



HYBRID KINETIC GROUP LIMITED
正道集團有限公司

(Stock Code 股份代號: 01188)

ANNUAL REPORT
年報 2017



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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

Dr Yeung Yung (*Chairman*)
Mr Xu Jianguo (*Chief Executive Officer*)
Mr Hui Wing Sang, Wilson (*Deputy Chairman*)
Dr Huang Chunhua (*Deputy Chairman*)
Dr Wang Chuantao (*Deputy Chairman*)
Mr Liu Stephen Quan
Dr Zhu Shengliang
Mr Li Zhengshan
Mr Ting Kwok Kit, Johnny
Mr Chen Xiao

Non-executive Director

Dr Xia Tingkan, Tim

Independent Non-Executive Directors

Dr Song Jian
Dr Zhu Guobin
Mr Cheng Tat Wa
Dr Li Jianyong
Mr Chan Sin Hang
Mr Lee Cheung Yuet, Horace
(*appointed on 13 September 2017*)
Mr Wong Lee Hing (*retired with effect from 31 October 2017*)

COMPANY SECRETARY

Mr Ting Kwok Kit, Johnny

AUDITOR

ZHONGHUI ANDA CPA LIMITED
Certified Public Accountants
Unit 701, Citicorp Centre, 18 Whitfield Road,
Causeway Bay, Hong Kong

PRINCIPAL BANKERS

East West Bank
(U.S. branch)
9550 Flair Drive
El Monte CA91731

Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road
Central, Hong Kong

Bank of Communications Co. Ltd.
20, Pedder Street, Central, Hong Kong

董事會

執行董事

仰融博士 (*主席*)
徐建國先生 (*行政總裁*)
許永生先生 (*副主席*)
黃春華博士 (*副主席*)
王川濤博士 (*副主席*)
劉泉先生
朱勝良博士
李正山先生
丁國傑先生
陳曉先生

非執行董事

夏廷康博士

獨立非執行董事

宋健博士
朱國斌博士
鄭達華先生
李建勇博士
陳善衡先生
李暢悅先生
(*於二零一七年九月十三日獲委任*)
王利興先生
(*於二零一七年十月三十一日退任*)

公司秘書

丁國傑先生

核數師

中匯安達會計師事務所有限公司
執業會計師
香港銅鑼灣
威非路道18號萬國寶通中心701室

主要往來銀行

華美銀行
(美國分行)
9550 Flair Drive
El Monte CA91731

香港上海滙豐銀行有限公司
香港中環
皇后大道中1號

交通銀行股份有限公司
香港中環畢打街20號



Corporate Information 公司資料

PRINCIPAL OFFICE

Suites 1407-8, 14/F.
Great Eagle Centre
23 Harbour Road, Wanchai
Hong Kong

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

HONG KONG LEGAL ADVISOR

Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Management (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton, HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

總辦事處

香港
灣仔港灣道23號
鷹君中心
14樓1407-8室

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

香港法律顧問

趙不渝 馬國強律師事務所
香港
康樂廣場1號
怡和大廈40樓

主要股份過戶登記處

Estera Management (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton, HM 12
Bermuda

股份過戶登記處香港分處

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



Chairman's Statement

主席報告書

Dear Shareholders,

The Group's revenue and gross profit from continuous operations of 2017 amounted to HK\$35,434,000 (2016: HK\$15,529,000) and HK\$9,422,000 (2016: HK\$3,846,000) respectively. As the Chinese Government implemented policy changes toward subsidies to electric buses in 2016, the national sales volume of electric buses fell sharply, and increased notably the level of uncertainty of the industry. In view of this, the Group immediately adjusted its strategy, and accelerated its entry into the much larger clean energy passenger vehicles market by utilizing its technology advantages in super battery, electric motor and electric control systems.

The Board is highly optimistic of the future of the China's clean energy vehicle market. The range extender electric vehicle developed by the Group is totally in line with the China's situation, without the need for large scale construction of charging facilities or the need for change of consumer behaviors, and no more "range anxiety" of pure electric vehicles. The Board believes, the competitors of our range extender vehicles are not pure electric ones, but conventional gas-powered internal combustion engine vehicles which has the largest inventory. Hence, the market potential is huge.

The Group has attained breakthroughs after years of dedication and efforts in the research and development of technological advancement in the area of clean energy vehicle. Three new models, H600, K550 and K750 were successfully launched in the Geneva Auto Show in March 2017 and the Shanghai Auto Show in April 2017, all gained strong and positive feedbacks from the industry and the market. In the Geneva Auto Show in March 2018, the Group once again successfully launched the brand-new and technologically advanced HK GT model. It received prominent attention and much media coverage by professional media groups, such as CCTV of China, CNN of the US and Der Spiegel of Germany, etc and was one of the most popular models in the auto show. The Group is progressively implementing its R&D plan for passenger vehicles and is expected to launch more models of sedan, SUV and commercial vehicles in 2018.

The year ahead will be the year for implementing the clean energy vehicle business of the Group. The Group has signed or reached consensus with and gained great financial support from several local governments of the mainland, and would start the construction of several clean energy vehicle production bases in 2018. The Group's mission is to be socially responsible while optimizing values for shareholders. We will continue to promote clean and efficient range extender clean energy vehicles and contribute to the environmental protection cause of the world.

I would like to express my sincere gratitude to all shareholders, directors and employees of the Group for their tremendous support!

Yeung Yung
Chairman

Hong Kong, 28 March 2018

各位股東：

於二零一七年度，本集團來自持續經營業務之收入及毛利分別約為35,434,000港元（二零一六年：15,529,000港元）及9,422,000港元（二零一六年：3,846,000港元）。由於中國政府於二零一六年針對電動大巴補貼進行政策調整，令電動大巴全國銷售額下跌，行業不確定因素顯著增加。集團旋即進行戰略調整，利用在超級電池、電機、電控等「三電系統」之上的技術領先優勢，加速進入規模更加龐大的清潔能源乘用車市場。

董事會對於中國清潔能源汽車市場保持高度樂觀。本集團致力設計及開發的增程式電動汽車十分契合中國國情，無需社會配套大規模充電設施，亦無需消費者改變駕駛習慣，完全沒有純電動乘用車的「里程焦慮」。董事會相信，集團增程式清潔能源汽車的市場競爭對手並非純電動汽車，而是保有量最為龐大的傳統內燃機乘用車，故而市場潛力極為巨大。

本集團歷經多年潛心深耕，專注於清潔能源汽車領域最新技術研發及市場開發，目前終於取得突破。本集團先後於二零一七年三月日內瓦車展及四月上海車展發佈H600、K550和K750三款車型，獲得業界及市場十分積極正面之反響。二零一八年三月，集團再次參加日內瓦車展，發佈造型新穎、技術先進的HK GT車型，引發極大轟動，為各大專業媒體機構以及中國中央電視台、美國CNN、德國《鏡報》等爭相報道，成為車展最受歡迎的車型之一。集團乘用車開發計劃正在有條不紊地向前推進，預計在二零一八年繼續發佈多款轎車、SUV及商用車車型。

未來一年是集團清潔能源汽車業務落地的一年。集團目前已經與多家內地政府簽署或達成合作意向，獲得政府大力財政支持，多個清潔能源汽車基地將於二零一八年動工興建。本集團始終牢記在承擔企業社會責任的同時實現股東價值的最大化的使命，將繼續推動大規模普及清潔、高效的增程式清潔能源汽車，為世界環境保護事業做出貢獻。

本人向各位股東、董事和員工的大力支持表示感謝！

主席
仰融

香港，二零一八年三月二十八日



Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

Below are the biographical details of the Directors and the Senior Management of the Group as at the date of this annual report.

以下為於本年報日期本集團董事及高級管理層之履歷詳情。

EXECUTIVE DIRECTORS

執行董事

Dr YEUNG Yung (仰融), aged 60, was appointed a Director of the Company in November 1998, and is the Chairman of the Group, the chairman of the nomination committee and a member of the remuneration committee of the Board. Dr Yeung is also a substantial shareholder of the Company. Dr Yeung holds a PhD Degree in Economics from the China's Southwest University of Finance & Economics. Dr Yeung was elected as a director of the John Hopkins University Center – Nanjing University Centre for Chinese and American Studies (中美文化交流中心理事). Dr Yeung was the chairman, chief executive officer and president of Brilliance China Automotive Holdings Limited and also the chairman and president of Shenyang Jinbei Passenger Vehicle Manufacture Co., Ltd. from 1992 to 2002. Dr Yeung is a well-known, highly successful automotive industrialist with over 18 years' experience in the automobile industry as well as a pioneering international financier from China.

仰融博士，現年60歲，於一九九八年十一月獲委任為本公司之董事，並為本集團之主席、董事會轄下提名委員會之主席及薪酬委員會之成員。仰博士亦為本公司之主要股東。仰博士獲頒中國西南財經大學經濟博士學位。仰博士曾獲推選為約翰·霍普金斯大學－南京大學中美文化交流中心理事。仰博士於一九九二年至二零零二年間出任華晨中國汽車控股有限公司之主席、行政總監兼總裁，並為瀋陽金杯客車製造有限公司之主席兼總裁。仰博士乃一位著名、極為成功的汽車實業家，在汽車業擁有逾18年經驗，亦為中國的國際金融家先鋒。

Mr XU Jianguo (徐建國), aged 50, was appointed a Director of the Company in June 2010. He is also the Chief Executive Officer of the Group. Mr Xu holds a Master's Degree in mechanical engineering from the Shanghai Jiaotong University in the PRC. He is currently the vice-president of the global sourcing division in Hybrid Kinetic Motors Corporation, a wholly-owned subsidiary of the Company. Mr Xu has 20 years' experience in the field of mechanical engineering and automotive industries. He was one of the key experts who developed Chinese Computer aided engineering industry in 1990s. Mr Xu has extensive experience in product development, engineering management, product planning, purchasing and supplier management. Mr Xu was involved in multiple projects for certain well-known auto makers in Asia and Europe and has extensive expertise in automotive development procedure. Mr Xu has in-depth understanding in the global automotive industry, in particular the Chinese automotive industry.

徐建國先生，現年50歲，於二零一零年六月獲委任為本公司之董事。彼亦為本集團之行政總裁。徐先生持有中國上海交通大學機械工程碩士學位。彼現時為本公司全資附屬公司 Hybrid Kinetic Motors Corporation 之全球採購部副總裁。徐先生於機械工程領域及汽車業擁有20年經驗。彼為二十世紀九十年代開發中國電腦輔助工程行業的主要專家之一。徐先生於產品開發、工程管理、產品規劃、採購與供應商管理方面擁有豐富經驗。徐先生曾參與若干亞洲及歐洲著名汽車製造商的多個項目，並於汽車開發流程方面擁有豐富專業知識。徐先生對全球汽車業（特別是中國汽車業）有深厚認識。



Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr HUI Wing Sang, Wilson (許永生), aged 50, was appointed a Director of the Company in September 2007. He is also the Deputy Chairman of the Group and one of the authorized representatives of the Company. Mr Hui holds a Master's Degree in Business Administration from the University of Surrey and a Master's Degree in Professional Accounting and Information Systems from the City University of Hong Kong. He has been an associate member of Hong Kong Institute of Chartered Secretaries (HKICS) since 1996 and Hong Kong Institute of Certified Public Accountants (HKICPA) since 1999. Mr Hui possesses more than 20 years of experience in accounting, finance and corporate management.

Dr HUANG Chunhua (黃春華), aged 54, was appointed a Director of the Company in June 2010, and is the Deputy Chairman of the Group. Dr Huang holds a Bachelor of Economics Degree from the Wuhan University in China, an MBA and PhD in Marketing (focus on corporate strategy) from the University of Strathclyde in Scotland. Dr Huang is also the vice-chairman of Hybrid Kinetic Motors Corporation, a wholly-owned subsidiary of the Company and a director of certain subsidiaries of the Company. Dr Huang had been the vice-chairman of the Company between November 2002 and October 2007 and its chief financial officer between August 2000 and September 2004. He is an independent non-executive director of China Rare Earth Holdings Limited (listed in Hong Kong). He was among the first generation China equity analysts and had in-depth knowledge about China's automotive and the transport infrastructure sectors, as well as red chip conglomerates. Dr Huang was a pioneering financier for China's first wave of private companies going public in Hong Kong during 1999 and 2001.

許永生先生，現年50歲，於二零零七年九月獲委任為本公司之董事。彼亦為本集團之副主席兼本公司授權代表之一。許先生持有University of Surrey工商管理碩士學位及香港城市大學專業會計與資訊系統碩士學位。彼自一九九六年起為香港特許秘書公會會員及自一九九九年為香港會計師公會會員。許先生於會計、財務及企業管理方面擁有超過20年經驗。

黃春華博士，現年54歲，於二零一零年六月獲委任為本公司之董事，並為本集團之副主席。黃博士持有中國武漢大學經濟學士學位、蘇格蘭University of Strathclyde之工商管理碩士及市場學博士學位，主修企業策略。黃博士亦為本公司全資附屬公司Hybrid Kinetic Motors Corporation之副主席及本公司若干附屬公司之董事。黃博士曾於二零零二年十一月至二零零七年十月間擔任本公司之副主席，並於二零零零年八月至二零零四年九月間擔任本公司之財務總監。彼現為中國稀土控股有限公司（於香港上市）之獨立非執行董事。彼為中國第一代股票分析員，對中國的汽車及交通基礎設施行業以及紅籌企業有深厚認識。黃博士在一九九九年至二零零一年間成為在香港上市的第一批中國民營企業融資的先鋒。



Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

Dr WANG Chuantao (王川濤), aged 64, was appointed a Director of the Company in April 2009, and is the Deputy Chairman of the Group. He is also the chief executive officer of Hybrid Kinetic Motors Corporation, a wholly-owned subsidiary of the Company. Dr Wang has more than 30 years' experience in the field of manufacturing engineering. He is an internationally recognized leading technologist and business leader in the development and implementation of advanced stamping using computer-aided engineering technology and production systems for digital die manufacturing and stamping for large scale automotive applications. He had been the Chief Die Engineer and Technical Fellow in General Motors Corp in Michigan, the US before he joined the Group. He is armed with interdisciplinary education, diverse and in-depth knowledge and management experience in the automotive industry. He received his doctorate in industrial systems and engineering and his Master's Degree in materials science and engineering from The Ohio State University, Columbus, Ohio, the US and his Bachelor's Degree and Master's Degree in mechanical engineering from Chongqing University, Chongqing, the PRC.

Mr LIU Stephen Quan (劉泉), aged 63, was appointed a Director of the Company in October 2007. Mr Liu holds a Master's Degree in business, economics and finance from the China Europe International Business School (CEIBS). Mr Liu has extensive knowledge and experience in the management of supply chain business. He has been in the supply chain industry for more than 20 years and was one of the founders of several industrial companies and investment companies in China and the US.

Dr ZHU Shengliang (朱勝良), aged 67, was appointed a Director of the Company in May 2008. Dr Zhu holds a PhD Degree in Economics from the Southwestern University of Finance and Economics. Dr Zhu is currently the chairman of Ningbo Meilide Consulting Co., Limited, a subsidiary of the Company. Dr Zhu possesses extensive experience in finance and corporate management. He took senior managerial roles in several companies, including Shanghai Shenhua Holdings Co., Ltd., a PRC-listed company.

王川濤博士，現年64歲，於二零零九年四月獲委任為本公司之董事，並為本集團之副主席。彼亦為本公司全資附屬公司Hybrid Kinetic Motors Corporation之行政總裁。王博士於製造工程領域積逾30年經驗。彼在領導開發和運用電腦輔助工程技術及生產系統並將該技術和系統應用於大規模汽車生產的數碼模具和先進衝壓方面是國際公認之技術領軍人物和行業先鋒。彼於加入本集團之前，曾擔任美國密歇根州General Motors Corp的首席模具工程師及通用技術院士。彼擁有跨學科之教育背景，學識淵博兼具汽車行業之管理經驗。彼獲美國俄亥俄州哥倫布市The Ohio State University頒授工業系統及工程學博士學位以及材料科學及工程學碩士學位，並先後獲位於中國重慶之重慶大學頒授機械工程學士及碩士學位。

劉泉先生，現年63歲，於二零零七年十月獲委任為本公司之董事。劉先生持有中歐國際工商學院(CEIBS)之商務、經濟及財務碩士學位。劉先生在管理供應鏈業務方面擁有豐富知識及經驗。彼從事供應鏈業務超過20年，並為中國及美國數間工業公司及投資公司的創辦人之一。

朱勝良博士，現年67歲，於二零零八年五月獲委任為本公司之董事。朱博士持有西南財經大學之經濟學博士學位。朱博士現為本公司附屬公司寧波美立德諮詢有限公司之主席。朱博士擁有豐富之財務及企業管理經驗。彼曾於多間公司擔任高層管理職務，包括中國上市公司上海申華控股股份有限公司。



Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr Li Zhengshan (李正山), aged 48, was appointed a Director of the Company in June 2010. Mr Li holds a Master of Arts Degree in English language and literature from the Shanghai International Studies University. He has been the Executive Assistant to Dr Yeung Yung, the Chairman of the Company since 2003 and the deputy general manager of the PRC investment division of the Company. He is currently a director of certain subsidiaries of the Company. He is responsible for corporate coordination and business development of the Group in China.

Mr TING Kwok Kit, Johnny (丁國傑), aged 56, was appointed a Director of the Company in November 2014, and is the Company Secretary and the Chief Financial Officer of the Company. He is also one of the authorized representatives of the Company. He had previously served as the independent non-executive Director from 19 November 2007 to 31 May 2011. Mr Ting holds a Bachelor's Degree in Economics from the University of Victoria of Canada and a MBA from the City University of Hong Kong. Mr Ting is a fellow member of the Association of Chartered Certified Accountants and a member of the Certified General Accountants Association of Canada. He is also a fellow member of the Hong Kong Institute of Chartered Secretaries. Mr Ting has more than 15 years' experience in accounting, finance and corporate management.

Mr CHEN Xiao (陳曉), aged 46, was appointed a Director of the Company in November 2014. Mr Chen has joined the Group since April 2008. He has been one of the senior management of the Group and has been assuming the roles of general manager or deputy manager or director (as the case may be) of certain subsidiaries of the Company. Mr Chen is primarily responsible for identifying, evaluating, participating in commercial negotiations and financial planning for the implementation of potential projects for the Group in the PRC. Mr Chen was graduated from the Shanghai University of Finance and Economics (上海財經大學) in 1994, majoring in Investment, Economics and Financial Management (投資經濟管理). He has extensive experience in the areas of securities investment, corporate finance, capital management and merger and acquisition in the PRC.

李正山先生，現年48歲，於二零一零年六月獲委任為本公司之董事。李先生持有上海外國語大學英語語言文學碩士學位。彼自二零零三年起擔任本公司主席仰融博士之執行助理及本公司中國投資部之副總經理。彼現為本公司若干附屬公司之董事。彼負責本集團於中國之企業協調及業務發展。

丁國傑先生，現年56歲，於二零一四年十一月獲委任為本公司之董事，現任本公司之公司秘書兼財務總監。彼亦為本公司授權代表之一。彼曾於二零零七年十一月十九日至二零一一年五月三十一日間擔任獨立非執行董事。丁先生持有加拿大University of Victoria之經濟學士學位及香港城市大學之工商管理碩士學位。丁先生為英國特許公認會計師公會之資深會員及加拿大註冊會計師協會之會員。彼亦為香港特許秘書公會之資深會員。丁先生於會計、財務及企業管理方面擁有逾15年經驗。

陳曉先生，現年46歲，於二零一四年十一月獲委任為本公司之董事。陳先生於二零零八年四月加入本集團。彼一直為本集團高級管理層之一，並一直擔任本公司若干附屬公司之總經理或副經理或董事（視情況而定）職務。陳先生主要負責物色、評估、參與有關實施本集團於中國之潛在項目之商業磋商及財務規劃。陳先生於一九九四年畢業於上海財經大學投資經濟管理專業。彼於中國之證券投資、企業融資、資金管理及併購領域擁有豐富經驗。



Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

NON-EXECUTIVE DIRECTOR

Dr XIA Tingkang, Tim (夏廷康), aged 62, was appointed a non-executive Director of the Company in June 2010. Dr Xia is currently an independent non-executive director of Jian's ePayment System Limited (listed in Hong Kong). Dr Xia holds a Bachelor's Degree from Peking University, the PRC, a PhD from The Ohio State University, the US and a Juris Degree from the Columbia University School of Law, the US. Dr Xia is currently a senior partner of an international law firm, Locke Lord LLP, and a registered U.S. patent attorney. Prior to his legal career, he was a physicist specializing in supercomputing, large scale computer simulation of complex fluids, super-thin-films of polymers, and Josephson junction superconducting arrays, electromagnetic properties of high temperature superconductors, and physics of granular metals. Dr Xia also counsels clients of international corporate law.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr SONG Jian (宋健), aged 60, was appointed an independent non-executive Director of the Company in May 2010. Dr Song holds a Doctorate's and Bachelor's Degrees in Tsinghua University. He is currently a professor of Automotive Engineering Department in Tsinghua University. He is also the Executive Vice-President of the Tsinghua Automotive Engineering Institute, the Vice-Director of the National Laboratory in Automotive Safety and Energy and an expert consultant to the Beijing Government. Dr Song was formerly the Deputy Dean of the Automotive Engineering Department at Tsinghua University.

Dr ZHU Guobin (朱國斌), aged 56, was appointed a non-executive Director in July 2010 and re-designated as an independent non-executive Director of the Company on 31 December 2012. Dr Zhu holds a Bachelor's Degree in history, a Master's Degree in history and a Master's Degree in law from the Renmin University of China, a Master's degree in law from the University of Hong Kong and a PhD in law and a HDR (Diplôme d'Habilitation à Diriger des Recherches) from the University of Aix-Marseille in France. Dr Zhu is currently a professor of law in the School of Law of City University of Hong Kong. He is also a guest professor at Shandong University, Sichuan University, and at Schools of Law of Wuhan University, Zhejiang University and Qingdao University in the PRC. He is a council member of the Chinese Association of Constitutional Law and a member of International Association of Constitutional Law and French Society of Comparative Legislation, and an titular member of the International Academy of Comparative Law. Dr Zhu is also a Director of The Legal Education Fund Limited (HK), and also a council member of Hubei Province Overseas Friendship Association.

非執行董事

夏廷康博士，現年62歲，於二零一零年六月獲委任為本公司之非執行董事。夏博士目前為香港上市公司華普智通系統有限公司之獨立非執行董事。夏博士持有中國北京大學學士學位、美國The Ohio State University哲學博士學位及美國Columbia University法學院法學博士學位。夏博士目前為國際律師行洛克律師事務所之高級合夥人及美國註冊專利律師。於開展法律事業前，彼乃一名物理學家，專注於超級運算、複雜流體之大型電腦模擬、聚合物超薄膜及約瑟夫森超導結列陣、高溫超導體之電磁性質及粒狀金屬物理學。夏博士亦向客戶提供國際公司法之意見。

獨立非執行董事

宋健博士，現年60歲，於二零一零年五月獲委任為本公司之獨立非執行董事。宋博士持有清華大學博士及學士學位。彼現為清華大學汽車工程系教授。彼亦為清華大學汽車工程開發研究院常務副院長、汽車安全與節能國家重點實驗室副主任及北京市政府專家顧問。宋博士曾任清華大學汽車工程系副系主任。

朱國斌博士，現年56歲，於二零一零年七月獲委任為本公司之非執行董事，於二零一二年十二月三十一日調任本公司之獨立非執行董事。朱博士持有中國人民大學歷史學學士及碩士學位以及法學碩士學位、香港大學法學碩士學位、法國University of Aix-Marseille法學博士學位和研究導師資格學位(HDR—Diplôme d'Habilitation à Diriger des Recherches)。朱博士現時為香港城市大學法律學院教授。彼亦為中國山東大學、四川大學及武漢大學法學院、浙江大學光華法學院、青島大學法學院客座教授。彼亦為中國憲法學研究會理事、國際憲法學會會士、法國比較法學會會士以及國際比較法學院院士。朱博士亦為香港法律教育基金有限公司之董事及湖北省海外聯誼會之理事。



Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr CHENG Tat Wa (鄭達華), aged 53, was appointed an independent non-executive Director of the Company in August 2012. He is also the chairman of the audit committee and a member of the nomination committee and the remuneration committee of the Board. Mr Cheng holds a Master's Degree in international accounting from City University of Hong Kong and a LLB (HONS) from Northumbria University. Mr Cheng is a fellow member of the Association of Chartered Certified Accountants. He is an associate member of the Institute of Chartered Secretaries and Administrators of Canada and a member of the Certified General Accountants Association of Canada. He is also a member of the Institute of Internal Auditors. Mr Cheng has more than 15 years of extensive experience in the business accounting fields.

Dr LI Jianyong (李建勇), aged 60, was appointed an independent non-executive Director of the Company in December 2012. Dr Li holds a Doctoral Degree in economics from the Southwestern University of Finance and Economics (西南財經大學). Dr Li obtained the accreditation and qualification of sponsor representative* (保薦代表人) from the Securities Association of China (中國證券業協會) in 2007. Dr Li had served various senior positions in GF Securities Company Limited (廣發證券股份有限公司). Dr Li was also appointed as the vice-chairman of the Securities Association of China in 2007. Dr Li has extensive experience in the securities and investment field in the PRC. Dr Li is currently a professor of the Chinese Finance Research Institute of the Southwestern University of Finance and Economics.

鄭達華先生，現年53歲，於二零一二年八月獲委任為本公司之獨立非執行董事。彼亦為董事會轄下審核委員會之主席以及提名委員會及薪酬委員會之成員。鄭先生持有香港城市大學國際會計學碩士學位及Northumbria University法學(榮譽)學士學位。鄭先生為英國特許公認會計師公會之資深會員。彼為加拿大特許秘書及行政人員公會之會員及加拿大註冊會計師協會之會員。彼亦為內部審計師公會會員。鄭先生於商業會計領域擁有逾15年之豐富經驗。

李建勇博士，現年60歲，於二零一二年十二月獲委任為本公司之獨立非執行董事。李博士持有西南財經大學經濟學博士學位。李博士於二零零七年獲中國證券業協會頒發保薦代表人認證及資格。李博士曾於廣發證券股份有限公司擔任多個高級職位。李博士亦於二零零七年獲委任為中國證券業協會之副主席。李博士於中國證券及投資領域擁有豐富經驗。李博士現時為西南財經大學中國金融研究中心之教授。



Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

Mr CHAN Sin Hang (陳善衡), aged 33, was appointed an independent non-executive Director of the Company in December 2012. He is also a member of the audit committee of the Board. Mr Chan holds a Bachelor's Degree in business (accounting) from the Australian Catholic University. Mr Chan is a full member of the CPA Australia. He is also a member of HKICPA since March 2013. Mr Chan had been an auditor in CPA firms in Hong Kong, and a chief financial officer and a company secretary of a financial services company based in Hong Kong and China. Mr Chan has more than 5 years of experience in the accounting field, and is currently a chief accountant of a Hong Kong company. He is currently a director of a PRC consultant company.

Mr LEE Cheung Yuet, Horace (李暢悅), aged 36, was appointed an independent non-executive Director of the Company in September 2017. He is also the chairman of the remuneration committee and a member of both the audit committee and the nomination committee of the Board. He is an executive director of Aurum Pacific (China) Group Limited and an independent non-executive director of Chuan Holdings Limited (both are listed in Hong Kong). Mr Lee holds a Bachelor's Degree of Commerce (Accounting) from The University of Queensland, Australia since 2004. Mr Lee is a Fellow Member of the Association of Chartered Certified Accountants since 2014. Mr Lee has over 13 years of working experience in merger and acquisition, financial reporting, investment analysis and business development. Mr Lee has been taking up senior positions in the financial and business sectors for over 7 years and he also has extensive experience in terms of Hong Kong listed companies.

COMPANY SECRETARY

The company secretary of the Company is Mr Ting Kwok Kit, Johnny, an executive Director of the Company. Please refer to the biographical details of Mr Ting as disclosed above.

* For identification purpose only

陳善衡先生，現年33歲，於二零一二年十二月獲委任為本公司之獨立非執行董事。彼亦為董事會轄下審核委員會之成員。陳先生持有Australian Catholic University商業（會計）學士學位。陳先生為澳洲會計師公會之正式會員。彼自二零一三年三月起亦為香港會計師公會之會員。陳先生曾任香港多間執業會計師行之核數師及一間以香港及中國為基地之金融服務公司之財務總監兼公司秘書。陳先生於會計方面擁有逾5年經驗，現時為一間香港公司之首席會計師。彼現為一間中國顧問公司之董事。

李暢悅先生，現年36歲，於二零一七年九月獲委任為本公司之獨立非執行董事。彼亦為董事會轄下薪酬委員會之主席以及審核委員會及提名委員會之成員。彼為奧栢中國集團有限公司之執行董事及川控股有限公司之獨立非執行董事，兩間公司均於香港上市。李先生自二零零四年起持有澳洲昆士蘭大學(The University of Queensland, Australia)頒授之商學士(會計)學位(Bachelor's Degree of Commerce (Accounting))。李先生自二零一四年起為英國特許公認會計師公會之資深會員。李先生於併購、財務申報、投資分析及業務發展方面積逾13年工作經驗。李先生在金融界及商界擔任高級職位超過7年，並擁有豐富香港上市公司工作經驗。

公司秘書

本公司之公司秘書為本公司執行董事丁國傑先生。請參閱上文所披露丁先生之履歷詳情。



Directors' Report

董事會報告書

The directors of the Company (the “**Directors**” or the “**Board**”) are pleased to present to the shareholders their report together with the audited consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2017 (the “**Year**”).

MANAGEMENT DISCUSSION AND ANALYSIS AND OTHER INFORMATION

OVERVIEW

The Group principally engages in the development and sales of battery management systems and spare parts, high-tech electric motor vehicles, and advanced batteries materials. The Group is also engaged in the provision of finance leasing services.

During the Year, the principal businesses of the Group included the development and/or sales of:

- battery management systems and spare parts;
- high-tech electric motor vehicles; and
- advanced batteries materials, including key new energy automobile components and single and few-layer graphene.

The Group's revenue and gross profit for the Year amounted to approximately HK\$35.4 million (2016: HK\$15.5 million) and HK\$9.4 million (2016: HK\$3.8 million). The gross profit for the Year was primarily attributable to the sales of advanced battery management systems. The loss attributable to shareholders for the Year amounted to approximately HK\$322.3 million (2016: HK\$355.3 million). The loss for the Year was mainly attributable to administrative expenses.

The administrative expenses for the Year increased to approximately HK\$452.1 million (2016: HK\$393.3 million) which consisted of research and development expenses of approximately HK\$62.7 million (2016: HK\$34.9 million), operating lease charges in respect of land and buildings of approximately HK\$35.1 million (2016: HK\$35.4 million), employee benefit expense (including wages and salaries, pension costs and other benefits) of approximately HK\$150.5 million (2016: HK\$121.4 million) and depreciation expenses of approximately HK\$21.9 million (2016: HK\$18.8 million).

