：人民幣32,280,000元），可於一至五年內抵銷未來應課稅利潤。

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合併財務報表附註

31 December 2017 2017年12月31日

19. Deferred Tax (continued)

Deferred tax assets (continued)

Deferred tax asset in respect of accumulated tax losses of RMB3,532,000 (2016: RMB14,406,000) has been recognised in the consolidated financial statements. No deferred tax asset has been recognised in respect of the remaining tax losses of RMB117,310,000 (2016: RMB27,406,000) arising from the subsidiaries as it is not considered probable that taxable profits will be available in the foreseeable future against which the accumulated tax losses can be utilised.

Deferred tax liabilities

19. 遞延稅項 (續)

遞延稅項資產 (續)

有關累計稅項虧損的遞延稅項資產人民幣3,532,000元(2016年：人民幣14,406,000元)已於合併財務報表確認。由於本集團不認為於可預見未來該等累計稅項虧損可以用應課稅利潤抵銷，故尚未就該等附屬公司產生的餘下稅項虧損人民幣117,310,000元(2016年：人民幣27,406,000元)確認遞延稅項資產。

遞延稅項負債

		2017 2017年		
		Fair value adjustments arising from business combinations 企業合併 引致之公允 價值調整 RMB'000 千人民幣	Taxable temporary differences arising from relocation 可扣稅 暫時差額 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
At 1 January 2017	於2017年1月1日	73,085	9,153	82,238
Deferred tax credited to profit or loss during the year	年內計入損益表的 遞延稅項	(421)	(711)	(1,132)
Effect of change in the tax rate	稅率變動產生的影響	-	6,102	6,102
At 31 December 2017	於2017年12月31日	72,664	14,544	87,208

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合併財務報表附註

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19. Deferred Tax (continued)

Deferred tax liabilities (continued)

		2016 2016年		
		Fair value adjustments arising from business combinations 企業合併 引致之公允 價值調整 RMB'000 千人民幣	Taxable temporary differences arising from relocation 可扣稅 暫時差額 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
At 1 January 2016	於2016年1月1日	73,070	10,275	83,345
Deferred tax credited to profit or loss during the year	年內計入損益表的 遞延稅項	15	(1,122)	(1,107)
At 31 December 2016	於2016年12月31日	73,085	9,153	82,238

Pursuant to the PRC EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10% for the unremitted profits of PRC subsidiaries. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

根據《中國企業所得稅法》，政府對在中國成立的外商投資企業向外商投資者宣派的股息徵收10%的預扣稅。該規定自2008年1月1日起生效及適用於2007年12月31日之後所得盈利。倘中國與外商投資者的司法權區訂立了稅務條約，則適用於較低的預扣稅率。就本集團而言，中國附屬公司的未匯出利潤的適用稅率是10%。因此，本集團有義務預扣在中國成立的附屬公司分派2008年1月1日之後所得盈利的股息的稅項。

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19. Deferred Tax (continued)

Deferred tax liabilities (continued)

As at 31 December 2017, the Group has not recognised deferred tax liabilities of RMB266,775,000 (2016: RMB234,152,000) in respect of temporary differences relating to the unremitted profits of subsidiaries amounting to RMB2,667,748,000 (2016: RMB2,341,514,000), that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

20. Inventories

Raw materials	原材料
Work in progress	半成品
Finished goods	成品
Total	合計

The reversal of write-down of inventories amounted to RMB14,499,000 (2016: RMB39,770,000), which was recorded in "Cost of sales" in the consolidated statement of profit or loss.

19. 遞延稅項 (續)

遞延稅項負債 (續)

於2017年12月31日，本集團尚未確認有關附屬公司未匯出利潤人民幣2,667,748,000元(2016年：人民幣2,341,514,000元)的暫時差額的遞延稅項負債人民幣266,775,000元(2016年：人民幣234,152,000元)。該稅額在留存利潤匯出時應予支付，由於本公司控制該等附屬公司的股息政策及該等利潤在可以預見的未來不會分派。

本公司向其股東支付股息並不附帶任何所得稅影響。

20. 存貨

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Raw materials	原材料	97,576	87,480
Work in progress	半成品	19,631	16,736
Finished goods	成品	308,177	297,452
Total	合計	425,384	401,668

撥回存貨撇減的金額為人民幣14,499,000元(2016年：人民幣39,770,000元)，其於合併損益表被列賬於「銷售成本」內。

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合併財務報表附註

31 December 2017 2017年12月31日

21. Trade and Bills Receivables

21. 貿易及票據應收賬款

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Trade receivables	貿易應收賬款	960,976	1,132,043
Impairment	減值	(168,459)	(157,876)
Trade receivables, net	貿易應收賬款淨額	792,517	974,167
Bills receivable	票據應收賬款	300,037	243,836
		1,092,554	1,218,003

Trade receivables of the Group represented proceeds receivable from sale of goods. The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit periods generally range from 30 to 180 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balance. Overdue interests of several trade receivables are calculated at annual interest rate of 12%.

本集團的貿易應收賬款指來自貨物銷售的應收所得款項。本集團與客戶之間主要通過信用交易，但新客戶一般需要提前支付。主要客戶的信用期限一般介於30天至180天不等。每位主要客戶均設置最高信用限額。本集團尋求對其未結清應收款項維持嚴格監控，並已建立一個信用控制部以將信用風險降至最低。高級管理人員定期複核逾期結餘。鑒於上述情況及本集團貿易應收賬款與大量分散客戶有關，信用風險的集中度並不高。本集團並無就其貿易應收賬款持有任何抵押品或採取其他信用增級。若干貿易應收賬款的逾期利息按年利率12%計算。

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合併財務報表附註

31 December 2017 2017年12月31日

21. Trade and Bills Receivables (continued)

An aged analysis of the trade receivables as at the end of the reporting period, based on the transaction date and net of provision, is as follows:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Within 3 months	3個月內	545,268	713,343
4 to 6 months	4至6個月	145,821	184,072
7 to 12 months	7至12個月	20,298	12,303
1 to 2 years	1年至2年	36,776	42,370
Over 2 years	2年以上	44,354	22,079
		792,517	974,167

The movements in provision for impairment of trade receivables are as follows:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
At 1 January	於1月1日	157,876	118,992
Impairment losses recognised (Note 7)	已確認減值虧損 (附註7)	19,234	44,691
Reversal of impairment loss previously recognised (Note 7)	先前確認之減值 損失撥回 (附註7)	(3,395)	(5,778)
Amount written off as uncollectible	按不可回收款項撇銷 的金額	(5,226)	(57)
Exchange realignment	外匯調整	(30)	28
At 31 December	於12月31日	168,459	157,876

21. 貿易及票據應收賬款 (續)

下表載列於報告年度末貿易應收賬款的賬齡分析，基於交易日期和扣除撥備後：

貿易應收賬款減值撥備的變動如下：

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合併財務報表附註

31 December 2017 2017年12月31日

21. Trade and Bills Receivables (continued)

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB168,459,000 (2016: RMB157,876,000) with a carrying amount before provision of RMB184,517,000 (2016: RMB182,438,000).

The individually impaired trade receivables relate to customers that were in financial difficulties or were in default in interest and/or principal payments and only a portion of the receivables is expected to be recoverable.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Neither past due nor impaired	未逾期亦未減值	549,939	628,954
Less than 2 months past due	逾期不足2個月	112,982	221,235
2 to 6 months past due	逾期2至6個月	65,573	62,531
7 to 12 months past due	逾期7至12個月	15,059	42,985
Over 1 year past due	逾期1年以上	48,964	18,462
		792,517	974,167

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

21. 貿易及票據應收賬款 (續)

上述貿易應收賬款減值撥備包括就撥備前賬面值人民幣184,517,000元(2016年: 人民幣182,438,000元)的個別減值貿易應收賬款而作出的人民幣168,459,000元(2016年: 人民幣157,876,000元)的撥備。

該等個別減值的貿易應收賬款與發生財政困難或拖欠利息及/或本金付款的客戶有關, 預期僅有部份應收賬款可予收回。

並未被視為個別或共同減值的貿易應收款項的賬齡分析如下:

未逾期亦未減值的應收款項乃與近期並無違約記錄的多名客戶有關。

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合併財務報表附註

31 December 2017 2017年12月31日

21. Trade and Bills Receivables (continued)

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Included in the Group's trade receivables are amounts due from related parties of RMB48,367,000 (2016: RMB68,417,000) which are repayable on similar credit terms to those offered to the major customers of the Group.

As at 31 December 2017, certain trade receivables of NVC Lighting Limited ("UKNVC") with carrying amounts of RMB24,004,000 (2016: RMB47,347,000) were pledged to secure the bank borrowings of UKNVC as further set out in Note 28.

The maturity of the bills receivable of the Group as at 31 December 2016 and 2017 is within 6 months.

As at 31 December 2016 and 2017, no bills receivable is due from related parties.

As at 31 December 2017, the fair value of trade and bills receivables approximate to their carrying amount largely due to their short-term maturity.

21. 貿易及票據應收賬款 (續)

已逾期但未減值的應收款項乃與在本集團有良好往績記錄的多名獨立客戶有關。由於信貸素質並無出現重大變動，且有關結餘仍被視為可全數回收，因此根據過往經驗，本公司董事認為無必要就該等結餘作出減值撥備。

應收有關人士款項人民幣48,367,000元(2016年：人民幣68,417,000元)計入本集團貿易應收賬款，該等款項的還款信貸條件跟提供給本集團的主要客戶相若。

於2017年12月31日，NVC Lighting Limited (「英國雷士」)的若干貿易應收賬款賬面值人民幣24,004,000元(2016年：人民幣47,347,000元)已質押作為英國雷士銀行借款的抵押，進一步詳情載於附註28。

於2016年及2017年12月31日，本集團的票據應收賬款於6個月內到期。

於2016年及2017年12月31日，並無應收有關人士票據賬款。

於2017年12月31日，貿易及票據應收賬款的公允價值與其賬面價值相若，這主要是其短期性質使然。

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合併財務報表附註

31 December 2017 2017年12月31日

22. Prepayments, Deposits and Other Receivables

22. 預付款、保證金及其他應收款項

			2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
		Notes 附註		
Non-current assets:	非流動資產：			
Prepayments for purchase of property, plant and equipment	購買物業、廠房及設備預付款項		429,961	102,252
Current assets:	流動資產：			
Prepayments	預付款	(a)	50,746	60,756
Impairment	減值	(a)	(33,625)	(33,625)
			17,121	27,131
Deposits and other receivables	保證金及其他應收款項	(b)	667,752	602,719
Impairment	減值	(b)	(287,660)	(286,735)
			380,092	315,984
			397,213	343,115

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合併財務報表附註

31 December 2017 2017年12月31日

22. Prepayments, Deposits and Other Receivables (continued)

Notes:

(a) Prepayments

The breakdown of prepayments is as follows:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Prepaid land lease payments – current portion	預付土地租金 – 流動部份	876	875
Prepayments to third parties	給予第三方的預付款	49,657	59,881
Prepayment to an entity with significant influence over the Group	給予對本集團擁有重大影響力的 一家實體的預付款	213	–
		50,746	60,756
Impairment	減值	(33,625)	(33,625)
Prepayments, net	預付款淨額	17,121	27,131

The impairment mainly includes those related to an amount due from an entity over which a close family member of Mr. WU Changjiang, a former director and former chief executive officer of the Company, has significant influence.

The movements in provision for impairment of prepayments are as follows:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
At 1 January	於1月1日	33,625	23,119
Impairment losses recognised (Note 7)	已確認減值虧損 (附註7)	–	10,506
At 31 December	於12月31日	33,625	33,625

22. 預付款、保證金及其他應收款項 (續)

附註：

(a) 預付款

預付款明細如下：

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Prepaid land lease payments – current portion	預付土地租金 – 流動部份	876	875
Prepayments to third parties	給予第三方的預付款	49,657	59,881
Prepayment to an entity with significant influence over the Group	給予對本集團擁有重大影響力的 一家實體的預付款	213	–
		50,746	60,756
Impairment	減值	(33,625)	(33,625)
Prepayments, net	預付款淨額	17,121	27,131

減值主要包括與來自實體的應收款項 (本公司前董事兼前首席執行官吳長江先生的一名近親屬對該實體擁有重大影響力) 有關。

預付款減值撥備的變動如下：

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
At 1 January	於1月1日	33,625	23,119
Impairment losses recognised (Note 7)	已確認減值虧損 (附註7)	–	10,506
At 31 December	於12月31日	33,625	33,625

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合併財務報表附註

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22. Prepayments, Deposits and Other Receivables (continued)

Notes: (continued)

(b) Deposits and other receivables

The breakdown of deposits and other receivables is as follows:

	Notes 附註	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Other receivables due from a company	其他應收一家公司款項 33(a)	550,924	550,924
Withdrawn amount recoverable	可收回被提取款項 33(b)(ii)	55,396	-
Deposits and other receivables from third parties	來自第三方的保證金及其他應收賬款 (i)	49,263	38,615
Due from individuals	應收個別人士的款項	3,772	2,793
Due from other related parties	應收其他關聯人士款項 (ii)	8,397	10,387
		667,752	602,719
Impairment (mainly including impairment of RMB285,360,000 (Note 33(a)))	減值 (主要包括人民幣285,360,000元的減值) (附註33(a))	(287,660)	(286,735)
Deposits and other receivables, net	保證金及其他應收款項淨額	380,092	315,984

22. 預付款、保證金及其他應收款項 (續)

附註：(續)

(b) 保證金及其他應收款項

保證金及其他應收款項的明細如下：

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

22. Prepayments, Deposits and Other Receivables (continued)

Notes: (continued)

(b) (continued)

The movements in provision for impairment of other receivables are as follows:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
At 1 January	於1月1日	286,735	289,100
Impairment losses recognised, net (Note 7)	已確認減值虧損淨額 (附註7)	1,017	88
Reversal of impairment loss previously recognised (Note 7)	撥回以前確認的減值虧損 (附註7)	(88)	-
Written off	撇減	(4)	(2,453)
At 31 December	於12月31日	287,660	286,735

- (i) The deposits and other receivables from third parties are unsecured, non-interest-bearing and have no fixed terms of repayment.
- (ii) The amounts due from related parties (as defined in Note 40) consist of the following:

22. 預付款、保證金及其他應收款項 (續)

附註：(續)

(b) (續)

其他應收款項減值撥備之變動如下：

	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
(i) 來自第三方的保證金及其他應收賬款均為無抵押、免息及無固定還款期。		
(ii) 應收關聯方(定義見附註40)款項包括以下各項：		

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
An entity with significant influence over the Group	對本集團擁有重大影響力的一家實體	100	2,467
Associates of the Group	本集團的聯營公司	8,269	7,920
An entity controlled by a director of the Company	本公司董事控制的一家實體	28	-
		8,397	10,387

As at 31 December 2016 and 2017, the fair value of deposits and other receivables approximate to their carrying amount largely due to their short-term maturity.

於2016年及2017年12月31日，由於短期性質使然，保證金及其他應收款項的公允價值與其賬面值大體相若。

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合併財務報表附註

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23. Other Current Assets

The balances mainly represented PRC value-added tax recoverable as at 31 December 2016 and 2017.

24. Held-for-trading Investments

Equity securities listed in the PRC,
at fair value

The fair value of the listed equity securities was determined based on the quoted market prices in an active market. Further details were set out in Note 42.

23. 其他流動資產

該等結餘主要指於2016年及2017年12月31日的可獲退稅中國增值稅。

24. 持作買賣投資

	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Equity securities listed in the PRC, at fair value	88,786	-

上市股本證券的公允價值按於活躍市場的市場報價釐定。進一步詳情載於附註42。

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合併財務報表附註

31 December 2017 2017年12月31日

25. Restricted Bank Balances and Short-term Deposits and Cash and Cash Equivalents

25. 受限制銀行結餘及短期存款及現金及現金等價物

		Notes	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
		附註		
Cash and bank balances	現金及銀行結餘		862,346	997,551
<u>Time deposits</u>	<u>定期存款</u>			
Non-pledged time deposits	無抵押定期存款		588,579	546,994
Pledged time deposits:	就下列各項的有抵押定期存款：			
– for letter of guarantee (“L/G”)	– 擔保函件 (「擔保函件」)	(i)	101,525	34,533
– for assets preservation	– 資產保全	(ii)	27,561	26,501
			1,580,011	1,605,579
Less:	減：			
Restricted bank balance	受限制銀行結餘	33(b)(ii)	–	(55,396)
Pledged time deposits	有抵押定期存款		(129,086)	(61,034)
Non-pledged time deposits with original maturity over three months when acquired	於認購時原到期日超過三個月的無抵押定期存款		(185,336)	(328,994)
			(314,422)	(445,424)
Cash and cash equivalents	現金及現金等價物		1,265,589	1,160,155

Notes:

- (i) In accordance with several letters of guarantee, the deposits were pledged for issuing L/G.
- (ii) The amount represented the deposits pledged for the Group's applications of assets preservation in certain PRC legal proceedings.