本公司各董事(「**董事**」或「**董事會**」)欣然向股東提呈其截至二零一七年十二月三十一日止年度(「**本年度**」)之報告連同本公司及其附屬公司(「**本集團**」)之經審核綜合財務報表。

管理層討論與分析及其他資料

概覽

本集團之主要業務為開發及銷售電池管理系統及備品備件、高科技電動車及先進電池材料。本集團亦提供融資租賃服務。

於本年度，本集團之主要業務包括開發及／或銷售：

- 電池管理系統及備品備件；
- 高科技電動車；及
- 先進電池材料（包括新能源車關鍵零部件及單層和多層石墨烯）。

於本年度，本集團之收入及毛利分別約為35,400,000港元（二零一六年：15,500,000港元）及9,400,000港元（二零一六年：3,800,000港元）。本年度之毛利主要源自銷售先進電池管理系統。本年度之股東應佔虧損約為322,300,000港元（二零一六年：355,300,000港元）。本年度虧損主要由於行政開支所致。

於本年度，行政開支增加至約452,100,000港元（二零一六年：393,300,000港元），包括研發開支約62,700,000港元（二零一六年：34,900,000港元）、有關土地及樓宇之經營租賃支出約35,100,000港元（二零一六年：35,400,000港元）、僱員福利開支（包括工資及薪金、退休金成本及其他福利）約150,500,000港元（二零一六年：121,400,000港元）及折舊開支約21,900,000港元（二零一六年：18,800,000港元）。



Directors' Report

董事會報告書

During the Year, the Group had remained keen to seek opportunities for investment, cooperation and/or collaboration with renowned organizations, institution, experts and/or other strategic alliances with a view to exploring ways to strengthen the Group's supply chains, enhance its production capacity and operational flexibility and widen its expertise in such areas which were considered to be beneficial to the sustainable development, expansion and diversification of the Group's businesses.

Battery management systems and spare parts

The Group has been engaging in the automotive batteries business since 2011.

The Group identifies, secures or sources from time to time quality manufacturers and/or suppliers worldwide with high-level engineering capabilities and/or manufacturing capacities for the Group's automotive innovations and products. During the Year, the lines of automotive-related batteries sold by the Group included but not limited to LiFeMnPO₄ lithium-ion batteries (磷酸亞鐵錳鋰電池) and Lithium Nickel Manganese Cobalt Oxide battery. These are high-power rapid-charging battery cells suitable for high-performance rapid charging new energy vehicles.

We consider the Group's environmental automobile and related businesses will be restrained unless there is innovative breakthrough in battery architecture and technology. In this respect, we have established a team of experts with extensive experience and expertise in a wide variety of applications in the automobile industry, which forms part of our core strength in the development of, among other things, advanced and high quality batteries, battery management systems and related technologies. For instance, the Lithium Titanate Oxide battery and battery systems which we have been developing have a relatively stable structure, a higher battery charge and discharge current (C-rate), a longer life cycle and more excellent environmental tolerance (function from -30 °C to 55 °C) to better alleviate safety concerns.

Currently, the Group has its own manufacturing facilities in Lianyungang, Jiangsu Province, the PRC for the processing of battery cells and assembling of batteries and spare parts into battery management systems. As part of the manufacturing process of the battery management systems, the Group sources battery cells from certain designated suppliers, and provide the necessary expertise, technical know-how and support to such suppliers so as to aid them in building production lines that are developed and tailored for the manufacture and supply of battery cells exclusively to the Group.

於本年度，本集團繼續積極尋找投資、合作及／或與知名機構、組織、專家及／或其他策略盟友協作之機會，冀能探索鞏固本集團供應鏈、提升產能和業務靈活性以及擴大於有關範疇之專長之途徑，藉此惠及本集團業務之可持續、廣泛及多元發展。

電池管理系統及備品備件

本集團自二零一一年起從事汽車電池業務。

本集團不時為其汽車創新及產品在全球範圍物色、尋求或尋找具備高級工程及／或生產能力之優質生產商及／或供應商。本集團於本年度銷售之汽車相關電池系列包括但不限於磷酸亞鐵錳鋰電池及鋰鎳錳鈷氧化物電池。此等電池能量高、充電快，適合要求快速充電之高性能新能源汽車使用。

我們認為，本集團之環保車及相關業務發展取決於電池結構及技術之創新突破。我們為此建立之專家團隊經驗豐富，坐擁各方面汽車應用之專門知識，構成本集團開發（其中包括）先進優質電池、電池管理系統及相關技術之核心基礎。舉例而言，我們所開發之鈦酸鋰電池及電池系統之結構相對穩定，電池充電及放電率高，壽命週期較長，且操作環境廣泛（可於攝氏負30度至攝氏55度之間運作），有效減低安全隱患。

本集團目前於中國江蘇省連雲港市自設生產設施，加工電池及將電池與備品備件組裝為電池管理系統。作為電池管理系統生產工序其中一環，本集團向若干指定供應商採購電池，並向有關供應商提供所需專門知識、技術知識及支援，以助彼等開發並建立專為本集團獨家生產並供應電池而設之生產線。



Directors' Report

董事會報告書

Further, to ensure a stable supply of battery cells and minimize any risk of reliance on any single supplier, the Group has formed an equity joint venture (namely 安徽天康正道新能源科技有限公司 (Anhui Tiankang HK New Energy Technology Co., Ltd. *)) (the "EJV") with 安徽天康(集團)股份有限公司 (Anhui Tiankang (Group) Co., Ltd. *) in Tianchang City, Anhui Province, the PRC to engage in the development, production and sales of batteries and related technologies so as to strengthen its production capacity in the manufacture of battery cells. In October 2017, the battery cells developed and produced by the EJV had passed the function inspection test performed by 國家轎車質量監督檢驗中心 (National Passenger Car Quality Supervision and Inspection Centre), a national inspection authority in the PRC, which has further expanded the sources of supply of battery cells to the Group for its production and sales of battery management systems in the PRC.

For the Year, the total revenue derived from the sales of battery management systems and spare parts amounted to approximately HK\$35.1 million (2016: HK\$5.3 million). The increase was mainly due to a rise in the volume of sales orders from the Group's customers.

High-tech electric motor vehicles

The Company has a long-term commitment to the global automobile industry. We believe that the demand for high-tech, clean and sustainable transportation will continue to grow under the global trend of urbanization and proactive imposition of environmental regulation.

- Development of new types of new energy vehicles

During the Year, due to the sluggish market in the PRC for electric buses caused by the reduction of fiscal incentives following the Chinese government's reforms (including the introduction of tightened technical requirements) for China's electric vehicles markets to curb subsidy fraud in 2016, the Group had shifted its focus to the development and promotion of micro-turbine range extender vehicles.

The micro-turbine range extender vehicle developed by the Group is equipped with a micro-turbine which can run on a variety of fuels, including gasoline, diesel, ethanol, natural gas or bio-fuels. Its co-generation units can generate electric power to the vehicle and charge the electric car batteries simultaneously. The vehicle therefore requires no external charging facilities to achieve optimum efficiency and energy economy.

再者，為確保電池供應穩定及減低依賴任何單一供應商之風險，本集團已與安徽天康(集團)股份有限公司於中國安徽省天長市成立一間名為安徽天康正道新能源科技有限公司之合資企業(「合資企業」)，以從事電池開發、生產及銷售以及相關技術開發，冀能增強其電池產能。於二零一七年十月，合資企業所開發及生產之電池成功通過中國國家檢測機構國家轎車質量監督檢驗中心進行之功能檢測，進一步擴闊本集團電池供應來源，用於在中國生產和銷售電池管理系統。

於本年度，來自銷售電池管理系統及備品備件之總收入約為35,100,000港元(二零一六年：5,300,000港元)，此增長主要源自本集團客戶銷售訂單數量增加。

高科技電動車

本公司長期致力於全球汽車行業。我們相信，基於全球城市化之趨勢和各國積極實施環境法規，對高科技、清潔及可持續運輸之需求將不斷增長。

- 開發新型號新能源車

於本年度，由於中國政府改革中國電動車市場(包括收緊技術要求)，削減財務優惠，以遏抑二零一六年的補助詐騙情況，導致中國電動車市況不景，故本集團將焦點轉投於開發及推廣微型渦輪增程器汽車。

本集團所開發的微型渦輪增程器汽車配備多燃料驅動微型渦輪，可使用電油、柴油、乙醇、天然氣或生物燃料發電。該混合單元同時向汽車供電及為電動車電池充電，毋須外部充電設施，能提升效率，達致能源效益。



Directors' Report

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Following its collaboration in 2016 with Pininfarina S.p.A. (“**Pininfarina**”) (a recognized world leading company in the field of design, engineering, prototyping and niche manufacturing of motor vehicles) in the design and development of new show cars based on the micro-turbine range extender developed by the Group for presentation in the car shows in Geneva and Shanghai in 2017, the Group entered into a contract with Pininfarina in February 2017 to cooperate further in the production of a new type of micro-turbine range extender electric sedan (H600). The Group has delivered the required technical specification of powertrain and other key components for the frame construction of the prototype H600. The work is currently in prototype development stage to fine-tune and complete the frame construction of the micro-turbine range extender electric vehicle by installing all the key components into the prototype vehicle.

After a complete prototype vehicle is built, the Group will conduct certain simulation work such as crash analysis and durability tests on the vehicle (which is expected to be completed in around mid-2018). The Group will then proceed to the series development stage for the pilot testing of the production and enter into the building phase of the vehicle afterwards (which is expected to be commenced at the end of 2018). Barring any unforeseen circumstances, the Group expects that the final product of its new micro-turbine range extender vehicle, with the support (stage of industrialization, engineering changes and launch support) of Pininfarina in the PRC, will be ready for mass production in mid-2020. Pursuant to the agreement with Pininfarina, the Group is entitled to hold the ownership of all designs, patterns, models, gauge, sample, specification and other technical data developed by Pininfarina and the Group in connection with the above work.

- Continuous brand building – debut of new concept car

Following the global debut of the luxury sedan H600 and with the continuous collaboration with Pininfarina, the Group has further refined the identity of the Hybrid Kinetic brand and proudly presented in the 2018 Geneva motor show its fourth new concept car (2018 HKGT) which exemplified sensuality, power and elegance. HKGT, with the Group’s advanced powertrain technology applied, is dubbed as a car with two souls as it offers two different modes of experience: “race”, for moments of solitary and hedonistic sports driving, and “cruise” for great routes to be shared with family.

繼二零一六年合作後，本公司與在汽車設計、工程、樣品及頂尖生產方面享負盛名之環球翹楚Pininfarina S.p.A. (「**Pininfarina**」)合作，設計與開發建基於本集團所開發微型渦輪增程器之新型展車以於二零一七年日內瓦及上海車展展示。本集團於二零一七年二月與Pininfarina訂立合約，進一步合作生產一款新型微型渦輪增程器電動轎車(H600)。本集團已提供製作H600原型框架所需動力總成及其他關鍵配件之技術規格，目前正開發原型，以於原型上安裝所有關鍵配件，微調並完成微型渦輪增程器電動車框架製作。

於完成製作完整之原型後，本集團將進行若干模擬測試，如汽車撞擊分析及持久力測試（預計將於二零一八年中前後完成）。本集團其後將進入試產測試之系列發展階段，然後預期於二零一八年底開始製作汽車。如無突發情況，在Pininfarina支援（即工業化、工程調整及推出支援階段）下，本集團預期新型微型渦輪增程器汽車之最終成品及大規模生產將於二零二零年中在中國實現。根據與Pininfarina間之協議，Pininfarina與本集團就上述工作開發之一切設計、式樣、型號、標準、樣品、規格及其他技術資料均屬本集團所有。

- 不斷塑造品牌 – 推出新概念車

繼於全球推出H600豪華轎車後，本集團繼續與Pininfarina合作，進一步塑造正道品牌，並於二零一八年日內瓦車展上隆重推出第四台新概念車(2018 HKGT)，強調感官享受、強勁力量和優雅品味。憑藉本集團之先進動力總成技術，HKGT被稱為具雙重性格，提供兩種截然不同的體驗，即孤高而痛快的「比賽」賽車駕駛模式及用於與家人同享旅途樂趣的「巡航」模式。



Directors' Report

董事會報告書

- Establishment of manufacturing base with strategic alliance

During the Year, the Group has gained the support of 寧波市奉化區人民政府 (Ningbo Fenghua District People's Government*) and 北京威卡威汽車零部件股份有限公司 (Beijing WKW Automotive Parts Co., Ltd.), an automaker whose shares are listed on the Shenzhen Stock Exchange, towards the proposed implementation of a business plan regarding the establishment of a manufacturing base in Ningbo Fenghua District, the PRC for the research and production of new energy automobiles and other key new energy vehicles components (including power batteries and range extender). The business plan, under the auspices of the PRC municipal government (through the creation of a favourable operating environment such as the offering of subsidies, investment or tax incentives and other assistance) is expected to expedite the implementation of the business plan. Please refer to the Company's announcement dated 29 September 2017 for details.

- Sales channel expansion

We consider the success of our business also hinges on an effective distribution channel strategy for the sales of the new energy vehicles and other automotive products of the Group. During the Year, the Group entered into an entrusted management agreement with 哈爾濱龍飛汽車銷售服務有限公司 (Harbin Longfei Automobile Sales & Service Co. Ltd.* ("**Harbin Longfei**")) and its shareholders pursuant to which the Group has been entrusted with the management of the business operation and administration of Harbin Longfei for a term of five years commencing from 1 October 2017. The scope of our work includes the daily management of Harbin Longfei and provision of guidance and recommendation in the formulation of its business strategies, annual business and investment plan, annual financial budget, and the deployment of human resources.

- 與策略盟友建立生產基地

於本年度，本集團喜獲寧波市奉化區人民政府及深圳證券交易所上市汽車生產商北京威卡威汽車零部件股份有限公司支持，向實行於中國寧波市奉化區建立生產基地，研究及生產新能源車及其他新能源車關鍵元件（包括動力電池及增程器）的業務計劃之建議邁進一步。中國有關市政府提供有利營商環境（包括提供補助、投資或稅務獎勵以及其他協助）支持，預計可有利於該業務計劃發展。詳情請參閱本公司日期為二零一七年九月二十九日之公佈。

- 拓展銷售渠道

我們認為，旗下業務成功與否亦取決於有效的分銷渠道策略，以銷售本集團之新能源車及其他汽車產品。於本年度，本集團與哈爾濱龍飛汽車銷售服務有限公司（「**哈爾濱龍飛**」）及其股東訂立委託管理協議，據此，哈爾濱龍飛將其業務營運及行政管理工作委託予本集團，自二零一七年十月一日起為期五年。我們的工作範圍涵蓋哈爾濱龍飛之日常管理，就其制訂業務策略提供指引及建議、年度業務投資計劃、年度財務預算及調配人力資源。



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Pursuant to the entrusted management agreement, the Group is entitled to receive from Harbin Longfei 70% of its profit after tax each year as management fee, which was determined after arm's length negotiation and with reference to the estimated costs of the Group to provide high-level guidance and supervision as well as the added-value that the Group has agreed to offer to Harbin Longfei by appointing it as the exclusive authorized dealer of new energy vehicles to be developed by the Group in the city of Harbin, the PRC.

The arrangements under the entrusted management agreement are expected to widen the income stream of the Group and, more importantly, allow the Group to leverage on Harbin Longfei's existing sales platform and network to expand our geographical reach for the promotion and sales of our new energy vehicles in the northeast region in the PRC according to our marketing strategy without incurring heavy market entry costs.

During the Year, there was no revenue generated from the segment of high-tech electric motor vehicles (2016: HK\$9.2 million).

- Finance leasing business

The Group has a valid business licence for the operation of finance leasing business in the PRC. To complement the development of its high-tech electric motor vehicles business, the Group will continue to provide finance leasing arrangement to potential customers, which is expected to help promote the sale and use of electric motor vehicles and bring steady interest income for the Group.

For the Year, the revenue recorded for the Group's finance leasing business was approximately HK\$0.3 million (2016: HK\$1.0 million).

根據委託管理協議，經參照本集團提供高水平指引監督，以及本集團委任其為本集團所開發新能源車在中國哈爾濱市之獨家授權經銷商而同意向哈爾濱龍飛提供之增值服務的估計成本公平磋商後，本集團有權每年向哈爾濱龍飛收取其除稅後溢利之70%作為管理費。

委託管理協議下之安排預計可擴大本集團之收入來源，更重要的是讓本集團利用哈爾濱龍飛之現有銷售平台和網絡，拓展本集團地理版圖，根據本集團之營銷策略在中國東北地區推廣銷售旗下新能源車，而不會招致龐大市場開拓成本。

於本年度，來自高科技電動車分部之收入為零（二零一六年：9,200,000港元）。

- 融資租賃業務

本集團擁有在中國經營融資租賃業務之有效營業執照。為配合開發高科技電動車業務，本集團將繼續為潛在顧客提供融資租賃安排，預計有助促進電動車銷售及使用，為本集團賺取穩定利息收入。

於本年度，本集團來自融資租賃業務之收入約為300,000港元（二零一六年：1,000,000港元）。



Directors' Report

董事會報告書

Advanced batteries materials

The Group is dedicated to the research and development of advanced batteries materials and has an experienced team of experts with diverse expertise in energy management, system controls, power conversion and energy storage technologies for automobiles. During the Year, leveraging their combined expertise, the Group has continued its efforts in the research and development of single and few-layer graphene, which is an ideal material for super batteries, electronic traction motor and power electronic system for use in electric vehicles. The battery material is still under its research and development stage and did not generate any revenue for the Year.

- Other research project with academic and research institution

One of the Group's ongoing research projects is a 7-year project with the University of California focusing on graphene materials for automobile applications, which is expected to be completed in 2020.

- Protection of intellectual property rights

To protect its intellectual property rights, the Group is in the course of applying for patent registration in respect of its proprietary interest in an invention (namely, "Nanoporous Graphene Naowires and Producing Methods and Application of the Same").

For the Year, there was no revenue recorded from this segment of business (2016: Nil).

RISK MANAGEMENT

The businesses of the Group may be affected from time to time by changes in local, national or international laws and regulations (such as fuel consumption laws and regulations and other energy saving and emission reduction measures), as well as new government policies and other political, social, legal, regulatory and environmental requirements. These could result in an additional or unforeseen increase in operating expenses or other expenditure, create financial or operational risks to the Company, impede its business operations and negatively affect the Group's performance.

先進電池材料

本集團致力研發先進電池材料，其專家團隊經驗豐富，在汽車能源管理、系統控制、能量轉換及能源儲存技術等方面具備廣泛專門知識。於本年度，憑藉其綜合才能，本集團繼續努力研發單層和多層石墨烯。單層石墨烯為用於生產電動車之超級電池、電機及電控系統之理想材料。該電池材料仍處於研發階段，於本年度尚未產生任何收入。

- 與學術及研究機構進行之其他研究項目

本集團之持續研究項目包括與加州大學之間為期七年之項目，聚焦於車用石墨烯，預計於二零二零年完成。

- 保護知識產權

為保護其知識產權，本集團正在申請登記一項發明之專利權（即「一種納米多孔石墨烯納米纖維及其製備方法及應用(Nanoporous Graphene Naowires and Producing Methods and Application of the Same)」）。

於本年度，此業務分部並無錄得收入（二零一六年：無）。

風險管理

本集團之業務或會不時受地方、國家或國際法律及法規變動（如能耗法律法規以及其他節能減排措施）以及新的政府政策及其他政治、社會、法律、監管及環境規定影響，此等因素或會導致營運或其他開支上升或者突然增加，為本公司帶來財務或營運風險，妨礙本集團之業務運作以及其打擊表現。



Directors' Report

董事會報告書

In furtherance of its businesses in the promotion of clean energy and the use of new energy vehicles and to alleviate potential risks and uncertainties that the Group may face, the Group will strengthen its competitiveness by, among other things, teaming up with strategic or business alliances and other stakeholders with shared value and goals in the automobile and new energy industries to complement each other in the respective resource advantages and network, making concerted efforts in the research and development of advanced and/or transformative technologies for the design, development and/or sales of energy efficient and new energy vehicles (including but not limited to extended-range electric vehicles), new batteries and other auto-related components with a view to providing a more visionary solutions in energy saving, emission reduction and transportation, establishing production capabilities by constructing its own plants and facilities and capturing supply chain opportunities through its own facilities and identifying reliable and quality suppliers at the same time to ensure stable supply, seizing suitable investment and other opportunities as and when they arise to enhance the Group's financial capability and flexibility so as to achieve long-term sustainable business growth.

The Group has risk management and internal control systems and procedures in place, which are regularly reviewed and updated, to manage, mitigate or control the Group's exposure to risks and timely respond to changes in market conditions.

PROSPECTS

The PRC government is keen to combat air pollution and narrow the competitive gap between the global rivals and its domestic automakers. To this end, the PRC government has postponed implementing tough new sales quotas for new energy vehicles (NEVs), which cover all electric battery vehicles (including electric plug-in hybrids), and set goals for NEVs to make up at least one-fifth of PRC auto sales by the end of the next two decades. Besides, the Chinese government will extend tax debate on purchases of NEVs until the end of 2020, and The Ministry of Finance of the PRC has announced that tax exemption for NEVs will be extended to run until the end of 2020. These are welcoming policies and incentives for the PRC automobile industry, as they are expected to spark a flurry of electric car deals and new launches of new models of NEVs, and prompt automakers to look for concrete and solid technology for the manufacturing of NEVs. We are fully confident about the market potentials for the development of NEVs in the foreseeable future.

於進行推廣清潔能源及使用新能源車之業務時，為減輕本集團可能面對之潛在風險及不確定性，本集團將提高競爭力，當中包括與戰略或業務盟友或者汽車及新能源行業中價值觀及目標一致的其他持份者合作，以各自的資源優勢及網絡互補，攜手研發先進及／或突破性技術，設計、開發及／或出售具能源效益之新能源車（包括但不限於增程器電動車）、新電池及其他汽車零件，以期提供更具前瞻性的節能、減排及運輸方案，自建工廠設施建立產能，透過旗下設施把握供應鏈商機，並物色可靠及有質素的供應商，同時確保穩定供應，抓緊日後出現的適當投資及其他機會，提升本集團之財政實力及靈活性，從而達到長遠及可持續的業務發展。

本集團設有並定期檢討及更新風險管理及內部監控系統程序，以管理、減輕或控制本集團之風險，及時回應市況變化。

前景

中國政府積極對抗空氣污染，同時拉近國內汽車生產商與環球競爭對手之差距。為此，中國政府延遲實行嚴格之新能源車（涵蓋所有電池車（包括插電式混能車））銷售配額，並定下於未來二十年內將中國新能源車佔汽車銷售比例提升至至少五分之一之目標。此外，中國政府將新能源車購置稅退稅延續至二零二零年底，加上中國財政部亦宣布新能源車稅務寬免將延續至二零二零年底。中國汽車業歡迎此等政策及獎勵，預計可激發一系列電動車交易，以及新款新能源車應市，同時促使汽車生產商尋找生產新能源車之具體可靠技術。我們深信可見未來開發新能源車之市場潛力無窮。



Directors' Report

董事會報告書

We believe that we have prepared the Group for the golden opportunities as the Group has been developing, among other things, technologies of powertrain, series of batteries and micro-turbine range extender and equipped itself with the capability of manufacturing the whole NEV on its own and formulated business strategies to cater for the need of, and the anticipated demand from, the vast of the market. Having said that, we will not be complacent with our present ability and capability and will continue to strive for further technological advancement in the development of NEVs (through, among others, entering into series of development stage for NEVs through co-operation and other forms of strategic alliance, and setting up of production lines at strategic locations for the manufacture of NEVs, which may or may not require additional funding requirement), build up and maintain good relations and business connections with governmental authorities, existing business partners as well as potential strategic alliances (including other automakers). We believe our business plans, our persistence in following our business philosophy to bring ideas, innovations and changes to the automobile industry and our unwavering efforts will allow us to better pursue and diversify our businesses, widen our income streams and ultimately create long-term values for all our stakeholders.

OTHER INFORMATION – UPDATE ON THE LEGAL PROCEEDINGS IN THE US AGAINST MEMBERS OF THE GROUP

Reference is made to the Company's announcements dated 26 March 2017 and 14 November 2017 (collectively, the "Announcements") regarding, among other things, the Lawsuit referred to in the Announcements and commenced by Townsend Ventures LLC, XALT Energy LLC and XALT Energy MI, LLC (collectively, "XALT") against the Company and one of its wholly-owned subsidiaries, Billion Energy Holdings Limited ("Billion Energy").

我們相信，本集團一直開發（其中包括）動力總成、電池系列及微型渦輪增壓器技術，擁有足夠能力自行生產整輛新能源車，所制定之業務策略符合廣大市場需要並能應付預期需求，故已準備就緒迎接黃金機遇。然而，我們不會為現時技術及能力自滿，並將繼續致力於開發新能源車之技術發展，方法為（其中包括）透過合作及其他策略結盟方式達到新能源車系列發展階段，並於戰略位置建立新能源車生產線（此舉或會產生額外資金需要），與政府機構、現有業務夥伴及潛在策略盟友（包括其他汽車生產商）展開及維持良好關係及業務往來。我們相信我們的業務計劃、對自身業務哲學及思想之堅持、汽車業之創新及改變以及我們不屈不撓之努力將讓我們充份發展業務並使之多元化，擴闊收入來源，最終為全體持份者締造長遠價值。

其他資料—有關本集團成員公司在美國所面對法律程序之最新資料

茲提述本公司日期為二零一七年三月二十六日及二零一七年十一月十四日之公佈（統稱「該等公佈」），內容有關（其中包括）該等公佈所述由Townsend Ventures LLC、XALT Energy LLC及XALT Energy MI, LLC（統稱「XALT」）針對本公司及本公司其中一間附屬公司兆能集團有限公司（「兆能」）展開之訴訟。



Directors' Report

董事會報告書

As disclosed in the Announcements, the supply agreement dated 20 March 2015 entered into between Billion Energy and XALT Energy MI, LLC for the supply of battery cells was at the core of a civil lawsuit (the “**Lawsuit**”) commenced by XALT in the United States District Court for the Northern District of Maryland (the “**US District Court**”), located in Baltimore Maryland. In August 2017, the US District Court granted the Company’s motion to compel that the claims in the Lawsuit be subject to binding arbitration in Hong Kong, before the Hong Kong International Arbitration Centre. The US District Court ordered the Lawsuit stayed, and administratively closed, unless and until there is a conclusion to such an arbitration. The US District Court therefore will not preside over the Lawsuit, although it may consider an application to enter a judgment if and when there is an order after trial from the Hong Kong Arbitration Centre. The parties to the Lawsuit are ordered to report back to the US District Court after conclusion of any arbitration proceeding in Hong Kong.

Since the US District Court’s order was issued, XALT has not, to the Company’s knowledge, taken any steps to initiate such an arbitration. Currently, the Company is not aware of any active, open litigation between the Company and XALT relating to the claims stated in the Lawsuit, and there is no assurance that any such proceeding will or will not be commenced.

Although litigation is unpredictable, and no discovery has been exchanged between the parties, the Company, in consultation with its legal counsel and based on its current understanding of the facts, believes it has meritorious defenses to all claims (even if such a litigation is initiated before the Hong Kong International Arbitration Centre), and the Company intends to vigorously defend the claims, and it reserves the right to state cross-claims, including a claim to recoup the entire amount of the prepayment made to XALT.

The Company has engaged in discussions with XALT with the aim of resolving all parties’ legal claims amicably (if possible), there is however no resolution to these discussions, or to the parties’ dispute yet.

誠如該等公佈所披露，XALT於馬里蘭州巴爾的摩向美國北馬里蘭區地方法院(United States District Court for the Northern District of Maryland) (「**美國地方法院**」)入稟開展民事訴訟 (「**訴訟**」)，而兆能與XALT Energy MI, LLC就供應電池所訂立日期為二零一五年三月二十日之供應協議為訴訟核心。於二零一七年八月，美國地方法院頒佈法令，裁定本公司得直，強制於香港就訴訟中之申索在香港國際仲裁中心進行具約束力之仲裁。美國地方法院已頒令擱置訴訟，於行政上結案，直至有關仲裁結案。因此，美國地方法院不再裁決訴訟，惟或會在香港仲裁中心審訊後頒令之情況下及於其時考慮登錄判決之申請。訴訟各方獲頒令於香港之任何仲裁程序結案時匯報美國地方法院。

自美國地方法院頒令以來，據本公司所知，XALT從未採取任何行動提出有關仲裁。本公司並不知悉本公司與XALT之間就訴訟所列申索存在任何有效及進行中之訴訟，概不保證會或不會展開任何有關程序。

儘管訴訟不可預知，且各方尚未進入任何文件互交披露程序，惟於諮詢其法律顧問後，本公司基於目前對事實之理解相信其對所有申索之抗辯均具有理據 (即使有關訴訟乃於香港國際仲裁中心提出)，而本公司擬對申索積極抗辯，並保留權利提出反申索，包括就收回所有已付XALT的預付款項提出申索。

本公司已經與XALT展開磋商，冀能友好解決各方法律申索 (如可)，惟有關磋商或各方之爭議均未有決定。



Directors' Report

董事會報告書

Audit Committee's and the Board's views on the audit qualification of the Auditor

The full version of the audit qualification of the Company's external auditor, ZHONGHUI ANDA CPA LIMITED (the "Auditor") and its basis is set out in the "Independent Auditor's Report" on pages 67 to 72 of the annual report.

During the years ended 31 December 2016 and 2017 and as at the date of this report, the Group was yet to recoup from XALT any amount of the prepayment made to XALT and XALT failed or refused to respond to the Auditor's request for confirmation of the existence and the amount of such prepayment.

The Audit Committee and the Board had each discussed with the Auditor its qualification to the Auditor's report. The Audit Committee and the Board shared the same views that the Company had provided all available evidence to the Auditor of the Group's making of the prepayment to, and its receipt by, the recipient supplier (whom and whose related parties are involved in the Lawsuit) and, except for the uncertainty or possible effect of the matters leading to the Auditor's qualified opinion disclosed in the Independent Auditor's Report contained in this annual report, the consolidated financial statements of the Group for the financial year ended 31 December 2017 give a true and fair view of the performance and financial position of the Group as at 31 December 2017.