附註：

- (i) 根據數封擔保函，存款已質押以發出擔保函。
- (ii) 該金額指本集團為若干中國法律程序中申請資產保全而抵押的存款。

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合併財務報表附註

31 December 2017 2017年12月31日

25. Restricted Bank Balances and Short-term Deposits and Cash and Cash Equivalents (continued)

At the end of the reporting period, the restricted bank balances and short-term deposits and cash and cash equivalents of the Group denominated in RMB amounted to RMB1,280,911,000 (2016: RMB776,178,000). 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. Time deposits are made for varying periods of between three and twelve months depending on the immediate cash requirements of the Group, and earned interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

As at 31 December 2016 and 2017, the fair values of cash and bank balances and time deposits approximate to their carrying amounts largely due to their short-term maturity.

25. 受限制銀行結餘及短期存款及現金及現金等價物 (續)

於本報告年度末，本集團以人民幣計值的受限制銀行結餘及短期存款及現金及現金等價物為人民幣1,280,911千元（2016年：人民幣776,178,000元）。人民幣不可自由轉換為其他貨幣。然而，根據中國大陸的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准通過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行存款基於每日銀行存款利率按浮動利率計息。定期存款的期限根據本集團的直接現金需求介於3到12個月不等，按各自的短期存款利率計息。銀行結餘及定期存款都存入近期無違約記錄的可靠銀行。

於2016年及2017年12月31日，由於短期性質使然，現金及銀行結餘以及定期存款的公允價值與其賬面值大體相若。

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合併財務報表附註

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26. Trade and Bills Payables

26. 貿易及票據應付賬款

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Trade and bills payables to third parties	應付第三方貿易 及票據賬款	778,663	688,851
Trade and bills payables to related parties	應付關聯人士貿易 及票據賬款	42,170	61,185
		820,833	750,036

Trade and bills payables to related parties (as defined in Note 40) include the following:

應付關聯人士(定義見附註40)貿易及票據賬款包括下列各項:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Subsidiaries of the entity with significant influence over the Group	對本集團擁有重大影響力的實體的附屬公司	26,099	36,682
An associate of the Group	一家本集團的聯營公司	14,858	21,869
Entities controlled by Mr. WU Jiannong, a director and substantial shareholder of Zhejiang NVC (defined in Note 39)	浙江雷士的董事及主要股東吳建農先生控制的實體(定義見附註39)	1,213	402
An entity over which the Group indirectly has significant influence	本集團對其間接擁有重大影響力的實體	-	2,232
		42,170	61,185

Trade payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

貿易應付賬款均為免息，其結算期限通常為30天至60天。

Bills payables are normally settled within 6 months.

票據應付賬款通常在6個月內結算。

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合併財務報表附註

31 December 2017 2017年12月31日

26. Trade and Bills Payables (continued)

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

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Within 3 months	3個月內	792,738	716,962
4 to 6 months	4到6個月	12,248	16,056
7 to 12 months	7到12個月	4,995	1,125
1 to 2 years	1到2年	1,849	8,641
Over 2 years	2年以上	9,003	7,252
		820,833	750,036

As at 31 December 2016 and 2017, the fair value of trade and bills payables approximated to their carrying amounts which is largely due to the short-term maturity.

27. Other Payables and Accruals

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Other payables to third parties, advances from customers and accruals*	其他應付第三方賬款、客戶墊款及應計費用*	723,683	728,179
Dividend payable	應付股息	4,333	1,331
Amounts due to related parties	應付關聯人士賬款	733	20,465
		728,749	749,975

* As at 31 December 2017, included in the balances are the consideration payables (2016: contingent consideration payables) of RMB41,825,000 (Note 49).

26. 貿易及票據應付賬款 (續)

根據交易日期，本集團於報告年度末的貿易及票據應付賬款的賬齡分析如下：

於2016年及2017年12月31日，貿易及票據應付賬款的公允價值與其賬面價值相若，這主要是其短期性質使然。

27. 其他應付賬款及應計費用

* 於2017年12月31日，計入結餘的應付代價(2016年：應付或有代價)為人民幣41,825,000元(附註49)。

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27. Other Payables and Accruals (continued)

Amounts due to related parties are unsecured, interest-free and repayable on demand.

The amounts due to related parties (as defined in Note 40) are as follows:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Associate	聯營公司	19	-
Entity with significant influence over the Group	對本集團擁有重大影響力的 一家實體	3	-
Subsidiaries of the entity with significant influence over the Group	對本集團擁有重大影響力的 實體的附屬公司	700	700
Entities controlled by Mr. WU Jiannong, a director and substantial shareholder of Zhejiang NVC (defined in Note 39)	浙江雷士的董事及主要股東 吳建農先生控制的 實體(定義見附註39)	11	19,611
An entity over which the Company indirectly has significant influence	本公司對其間接擁有 重大影響力的實體	-	154
		733	20,465

As at 31 December 2016 and 2017, the fair value of most of other payables and accruals approximated to their carrying amounts which is largely due to the short-term maturity.

27. 其他應付賬款及應計費用(續)

應付關聯人士款項為非抵押、免息及按要求即付。

應付關聯人士(定義見附註40)賬款如下:

於2016年及2017年12月31日，主要由於其短期性質使然，大部份其他應付賬款及應計費用的公允價值與彼等的賬面值相若。

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28. Interest-Bearing Loans and Borrowings

28. 計息貸款及借款

	2017 2017年			2016 2016年		
	Contractual interest rate (%) 合約利率(%)	Maturity 到期期限	RMB'000 千人民幣	Contractual interest rate (%) 合約利率(%)	Maturity 到期期限	RMB'000 千人民幣
	Current 流動部份					
Bank loans – secured 銀行貸款 – 有抵押	Base*+1.90% 基本利率*+1.90%	On demand ¹ 按要求即付 ¹	24,004	Base*+1.90% 基本利率*+1.90%	On demand ¹ 按要求即付 ¹	47,347
Bank loan – unsecured 銀行貸款 – 無抵押	4% per month 每月4%	On demand 按要求即付	936	4% per month 每月4%	On demand 按要求即付	1,064
Total 合計			24,940			48,411

¹ The secured bank loan represented a GBP-dominated secured facility amounting to GBP8,000,000 (2016: GBP8,000,000). The bank loan was secured by the pledge over certain trade receivables (Note 21) and certain buildings (Note 14). In accordance with the contract, the loan was repayable upon the collection of the factored trade receivables and carried a floating interest rate based on the Base plus 1.90%.

* “Base” refers to the Bank of England base rate.

As at 31 December 2016 and 2017, the fair value of interest-bearing loans and borrowings approximates to their carrying amount largely due to the short-term maturities.

¹ 有抵押銀行貸款指一筆以英鎊計值的有抵押融資，額度為英鎊8,000千元（2016年：英鎊8,000千元）。銀行貸款乃以若干貿易應收賬款（附註21）及若干物業（附註14）作為抵押。根據合同，於收回已讓售的貿易應收賬款後，該筆貸款即須償還，並按基本利率加上1.90%的浮動利率計息。

* 「基本利率」指英格蘭銀行的基本利率。

於2016年及2017年12月31日，計息貸款及借款的公允價值與其賬面價值相若，這主要是其短期性質使然。

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29. Government Grants

29. 政府補助

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
At 1 January	於1月1日	14,885	16,453
Received during the year	本年已收金額	15,771	16,556
Released to profit or loss	撥至損益表	(16,532)	(18,124)
At 31 December	於12月31日	14,124	14,885
Portion classified as current liabilities	分類為流動負債的部份	(2,012)	(2,026)
Non-current portion	非流動部份	12,112	12,859

Various government subsidies have been granted to the Group's PRC subsidiaries as compensation for technology research and development and as financial support for the establishment of energy-saving lamp tube production lines.

The balance as at 31 December 2017 mainly represented government grants for development of LED products and other energy-saving lamp production lines. The government grants are credited to profit or loss over the estimated useful lives of the associated production lines.

There are no unfulfilled conditions or contingencies attached to these government grants.

本集團的中國附屬公司得到了各種政府補助，用作科技研發補償及作為建立節能燈管生產線的財政支持。

於2017年12月31日的結餘主要指用於開發LED產品及其他節能燈生產線政府補助。該兩筆政府補助均按相關生產線的估計可使用年期計入損益內。

上述政府補助並無附有任何尚未實現的條件或者或有事項。

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30. Share Capital

30. 股本

		2017 2017年			2016 2016年		
		Number of shares '000 股份數目 千股	US\$ 美元	RMB equivalent 折合人民幣	Number of shares '000 股份數目 千股	US\$ 美元	RMB equivalent 折合人民幣
Ordinary shares of US\$0.0000001 each	每股0.0000001 美元的普通股						
Authorised:	法定：						
As at 1 January and 31 December	於1月1日及 12月31日	500,000,000	50,000	341,385	500,000,000	50,000	341,385
Issued and fully paid	已發行及繳足股款：						
As at 1 January	於1月1日	3,213,448	321	2,381	3,128,448	313	2,324
Issue of new shares (Note)	發行新股份 (附註)	368,357	37	249	85,000	8	57
As at 31 December	於12月31日	3,581,805	358	2,630	3,213,448	321	2,381

Note:

Pursuant to a subscription agreement dated 2 June 2017 (2016: 23 May 2016) entered into between the Company and the subscribers, the Company agreed to issue 368,357,000 (2016: 85,000,000) ordinary shares at the subscription price of HK\$0.80 each (2016: HK\$0.83 each) to raise additional funds for the Group. The ordinary shares were issued during the year.

附註：

根據本公司與認購人於2017年6月2日 (2016年：2016年5月23日) 訂立的認購協議，本公司同意發行368,357,000股 (2016年：85,000,000股) 普通股股份，認購價為每股股份0.80港元 (2016年：每股0.83港元)，以為本集團籌集額外資本。普通股已於年內發行。

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31. Pre-IPO Share Option Scheme

The Company operates a Pre-IPO share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Group's key employees, directors, consultants and strategic suppliers. The Scheme became effective on 15 October 2006 and was amended on 23 December 2009 and 24 March 2010. The Scheme was valid and effective for the period of time commencing on 15 October 2006 and expired on the day immediately prior to the date on which dealings commence in the ordinary shares on the Stock Exchange of Hong Kong Limited, after which period no further options will be granted under the Scheme, but the provisions of the Scheme shall in all other respects remain in full force and effect and options under the Scheme during its life may continue to be exercisable in accordance with the Scheme and their terms of issue.

There has been no cancellation or modification to the Scheme for issued share options during the year.

31. 首次公開發行前購股權計劃

本公司設有首次公開發行前購股權計劃（「該計劃」），旨在激勵和獎勵對本集團成功營運作出貢獻的合資格參與者。該計劃的合資格參與者包括本集團的關鍵僱員、董事及顧問以及戰略供應商。該計劃於2006年10月15日開始生效，並於2009年12月23日及2010年3月24日進行修訂。該計劃於2006年10月15日起至緊隨本公司普通股在香港聯合交易所有限公司開始買賣當日前日期間生效及有效，於該期間後本公司將不會根據該計劃進一步授出購股權，但該計劃條文將在所有其他方面仍具完全的效力及作用，且於該計劃期限內該計劃下的購股權可根據該計劃及其發行條款繼續行使。

於本年度，並無就已發行購股權取消或修訂該計劃。

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31. Pre-IPO Share Option Scheme (continued)

The following share options were outstanding under the Scheme during the year:

		2017 2017年		2016 2016年	
		Number of options 購股權份數	Weighted average exercise price per share 加權平均 每股行使價 HK\$ 港元	Number of options 購股權份數	Weighted average exercise price per share 加權平均 每股行使價 HK\$ 港元
At 1 January	於1月1日	1,000,000	2.10	7,200,000	2.10
Lapsed during the year	年內失效	(1,000,000)	2.10	(6,200,000)	2.10
At 31 December	於12月31日	-	-	1,000,000	2.10

For the year ended 31 December 2017, 1,000,000 (2016: 6,200,000) share options lapsed due to the expiration of share options (2016: expiration of share options and resignation of certain option holders).

As at 31 December 2016, 1,000,000 share options were exercisable, the weighted average exercise price of which was HK\$2.10. There was no outstanding share option as at 31 December 2017.

31. 首次公開發行前購股權計劃 (續)

本年度，該計劃中尚未行使的購股權如下：

截至2017年12月31日止年度，1,000,000份（2016年：6,200,000份）購股權因購股權期滿（2016年：購股權期滿及若干購股權持有人辭職）而失效。

於2016年12月31日可行使的購股權為1,000,000份，加權平均行使價為2.10港元。於2017年12月31日並無尚未行使的購股權。

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31. Pre-IPO Share Option Scheme (continued)

The exercise prices and exercise periods of the share options outstanding as at 31 December 2016 were as follows:

2016 2016年 Number of options 購股權份數	Exercise price per share 每股行使價 HK\$ 港元	Exercisable period 行使期
200,000	2.1	3/24/2012 to 2/8/2017 3/24/2012至2/8/2017
200,000	2.1	3/24/2013 to 2/8/2017 3/24/2013至2/8/2017
200,000	2.1	3/24/2014 to 2/8/2017 3/24/2014至2/8/2017
200,000	2.1	3/24/2015 to 2/8/2017 3/24/2015至2/8/2017
200,000	2.1	3/24/2016 to 2/8/2017 3/24/2016至2/8/2017
1,000,000		

The weighted average remaining contractual life of the share options outstanding as at 31 December 2016 was 0.11 years.

The fair value of the share options granted by the Company has been recognised in the consolidated statement of profit or loss over the vesting periods and the total amount recognised as a share option expense for the year ended 31 December 2016 totalled RMB7,000, with a corresponding credit in employee equity benefit reserve.

31. 首次公開發行前購股權計劃 (續)

於2016年12月31日，尚未行使的購股權的行使價及行使期如下：

於2016年12月31日尚未行使購股權的加權平均餘下合約年期約為0.11年。

本公司授出的購股權的公允價值於歸屬期間於綜合損益表內確認，於截至2016年12月31日止年度確認為購股權開支的總金額合共人民幣7,000元，並相應計入僱員權益福利準備。

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32. Reserves

Group

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.

Share premium

The share premium account included the premium arising from the subscription of new ordinary shares and the difference between the proportionate share of the carrying amount of the acquirees' net assets and the consideration paid for the additional interests.

Other reserve

Other reserve represented the accumulated fair value gain/loss on long term investments held during the year.

Shareholders' contribution

Shareholders' contribution represented the cash contributed by shareholders in previous years.

32. 儲備

本集團

本集團於本年度及過往年度的儲備金額及有關變動於合併權益變動報表中呈列。

股份溢價

股份溢價包括認購新普通股產生的溢價，及按比例應佔承購方資產淨值的賬面值，與就額外權益已付代價之間的差額。

其他儲備

其他儲備為年內持有長期投資的累計公允價值變動損益。

股東出資

股東出資為之前年度股東出資的現金。

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32. Reserves (continued)

Statutory reserve

In accordance with the Company Law of the PRC, each of the subsidiaries of the Company that was registered in the PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses), determined in accordance with the prevailing PRC accounting standards, to the statutory reserve until the balance of the reserve funds reaches 50% of the entity's registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of the statutory reserve is not less than 25% of the registered capital.

Employee equity benefit reserve

Employee equity benefit reserve comprises the fair value of share options granted which are yet to be exercised or lapsed, as further explained in the accounting policy for share-based payments in Note 2.3.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations outside the PRC. The reserve is dealt with in accordance with the accounting policies set out in Note 2.3.