Given that no discovery has yet taken place, and there is no active, open litigation with XALT presently, the Audit Committee and the Board consider it is understandable, from the Auditor's audit perspective, that it is premature to evaluate whether (i) any portion of the prepayment to XALT is unrecoverable; (ii) the recordation of the prepayment to suppliers in the audited financial statements of the Group for the year ended 31 December 2016 and 2017 was fairly stated; and (iii) there are no present contingent liabilities to be recognised for the Lawsuit. The Auditor has advised that whether or not its audit qualification may be resolved will depend on, among other things, (i) whether the progress of the Lawsuit is favourable or whether the outcome of the discussions with XALT will be able to resolve all parties' legal claims and (ii) the receipt of direct audit confirmation by the Auditor in relation to the prepayment made to XALT. The Company will continue to engage in discussion with XALT and seek legal advice for appropriate legal actions on the Lawsuit from time to time in the hope of resolving the parties' dispute or settling the Lawsuit expeditiously so that the audit qualification will not be carried forward to the Group's financial statements for the financial year ending 31 December 2018.

董事會對核數師的審計保留意見之見解

本公司外聘核數師中匯安達會計師事務所有限公司(「核數師」)之保留審計意見及其基礎全文載於年報第67至72頁之「獨立核數師報告」內。

於截至二零一六年及二零一七年十二月三十一日止年度以及於本報告日期，本集團仍未能向XALT收回預付XALT款項，而XALT亦未有或拒絕回應核數師確認預付款項金額是否存在之要求。

審核委員會及董事會已經與核數師討論其核數師報告中之保留意見。審核委員會及董事會一致認為本公司已向核數師提供所有有關本集團向收款供應商(彼及彼之關連方參與訴訟)預付款項以及對方收款之可得證據，且除載於本年報內的獨立核數師報告中所披露促使核數師發出保留意見的事項之不確定因素或可能影響外，本集團截至二零一七年十二月三十一日止財政年度之綜合財務報表已真實而中肯地反映本集團於二零一七年十二月三十一日之表現及財務狀況。

鑑於目前與XALT尚未進入任何文件互交披露程序，亦無任何有效及進行之訴訟，審核委員會及董事會認為可以理解核數師未能在審計角度評估(i)預付XALT款項任何部分是否不可收回；(ii)本集團截至二零一六年及二零一七年十二月三十一日止年度經審核財務報表中之預付供應商款項是否中肯地列報；及(iii)目前是否毋須就訴訟確認或然負債。核數師已表示，其保留審計意見能否解決將取決於(其中包括)(i)訴訟是否出現有利發展或與XALT之討論結果能否令各方解決法律申索及(ii)核數師就預付XALT款項取得直接審計確認。本公司將繼續與XALT磋商，並不時就訴訟之適當法律行動尋求法律意見，冀能權宜地解決各方爭議或就訴訟達成和解，使本集團截至二零一八年十二月三十一日止財政年度之財務報表不再存在審計保留意見。



Directors' Report

董事會報告書

Actual or potential impact on the Company's financial statements

The Audit Committee and the Board will defer to the professional views of the Auditor on the audit qualification from the audit perspective as disclosed above.

Given that the recoverability of the prepayment to supplier was yet to be ascertained, the Directors did not have sufficient information to reasonably estimate the extent of impairment (if required) relating to the prepayment. Such prepayment was therefore recorded at its carrying amount of approximately HK\$333,814,000 and HK\$333,918,000 in the Group's financial statements as at 31 December 2016 and 2017 respectively.

As the Lawsuit was not in any substantive stage, the Audit Committee and the Board were of the considered views that the Company did not have sufficient information or would not be reasonably practicable to foresee whether or not contingent liabilities (if any) had arisen or will arise (or estimate accurately the possible extent, if any) or what the eventual outcome of the Lawsuit may be. Accordingly, the completeness of contingent liabilities in the Group's financial statements for the year ended 31 December 2016 and 2017 cannot be ascertained.

Nonetheless, the Directors are not aware of any matters arising from the dispute or the Lawsuit with XALT that might have a material adverse impact on the ordinary operations or financial position of the Group.

The Company will keep its shareholders and potential investors informed of any material development in relation to the Lawsuit.

Contingent liabilities

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

MATERIAL ACQUISITION OR DISPOSAL AND SIGNIFICANT INVESTMENT

The Group did not have material acquisition or disposal of assets and significant investment during the Year or any future plans for material investment or capital assets (other than the existing projects and those disclosed in this annual report).

對本公司財務報表之實際或潛在影響

審核委員會及董事會將在審計角度接納上文所披露核數師對於審計保留意見之專業見解。

鑑於預付供應商款項之可收回性尚未能確定，董事無足夠資料合理地估計該預付款項減值（如需要）之程度。因此，於二零一六年及二零一七年十二月三十一日，有關預付款項於本集團之財務報表內分別按賬面金額約333,814,000港元及333,918,000港元列賬。

鑑於訴訟並無任何實質進展，審核委員會及董事會審慎地認為本公司並無足夠資料或者無法合理地預測是否已經或將會產生任何或然負債（如有），或者準確估計其程度（如有）或訴訟最終結果。因此，無法確定本集團截至二零一六年及二零一七年十二月三十一日止年度財務報表內之或然負債是否全面。

然而，董事並不知悉與XALT之爭議或訴訟產生任何事宜，或會對本集團之日常業務或財務狀況造成重大不利影響。

本公司將於適當時間向其股東及潛在投資者提供有關訴訟之重大發展資料。

或然負債

於二零一七年十二月三十一日，本集團並無任何或然負債（二零一六年：無）。

重大收購或出售及重大投資

除現有項目及於本年報內所披露者外，本集團於本年度並無重大資產收購或出售或重大投資，亦無任何未來重大投資或資本資產計劃。



Directors' Report

董事會報告書

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

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2017, the total equity of the Group amounted to approximately HK\$1,598.8 million (31 December 2016: HK\$1,861.4 million).

The gearing ratio of the Group as at 31 December 2017 measured in terms of total liabilities divided by shareholders' equity was approximately 3.87% (31 December 2016: 2.61%).

As at 31 December 2017, net current assets of the Group were approximately HK\$857.0 million (31 December 2016: HK\$1,635.1 million). The cash and cash equivalents amounted to HK\$311.8 million (31 December 2016: HK\$695.3 million). The Group did not have outstanding borrowings (31 December 2016: Nil).

PLEDGE OF THE GROUP'S ASSETS

As at 31 December 2017, the Group had pledged its bank deposits of HK\$2.0 million (31 December 2016: HK\$2.0 million) to the Group's bankers to secure general banking facilities granted to the Group.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

During the Year, almost all of the income and expenditure of the Group were denominated in Renminbi, Hong Kong dollar and/or United States dollars. The Group had no significant exposure to foreign exchange fluctuations and, therefore, had not taken any financial instruments for hedging purpose.

購買、出售或贖回本公司上市證券

於本年度，本公司及其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

流動資金及財務資源

於二零一七年十二月三十一日，本集團之權益總額約為1,598,800,000港元（二零一六年十二月三十一日：1,861,400,000港元）。

本集團於二零一七年十二月三十一日之資本負債比率（以總負債除以股東權益計量）約為3.87%（二零一六年十二月三十一日：2.61%）。

於二零一七年十二月三十一日，本集團之流動資產淨值約為857,000,000港元（二零一六年十二月三十一日：1,635,100,000港元）。現金及現金等價物為311,800,000港元（二零一六年十二月三十一日：695,300,000港元）。本集團並無尚未償還借貸（二零一六年十二月三十一日：無）。

本集團資產質押

於二零一七年十二月三十一日，本集團已質押其2,000,000港元（二零一六年十二月三十一日：2,000,000港元）之銀行存款予本集團之往來銀行，以為本集團獲授之一般銀行融資作抵押。

匯率波動風險及任何相關對沖

於本年度，本集團絕大部份收入及支出以人民幣、港元及／或美元計值。本集團並無面對重大外匯波動風險，因此並無採用任何金融工具作對沖目的。



Directors' Report

董事會報告書

HUMAN RESOURCES AND REMUNERATION POLICIES

The Group had a total of approximately 294 employees as at 31 December 2017 (2016: 229 employees). Total staff costs, including directors' emoluments, of the Group were approximately HK\$150,456,000 (2016: HK\$121,374,000). It has been the Group's policy to ensure that the remuneration levels of the Directors and its employees are reviewed and rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. We also offer other benefits, including insurance coverage as well as retirement benefits to the employees of the Group. Share options may also be granted to the Directors and employees of the Group to attract, retain and incentivize them to work and make contribution towards the long term growth and development of the Group.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company had reviewed and discussed with the management of the Company regarding the consolidated financial statements of the Group for the Year.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out in the annual report on page 144. The summary does not form part of the audited financial statements.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

人力資源及薪酬政策

於二零一七年十二月三十一日，本集團合共有約294名僱員（二零一六年：229名僱員）。本集團之員工成本總額（包括董事酬金）約為150,456,000港元（二零一六年：121,374,000港元）。本集團奉行之政策為在本集團薪金及花紅制度之總體架構內，確保董事及本集團僱員之薪酬水平按工作表現檢討並與工作表現掛鈎。我們亦向本集團僱員提供其他福利，包括保險以及退休福利。董事及本集團之僱員或會獲授購股權，以吸引、挽留及激勵彼等努力為本集團之長遠增長及發展作出貢獻。

審閱財務報表

本公司審核委員會已審閱並與本公司管理層討論本集團本年度之綜合財務報表。

五年財務概要

本集團過往五個財政年度之業績、資產與負債概要列於年報第144頁。該概要並不構成經審核財務報表之一部份。

稅務寬免及豁免

董事並不知悉本公司股東因持有本公司之證券而享有任何稅務寬免及豁免。



Directors' Report 董事會報告書

COMPOSITION OF THE BOARD

The Directors during the Year and up to the date of this Directors' report are:

Executive Directors:

Dr Yeung Yung (*Chairman*)
Mr Xu Jianguo (*Chief Executive Officer*)
Mr Hui Wing Sang, Wilson (*Deputy Chairman*)
Dr Huang Chunhua (*Deputy Chairman*)
Dr Wang Chuantao (*Deputy Chairman*)
Mr Liu Stephen Quan
Dr Zhu Shengliang
Mr Li Zhengshan
Mr Ting Kwok Kit, Johnny
Mr Chen Xiao

Non-executive Director:

Dr Xia Tingkang, Tim

Independent Non-Executive Directors:

Dr Song Jian
Dr Zhu Guobin
Mr Cheng Tat Wa
Dr Li Jianyong
Mr Chan Sin Hang
Mr. Lee Cheung Yuet, Horace
(*appointed on 13 September 2017*)
Mr Wong Lee Hing (*retired with effect from 31 October 2017*)

董事會成員組合

於本年度內及截至本董事會報告書日期之董事如下：

執行董事：

仰融博士 (*主席*)
徐建國先生 (*行政總裁*)
許永生先生 (*副主席*)
黃春華博士 (*副主席*)
王川濤博士 (*副主席*)
劉泉先生
朱勝良博士
李正山先生
丁國傑先生
陳曉先生

非執行董事：

夏廷康博士

獨立非執行董事：

宋健博士
朱國斌博士
鄭達華先生
李建勇博士
陳善衡先生
李暢悅先生
(*於二零一七年九月十三日獲委任*)
王利興先生
(*於二零一七年十月三十一日退任*)



Directors' Report

董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31 December 2017, so far as is known to any director(s) or chief executive of the Company, the following parties (other than the directors or chief executive of the Company) were recorded in the register kept by the Company under section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

Name 名稱／姓名	Capacity/Nature of interest 身份／權益性質	Number of Shares 股份數目	Percentage 百分比 (Note 4) (附註4)
Sun East LLC	Beneficial owner (Note 1) 實益擁有人(附註1)	2,673,071,189	13.14%
Yeung Yung 仰融	Interest of controlled corporation (Note 2) 受控法團權益(附註2)	2,673,071,189	13.14%
	Beneficial owner (Note 3) 實益擁有人(附註3)	68,140,000	0.34%
		2,741,211,189	13.48%

Notes:

- Sun East LLC is owned as to 35% by Dr Yeung Yung (shared commonly with his spouse under the laws of California, the US) and 65% by Mr Ma Manwai (alias Ma Manwai, Philip) and Mr Jimmy Wang (alias Wang Jian) as co-trustees for certain trusts established for the benefit of the children of Dr Yeung Yung on 30 December 2002. Dr Yeung Yung (as well as his spouse) was deemed to be interested in these 2,673,071,189 Shares held by Sun East LLC under Part XV of the SFO.
- These 2,673,071,189 Shares are the same parcel of Shares held by Sun East LLC in which Dr Yeung Yung (as well as his spouse) is deemed interested under Part XV of the SFO.
- These 68,140,000 Shares are directly held by Dr Yeung Yung, in which his spouse is deemed interested under Part XV of the SFO.
- The percentage of shareholding is calculated on the basis of 20,337,872,747 Shares in issue as at 31 December 2017 and does not take into account any Shares which may fall to be allotted and issued upon exercise of any subscription rights attaching to any share options granted by the Company.

Save as disclosed above, no person, other than those Directors whose interests are set out in the section "Directors' and chief executive's interests and short positions" below, had registered an interest or short positions in the share capital or underlying shares of the Company that was required to be recorded under Section 336 of SFO.

主要股東於本公司股本中之權益

於二零一七年十二月三十一日，就本公司任何董事或最高行政人員所知，下列人士（不包括本公司董事或最高行政人員）於本公司5%或以上之已發行股本中擁有或被視為擁有本公司根據證券及期貨條例（香港法例第571章）第336條備存之登記冊所記錄，或已另行知會本公司之直接或間接權益：

附註：

- Sun East LLC由仰融博士擁有35%權益（根據美國加州法例與其配偶共同持有）以及馬文偉先生及王健先生作為若干信託之共同信託人擁有65%權益，而該等信託於二零零二年十二月三十日設立，以仰融博士之子女為受益人。根據證券及期貨條例第XV部，仰融博士（及其配偶）被視為於Sun East LLC所持2,673,071,189股股份中擁有權益。
- 該2,673,071,189股股份屬Sun East LLC持有之同一批股份，根據證券及期貨條例第XV部，仰融博士（及其配偶）被視為於其中擁有權益。
- 該68,140,000股股份由仰融博士直接持有，根據證券及期貨條例第XV部，其配偶被視為於其中擁有權益。
- 持股百分比按於二零一七年十二月三十一日已發行20,337,872,747股股份計算，並無計及可能因本公司已授出之任何購股權所附任何認購權獲行使而須配發及發行之任何股份。

除上文所披露者外，概無任何人士（董事除外，彼等之權益載於下文「董事及最高行政人員之權益及淡倉」一節）於本公司股本或相關股份中擁有根據證券及期貨條例第336條須記錄之登記權益或淡倉。



Directors' Report

董事會報告書

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 31 December 2017, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follow:

董事及最高行政人員之權益及淡倉

於二零一七年十二月三十一日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有根據證券及期貨條例第352條本公司存置之登記冊所記錄，或已根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十所載上市發行人董事進行證券交易的標準守則另行知會本公司及聯交所之權益及淡倉如下：

- (1) Long positions in the ordinary share (each a "Share") of HK\$0.10 each in the Company (1) 於本公司每股面值0.10港元普通股（各為一股「股份」）之好倉

Name of Director 董事姓名	Number of Shares 股份數目	Capacity/Nature of interest 身份／權益性質	Approximate percentage of shareholding 股權概約百分比 (Note 1) (附註1)
Yeung Yung 仰融	2,673,071,189 (Note 2) (附註2)	Interest of Controlled corporation 受控法團權益	
	68,140,000	Beneficial owner 實益擁有人	
	2,741,211,189 (Note 3) (附註3)		13.48%
Xu Jianguo 徐建國	30,000,000	Beneficial owner 實益擁有人	0.15%
Hui Wing Sang, Wilson 許永生	2,904,000	Beneficial owner 實益擁有人	0.01%
Huang Chunhua 黃春華	65,000,000	Beneficial owner 實益擁有人	0.32%
Wang Chuantao 王川濤	30,000,000	Beneficial owner 實益擁有人	0.15%
Liu Stephen Quan 劉泉	281,760,000 (Note 4) (附註4)	Founder of trust Interest of children under 18 信託創始人 未滿18歲子女之權益	
	10,000,000	Beneficial owner 實益擁有人	
	291,760,000		1.435%



Directors' Report

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Name of Director 董事姓名	Number of Shares 股份數目	Capacity/Nature of interest 身份／權益性質	Approximate percentage of shareholding 股權概約百分比 (Note 1) (附註1)
Zhu Shengliang 朱勝良	22,043,883	Beneficial owner 實益擁有人	0.11%
Li Zhengshan 李正山	26,270,000	Beneficial owner 實益擁有人	0.13%
Ting Kwok Kit, Johnny 丁國傑	3,000,000	Beneficial owner 實益擁有人	0.015%
Chen Xiao 陳曉	25,000,000	Beneficial owner 實益擁有人	0.12%
Cheng Tat Wa 鄭達華	1,300,000	Beneficial owner 實益擁有人	0.006%
Chan Sin Hang 陳善衡	500,000	Beneficial owner 實益擁有人	0.002%

Notes:

- (1) The percentage of shareholding is calculated on the basis of 20,337,872,747 Shares in issue as at 31 December 2017 and did not take into account any Shares which may fall to be allotted and issued upon exercise of any subscription rights attaching to any share options granted by the Company.
- (2) These Shares are held by Sun East LLC. Sun East LLC is a limited liability company incorporated in California, the US, which is owned as to (i) 35% by Dr Yeung Yung (shared commonly with his spouse under the laws of California, the US) and (ii) 65% by Mr Ma Manwai (alias Ma Manwai, Philip) and Mr Jimmy Wang (alias Wang Jian) as co-trustees for certain trusts established for the benefit of the children of Dr Yeung Yung on 30 December 2002. Dr Yeung Yung (as well as his spouse) was deemed to be interested in the Shares held by Sun East LLC by virtue of Part XV of the SFO.
- (3) The spouse of Dr Yeung Yung is deemed to be interested in the Shares beneficially held by Dr Yeung Yung by virtue of Part XV of the SFO.
- (4) These Shares were indirectly owned by certain trusts of which Mr Liu Stephen Quan were the founder. The children of Mr Liu were eligible beneficiaries of the trusts. Mr Liu was deemed to be interested in these Shares by virtue of Part XV of the SFO.

附註：

- (1) 持股百分比按於二零一七年十二月三十一日已發行20,337,872,747股股份計算，並無計及可能因本公司已授出之任何購股權所附任何認購權行使而須配發及發行之任何股份。
- (2) 該等股份由Sun East LLC持有。Sun East LLC乃於美國加州註冊成立之有限公司，由(i)仰融博士擁有35%權益（根據美國加州法例與其配偶共同持有）及(ii)馬文偉先生及王健先生作為若干信託之共同信託人擁有65%權益，而該等信託於二零零二年十二月三十日設立，以仰融博士之子女為受益人。根據證券及期貨條例第XV部，仰融博士（及其配偶）被視為於Sun East LLC所持股份中擁有權益。
- (3) 根據證券及期貨條例第XV部，仰融博士之配偶被視為於仰融博士實益持有之股份中擁有權益。
- (4) 該等股份由劉泉先生為創始人之若干信託間接擁有。劉先生之子女為有關信託之合資格受益人。根據證券及期貨條例第XV部，劉先生被視為於該等股份中擁有權益。



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董事會報告書

(2) Interests in share options of the Company

(2) 於本公司購股權之權益

Name of Director	Date of grant	Exercisable period	Exercise price	Number of underlying Shares subject to outstanding Options 尚未行使購股權所涉及之相關股份數目	Approximate percentage of shareholding 股權概約百分比 (Note) (附註)
董事姓名	授出日期	可行使期間	行使價 (HK\$) (港元)		
Xu Jianguo 徐建國	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	50,000,000	0.25%
Hui Wing Sang, Wilson 許永生	6 February 2008 二零零八年二月六日	6 February 2008 to 5 February 2018 二零零八年二月六日至 二零一八年二月五日	0.114	27,000,000	
	6 September 2013 二零一三年九月六日	6 September 2013 to 5 September 2023 二零一三年九月六日至 二零二三年九月五日	0.108	60,000,000	
	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	50,000,000	
				137,000,000	0.67%



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Name of Director	Date of grant	Exercisable period	Exercise price	Number of underlying Shares subject to outstanding Options 尚未行使購股權所涉及之相關股份數目	Approximate percentage of shareholding 股權概約百分比 (Note) (附註)
董事姓名	授出日期	可行使期間	行使價 (HK\$) (港元)	相關股份數目	股權概約百分比 (Note) (附註)
Huang Chunhua 黃春華	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	50,000,000	0.25%
Wang Chuantao 王川濤	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	30,000,000	0.15%
Liu Stephen Quan 劉泉	6 September 2013 二零一三年九月六日	6 September 2013 to 5 September 2023 二零一三年九月六日至 二零二三年九月五日	0.108	10,000,000	0.05%
Zhu Shengliang 朱勝良	6 September 2013 二零一三年九月六日	6 September 2013 to 5 September 2023 二零一三年九月六日至 二零二三年九月五日	0.108	20,000,000	
	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	20,000,000	
				40,000,000	0.20%



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Name of Director	Date of grant	Exercisable period	Exercise price	Number of underlying Shares subject to outstanding Options 尚未行使購股權所涉及之相關股份數目	Approximate percentage of shareholding 股權概約百分比 (Note) (附註)
董事姓名	授出日期	可行使期間	行使價 (HK\$) (港元)		
Li Zhengshan 李正山	6 September 2013 二零一三年九月六日	6 September 2013 to 5 September 2023 二零一三年九月六日至 二零二三年九月五日	0.108	20,000,000	
	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	50,000,000	
				70,000,000	0.34%
Ting Kwok Kit, Johnny 丁國傑	6 September 2013 二零一三年九月六日	6 September 2013 to 5 September 2023 二零一三年九月六日至 二零二三年九月五日	0.108	32,000,000	
	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	25,000,000	
				57,000,000	0.28%
Chen Xiao 陳曉	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	50,000,000	0.25%
Xia Tingkang, Tim 夏廷康	6 September 2013 二零一三年九月六日	6 September 2013 to 5 September 2023 二零一三年九月六日至 二零二三年九月五日	0.108	10,000,000	
	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	10,000,000	
				20,000,000	0.10%



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Name of Director	Date of grant	Exercisable period	Exercise price	Number of underlying Shares subject to outstanding Options 尚未行使購股權所涉及之相關股份數目	Approximate percentage of shareholding 股權概約百分比 (Note) (附註)
董事姓名	授出日期	可行使期間	行使價 (HK\$) (港元)	相關股份數目	股權概約百分比 (Note) (附註)
Song Jian 宋健	6 September 2013 二零一三年九月六日	6 September 2013 to 5 September 2023 二零一三年九月六日至 二零二三年九月五日	0.108	10,000,000	
	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	10,000,000	
				20,000,000	0.10%
Zhu Guobin 朱國斌	6 September 2013 二零一三年九月六日	6 September 2013 to 5 September 2023 二零一三年九月六日至 二零二三年九月五日	0.108	10,000,000	
	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	10,000,000	
				20,000,000	0.10%



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Name of Director	Date of grant	Exercisable period	Exercise price	Number of underlying Shares subject to outstanding Options 尚未行使購股權所涉及之相關股份數目	Approximate percentage of shareholding 股權概約百分比 (Note) (附註)
董事姓名	授出日期	可行使期間	行使價 (HK\$) (港元)		
Cheng Tat Wa 鄭達華	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	5,000,000	0.025%
Li Jianyong 李建勇	6 September 2013 二零一三年九月六日	6 September 2013 to 5 September 2023 二零一三年九月六日至 二零二三年九月五日	0.108	10,000,000	
	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	20,000,000	
				30,000,000	0.15%
Chan Sin Hang 陳善衡	20 November 2014 二零一四年十一月二十日	20 November 2014 to 19 November 2024 二零一四年十一月二十日至 二零二四年十一月十九日	0.201	4,500,000	0.02%

Note:

The percentage of shareholding is calculated on the basis of 20,337,872,747 Shares in issue as at 31 December 2017.

附註：

持股百分比按於二零一七年十二月三十一日已發行20,337,872,747股股份計算。

Save as disclosed above, none of the Directors or the chief executive of the Company had or were deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2017.

除上文所披露者外，於二零一七年十二月三十一日，概無本公司董事或最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債券中擁有或被視為擁有任何權益或淡倉。



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SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Old Scheme") on 12 June 2003, which was expired on 11 June 2013. The share option scheme currently in force was adopted on 13 June 2013 (the "Scheme") pursuant to an ordinary resolution passed by the shareholders of the Company at the annual general meeting of the Company held on 13 June 2013.

The following share options were outstanding during the period from 1 January 2017 to 31 December 2017 (the "Period"):

Name Category of Participant	As at	Reclassification	Share	Share options	Share	As at	Date of Grant	Exercise Price	Vesting Period	Exercise Period
	1 January 2017	during the period	Options Granted	lapsed/ cancelled during the period	Options Exercised	31 December 2017				
參與者姓名類別	於二零一七年一月一日	本期間重新分類	已授出購股權	已失效/註銷購股權	已行使購股權	於二零一七年十二月三十一日	授出日期	行使價	歸屬期	行使期
Director										
董事										
Xu Jianguo 徐建國	50,000,000	-	-	-	-	50,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Hui Wing Sang, Wilson 許永生	27,000,000	-	-	-	-	27,000,000	Note 1 附註1	Note 1 附註1	-	Note 1 附註1
	60,000,000	-	-	-	-	60,000,000	Note 3 附註3	Note 3 附註3	-	Note 3 附註3
	50,000,000	-	-	-	-	50,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Huang Chunhua 黃春華	50,000,000	-	-	-	-	50,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Wang Chuantao 王川濤	30,000,000	-	-	-	-	30,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Liu Stephen Quan 劉泉	10,000,000	-	-	-	-	10,000,000	Note 3 附註3	Note 3 附註3	-	Note 3 附註3
Zhu Shengliang 朱勝良	20,000,000	-	-	-	-	20,000,000	Note 3 附註3	Note 3 附註3	-	Note 3 附註3
	20,000,000	-	-	-	-	20,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Li Zhengshan 李正山	20,000,000	-	-	-	-	20,000,000	Note 3 附註3	Note 3 附註3	-	Note 3 附註3
	50,000,000	-	-	-	-	50,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Ting Kwok Kit, Johnny 丁國傑	32,000,000	-	-	-	-	32,000,000	Note 3 附註3	Note 3 附註3	-	Note 3 附註3
	25,000,000	-	-	-	-	25,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5

購股權計劃

本公司於二零零三年六月十二日採納一項購股權計劃（「舊計劃」），舊計劃於二零一三年六月十一日到期。現時有效之購股權計劃乃根據本公司股東於二零一三年六月十三日舉行之本公司股東週年大會上通過之一項普通決議案於二零一三年六月十三日採納（「計劃」）。

以下購股權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（「期內」）尚未行使：



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Name Category of Participant	As at	Reclassification during the period	Share Options Granted	Share options	Share Options Exercised	As at	Date of Grant	Exercise Price	Vesting Period	Exercise Period
	1 January 2017			lapsed/ cancelled during the period		31 December 2017				
參與者姓名類別	於二零一七年一月一日	本期間重新分類	已授出購股權	已失效/註銷購股權	已行使購股權	於二零一七年十二月三十一日	授出日期	行使價	歸屬期	行使期
Chen Xiao 陳曉	50,000,000	-	-	-	-	50,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Xia Tingkang, Tim 夏廷康	10,000,000	-	-	-	-	10,000,000	Note 3 附註3	Note 3 附註3	-	Note 3 附註3
	10,000,000	-	-	-	-	10,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Song Jian 宋健	10,000,000	-	-	-	-	10,000,000	Note 3 附註3	Note 3 附註3	-	Note 3 附註3
	10,000,000	-	-	-	-	10,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Zhu Guobin 朱國斌	10,000,000	-	-	-	-	10,000,000	Note 3 附註3	Note 3 附註3	-	Note 3 附註3
	10,000,000	-	-	-	-	10,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Cheng Tat Wa 鄭達華	5,000,000	-	-	-	-	5,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Li Jianyong 李建勇	10,000,000	-	-	-	-	10,000,000	Note 3 附註3	Note 3 附註3	-	Note 3 附註3
	20,000,000	-	-	-	-	20,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Chan Sin Hang 陳善衡	4,500,000	-	-	-	-	4,500,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Wong Lee Hing 王利興	7,000,000	(7,000,000)	-	-	-	-	Note 4 附註4	Note 4 附註4	-	Note 4 附註4
	2,000,000	(2,000,000)	-	-	-	-	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
Sub Total: 小計:	602,500,000	(9,000,000)	-	-	-	593,500,000				
Employee (in aggregate) 僱員(合計)	17,000,000	-	-	-	-	17,000,000	Note 1 附註1	Note 1 附註1	-	Note 1 附註1
	104,500,000	-	-	-	-	104,500,000	Note 3 附註3	Note 3 附註3	-	Note 3 附註3
	278,000,000	-	-	-	-	278,000,000	Note 5 附註5	Note 5 附註5	-	Note 5 附註5
	25,000,000	-	-	-	-	25,000,000	Note 8 附註8	Note 8 附註8	-	Note 8 附註8
	-	-	10,000,000	-	-	10,000,000	Note 9 附註9	Note 9 附註9	-	Note 9 附註9
Sub Total: 小計:	424,500,000	-	10,000,000	-	-	434,500,000				



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Name Category of Participant	As at 1 January 2017	Reclassification during the period	Share Options Granted	Share options lapsed/ cancelled during the period	Share Options Exercised	As at 31 December 2017	Date of Grant	Exercise Price	Vesting Period	Exercise Period
參與者姓名類別	於二零一七年一月一日	本期間重新分類	已授出購股權	已失效/註銷購股權	已行使購股權	於二零一七年十二月三十一日	授出日期	行使價	歸屬期	行使期
Other eligible persons: (in aggregate)	5,000,000	-	-	-	-	5,000,000	Note 1	Note 1	-	Note 1
其他合資格人士：(合計)	196,000,000	-	-	-	-	196,000,000	附註1	附註1	-	附註1
	14,000,000	7,000,000	-	-	-	21,000,000	附註3	附註3	-	附註3
	214,000,000	2,000,000	-	-	-	216,000,000	附註4	附註4	-	附註4
	400,000,000	-	-	-	-	400,000,000	附註5	附註5	-	附註5
	200,000,000	-	-	-	-	200,000,000	附註6	附註6	-	附註6
							附註7	附註7	-	附註7
Sub Total: 小計：	1,029,000,000	9,000,000	-	-	-	1,038,000,000				
Total: 總計：	2,056,000,000	-	10,000,000	-	-	2,066,000,000				

Notes:

- These share options were granted on 6 February 2008 and are exercisable at a subscription price of HK\$0.114 per share at any time during the period of 10 years from 6 February 2008 to 5 February 2018.
- These share options were granted on 4 December 2012 and exercisable at a subscription price of HK\$0.12 per share at any time during the period of 8 years from 1 January 2015 to 3 December 2022.
- These share options were granted on 6 September 2013 and are exercisable at a subscription price of HK\$0.108 per share at any time during the period of 10 years from 6 September 2013 to 5 September 2023.
- These share options were granted on 29 July 2014 and are exercisable at a subscription price of HK\$0.1136 per share at any time during the period of 10 years from 29 July 2014 to 28 July 2024.
- These share options were granted on 20 November 2014 and are exercisable at a subscription price of HK\$0.201 per share at any time during the period of 10 years from 20 November 2014 to 19 November 2024.
- These share options were granted on 14 July 2015 and are exercisable at a subscription price of HK\$0.395 per share at any time during the period of 10 years from 14 July 2015 to 13 July 2025.

附註：

- 該等購股權於二零零八年二月六日授出，並可於二零零八年二月六日至二零一八年二月五日之10年期間內任何時間按每股0.114港元之認購價行使。
- 該等購股權於二零一二年十二月四日授出，並可於二零一五年一月一日至二零二二年十二月三日之8年期間內任何時間按每股0.12港元之認購價行使。
- 該等購股權於二零一三年九月六日授出，並可於二零一三年九月六日至二零二三年九月五日之10年期間內任何時間按每股0.108港元之認購價行使。
- 該等購股權於二零一四年七月二十九日授出，並可於二零一四年七月二十九日至二零二四年七月二十八日之10年期間內任何時間按每股0.1136港元之認購價行使。
- 該等購股權於二零一四年十一月二十日授出，並可於二零一四年十一月二十日至二零二四年十一月十九日之10年期間內任何時間按每股0.201港元之認購價行使。
- 該等購股權於二零一五年七月十四日授出，並可於二零一五年七月十四日至二零二五年七月十三日之10年期間內任何時間按每股0.395港元之認購價行使。



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7. These share options were granted on 29 November 2016 and are exercisable at a subscription price of HK\$0.24 per share during the 3-years validity period (validity period) from 29 November 2016 to 28 November 2019 in the manner as set out below:

- up to 50% of the total number of share options granted (that is, 100,000,000 share options) will become exercisable, if at any time during the validity period, the market capitalization of the Company reaches HK\$6,000,000,000 or above;
- the remaining 50% (that is, 100,000,000 share options) of the total number of share options will become exercisable, if at any time during the validity period, the market capitalization of the Company reaches HK\$8,000,000,000 or above.

All outstanding or unexercised share options granted shall lapse on 28 November 2019 or the date of termination of the Investor Relations Agreement, whichever is the earlier. Please refer to the Company's announcement dated 29 November 2016 for details.

8. These share options were granted on 9 December 2016 and are exercisable at a subscription price of HK\$0.228 per share at any time during the period of 10 years from 9 December 2016 to 08 December 2026.

9. These share options were granted on 20 January 2017 and are exercisable at a subscription price of HK\$0.1872 per share at any time during the period of 10 years from 20 January 2017 to 19 January 2027. The closing price of the Shares on the day immediately before the date of grant (19 January 2017) was HK\$0.181 per share.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the share option granted is measured based on binomial option valuation model.

7. 該等購股權於二零一六年十一月二十九日授出，並可按下文所載方式於二零一六年十一月二十九日至二零一九年十一月二十八日之3年有效期內按每股0.24港元之認購價行使：

- 已授出購股權總數最多50%（即100,000,000份購股權）將可於（在有效期內任何時間）本公司市值達6,000,000,000港元或以上時行使；
- 購股權總數餘下50%（即100,000,000份購股權）將可於（在有效期內任何時間）本公司市值達8,000,000,000港元或以上時行使。

所有發行在外或未行使之已授出購股權將於二零一九年十一月二十八日或投資者關係協議終止日期（以較早者為準）失效。詳情請參閱本公司日期為二零一六年十一月二十九日之公佈。

8. 該等購股權於二零一六年十二月九日授出，並可於二零一六年十二月九日至二零二六年十二月八日之10年期間內任何時間按每股0.228港元之認購價行使。

9. 該等購股權於二零一七年一月二十日授出，並可於二零一七年一月二十日至二零二七年一月十九日之10年期間內任何時間按每股0.1872港元之認購價行使。於緊接授出日期（二零一七年一月十九日）前當日，股份收市價為每股0.181港元。

就已授出購股權收取之服務公平值乃參照已授出購股權之公平值計量。已授出購股權之估計公平值則以二元式期權估值模型計量。

Measurement date 計量日期 20 January 2017 二零一七年 一月二十日

Fair value	公平值	HK\$0.0947港元
Exercise price	行使價	HK\$0.1872港元
Expected volatility	預期波幅	71.51%
Expected life of the Share Options	預期購股權年期	10 years 年
Risk-free interest rate	無風險利率	1.796%
Expected dividend yield	預期股息率	0%

In the valuation, it has applied the following assumptions:

1. Risk-free rate was based on 10-Year Hong Kong Government Bond yield as at the valuation date (that is, 20 January 2017);
2. Expected dividend yield is based on historical dividend trend and expected future dividend policy determined by the Company; and
3. Expected volatility was determined by using 1602-day historical volatility of the Company's share price to reflect the major business of the Company from 12 March 2010 as assumed by the management of the Company.

估值所用假設如下：

1. 無風險利率按估值日期（即二零一七年一月二十日）之10年期香港政府債券孳息率釐定；
2. 預期股息率按歷史派息趨勢及本公司釐定之未來預期派息政策釐定；及
3. 預期波幅使用本公司股價之1,602日歷史波幅釐定，以反映本公司管理層自二零一零年三月十二日起所承擔之本集團主要業務。



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The principal terms of the Scheme, which is currently in force, are briefly summarised below: 現時有效之計劃之主要條款簡述如下：

- | | |
|---|--|
| 1) Purpose of the Scheme
計劃之目的 | As incentives and rewards to eligible participants for their contribution or potential contribution to the Group
作為合資格參與者對本集團作出貢獻或潛在貢獻之激勵及獎勵 |
| 2) Participants of the Scheme
計劃之參與者 | <p>a) any employee (whether full time or part time, including any executive Director but excluding any non-executive Director) of the Company, any of its subsidiaries, or any entity (the "Invested Entity") in which any member of the Group holds any equity interest;
本公司、其任何附屬公司或本集團任何成員公司持有任何股權之任何實體（「所投資實體」）之任何僱員（不論全職或兼職，包括任何執行董事但不包括任何非執行董事）；</p> <p>b) any non-executive Directors (including independent non-executive Directors), any of the subsidiaries of the Company or any Invested Entity;
本公司任何附屬公司或任何所投資實體之任何非執行董事（包括獨立非執行董事）；</p> <p>c) any supplier of goods or services to any member of the Group or any Invested Entity;
本集團任何成員公司或任何所投資實體之任何貨品或服務供應商；</p> <p>d) any customer of the Group or any Invested Entity;
本集團或任何所投資實體之任何客戶；</p> <p>e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
為本集團或任何所投資實體提供研究、開發或其他技術支援之任何人士或實體；</p> <p>f) any shareholder of any member of the Group other than the Company or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
本集團任何成員公司（本公司除外）或任何所投資實體之任何股東，或本集團任何成員公司或任何所投資實體所發行任何證券之任何持有人；</p> <p>g) any advisor (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
本集團任何成員公司或任何所投資實體之業務或業務發展中任何方面之任何顧問（不論為專業或其他顧問）或諮詢人；及</p> <p>h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.
通過合營企業、業務聯盟或其他業務安排而曾經或可能對本集團發展及增長作出貢獻的任何其他組別或類別參與者。</p> |



Directors' Report

董事會報告書

3) Total number of Shares available for issue under the Scheme

The total number of Shares which may be allotted and issued upon the exercise of all options (excluding such options which have lapsed in accordance with the terms of the Scheme and any other share option scheme(s) of the Group) to be granted under the Scheme and any other share option scheme(s) of the Group must not in aggregate exceed 10% of the Shares in issue on the date of approval of the Scheme (the "**General Scheme Limit**").

Subject to the rules of the Scheme, the Company may seek approval of its shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Scheme and any other share option scheme(s) of the Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. For the purpose of calculating the refreshed limit, such options (including those outstanding, cancelled, lapsed or exercised in accordance with the Scheme and any other share option scheme of the Group) previously granted under the Scheme and any other share option scheme(s) of the Group will not be counted.

Upon the date of approval of the refreshment of the General Scheme Limit (and, in the case of the Company, not exceeding 2,033,787,274 Shares (the "**Refreshed General Scheme Limit**"), representing 10% of the total issued share capital of the Company as at 31 October 2017).

根據計劃可供發行的股份總數

As at 31 December 2017, the number of Shares that remained available for issue under the Refreshed General Scheme Limit was 2,033,787,274. 因根據計劃及本集團任何其他購股權計劃將予授出之所有購股權（不包括根據計劃及本集團任何其他購股權計劃之條款已失效之購股權）獲行使而可能配發及發行之股份總數合共不得超過批准計劃當日已發行股份之10%（「**一般計劃上限**」）。

在計劃規則之規限下，本公司可尋求其股東在股東大會上批准更新一般計劃上限，惟因根據計劃及本集團任何其他購股權計劃將予授出之所有購股權獲行使而可能配發及發行之股份總數不得超過批准經更新上限當日已發行股份之10%。就計算經更新上限而言，先前根據計劃及本集團任何其他購股權計劃授出之相關購股權（包括根據計劃及本集團任何其他購股權計劃未行使、已註銷、已失效或已行使之購股權）不會計算在內。

於批准更新一般計劃上限日期後就本公司而言，不超過2,033,787,274股股份（「**經更新一般計劃上限**」），即本公司於二零一七年十月三十一日之已發行總股本之10%。

於二零一七年十二月三十一日，根據經更新一般計劃上限仍可發行之股份數目為2,033,787,274股。

4) Maximum number of shares available for issue under the Scheme

根據計劃可供發行之股份最高數目

The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme (and any other share option scheme adopted by the Group) must not in aggregate exceed 30% of the share capital of the Company in issue from time to time.

於計劃（及本集團所採納之任何其他購股權計劃）下所有已授出之發行在外且尚未行使購股權獲行使時可發行之股份最高數目，合共不得超過本公司不時已發行股本之30%。



Directors' Report

董事會報告書

- 5) Maximum entitlement of each participant under the Scheme
計劃項下每名參與者之最高配額
- In any 12-month period, shall not exceed 1% of the shares in issue
於任何十二個月之期間不得超逾已發行股份之1%
- 6) The period within which the shares must be taken up under an option
接納購股權項下股份之期限
- The Board may in its absolute discretion determine save that such period shall not expire later than 10 years from the date of grant
董事會可絕對酌情決定該期限，惟該期限不得遲於由授出日期起計十年後屆滿
- 7) The minimum period for which an option must be held before it can be exercised
購股權可予行使前須持有之最短期間
- Unless otherwise determined by the Board, no minimum period
除非董事會另有釐定，否則並無最短期間
- 8) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid
申請或接納購股權時應付之款項，以及須或可支付款項或催繳款項或償還就此借入之貸款之期間
- Upon acceptance of the option, the grantee shall inform the Company together with HK\$1 by way of consideration for the grant within 21 days from the date of offer
於接納購股權時，承授人須於由要約日期起計二十一天內知會本公司並支付1港元作為授出代價
- 9) The basis of determining the exercise price
行使價之釐定基準
- The exercise price is determined by the Board and being not less than the highest of:
行使價由董事會決定及不可低於以下三者之最高者：
- a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of shares on the date of offer for grant which must be a business day; or
股份於要約日期（須為營業日）聯交所每日報價表所列供進行一手或多手股份買賣使用之收市價；或
 - b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of shares for the 5 business days immediately preceding the date of offer for grant which must be a business day; or
股份於緊接要約日期（須為營業日）前五個營業日聯交所每日報價表所列供進行一手或多手股份買賣使用之平均收市價；或
 - c) the nominal value thereof
股份之面值
- 10) The remaining life of the Scheme
計劃尚餘年期
- The Scheme remains in force until 12 June 2023
計劃將一直生效直至二零二三年六月十二日為止



Directors' Report

董事會報告書

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any Director or an entity connected with a director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year and up to the date of this annual report, no Directors are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company or any of its subsidiaries, which is not determinable by the employer within one year without payment of compensation, other than statutory compensations.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or existed during the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct governing securities transactions by the Directors. All Directors, after specific enquiries by the Company, had confirmed to the Company their compliance with the required standards set out in the Model Code during the Year.

董事於交易、安排及合約中之權益

概無任何董事或與董事有關連之實體於本公司或其任何附屬公司所訂立且於本年度年末或本年度內任何時間仍然有效，並對本集團業務屬重要之交易、安排及合約中擁有（不論直接或間接）重大權益。

董事於競爭性業務中之權益

於本年度內及直至本年報日期，概無董事被視為於與本集團之業務直接或間接形成競爭或可能形成競爭之業務（定義見上市規則）中擁有權益。

董事之服務合約

概無董事與本公司或其任何附屬公司訂有僱主不可於一年內免付賠償（法定賠償除外）而終止之服務合約。

管理合約

於本年度內並無訂立或存在有關本公司全部或任何重大部份業務之管理及行政管理合約（僱傭合約除外）。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」），作為其監管董事進行證券交易之行為守則。經本公司作出具體查詢後，全體董事已向本公司確認，彼等已於本年度遵守標準守則所規定之標準。



Directors' Report

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

Turnover

The percentage of the Group's revenue (included continuing and discontinued operations) attributable to the five largest customers for the Year is as follows:

– The largest customer	98%
– The five largest customers in aggregate	99%

Purchases

The percentage of the Group's purchase (included continuing and discontinued operations) attributable to the five largest suppliers for the Year is as follows:

– The largest supplier	55%
– The five largest suppliers in aggregate	77%

As far as the Directors are aware, none of the Directors, their associates or any shareholder of the Company (who to the Directors' knowledge was interested in or owned more than 5 per cent. of the Company's share capital) had any interest in the customers or suppliers referred to above.

CONNECTED TRANSACTIONS

None of the "Related Party Transactions" as disclosed in note 32 to the consolidated financial statements for the Year constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group and the Company during the Year are set out in note 15 to the consolidated financial statements.

RESERVES

Movements in reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on page 75 and note 27 to the consolidated financial statements respectively.

As at 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK\$Nil (2016: HK\$Nil).

主要客戶及供應商

營業額

於本年度，五大客戶佔本集團收入（包括持續經營業務及已終止經營業務）之百分比如下：

– 最大客戶	98%
– 五大客戶合計	99%

採購

於本年度，五大供應商佔本集團採購（包括持續經營業務及已終止經營業務）之百分比如下：

– 最大供應商	55%
– 五大供應商合計	77%

就董事所知，概無董事、彼等之聯繫人或本公司之任何股東（就董事所知，擁有本公司5%以上股本或當中之權益者）概無於上述客戶或供應商中擁有任何權益。

關連交易

本年度綜合財務報表附註32所披露之「關連方交易」概不構成上市規則項下之須予披露不獲豁免關連交易或不獲豁免持續關連交易。

物業、廠房及設備

本集團及本公司物業、廠房及設備於本年度內之變動載於綜合財務報表附註15。

儲備

本集團及本公司之儲備於本年度內之變動分別載於第75頁之綜合權益變動表及綜合財務報表附註27。

於二零一七年十二月三十一日，本公司可供分派之儲備（根據百慕達一九八一年公司法（經修訂）計算）約為零港元（二零一六年：零港元）。



Directors' Report

董事會報告書

ANALYSIS OF BORROWINGS AND INTEREST CAPITALISED

No borrowings was made and no interest was capitalised by the Group during the Year.

SHARE CAPITAL

The number of issued ordinary shares of HK\$0.10 each in the Company as at 31 December 2017 was 20,337,872,747 (2016: 20,337,872,747).

Movements in share capital of the Company are shown in note 26 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws or the laws of Bermuda.

DIVIDENDS

The Directors do not recommend the payment of any final dividend to shareholders of the Company for the year ended 31 December 2017 (2016: Nil).

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Directors, the Company had maintained the prescribed level of public float as required under the Listing Rules during the Year and up to the date of this annual report.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to ensure better transparency and protection of the interests of the Company and its shareholders as a whole and to enhance corporate value and accountability. The Company wishes to highlight that the Board will continue to devote efforts in ensuring effective leadership and control of the Company and the transparency and accountability of all operations.

Throughout the Year, the Company had adopted and complied with the code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

借貸及資本化利息之分析

本集團於本年度內並無任何借貸及將任何利息撥充資本。

股本

本公司於二零一七年十二月三十一日之已發行每股面值0.10港元之普通股數目為20,337,872,747股（二零一六年：20,337,872,747股）。

本公司股本之變動載於綜合財務報表附註26。

優先購買權

本公司之公司細則或百慕達法律並無有關優先購買權之條文。

股息

董事不建議就截至二零一七年十二月三十一日止年度向本公司股東派付任何末期股息（二零一六年：無）。

公眾持股量之充足程度

根據本公司可得之公開資料及就董事所知，於本年度內及直至本年報日期，本公司已按上市規則規定維持指定之公眾持股量水平。

企業管治

本公司致力維持高水平之企業管治，以確保達到更高透明度及更有效保障本公司及其股東整體之利益，同時提升企業價值及問責性。本公司謹此強調，董事會將繼續致力確保本公司之領導及監控行之有效，並維持所有業務之透明度及問責性。

於本年度，本公司一直採用並遵守上市規則附錄十四所載企業管治守則內之守則條文。



Directors' Report

董事會報告書

DIRECTORS' INDEMNITIES

According to the Company's bye-laws, each director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the extent allowed by the Companies Act, 1981 of Bermuda (as amended) which such director may sustain or incur in or about the execution of the director's duties or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liabilities insurance coverage for the directors and officers of the Group. Such insurance to indemnify them against liabilities arising from the execution of their duties was in force during the Year and remain effective as at the date of the Directors' report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The automotive industry is one of the most environmental aware business sectors. To preserve the environment, the Group strives to devise and adopt environmental friendly strategies, policies and measures (through the concepts of reducing, re-using and recycling) to achieve sustainable development, and is committed to conducting its activities in a manner consistent with the above determination.

These strategies, policies and measures include but not limited to (i) using energy-efficient lighting and appliances, recycling of office supplies and other materials in the workplace to the extent practicable, (ii) working or partnering with renowned academics and strategic business partners in the research and development of both technologically advanced and energy saving auto-components and materials (such as single and few-layer graphene, battery materials, super batteries and electric control systems) for the electric buses, new engine and other vehicles designed and/or manufactured by the Group, (iii) setting up or using energy-saving and technologically advanced establishments and facilities for the manufacture of new energy products for auto-use, (iv) setting criteria for the selection of our suppliers and manufacturers which must be reliable, financially sound, environmental conscientious and are keen to adopt sustainability measures in their business and operation and (v) educating and reinforcing environmental protection awareness among employees of the Group.

董事彌償

根據本公司之公司細則，各董事均有權就其可能於執行董事職務時或因此而產生或招致之所有損失或責任（在百慕達一九八一年公司法（經修訂）許可之範圍內）從本公司之資產獲得彌償。本公司已為本集團董事及高級職員安排合適之董事及高級職員責任保險。對於就彼等於執行職務時產生之責任作出彌償之保險於本年度及董事會報告書日期均維持有效。

環境政策及表現

汽車業為最關注環境的行業之一。為保護環境，本集團努力制定及採取環保策略、政策及措施（透過減少、再利用及回收利用之理念）以實現可持續發展，並致力按與上述方針一致之方式經營其業務。

該等策略、政策及措施包括但不限於(i)在實際可行情況下盡量在工作場所使用節能照明及電器、回收利用辦公用品及其他材料，(ii)與知名學者及策略業務夥伴合作，以研發應用於本集團所設計及／或製造電動巴士、新發動機及其他車輛之先進技術以及節能汽車零部件及材料（如單層及少層石墨烯、電池材料、超級電池及電控系統），(iii)在製造車用新能源產品方面建立或使用節能及技術先進之機構及設施，(iv)制定標準，規定必須選擇可靠、財政穩健、重視環境以及於業務及營運中積極採取可持續發展措施之供應商及製造商，以及(v)教育及加強本集團僱員之環保意識。



Directors' Report

董事會報告書

COMPLIANCE WITH LAWS AND REGULATIONS

The Board recognizes the importance of the Company to act responsibly and due compliance with the laws, rules and regulations applicable to the businesses operated by the Group. The Group has employed suitable personnel and engaged appropriate professional advisers to ensure that it stays abreast with legislative changes and industry developments and its operations are being run in line with the applicable laws, rules and regulations.

During the Year and except as disclosed below, the Company had complied with, and the Board is not aware of any violation of, the applicable laws, rules and regulations that had a significant impact on the business and operation of the Group in any material respects:

- (a) During the course of the audit of the financial statements of the Group for the year ended 31 December 2016 (“**2016**”) conducted by the Company’s then external auditor, BDO Limited (the “**Former Auditor**”), the Former Auditor had identified certain outstanding matters and issues which would require further audit work to be done. As more time was required to respond to the outstanding matters and issues as identified by the Former Auditor and finalise the audit work in respect of the 2016 annual results of the Group, the publication of the 2016 annual results and the despatch of the 2016 annual report were delayed. The delay constituted non-compliance with Rules 13.49(1) and Rule 13.46(2)(a) of the Listing Rules. Trading of the Company’s shares on the Stock Exchange were suspended during the period from 3 April 2017 to and 14 November 2017 to fulfil the conditions imposed by the Stock Exchange for the resumption of trading of the Company’s shares on the Stock Exchange (the “**Resumption Conditions**”). Please refer to the Company’s announcements dated 31 March 2017, 3 April 2017, 19 April 2017, 12 June 2017 and 29 September 2017, the Company’s circular dated 26 September 2017 and the Company’s announcement dated 14 November 2017 regarding the Company’s fulfilment of the Resumption Conditions for details.

遵守法律及法規

董事會了解本公司負責任地行事及妥為遵守適用於本集團所經營業務之法律、規則及法規的重要性。本集團已僱用適當人員及委聘合適專業顧問以確保其緊貼立法變動及行業發展，以及其業務營運符合適用法律、規則及法規。

於本年度內，除下文所披露者外，本公司已遵守於任何重大方面對本集團業務及營運有重大影響之適用法律、規則及法規，且董事會並不知悉本公司有任何違反之情況：

- (a) 於本公司當時之外聘核數師香港立信德豪會計師事務所有限公司（「**前核數師**」）審計本集團截至二零一六年十二月三十一日止年度（「**二零一六年**」）財務報表之過程中，前核數師發現若干有待處理事項及事宜，要求進行進一步審計工作。由於需要更多時間回應前核數師發現之有待處理事項及事宜，以及落實有關本集團二零一六年全年業績之審計工作，故需要延遲發表二零一六年全年業績及寄發二零一六年年報。該延遲構成違反上市規則第13.49(1)條及第13.46(2)(a)條。本公司股份於二零一七年四月三日至二零一七年十一月十四日暫停在聯交所買賣，以履行聯交所就恢復本公司股份在聯交所買賣施加之條件（「**復牌條件**」）。有關本公司達成復牌條件之詳情，請參閱本公司日期為二零一七年三月三十一日、二零一七年四月三日、二零一七年四月十九日、二零一七年六月十二日及二零一七年九月二十九日之公佈、日期為二零一七年九月二十六日之通函以及日期為二零一七年十一月十四日之公佈。



Directors' Report

董事會報告書

(b) As disclosed in the Company's announcement dated 21 August 2017 (the "DT Announcement"), due to the Company's inadvertent oversight, it had omitted to publish an announcement regarding the Group's entering into of a loan agreement for lending a loan of RMB40 million (the "Loan") to Jilin Zhongxin Meilai Wood Processing Company Limited, an independent third party. The provision of the Loan constituted a discloseable transaction to the Company under the Listing Rules and was subject to an announcement requirement under Rule 14.34 of the Listing Rules. The Company did not publish the DT Announcement when the disclosure obligation under Rule 14.34 of the Listing Rules was triggered until 21 August 2017 and the delay in publication constituted a breach of the Listing Rules. Please refer to the DT Announcement for details.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Company is committed to upholding a positive image for the Group and building trust and loyalty among its stakeholders, employees, customers, suppliers and other business partners. The Board considers that the Company has all along maintained good relationships with its stakeholders, employees, key customers, suppliers and other business partners, which are beneficial to the long-term development of the Group.

AUDITORS

On 20 April 2017, the Company terminated the engagement of BDO Limited as its external auditors and on 19 July 2017 appointed ZHONGHUI ANDA CPA LIMITED as its external auditors to fill the vacancy, which were approved by the Company's shareholders at the special general meeting held on 19 July 2017. Please refer to the Company's circular dated 19 June 2017 and announcement dated 19 July 2017 for details of the above change of auditors.

ZHONGHUI ANDA CPA LIMITED will retire at the conclusion of the forthcoming annual general meeting of the Company (the "AGM"), and being eligible, offer themselves for re-appointment.

A resolution will be proposed at the forthcoming AGM to re-appoint ZHONGHUI ANDA CPA LIMITED as auditor of the Company.

On behalf of the Board

Yeung Yung
Chairman

Hong Kong, 28 March 2018

* For identification purpose only

(b) 誠如本公司日期為二零一七年八月二十一日之公佈(「須予披露交易公佈」)所披露,基於無心之失,本公司於本集團訂立貸款協議向獨立第三方吉林中信美來木業有限責任公司貸款人民幣40,000,000元(「該筆貸款」)時,並無發表相關公佈。根據上市規則,提供該筆貸款構成本公司之一項須予披露交易,須遵守上市規則第14.34條下之公告規定。由上市規則第14.34條下之披露責任被觸發起至二零一七年八月二十一日為止,本公司並無發表須予披露交易公佈,延誤發表須予披露交易公佈構成違反上市規則。詳情請參閱須予披露交易公佈。

與僱員、客戶及供應商之關係

本公司致力維持本集團之正面形象,並在其持份者、僱員、客戶、供應商及其他業務夥伴間建立信任與忠誠。董事會認為,本公司一直與其持份者、僱員、主要客戶、供應商及其他業務夥伴維持良好關係,此舉有利於本集團之長遠發展。

核數師

於二零一七年四月二十日,本公司終止委聘香港立信德豪會計師事務所有限公司為外聘核數師。於二零一七年七月十九日,本公司委任中匯安達會計師事務所有限公司出任外聘核數師以填補空缺,並已獲本公司股東於二零一七年七月十九日舉行之股東特別大會上批准。有關上述更換核數師之詳情,請參閱本公司日期為二零一七年七月十九日之通函及日期為二零一七年七月十九日之公佈。

中匯安達會計師事務所有限公司將於本公司應屆股東週年大會(「股東週年大會」)結束時退任,惟其符合資格並獲續聘。

本公司將於應屆股東週年大會上提呈一項決議案,以續聘中匯安達會計師事務所有限公司為本公司之核數師。

代表董事會

仰融
主席

香港,二零一八年三月二十八日



Corporate Governance Report

企業管治報告書

CORPORATE GOVERNANCE PRACTICES

The board of directors (the “Directors” or the “Board”) of the Company (together with its subsidiaries, the “Group”) is committed to maintaining high standards of corporate governance to ensure better transparency and protection of the overall interests of the Company and its shareholders and to enhance corporate value and accountability. The Company wishes to highlight that the Board will continue to devote efforts in ensuring effective leadership and control of the Company and the transparency and accountability of all operations.

Throughout the year ended 31 December 2017 (the “Year”), the Company had applied the principles and complied with the code provisions (the “Code Provisions”) set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

BOARD OF DIRECTORS

Board

The Board is accountable to the shareholders of the Company for leadership and control of the Company and is collectively responsible for promoting the success of the Company and its businesses by directing and supervising the Company’s affairs. The Board focuses on overall corporate strategies and policies with emphasis on the business growth and financial performance of the Group.

The Board has determined that certain matters such as strategic planning, significant transactions, and budget should be retained for the Board’s approval. It has formalized the functions reserved to the Board to achieve a clear division of responsibilities between the Board and the senior management of the Group. The Board has delegated its responsibilities to the senior management to deal with day-to-day operations and reviewed those arrangements on a periodic basis. The senior management has frequently reported back to the Board and obtained prior approval before making decisions for key matters or entering into any commitments on behalf of the Company.

企業管治常規

本公司(連同其附屬公司為「本集團」)董事會(「董事」或「董事會」)致力維持高水平之企業管治，以確保達到更高透明度及更有效保障本公司及其股東整體之利益，同時提升企業價值及問責性。本公司謹此強調，董事會將繼續致力確保本公司之領導及監控行之有效，並維持所有業務之透明度及問責性。

於截至二零一七年十二月三十一日止年度(「本年度」)整個年度內，本公司已應用並遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載企業管治守則中之原則及守則條文(「守則條文」)。

董事會

董事會

董事會就領導及監控本公司向本公司股東負責，並且透過帶領及監管本公司之事務，共同負責促進本公司及其業務之成功。董事會專注於整體企業策略及政策，尤其關注本集團之業務增長及財務表現。

董事會已決定策略規劃、重大交易及預算等若干事項須留待董事會審批。董事會已正式制定董事會保留之職能，以明確區分董事會與本集團高級管理層之間的職責分工。董事會已將其處理日常營運事宜之職責授予高級管理層，並定期檢討該等安排。高級管理層經常向董事會匯報，並於作出有關主要事項之決策或代表本公司訂立任何承擔之前須取得事先批准。



Corporate Governance Report

企業管治報告書

The Board is also responsible for performing the corporate governance functions of the Company with clear written terms of reference. The Board had reviewed the Company's policies and practices on corporate governance, compliance with legal and regulatory requirements, training and continuous professional development of its directors and senior management and this corporate governance report in the discharge of its corporate governance functions and to ensure compliance with the Listing Rules.

In order to maximize the effectiveness of the Board and to encourage active participation and contribution from Board members, the Board has established three Committees (namely the Audit Committee, the Nomination Committee and the Remuneration Committee) (the "Committee(s)"), each with specific written terms of reference (which are of no less exacting terms than those set out in the Corporate Governance Code) to assist in the execution of their duties. The terms of reference of each of the Committees are reviewed and amended (if necessary) from time to time, as are the Committees' structure, duties and composition so as to best suit the needs of, and foster corporate governance excellence in, the Company.

The Company Secretary and the external auditor engaged by the Company shall attend the annual general meeting (the "AGM") of the Company and, as far as possible, all other meetings of the Board and the committees of the Board to answer questions and advise on corporate governance, statutory compliance, accounting and financial matters. The Company Secretary is an employee of the Company and is appointed by the Board. All Directors have access to the Company Secretary who is responsible for facilitating the Board's processes, liaison among members of the Board and the Group's compliance with the continuing obligations under the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, the Companies Ordinance, the Securities and Futures Ordinance and other laws, rules and regulations applicable to the Group. During the Year, the Company Secretary had undertaken at least 15 hours of relevant professional training annually to update his skills and knowledge.