32. 儲備 (續)

法定公積金

根據中國公司法，本公司於中國註冊的各附屬公司須就根據現行中國會計準則釐定的年度法定稅後利潤（扣除任何過往年度虧損）劃撥10%至法定儲備，直至儲備金結餘達到該實體註冊資本的50%為止。該等法定儲備可用於抵銷過往年度虧損或增加資本，惟法定儲備的餘下結餘不少於註冊資本的25%。

僱員權益福利準備

誠如附註2.3有關股份支付的會計政策內的進一步闡釋，僱員權益福利準備包括已授出但尚未行使或未到期購股權的公允價值。

匯兌儲備

匯兌儲備包括所有因換算中國境外海外業務財務報表的外匯差額。有關儲備按照附註2.3所載的會計政策處理。

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32. Reserves (continued)

32. 儲備 (續)

Company

本公司

		Share premium	Employee equity benefit reserve 僱員權益福利準備	(Accumulated losses)/ retained profits (累計虧損)/留存利潤	Foreign currency translation reserve 匯兌準備	Proposed final dividend 建議宣派末期股息	Total 合計
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
At 1 January 2016	於2016年1月1日	1,840,716	4,549	(293,200)	(171,537)	26,210	1,406,738
Loss for the year	本年度虧損	-	-	(114,236)	-	-	(114,236)
Other comprehensive income for the year	本年度其他全面收入	-	-	-	42,350	-	42,350
Issue of new shares	發行新股份	60,742	-	-	-	-	60,742
Lapse of share options	購股權失效	-	(4,244)	4,244	-	-	-
Employee share option arrangements	僱員購股權安排	-	7	-	-	-	7
Dividend paid	已付股息	-	-	-	-	(26,210)	(26,210)
Proposed final 2016 dividend	建議2016年末期股息	(28,745)	-	-	-	28,745	-
Transfer between reserves	儲備之間的轉移	(765,057)	-	765,057	-	-	-
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	1,107,656	312	361,865	(129,187)	28,745	1,369,391
Loss for the year	本年度虧損	-	-	(25,625)	-	-	(25,625)
Other comprehensive income for the year	本年度其他全面收入	-	-	-	(49,931)	-	(49,931)
Issue of new shares	發行新股份	259,021	-	-	-	-	259,021
Lapse of share options	購股權失效	-	(312)	-	-	-	(312)
Dividend paid	已付股息	-	-	-	-	(28,745)	(28,745)
Proposed final 2017 dividend	建議2017年末期股息	(29,940)	-	-	-	29,940	-
At 31 December 2017	於2017年12月31日	1,336,737	-	336,240	(179,118)	29,940	1,523,799

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33. Litigations

(a) The Group as a plaintiff

A subsidiary of the Company (the “Subsidiary”) entered into several pledge and guarantee agreements in 2013 and 2014 (the “Pledge and Guarantee Agreements”) with certain banks in the PRC, providing guarantees to the banks for their loan facilities granted to certain borrowers. Counter guarantees were provided by one of the borrowers of the bank loans, namely Chongqing Wu Ji Real Estate Development Co., Ltd. (“Wu Ji”), to the Group. During 2014, aggregate pledged time deposits of RMB550,924,000 of the Subsidiary had been withdrawn by the banks due to default of the bank loans under the guarantees of the Subsidiary.

33. 訴訟

(a) 本集團為原告

本公司的一家附屬公司（「附屬公司」）於2013年及2014年在中國與若干銀行訂立數項質押及擔保協議（「質押及擔保協議」），為銀行向若干借款人授予貸款融資提供擔保。一位銀行貸款的借款人重慶無極房地產開發有限公司（「無極」）向本集團提供了反擔保。於2014年，由於由附屬公司擔保的銀行貸款未能償還，銀行已提取該附屬公司質押定期存款合共人民幣550,924,000元。

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合併財務報表附註

31 December 2017 2017年12月31日

33. Litigations (continued)

(a) The Group as a plaintiff (continued)

The Group initiated a series of legal proceedings against Mr. WU Changjiang, a former director and former chief executive officer of the Company, Mrs. WU Lian (spouse of Mr. WU Changjiang), Mr. WU Xianming, Mrs. CHEN Min, Chongqing Lei Li Jie Industrial Development Co., Ltd., Wu Ji, Chongqing Jiang Te Surface Treatment Co., Ltd. and Chongqing Hua Biao Lighting Manufacturing Co., Ltd., in the Intermediate People's Court of Huizhou for damages. In addition, as indicated in 8 letters of counter guarantee issued by Wu Ji with dates in 2013 and 2014, Wu Ji provided counter guarantees to the Group to reimburse any losses for provision of guarantees on the bank loans borrowed by certain PRC companies under the Pledge and Guarantee Agreements. An aggregate amount of RMB550,924,000 was recognised as other receivables due from a company since 2014 and as at 31 December 2016 and 2017. The directors are of the opinion that an amount of RMB265,564,000 is recoverable since 2014 and as at 31 December 2016 and 2017, and accordingly a provision for the irrecoverable amount of RMB285,360,000 had been charged to profit or loss of the Group since 2014 and up to 31 December 2017.

Details of other receivables due from a company and the related impairment loss are set out in Note 22.

33. 訴訟 (續)

(a) 本集團為原告 (續)

本集團就有關損害向惠州市中級人民法院對本公司前董事兼前首席執行官吳長江先生、吳戀女士(吳長江先生的配偶)、吳憲明先生、陳敏女士、重慶雷立捷實業發展有限公司、無極、重慶江特表面處理有限公司及重慶華標燈具製造有限公司提出一連串的法律訴訟。此外，無極出具的落款時間為2013年及2014年的8封反擔保函顯示，無極向本集團提供反擔保以補償其就若干中國公司根據質押及擔保協議所借銀行貸款提供擔保而產生的任何損失。自2014年起並於2016年及2017年12月31日確認合共人民幣550,924,000元的金額為其他應收一家公司款項。董事認為自2014年起並於2016年及2017年12月31日可收回金額為人民幣265,564,000元，並就不可收回金額人民幣285,360,000元計提撥備及計入本集團自2014年起至截至2017年12月31日止的損益表內。

其他應收一家公司款項及相關減值損失詳情載於附註22。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

33. Litigations (continued)

(b) The Group as a defendant

- (i) The Subsidiary also entered into guarantee agreements with another PRC bank in 2013 (the “Guarantee Agreement 1”) and a PRC finance company in 2014 (the “Guarantee Agreement 2”) respectively, providing guarantees to the PRC bank and the PRC finance company for their loan facilities granted to their borrowers. Mrs. WU Lian is the borrower of the loan in relation to the Guarantee Agreement 2.

The outstanding loans of RMB35,497,000 and RMB34,000,000 in relation to the Guarantee Agreements 1 and 2 were in default in 2015 and 2014 respectively. The PRC bank and the PRC finance Company took legal actions against the respective borrowers and the guarantors (including Wu Ji and the Subsidiary as guarantors) to recover the loan balances and interests.

For the Guarantee Agreement 1, according to the first court judgement in 2016 and the final court judgement in 2017, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC bank of the outstanding loan, plus interest and costs. The Subsidiary has filed application of retrial of the PRC court judgements and the commencement of the related legal proceeding has been accepted by the PRC court in January 2018. The related outcome of the retrial according to the official legal documents received by the Subsidiary is pending as of the date of approval of these consolidated financial statements.

33. 訴訟 (續)

(b) 本集團作為被告人

- (i) 附屬公司亦於2013年與另一家中國銀行(「擔保協議1」)及於2014年與一家中國財務公司(「擔保協議2」)分別訂立擔保協議，向該中國銀行及中國財務公司就彼等授予借款人的貸款融資提供擔保。吳戀女士為擔保協議2項下貸款的借款人。

按照擔保協議1及擔保協議2，分別仍有貸款人民幣35,497,000元及人民幣34,000,000元於2015年及2014年未獲償還。該家中國銀行及財務公司已採取法律行動，向相關借款人及擔保人(包括作為擔保人的無極及附屬公司)追索貸款結餘及利息。

就擔保協議1而言，根據於2016年的首次法院判決及2017年的最終法院判決，該附屬公司被裁定須就向該家中國銀行支付的未償還貸款另加利息及開支承擔共同責任。附屬公司已就中國法院判決申請重審，且中國法院已於2018年1月同意受理相關法律訴訟。根據該附屬公司收到的正式法律文件，重審的相關結果在該等合併財務報表獲批准之日期尚未公佈。

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合併財務報表附註

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33. Litigations (continued)

(b) The Group as a defendant (continued)

(i) (continued)

For the Guarantee Agreement 2, according to the first court judgement in 2016 and the final court judgement in 2017, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC finance company of the outstanding loan, plus interest and costs. The Subsidiary is in the process of applying for protest of the PRC court judgements.

Accordingly, the Group is of the view that the legal proceedings in relation to Guarantee Agreements 1 and 2 are still in progress notwithstanding the respective final court judgements.

The directors, with reference to legal opinions obtained and other factors, consider that the likelihood of the Group sustaining losses from the guarantees is remote. In particular, it is considered that the loans had sufficient underlying securities including Wu Ji's guarantees and the Subsidiary is only one of the guarantors for the loans and it is considered not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and no provision is considered necessary as at 31 December 2016 and 2017. Details of the contingent liabilities are set out in Note 34.

33. 訴訟 (續)

(b) 本集團作為被告人 (續)

(i) (續)

就擔保協議2而言，根據於2016年的首次法院判決及2017年的最終法院判決，該附屬公司被裁定須就向該家中國財務公司支付的未償還貸款另加利息及開支承擔共同責任。該附屬公司正就中國法院判決申請抗訴。

因此，本集團認為，儘管已各自作出最終法院判決，但有關擔保協議1及擔保協議2的法律訴訟仍在進行。

經參考取得的法律意見及其他因素，董事認為本集團須承擔該等擔保損失的可能性輕微，尤其是據悉該貸款具有足夠的相關擔保（包括無極的擔保），而附屬公司亦僅為該貸款的其中一名擔保人，並認為並無可能需要包含經濟利益的資源流出以償付該等責任。因此，董事認為不需要於2016年及2017年12月31日作出相關撥備。或有負債詳情載於附註34。

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合併財務報表附註

31 December 2017 2017年12月31日

33. Litigations (continued)

(b) The Group as a defendant (continued)

- (ii) In addition to the above agreements, the Subsidiary entered into a guarantee agreement (the “Guarantee Agreement 3”) with a PRC bank in 2014, providing guarantee to the bank for a loan facility granted to its borrower. In addition, the bank loan was secured by the pledge of a piece of land owned by Wu Ji.

The bank loan was in default in 2014 and the bank took legal actions against the borrower and the guarantors (including the Subsidiary) to recover the bank loan balance and interest. A court order was issued to freeze assets of the guarantors (including the Subsidiary) in the amount of RMB62,000,000. As a result of the court order, bank balance of the Subsidiary in the amount of RMB55,396,000 had been frozen by the bank as at 31 December 2016, which was included in “Restricted bank balances and short-term deposits” in the consolidated statement of financial position of the Group as at 31 December 2016, as further detailed in Note 25. According to the first court judgement

33. 訴訟 (續)

(b) 本集團作為被告人 (續)

- (ii) 除上述協議外，附屬公司亦於2014年與一家中國銀行訂立擔保協議（「擔保協議3」），向該中國銀行就其授予借款人的貸款融資提供擔保。此外，該銀行貸款由無極擁有的一塊土地作質押擔保。

該銀行貸款未能於2014年償還，且該銀行已對借款人及擔保人（包括附屬公司）採取法律行動追討銀行貸款結餘及利息。一項法院判令已發出以凍結擔保人（包括附屬公司）金額為人民幣62,000,000元的資產。鑒於法院判令，該附屬公司金額為人民幣55,396,000元的銀行結餘已於2016年12月31日被該銀行凍結。該金額計入本集團於2016年12月31日合併財務狀況表內「受限制的銀行結餘及短期存款」，進一步詳情載於附註25。根據於2016年的首次法院判決及於2017年的最終法

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

33. Litigations (continued)

(b) The Group as a defendant (continued)

(ii) (continued)

in 2016 and the final court judgement in 2017, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC bank of RMB60,000,000, plus interest and costs. In February 2017, the frozen bank balance of the Subsidiary has been withdrawn by the court for the purpose of settlement of the claim by the PRC bank. Accordingly as at 31 December 2017, the withdrawn amount of RMB55,396,000 was included in "Prepayments, deposits and other receivables" in the consolidated statement of financial position as set out in Note 22. During the year, the Subsidiary filed an application of retrial of the PRC court judgements in relation to Guarantee Agreement 3 which was rejected by the PRC court. During the year, the Subsidiary has filed an application of protest of the PRC court judgements and the commencement of the related legal proceeding has been accepted by the PRC court in March 2018. The related outcome of the protest according to the official legal documents received by the Subsidiary is pending as of the date of approval of these consolidated financial statements. Accordingly, the Group is of the view that the legal proceeding is still in progress notwithstanding the final court judgement and the rejection of the application of retrial.

33. 訴訟 (續)

(b) 本集團作為被告人 (續)

(ii) (續)

院判決，該附屬公司被裁定須就向該家中國銀行支付人民幣60,000,000元款項另加利息及成本承擔共同責任。於2017年2月，該附屬公司被凍結銀行存款被法院提取以支付該家中國銀行的索償。因此於2017年12月31日，被提取的金額人民幣55,396,000元已納入附註22所載之合併財務狀況表內「預付款、保證金及其他應收賬款」一項。於年內，該附屬公司已就擔保協議3的中國法院判決申請重審，惟被中國法院駁回。於年內，該附屬公司另行對中國法院判決提出抗訴，且中國法院已於2018年3月受理相關法律訴訟。根據該附屬公司收到的正式法律文件，抗訴相關的結果於該等合併財務報表獲批准之日期尚未公佈。因此，本集團認為儘管已作出最終法院判決及重審申請遭拒，相關法律訴訟現仍在進行中。

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合併財務報表附註

31 December 2017 2017年12月31日

33. Litigations (continued)

(b) The Group as a defendant (continued)

(ii) (continued)

The directors, with reference to legal opinion obtained and other factors, consider that the likelihood of the Group sustaining losses from the guarantee is remote. In particular, it is considered that the bank loan had sufficient underlying securities including a piece of land pledged by Wu Ji and the Subsidiary is only one of the guarantors for the bank loan. The directors believe that the withdrawn bank balance will be fully recovered upon the conclusion of the protest of the PRC court judgements and no provision on the frozen and subsequently withdrawn amount is considered necessary as at 31 December 2016 and 2017 respectively. In addition, the directors are of the opinion that no provision on any shortfall between the amount to be ultimately settled by the Group under the Guarantee Agreement 3 and the above frozen and subsequently withdrawn bank balance is considered necessary as at 31 December 2016 and 2017 respectively. Details of the contingent liabilities are set out in Note 34.

33. 訴訟 (續)

(b) 本集團作為被告人 (續)

(ii) (續)

經參考取得的法律意見及其他因素，董事認為本集團須承擔該項擔保損失的可能性輕微，尤其是據悉該銀行貸款具有足夠的相關擔保，包括一塊由無極質押的土地，而附屬公司僅為該銀行貸款的其中一名擔保人。董事相信當中國法院判決抗訴完結時，被提取的銀行結餘將可悉數收回，且於2016年及2017年12月31日無需對被凍結及其後被提取的金額計提撥備。此外，董事認為，本集團根據擔保協議3最終作出的付款金額與上述被凍結及其後被提取的銀行結餘之間的差額亦不需要分別於2016年及2017年12月31日計提撥備。或有負債的詳情載於附註34。

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合併財務報表附註

31 December 2017 2017年12月31日

34. Contingent Liabilities

- (a) As at 31 December 2017, contingent liabilities not provided for in the consolidated financial statements were as follows:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Guarantees given to banks and a finance company in connection with facilities granted to:	就授予下列公司／人士信貸而給予銀行及一家財務公司的擔保：		
Two PRC companies and Ms. WU Lian, an individual	兩間中國公司及吳戀女士（個別人士）	131,497	131,497

- (b) The Group acted as defendant in lawsuits brought by two PRC banks and a PRC finance company alleging that the Group should assume guarantee liabilities and interests according to guarantee agreements. The directors consider that the likelihood of the Group sustaining losses from the guarantees is remote, and accordingly no provision for claims arising from the litigations is considered necessary as at 31 December 2016 and 2017, save for the related legal and other costs. Based on the respective court judgements, interests are imposed on the principal amounts as disclosed in (a) above, which are calculated on (i) principal amount of approximately RMB62,000,000 at 9.9% per annum plus compound interest at 9.9% per annum on unpaid interest since 21 October 2014; (ii) principal amount of approximately RMB34,000,000 at four times of six-month borrowing rate of the People's Bank of China since 8 October 2015; and (iii) principal amount of approximately RMB35,497,000 at 0.05% per day since 4 January 2015.