董事會亦負責根據明確的書面職權範圍履行本公司之企業管治職能。為履行其企業管治職能及確保遵守上市規則，董事會已審閱本公司有關企業管治、遵守法律及監管規定、其董事及高級管理人員之培訓及持續專業發展方面之政策及常規，以及本企業管治報告書。

為提高董事會之效率以及鼓勵董事會成員積極參與及作出貢獻，董事會已成立三個委員會（即審核委員會、提名委員會及薪酬委員會）（「委員會」），並列明各委員會之特定書面職權範圍（有關條款並不較企業管治守則所載者寬鬆），協助委員會執行職務。各委員會之職權範圍、架構、職責及構成不時作出檢討及修訂（如必要），以充份滿足本公司需要及實現卓越企業管治。

公司秘書及本公司委聘之外部核數師須出席本公司股東週年大會（「股東週年大會」）並須盡可能出席所有其他董事會及董事委員會會議，以回答提問並就企業管治、法律合規、會計及財務等事宜提供意見。公司秘書為本公司之僱員，並由董事會委任。全體董事均可聯絡公司秘書，而公司秘書則負責協助董事會運作、董事會成員之間的溝通，以及本集團遵守上市規則、公司收購、合併及股份回購守則、公司條例、證券及期貨條例及其他適用於本集團之法律、規則及法規所載之持續責任。於本年度內，公司秘書已進行至少15個小時相關年度專業培訓以更新其技能及知識。



Corporate Governance Report

企業管治報告書

All Directors are encouraged to propose and include items in the agenda of each of the meetings of the Board and the Committees for full discussion and deliberation. The Company Secretary is delegated with the responsibility to prepare the agenda and, where appropriate, take into account any matters proposed by any Director/Committee member for inclusion in the agenda.

The Board meets regularly and at least four Board meetings are scheduled annually at approximately quarterly intervals. Ad-hoc meetings are convened whenever necessary.

Due notice of Board meetings are given to or, depending on the circumstances, urgency and/or importance of the matters, agreed to be shortened or waived by all the Directors. Even though the Directors often stay/travel in different time zones, they endeavour to make themselves available for, and participate in the meetings to the extent possible via teleconferencing mechanisms or other electronic means.

Minutes of the Board/Committee meetings are recorded in details for the matters considered by the participants of such meetings and decisions reached, including concerns raised by Directors and/or dissenting views expressed. The meeting minutes are circulated to the Directors or Committee members within a reasonable period of time after the meetings are held and taken as the true records of the proceedings of such meetings. They are kept by the Company Secretary and are open for inspection at any reasonable time upon reasonable notice being served by any Director. All Directors are entitled to have access to Board papers and related materials at least 3 days before the intended date of a Board or Board committee meeting unless there are restrictions on disclosure due to legal and regulatory requirements or other justifiable grounds.

Directors are provided with complete, adequate explanation and information to enable them to make an informed decision or assessment of the Group's performance, position and prospects and to discharge their duties and responsibilities on a timely basis. To enable the Directors to properly discharge their duties, they are given access to independent professional advisers, when necessary, at the expense of the Company.

本公司鼓勵全體董事就董事會及委員會各會議之議程提出建議及加插項目，以於會議上作全面討論及深入探討。公司秘書須負責編製會議議程，並（如適合）考慮任何董事／委員會成員所提出之事項，以便載入議程內。

董事會定期舉行會議，每年安排不少於四次董事會會議，約每季舉行一次。董事會亦於必要時召開特別會議。

召開董事會會議前會先發出適當通知，或視乎實際情況、事項之緊急程度及／或重要性，由全體董事同意縮短或豁免通知期。儘管董事經常身處／往來不同時區，彼等盡量透過電話會議機制或其他電子方式參與會議。

董事會／委員會會議之會議紀錄均詳盡記錄該等會議的參與人士所考慮之事項及所達致之決定，包括董事所提出之關注事項及／或所表達之不同意見。會議紀錄於會議舉行後一段合理時間內供董事或委員會成員傳閱，並作為該等會議議事程序之真確紀錄。該等紀錄由公司秘書存置，並可供任何董事在發出合理通知後於任何合理時間內查閱。除非法律及監管規定對有關披露施加限制，或基於其他合理原因，否則所有董事均有權在建議召開董事會或董事委員會會議之日起計至少三天前，取得董事會文件及相關資料。

董事獲提供完整及足夠之解釋及資料，以便彼等適時就本集團之表現、狀況及前景作出知情決定或評估，並履行彼等之職務及責任。為使董事能夠妥善履行彼等之職務，彼等可於有需要時諮詢獨立專業顧問，有關費用由本公司支付。



Corporate Governance Report

企業管治報告書

Whenever a member of the Board or member of a committee of the Board has cause to believe that a matter to be voted upon would involve him in a conflict or possible conflict of interest, he is required to disclose the conflict of interest and is not allowed to participate in the final deliberation or decision and will abstain from voting on such matter.

董事會或董事委員會之成員如有理由相信將進行表決之事項會導致其涉及利益衝突或潛在利益衝突，則須披露有關利益衝突，以及不得參與有關事項之最終商議或決定，並須就此放棄表決。

Attendance Records of Board/General Meetings

The Board had held sixteen meetings during the year ended 31 December 2017.

董事會會議／股東大會出席紀錄

董事會於截至二零一七年十二月三十一日止年度共舉行十六次會議。

Details of the attendance of individual Director at general meetings (including annual general meeting) and Board meetings during the Year are set out below:

各董事於本年度內出席股東大會（包括股東週年大會）及董事會會議之詳情載列如下：

Name of Member		Number of general meetings attended 出席股東大會之次數	Number of Board meetings attended 出席董事會會議之次數
成員姓名			
<i>Executive Directors</i>		<i>執行董事</i>	
Dr Yeung Yung	仰融博士	2/2	13/16
Mr Xu Jianguo	徐建國先生	1/2	8/16
Mr Hui Wing Sang, Wilson	許永生先生	2/2	14/16
Dr Huang Chunhua	黃春華博士	1/2	2/16
Dr Wang Chuantao	王川濤博士	0/2	7/16
Mr Liu Stephen Quan	劉泉先生	1/2	3/16
Dr Zhu Shengliang	朱勝良博士	1/2	8/16
Mr Li Zhengshan	李正山先生	0/2	4/16
Mr Ting Kwok Kit, Johnny	丁國傑先生	2/2	15/16
Mr Chen Xiao	陳曉先生	0/2	9/16
<i>Non-executive Director</i>		<i>非執行董事</i>	
Dr Xia Tingkang, Tim	夏廷康博士	2/2	11/16
<i>Independent Non-Executive Directors</i>		<i>獨立非執行董事</i>	
Dr Song Jian	宋健博士	2/2	7/16
Dr Zhu Guobin	朱國斌博士	1/2	13/16
Mr Cheng Tat Wa	鄭達華先生	1/2	15/16
Dr Li Jianyong	李建勇博士	1/2	7/16
Mr Chan Sin Hang	陳善衡先生	1/2	15/16
Mr Lee Cheung Yuet, Horace (appointed on 13 September 2017)	李暢悅先生（於二零一七年九月十三日獲委任）	1/2 (d)	0/16 (e)
Mr Wong Lee Hing (retired with effect from 31 October 2017)	王利興先生（於二零一七年十月三十一日退任）	0/2	3/16

(d) One general meeting was held since Mr Lee Cheung Yuet, Horace was appointed on 13 September 2017.

(d) 自李暢悅先生於二零一七年九月十三日獲委任以來曾舉行一次股東大會。

(e) No meeting was held since Mr Lee Cheung Yuet, Horace was appointed on 13 September 2017.

(e) 自李暢悅先生於二零一七年九月十三日獲委任以來並無舉行會議。



Corporate Governance Report

企業管治報告書

Board composition

During the Year, the Board comprised the following members (who remained in office as at 31 December 2017 unless otherwise specified below):

Name

Executive Directors

Dr Yeung Yung (*Chairman*)
Mr Xu Jianguo (*Chief Executive Officer*)
Mr Hui Wing Sang, Wilson (*Deputy Chairman*)
Dr Huang Chunhua (*Deputy Chairman*)
Dr Wang Chuantao (*Deputy Chairman*)
Mr Liu Stephen Quan
Dr Zhu Shengliang
Mr Li Zhengshan
Mr Ting Kwok Kit, Johnny
Mr Chen Xiao

Non-executive Director

Dr Xia Tingkan, Tim

Independent Non-Executive Directors

Dr Song Jian
Dr Zhu Guobin
Mr Cheng Tat Wa
Dr Li Jianyong
Mr Chan Sin Hang
Mr Lee Cheung Yuet, Horace (appointed on 13 September 2017)

Mr Wong Lee Hing (retired with effect from 31 October 2017)

The biographies and other information of the current Directors are set out in the "Biographical Details of Directors and Senior Management" of this annual report. There is no financial, business, family or other material/relevant relationship among the Directors.

董事會成員組合

於本年度內，董事會包括下列成員（除下文另有指明外，有關董事於二零一七年十二月三十一日仍然在任）：

姓名

執行董事

仰融博士 (*主席*)
徐建國先生 (*行政總裁*)
許永生先生 (*副主席*)
黃春華博士 (*副主席*)
王川濤博士 (*副主席*)
劉泉先生
朱勝良博士
李正山先生
丁國傑先生
陳曉先生

非執行董事

夏廷康博士

獨立非執行董事

宋健博士
朱國斌博士
鄭達華先生
李建勇博士
陳善衡先生
李暢悅先生
(於二零一七年九月十三日獲委任)
王利興先生
(於二零一七年十月三十一日退任)

現任董事之履歷及其他資料載於本年報「董事及高級管理層履歷詳情」。董事之間並無財務、業務、家庭或其他重大／相關關係。



Corporate Governance Report

企業管治報告書

Under bye-law 87(1) of the bye-laws of the Company (the “Bye-laws”), at each AGM, one-third of the Directors for the time being (or, if their number is not three or a multiple of three (3)), then the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, the Directors are subject to the free and absolute choice of the shareholders for re-election at the annual general meetings. Whereas under bye-law 86(2) of the Bye-laws, any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board should hold office until the next following general meeting of the Company.

By virtue of Bye-law 87(1) of the Bye-laws, (1) Dr Yeung Yung, (2) Mr Xu Jianguo, (3) Hui Wing Sang, Wilson, (4) Mr Ting Kwok Kit, Johnny, (5) Mr Chen Xiao and (6) Dr Xia Tingkan, Tim would retire. Each of them, being eligible, will offer himself for re-election at the forthcoming annual general meeting of the Company (the “2018 AGM”).

The skills and expertise among the existing Directors are well-balanced with a mixture of core competencies in areas such as accounting and finance, legal, business and management, marketing strategies, business development, and scientific backgrounds.

The independent non-executive Directors (the “INEDs”) meet the requirements of independence under the Listing Rules so that there is a sufficient element of independence in the Board to exercise independent judgments. The Board considers that all of the INEDs are independent and the confirmation of independence pursuant to Rule 3.13 of the Listing Rules had been obtained from each of them as required by the Listing Rules.

The INEDs have the same duties of care and skill and fiduciary duties as the executive Directors.

根據本公司之公司細則（「公司細則」）第87(1)條之規定，於每屆股東週年大會上，當時為數三分一的董事（或如董事人數並非三(3)或三的倍數，則須為最接近但不少於三分一的董事人數）均須輪值退任，惟每名董事（包括獲委任有特定任期的該等董事）須遵守至少每三年輪值退任一次。因此，董事於股東週年大會上膺選連任成功與否由股東自行全權決定。與此同時，根據公司細則第86(2)條，獲董事會委任以填補臨時空缺或出任現時董事會新增董事席位的任何董事的任期應直至本公司下次股東大會為止。

按照公司細則第87(1)條，(1)仰融博士、(2)徐建國先生、(3)許永生先生、(4)丁國傑先生、(5)陳曉先生及(6)夏廷康博士將退任。彼等均符合資格並願意於本公司應屆股東週年大會（「二零一八年股東週年大會」）上接受重選。

現任董事之間在技能及專業知識上取得良好平衡，當中結合會計及財務、法律、商業及管理、市場推廣策略、業務發展及科學背景等各方面之核心專業知識。

獨立非執行董事符合上市規則下有關獨立性之規定，以使董事會具有足夠的獨立元素，足以作出獨立判斷。董事會認為全體獨立非執行董事均屬獨立，並已按上市規則之規定收到彼等各自根據上市規則第3.13條發出之獨立性確認書。

獨立非執行董事與執行董事須同樣以嚴謹態度和技巧行事及承擔受信責任。



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企業管治報告書

The functions of INEDs include, but not limited to:

- participating in Board meetings to bring an independent judgment to bear on issues of corporate strategy, corporate performance, accountability, resources, key appointments and standard of conducts;
- taking the lead where potential conflicts of interests arise;
- serving as member of and actively participating on matters delegated by the Board to the committee(s) established by the Board, if invited;
- attending general meetings of the Company and developing a balanced understanding of the views of shareholders; and
- scrutinizing the Group's performance in achieving agreed corporate goals and objectives and monitoring the reporting of performance.

Chairman, Deputy Chairmen and CEO

As at 31 December 2017, the Chairman of the Company was Dr Yeung Yung. The Deputy Chairmen of the Company were Mr Hui Wing Sang, Wilson, Dr Huang Chunhua and Dr Wang Chuantao, and the Chief Executive Officer ("CEO") of the Company was Mr. Xu Jianguo.

The Chairman of the Company provides leadership to the Board so that the Board works effectively and discharges its responsibilities and that all key and appropriate issues are discussed by the Board in a timely manner.

The Deputy Chairmen of the Company assist the Chairman of the Company in carrying out his duties.

The position of CEO is vested with executive responsibilities over the business directions and operational decisions of the management and performance of the Group.

The Chairman of the Company also seeks to ensure that all Directors are properly briefed on issues raised at Board meetings and receive adequate and reliable information in a timely manner.

獨立非執行董事之職能包括但不限於：

- 參加董事會會議，就公司策略、公司表現、問責性、資源、重要任命及操守準則等事項作出獨立判斷；
- 在出現潛在利益衝突時擔當主導角色；
- 在獲邀請時擔任由董事會所成立的董事委員會之成員，積極參與由董事會向委員會轉授之事宜；
- 出席本公司股東大會，以及公正地了解股東之見解；及
- 詳細審查本集團之表現是否達到既定企業目標和目的，並監察匯報業績情況。

主席、副主席及行政總裁

於二零一七年十二月三十一日，本公司之主席為仰融博士。本公司之副主席為許永生先生、黃春華博士及王川濤博士，而本公司之行政總裁（「行政總裁」）為徐建國先生。

本公司之主席負責帶領董事會，以確保董事會有效運作並履行其責任，且所有重要及適當事宜均由董事會適時討論。

本公司之副主席負責協助本公司之主席履行其職務。

行政總裁就本集團之業務方向以及有關管理及表現之營運決定肩負行政責任。

本公司之主席亦力求確保全體董事均可於董事會會議上就所提出問題獲得適當簡報，以及適時收到充分及可靠之資料。



Corporate Governance Report

企業管治報告書

Appointment, Re-election, Retirement and Removal

It is the Board's responsibility to select and appoint individuals with integrity, experience and calibre to act as directors of the Company. The Board reviews the profiles of the candidates and seek recommendations from the Nomination Committee of the Board on the appointment, re-election, retirement and removal of directors.

All Directors are subject to rotation at least once in every three years as required by the Bye-laws. Each Director is briefed and updated to ensure that he has a proper understanding of the operations and business of the Group and that he acquaints himself with the common law duties and responsibilities of acting as a director for a listed company and familiarise himself with the applicable laws and regulations (including without limitation, the Listing Rules, the Companies Ordinance, the Securities and Futures Ordinance, and the governance policies of the Company).

Each of the non-executive Directors (including INEDs) is appointed for an initial term of not more than two years commencing from his date of appointment and is renewable successively for a term of one year until terminated by either party by giving not less than one month's prior written notice to the other and is subject to retirement by rotation and re-election by shareholders at annual general meeting in accordance with the Bye-laws. Every Director shall ensure that he can contribute sufficient time and effort to the corporate affairs of the Company once he accepts the appointment.

Inside information

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

Committees

The Board has established the Audit Committee, the Nomination Committee and the Remuneration Committee with specific terms of reference (which are of no less exacting terms than those set out in the Corporate Governance Code) to enable each of the Committees to discharge its functions properly.

委任、重選、退任及罷免

董事會負責甄選及委任具誠信、富經驗及有才幹之人士擔任本公司之董事。董事會審閱候選人之履歷及就董事之委任、重選、退任及罷免尋求董事會轄下提名委員會之建議。

根據公司細則之規定，全體董事均須遵守至少每三年輪值退任一次。各董事亦獲簡要提示及更新最新資料，以確保其妥為了解本集團運作及業務，並知悉其作為上市公司董事在普通法下負有之職責及責任，以及熟悉適用法律及法規（包括但不限於上市規則、公司條例、證券及期貨條例及本公司之管治政策）。

各非執行董事（包括獨立非執行董事）之委任年期由其獲委任之日起計初步為期不超過兩年，並可於其後不斷重續，每次續期一年，直至任何一方向另一方發出不少於一個月之事先書面通知終止為止。非執行董事須根據公司細則於股東週年大會上輪值退任及由股東重選連任。於接納有關委任後，每位董事均須確保其可為本公司之公司事務投入足夠時間及精力。

內幕消息

本公司已制訂披露政策，為本公司之董事、高級人員、高級管理層以及相關僱員處理機密資料、監察資料披露及回應查詢提供一般指引。本公司亦已實行監控程序，確保嚴格禁止未授權接觸並使用內幕消息。

委員會

董事會已成立審核委員會、提名委員會及薪酬委員會，並列明各委員會之特定職權範圍（有關條款並不較企業管治守則所載者寬鬆），協助各委員會妥善執行職務。



Corporate Governance Report

企業管治報告書

Audit Committee

The Audit Committee is responsible for reviewing financial statements and internal control system of the Group. It also provides advice on the financial and accounting policies of the Group.

As at 31 December 2017, the Audit Committee comprised three independent non-executive Directors (namely Mr Cheng Tat Wa, Mr Chan Sin Hang and Mr Lee Cheung Yuet, Horace), and the chairman of the Audit Committee as at the date of this report was Mr Cheng Tat Wa.

Four meetings of the Audit Committee were held for the year ended 31 December 2017. The individual attendance of each member is set out below:

審核委員會

審核委員會負責審閱本集團之財務報表及內部監控系統，以及就本集團之財政及會計政策提供意見。

於二零一七年十二月三十一日，審核委員會由三名獨立非執行董事（即鄭達華先生、陳善衡先生及李暢悅先生）組成，而於本報告日期，審核委員會之主席為鄭達華先生。

審核委員會於截至二零一七年十二月三十一日止年度共舉行四次會議。各成員之出席率載列如下：

Name of Member	成員姓名	Number of meetings attended 出席會議次數
Mr Cheng Tat Wa	鄭達華先生	4/4
Mr Chan Sin Hang	陳善衡先生	4/4
Mr. Lee Cheung Yuet, Horace (appointed on 13 September 2017)	李暢悅先生 (於二零一七年九月十三日獲委任)	0/4(a)
Mr Wong Lee Hing (retired with effect from 31 October 2017)	王利興先生 (於二零一七年十月三十一日退任)	3/4

(a) No meeting was held since Mr Lee Cheung Yuet, Horace was appointed on 13 September 2017. (a) 自李暢悅先生於二零一七年九月十三日獲委任以來並無舉行會議。



Corporate Governance Report

企業管治報告書

During the Year, the Audit Committee performed the following work:

審核委員會已於本年度內執行下列工作：

- Reviewed with the management the Group's annual and interim results and draft consolidated financial statements for the year ended 31 December 2016 and for the six months ended 30 June 2017 respectively
- Reviewed with the management the Group's financial reporting and auditing matters, the risk management and internal control systems of the Group and their adequacy and effectiveness
- Prior to the proposed change of the Company's external auditor, discussed with the management regarding the reasons for the change, conducted interviews with the outgoing external auditor and the incoming new external auditor of the Company (including the review of the terms of engagement)
- Reviewed and discussed with independent external auditor of the Company significant audit findings
- Recommended to the Board the re-appointment of the independent external auditors of the Company for shareholders' approval
- Carried out such other duties as set out in the Corporate Governance Code which included the review of the independence and objectivity of the external auditor, the nature and scope of the audit and reporting obligations, as well as the terms of their engagement. The Audit Committee was satisfied with the outcome of their review, and the Board shared the same views of the Audit Committee.
- 與管理層分別審閱本集團截至二零一六年十二月三十一日止年度及截至二零一七年六月三十日止六個月之全年及中期業績及綜合財務報表草稿
- 與管理層審閱本集團之財務匯報及核數事宜、風險管理及內部監控系統以及該等系統是否充足及有效
- 在本公司擬更換外部核數師前，與管理層了解原因；並接見本公司將離任的外部核數師及擬接任的新外部核數師（包括審閱聘任條款）
- 審閱及與本公司獨立外部核數師討論重大核數結果
- 向董事會提出重新委任本公司獨立外部核數師的建議供股東批准
- 履行企業管治守則所載其他職務，包括檢討外部核數師之獨立性及客觀性、核數及申報義務之性質及範圍，以及其委聘條款。審核委員會對檢討結果滿意，董事會與審核委員會持相同見解。



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企業管治報告書

The Company Secretary keeps the minutes of the Audit Committee. Draft and final versions have been sent to all members of the Audit Committee within a reasonable time after the meeting for their comments and records respectively.

The terms of reference of the Audit Committee are available on both the websites of the Stock Exchange and the Company.

Directors' Responsibility for the Consolidated Financial Statements

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements for the Year, which give a true and fair view of the state of affairs of the Company and the Group's results and cash flows for the year then ended and were properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards. The Directors were not aware of any material uncertainties which may affect the Company's business or cast significant doubt upon the Company's ability to continue as a going concern.

In addition, the external auditor has stated its reporting responsibility in the independent auditor's report of the consolidated financial statements for the Year.

Auditors' Remuneration

During the Year, the fees paid/payable to the external auditor in respect of audit and non-audit services provided by the external auditor of the Group were as follows:

		HK\$ 港元
Audit service	審核服務	1,600,000
Non-audit services [#]	非審核服務 [#]	180,000
		<u>1,780,000</u>

[#] The non-audit services mainly comprised review of interim financial information, professional services in relation to possible transactions and tax compliance services.

Internal Controls and Risk Management

The Board has overall responsibility for overseeing management in the design, implementation and monitoring of the risk management and internal control systems of the Group and establishing procedures to enable the Group to identify, evaluate and monitor the adequacy and effectiveness of the systems in a timely manner. During the Year, the Company had, together with the senior management of the Group and the audit committee of the Board, reviewed and evaluated the risk management and internal control systems of the Group and considered that they were adequate and remained effective.

審核委員會之會議紀錄由公司秘書存置。會議紀錄之草稿及最終稿於會議結束後一段合理時間內供全體審核委員會成員傳閱，以分別供彼等提出意見及作記錄。

審核委員會之職權範圍可於聯交所及本公司網站查閱。

董事就綜合財務報表須承擔之責任

董事對編製本年度之綜合財務報表負責，綜合財務報表真實而中肯地反映本公司之財務狀況以及本集團於截至該日止年度之業績及現金流量，已按照適用法定規定及會計準則按持續經營基準編製。董事並不知悉任何重大不確定性可能影響本公司之業務或對本公司持續經營之能力產生重大疑問。

此外，外部核數師已於本年度綜合財務報表之獨立核數師報告中表明其申報責任。

核數師酬金

於本年度內，就本集團外部核數師提供之審核及非審核服務已付／應付予外部核數師之費用如下：

[#] 非審核服務主要包括審閱中期財務資料、有關可能交易之專業服務及稅務合規服務。

內部監控及風險管理

董事會整體上負責監督管理本集團風險管理及內部監控系統之設計、實施及監察工作，並設立程序讓本集團及時發現、評估及監察該等系統是否充足及有效。於本年度內，本公司已連同本集團高級管理層及董事會轄下之審核委員會審閱及評估本集團之風險管理及內部監控系統，並認為其屬充足及有效。



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The risk management and internal control systems, including a defined management structure with limits of authority, are designed to help achieving business objectives, safeguarding assets against unauthorised use, and maintaining proper accounting records for the provision of reliable financial information for internal use and for publication. The establishment of such systems is designed to management the Group's risks within an acceptable risk profile, rather than to eliminate the risk of failure to achieve business objectives of the Group, and can only provide reasonable assurance but not absolute assurance against material misstatement or loss.

During the year ended 31 December 2017, the Board conducted a review of the effectiveness of the risk management and internal control systems of the Group, including financial, operational and compliance controls as well as the process used to identify, evaluate and manage significant risks faced by the Group. The Board also reviews the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting functions.

Internal Audit Function

The Group has conducted an annual review on whether there is a need for an internal audit department. Given the Group's relatively simple corporate and operation structure, as opposed to diverting resources to establish a separate internal audit department, the Board, supported by the Audit Committee, is directly responsible for risk management and internal control systems of the Group and for reviewing its effectiveness.

Remuneration Committee

The Company has set up the Remuneration Committee to ensure that there are formal and transparent procedures for formulating policies on the remuneration of the Directors and senior management. As at 31 December 2017, the Remuneration Committee comprised Dr Yeung Yung (an executive Director and the Chairman of the Board) and two independent non-executive Directors, namely, Mr Lee Cheung Yuet, Horace and Mr Cheng Tat Wa. Mr Lee Cheung Yuet, Horace was the Chairman of the Remuneration Committee.

風險管理及內部監控系統(包括界定權限之管理架構)乃為協助達成業務目標、保障資產不會被未授權動用以及存置恰當會計紀錄,以提供可靠之財務資料作內部及發表之用而設。設立該等系統旨在將本集團風險控制在可接受範圍內,而無法消除不能達致本集團業務目標的風險,且僅可提供合理保證而非絕對保證不會出現重大錯誤陳述或損失。

於截至二零一七年十二月三十一日止年度,董事會已檢討本集團之風險管理及內部監控系統成效,包括財務、營運及合規監控,以及本集團所面對之重大風險的識別、評估及管理過程。董事會亦檢討本集團會計及財務申報職能之資源充裕度、員工資格及經驗、培訓計劃及預算。

內部審核職能

本集團已就是否需要成立內部審核部門進行年度檢討。鑑於本集團之公司及營運架構相對簡單,董事會在審核委員會協助下直接負責處理本集團之風險管理及內部監控系統及檢討其成效,而非分散資源設立獨立之內部審核部門。

薪酬委員會

本公司已成立薪酬委員會,以確保就制定董事及高級管理層薪酬政策建立正式及透明之程序。於二零一七年十二月三十一日,薪酬委員會由仰融博士(執行董事兼董事會之主席)以及兩名獨立非執行董事李暢悅先生及鄭達華先生組成。李暢悅先生為薪酬委員會之主席。



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During the Year, the Remuneration Committee determined the policy for the remuneration of executive Directors, assessed the performance of the executive Directors and approved the terms of their service contracts. The Remuneration Committee had also made recommendations to the Board regarding the Company's remuneration policy and the formulation and review of the remuneration package of all Directors and senior management of the Group for determination by the Board and considered and dealt with matters relating to appointment, retirement and re-election of Directors.

於本年度內，薪酬委員會已釐定執行董事之薪酬政策、評估執行董事之表現及批准彼等服務合約之條款。薪酬委員會亦已就本公司之薪酬政策以及制定及檢討本集團全體董事及高級管理層之薪酬待遇向董事會提出建議以供董事會釐定，以及考慮及處理有關董事委任、退任及重選之事宜。

No Director is involved in deciding his own remuneration.

概無董事參與釐定其本身薪酬之決策過程。

Details of the remuneration paid to members of the senior management of the Group (including the Directors) by band for the Year are set out below:

本年度支付予本集團高級管理層成員（包括董事）的薪酬按範圍劃分之詳情載列如下：

Remuneration band 薪酬範圍		Number of senior management 高級管理層人數
Below HK\$1,000,000	1,000,000港元以下	8
HK\$1,000,001 to HK\$2,500,000	1,000,001港元至2,500,000港元	5
HK\$2,500,001 to HK\$4,000,000	2,500,001港元至4,000,000港元	5
HK\$4,000,001 to HK\$5,500,000	4,000,001港元至5,500,000港元	—
HK\$5,500,001 to HK\$7,000,000	5,500,001港元至7,000,000港元	—
HK\$7,000,001 to HK\$8,500,000	7,000,001港元至8,500,000港元	—

Three meetings of the Remuneration Committee were held for the year ended 31 December 2017. The individual attendance of each member is set out below.

薪酬委員會於截至二零一七年十二月三十一日止年度共舉行三次會議。各成員之出席率載列如下：

Name of Member 成員姓名		Number of meetings attended 出席會議次數
Dr Yeung Yung	仰融博士	3/3
Mr Cheng Tat Wa	鄭達華先生	3/3
Mr Lee Cheung Yuet, Horace (appointed on 13 September 2017)	李暢悅先生（於二零一七年九月十三日獲委任）	1/3(b)
Mr Wong Lee Hing (retired with effect from 31 October 2017)	王利興先生 （於二零一七年十月三十一日退任）	2/3

(b) One meeting was held since Mr Lee Cheung Yuet, Horace was appointed on 13 September 2017.

(b) 自李暢悅先生於二零一七年九月十三日獲委任以來曾舉行一次會議。

The terms of reference of the Remuneration Committee are available on both the websites of the Stock Exchange and the Company.

薪酬委員會之職權範圍可於聯交所及本公司網站查閱。



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Nomination Committee

The Company has a Nomination Committee to ensure that there are fair and transparent procedures for the appointment, re-election and removal of directors to the Board. As at 31 December 2017, the Nomination Committee comprised Mr Cheng Tat Wa and Lee Cheung Yuet, Horace, both being independent non-executive Directors, and Dr Yeung Yung, being the Chairman of the Board and an executive Director. Dr Yeung Yung was the Chairman of the Nomination Committee.

Two meetings of the Nomination Committee were held for the year ended 31 December 2017. The individual attendance of each member is set out below:

提名委員會

本公司已成立提名委員會，以確保委任、重選及罷免董事會董事之程序公平及透明。於二零一七年十二月三十一日，提名委員會由獨立非執行董事鄭達華先生及李暢悅先生以及董事會主席兼執行董事仰融博士組成。仰融博士為提名委員會之主席。

提名委員會於截至二零一七年十二月三十一日止年度共舉行兩次會議。各成員之出席率載列如下：

Name of Member 成員姓名		Number of meetings attended 出席會議次數
Dr Yeung Yung	仰融博士	2/2
Mr Cheng Tat Wa	鄭達華先生	2/2
Mr Lee Cheung Yuet, Horace (appointed on 13 September 2017)	李暢悅先生 (於二零一七年九月十三日獲委任)	0/2 (c)
Mr Wong Lee Hing (retired with effect from 31 October 2017)	王利興先生 (於二零一七年十月三十一日退任)	2/2

(c) No meeting was held since Mr Lee Cheung Yuet, Horace was appointed on 13 September 2017.

(c) 自李暢悅先生於二零一七年九月十三日獲委任以來並無舉行會議。

During the Year, the Nomination Committee carried out the process of selecting and recommending to the Board candidates for directorship with reference to the diversity policy of the Company, including the candidate's professional knowledge, industry experience, personal ethics, integrity and skills, evaluated the Board's composition, assessed the independence of independent non-executive Directors and recommended the re-appointment of retiring Directors for shareholders' approval at the forthcoming 2018 AGM.

於本年度內，提名委員會已參考本公司之多元化政策（包括候選人之專業知識、行業經驗、個人品格、誠信及技巧）甄選及向董事會推薦董事人選，評估董事會之成員組合，評估獨立非執行董事之獨立性，並建議重新委任退任董事，以供股東於應屆二零一八年股東週年大會上批准。

The terms of reference of the Nomination Committee are available on both the websites of the Stock Exchange and the Company.

提名委員會之職權範圍可於聯交所及本公司網站查閱。



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Continuous Professional Development

During the Year, all Directors (as named under the paragraph "Board composition" of this report) were provided by the Company with materials (including but not limited to updates on Listing Rules and guidelines on Directors' Duties) to ensure that their contribution to the Board remains informed and relevant. The Company also encouraged all Directors to participate from time to time courses which they consider relevant at the expense of the Company so as to develop and refresh their knowledge and skills for better fulfillment of their duties as directors of a listed issuer.

SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding securities transactions by Directors. All Directors, after specific enquiries by the Company, confirmed to the Company their compliance with the required standard set out in the Model Code throughout the Year.

CHANGES IN CONSTITUTIONAL DOCUMENTS

During the Year, there were no changes in the Company's constitutional documents.

SHAREHOLDERS' RIGHTS AND COMMUNICATION

The Company is committed to (i) protecting the rights of Shareholders and ensuring that each Shareholder is treated equally and fairly; and (ii) reinforcing the trust placed in the Company by the Shareholders by remaining open and transparent, which objective the Company believes is the hallmark of a high quality company.

The Company attaches great importance to communication with the Shareholders. A number of means are used to promote greater understanding and dialogue with the Shareholders and the investing public.

The means of access includes without limitation the despatch to Shareholders and/or release by the Company of the various corporate communication of the Company (such as interim and annual reports, circulars, notices, financial reports, press releases and other business information) via the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://hk1188.etnet.com.hk>).

持續專業發展

於本年度內，全體董事（其名字列於本報告內「董事會成員組合」一段）均獲本公司提供資料（包括但不限於上市規則之最新資料及有關董事職責之指引），確保彼等在知情及相關之情況下向董事會作出貢獻。本公司亦鼓勵全體董事不時參與彼等認為相關之課程，由本公司支付費用，以便發展及更新彼等之知識及技能，更好地履行彼等作為上市發行人董事之職責。

證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」），作為其本身有關董事進行證券交易之行為守則。經本公司作出具體查詢後，全體董事已向本公司確認，彼等已於本年度內遵守標準守則所規定之標準。

組織章程文件變動

於本年度內，本公司之組織章程文件概無變動。

股東之權利及溝通

本公司致力(i)保障股東之權利及確保各股東獲公平及公正對待；及(ii)維持公開及透明以加強股東對本公司之信任。本公司相信以上目標乃優秀公司之特點。

本公司極為重視與股東之溝通，並利用多種渠道促進與股東和公眾投資者之了解及交流。

溝通渠道包括但不限於本公司向股東寄發及／或透過聯交所網站 (<http://www.hkexnews.hk>)及本公司網站 (<http://hk1188.etnet.com.hk>)發放各類本公司企業通訊（如中期及年度報告、通函、通告、財務報告、新聞稿及其他業務訊息）。



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Shareholders are encouraged by the Company to attend general meetings of the Company where the Chairman of the Company and other members of the Board and (if appropriate) the auditors of the Company, are available to answer questions.

The following procedures are in place by which Shareholders may (a) convene a special general meeting (the “SGM”); (b) make proposals at Shareholders’ meeting; and (c) send enquiries to the Board to achieve the above purposes.

(a) Procedures by which Shareholders can convene a SGM

Pursuant to section 74 of the Companies Act 1981 of Bermuda (the “Companies Act”), a Shareholder or Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company may requisition the Directors to forthwith proceed duly to convene a SGM by depositing a written requisition at the registered office of the Company. Bye-law 58 of the By-laws provides for this right as well.

The written requisition must state the purposes of the meeting (including the resolutions to be considered at the meeting), signed by the requisitionists, deposited at the registered office of the Company at Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda and may consist of several documents in like form each signed by one or more requisitionists.

If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a SGM, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any SGM so convened shall not be held after the expiration of three months from the date of deposit of the requisition.

A SGM so convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

本公司鼓勵股東出席本公司之股東大會，本公司之主席及其他董事會成員以及（如適當）本公司之核數師會在會上回答提問。

下列程序已獲採納，供股東(a)召開股東特別大會；(b)於股東大會上提出建議；及(c)向董事會作出查詢以達致上述目的。

(a) 股東召開股東特別大會之程序

根據百慕達一九八一年公司法（「公司法」）第74條，於遞呈要求日期持有不少於本公司當日繳足股本（附帶於本公司股東大會表決權）十分之一的一名或多名股東有權透過向本公司註冊辦事處發出書面要求，要求董事盡快正式着手召開股東特別大會。公司細則第58條亦訂明此項權利。

該書面要求必須列明大會目的（包括將於大會上考慮之決議案）、經要求人簽署及寄往本公司之註冊辦事處（地址為Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda），並可包括同樣格式並由一名或多名要求人簽署之數份文件。

倘於遞呈要求當日起計二十一天內，董事未有正式着手召開股東特別大會，則要求人或彼等當中佔彼等所有表決權一半以上之任何一位可自行召開股東特別大會，惟就此召開之任何股東特別大會不得於自遞呈要求當日起計滿三個月後舉行。

由要求人就此召開之股東特別大會須盡可能以與由董事召開大會相同之方式召開。



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(b) Procedures for making proposals at Shareholders' meetings

Sections 79 and 80 of the Companies Act allow certain Shareholder(s) to requisition the Company to move a resolution at an annual general meeting (the "AGM") of the Company or circulate a statement at any general meeting of the Company. Under section 79 of the Companies Act, at the expense of the requisitionists unless the Company otherwise resolves, it shall be the duty of the Company on the requisition in writing by such number of Shareholders:

- (i) to give to the Shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting;
- (ii) to circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting;
- (iii) the number of Shareholders necessary to make the above-mentioned requisitions to the Company shall be:
 - either any number of Shareholders representing not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or
 - not less than one hundred Shareholders.

Notice of any such intended resolution shall be given, and any such statement shall be circulated, to Shareholders entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such Shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other Shareholder by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meeting of the Company, provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

(b) 於股東大會上提出建議之程序

公司法第79及80條准許若干股東要求本公司於本公司之股東週年大會（「股東週年大會」）上動議決議案或於本公司之任何股東大會上傳閱聲明。根據公司法第79條，本公司有責任於有關數目之股東遞呈書面要求時作出下列事項，惟費用由要求人承擔（除非本公司另行議決）：

- (i) 向有權收取下一屆股東週年大會通告之股東發出可能於該大會上正式動議及擬動議之任何決議案通告；
- (ii) 向有權獲發任何股東大會通告之股東傳閱與於任何所提呈決議案中提述之事宜或將於該大會上處理之事務有關，而不超過一千字之任何聲明；
- (iii) 向本公司遞呈上述要求所須之股東數目應為：
 - 於遞呈要求當日佔所有有權於與該要求有關之大會上表決之股東總表決權不少於二十分之一的任何股東數目；或
 - 不少於一百名股東。

任何有關擬提呈決議案之通告及任何有關聲明均須向有權獲寄發大會通告之股東發出，該決議案或聲明之副本須以准許向其送達大會通告之任何方式送達各有關股東，並以准許向其他股東發出本公司大會通告之任何方式，向其他股東提供有關決議案大意之通告，以向其發出任何有關決議案之通告，惟送達該副本或發出有關決議案大意之通告（視情況而定）的方式，須以與大會通告相同之方式及於切實可行範圍內於與大會通告相同之時間作出，或如於該時間送達或發出並不切實可行，則須在切實可行情況下於隨後盡快送達或發出。



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企業管治報告書

Section 80 of the Companies Act sets out the conditions to be met before the Company is bound to give any notice of resolution or to circulate any statement. Pursuant to section 80 of the Companies Act, the Company shall not be bound to give notice of any resolution or to circulate any statement as mentioned above unless:

- (i) a copy of the requisition signed by the requisitionists, or two or more copies which between them contain the signatures of all the requisitionists, is deposited at the registered office of the Company:
 - in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
 - in the case of any other requisition, not less than one week before the meeting;
- (ii) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expense in giving effect to the procedures regarding the giving of notice of resolution and/or circulation of statement,

Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the above-mentioned time shall be deemed to have been properly deposited for the purposes thereof.

公司法第80條載有本公司須於發出任何決議案通告或傳閱任何聲明之前符合之條件。根據公司法第80條，本公司並無責任按上文所述發出任何決議案通告或傳閱任何聲明，除非：

- (i) 一份由遞呈要求人簽署之要求書副本，或兩份或以上副本（該等副本載有全體遞呈要求人之簽名）已送達本公司之註冊辦事處，且：
 - 如屬要求發出決議案通告之要求書，則在有關會議前不少於六個星期；及
 - 如屬任何其他要求書，則在有關會議前不少於一個星期；
- (ii) 隨該要求書交付或呈交一筆合理且足以應付本公司為令有關發出決議案通告及／或傳閱聲明之程序生效而產生之開支，

惟倘在要求發出決議案通告之要求書副本送達本公司之註冊辦事處後，在該要求書副本送達後六個星期或較短期間內某一日召開股東週年大會，則該要求書副本雖然並非在上述時間內送達，但就此而言，亦須被視作已適當地送達。



Corporate Governance Report

企業管治報告書

(c) Procedures for sending enquiries to the Board

Shareholders are encouraged to communicate with the Company for any enquiries in relation to the affairs of the Group. Shareholders may contact the Company in writing or by telephone or facsimile:

Address : Principal office of the Company
in Hong Kong – Suites 1407-8, 14/F.,
Great Eagle Centre, 23 Harbour Road,
Wanchai, Hong Kong

Telephone : +(852) 2530 9218

Facsimile : +(852) 2525 2002

Attention : Board of Directors/Company Secretary

(c) 向董事會作出查詢之程序

本公司鼓勵股東就任何有關本集團事務之查詢與本公司溝通。股東可以書面、電話或傳真方式與本公司聯繫：

地址 : 本公司於
香港之總辦事處－
香港灣仔
港灣道23號鷹君中心
14樓1407-8室

電話 : +(852) 2530 9218

傳真 : +(852) 2525 2002

收件人 : 董事會／公司秘書



Independent Auditor's Report 獨立核數師報告



To the shareholders of Hybrid Kinetic Group Limited
(Incorporated in Bermuda with limited liability)

Qualified Opinion

We have audited the consolidated financial statements of Hybrid Kinetic Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 73 to 143, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致正道集團有限公司
(於百慕達註冊成立之有限公司)
股東

保留意見

本核數師(下稱「我們」)已審計第73頁至第143頁所載正道集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,包括於二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

我們認為,除本報告內「保留意見的基礎」一節所述事項的可能影響外,綜合財務報表按照香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港公司條例的披露規定妥為編製。



Independent Auditor's Report

獨立核數師報告

Basis for Qualified Opinion

Prepayment to suppliers

We were unable to obtain direct audit confirmation in relation to the prepayment to a supplier and unable to obtain sufficient evidence to ascertain that such prepayment to the supplier will be recovered in the foreseeable future. We were therefore not able to satisfy ourselves as to (i) whether the carrying amount of the prepayment to suppliers amounted to approximately HK\$333,918,000 as at 31 December 2017 and the carrying amount of the prepayment to suppliers amounted to approximately HK\$333,814,000 as at 31 December 2016 are fairly stated; (ii) the recoverability of prepayment to suppliers of approximately HK\$333,918,000 as at 31 December 2017 and the recoverability of prepayment to suppliers of approximately HK\$333,814,000 as at 31 December 2016; and (iii) the existence and completeness of the disclosures of contingent liabilities in relation to the prepayment to the supplier.

Any adjustments to the figures as described above might have a consequential effect on the Group's financial performance and cash flows for the years ended 31 December 2017 and 2016 and the financial positions of the Group as at 31 December 2017 and 2016, and the related disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKASs") issued by 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

保留意見的基礎

預付供應商款項

我們未能取得有關預付供應商款項的直接審計確認，亦未能取得確定有關預付供應商款項將於可見未來收回的足夠憑證。因此，我們未能信納(i)預付供應商款項於二零一七年十二月三十一日的賬面金額約333,918,000港元及於二零一六年十二月三十一日的賬面金額約333,814,000港元是否中肯地列報；(ii)於二零一七年十二月三十一日為數約333,918,000港元及於二零一六年十二月三十一日為數約333,814,000港元的預付供應商款項的可收回性；及(iii)與預付供應商款項有關的或然負債是否存在以及是否已全面地披露。

上述數字如有任何調整，均可對 貴集團截至二零一七年及二零一六年十二月三十一日止年度的財務業績及現金流量以及於二零一七年及二零一六年十二月三十一日的財務狀況，以至於綜合財務報表內的相關披露造成影響。

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的保留意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。除「保留意見的基礎」一節所述的事項外，我們已識別下述事項為將於本報告中溝通的關鍵審計事項。



Independent Auditor's Report

獨立核數師報告

(i) Trade and other receivables

Refer to Note 21 to the consolidated financial statements

The Group tested the amount of trade receivables and prepayment, deposits and other receivables for impairment. This impairment test is significant to our audit because the balance of trade receivables and other receivables of approximately HK\$147,041,000 as at 31 December 2017 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Our audit procedures included, among others:

- Assessing the Group's procedures on granting credit/loans limits and credit/loans periods to customers/borrowers;
- Assessing the Group's relationship and transaction history with the customers/borrowers;
- Evaluating the Group's impairment assessment;
- Assessing ageing of the debts;
- Assessing creditworthiness of the customers/borrowers;
- Checking subsequent settlements from the customers/borrowers;
- Assessing the value of the collateral for the debts; and
- Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.

We consider that the Group's impairment test for trade receivables and prepayment, deposits and other receivables is supported by the available evidence.

(i) 應收貿易款項及其他應收款

參閱綜合財務報表附註21

貴集團已就應收貿易款項以及預付款、按金及其他應收款進行減值測試。由於應收貿易款項及其他應收款於二零一七年十二月三十一日的結餘約147,041,000港元對綜合財務報表屬重大，故該減值測試對我們的審計亦屬重大。此外，貴集團的減值測試涉及運用判斷，並以估計為基礎。

我們的審計程序包括（其中包括）：

- 評估 貴集團向客戶／借款人授出信貸／貸款限額及信貸／貸款期的程序；
- 評估 貴集團與客戶／借款人的關係及交易紀錄；
- 評價 貴集團的減值評估；
- 評估債項賬齡；
- 評估客戶／借款人的信譽；
- 查核客戶／借款人的其後還款情況；
- 評估債項抵押品的價值；及
- 評估綜合財務報表內有關 貴集團所面對信貸風險的披露事項。

我們認為，可得憑證足以支持 貴集團就應收貿易款項以及預付款、按金及其他應收款進行的減值測試。



Independent Auditor's Report

獨立核數師報告

(ii) Investment in associates

Refer to Note 16 to the consolidated financial statements

The Group tested the amount of investment in associates for impairment. This impairment test is significant to our audit because the balance of investment in associates of HK\$547,494,000 as at 31 December 2017 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- Evaluating the Group's impairment assessment;
- Assessing the financial information of the associates;
- Obtaining and checking to evidence to support the Group's impairment assessment;
- Assessing the competence, independence and integrity of the external valuers engaged by client;
- Obtaining the external valuation reports and meeting with the external valuers to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model;
- Checking key assumptions and input data in the valuation model to supporting evidence; and
- Checking arithmetical accuracy of the valuation model.

We consider that the Group's impairment test for investment in associates is supported by the available evidence.

(ii) 於聯營公司之投資

參閱綜合財務報表附註16

貴集團已就於聯營公司之投資進行減值測試。由於於聯營公司之投資於二零一七年十二月三十一日的結餘約547,494,000港元對綜合財務報表屬重大，故該減值測試對我們的審計亦屬重大。此外，貴集團的減值測試涉及運用判斷，並以估計為基礎。

我們的審計程序包括（其中包括）：

- 評價 貴集團的減值評估；
- 評估聯營公司的財務資料；
- 獲取及查核憑證以支持 貴集團的減值評估；
- 評估客戶所委聘外部估值師的能力、獨立性及誠信；
- 獲取外部估值報告及會晤外部估值師，以討論估值過程、所用方法以及支持估值模型所用重大判斷及假設之市場憑證並就此要求證明；
- 利用支持憑證查核估值模型之主要假設及輸入數據；及
- 查核估值模型之算術準確性。

我們認為，可得憑證足以支持 貴集團就於聯營公司之投資進行的減值測試。



Independent Auditor's Report

獨立核數師報告

Other Information

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

Responsibilities of Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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 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.

其他信息

董事須對其他信息承擔責任。其他信息包括 貴公司年報內的所有資料，惟不包括綜合財務報表及我們就此出具的核數師報告。預期我們將於本核數師報告日期後獲得有關其他信息。

我們對綜合財務報表作出的意見並未考慮其他信息，我們不會對其他信息發表任何形式的核證結論。

就審計綜合財務報表而言，我們的責任是於獲得上文所識別的其他信息時閱讀該等信息，從而考慮其他信息是否與綜合財務報表或我們在審計過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港公司條例的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，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。



Independent Auditor's Report

獨立核數師報告

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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Fong Tak Ching
Audit Engagement Director
Practising Certificate Number P06353

Hong Kong, 28 March 2018

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向全體股東報告，除此之外，本報告不可用作其他用途。我們不會就本報告的內容對任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

有關審計綜合財務報表的責任的進一步描述載於香港會計師公會網頁：

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

該描述構成本核數師報告的一部分。

中匯安達會計師事務所有限公司
執業會計師
方德程
審計業務董事
執業證書號碼P06353

香港，二零一八年三月二十八日



Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收入	7	35,434	15,529
Cost of sales	銷售成本		(26,012)	(11,683)
Gross profit	毛利		9,422	3,846
Other income	其他收入	8	134,631	34,605
Distribution costs	分銷成本		(5,971)	(444)
Administrative expenses	行政開支		(452,066)	(393,299)
Share of losses of associates	應佔聯營公司之虧損		(11,321)	(3,448)
Loss before tax	除稅前虧損		(325,305)	(358,740)
Income tax expense	所得稅開支	10	(360)	(805)
Loss for the year	本年度虧損	11	(325,665)	(359,545)
Other comprehensive income/(loss):	其他全面收入/(虧損):			
<i>Items that may be reclassified to profit or loss:</i>	<i>可能重新分類至損益之項目:</i>			
Exchange differences on translating foreign operations – Group	換算海外業務之匯兌差額 – 本集團		51,228	(66,632)
Exchange differences on translating foreign operations – Associates	換算海外業務之匯兌差額 – 聯營公司		6,597	(1,384)
Other comprehensive income/(loss) for the year	本年度其他全面收入/(虧損)		57,825	(68,016)
Total comprehensive loss for the year	本年度全面虧損總額		(267,840)	(427,561)
Loss for the year attributable to:	以下人士應佔本年度虧損:			
Owners of the Company	本公司擁有人		(322,290)	(355,303)
Non-controlling interests	非控股權益		(3,375)	(4,242)
			(325,665)	(359,545)
Total comprehensive loss for the year attributable to:	以下人士應佔本年度全面虧損總額:			
Owners of the Company	本公司擁有人		(266,658)	(421,185)
Non-controlling interests	非控股權益		(1,182)	(6,376)
			(267,840)	(427,561)
Loss per share	每股虧損	14		
Basic (cents per share)	基本(每股仙)		(1.58)	(1.75)
Diluted (cents per share)	攤薄(每股仙)		(1.58)	(1.75)



Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017 於二零一七年十二月三十一日

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	70,638	80,329
Investment in associates	於聯營公司之投資	16	547,494	38,465
Available-for-sale financial assets	可供出售金融資產	17	60,310	72,188
Prepayments	預付款	18	63,368	33,669
Finance lease receivables	應收融資租賃款項	19	-	1,639
			741,810	226,290
Current assets	流動資產			
Inventories	存貨	20	75,408	97,270
Finance lease receivables	應收融資租賃款項	19	1,753	15,154
Trade and other receivables	應收貿易款項及其他應收款	21	480,959	869,724
Derivative financial instrument	衍生金融工具	22	46,957	4,260
Pledged bank deposits	已抵押銀行存款		2,007	2,007
Bank and cash balances	銀行及現金結餘	23	311,781	695,258
			918,865	1,683,673
Current liabilities	流動負債			
Trade and other payables	應付貿易款項及其他應付款	24	61,827	48,247
Current tax liabilities	即期稅項負債		-	298
			61,827	48,545
Net current assets	流動資產淨值		857,038	1,635,128
NET ASSETS	資產淨值		1,598,848	1,861,418
Capital and reserves	資本及儲備			
Share capital	股本	26	2,033,787	2,033,787
Reserves	儲備	27(a)	(472,159)	(206,448)
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,561,628	1,827,339
Non-controlling interests	非控股權益		37,220	34,079
TOTAL EQUITY	權益總額		1,598,848	1,861,418

The consolidated financial statements on pages 73 to 143 were approved and authorised for issue by the board of directors on 28 March 2018 and are signed on its behalf by:

Approved by:

Xu Jianguo
徐建國
Director
董事

第73至143頁之綜合財務報表於二零一八年三月二十八日獲董事會批准及授權刊發，並由以下人士代表簽署：

獲以下人士批准：

Ting Kwok Kit, Johnny
丁國傑
Director
董事



Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔					Non-controlling interests		Total	
		Share capital	Share premium	Translation reserve	Share-based payment reserve 以股份	Other reserve	Accumulated losses	Total	Total	
		股本	股份溢價	換算儲備	支付之款項	其他儲備	累計虧損	總計	非控股權益	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 January 2016	於二零一六年一月一日	2,032,587	2,120,075	(15,682)	391,570	(23,901)	(2,261,078)	2,243,571	36,455	2,280,026
Share issued under share option schemes	根據購股權計劃發行股份	1,200	2,126	-	(1,472)	-	-	1,854	-	1,854
Recognition of equity settled share-based payment	確認以權益結算並以股份支付之款項	-	-	-	3,099	-	-	3,099	-	3,099
Increased in non-controlling interests of a subsidiary	一間附屬公司之非控股權益增加	-	-	-	-	-	-	-	4,000	4,000
Total comprehensive loss for the year	本年度全面虧損總額	-	-	(65,882)	-	-	(355,303)	(421,185)	(6,376)	(427,561)
At 31 December 2016	於二零一六年十二月三十一日	2,033,787	2,122,201	(81,564)	393,197	(23,901)	(2,616,381)	1,827,339	34,079	1,861,418
At 1 January 2017	於二零一七年一月一日	2,033,787	2,122,201	(81,564)	393,197	(23,901)	(2,616,381)	1,827,339	34,079	1,861,418
Recognition of equity settled share-based payment	確認以權益結算並以股份支付之款項	-	-	-	947	-	-	947	-	947
Incorporation of a non-wholly owned subsidiary	註冊成立一間非全資附屬公司	-	-	-	-	-	-	-	4,323	4,323
Total comprehensive income/(loss) for the year	本年度全面收入/(虧損)總額	-	-	55,632	-	-	(322,290)	(266,658)	(1,182)	(267,840)
At 31 December 2017	於二零一七年十二月三十一日	2,033,787	2,122,201	(25,932)	394,144	(23,901)	(2,938,671)	1,561,628	37,220	1,598,848



Consolidated Statement of Cash Flows

綜合現金流量表

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流量		
Loss before tax	除稅前虧損	(325,305)	(358,740)
Adjustments for:	就下列項目作出之調整：		
Share of losses of associates	應佔聯營公司虧損	11,321	3,448
Equity settled share-based payment	以權益結算並以 股份支付之款項	947	3,099
Interest income	利息收入	(7,309)	(19,757)
Depreciation	折舊	21,949	18,835
Gain on capital contribution to an associate	向一間聯營公司注資之收益	(77,861)	-
Gain on deemed disposal of partial investment in an associate	視作出售於一間聯營公司之 部分投資之收益	(2,765)	-
Recognition of deferred income on capital contribution to associate	確認向一間聯營公司注資之 遞延收入	(1,828)	-
Fair value gain on derivative financial instrument	衍生金融資產公平值收益	(40,729)	(4,260)
Impairment of property, plant and equipment	物業、廠房及設備減值	1,639	5,986
Impairment of available-for-sale financial asset	可供出售金融資產減值	16,260	5,707
Impairment of inventories	存貨減值	-	3,606
(Reversal of impairment)/impairment of other receivables	其他應收款 (減值撥回)/減值	(1,837)	67,498
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損/(收益)	531	(214)
Operating loss before working capital changes	營運資金變動前之經營虧損	(404,987)	(274,792)
Change in inventories	存貨變動	28,208	(96,789)
Change in trade receivables	應收貿易款項變動	(28,109)	(304)
Change in other receivables, deposits and prepayments	其他應收款、按金及 預付款變動	400,202	(294,135)
Change in finance lease receivables	應收融資租賃款項變動	15,040	5,567
Change in trade payables	應付貿易款項變動	-	7,912
Change in accruals and other payables	應計費用及其他應付款變動	11,502	(224)
Cash generated from/(used in) operations	營運所得/(所用)現金	21,856	(652,765)
Tax paid	已付稅項	(658)	(1,427)
Net cash used in operating activities	經營活動所用現金淨額	21,198	(654,192)



Consolidated Statement of Cash Flows

綜合現金流量表

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash flows from investing activities	投資活動所得現金流量		
Purchase of available-for-sale financial assets	購買可供出售金融資產	-	(66,913)
Purchase of property, plant and equipment	購買物業、廠房及設備	(14,839)	(34,510)
Decrease in short-term investments	短期投資減少	-	84,001
Interest received	已收利息	7,309	19,757
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	3,037	5,815
Capital injection to a subsidiary from non-controlling shareholders	非控股股東向一間附屬公司注資	4,323	-
Payment to acquire an associate	收購一間聯營公司之付款	(432,288)	(21,061)
Decrease in amount due from a non-controlling shareholder of a subsidiary	應付一間附屬公司一名非控股股東款項減少	-	2,483
Decrease in structured bank deposits	結構性銀行存款減少	-	420,182
Increase in pledged bank deposits	已抵押銀行存款增加	-	(400)
Net cash (used in)/generated from investing activities	投資活動(所用)/所得現金淨額	(432,458)	409,354
Cash flows from financing activities	融資活動之現金流量		
Net proceeds from shares issued under share options scheme	根據購股權計劃發行股份所得款項淨額	-	1,854
Repayment for borrowings	償還借貸	-	(196)
Net cash generated from financing activities	融資活動所得現金淨額	-	1,658
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	(411,260)	(243,180)
Cash and cash equivalents at beginning of year	於年初之現金及現金等價物	695,258	999,820
Effect of changes in foreign exchange rate	外幣匯率變動之影響	27,783	(61,382)
Cash and cash equivalents at end of year	於年末之現金及現金等價物	311,781	695,258
Analysis of cash and cash equivalents	現金及現金等價物分析		
Bank and cash balances	銀行及現金結餘	311,781	695,258



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL INFORMATION

Hybrid Kinetic Group Limited was incorporated in Bermuda as an exempted company with limited liability. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The address of its principal place of business is Suites 1407-8, 14th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (together referred to as the "Group") were development of high-tech electric motor vehicles, development and sales of battery management systems and spare parts and development of advanced batteries materials. The principal activities of the Company's subsidiaries are set out in note 33 to the consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2017. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

1. 一般資料

正道集團有限公司為一間於百慕達註冊成立之獲豁免有限公司，其註冊辦事處地址為Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda，而其主要營業地點之地址為香港灣仔港灣道23號鷹君中心14樓1407-8室。本公司股份於香港聯合交易所有限公司（「聯交所」）主板上市。

本公司為投資控股公司。本公司及其附屬公司（統稱「本集團」）之主要業務為開發高科技電動汽車、開發及銷售電池管理系統及備品備件以及開發先進電池材料。本公司附屬公司之主要業務載於綜合財務報表附註33。

2. 採納新訂及經修訂香港財務報告準則

於本年度，本集團已採用所有由香港會計師公會頒佈、與其業務有關且於二零一七年一月一日開始之會計年度生效之新訂及經修訂香港財務報告準則。香港財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採用該等新訂及經修訂香港財務報告準則並無導致本集團之會計政策、本集團財務報表之呈列方式以及本年度及過往年度之已呈報金額出現重大變動。

本集團並無採用已經頒佈但尚未生效之新訂及經修訂香港財務報告準則。本集團已開始評估該等新訂及經修訂香港財務報告準則之影響，惟尚無法說明該等新訂及經修訂香港財務報告準則會否對本集團之經營業績及財務狀況產生重大影響。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 4 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

3. 重大會計政策

本綜合財務報表乃按照香港財務報告準則、香港公認會計原則及聯交所證券上市規則及香港公司條例之適用披露規定編製。

本綜合財務報表乃根據歷史成本慣例編製。

編製符合香港財務報告準則之綜合財務報表時需要使用若干關鍵假設及估計，亦需要董事於應用會計政策之過程中作出判斷。涉及關鍵判斷之範疇以及涉及對本綜合財務報表屬重大之假設及估計之範疇在綜合財務報表附註4中披露。

編製本綜合財務報表時應用之重大會計政策載列如下。

綜合賬目

綜合財務報表包含本公司及其附屬公司直至十二月三十一日之財務報表。附屬公司指本集團擁有控制權之實體。當本集團可以或有權藉參與實體獲得可變回報，且有能力透過其對實體之權力影響該等回報時，本集團即控制該實體。當本集團現時擁有權利賦予其目前掌控有關活動（即大幅影響實體回報之活動）之能力時，本集團即對該實體擁有權力。

當評估控制權時，本集團會考慮其潛在表決權及其他人士持有之潛在表決權，以釐定其是否擁有控制權。僅在持有人能實際行使潛在表決權之情況下，方會考慮該權利。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Consolidation (Continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

綜合賬目(續)