34. 或有負債

- (a) 截至2017年12月31日止，未於合併財務報表計提撥備的或然負債如下：

- (b) 本集團現為由兩家中國銀行及一家中國財務公司根據擔保協議起訴本集團須承擔擔保責任及利息的訴訟的被告。董事認為本集團須承受該等擔保的進一步損失的可能性不大，因此，除有關法律及其他成本費用外，毋須就截至2016年及2017年12月31日為源自該等訴訟的任何索償計提撥備。根據相關法院判決，誠如上述(a)所披露，本金款項所徵收的利息會以(i)本金款項約人民幣62,000千元以每年9.9%另加自2014年10月21日起未支付利息以每年9.9%的複合利率；(ii)本金款項約人民幣34,000千元自2015年10月8日起以中國人民銀行六個月借款利率的四倍；及(iii)本金款項約人民幣35,497千元自2015年1月4日起以每日0.05%計算。

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合併財務報表附註

31 December 2017 2017年12月31日

35. Pledge of Assets

Save for those disclosed elsewhere in these consolidated financial statements, at the end of the reporting period, certain assets of the Group were pledged as follows:

35. 資產抵押

除合併財務報表另行披露者外，於報告期末，本集團已質押的若干資產如下：

		Notes 附註	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Property, plant and equipment	物業、廠房及設備	14	282,544	285,618
Prepaid land lease payments	預付土地租金	15	46,995	48,314
Trade receivables: – for a bank loan	貿易應收款項： – 銀行貸款	21	24,004	47,347
Pledged time deposits	有抵押定期存款	25	129,086	61,034
			482,629	442,313

Notes to Consolidated Financial Statements

合併財務報表附註

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36. Operating Lease Arrangements

(a) As lessor

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

At 31 December 2017, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

36. 經營租賃安排

(a) 作為出租方

本集團根據經營租賃安排租賃其廠房及辦公樓，協定租賃期限為1至5年。租賃條款一般要求承租人支付押金及根據當時市場情況週期性調整租金。

於2017年12月31日，根據與承租人訂立的不可撤銷經營租賃，本集團未來最低應收租金總額如下：

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Within one year	1年內	2,398	1,314
In the second to fifth years, inclusive	第2至5年 (包括首尾兩年)	1,651	1,362
		4,049	2,676

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

36. Operating Lease Arrangements (continued)

(b) As lessee

The Group leases certain of its office properties and warehouses under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years. There are no restrictions placed on the Group by entering into these leases.

At 31 December 2017, the Group had total future minimum lease payments under non-cancellable operating lease falling due as follows:

36. 經營租賃安排 (續)

(b) 作為承租方

本集團根據經營租賃安排租賃若干辦公物業及倉庫，協物業租賃期限為1至5年。訂立該等租約並無使本集團受到特別限制。

於2017年12月31日，根據不可撤銷經營租賃，本集團未來最低應付租金總額如下：

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Within one year	1年內	4,340	7,625
In the second to fifth years, inclusive	第2至5年 (包括首尾兩年)	651	5,712
		4,991	13,337

Notes to Consolidated Financial Statements

合併財務報表附註

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37. Commitments

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

37. 承諾

本集團於報告年度末有以下資本承諾：

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Contracted, but not provided for:	已訂約，但尚未計提：		
Property, plant and equipment	物業、廠房及設備	80,668	54,944
Investment in a joint venture	於一間合營 公司的投資	400,000	400,000
Acquisition of interest in an investment	收購一項投資的權益	500	2,000
Investments in associates	投資於聯營公司	17,160	13,210
		498,328	470,154

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合併財務報表附註

31 December 2017 2017年12月31日

38. Holding Company Statement of Financial Position as at 31 December 2017

38. 2017年12月31日控股公司財務狀況表

		Notes 附註	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備		2,884	1,811
Investments in subsidiaries	於附屬公司的投資		723,844	723,844
Long term investments	長期投資		196,026	-
Total non-current assets	非流動資產合計		922,754	725,655
CURRENT ASSETS	流動資產			
Due from subsidiaries	應收附屬公司款項		1,418,142	1,170,262
Prepayments and other receivables	預付款及其他應收款項		719	763
Cash and cash equivalents	現金及現金等價物		46,396	519,874
Total current assets	流動資產合計		1,465,257	1,690,899
CURRENT LIABILITIES	流動負債			
Due to subsidiaries	應付附屬公司		422,599	541,511
Other payables and accruals	其他應付款項及應計費用		8,448	5,148
Convertible bonds – derivative component	可換股債券 – 衍生工具部份		11,933	60,230
Convertible bonds – liability component	可換股債券 – 負債部份		421,229	-
Total current liabilities	流動負債合計		864,209	606,889
Net current assets	淨流動資產		601,048	1,084,010
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,523,802	1,809,665
NON-CURRENT LIABILITIES	非流動負債			
Convertible bonds – liability component	可換股債券 – 負債部份		-	440,272
Net assets	淨資產		1,523,802	1,369,393
EQUITY	權益			
Share capital	股本	30	3	2
Reserves	儲備	32	1,523,799	1,369,391
Total equity	總權益		1,523,802	1,369,393

WANG Donglei 王冬雷
Director 董事

XIAO Yu 肖宇
Director 董事

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39. Investments in Subsidiaries

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

39. 於附屬公司的投資

本公司主要附屬公司的詳情如下：

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立地點/ 註冊及營運地點	Issued ordinary/ registered capital 已發行普通股本 面值/註冊股本	Percentage of equity 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	
Huizhou NVC Lighting Technology Co., Ltd.	PRC/ Mainland China	US\$37,250,000	100	-	Manufacture and sale of lamps, luminaries, lamp transformers, lighting electronic products and other appliances
惠州雷士光電科技有限公司	中國/中國	37,250,000美元	100	-	製造及銷售光源、燈具、燈用鎮流 器、照明電器及其他電器
Chongqing NVC Lighting Co., Ltd.	PRC/ Mainland China	US\$4,000,000	100	-	Manufacture and sale of lamps, luminaries and other lighting electronic appliances
重慶雷士照明有限公司	中國/中國	4,000,000美元	100	-	製造及銷售光源、燈具及其他照明 電器
Zhejiang NVC Lamps Co., Ltd. ("Zhejiang NVC")	PRC/ Mainland China	RMB20,000,000	-	51	Manufacture and sale of lamps and related products
浙江雷士燈具有限公司 (「浙江雷士」)	中國/中國	人民幣20,000,000元	-	51	製造及銷售光源及相關產品
Zhongshan NVC Decorative Lighting Technology Co., Ltd. ("Zhongshan NVC")	PRC/ Mainland China	RMB15,000,000	-	100	Trading of lamps, luminaries and LED lighting products
中山雷士燈飾科技有限公司 (「中山雷士」)	中國/中國	人民幣15,000,000元	-	100	買賣光源、燈具及LED照明產品

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39. Investments in Subsidiaries (continued)

39. 於附屬公司的投資 (續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立地點/ 註冊及營運地點	Issued ordinary/ registered capital 已發行普通股本 面值/註冊股本	Percentage of equity 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	
Zhejiang Jiangshan Sunny Electron Co., Ltd.	PRC/ Mainland China	RMB10,000,000	-	100	Manufacture and sale of light tubes for energy-saving lamps and related products
浙江江山三友電子有限公司	中國/中國	人民幣10,000,000元	-	100	製造及銷售節能燈燈管及相關產品
Jiangshan Phoebus Lighting Electron Co., Ltd.	PRC/ Mainland China	US\$7,000,000	-	100	Manufacture and sale of light tubes for energy-saving lamps and related products
江山菲普斯照明有限公司	中國/中國	7,000,000美元	-	100	製造及銷售節能燈燈管及相關產品
Shanghai Arcata Electronics Co., Ltd.	PRC/ Mainland China	US\$10,000,000	-	100	Manufacture and sale of lamp transformers and other lighting electronic products
上海阿卡得電子有限公司	中國/中國	10,000,000美元	-	100	製造及銷售燈用鎮流器及其他照明 電器
World Through Investments Limited	BVI/ Mainland China	US\$50,000	100	-	Investment holding
世通投資有限公司	英屬維爾京 群島/中國	50,000美元	100	-	投資控股
NVC Lighting Limited	England and Wales/the UK	GBP5,000,000	100	-	Trading of lamps, luminaries and other lighting products
NVC Lighting Limited	英格蘭及 威爾士/英國	5,000,000英鎊	100	-	買賣光源、燈具及其他照明產品

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39. Investments in Subsidiaries (continued)

39. 於附屬公司的投資 (續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立地點/ 註冊及營運地點	Issued ordinary/ registered capital 已發行普通股本 面值/註冊股本	Percentage of equity 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	
Hong Kong TYU Technology Co., Limited 香港天羽科技有限公司	Hong Kong/ Mainland China 香港/中國	HK\$200,000 200,000港元	100	–	Trading of lamps, luminaries and other lighting products 買賣光源、燈具及其他照明產品
Hong Kong NVC Lighting Limited 香港雷士照明有限公司	Hong Kong/ Mainland China 香港/中國	HK\$1 1港元	–	100	Investment holding 投資控股
NVC Lighting (China) Co., Ltd. 雷士照明(中國)有限公司	PRC/ Mainland China 中國/中國	HK\$200,000,000 200,000,000港元	–	100	Research, development, manufacture and sale of lamps, luminaries and lighting electronic products 研發、製造及銷售光源、燈具及照明電器
NVC Lighting (Brazil) Commercial Import and Export Co., Ltd. (“NVC Brazil”) 巴西雷士照明貿易進出口有限公司(「巴西雷士」)	Brazil 巴西	R\$7,000,000 7,000,000里拉	–	51	Trading of lamps, luminaries and other lighting products 買賣光源、燈具及其他照明產品
Bengbu NVC Smart Household Technology Co., Ltd. (“Bengbu NVC”) 蚌埠雷士智慧家居科技有限公司(「蚌埠雷士」)	PRC/ Mainland China 中國/中國	RMB5,000,000 人民幣5,000,000元	–	100	Manufacture and sales of lamps, luminaries, lamp transformers, lighting electronic products and other appliances 製造及銷售光源、燈具、燈用鎮流器、照明電器及其他電器

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39. Investments in Subsidiaries (continued)

39. 於附屬公司的投資 (續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立地點/ 註冊及營運地點	Issued ordinary/ registered capital 已發行普通股本 面值/註冊股本	Percentage of equity 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	
Huizhou NVC Kitchenware Co. Ltd. ("Huizhou NVC Kitchenware") 惠州雷士櫥衛電器有限責任公司 (「惠州雷士櫥衛」)	PRC/ Mainland China 中國/中國	RMB5,000,000 人民幣5,000,000元	-	51	Manufacture and sales of lamps, luminaries, lamp transformers, lighting electronic products and other appliances 製造及銷售光源、燈具、燈用鎮流 器、照明電器及其他電器
LED Holdings Limited 耀能控股有限公司	Hong Kong/ Mainland China 香港/中國	RMB100,000 人民幣100,000元	-	75	Investment holding, research and development on LED semiconductor technology and related applications 投資控股，研究及開發LED半導體 技術及相關應用
Zhuhai Yaohui Technology Co., Ltd 珠海耀輝科技有限公司	PRC/ Mainland China 中國/中國	RMB1,000,000 人民幣1,000,000元	-	100	Software development and application 軟件開發及應用
Zhuhai NVC Technology Co, Ltd 珠海雷士科技有限公司	PRC/ Mainland China 中國/中國	RMB150,000,000 人民幣150,000,000元	-	100	Manufacture and sales of lamps, luminaries, lamp transformers, lighting electronic products and other appliances 製造及銷售光源、燈具、燈用鎮流 器、照明電器及其他電器

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39. Investments in Subsidiaries (continued)

39. 於附屬公司的投資 (續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立地點/ 註冊及營運地點	Issued ordinary/ registered capital 已發行普通股本 面值/註冊股本	Percentage of equity 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	
NVC Trade Development Company Limited	PRC/ Mainland China	RMB10,000,000	-	100	Manufacture and sales of lamps, luminaries, lamp transformers, lighting electronics products and other appliances
雷士貿易發展有限公司	中國/中國	人民幣10,000,000元	-	100	製造及銷售光源、燈具、燈用鎮流 器、照明電器及其他電器
Zhuhai Sheng Huayang Technology Co., Ltd	PRC/ Mainland China	RMB100,000	-	100	Software development and maintenance
珠海盛華陽科技有限公司	中國/中國	人民幣100,000元	-	100	軟件開發及維護
Zhuhai NVC Logistics Co., Ltd*	PRC/ Mainland China	RMB10,000,000	-	100	Transportation of lamps, luminaries, lamp transformers, lighting electronics products and other appliances
珠海市雷士物流有限公司*	中國/中國	人民幣10,000,000元	-	100	運輸光源、燈具、燈用鎮流器、照 明電器及其他電器

* Zhuhai NVC Logistics Co., Ltd was a limited liability company established in the PRC during 2017.

* 珠海市雷士物流有限公司，於2017年在中國註冊成立的有限責任公司。

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39. Investments in Subsidiaries (continued)

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

39. 於附屬公司的投資 (續)

本集團附屬公司擁有重大非控制性權益的詳情如下：

		2017 2017年	2016 2016年
Percentage of equity interest held by non-controlling interests:	非控制性權益持有的股權百分比：		
Zhejiang NVC	浙江雷士	49%	49%
NVC Brazil	巴西雷士	49%	49%
		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Comprehensive income for the year allocated to non-controlling interests:	分配至非控制性權益的 本年全面收入：		
Zhejiang NVC	浙江雷士	13,604	23,016
Zhongshan NVC (during 2016)	中山雷士 (於2016年)	-	6,111
NVC Brazil	巴西雷士	(1,073)	(3,712)
Others	其他	5,327	1,213
		17,858	26,628
Capital contribution from non-controlling interests:	非控股權益出資：		
Others	其他	125	2,434
Dividends paid to non-controlling interests:	支付予非控制性權益的股息：		
Zhongshan NVC	中山雷士	-	(30,000)
Zhejiang NVC	浙江雷士	-	(39,200)
		-	(69,200)
Accumulated balances of non-controlling interests at the reporting dates:	於報告日期非控制性權益的 累計結餘：		
Zhejiang NVC	浙江雷士	86,580	72,976
NVC Brazil	巴西雷士	(7,022)	(6,471)
Others	其他	8,619	3,689
		88,177	70,194

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39. Investments in Subsidiaries (continued)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company elimination:

39. 於附屬公司的投資 (續)

下表列載上述附屬公司的財務資料概要。披露的金額乃在公司間抵銷之前：

2017		Zhongshan NVC	Zhejiang NVC	NVC Brazil
2017年		中山雷士	浙江雷士	巴西雷士
		RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣
Revenue	收入	N/A 不適用	763,610	18,138
Total expenses	費用合計	N/A 不適用	(735,847)	(20,335)
Profit/(loss) for the year	本年利潤/(虧損)	N/A 不適用	27,763	(2,197)
Total comprehensive income for the year	本年度全面收入合計	N/A 不適用	27,763	(1,124)
Current assets	流動資產	N/A 不適用	450,459	13,908
Non-current assets	非流動資產	N/A 不適用	35,779	543
Current liabilities	流動負債	N/A 不適用	(309,544)	(28,608)
Net cash flows generated from operating activities	經營活動產生現金流量淨額	N/A 不適用	125,548	13
Net cash flows used in investing activities	投資活動所用現金流量淨額	N/A 不適用	(9,663)	(28)
Net cash flows used in financing activities	融資活動所用現金流量淨額	N/A 不適用	(40,000)	(723)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	N/A 不適用	75,885	(738)

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合併財務報表附註

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39. Investments in Subsidiaries (continued)

39. 於附屬公司的投資 (續)

2016		Zhongshan NVC	Zhejiang NVC	NVC Brazil
2016年		中山雷士	浙江雷士	巴西雷士
		RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣
Revenue	收入	552,419	688,147	23,137
Total expenses	費用合計	(513,501)	(641,175)	(28,616)
Profit/(loss) for the year	本年利潤 / (虧損)	38,918	46,972	(5,479)
Total comprehensive income for the year	本年度全面收入合計	38,918	46,972	(7,575)
Current assets	流動資產	N/A 不適用	402,188	14,180
Non-current assets	非流動資產	N/A 不適用	30,458	844
Current liabilities	流動負債	N/A 不適用	(283,715)	(28,057)
Net cash flows (used in)/ generated from operating activities	經營活動(所用) / 產生現金流量淨額	(36,487)	41,003	918
Net cash flows used in investing activities	投資活動所用現金流量淨額	(336)	(6,382)	(20)
Net cash flows (used in)/ generated from financing activities	融資活動(所用) / 產生現金流量淨額	(80,205)	(40,000)	(330)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少) / 增加淨額	(117,028)	(5,379)	568

Notes to Consolidated Financial Statements

合併財務報表附註

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40. Related Party Transactions

- (a) None of the shareholders is the controlling entity of the Company.
- (b) In addition to the information detailed elsewhere in the consolidated financial statements, major related parties with which the Group had transactions during the current year and the prior year are listed below:

Entity with significant influence over the Group
Elec-Tech International Co., Ltd.

Subsidiaries of the entity with significant influence over the Group

Dalian Elec-Tech Lighting Technology Co., Ltd.

Wuhu Retop Electronics Co., Ltd.

Elec-Tech Lighting Engineering Co., Ltd (Formerly known as Guangdong Retop Lighting Landscape Art Design Engineering Co., Ltd.)

Yixun (Zhuhai) Lighting Technology Co., Ltd. (Formerly known as Guangdong Elec-Tech NVC Lighting Co., Ltd.)¹

Wuhu Elec-Tech International Lighting Technology Co., Ltd.