附屬公司由其控制權轉至本集團當日起綜合入賬，並由控制權終止之日起不再綜合入賬。

出售附屬公司(導致失去控制權)之盈虧指(i)出售代價公平值加於該附屬公司保留之任何投資公平值與(ii)本公司應佔該附屬公司淨資產加與該附屬公司有關之任何餘下商譽及任何相關累計外幣換算儲備兩者間之差額。

集團內公司間之交易、結餘及未變現溢利會作對銷。未變現虧損亦會對銷，除非該項交易證明所轉讓資產出現減值。附屬公司之會計政策亦已於必要時作出調整，確保符合本集團採納之政策。

非控股權益指並非直接或間接歸屬於本公司之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益呈列。於綜合損益及其他全面收益表內，非控股權益呈列為本年度溢利或虧損及全面收益總額在非控股股東與本公司擁有人之間之分配。

損益及其他全面收益各部份歸屬於本公司擁有人及非控股股東，即使此舉導致非控股權益出現虧絀結餘。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

聯營公司

聯營公司為本集團對其擁有重大影響力之實體。重大影響力為參與實體財政及營運政策決定之權力，惟並非對該等政策施加控制或共同控制。於評估本集團是否擁有重大影響力時，會考慮現時可行使或可轉換之潛在表決權（包括其他實體持有之潛在表決權）是否存在及其影響。於評估潛在表決權是否意味着重大影響力時，不會考慮持有人之意向及是否有財政能力行使或轉換該權利。

於聯營公司之投資以權益法於綜合財務報表入賬，且初步按成本確認。於收購中，聯營公司之可識別資產及負債按於收購日期之公平值計量。收購成本超出本集團應佔該聯營公司可識別資產及負債公平淨值之差額列為商譽。商譽計入投資之賬面值，且當有任何客觀證據顯示投資已減值時，會於各報告期末連同投資進行減值測試。本集團應佔可識別資產及負債公平淨值超出收購成本之任何差額於綜合損益確認。

本集團應佔聯營公司之收購後溢利或虧損於綜合損益確認，而其應佔之收購後儲備變動則於綜合儲備確認。累計收購後變動因應投資之賬面值作出調整。當本集團應佔聯營公司之虧損相等於或超出其於該聯營公司之權益（包括任何其他無抵押應收款）時，本集團不會確認進一步虧損，除非其已代表該聯營公司承擔責任或付款。倘該聯營公司其後錄得溢利，則本集團僅於其應佔溢利與未確認之應佔虧損相等後，方會繼續確認其應佔溢利。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(b) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

外幣換算

(a) *功能及呈列貨幣*

本集團各實體財務報表內所包括項目利用該實體經營之主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以港元呈列，而港元為本公司之功能貨幣以及呈列貨幣。

(b) *各個實體之財務報表中之交易及結餘*

外幣交易於初步確認時使用交易日期之通行匯率換算為功能貨幣。以外幣為單位之貨幣資產及負債按各報告期末之匯率換算。此換算政策產生之盈虧於損益內確認。

以公平值計量並以外幣計值之非貨幣項目按釐定公平值當日之匯率換算。

當非貨幣項目之盈虧於其他全面收益確認時，該盈虧之任何匯兌部份於其他全面收益確認。當非貨幣項目之盈虧於損益確認時，該盈虧之任何匯兌部份於損益確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Foreign currency translation (Continued)

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

外幣換算(續)

(c) 綜合賬目時換算

功能貨幣與本公司呈列貨幣不同之所有本集團實體之業績及財務狀況按以下方法換算為本公司之呈列貨幣：

- 呈列每份財務狀況表的資產及負債以該財務狀況表日期之收市匯率換算；
- 收入及開支按平均匯率換算(除非該平均值並非交易日通行匯率累積影響之合理近似值，在此情況下，收入及開支按交易日之匯率換算)；及
- 所有因而產生之匯兌差額於外幣換算儲備確認。

於綜合賬目時，換算境外實體淨投資及借貸所產生之匯兌差額於外幣換算儲備確認。當出售境外業務時，有關匯兌差額作為出售之盈虧之一部份於綜合損益確認。

收購境外實體所產生之商譽及公平值調整被視作境外實體的資產及負債處理，並按收市匯率換算。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their costs less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Leasehold improvements, fixtures and fittings	Over the expected useful lives of 5 to 10 years or over the term of lease, whichever is shorter
Furniture and equipment	5 years
Machineries	5 to 10 years
Motor vehicles	4 to 10 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

物業、廠房及設備

物業、廠房及設備按成本減累計折舊及減值虧損列賬。

只有當與資產有關之未來經濟利益有可能流入本集團，且該項目之成本能可靠地計量時，方會將其後成本計入該項資產的賬面值或確認為獨立資產（如適用）。所有其他維修及保養於產生之期間在損益確認。

計算物業、廠房及設備折舊所用之比率足以於估計可用年期內以直線法撇銷該等項目之成本減剩餘價值。主要可用年期如下：

租賃物業裝修、固定裝置及配件	按介乎5至10年之預計可用年期或租期（以較短者為準）
傢俬及設備	5年
機器	5至10年
汽車	4至10年

剩餘價值、可用年期及折舊方法於各報告期末檢討並於適當時調整。

出售物業、廠房及設備之盈虧為出售所得款項淨額與相關資產賬面值之差額，乃於損益確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Leases

The Group as lessee

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

The Group as lessor

(i) Finance leases

Leases that substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as finance leases. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Group's development is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software and new processes);
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Internally generated intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 5 to 10 years. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

租賃

本集團作為承租人

(i) 經營租賃

資產擁有權之絕大部份風險及回報並無轉移至本集團之租賃入賬列作經營租賃。租賃款項在扣除自出租人收取之任何獎勵金後，於租期內以直線法確認為開支。

本集團作為出租人

(i) 融資租賃

資產擁有權之絕大部份風險及回報轉移至承租人之租賃入賬列作融資租賃。根據融資租賃應收承租人之款項按本集團於租賃之淨投資確認為應收款。融資租賃收入會分配至各會計期間，以反映本集團於有關租賃之未償還淨投資之固定週期回報率。

研究及開發支出

研究活動支出於產生之期間確認為開支。僅於符合下列全部條件時，方會確認本集團進行開發所產生之內部產生無形資產：

- 所創造資產為可作識別（如軟件及新程序）；
- 所創造資產將可能產生未來經濟利益；及
- 資產開發成本能可靠地計量。

內部產生之無形資產按成本減累計攤銷及減值虧損列賬。攤銷於介乎5至10年之預計可用年內以直線法計算。倘並無內部產生之無形資產可予確認，則開發支出會於產生之期間在損益確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

存貨

存貨以成本值與可變現淨值中之較低者列賬。成本值採用先進先出法釐定。製成品及在製品之成本包括原材料、直接人工及所有間接生產支出之應佔部份，以及（如適當）分包費。可變現淨值為日常業務過程中之估計售價減預期完成之成本及進行銷售所需之預期成本。

確認及取消確認金融工具

當本集團成為金融資產及金融負債合約條文之訂約方時，會於財務狀況表確認該等工具。

當從資產收取現金流之合約權利屆滿；本集團轉讓資產擁有權之絕大部份風險及回報；或本集團既無轉讓亦無保留資產擁有權之絕大部份風險及回報但未有保留對資產之控制權時，便會取消確認金融資產。於取消確認金融資產時，資產賬面值與已收代價及已於其他全面收益確認之累計盈虧總和之間之差額會於損益確認。

當相關合約訂明之責任獲解除、取消或屆滿時，本集團會取消確認金融負債。已取消確認之金融負債之賬面值與已付代價之差額會於損益確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Investments are classified as either financial assets at fair value through profit or loss or available-for-sale financial assets.

(i) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less impairment losses.

投資

投資按交易日基準(即購買或出售投資的合約條款規定須於有關市場指定時限內交付該項投資之日)確認及取消確認,並初步按公平值加直接應佔交易成本計量,惟按公平值計入損益之金融資產除外。

投資分類為按公平值計入損益之金融資產或可供出售金融資產。

(i) 可供出售金融資產

可供出售金融資產為並未分類為應收貿易款項及其他應收款、持至到期投資或按公平值計入損益之金融資產之非衍生金融資產。可供出售金融資產其後按公平值計量。該等投資公平值變動所產生之盈虧於其他全面收益確認,直至有關投資已出售或有客觀證據顯示該等投資出現減值為止,屆時過往於其他全面收益確認之累計盈虧會於損益確認。使用實際利率法計算之利息於損益確認。

於並無活躍市場報價及公平值未能可靠地計量之股本工具之投資,以及與有關無報價股本工具有關且須以交付該等工具結算之衍生工具,會按成本減減值虧損計量。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策 (續)

Investments (Continued)

(i) Available-for-sale financial assets (Continued)

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale financial assets are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in profit or loss if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses on unquoted equity instruments that are not carried at fair value because their fair value cannot be reliably measured, or on derivative assets that are linked to and must be settled by delivery of such unquoted equity instruments are not reversed.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade, loans and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

投資 (續)

(i) 可供出售金融資產 (續)

就分類為可供出售金融資產之股本投資於損益確認之減值虧損其後不會透過損益撥回。倘分類為可供出售金融資產之債務工具之公平值增加客觀上可與於確認減值虧損後發生之事件聯繫，則就該等工具於損益確認之減值虧損會於其後撥回及於損益確認。

因公平值不能可靠地計量而並非按公平值列賬之無報價股本工具，或與有關無報價股本工具有關且須以交付該等工具結算之衍生資產之減值虧損不予撥回。

應收貿易款項及其他應收款

應收貿易款項及其他應收款為無活躍市場報價而附帶固定或可釐定付款之非衍生金融資產，初步按公平值確認，其後以實際利率法按攤銷成本扣除減值備抵計量。當有客觀證據顯示本集團將無法按應收款之原有條款收回所有到期款項時，本集團會計提應收貿易款項、應收貸款及其他應收款之減值備抵。備抵金額為應收款賬面值與估計未來現金流量現值（按於初步確認時計算之實際利率貼現）兩者間之差額。備抵金額於損益確認。

當應收款之可收回金額增加客觀上可與確認減值後發生之事項聯繫時，本集團會於往後期間撥回減值虧損並於損益內確認，惟應收款於減值撥回日期之賬面值不應超過在並無確認減值之情況下之攤銷成本。



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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

現金及現金等價物

就現金流量表而言，現金及現金等價物指銀行及手頭現金、存放於銀行及其他財務機構之活期存款以及可隨時轉換為已知數額之現金且價值變動風險不高之短期高流通性投資。須按要求償還並構成本集團現金管理組成部份之銀行透支亦計入現金及現金等價物之一部份。

金融負債及股本工具

金融負債及股本工具按所訂立合約安排之內容及香港財務報告準則中金融負債和股本工具之定義分類。股本工具為證明本集團資產於扣除其所有負債後之剩餘權益之任何合約。下文載列就特定金融負債及股本工具採納之會計政策。

借貸

借貸初步按公平值扣除所產生之交易成本確認，其後使用實際利率法按攤銷成本計算。

除非本集團擁有無條件權利可將負債之清償日期遞延至報告期末後最少十二個月，否則借貸會分類為流動負債。

應付貿易款項及其他應付款

應付貿易款項及其他應付款初步按公平值列賬，其後使用實際利率法按攤銷成本計量，惟倘貼現影響不大，則按成本列賬。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

- (a) Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.
- (b) Interest income is recognised on a time-proportion basis using the effective interest method.
- (c) Subsidy income is recognised when the right to receive payment is established.

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the at the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

股本工具

本公司所發行之股本工具按已收所得款項扣除直接發行成本入賬。

收入確認

收入按已收或應收代價之公平值計量，並於經濟效益可能會流入本集團且收入金額能可靠地計量時確認。

- (a) 貨品之銷售額於擁有權之重大風險及回報轉移至客戶時確認。此一般被視為貨品已交付及客戶已接納貨品之時間。
- (b) 利息收入按時間比例基準使用實際利率法確認。
- (c) 補助收入於收取款項之權利確立時確認。

僱員福利

(a) 僱員應享假期

僱員應享之年假及長期服務假期於僱員應享時確認。截至報告期末，因僱員所提供之服務而產生之年假及長期服務假期之估計負債已計提撥備。

僱員應享之病假及產假於僱員休假時方會確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Employee benefits (Continued)

(b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged in profit or loss represents contributions payable by the Group to the funds.

(c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

僱員福利(續)

(b) 退休金責任

本集團向為所有僱員提供之界定供款退休計劃供款。本集團及僱員向計劃作出之供款按僱員基本薪金之某一百分比計算。於損益扣除之退休福利計劃成本指本集團須向基金支付之供款。

(c) 離職福利

離職福利於本集團無法再撤回提供該等福利時及於本集團確認重組成本並涉及支付離職福利時(以較早者為準)確認。

以股份支付之款項

本集團向若干董事、僱員及顧問發行之權益結算並以股份支付之款項。

向董事及僱員發行之以權益結算並以股份支付之款項按股本工具於授出日期之公平值計量(不包括非市場歸屬條件之影響)。以權益結算並以股份支付之款項於授出日期釐定之公平值,乃基於本集團對最終將歸屬股份之估計及就非市場歸屬條件之影響作出調整,於歸屬期內以直線法支銷。

向顧問發行之以權益結算並以股份支付之款項按所提供服務之公平值計量,或倘無法可靠地計量所提供服務之公平值,則按所授出股本工具之公平值計量。公平值於本集團獲得服務當日計量,並確認為開支。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

稅項

所得稅指即期稅項與遞延稅項之總和。

即期應付稅項基於本年度應課稅溢利計算。應課稅溢利與於損益確認之溢利有所不同，原因是前者不包括其他年度之應課稅或可扣稅收入或開支項目，亦不包括永不課稅或不可扣稅項目。本集團有關即期稅項之負債使用於報告期末前已實行或實際已實行之稅率計算。

本集團就財務報表內資產及負債之賬面值與計算應課稅溢利所用相應稅基之間之差額確認遞延稅項。本集團一般就所有應課稅暫時差額確認遞延稅項負債，而遞延稅項資產則於可能有應課稅溢利可用於抵銷可扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認。倘暫時差額因商譽或因初步確認（於業務合併中除外）一項既不影響應課稅溢利亦不影響會計溢利之交易中之其他資產及負債而產生，則不會確認有關資產及負債。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and its joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

稅項(續)

本集團就於附屬公司及聯營公司以及其合資企業之投資所產生之應課稅暫時差額確認遞延稅項負債，惟倘本集團能夠控制暫時差額之撥回，且該暫時差額可能不會於可見將來撥回則作別論。

遞延稅項資產之賬面值會於各報告期末檢討，並於不大可能有足夠應課稅溢利以收回全部或部份資產時調減。

遞延稅項基於報告期末前已實行或實際已實行之稅率，按預期於負債清償或資產變現期間適用之稅率計算。遞延稅項於損益確認，惟倘遞延稅項與於其他全面收益確認或直接於權益確認之項目有關，則亦會於其他全面收益確認或直接於權益確認。

遞延稅項資產及負債之計量反映按照本集團於報告期末預期收回或清償其資產及負債賬面值之方式而產生之稅務後果。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策 (續)

Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if 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 Company or of a parent of the Company.
- (b) An entity is related to the Group (reporting entity) if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities 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.

稅項 (續)

當有合法可強制執行權利對銷即期稅項資產與即期稅項負債，且遞延稅項資產及負債與由同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，遞延稅項資產及負債會作對銷。

關連方

關連方為與本集團有關連之人士或實體。

- (a) 倘屬以下人士，則該人士或其近親與本集團有關連：
- (i) 對本集團擁有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本公司或其母公司之主要管理層成員。
- (b) 倘符合下列任何條件，則該實體與本集團（申報實體）有關連：
- (i) 該實體與本公司屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
 - (ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
 - (iii) 兩間實體均為同一第三方之合營企業。
 - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Related parties (Continued)

- (b) An entity is related to the Group (reporting entity) if any of the following conditions applies: (Continued)
- (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. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of productions processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

關連方(續)

- (b) 倘符合下列任何條件，則該實體與本集團(申報實體)有關連：
(續)
- (v) 該實體為本集團或與其有關連之實體為僱員利益設立之離職後福利計劃。倘本集團本身為該計劃，則資助僱主亦與本集團有關連。
- (vi) 該實體受(a)項所識別人土控制或共同控制。
- (vii) (a)(i)項所識別人土對該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。
- (viii) 該實體或其所屬集團之任何成員公司為本公司或其母公司提供主要管理人員服務。

分部申報

營運分部及財務報表內所呈報各分部項目之金額，取自就本集團各項業務分配資源及評估表現而定期向本集團最高行政管理層提供之財務資料。

個別重大營運分部不會為財務申報目的而彙集計算，除非該等分部擁有類似經濟特徵，且產品及服務性質、生產流程性質、客戶類型或類別、分銷產品或提供服務所用方法及監管環境之性質相似。非個別重大營運分部如符合上述大部份標準，則可彙集計算。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets other than inventories and receivables, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

資產減值

於各報告期末，本集團審閱其有形及無形資產（存貨及應收款除外）之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何該等跡象，則會估計資產之可收回金額以釐定減值虧損程度。倘無法估計個別資產之可收回金額，則本集團會估計資產所屬現金產生單位之可收回金額。

可收回金額為公平值減出售成本與使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量使用反映現時市場對金錢時間價值之評估及資產特定風險之稅前貼現率，貼現至其現值。

倘資產或現金產生單位之可收回金額估計低於賬面值，則資產或現金產生單位之賬面值會調減至可收回金額。減值虧損即時於損益確認，除非相關資產按重估金額列賬，於此情況下，減值虧損被視為重估減值處理。

倘減值虧損於其後撥回，則資產或現金產生單位之賬面值會增加至其經修訂之估計可收回金額，惟增加後之賬面值不得超過假設於過往年度並無確認資產或現金產生單位減值虧損而應釐定之賬面值（扣除攤銷或折舊）。減值虧損撥回即時於損益確認，除非相關資產按重估金額列賬，於此情況下，減值虧損撥回被視為重估增值處理。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 重大會計政策(續)

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

撥備及或然負債

當本集團因過往事件而承擔現有法律或推定責任，而履行責任有可能導致經濟利益流出，並能夠可靠地估計時，本集團會就時間或金額不確定之負債確認撥備。倘金錢之時間價值重大，則撥備按預期用於履行該責任的支出現值列賬。

倘經濟利益流出之可能性較低，或金額無法可靠地估計，則責任會披露為或然負債，除非流出之可能性極低。可能出現之責任（其存在與否取決於一項或多項未來事件是否發生）亦披露為或然負債，除非流出之可能性極低。

報告期後事項

提供有關本集團於報告期末之狀況之額外資料或顯示持續經營假設並不適當之報告期後事項為調整事項，會於財務報表反映。並非調整事項之報告期後事項於重大時在綜合財務報表附註披露。



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

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES 4. 重要判斷及主要估計

Key sources of 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 discussed below.

(a) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

(b) Impairment of investment in associates

Interest in associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Value-in-use calculations are used for assessing the recoverable amount of these interests. These calculations require use of judgments and estimates.

Management judgment is required for assessing impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related carrying value of interests may not be recoverable; and (ii) whether the carrying value of the interests can be supported by the recoverable amount. Changing the estimations used by management in assessing impairment could materially affect the recoverable amount used in the impairment test and as a result affect the Group's consolidated financial position and consolidated results of operations. At the end of the reporting period, the carrying value of investment in an associates were approximately HK\$547,494,000 (2016: HK\$38,465,000).

估計不確定因素之主要來源

與未來有關之主要假設及於報告期末之估計不確定因素其他主要來源(有重大風險導致於下個財政年度對資產及負債賬面值作出重大調整)論述如下。

(a) 呆壞賬減值虧損

本集團基於對應收貿易款項及其他應收款可收回性之評估(包括每名債務人之目前信譽及過往收款紀錄)就呆壞賬作出減值虧損。倘有事件或情況變化顯示餘額可能無法收回,則出現減值。識別呆壞賬需要運用判斷及估計。倘實際結果有別於原來估計,則該等差額將於上述估計出現變動之年度影響應收貿易款項及其他應收款之賬面值以及呆賬開支。

(b) 於聯營公司之投資減值

當有任何事件或情況變動顯示賬面值可能無法收回時,會對於聯營公司之權益進行減值檢討。評估該等權益之可收回金額時,會計算使用價值。有關計算涉及運用判斷及估計。

評估減值須要管理層作出判斷,尤其是評估:(i)有否發生任何事件顯示權益之相關賬面值可能無法收回;及(ii)權益之賬面值是否得到可收回金額證明。倘管理層於評估減值時所用之估計改變,則減值測試所用之可收回金額可能會受嚴重影響,繼而影響本集團之綜合財務狀況及綜合經營業績。於報告期末,於一間聯營公司之投資之賬面值約為547,494,000港元(二零一六年:38,465,000港元)。



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4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued) 4. 重要判斷及主要估計(續)

Key sources of estimation uncertainty (Continued)

(c) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(d) *Impairment of property, plant and equipment*

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

(e) *Allowance for slow-moving inventories*

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

估計不確定因素之主要來源(續)

(c) *物業、廠房及設備以及折舊*

本集團會釐定其物業、廠房及設備之估計可用年期、剩餘價值及相關折舊費用。此估計乃基於性質及功能相近之物業、廠房及設備之實際可用年期及剩餘價值之過往經驗作出。倘可用年期及剩餘價值有別於原先估計，則本集團會相應修訂折舊費用，或註銷或撇減已報廢或出售之技術過時或非策略資產。

(d) *物業、廠房及設備減值*

每當有事件或情況變化顯示資產賬面值超過可收回金額時，本集團會審閱物業、廠房及設備有否出現減值。可收回金額參照預期未來現金流量之現值釐定。倘未來現金流量少於預期，或者有不利事實及情況變化導致須修訂未來估計現金流量，則可能產生重大減值虧損。

(e) *滯銷存貨備抵*

滯銷存貨備抵乃基於存貨之賬齡及估計可變現淨值作出。評估備抵金額涉及判斷及估計。倘未來實際結果有別於原先估計，則該等差額將於上述估計出現變動之期間影響存貨之賬面值及備抵費用／撥回。



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5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Hong Kong dollars and United States dollars and Renminbi. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The functional currency of certain major subsidiaries of the Group is RMB. The Group is mainly exposed to currency risk between RMB and USD.

At 31 December 2017, if the RMB had weakened 5 per cent (2016: 5 per cent) against the US dollar with all other variables held constant, consolidated loss after tax for the year would have been HK\$6,281,000 (2016: HK\$8,631,000) higher, arising mainly as a result of the foreign exchange loss on monetary items denominated in US dollar. If the RMB had strengthened 5 per cent (2016: 5 per cent) against the US dollar with all other variables held constant, consolidated loss after tax for the year would have been HK\$6,281,000 (2016: HK\$8,631,000) lower, arising mainly as a result of the foreign exchange gain on monetary items denominated in US dollar.

5. 財務風險管理

本集團之活動令本集團面對多種財務風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃專注於金融市場之不確定性，並致力減低對本集團財務表現之潛在不利影響。

(a) 外幣風險

由於本集團大部份業務交易、資產及負債主要以港元、美元及人民幣之功能貨幣計值，故本集團面對若干外幣風險。本集團現時並無有關外幣交易、資產及負債之外幣對沖政策。本集團將密切監察其面對之外幣風險，並於有需要時考慮對沖重大外幣風險。

本集團若干主要附屬公司之功能貨幣為人民幣。本集團主要面對人民幣兌美元之貨幣風險。

於二零一七年十二月三十一日，倘人民幣兌美元下跌5%（二零一六年：5%），而所有其他可變因素維持不變，則本年度之除稅後綜合虧損應增加6,281,000港元（二零一六年：8,631,000港元），主要是因以美元計值之貨幣項目之外匯虧損而產生。倘人民幣兌美元上升5%（二零一六年：5%），而所有其他可變因素維持不變，則本年度之除稅後綜合虧損應減少6,281,000港元（二零一六年：8,631,000港元），主要是因以美元計值之貨幣項目之外匯收益而產生。



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5. FINANCIAL RISK MANAGEMENT (Continued) 5. 財務風險管理(續)

(b) Credit risk

The carrying amount of the cash and bank balances, trade and other receivables, investments and derivative financial instruments included in the statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. The credit risk on bank and cash balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has significant concentration of credit risk to its trade receivables as the Group's largest customer contributed approximately 99% (2016: 53%) of the revenue for the year and shared over approximately 100% (2016: Nil) of the trade receivables at the end of the reporting period. The Group has policies and procedures to monitor the collection of the trade receivables to limit the exposure to non-recoverable of the receivables and there is no recent history of default for the customer.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

(b) 信貸風險

本集團就金融資產面對之最高信貸風險為計入財務狀況表之現金及銀行結餘、應收貿易款項及其他應收款、投資及衍生金融工具之賬面值。

本集團訂有設策，確保向信貸紀錄合適之客戶作出銷售。由於對手方為獲國際評級機構給予高信貸評級之銀行，故銀行及現金結餘之信貸風險有限。

由於本集團最大客戶佔本年度收入約99%（二零一六年：53%）及於報告期末佔應收貿易款項之比率約為100%（二零一六年：零），故本集團之應收貿易款項有信貸風險高度集中之情況。本集團設有政策及程序監察應收貿易款項之收款情況，以限制無法收回應收款之風險。近期並無客戶違約之紀錄。

(c) 流動資金風險

本集團之政策為定期監察目前及預期流動資金需要，確保維持足夠現金儲備，應付短期及較長期之流動資金需要。



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5. FINANCIAL RISK MANAGEMENT 5. 財務風險管理(續)

(Continued)

(c) Liquidity risk (Continued)

The maturity analysis of the Group's financial liabilities is as follows:

(c) 流動資金風險(續)

本集團金融負債之到期情況分析如下：

		Carrying amount	Total contractual undiscounted cash flow within 1 year
		賬面值	一年內之合約未貼現現金流量總額
		HK\$'000	HK\$'000
		千港元	千港元
At 31 December 2017	於二零一七年十二月三十一日		
Trade and other payables	應付貿易款項及其他應付款	61,827	61,827
At 31 December 2016	於二零一六年十二月三十一日		
Trade and other payables	應付貿易款項及其他應付款	48,247	48,247

(d) Interest rate risk

At 31 December 2017, as the Group has minimal exposure to interest rate risk, the Group's operating cash flows are substantially independent of changes in market interest rates.

(d) 利率風險

於二零一七年十二月三十一日，由於本集團面對之利率風險極低，故本集團之營運現金流大致上獨立於市場利率變動。

(e) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(e) 公平值

綜合財務狀況表所反映本集團之金融資產及金融負債之賬面值與該等項目各自之公平值相若。



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綜合財務報表附註

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

5. FINANCIAL RISK MANAGEMENT (Continued)

5. 財務風險管理(續)

(f) Categories of financial instruments at 31 December (f) 於十二月三十一日之金融工具類別

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at fair value through profit or loss:	按公平值計入損益之金融資產：		
Designated as such upon initial recognition	於初步確認時指定	46,957	4,260
Loans and receivables (including cash and cash equivalents)	貸款及應收款 (包括現金及現金等價物)	423,114	1,187,336
Available-for-sale financial assets	可供出售金融資產	60,310	72,188
Financial liabilities	金融負債		
Financial liabilities at amortised cost	按攤銷成本之金融負債	61,827	48,247

6. FAIR VALUE MEASUREMENTS

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 following disclosures of fair value measurements use a fair value hierarchy that categories into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

6. 公平值計量

公平值為市場參與者於計量日期在有序交易中就出售資產收取或就轉讓負債支付之價格。以下公平值計量之披露事項使用之公平值層級，將計量公平值所用估值技術之輸入數據分為三個層級：

第一級輸入數據：本集團於計量日期可於活躍市場上就相同資產或負債獲得之報價（未經調整）。

第二級輸入數據：可就資產或負債直接或間接觀察之輸入數據，第一級包括之報價除外。

第三級輸入數據：資產或負債之不可觀察輸入數據。

本集團之政策為確認截至有事項或狀況變化導致轉移之日期止，該三個等級中任何一個之轉入及轉出。



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6. FAIR VALUE MEASUREMENTS 6. 公平值計量 (續)

(Continued)

(a) Disclosures of level in fair value hierarchy at 31 December 2017:

(a) 於二零一七年十二月三十一日之公平值層級披露：

		Fair value measurements using: 使用以下項目之公平值計量：			Total 總額
		Level 1 第一級	Level 2 第二級	Level 3 第三級	2017 二零一七年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Description	描述				
Recurring fair value measurements:	經常性公平值計量：				
Derivative financial instrument – Profits guaranteed arrangement	衍生金融工具 – 溢利保證安排	–	–	46,957	46,957
Total recurring fair value measurements	經常性公平值計量總額	–	–	46,957	46,957

		Fair value measurements using: 使用以下項目之公平值計量：			Total 總額
		Level 1 第一級	Level 2 第二級	Level 3 第三級	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Description	描述				
Recurring fair value measurements:	經常性公平值計量：				
Derivative financial instrument – Profits guaranteed arrangement	衍生金融工具 – 溢利保證安排	–	–	4,260	4,260
Total recurring fair value measurements	經常性公平值計量總額	–	–	4,260	4,260

During the period, there were no transfer between Level 1 and Level 2, or transfers into or out of Level 3 (2016: Nil). The Group's policy is to recognise transfer between levels of fair value hierarchy as at the end of the reporting period in which they occur.