Wuhu 3E Lighting Co., Ltd.

Elec-Tech Lighting Engineering Co., Ltd.

Elec-Tech International (H.K.) Company Limited

Huizhou NVC Fire Lighting Co., Ltd. (Formerly known as Huizhou Elec-Tech Fire Lighting Co., Ltd.)²

40. 關聯方交易

- (a) 概無股東為本公司控股實體。
- (b) 除合併財務報表其他地方詳載的資料外，本年度及上一年度與本集團進行交易的主要關聯方載列如下：

對本集團具有重大影響力的實體

廣東德豪潤達電氣股份有限公司

對本集團具有重大影響力的實體的附屬公司

大連德豪光電科技有限公司

蕪湖銳拓電子有限公司

廣東德豪潤達照明系統工程有限公司(前稱廣東銳拓照明景觀藝術設計工程有限公司)

怡迅(珠海)光電科技有限公司(前稱廣東德豪雷士照明有限公司)¹

蕪湖德豪潤達光電科技有限公司

蕪湖三頤照明有限公司

廣東德豪潤達照明系統工程有限公司

德豪潤達國際(香港)有限公司

惠州雷士消防照明標識有限公司(前稱惠州德豪消防照明標識有限公司)²

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

40. Related Party Transactions (continued)

(b) (continued)

Associates of the Group

Huizhou Thor
Wuhu Electronic

Entities controlled by Mr. WU Jiannong, a director and substantial shareholder of Zhejiang NVC

Jiangshan World Bright Crystal Co., Ltd.
Quzhou Aushite Illumination Co., Ltd.
Zhejiang Tonking New Energy Group Co., Ltd
(Formerly known as Zhejiang Tonking Technology Co., Ltd)

An entity over which the Group indirectly has significant influence through an associate

Chongqing Chidian Technology Co., Ltd.³

An entity controlled by Mr. WANG Dongming, a director of the Company

NVC Lighting & Electrical Technology Singapore Pte. Ltd.

¹ On 30 December 2016, the entity ceased to be a related party of the Group as it ceased to be a subsidiary of Elec-Tech.

² On 9 January 2017, the entity ceased to be a related party of the Group as it has become a subsidiary of the Group.

³ On 9 August 2016, the entity ceased to be a related party of the Group as it ceased to be a subsidiary of the associate.

40. 關聯方交易 (續)

(b) (續)

本集團的聯營公司

惠州雷通
蕪湖電商

浙江雷士的董事及主要股東吳建農先生控制的實體

江山世明水晶玻璃有限公司
衢州奧仕特照明有限公司
浙江同景新能源集團有限公司
(前稱浙江同景科技有限公司)

一家由本集團通過其聯營公司間接對其具有重大影響的實體

重慶市馳電科技有限公司³

一家由本公司董事王冬明先生控制的實體

NVC Lighting & Electrical Technology Singapore Pte. Ltd.

¹ 於2016年12月30日，由於該實體不再為德豪潤達的附屬公司，其亦不再為本集團的關聯方。

² 於2017年1月9日，由於該實體已成為本集團一家附屬公司，其不再為本集團的關聯方。

³ 於2016年8月9日，由於該實體不再為聯營公司的附屬公司，其亦不再為本集團的關聯方。

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合併財務報表附註

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40. Related Party Transactions (continued)

(c) In addition to the transactions detailed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the year:

40. 關聯方交易 (續)

(c) 除合併財務報表其他地方詳載的交易外，本集團年內有以下關聯方交易：

			2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
		Notes 附註		
Entity with significant influence over the Group:	對本集團具有重大影響力的實體：			
Purchase of finished goods	購買成品	(i)	2,995	35
Trademark licence fee income	商標許可費收入	(ii)	-	2,467
Rental expenses	租金費用	(i)	-	246
Other expenses	其他費用	(i)	1	-
Subsidiaries of the entity with significant influence over the Group:	對本集團具有重大影響力的實體的附屬公司：			
Purchase of raw materials and finished goods	購買原材料及成品	(i)	121,253	109,795
Sales of raw materials and finished goods	銷售原材料及成品	(i)	2,934	10,473
Rental fee income	租金收入	(i)	-	238
Rental expenses	租金費用	(i)	183	-
Purchase of property, plant and equipment	購買物業、廠房及設備		-	3,780
Acquisition of a subsidiary	收購一家附屬公司		420	-
Associates of the Group	本集團的聯營公司			
Purchases of raw materials and finished goods	購買原材料和成品	(i)	12,706	-
Sales of raw materials and finished goods	銷售原材料和產成品	(i)	143,104	204,245
Handling income	手續費收入	(i)	-	9,874
Logistics services income	物流服務收入	(i)	7,200	-
Trademark licence fee income	商標許可費收入	(ii)	452	-
Rental fee income	租金收入	(i)	1,143	1,168

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31 December 2017 2017年12月31日

40. Related Party Transactions (continued)

(c) (continued)

		Notes	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
		附註		
Entities controlled by	浙江雷士的董事及			
Mr. WU Jiannong, a director	主要股東吳建農先生			
and substantial shareholder	控制的實體：			
of Zhejiang NVC:				
Purchases of raw materials	購買原材料及成品	(i)	8,096	6,802
and finished goods				
Purchase of property, plant	購買物業、廠房及設備	(i)	188	-
and equipment				
An entity over which the Group	一家由本集團通過其			
indirectly has significant	聯營公司間接對其			
influence through an	具有重大影響			
associate:	的實體：			
Purchases of raw materials	購買原材料	(i)	-	8,671
An entity controlled by	一家由本公司董事			
Mr. WANG Dongming,	王冬明先生控制			
a director of the Company	的實體			
Consultancy fee	諮詢費	(i)	3,430	1,863

Notes:

- (i) The transactions were made at prices mutually agreed by both parties.
- (ii) Trademark licence fee income arose from licensing the "NVC" brand to related parties, and was charged at 3% to 5% (2016: 3%) of the related parties' annual sales. The royalty rate was mutually agreed by both parties.

40. 關聯方交易 (續)

(c) (續)

		Notes	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
		附註		
Entities controlled by	浙江雷士的董事及			
Mr. WU Jiannong, a director	主要股東吳建農先生			
and substantial shareholder	控制的實體：			
of Zhejiang NVC:				
Purchases of raw materials	購買原材料及成品	(i)	8,096	6,802
and finished goods				
Purchase of property, plant	購買物業、廠房及設備	(i)	188	-
and equipment				
An entity over which the Group	一家由本集團通過其			
indirectly has significant	聯營公司間接對其			
influence through an	具有重大影響			
associate:	的實體：			
Purchases of raw materials	購買原材料	(i)	-	8,671
An entity controlled by	一家由本公司董事			
Mr. WANG Dongming,	王冬明先生控制			
a director of the Company	的實體			
Consultancy fee	諮詢費	(i)	3,430	1,863

附註：

- (i) 交易乃根據雙方協定的價格進行。
- (ii) 授權關聯方使用「雷士」品牌所產生的商標許可費收入乃按關聯方全年銷售額的3%至5% (2016年：3%) 計提。收費率乃由雙方協定。

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合併財務報表附註

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40. Related Party Transactions (continued)

(d) Outstanding balances with related parties:

The detailed terms regarding the outstanding balances with related parties as at 31 December 2016 and 2017 are set out in Notes 21, 22, 26 and 27.

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

40. 關聯方交易 (續)

(d) 關聯方的未清償結餘：

有關於2016年及2017年12月31日與關聯方的未清償結餘詳情載於附註21、22、26及27。

(e) 本集團主要管理人員薪酬：

	2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Short-term employee benefits 短期僱員福利	25,073	19,056

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41. Financial Instruments by Category

The carrying amounts of each category of financial instruments as at the end of the reporting period are as follows:

Financial assets

Financial assets of the Group are categorised as below:

41. 按類別劃分的金融工具

於報告年度末，各類金融工具的賬面值如下：

金融資產

本集團金融資產的分類如下：

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Financial assets at amortised cost	以攤銷成本列賬的 金融資產		
Loans and receivables:	貸款及應收款項：		
Trade and bills receivables	貿易及票據應收款項	1,092,554	1,218,003
Financial assets included in prepayments, deposits and other receivables	納入預付款項、 保證金及其他 應收款項的金融資產	380,092	315,984
Restricted bank balances and short-term deposits	受限制銀行結餘 及短期存款	314,422	445,424
Cash and cash equivalents	現金及現金等價物	1,265,589	1,160,155
Total	合計	3,052,657	3,139,566
Financial assets at fair value	以公允價值列賬之 金融資產		
Long term investments	長期投資	218,026	23,000
Held-for-trading investments	持做買賣投資	88,786	-
Total	合計	306,812	23,000

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41. Financial Instruments by Category (continued)

Financial liabilities

Financial liabilities of the Group are categorised as below:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Financial liabilities at amortised cost	以攤銷成本列賬 的金融負債		
Trade and bills payables	貿易及票據應付款項	820,833	750,036
Financial liabilities included in other payables and accruals	納入其他應付款及應計費用的金融負債	447,054	506,215
Interest-bearing loans and borrowings	計息貸款及借款	24,940	48,411
Convertible bond – liability component	可換股債券 – 負債部份	421,229	440,272
Total	合計	1,714,056	1,744,934
Financial liabilities at fair value through profit or loss	透過損益賬以公允 價值列賬之金融負債		
Convertible bonds – derivative component	可換股債券 – 衍生工具部份	11,933	60,230
Contingent consideration payable (Note 49)	或有應付代價 (附註49)	–	41,825
		11,933	102,055

41. 按類別劃分的金融工具 (續)

金融負債

本集團金融負債分類如下：

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42. Fair Value of Financial Instruments

(a) Financial instruments not measured at fair value

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals and interest-bearing loans and borrowings and convertible bonds – liability component approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(b) Financial instruments measured at fair value

The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the relationship between key observable inputs and fair value are set out below.

42. 金融工具之公允價值

(a) 並非按公允價值計量之金融工具

管理層評估現金及現金等價物、貿易及票據應收款項、貿易應付賬款、納入預付款項、保證金及其他應收賬款的金融資產、納入其他應付款及應計費用的金融負債、計息貸款及借款及可換股債券－負債部份的公允價值與其賬面值相若，乃主要由於該等金融工具均於短期內到期所致。

(b) 按公允價值計量之金融工具

具標準條款及條件及於活躍流動市場買賣的金融資產與負債的賬面值乃參考市場報價釐定。

用於釐定第二級及第三級財務工具的公允價值計量的估值技術及顯著不可觀察輸入以及關鍵可觀察輸入和公允價值之間的關係載列如下。

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42. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

42. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具 (續)

下表按公允價值等級分析按公允價值列賬的金融工具：

第一級：相同資產或負債於活躍市場的報價（未經調整）；

第二級：除第一級包括的報價外，該資產或負債直接（即例如價格）或間接（即源自價格）可觀察的其他輸入；及

第三級：並非根據可觀察市場數據的資產或負債的輸入（不可觀察輸入）。

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合併財務報表附註

31 December 2017 2017年12月31日

42. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

42. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具 (續)

		2017 2017年			
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 合計
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
Financial assets:	金融資產：				
Held-for-trading investments	持作買賣投資				
Listed equity investments	上市的股本投資	88,786	-	-	88,786
Long term investments	長期投資				
Listed equity investments	上市的股本投資	20,000	-	-	20,000
Unlisted equity investments	非上市的股本投資	-	-	2,000	2,000
Listed debt investments	上市的債券投資	196,026	-	-	196,026
Financial liabilities:	金融負債：				
Financial liabilities at fair value through profit or loss	透過損益賬以公允價值列賬之金融負債				
Convertible bonds – derivative component	可換股債券 – 衍生工具部份	-	-	11,933	11,933

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31 December 2017 2017年12月31日

42. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

42. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具 (續)

		2016			
		2016年			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣
Financial assets:	金融資產：				
Long term investments	長期投資				
Listed equity investments	上市的股本投資	23,000	-	-	23,000
Financial liabilities:	金融負債：				
Financial liabilities at fair value through profit or loss	透過損益賬以公允價值列賬之金融負債				
Convertible bonds – derivative component	可換股債券 – 衍生工具部份	-	-	60,230	60,230
Contingent consideration payable (Note 49)	應付或有代價 (附註49)	-	-	41,825	41,825

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42. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

42. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具 (續)

基於重要不可觀察輸入值 (第三級) 按公允價值列賬的金融工具之對賬如下：

		Available-for-sale financial assets	
		可供出售金融資產	
		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		千人民幣	千人民幣
Unlisted equity investments	非上市之股本投資		
At 1 January	於1月1日	-	-
Purchases	購買	2,000	-
Total gains or losses:	總收益或虧損：		
- in other comprehensive income	- 於其他全面收入		
(included in changes in fair value of available-for-sale financial assets)	(計入可供出售金融資產之公允價值變動)	-	-
At 31 December	於12月31日	2,000	-

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42. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

42. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具 (續)

Financial liabilities at fair value through profit or loss 透過損益賬以公允價值列賬之 金融負債

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Contingent consideration payable At 1 January	應付或有代價 於1月1日	41,825	-
Acquisition of additional interests in a subsidiary (Note 49)	收購一間附屬 公司額外股權 (附註49)	-	41,825
Transfer to other payables and accruals	轉撥至其他應付 賬款及應計費用	(41,825)	-
At 31 December	於12月31日	-	41,825

Details of the reconciliation for convertible bonds – derivative component at fair value are set out in Note 45.

有關按公允價值列賬的可換股債券 – 衍生工具部份的對賬詳情載於附註45。

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31 December 2017 2017年12月31日

42. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for 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 manager 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 which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the listed equity and debt investments are determined based on quoted market price of the investment as at 31 December 2017.

42. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具 (續)

財務部經理所領導之本集團企業財務團隊負責釐定金融工具公允價值計量的政策及程序。財務部經理直接向首席財務官及審核委員會報告。於各報告日期，財務經理分析金融工具公允價值變動及釐定應用於估值之主要輸入數據。首席財務官審閱及批准估值。一年兩次與審核委員會討論估值程序及結果，以用於中期及年度財務報告。

金融資產及負債的公允價值乃各自願人士之間進行當前交易時買賣金融工具之價格，而該等交易並非在被迫或清盤下進行。

上市的股本及債券投資的公允價值乃根據2017年12月31日投資的市場報價釐定。

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42. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

Information about level 3 fair value measurements

Fair values of the unlisted equity investments have been estimated using a discounted cash flows model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unlisted equity investments.

42. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具 (續)

有關第三級公允價值計量的資料

非上市之股本投資的公允價值乃使用貼現現金流量模式估計。評估需要管理層須就模式輸入值作出一定假設，包括預測現金流量、折現率、信用風險及波幅。範圍內不同估計的可能性可被合理地估計，且用於管理層對該等非上市股本投資的公允價值估計。

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42. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

Significant unobservable inputs

- Weighted average cost of capital	26.45%
- Revenue growth rate	10% – 30.2%
- Long term perpetual growth rate	3%

Details of the valuation methodology and major inputs on determining the fair value of convertible bonds – derivative component are set out in Note 45.

The fair value of contingent consideration payable as at 31 December 2016 was estimated based on estimated adjusted profit after income tax of the acquirees, details of which are set out in Note 49.

There were no changes in valuation techniques during the year.

42. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具 (續)

重要不可觀察輸入值

- 加權平均資本成本	26.45%
- 收入增長率	10%-30.2%
- 長期永久增長率	3%

用於釐定可換股債券－衍生工具部份的公允價值的估值技術及主要輸入詳情載於附註45。

於2016年12月31日應付或有代價的公允價值乃根據承購方的經調整稅後利潤估算，詳情載於附註49。

年內估值技術並無變動。

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31 December 2017 2017年12月31日

43. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise interest-bearing loans and borrowings, cash and short-term 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 and bills receivables, deposits and other receivables, trade and bills payables, other payables and convertible bonds, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, commodity price risk, foreign currency risk, liquidity risk and equity and debt price risk. The directors meet periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group adopts conservative strategies in its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes.

The Group does not hold or issue derivative financial instruments for trading purposes. The directors review and agree policies for managing each of these risks and they are summarised below:

43. 財務風險管理目標及政策

本集團的主要金融工具包括計息貸款及借款、現金及短期存款。該等金融工具旨在為本集團的營運籌集資金。本集團有各種由其經營業務直接產生的其他金融資產及負債，例如貿易及票據應收款項、保證金及其他應收賬款以及貿易及票據應付賬款、其他應付款項及可換股債券。

本集團金融工具的主要風險為信用風險、物價風險、外匯風險、流動資金風險及股權及債務價格風險。董事定期開會分析並制訂措施以管理本集團對該等風險的敞口。一般而言，本集團在風險管理上引入保守策略。由於本集團對該等風險的敞口保持在最低水準，故本集團並未使用任何衍生工具及其他工具進行對沖。

本集團並無持有或發行衍生金融工具用於交易。董事會複核及協商管理上述每種風險的政策，並概述如下：

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合併財務報表附註

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43. Financial Risk Management Objectives and Policies *(continued)*

(a) Credit risk

The major concentration of credit risk arises from the Group's exposure to a substantial number of trade and bills receivables, deposits and other receivables from debtors. The Group has policies in place to ensure that the sales of products are made to customers with an appropriate credit limit, and has strict control over credit limits of trade receivables.

The Group has entered into a number of one-year insurance contracts with China Export & Credit Insurance Corporation, which covered up to 85% and 90% of any uncollectible amount derived respectively from the domestic sales and overseas sales. The contracts were renewed in November every year, and subject to a maximum compensation amount of RMB25,920,000 for domestic sales and US\$25,000,000 to US\$35,000,000 for overseas sales in the current year. The Group purchased such insurance in order to minimise the exposure to credit risk as the Group expands its business. The insurance contract for overseas sales was renewed in 2017 and extended to 30 November 2018, whereas the insurance contract for domestic sales was due on 30 November 2017 and was not renewed.

43. 財務風險管理目標及政策 *(續)*

(a) 信用風險

信用風險主要集中在本集團對債務人的大量貿易及票據應收賬款，保證金及其他應收款項。本集團已經制訂政策以確保產品銷售予客戶時具有適當的信用額度，並嚴格控制貿易應收賬款的信用限額。

本集團與中國出口信用保險公司訂立了多份為期一年的保險合同，分別承保國內銷售不可回收金額的85%及海外銷售不可回收金額的90%，該等合同於每年11月續訂。有關本年度國內銷售的最高賠償金額為人民幣25,920,000元及有關海外銷售的最高賠償金額為25,000,000美元至35,000,000美元。由於本集團的業務不斷擴大，本集團購買該類保險以將信貸風險降至最低。有關海外銷售的保險合同於2017年續訂，將屆滿日期延長至2018年11月30日，而有關國內銷售的保險合同已於2017年11月30日到期但沒有續訂。

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43. Financial Risk Management Objectives and Policies *(continued)*

(a) Credit risk *(continued)*

Cash and short-term deposits are mainly deposited with registered banks in Mainland China and Hong Kong. The Group has policies to limit its credit exposure to any financial institution. The carrying amounts of trade and bills receivables, deposits and other receivables and cash and short-term deposits included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets which carry significant exposure to credit risk.

(b) Commodity price risk

The Group is exposed to fluctuations in the prices of raw materials which are influenced by global changes as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect the Group's financial performance. The Group historically has not entered into any commodity derivative instruments to hedge the potential commodity price changes. The Group has, however, increased its inventories of certain key raw materials to ensure adequate supplies.

43. 財務風險管理目標及政策 *(續)*

(a) 信用風險 *(續)*

現金及短期存款主要存於中國及香港的註冊銀行。本集團制訂了限制其對任何金融機構信用風險的政策。納入合併財務狀況表的貿易及票據應收賬款、保證金及其他應收款項賬面值及現金及短期存款為本集團就其承受重大信用風險的金融資產所承受的最大信用風險。

(b) 物價風險

本集團的原材料價格會隨著全球性和區域性供求狀況的變化而波動。原料價格波動可能對本集團的財務業績造成不利影響。本集團過往並未簽訂任何商品衍生工具以對沖潛在的物價變動。然而，本集團已通過增加若干主要原材料的存貨以確保充足供應。

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合併財務報表附註

31 December 2017 2017年12月31日

43. Financial Risk Management Objectives and Policies (continued)

(c) Foreign currency risk

The Group has transactional currency exposure. This exposure mainly arises from sales by an operating unit in a currency other than the unit's functional currency. The Group's PRC entities sell their products to overseas customers. These sales are predominately conducted in US\$. As a result, the Group is exposed to fluctuations in the exchange rate between US\$ and RMB.

The following table demonstrates the sensitivity as at the end of the reporting period to a reasonably possible change in the US\$ exchange rate, with all other variables held constant, of the Group's profit or loss before income tax (due to changes in the fair value of monetary assets and liabilities).

2017

If RMB weakens against US\$	若人民幣相對美元走弱
If RMB strengthens against US\$	若人民幣相對美元走強

43. 財務風險管理目標及政策 (續)

(c) 外匯風險

本集團存在交易貨幣風險。該風險主要來自經營單位以其功能貨幣以外的其他貨幣計值的銷售。本集團的中國實體會向海外客戶銷售產品，該等銷售主要以美元計值。因此，本集團承受美元與人民幣匯率波動的風險。

下表展示在假設所有其他變量保持不變的情況下，本集團稅前利潤或虧損於報告年度末對美元匯率可能合理變動的敏感度（因貨幣資產及負債的公允價值變動所致）。

2017年

Increase/ (decrease) in foreign currency exchange rate 匯率增加/ (減少) %	Increase/ (decrease) in profit before income tax 稅前利潤增加/ (減少) RMB'000 千人民幣
--	--

5	13,066
(5)	(13,066)

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31 December 2017 2017年12月31日

43. Financial Risk Management Objectives and Policies (continued)

(c) Foreign currency risk (continued)

2016

If RMB weakens against US\$ 若人民幣相對美元走弱
If RMB strengthens against US\$ 若人民幣相對美元走強

43. 財務風險管理目標及政策 (續)

(c) 外匯風險 (續)

2016年

Increase/ (decrease) in foreign currency exchange rate 匯率增加/ (減少) %	Increase/ (decrease) in loss before income tax 稅前利潤增加/ (減少) RMB'000 千人民幣
--	--

5	18,941
(5)	(18,941)

Notes to Consolidated Financial Statements

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43. Financial Risk Management Objectives and Policies (continued)

(d) Liquidity risk

The Group monitors its risk to a shortage of funds by considering the maturity of its financial instruments, financial assets and liabilities 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 loans and other interest-bearing borrowings. The directors have reviewed the Group's working capital and capital expenditure requirements and determined that the Group does not have any significant liquidity risk.

The maturity profile of the Group's non-derivative financial liabilities based on the contractual undiscounted payments is as follows:

31 December 2017

43. 財務風險管理目標及政策 (續)

(d) 流動資金風險

本集團通過考慮其金融工具、金融資產及負債的到期日以及預計經營活動所得現金流量監控其資金短缺的風險。本集團的目標是通過使用銀行貸款及其他計息借款，保持資金供應的連續性和靈活性。董事已檢查本集團的營運資金及資本支出需求，並確定本集團並無任何重大流動資金風險。

根據已訂約但未折現付款，本集團的非衍生金融負債到期情況如下：

2017年12月31日

		Carrying amount	On demand or within one year 按需時或於一年以內	More than one year but less than two years 多於一年但少於兩年	Total undiscounted cash flows 未貼現現金流量合計
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
Trade and bills payables	貿易及票據應付賬款	820,833	820,833	-	820,833
Financial liabilities included in other payables and accruals	納入其他應付款項及應計費用的金融負債	447,054	447,054	-	447,054
Interest-bearing loans and borrowings	計息貸款及借款	24,940	24,940	-	24,940
Guarantees given to banks and a finance company in connection with facilities granted to two PRC companies and an individual	就授予兩家中國公司及一名個別人士信貸予銀行及一間財務公司的擔保	-	131,497	-	131,497
Convertible bonds – liability component	可換股債券 – 負債部份	421,229	433,078	-	433,078
Total	合計	1,714,056	1,857,402	-	1,857,402

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43. Financial Risk Management Objectives and Policies (continued)

(d) Liquidity risk (continued)

31 December 2016

		Carrying amount	On demand or within one year	More than one year but less than two years	Total undiscounted cash flows
	賬面值	RMB'000	於一年以內	多於一年但少於兩年	未貼現現金流量
		千人民幣	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣
Trade and bills payables	貿易及票據應付賬款	750,036	750,036	-	750,036
Financial liabilities included in other payables and accruals	納入其他應付款項及應計費用的金融負債	506,215	506,215	-	506,215
Interest-bearing loans and borrowings	計息貸款及借款	48,411	48,411	-	48,411
Guarantees given to banks and a finance company in connection with facilities granted to two PRC companies and an individual	就授予兩家中國公司及一名個別人士信貸予銀行及一間財務公司的擔保	-	131,497	-	131,497
Convertible bonds – liability component	可換股債券 – 負債部份	440,272	34,886	463,438	498,324
Contingent consideration payable	應付或有代價	41,825	41,825	-	41,825
Total	合計	1,786,759	1,512,870	463,438	1,976,308

43. 財務風險管理目標及政策 (續)

(d) 流動資金風險 (續)

2016年12月31日

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43. Financial Risk Management Objectives and Policies *(continued)*

(e) Equity and debt price risk

The Group is exposed to equity and debt price changes arising from equity and debt instruments classified as held-for-trading investments and long term investments. Other than unquoted securities held for strategic purposes, all of these investments are listed.

The Group's equity listed investments are listed on PRC Stock Exchange. Decisions to buy and sell trading securities are based on daily monitoring of the performance of individual securities compared to other industry indicators, as well as the Group's liquidity needs. Listed equity and debt investments held in the available-for-sale portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. The portfolio is diversified in terms of industry distribution, in accordance with the limits set by the Group.

All of the Group's unquoted investments are held for long term strategic purposes. Their performance is assessed at least bi-annually against performance of similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's long term strategic plans.

43. 財務風險管理目標及政策 (續)

(e) 股權及債務價格風險

本集團須承受分類為持作買賣投資及長期投資之股本及債務工具所產生之股權及債務價格變動風險。除持作策略用途之非上市證券外，所有投資均為上市證券投資。

本集團的股權上市投資在中國證券交易所上市。決定購入及出售交易證券之基礎為每日監察個別證券及其他行業指標之相對表現，以及本集團對流動資金之需求。作為可供出售投資組合持有之上市股權及債務投資乃按長期增長潛力挑選，並定期監察其表現是否符合預期。投資組合乃根據本集團所設定之限制按行業分佈情況作多元化投資。

本集團所有非上市投資乃持作長期策略用途。本集團會根據可獲得的有限資料，按照近似上市實體之表現對非上市證券投資之表現進行至少每年兩次之評估，此外還要評估非上市證券投資是否符合本集團長期策略計劃。

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43. Financial Risk Management Objectives and Policies *(continued)*

(e) Equity and debt price risk *(continued)*

The Group is also exposed to equity price risk arising from changes in the Company's own share price to the extent that the Company's own equity instruments underlie the fair values of derivatives or other financial liabilities of the Group. At the end of reporting period, the Group is exposed to this risk through the conversion rights attached to the convertible bonds issued by the Company as disclosed in Note 45.

Sensitivity analysis

The sensitivity analysis on equity and debt price risk includes the Group's financial instruments, which fair value or future cash flows will fluctuate because of changes in their corresponding or underlying asset's equity and debt price. If the prices of the respective listed equity and debt instruments had been 5% higher/lower, profit/loss for the year would increase/decrease by RMB4,439,000 and other component of equity would increase/decrease by RMB10,801,000.

43. 財務風險管理目標及政策 *(續)*

(e) 股權及債務價格風險 *(續)*

倘本集團之衍生工具或其他金融負債之公允價值建基於本公司本身之股本工具，則本集團亦因本公司本身之股價變動而承受股價風險。誠如附註45所披露，於報告期間結束時，本集團因本公司所發行可換股債券附帶之換股權而承受此風險。

敏感度分析

股權及債務價格風險之敏感度分析包括本集團之金融工具，其公允價值或未來現金流量將會因其相應或相關資產之股權及債務價格變動而波動。倘各上市股本及債務工具之價格上升／下跌5%，本年度利潤／虧損將增加／減少人民幣4,439,000元，而其他股本部份則將增加／減少人民幣10,801,000元。

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44. Capital Management

The primary objective of the Group's capital management is to maintain the Group's stability and growth. The Group regularly reviews and manages its capital structure and makes adjustments to it, taking into consideration changes in economic conditions, future capital requirements of the Group, current and projected profitability and operating cash flows, projected capital expenditure and projected strategic investment opportunities.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity attributable to owners of the parent. Net debt includes interest-bearing loans and borrowings and convertible bonds – liability component less cash and short-term deposits (excluding restricted bank balance). The Group's policy is to maintain a gearing ratio at a reasonable level.

The gearing ratios as at the end of the reporting periods were as follows:

44. 資本管理

本集團資本管理的主要目的是保持本集團的穩定和增長。本集團定期檢查並管理其資本結構，並經考慮經濟狀況的變動、本集團未來資本需求、現行及預計盈利能力及經營現金流量、預計資本支出及預計戰略投資機會後對其作出調整。

本集團使用資本負債比率監控資本。資本負債比率是淨債務除以母公司擁有人應佔總權益。淨債務包括計息貸款及借款及可換股債券－負債部份減去現金及短期存款（不包括受限制的銀行餘額）。本集團的政策是將資本負債比率保持在合理水準。

於報告年度末的資本負債比率如下：

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Interest-bearing loans and borrowings and convertible bonds – liability component	計息貸款及借款及可換股債券－負債部份	446,169	488,683
Total debt	總債務	446,169	488,683
Less: cash and cash equivalents and short-term deposits (excluding restricted bank balance)	減：短期存款及現金及現金等價物（不包括受限制的銀行餘額）	(1,580,011)	(1,550,183)
Net debt	淨債務	N/A 不適用	N/A 不適用
Total equity attributable to owners of the parent	母公司擁有人應佔總權益	3,242,052	2,703,481
Gearing ratio	資本負債比率	N/A 不適用	N/A 不適用

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45. Convertible Bonds

On 20 May 2016, the Company and an independent third party entered into a subscription agreement (the “Subscription Agreement”) in relation to the issue of convertible bonds denominated in HK\$ in an aggregate principal amount of HK\$500,000,000 (the “Convertible Bonds”). The Convertible Bonds have been issued on 7 June 2016.

Pursuant to the Subscription Agreement, the Convertible Bonds are convertible into fully paid ordinary shares:

- (a) on or after the issue date (i.e. 7 June 2016) and up to and excluding the close of business on the second anniversary of the issue date (the “First Maturity Date”), i.e. June 2018, at an initial conversion price of HK\$0.925 per share (subject to anti-dilutive adjustments); and
- (b) with extension up to and excluding the close of business on the fourth anniversary of the issue date if agreed by the Company and the bondholder in writing at least 30 days prior to the First Maturity Date (the “Second Maturity Date”).

45. 可換股債券

於2016年5月20日，本公司與一名獨立第三方就發行本金額合共500,000,000港元以港元計值的可換股債券（「可換股債券」）訂立認購協議（「認購協議」）。可換股債券已於2016年6月7日發行。

根據認購協議，可換股債券可轉換為已繳足普通股：

- (a) 於發行日（即2016年6月7日）或之後起直至發行日第二個周年當日營業時間結束（不包括該日）（「首個到期日」）（即2018年6月）止期間按初始換股價每股0.925港元（須經反攤薄調整）；及
- (b) 倘本公司及債券持有人於首個到期日前最少30日以書面方式同意延期直至發行日第四個周年當日營業時間結束（不包括該日）（「第二個到期日」）。

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45. Convertible Bonds (continued)

The Convertible Bonds bear interest at the rate of 7.8% per annum on the principal amount of the bonds outstanding. The interest will be payable by the Company semi-annually in arrears. The outstanding amount of the Convertible Bonds will be redeemed on maturity (the date falling on the First Maturity Date or the Second Maturity Date, where applicable) at a value equal to the aggregate of (1) its principal amount outstanding; and (2) the interest accrued.

The Convertible Bonds that contain both liability and conversion option components were classified separately into their respective items on initial recognition. The embedded derivative of conversion option is therefore accounted for as a derivative. The fair values of the derivative component are determined based on the valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent firm of professionally qualified valuers, using the binomial option pricing model. Changes in fair value of that component between the measurement dates are recognised in profit or loss. The fair value of the liability component is measured as the present value of the expected payments and principal repayment at maturity on initial recognition and is carried as a liability on the amortised cost basis until extinguished on conversion or redemption.

45. 可換股債券 (續)

可換股債券按尚未贖回債券本金額以年利率7.8%計息。本公司將於每半年期後支付利息。可換股債券未行使金額將於到期時(首個到期日或第二個到期日當日(倘適用))按(1)其尚未贖回本金額；及(2)應計利息之和贖回。

包含負債及換股權部份的可換股債券於初步確認時分開歸類為獨立項目。換股權部份的嵌入式衍生工具因此入賬列作衍生工具。衍生工具部份的公允價值乃根據一家獨立專業合資格評估師仲量聯行企業評估及諮詢有限公司以二項式期權定價模式進行的估值釐定。該部份於計量日期間的公允價值變動確認為損益。負債部份的公允價值於初步確認時按預期付款及本金還款於到期時的現值計量，並按攤餘成本計入負債，直至被轉換或被贖回為止。

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45. Convertible Bonds (continued)

The movements of the liability component and derivative component of the Convertible Bonds during the reporting period 2017 are as follows:

45. 可換股債券 (續)

截至2017年12月31日止年度，可換股債券的負債部份及衍生工具部份的變動如下：

		Liability component of Convertible Bonds 可換股債券的 負債部份 RMB'000 千人民幣	Derivative component of Convertible Bonds 可換股債券的 衍生工具部份 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Issue of the Convertible Bonds	發行可換股債券	416,493	10,841	427,334
Effective interest expense recognised to profit or loss	於損益表確認的 實際利息支出	22,321	-	22,321
Interest paid	已付利息	(17,936)	-	(17,936)
Fair value change	公允價值變動	-	46,889	46,889
Exchange realignment	外匯調整	19,394	2,500	21,894
At 31 December 2016 and 1 January 2017	於2016年12月31日及 2017年1月1日	440,272	60,230	500,502
Effective interest expense recognised to profit or loss	於損益表確認的 實際利息支出	40,262	-	40,262
Interest paid	已付利息	(33,664)	-	(33,664)
Fair value change	公允價值變動	-	(46,228)	(46,228)
Exchange realignment	外匯調整	(25,641)	(2,069)	(27,710)
At 31 December 2017	2017年12月31日	421,229	11,933	433,162

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45. Convertible Bonds (continued)

The major inputs for the valuation of the fair value of the derivative component of the Convertible Bonds as at 31 December 2016 and 2017 are shown as follows:

		2017 2017年	2016 2016年
Share price	股價	HK\$0.770	HK\$0.990
Conversion price	換股價	HK\$0.925	HK\$0.925
Risk-free rate	無風險利率	1.018%	1.002%
Volatility	波幅	37.01%	28.00%

46. Investment in a Joint Venture

Share of net assets

應佔淨資產

The Group has a joint venture, Kaiyuan Zhuque II (Shenzhen) Equity Investment Partnership (the “JV”), a limited partnership established pursuant to the partnership agreement under the law of the PRC. The primary activity of the JV is investment in lighting industry and energy-saving products, which is in line with the Group’s strategy to expand the lighting division.

45. 可換股債券 (續)

於2016年及2017年12月31日可換股債券衍生工具部份公允價值估值的主要輸入數據列示如下：

		2017 2017年	2016 2016年
Share price	股價	HK\$0.770	HK\$0.990
Conversion price	換股價	HK\$0.925	HK\$0.925
Risk-free rate	無風險利率	1.018%	1.002%
Volatility	波幅	37.01%	28.00%

46. 於合營公司的投資

Share of net assets

100,000

100,000

本集團擁有一間合營公司，開元朱雀二期（深圳）股權投資合夥企業（「合營公司」），為一間根據合夥協議及中國法律成立的合夥企業。合營公司的主要業務為照明行業與節能產品投資，符合本集團擬拓展照明業務的策略。

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46. Investment in a Joint Venture (continued)

The profit or loss of the JV shall be shared among the Group and the joint venture partner pro rata to their respective capital contributions in the JV.

Summarised financial information of the JV, adjusted for any differences in accounting policies, is presented below:

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
As at 31 December	於12月31日		
Current assets and net assets	流動資產及淨資產	100,000	100,000

As of 31 December 2017, the Group contributed RMB100,000,000 (2016: RMB100,000,000) to the JV and no significant business activity has been carried out.

Pursuant to the partnership agreement of the JV, the Group will contribute RMB500,000,000 in cash and the joint venture partner will contribute RMB100,000,000 in cash, representing 83.33% and 16.67% of the total investment amount in the JV respectively, which are required to be contributed to the JV on or before 17 March 2046.

46. 於合營公司的投資 (續)

合營公司的損益乃根據本集團及合夥人根據其各自於合營公司的出資額按比例分攤。

合營公司的財務信息(已就會計政策的任何差異作出調整)概述如下:

於2017年12月31日，本集團向合營公司注資人民幣100,000,000元(2016年：人民幣100,000,000元)，目前合營公司概無進行任何重大業務。

根據合營公司合夥協議，本集團將出資現金人民幣500,000,000元，及合夥人將出資現金人民幣100,000,000元，分別佔合營公司投資總額的83.33%及16.67%，須於2046年3月17日或之前注資於合營公司。

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合併財務報表附註

31 December 2017 2017年12月31日

47. Long Term Investments

47. 長期投資

		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
Available-for-sale financial assets:	可供出售金融資產：		
Listed equity investments, at fair value	上市的股本投資， 以公允價值列賬	20,000	23,000
Unlisted equity investments, at fair value	非上市的股本投資， 以公允價值列賬	2,000	-
Listed debt investments, at fair value	上市的債券投資， 以公允價值列賬	196,026	-
		218,026	23,000

During the year, the gross loss in respect of the Group's long term investments recognised in other comprehensive income amounted to RMB3,000,000 (2016: gross gain of RMB1,000,000).

本年度有關本集團長期投資的總虧損確認於其他全面收入為人民幣3,000,000元（2016年：總收益人民幣1,000,000元）。

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合併財務報表附註

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48. Disposal of a Subsidiary

During the year ended 31 December 2016, the Group disposed of its entire interest in Zhangpu Phoebus Lighting Co., Ltd. to an independent third party at a consideration of RMB30,146,000. The net assets at the date of disposal were as follows:

48. 處置一家附屬公司

截至2016年12月31日止年度，本集團以人民幣30,146,000元的代價出售其於漳浦菲普斯照明有限公司全部權益予一名獨立第三方。於處置日期的淨資產如下：

		RMB'000 千人民幣
Net assets of subsidiary disposed of:	出售附屬公司淨資產：	
Property, plant and equipment	物業、廠房及設備	7,994
Prepaid land lease payments	預付土地租金	4,961
Other receivables	其他應收款	14,449
Cash and cash equivalents	現金及現金等價物	19
Other payables	其他應付款	(2,836)
Deferred tax liabilities	遞延稅項負債	(1,860)
		22,727
Total consideration	總代價	30,146
Gain on disposal of a subsidiary	處置一家附屬公司收益	7,419
Satisfied by:	以下列方式支付：	
Cash	現金	30,146
Net cash inflow arising on disposal:	處置產生的現金流入淨額：	
Cash consideration	現金代價	30,146
Cash and cash equivalents disposed of	處置的現金及現金等價物	(19)
Other receivable (Note)	其他應收款項 (附註)	(5,000)
		25,127

Note:

According to the sale and purchase agreement, RMB5,000,000 out of the total consideration of RMB30,146,000 is receivable on 15 April 2017.

附註：

根據買賣協議，總代價人民幣30,146,000元中的人民幣5,000,000元於2017年4月15日應收。

Notes to Consolidated Financial Statements

合併財務報表附註

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49. Acquisition of Additional Interests in a Subsidiary

During the year ended 31 December 2016, the Group acquired additional 50% equity interest in Zhongshan NVC, which increased the Group's interest in Zhongshan NVC from 50% to 100% for an aggregate consideration of RMB793,847,000, further details of which are set out in the Company's announcements dated 4 February 2016 and 11 November 2016. The difference of approximately RMB765,057,000 between the proportionate share of the carrying amount of the acquirees' net assets and the consideration paid for the additional interests has been debited to share premium.

Pursuant to the sale and purchase agreements, the consideration above includes performance-based contingent consideration adjustments which are calculated as follows:

- (i) Adjusted by applying a multiplier on the adjusted audited profit after income tax of Zhongshan NVC for the year ended 31 December 2016 ("2016 Profit") less part of cash consideration already paid; and
- (ii) Adjusted by applying a multiplier on the difference between the 2016 Profit and the adjusted audited profit after income tax of Zhongshan NVC for the year ended 31 December 2017 ("2017 Profit") if the 2017 Profit exceeds 2016 Profit by 15%.

49. 收購一間附屬公司額外股權

於截至2016年12月31日止年度，本集團收購中山雷士額外50%的股權，使本集團於中山雷士的股權從50%增加至100%，代價總額為人民幣793,847,000元，更多詳情載列於本公司日期為2016年2月4日及2016年11月11日的公告。被收購方資產淨額賬面價值的比列額與就額外股權所付代價間的差額約為人民幣765,057,000元，已從股份溢價中扣除。

根據買賣協議，上述代價包括基於業績的或有代價調整，計算方法如下：

- (i) 通過對中山雷士截至2016年12月31日止年度經調整經審核稅後利潤（「2016年利潤」）乘以一個倍數並減去已支付的現金代價部份進行調整；及
- (ii) 倘若2017年利潤超逾2016年利潤15%，則通過對2016年利潤與中山雷士截至2017年12月31日止年度經調整經審核稅後利潤（「2017年利潤」）之間的差額乘以一個倍數進行調整。

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合併財務報表附註

31 December 2017 2017年12月31日

49. Acquisition of Additional Interests in a Subsidiary (continued)

As at acquisition date and 31 December 2016, the fair value of the contingent consideration payable for adjustments (i) and (ii) above was estimated to be RMB41,825,000 and RMBNil respectively which will be due for settlement by the Group in 2017 and 2018 respectively.

During the current year, the fair values of the contingent consideration payables for adjustments (i) and (ii) remain unchanged. In addition, following the finalisation of the 2016 Profit, the contingent consideration payable for adjustment (i) was no longer considered contingent and was included in other payables under “Other payables and accruals” in the consolidated statement of financial position as at 31 December 2017.

The fair values of the contingent consideration payables as at 31 December 2016 above were estimated based on budgeted profit after income tax for the year ended 31 December 2016 and 2017 at the acquisition date and 31 December 2016.

49. 收購一間附屬公司額外股權 (續)

於收購日期及2016年12月31日，上述根據(i)及(ii)調整的應付或有代價的公允價值分別為人民幣41,825,000元和人民幣零元，並將分別由本集團於2017年及2018年到期結清。

本年度根據(i)及(ii)調整的應付或有代價的公允價值保持不變。此外，於2016年利潤完成後，根據(i)調整的應付或有代價不再被視為或有代價並已於2017年12月31日計入合併財務狀況表「其他應付賬款及應計費用」項下其他應付賬款內。

上述於2016年12月31日的應付或有代價的公允價值乃於收購日期及於2016年12月31日根據截至2016年及2017年12月31日止年度的預算稅後利潤估計。

Notes to Consolidated Financial Statements

合併財務報表附註

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50. Note to the Consolidated Statement of Cash Flows

50. 合併現金流量表之附註

		Bank loans and other borrowings (Note 28) 銀行貸款及其他 借款(附註28) RMB'000 千人民幣	Convertible bond-liabilities component (Note 45) 可換股債券－ 負債部份(附註45) RMB'000 千人民幣
At 1 January 2017	於2017年1月1日	48,411	440,272
Changes from cash flows:	現金流量變動：		
New bank loans	新增銀行貸款	366,339	–
Repayment of bank loans	償還銀行貸款	(389,810)	–
Interest paid	已付利息	(1,834)	(33,664)
Total changes from financing cash flows	融資現金流量之變動總額	(25,305)	(33,664)
Exchange adjustments:	匯兌調整：	–	(25,641)
Other changes:	其他變動：	–	–
Interest expenses	利息支出	1,834	40,262
Total other changes	其他變動總額	1,834	40,262
At 31 December 2017	於2017年12月31日	24,940	421,229

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

51. Events after the Reporting Period

Other than those disclosed elsewhere in these financial statements, the Group has the following significant events after the reporting period:

- (a) The Company entered into a non-binding co-operation framework agreement (the “Co-operation Framework Agreement”) on 14 March 2018 with Elec-Tech International Co., Ltd. (“ETIC”) and Mr. Wang Donglei (each a “Party”, together the “Parties”), pursuant to which, subject to entering into definitive agreements, the Company intends to sell, and ETIC and Mr. Wang Donglei intend to acquire, directly and indirectly, the Company’s domestic lighting products manufacturing business (the “Target Assets”) which includes but not limited to the entire equity interests of Huizhou NVC Lighting Technology Co., Ltd. (the “Potential Disposal”). The definitive scope of the Target Assets will be subject to further discussions between the Parties. The purchase price for the Target Assets will be based on a valuation of the Target Assets. The final purchase price will also be subject to further discussions between the Parties and the Potential Disposal has not been completed as of the date of approval of these financial statements.

Further details are set out in the Company’s announcement dated 14 March 2018.

51. 報告期後事項

除該等財務報表其他部份所披露者外，本集團於報告期後有以下重大事項：

- (a) 於2018年3月14日，本公司與廣東德豪潤達電氣股份有限公司（「德豪潤達」）及王冬雷先生（各為一名「訂約方」，合稱「各訂約方」）訂立一份不具約束力的合作框架協議（「合作框架協議」），據此，受限於具體協議的簽訂，本公司有意向出售，且德豪潤達及王冬雷先生有意向直接及間接收購本公司之國內照明產品製造業務（「標的資產」），其包括但不限于惠州雷士光電科技有限公司之全部股權（「潛在出售」）。標的資產的具體範圍將由各訂約方進一步協商確定。標的資產的購買價格將基於對標的資產所進行之評估。最終購買價格亦將由各訂約方進一步協商確定，且截至該等財務報表獲批准日期，潛在出售尚未完成。

進一步詳情載於本公司日期為2018年3月14日的公告。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2017 2017年12月31日

51. Events after the Reporting Period (continued)

- (b) The Company has entered into the sale and purchase agreement with the seller on 16 March 2018, pursuant to which, the Company agrees to acquire, and the seller agrees to sell, a 40% equity interest in the Target Company which controls a business engaged in the sale and distribution of lighting products through e-commerce platforms and distribution channels, at a consideration of RMB315,000,000. Wuhu Electronic, a 10%-owned associate of the Group, is one of group companies within the Target Company and its subsidiaries (the "Target Group").

The seller undertakes to the Company that, if the aggregate amount of the consolidated net profit of the Target Group as shown in its accountants' report for the fiscal year ended 31 December 2018 (the "2018 Actual Net Profit") is lower than the minimum guaranteed profit of RMB140,000,000, the seller shall pay the purchase price compensation in cash to the Company within 90 business days after the Target Group issues its 2018 accountants' report, where purchase price compensation is equivalent to 6.4 times the shortfall of the 2018 Actual Net Profit below RMB140,000,000.

Further details are set out in the Company's announcement dated 19 March 2018.

52. Approval of the Consolidated Financial Statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 22 March 2018.

51. 報告期後事項 (續)

- (b) 於2018年3月16日，本公司與賣方訂立買賣協議，據此，本公司同意收購而賣方同意出售目標公司的40%股權，代價為人民幣315,000千元，目標公司控制一項從事透過電子商貿平台及分銷渠道銷售及分銷照明產品之業務。蕪湖電商（本集團擁有其10%權益之聯營公司）為目標公司及其附屬公司（「目標集團」）內的集團公司。

賣方向本公司承諾，倘目標集團截至2018年12月31日止財政年度的會計師報告所示的綜合淨利潤總額（「2018年實際淨利潤」）低於最低保證利潤人民幣140,000千元，則賣方須於目標集團之2018年會計師報告出具後90個營業日內，以現金向本公司支付按以下算式計算的購買價補足款，其中購買價補足款等於2018年實際淨利潤（低於人民幣140,000千元）差額的6.4倍。

進一步詳情載於本公司日期為2018年3月19日的公告。

52. 批准合併財務報表

合併財務報表已於2018年3月22日經董事會批准及授權發行。

In this annual report, unless the context otherwise requires, the following words and expressions shall have the following meanings.

在本年度報告中，除文意另有所指外，下列詞彙及用語具有以下涵義。

<p>“Bengbu NVC”</p> <p>「蚌埠雷士」</p>	<p>Bengbu NVC Smart Household Technology Co., Ltd* (蚌埠雷士智能家居科技有限公司), a wholly-owned subsidiary of the Group with limited liability incorporated in the PRC.</p> <p>蚌埠雷士智能家居科技有限公司，一家在中國註冊成立的有限責任公司，是本集團的全資附屬公司。</p>
<p>“Board”</p> <p>「董事會」</p>	<p>the board of Directors of the Company.</p> <p>本公司董事會。</p>
<p>“BRL”</p> <p>「巴西雷亞爾」</p>	<p>The Brazilian real, the lawful currency of Brazil.</p> <p>巴西雷亞爾，巴西法定貨幣。</p>
<p>“Chongqing En Wei Xi”</p> <p>「重慶恩緯西」</p>	<p>Chongqing En Wei Xi Industrial Development Co., Ltd.* (重慶恩緯西實業發展有限公司), a limited liability company incorporated in the PRC and is owned as to 40% by Mr. WU Xianming, Mr. WU Changjiang's father-in-law.</p> <p>重慶恩緯西實業發展有限公司，一家在中國成立之有限責任公司，吳長江先生的岳父吳憲明先生持有該公司40%的股權。</p>
<p>“Chongqing NVC”</p> <p>「重慶雷士」</p>	<p>Chongqing NVC Lighting Co., Ltd.* (重慶雷士照明有限公司), a wholly foreign-owned enterprise with limited liability incorporated in the PRC on 1 December 2006 and our direct wholly-owned subsidiary.</p> <p>重慶雷士照明有限公司，一家於2006年12月1日在中國註冊成立的外商獨資有限責任公司，是我們的直接全資附屬公司。</p>
<p>“CG Code”</p> <p>「企業管治守則」</p>	<p>the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.</p> <p>《上市規則》附錄十四之《企業管治守則》及《企業管治報告》。</p>
<p>“Company” or “our Company”</p> <p>「本公司」</p>	<p>NVC Lighting Holding Limited (雷士照明控股有限公司), a company incorporated in the British Virgin Islands on 2 March 2006 and subsequently redomiciled to the Cayman Islands on 30 March 2010 as an exempted company with limited liability under the laws of the Cayman Islands. The shares of the Company are listed on the main board of the Stock Exchange.</p> <p>雷士照明控股有限公司，一家於2006年3月2日在英屬維爾京群島註冊成立，隨後於2010年3月30日將註冊地遷至開曼群島之公司，並根據開曼群島法例註冊為一家獲豁免有限公司，其股份於聯交所主板上市。</p>

Definitions

釋義

“Corresponding Period” 「同期」	means the year ended 31 December 2016 or the year ended 31 December 2017 (as the context may require). 是指截至2016年12月31日止年度或截至2017年12月31日止年度（視乎文義而定）。
“Director(s)” 「董事」	the director(s) of the Company. 本公司董事。
“Energy-saving lighting products” 「節能照明產品」	CALI (the China Association of Lighting Industry) defines energy-saving lighting products in China as typically consisting of compact fluorescent lamps, fluorescent lamps and supporting lighting fixtures, LED lamps, HID lamps and electronic ballasts. CALI's standard is based on the “Interim Measures on Funding Management of Fiscal Subsidies for Promotion of High-Efficiency Products” as well as the SA (the Standardisation Administration of the PRC) standards, which is in line with the CQC (the China Quality Certification Centre) List. 中國照明電器協會界定，中國節能照明產品通常包括緊湊型螢光光源、螢光光源及支撐燈具外殼、LED光源、HID光源及電子鎮流器。中國照明電器協會的標準以《高效照明產品推廣財政補貼資金管理暫行辦法》和國家標準化管理委員會的標準為基礎，與中國品質認證中心清單一致。
“ETIC” 「德豪潤達」	Elec-Tech International Co., Ltd.* (廣東德豪潤達電氣股份有限公司), a PRC incorporated company of which the shares are currently listed on the Shenzhen Stock Exchange. It is a substantial shareholder of the Company. 廣東德豪潤達電氣股份有限公司，一家在中國註冊成立的公司，其股份目前在深圳證券交易所上市，是本公司的一個主要股東。
“GBP” 「英鎊」	Great Britain Sterling Pound, the lawful currency of the United Kingdom. 英鎊，英國法定貨幣。
“Group” 「本集團」	the Company and its subsidiaries. 本公司及其附屬公司。
“Guarantee Agreement” or “Purported Guarantee Agreement” 「擔保協議」或「所謂擔保協議」	a guarantee agreement entered into by Mr. WU Changjiang purportedly on behalf of NVC China with the Chongqing branch of a PRC bank on 7 March 2014. 由吳長江先生於2014年3月7日所謂代表雷士中國與一家中國銀行重慶分行訂立的擔保協議。
“HID” 「HID」	high intensity discharge. 高強度放電。

“HK\$” or “Hong Kong dollars” 「港元」	Hong Kong dollars, the lawful currency of Hong Kong. 港元，香港法定貨幣。
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of People’s Republic of China. 中華人民共和國特別行政區。
“Huizhou NVC” 「惠州雷士」	Huizhou NVC Lighting Technology Co., Ltd.* (惠州雷士光電科技有限公司), a wholly foreign-owned enterprise with limited liability incorporated in the PRC on 29 April 2006 and our direct wholly-owned subsidiary. 惠州雷士光電科技有限公司，一家於2006年4月29日在中國註冊成立的外商獨資有限責任公司，是我們的直接全資附屬公司。
“Jiang Te” 「江特」	Chongqing Jiang Te Surface Processing Co., Ltd.* (重慶江特表面處理有限公司), a limited liability company incorporated in the PRC and owned as to 51% by Chongqing En Wei Xi from May 2009 to September 2014. 重慶江特表面處理有限公司，一家在中國註冊成立的有限責任公司，於2009年5月至2014年9月期間恩緯西持有其51%股權。
“Jiangshan Phoebus” 「江山菲普斯」	Jiangshan Phoebus Lighting Electron Co., Ltd.* (江山菲普斯照明有限公司), a limited liability company incorporated in the PRC on 8 March 2006 and our indirect wholly-owned subsidiary. 江山菲普斯照明有限公司，一家於2006年3月8日在中國註冊成立的有限責任公司，是我們的間接全資附屬公司。
“Jiangshan Youhe” 「江山友和」	Jiangshan Youhe Machinery Co., Ltd.* (江山市友和機械有限公司), a limited liability company incorporated in the PRC and is owned as to 80% by Quzhou Aushite Illumination Co., Ltd.* (衢州奧仕特照明有限公司), 39% equity interest of which is owned by Mr. WU Jiannong and 51% equity interest of which is owned by Zhejiang Tonking New Energy Group Co., Ltd.* (浙江同景新能源集團有限公司) in which Mr. WU Jiannong holds an 86% equity interest. 江山市友和機械有限公司，一家在中國成立的有限責任公司，其80%股權由衢州奧仕特照明有限公司持有，而吳建農先生持有衢州奧仕特照明有限公司的39%股權、浙江同景新能源集團有限公司持有衢州奧仕特照明有限公司的51%股權。吳建農先生持有浙江同景新能源集團有限公司的86%股權。
“LED” 「LED」	Light-Emitting Diode. 發光二極管。

Definitions

釋義

“Lei Li Jie” 「雷立捷」	Chongqing Lei Li Jie Industrial Development Co., Ltd.* (重慶雷立捷實業發展有限公司), a limited liability company incorporated in the PRC which may potentially be associated with Mr. WU Changjiang. 重慶雷立捷實業發展有限公司，一家在中國註冊成立並且可能與吳長江先生有關連的有限公司。
“Listing Date” 「上市日」	20 May 2010. 2010年5月20日。
“Listing Rules” 「《上市規則》」	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. 《香港聯合交易所有限公司證券上市規則》。
“Mainland China” or “PRC” 「中國」	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to “China” and the “PRC” do not apply to Taiwan, the Macau Special Administrative Region and Hong Kong. 中華人民共和國，但僅就本年度報告及地理參考而言，除文意另有所指外，本年度報告中凡提述「中國」之處均不包括台灣、澳門特別行政區及香港。
“Mianyang Leici” 「綿陽雷磁」	Mianyang Leici Electronic Technology Co., Ltd.* (綿陽雷磁電子科技有限公司), a limited liability company incorporated in the PRC, 35% of its equity interest being held by Huizhou NVC and its remaining equity interest being held by China Electronics Technology Group Corporation No. 9 Academy* (中國電子科技集團第九研究所) (as to 36%), Mr. WEN Jiatao (文家濤先生) (as to 15%) and Mr. ZHAO Qiyi (趙七一先生) (as to 14%). 綿陽雷磁電子科技有限公司，一家在中國註冊成立的有限責任公司，由惠州雷士持有其35%股權，其餘下股權分別由中國電子科技集團第九研究所(36%)、文家濤先生(15%)和趙七一先生(14%)持有。
“Model Code” 「標準守則」	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. 《上市規則》附錄十之《上市發行人董事進行證券交易的標準守則》。

“NVC Brazil”	NVC Lighting (Brazil) Commercial Import and Export Co., Ltd., a limited liability company incorporated in Brazil, a 51% equity interest of which is held by Hong Kong TYU Technology Co., Ltd., our wholly-owned subsidiary, and the remaining 49% equity interest of which is held by NVC Brazil Technology Co., Ltd.
「巴西雷士」	巴西雷士照明貿易進出口有限公司，一家在巴西註冊成立的有限責任公司，其中我們的全資附屬公司香港天羽科技有限公司持有51%的股權，餘下的49%股權由巴西雷士照明技術有限公司持有。
“NVC China”	NVC Lighting (China) Co., Ltd.* (雷士照明(中國)有限公司) (formerly known as NVC Lighting (Chongqing) Co., Ltd.* (重慶雷士實業有限公司)), a wholly foreign-owned enterprise with limited liability incorporated in the PRC on 7 November 2011 and our indirect wholly-owned subsidiary.
「雷士中國」	雷士照明(中國)有限公司(原名為重慶雷士實業有限公司)，一家於2011年11月7日在中國註冊成立的外商獨資有限責任公司，是我們的間接全資附屬公司。
“NVC Kitchenware”	Huizhou NVC Kitchenware Co., Ltd.* (惠州雷士櫥衛電器有限責任公司), a limited liability company incorporated in the PRC on 15 April 2016, 51% equity interest of which is held by Huizhou NVC.
「雷士櫥衛」	惠州雷士櫥衛電器有限責任公司，一家於2016年4月15日在中國註冊成立的有限責任公司，惠州雷士持有其51%股權。
“ODM”	original design manufacturing, a type of manufacturing under which the manufacturer is responsible for the design and production of the products and the products are marketed and sold under the customer’s brand name.
「ODM」	原設計製造，根據此種製造，製造商負責產品的設計和生產，而產品則以客戶品牌營銷和銷售。
“O2O”	Online to Offline, referring to the combination of business opportunity offline and internet to enable internet to become the platform of offline transactions.
「O2O」	Online To Offline (在線離線／線上到線下)，是指將線下的商務機會與互聯網結合，讓互聯網成為線下交易的前台。
“Pledge and Guarantee Agreements” or “Purported Pledge and Guarantee Agreements”	certain pledge and guarantee agreements entered into by Mr. WU Changjiang, on behalf of NVC China or purportedly on behalf of NVC China, without the Board’s knowledge, to secure bank loans of other companies.
「質押及擔保協議」或「所謂質押及擔保協議」	由吳長江先生代表雷士中國或所謂代表雷士中國在董事不知情的情況下訂立的若干質押及擔保協議以擔保其他公司的銀行貸款。

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“Quzhou Aushite” 「衢州奧仕特」	Quzhou Aushite Illumination Co., Ltd.* (衢州奧仕特照明有限公司), a limited liability company incorporated in the PRC, 39% equity interest of which is owned by Mr. WU Jiannong and 51% equity interest of which is owned by Zhejiang Tonking New Energy Group Co., Ltd.* (浙江同景新能源集團有限公司). 衢州奧仕特照明有限公司，一家在中國成立的有限責任公司，吳建農先生持有其39%股權、浙江同景新能源集團有限公司持有其51%股權。
“Relevant Purported Pledge and Guarantee Agreements” 「相關所謂質押及擔保協議」	certain pledge and guarantee agreements entered into by Mr. WU Changjiang purportedly on behalf of NVC China relating to bank loans borrowed by Chongqing En Wei Xi, Lei Li Jie, Wu Ji and Jiang Te in 2013 and 2014. 由吳長江先生在2013年及2014年所謂代表雷士中國就重慶恩緯西、雷立捷、無極和江特舉借的銀行貸款訂立的若干質押及擔保協議。
“Reporting Period” 「報告年度」	the year ended 31 December 2017. 截至2017年12月31日止年度。
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC. 人民幣，中國法定貨幣。
“SFO” 「《證券及期貨條例》」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). 《證券及期貨條例》(香港法例第571章)。
“Shanghai Arcata” 「上海阿卡得」	Shanghai Arcata Electronics Co., Ltd.* (上海阿卡得電子有限公司), a limited liability company incorporated in the PRC on 22 September 2005 and our indirect wholly-owned subsidiary. 上海阿卡得電子有限公司，一家於2005年9月22日在中國註冊成立的有限責任公司，是我們的間接全資附屬公司。
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited. 香港聯合交易所有限公司。
“Sunny” 「三友」	Zhejiang Jiangshan Sunny Electron Co., Ltd.* (浙江江山三友電子有限公司), a limited liability company incorporated in the PRC on 2 July 1994 and our indirect wholly-owned subsidiary. 浙江江山三友電子有限公司，一家於1994年7月2日在中國註冊成立的有限責任公司，是我們的間接全資附屬公司。

“UK NVC” [英國雷士]	NVC Lighting Limited (formerly known as NVC (Manufacturing) Limited), a private company incorporated in England and Wales on 31 May 2007, and our direct wholly-owned subsidiary. NVC Lighting Limited (原名為NVC (Manufacturing) Limited)，一家於2007年5月31日在英格蘭及威爾士註冊成立的私人公司，是我們的直接全資附屬公司。
“U.S.A.” or “U.S.” [美國]	the United States of America, its territories, its possessions and all was subject to its jurisdiction. 美利堅合眾國，其領土、屬地及其管轄的所有地區。
“US\$”, “USD” or “US Dollar” [美元]	United States dollars, the lawful currency of the United States. 美元，美國法定貨幣。
“we”, “us” or “our” [我們]	the Company or the Group (as the context may require). 本公司或本集團（視乎文義而定）。
“World Bright” [世明]	Jiangshan World Bright Crystal Co., Ltd.* (江山世明水晶玻璃有限公司), a limited liability company incorporated in the PRC, 100% equity interest of which is owned by Quzhou Aushite. 江山世明水晶玻璃有限公司，一家在中國成立的有限責任公司，衢州奧仕特持有該公司100%的股權。
“World Through” [世通]	World Through Investments Limited* (世通投資有限公司), a limited liability company incorporated in the British Virgin Islands on 5 August 2005 and our wholly-owned subsidiary. 世通投資有限公司，一家於2005年8月5日在英屬維京群島註冊成立的有限責任公司，是我們的全資附屬公司。
“Wu Ji” [無極]	Chongqing Wu Ji Real Estate Development Co., Ltd.* (重慶無極房地產開發有限公司), a limited liability company incorporated in the PRC which may potentially be associated with Mr. WU Changjiang. 重慶無極房地產開發有限公司，一家在中國註冊成立並且可能與吳先生相關聯的有限公司。
“Zhangpu Phoebus” [漳浦菲普斯]	Zhangpu Phoebus Lighting Co., Ltd.* (漳浦菲普斯照明有限公司), a limited liability company incorporated in the PRC on 9 May 2004 and our indirect wholly-owned subsidiary. 漳浦菲普斯照明有限公司，一家於2004年5月9日在中國註冊成立的有限責任公司，是我們的間接全資附屬公司。

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“Zhejiang NVC”	Zhejiang NVC Lamps Co., Ltd.* (浙江雷士燈具有限公司), a limited liability company incorporated in the PRC on 28 September 2007, a 51% equity interest of which is held by Huizhou NVC and the remaining 49% equity interest of which is held by Zhejiang Tonking New Energy Group Co., Ltd.* (浙江同景新能源集團有限公司).
「浙江雷士」	浙江雷士燈具有限公司，一家於2007年9月28日在中國註冊成立的有限責任公司，惠州雷士持有其51%股權，餘下的49%股權由浙江同景新能源集團有限公司持有。
“Zhongshan NVC”	Zhongshan NVC Decorative Lighting Technology Co., Ltd.* (中山雷士燈飾科技有限公司), a limited liability company incorporated in the PRC on 26 January 2015 and our indirect wholly-owned subsidiary.
「中山雷士」	中山雷士燈飾科技有限公司，一家於2015年1月26日在中國註冊成立的有限責任公司，是我們的間接全資附屬公司。
“Convertible Bonds”	the convertible bonds denominated in Hong Kong dollar in an aggregate principal amount of HK\$500,000,000 issued on 7 June 2016 by the Company.
「可換股債券」	本公司於2016年6月7日發行之本金額合共500,000,000港元以港元計值的可換股債券。

* denotes English translation of the name of a Chinese company or entity, or vice versa, and is provided for identification purposes only

The background of the page features a vibrant, multi-colored light burst effect. Numerous rays of light radiate from a central point on the right side, extending towards the left. The colors of the rays include shades of green, yellow, orange, red, purple, and blue, creating a dynamic and energetic visual. The overall composition is clean and modern, with the text positioned in the lower-left corner.

NVC 雷士照明

雷士照明控股有限公司

NVC LIGHTING HOLDING LIMITED

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