期內，第一級與第二級之間並無轉換，亦無自第三級轉入或轉出（二零一六年：無）。本集團之政策為於發生轉換之報告期間期末確認公平值層級間之轉換。



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6. FAIR VALUE MEASUREMENTS (Continued) 6. 公平值計量(續)

(b) Reconciliation of assets measured at fair value based on level 3:

(b) 使用第三級之資產公平值計量對賬：

		Profits guaranteed arrangement	
		溢利保證安排	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Description	描述		
At 1 January	於一月一日	4,260	–
Total gains recognised in consolidated profit or loss (#)	於綜合損益確認之收益總額(#)	40,729	4,260
Exchange difference	匯兌差額	1,968	–
At 31 December	於十二月三十一日	46,957	4,260
(#) Include gains for assets held at end of reporting period	(#)包括於報告期末所持資產之收益	40,729	4,260

The total gains recognised in profit or loss is presented in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

於損益確認之收益總額於綜合損益及其他全面收益表中之行政開支呈列。



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6. FAIR VALUE MEASUREMENTS 6. 公平值計量 (續)

(Continued)

- (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2017:

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Key unobservable inputs used in level 3 fair value measurements are mainly:

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2017
描述	估值技術	不可觀察輸入數據	範圍	輸入數據增加對公平值之影響	二零一七年公平值 HK\$'000 千港元
Profits guaranteed arrangement 溢利保證安排	Discounted payoff with scenarios 在各種情況下之貼現報酬	Credit discount rate 信貸貼現率	Discount rate make reference to comparable bond yields 貼現率參考可資比較債券收益	Increase 增加	46,957

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2016
描述	估值技術	不可觀察輸入數據	範圍	輸入數據增加對公平值之影響	二零一六年公平值 HK\$'000 千港元
Profits guaranteed arrangement 溢利保證安排	Discounted payoff with scenarios 在各種情況下之貼現報酬	Credit discount rate 信貸貼現率	Discount rate make reference to comparable bond yields 貼現率參考可資比較債券收益	Decrease 減少	4,260

- (c) 本集團所用估值過程以及二零一七年十二月三十一日公平值計量所用估值方法及輸入數據之披露：

本集團一般會委聘具備認可專業資歷及近期估值經驗之外部估值專家進行第三級公平值計量之估值。

第三級公平值計量所用之主要不可觀察輸入數據主要為：

第三級公平值計量



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7. REVENUE

Revenue from the Group's principal activities represents total invoiced value of goods supplied. Revenue recognised during the year is as follows:

7. 收入

來自本集團主要業務之收入指供應貨品之總發票價值。年內確認之收入如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Sales of high-tech electric motor vehicles	高科技電動汽車銷售額	–	9,199
Sales of battery management systems and spare parts	電池管理系統及備品備件銷售額	35,133	5,295
Interest income from finance leasing	融資租賃利息收入	301	1,035
		35,434	15,529



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8. OTHER INCOME

8. 其他收入

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest income	利息收入	3,375	16,188
Other receivables interest income	其他應收款利息收入	3,934	3,569
Net exchange gains	匯兌收益淨額	-	13,707
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	214
Recognition of deferred income on capital contribution to associate	確認向一間聯營公司出資之遞延收入	1,828	-
Gain on deemed disposal of partial investment in an associate	視作出售於一間聯營公司部分投資之收益	2,765	-
Gain on capital contribution to an associate	向一間聯營公司出資之收益	77,861	-
Fair value gain on derivative financial instrument	衍生金融工具之公平值收益	40,729	-
Rental income	租金收入	211	279
Reversal of impairment of other receivables	撥回其他應收款減值	1,837	-
Others	其他	2,091	648
		134,631	34,605

9. SEGMENT INFORMATION

9. 分部資料

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies. The Group has three reportable segments: development of high-tech electric motor vehicles, development and sales of battery management systems and spare parts and development of advanced batteries materials.

本集團之可呈報分部指提供不同產品之策略性業務單位。由於所需技術及市場推廣策略各有不同，故各業務受獨立管理。本集團有三個可呈報分部：開發高科技電動汽車、開發及銷售電池管理系統及備品備件以及開發先進電池材料。

The accounting policies of the operating segments are the same as those described in note 3 to the consolidated financial statements. Segment profits or losses do not include unallocated corporate income and expenses. Segment assets do not include unallocated corporate assets. Segment liabilities do not include unallocated corporate liabilities. Segment non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

營運分部之會計政策與綜合財務報表附註3所述者相同。分部溢利或虧損不包括未分配企業收支。分部資產不包括未分配公司資產。分部負債不包括未分配公司負債。分部非流動資產不包括金融工具、遞延稅項資產、離職後福利資產及保險合約項下產生之權利。



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綜合財務報表附註

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

9. SEGMENT INFORMATION (Continued)

9. 分部資料(續)

Information about reportable segment profit or loss, assets and liabilities:

有關可呈報分部溢利或虧損、資產與負債之資料：

		High-tech electric motor vehicles 高科技 電動汽車 HK\$'000 千港元	Battery management systems and spare parts 電池管理系統 及備品備件 HK\$'000 千港元	Advanced batteries materials 先進 電池材料 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2017:	截至二零一七年 十二月三十一日止年度：				
Revenue	收入	301	35,133	-	35,434
Segment profit/(loss)	分部溢利/(虧損)	(157,337)	13,121	(5,046)	(149,262)
Depreciation	折舊	(4,912)	(1,394)	(633)	(6,939)
Other material non-cash items:	其他重大非現金項目：				
Impairment of property, plant and equipment	物業、廠房及設備減值	(14)	(26)	(1)	(41)
Research and development expenses	研發開支	(45,315)	(11,662)	(1,718)	(58,695)
Additions to segment non-current assets	添置分部非流動資產	2,189	4,423	43	6,655
At 31 December 2017:	於二零一七年 十二月三十一日：				
Segment assets	分部資產	900,145	67,294	4,472	971,911
Segment liabilities	分部負債	12,700	9,568	222	22,490
Year ended 31 December 2016:	截至二零一六年 十二月三十一日止年度：				
Revenue	收入	10,234	5,295	-	15,529
Segment loss	分部虧損	(105,204)	(37,188)	(5,035)	(147,427)
Depreciation	折舊	(1,271)	(513)	(4,236)	(6,020)
Income tax	所得稅	(515)	(290)	-	(805)
Other material non-cash items:	其他重大非現金項目：				
Impairment of property, plant and equipment	物業、廠房及設備減值	(4,539)	-	(1,447)	(5,986)
Impairment of inventories	存貨減值	3,606	-	-	3,606
Research and development expenses	研發開支	(2,037)	(5,179)	(1,901)	(9,117)
Additions to segment non-current assets	添置分部非流動資產	1,070	-	3,256	4,326
At 31 December 2016:	於二零一六年 十二月三十一日：				
Segment assets	分部資產	552,727	387,099	18,581	958,407
Segment liabilities	分部負債	7,017	9,683	102	16,802



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9. SEGMENT INFORMATION (Continued)

9. 分部資料 (續)

Reconciliations of reportable segment revenue, profit and loss, assets and liabilities:

可呈報分部收入、溢利及虧損、資產與負債對賬：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue:	收入：		
Total revenue of reportable segments and consolidated revenue	可呈報分部收入及綜合收入總額	35,434	15,529
Profit or loss:	溢利或虧損：		
Total loss of reportable segments	可呈報分部虧損總額	(149,262)	(147,427)
Corporate and unallocated profit or loss	公司及未分配溢利或虧損	(175,096)	(208,214)
Share-based payment	以股份支付之款項	(947)	(3,099)
Income tax expense	所得稅開支	(360)	(805)
Consolidated loss for the year	本年度綜合虧損	(325,665)	(359,545)
Assets:	資產：		
Total assets of reportable segments	可呈報分部資產總值	971,911	958,407
Corporate and unallocated assets:	公司及未分配資產：		
– Available-for-sale financial asset	– 可供出售金融資產	60,310	72,188
– Bank and cash balances held by the Group's headquarters	– 本集團總部持有之銀行及現金結餘	103,803	225,436
– Others	– 其他	524,651	653,932
Consolidated total assets	綜合資產總值	1,660,675	1,909,963
Liabilities:	負債：		
Total liabilities of reportable segments	可呈報分部負債總額	22,490	16,802
Corporate and unallocated liabilities	公司及未分配負債		
– Tax payable	– 應付稅項	–	298
– Others	– 其他	39,337	31,445
Consolidated total liabilities	綜合負債總額	61,827	48,545



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9. SEGMENT INFORMATION (Continued)

9. 分部資料 (續)

Geographical information:

地區資料：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue:	收入：		
The People's Republic of China (the "PRC")	中華人民共和國(「中國」)	35,319	15,529
Others	其他	115	-
		35,434	15,529

In presenting the geographical information, revenue is based on the location of the customers.

於呈列地區資料時，收入乃按客戶所在地劃分。

Revenue from major customers:

主要客戶收入：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Customer A	客戶A	nil 無	7,749
Customer B	客戶B	nil 無	4,153
Customer C	客戶C	34,559	nil 無

Revenue from above customers individually contributed more than 10% of the total consolidated revenue of the Group.

來自上述客戶之收入個別佔本集團綜合收入總額10%以上。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets (other than financial assets):	非流動資產(不包括金融資產)：		
United States of America	美利堅合眾國	1,813	422
The PRC	中國	588,529	115,216
Hong Kong and others	香港及其他	91,158	36,825
		681,500	152,463



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10. INCOME TAX EXPENSE

10. 所得稅開支

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current tax – PRC Enterprise Income Tax	即期稅項—中國企業所得稅		
Provision for the year	年內撥備	–	805
Under-provision in prior years	過往年度撥備不足	360	–
		360	805

No provision for Hong Kong Profits Tax has been made for the year as the Group did not generate any assessable profits arising in Hong Kong (2016: nil).

由於本集團在香港並無產生任何應課稅溢利，故於年內並無就香港利得稅作出撥備（二零一六年：無）。

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

其他地區應課稅溢利之稅項開支乃根據現行法律、詮釋及常規，以本集團經營業務所在國家之通行稅率計算。

The reconciliation between the income tax expense and the product of loss before tax multiplied by Hong Kong Profits Tax rate is as follows:

所得稅開支與除稅前虧損乘以香港利得稅稅率所得之積對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before tax	除稅前虧損	(325,305)	(358,740)
Tax on loss before income tax, calculated at the rates applicable to profit/loss in the tax jurisdictions concerned	按有關稅務司法權區適用於溢利／虧損之稅率計算除所得稅前虧損之稅項	(49,847)	(66,275)
Tax effect of non-taxable income	毋須課稅收入之稅項影響	(33,591)	(1,937)
Tax effect of non-deductible expenses	不可扣減開支之稅項影響	73,263	67,953
Under-provision in prior years	過往年度撥備不足	360	–
Tax effect of tax loss not recognised	未確認之稅務虧損之稅項影響	10,175	1,064
Income tax expense for the year	年度所得稅開支	360	805



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

11. LOSS FOR THE YEAR

11. 本年度虧損

The Group's loss for the year is stated after charging/ (crediting) the following:

本集團之本年度虧損已扣除／(計入)：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Auditor's remuneration	核數師酬金	1,600	1,600
Cost of inventories sold	已售存貨成本	26,012	11,683
Depreciation	折舊	21,949	18,835
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損／(收益)	531	(214)
Gain on deemed disposal of partial investment in an associate	視作出售於一間聯營公司部分投資之收益	(2,765)	-
Recognition of deferred income on capital contribution to associate	確認向一間聯營公司出資之遞延收入	(1,828)	-
Gain on capital contribution to an associate	向一間聯營公司出資之收益	(77,861)	-
Change in fair value of derivative financial instrument	衍生金融工具公平值變動	(40,729)	(4,260)
Impairment of property, plant and equipment	物業、廠房及設備之減值	1,639	5,986
Impairment of available-for-sale financial asset	可供出售金融資產之減值	16,260	5,707
Impairment of inventories	存貨之減值	-	3,606
(Reversal of impairment)/ impairment of other receivables	其他應收款之(減值撥回)/減值	(1,837)	67,498
Net exchange loss/(gains)	匯兌虧損／(收益)淨額	9,319	(13,707)
Operating lease charges in respect of land and buildings	土地及樓宇之經營租賃費用	35,102	35,400
Research and development costs	研發成本	62,653	34,912
Staff costs including directors' emoluments	員工成本(包括董事酬金)		
- Salaries, bonus and allowances	- 薪金、花紅及津貼	141,977	114,054
- Equity-settled share-based payments	- 以權益結算並以股份支付之款項	947	3,099
- Retirement benefits scheme contributions	- 退休福利計劃供款	7,532	4,221
		150,456	121,374



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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS 12. 董事及僱員酬金

The emoluments of each director were as follows:

各董事之酬金為：

		Fees	Salaries and allowances	Retirement benefits contributions	Total
		袍金	薪金及津貼	退休福利計劃供款	總額
2017		HK\$'000	HK\$'000	HK\$'000	HK\$'000
二零一七年		千港元	千港元	千港元	千港元
Executive Directors:	執行董事：				
Dr. Yeung Yung	仰融博士	156	3,507	–	3,663
Mr. Liu Stephen Quan	劉泉先生	160	1,170	9	1,339
Mr. Hui Wing Sang, Wilson	許永生先生	160	2,340	18	2,518
Dr. Zhu Shengliang	朱勝良博士	160	1,079	–	1,239
Dr. Wang Chuantao	王川濤博士	156	2,162	–	2,318
Dr. Huang Chunhua	黃春華博士	156	2,338	–	2,494
Mr. Xu Jianguo	徐建國先生	156	2,337	14	2,507
Mr. Li Zhengshan	李正山先生	160	2,340	18	2,518
Mr. Ting Kwok Kit, Johnny	丁國傑先生	160	2,210	18	2,388
Mr. Chen Xiao	陳曉先生	160	2,340	18	2,518
Non-executive Director:	非執行董事：				
Dr. Xia Tingkang, Tim	夏廷康博士	313	–	–	313
Independent Non-Executive Directors:	獨立非執行董事：				
Mr. Wong Lee Hing	王利興先生 (a)	67	–	–	67
Mr. Lee Cheung Yuet, Horace	李暢悅先生 (b)	51	–	–	51
Dr. Song Jian	宋健博士	357	–	–	357
Mr. Cheng Tat Wa	鄭達華先生	160	–	–	160
Dr. Zhu Guobin	朱國斌博士	312	–	–	312
Dr. Li Jianyong	李建勇博士	160	–	–	160
Mr. Chan Sin Hang	陳善衡先生	160	–	–	160
		3,164	21,823	95	25,082



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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued) 12. 董事及僱員酬金(續)

		Fees	Salaries and allowances	Retirement benefits scheme contributions	Total
	袍金	薪金及津貼	退休福利計劃供款	總額	
2016	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
二零一六年	千港元	千港元	千港元	千港元	
Executive Directors:	執行董事:				
Dr. Yeung Yung	仰融博士	78	7,410	–	7,488
Mr. Liu Stephen Quan	劉泉先生	80	–	–	80
Mr. Hui Wing Sang, Wilson	許永生先生	80	3,120	18	3,218
Dr. Zhu Shengliang	朱勝良博士	80	1,080	–	1,160
Dr. Wang Chuantao	王川濤博士	78	2,106	–	2,184
Dr. Huang Chunhua	黃春華博士	78	2,340	–	2,418
Mr. Xu Jianguo	徐建國先生	78	3,120	–	3,198
Mr. Li Zhengshan	李正山先生	78	3,120	18	3,216
Mr. Ting Kwok Kit, Johnny	丁國傑先生	80	2,340	18	2,438
Mr. Chen Xiao	陳曉先生	80	3,120	3	3,203
Non-executive Director:	非執行董事:				
Dr. Xia Tingkang, Tim	夏廷康博士	155	–	–	155
Independent Non-Executive Directors:	獨立非執行董事:				
Mr. Wong Lee Hing	王利興先生	80	–	–	80
Dr. Song Jian	宋健博士	175	–	–	175
Mr. Cheng Tat Wa	鄭達華先生	80	–	–	80
Dr. Zhu Guobin	朱國斌博士	156	–	–	156
Dr. Li Jianyong	李建勇博士	78	–	–	78
Mr. Chan Sin Hang	陳善衡先生	78	–	–	78
		1,592	27,756	57	29,405

Notes:

- (a) Retired on 31 October 2017
 (b) Appointed on 13 September 2017

附註:

- (a) 於二零一七年十月三十一日退休
 (b) 於二零一七年九月十三日獲委任



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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued) 12. 董事及僱員酬金(續)

The five highest paid individuals in the Group during the year included five (2016: five) directors, whose emoluments are reflected in the analysis above.

During the year, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

年內，本集團五位最高薪人士包括五名(二零一六年：五名)董事，彼等之酬金已於上列分析反映。

年內，本集團並無向任何董事或五位最高薪人士支付任何酬金，作為吸引加入本集團或於加入本集團時之獎勵或離職補償。

13. DIVIDENDS

The directors do not recommend or declare the payment of any dividend in respect of the years ended 31 December 2017 and 2016.

13. 股息

董事並無就截至二零一七年及二零一六年十二月三十一日止年度建議派發或宣派任何股息。

14. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for year attributable to owners of the Company of approximately HK\$322,290,000 (2016: approximately HK\$355,303,000) and the weighted average number of 20,337,873,000 (2016: 20,336,916,000) ordinary shares in issue during the year.

(b) Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the year ended 31 December 2017 and 31 December 2016.

14. 每股虧損

(a) 每股基本虧損

本公司擁有人應佔每股基本虧損乃根據本公司擁有人應佔本年度虧損約322,290,000港元(二零一六年：約355,303,000港元)及本年度已發行普通股加權平均股數20,337,873,000股(二零一六年：20,336,916,000股)計算。

(b) 每股攤薄虧損

截至二零一七年十二月三十一日及二零一六年十二月三十一日止年度，所有潛在普通股均具有反攤薄影響。



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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Leasehold improvements fixtures and fittings 租賃物業 裝修、固定 裝置及配件 HK\$'000 千港元	Furniture and equipment 傢俬及設備 HK\$'000 千港元	Machineries 機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本					
At 1 January 2016	於二零一六年一月一日	12,140	22,716	11,216	59,549	105,621
Additions	添置	13,832	2,466	891	17,321	34,510
Disposals	出售	-	-	-	(6,986)	(6,986)
Exchange differences	匯兌差額	(976)	(1,258)	(1,112)	(1,662)	(5,008)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及 二零一七年一月一日	24,996	23,924	10,995	68,222	128,137
Additions	添置	1,485	4,830	3,545	4,979	14,839
Disposals	出售	(706)	-	-	(6,687)	(7,393)
Exchange differences	匯兌差額	573	1,219	1,037	1,488	4,317
At 31 December 2017	於二零一七年十二月三十一日	26,348	29,973	15,577	68,002	139,900
Accumulated depreciation and impairment	累計折舊及減值					
At 1 January 2016	於二零一六年一月一日	3,163	3,558	127	19,401	26,249
Charge for the year	本年度扣除	5,402	1,115	108	12,210	18,835
Disposals	出售	-	-	-	(1,385)	(1,385)
Impairment	減值	243	4,165	974	604	5,986
Exchange differences	匯兌差額	(579)	(30)	(211)	(1,057)	(1,877)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及 二零一七年一月一日	8,229	8,808	998	29,773	47,808
Charge for the year	本年度扣除	6,009	2,105	1,568	12,267	21,949
Disposals	出售	(82)	-	-	(3,743)	(3,825)
Impairment	減值	3	1,619	17	-	1,639
Exchange differences	匯兌差額	522	27	190	952	1,691
At 31 December 2017	於二零一七年十二月三十一日	14,681	12,559	2,773	39,249	69,262
Carrying amounts	賬面值					
At 31 December 2017	於二零一七年十二月三十一日	11,667	17,414	12,804	28,753	70,638
At 31 December 2016	於二零一六年十二月三十一日	16,767	15,116	9,997	38,449	80,329

As at 31 December 2017, the Group engaged an independent valuer to determine the fair value of the property, plant and equipment as at 31 December 2017 (the "Fair Value"). In assessing whether impairment is required for the property, plant and equipment, the carrying value is compared with the respective recoverable amount. The Fair Value was determined using the market approach. The recoverable amount used in assessing the impairment loss is the fair value less costs of disposal with reference to the Fair Value. The fair value was under level 3 fair value measurement. After impairment assessment by the management, impairment loss of approximately HK\$1,639,000 (2016: HK\$5,986,000) was recognised.

於二零一七年十二月三十一日，本集團委聘一名獨立估值師釐定物業、廠房及設備於二零一七年十二月三十一日之公平值（「該公平值」）。於評估是否需要就物業、廠房及設備作出減值時，賬面值會與相關可收回金額進行比較。該公平值乃採用市場法釐定。於評估減值虧損時採用之可收回金額乃公平值減出售成本，當中已參照該公平值。公平值屬第3級公平值計量。經管理層進行減值評估後，已確認減值虧損約1,639,000港元（二零一六年：5,986,000港元）。



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16. INVESTMENT IN ASSOCIATES

16. 於聯營公司之投資

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Unlisted investment: Share of net assets	非上市投資： 應佔資產淨值	547,494	38,465

Details of the Group's associates at 31 December 2016 and 2017 are as follows:

於二零一六年及二零一七年十二月三十一日，本集團聯營公司之詳情如下：

Name 名稱	Place of incorporation/ registration 註冊成立/ 註冊地點	Percentage of the Company's indirect ownership interest 本公司所佔間接 擁有權益之百分比		Principal activities 主要業務
		2017 二零一七年	2016 二零一六年	
浙江佳貝思綠色能源有限公司 Zhejiang GBS Energy Co., Limited*	The PRC 中國	25%	25%	Manufacturing and sales of batteries, the PRC 生產及銷售電池，中國
深圳南科燃料電池有限公司 Shenzhen SUSTC Fuel Cell Company Limited*	The PRC 中國	16.7%	20%	Environmental automobile and related business, the PRC 環保汽車及相關業務，中國
寧波京威動力電池有限公司 Ningbo Joint Venture*	The PRC 中國	18%	N/A 不適用	Manufacturing and sales of batteries 生產及銷售電池
安徽天康正道新能源科技有限公司 Anhui Tiankang HK New Energy Technology Co., Ltd.	The PRC 中國	25%	N/A 不適用	Manufacturing and sales of batteries 生產及銷售電池

* For identification purpose only



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16. INVESTMENT IN ASSOCIATES (Continued) 16. 於聯營公司之投資(續)

At 18 December 2017, 深圳南科燃料電池有限公司 was injected an additional RMB20,000,000 share capital from a third party independent investor leading to the percentage of the Company's indirect ownership interest was diluted from 20% to 16.7%.

During the year ended 31 December 2017, 連雲港正道新能源汽車系統集成有限公司 ("LYG Hybrid Kinetic"), a wholly owned subsidiary of the Company, entered into a joint venture agreement (as revised) (the "JV Agreement") with 北京威卡威汽車零部件股份有限公司 ("Beijing WKW") and 北京致云資產管理有限公司 ("Beijing Zhi Yun") (together the "JV partners") for the establishment of 寧波京威動力電池有限公司 ("Ningbo JV") with registered capital of RMB2,000 million. The Group had undertaken to contribute RMB360 million.

During the year ended 31 December 2017, HK Battery Technology Inc., a non-wholly owned subsidiary, entered into an agreement with 安徽天康(集團)股份有限公司 for establishment of 安徽天康正道新能源科技有限公司 with registered capital of RMB360 million. The Group had undertaken to contribute a technical know-how of producing electric motor vehicle batteries as capital injection, the fair value of the technical know-how amounting to RMB90,000,000 (approximately HK\$108,072,000) was determined by a third party independent valuer, 北京中金浩資產評估有限責任公司.

The above associates are accounted for using the equity method in the consolidated financial statements.

於二零一七年十二月十八日，深圳南科燃料電池有限公司獲一名第三方獨立投資者注入一筆人民幣20,000,000元之額外股本，導致本公司所佔間接擁有權權益之百分比由20%攤薄至16.7%。

於截至二零一七年十二月三十一日止年度，連雲港正道新能源汽車系統集成有限公司（「連雲港正道」，本公司之全資附屬公司）與北京威卡威汽車零部件股份有限公司（「北京威卡威」）及北京致云資產管理有限公司（「北京致云」）（統稱為「合營夥伴」）訂立一份合營協議（經修訂）（「合營協議」），以註冊資本人民幣2,000,000,000元成立寧波京威動力電池有限公司（「寧波合營公司」）。本集團承諾出資人民幣360,000,000元。

於截至二零一七年十二月三十一日止年度，HK Battery Technology Inc.（本公司之非全資附屬公司）與安徽天康（集團）股份有限公司訂立一份協議，以註冊資本人民幣360,000,000元成立安徽天康正道新能源科技有限公司。本集團承諾提供生產電動汽車電池之專業技術作為注資，第三方獨立估值師北京中金浩資產評估有限責任公司將該專業技術之公平值釐定為人民幣90,000,000元（約108,072,000港元）。

上述聯營公司於綜合財務報表內採用權益法入賬。



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16. INVESTMENT IN ASSOCIATES (Continued) 16. 於聯營公司之投資 (續)

Set as below are the summarised financial information of the associates which is accounted for using equity method.

下文載列採用權益法入賬之聯營公司之財務資料概要。

		Zhejiang GBS Energy Co., Limited 浙江佳貝思綠色能源有限公司		Shenzhen SUSTC Fuel Cell Company Limited 深圳南科燃料電池有限公司	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 31 December:	於十二月三十一日：				
Non-current assets	非流動資產	57,856	59,729	-	29,288
Current assets	流動資產	163,971	147,321	55,431	38,196
Non-current liabilities	非流動負債	(2,052)	(1,918)	(28,152)	(22,417)
Current liabilities	流動負債	(82,821)	(87,276)	(725)	(60)
Net assets	資產淨值	136,954	117,856	26,554	45,007
Group's share of net assets	本集團應佔淨資產	34,239	29,464	4,426	9,001
Year ended 31 December:	截至十二月三十一日止 年度：				
Revenue	收入	147,730	193,515	178	-
Profit/(loss) for the year	本年度溢利／(虧損)	10,428	42,265	(43,820)	(70,074)
Other comprehensive income/(loss)	其他全面收益／ (虧損)	8,671	(6,786)	1,351	570
Total comprehensive income/ (loss) for the year	本年度全面收益／ (虧損)總額	19,099	35,479	(42,469)	(69,504)
Dividends received from associates	已收取聯營公司股息	-	-	-	-



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16. INVESTMENT IN ASSOCIATES (Continued) 16. 於聯營公司之投資(續)

		Ningbo Joint Venture 寧波京威 動力電池 有限公司 2017 二零一七年 HK\$'000 千港元	Anhui Tiankang HK New Energy Technology Co., Ltd. 安徽天康正道 新能源科技 有限公司 2017 二零一七年 HK\$'000 千港元
At 31 December:	於十二月三十一日:		
Non-current assets	非流動資產	491,483	182,866
Current assets	流動資產	1,913,938	242,250
Non-current liabilities	非流動負債	-	-
Current liabilities	流動負債	(28,270)	(886)
Net assets	資產淨值	2,377,151	424,230
Group's share of net assets before deferred income	未計遞延收入前之本集團 應佔淨資產	427,887	106,057
Gain on capital contribution to associate – deferred income	向聯營公司出資之收益 — 遞延收入	-	(25,115)
Group's share of net assets	本集團應佔淨資產	427,887	80,942
Year ended 31 December:	截至十二月三十一日止年度:		
Revenue	收入	-	7,436
Loss for the year	本年度虧損	(23,485)	(7,741)
Other comprehensive loss	其他全面虧損	(963)	(317)
Total comprehensive loss for the year	本年度全面虧損總額	(24,448)	(8,058)
Dividends received from associates	已收取聯營公司股息	-	-



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16. INVESTMENT IN ASSOCIATES (Continued) 16. 於聯營公司之投資(續)

The movement of deferred income are set out below:

遞延收入之變動載列如下：

		Anhui Tiankang HK New Energy Technology Co., Ltd. 安徽天康正道 新能源科技 有限公司 2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	-
Addition of deferred income arising from transaction between the associate with the Group	聯營公司與本集團進行交易所產生之遞延收入增加	(27,018)
Recognition of deferred income on capital contribution to associate	確認向一間聯營公司出資之遞延收入	1,828
Exchange difference	匯兌差額	75
As at 31 December	於十二月三十一日	(25,115)

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS 17. 可供出售金融資產

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Listed investments	上市投資		
上海仁通檔案管理諮詢服務有限公司	上海仁通檔案管理諮詢服務有限公司	9,696	9,063
Unlisted investments	非上市投資		
吉林美來中信木業有限公司	吉林美來中信木業有限公司	50,614	63,125
		60,310	72,188



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17. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued) 17. 可供出售金融資產(續)

During the year ended 31 December 2015, the Group entered into an agreement with an independent third party to acquire the equity interest in 上海仁通檔案管理諮詢服務有限公司(“上海仁通”), incorporated in the PRC and listed in National Equities Exchange and Quotations (stock code: 838518), is a Sino-foreign venture under the PRC Law. The Group intend to hold the investment for long-term capital appreciation and had no intention to dispose of the investment in the near future. As at 31 December 2017 and 2016, the Group holds 8.5% (2016: 8.9%) equity interest in 上海仁通. Dr. Zhu Shengliang and Mr. Li Zhengshan, the executive directors of the Company, hold 16.2% (2016: 17.1%) and 0.9% (2016: 0.9%) equity interest of 上海仁通 respectively.

During the year ended 31 December 2016, the Group entered into an agreement with an independent third party to acquire the equity interest in 吉林美來中信木業有限公司(“吉林美來”, together with its subsidiaries as the “Meilai Group”) at a consideration of RMB60,000,000. 吉林美來 is incorporated in the PRC and is an unlisted limited liability company established in the PRC under the PRC Law, which does not have quoted market price in an active market. The Group intend to hold the investment for long-term capital appreciation and had no intention to dispose of the investment in the near future. As at 31 December 2017, the Group holds 5% (2016: 5%) equity interest in 吉林美來.

The equity investment is measured at cost less impairment at each reporting date. The fair value information of this available-for-sale financial asset has not been disclosed as the range of reasonable fair value estimates is so significant and the probabilities of the various estimates within the range cannot be reasonably assessed and used when measuring fair value. Accordingly, the directors of the Company are of the opinion that the fair value cannot be reliably measured. During the year ended 31 December 2017, impairment loss of approximately HK\$16,260,000 (2016: approximately HK\$5,707,000) was provided.

於截至二零一五年十二月三十一日止年度，本集團與一名獨立第三方訂立協議，以收購上海仁通檔案管理諮詢服務有限公司(「上海仁通」)之股權。上海仁通根據中國法律於中國註冊成立為一間中外合資企業，並於全國中小企業股份轉讓系統上市(股份代碼：838518)。本集團擬持有該投資以作長期資本升值，且並無於近期出售該投資之意向。於二零一七年及二零一六年十二月三十一日，本集團持有上海仁通之8.5%(二零一六年：8.9%)股權。本公司之執行董事朱勝良博士及李正山先生分別持有上海仁通之16.2%(二零一六年：17.1%)及0.9%(二零一六年：0.9%)股權。

於截至二零一六年十二月三十一日止年度，本集團與一名獨立第三方訂立協議，以按代價人民幣60,000,000元收購吉林美來中信木業有限公司(「吉林美來」，連同其附屬公司統稱「美來集團」)之股權。吉林美來於中國註冊成立，並根據中國法律於中國成立為一間非上市有限責任公司，其於活躍市場並無市場報價。本集團擬持有該投資以作長期資本升值，且並無於近期出售該投資之意向。於二零一七年十二月三十一日，本集團持有吉林美來之5%(二零一六年：5%)股權。

於各報告日期，股本投資以成本扣除減值計量。由於合理公平值估計範圍廣闊，且當計量公平值時，範圍內多項估計之可能性不能合理評估及採用，故並無披露此項可供出售金融資產之公平值資料。因此，本公司董事認為公平值無法可靠地計量。於截至二零一七年十二月三十一日止年度，約16,260,000港元(二零一六年：約5,707,000港元)減值虧損已撥備。



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18. PREPAYMENTS

18. 預付款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Prepayment for:	下列項目之預付款：		
– Purchase of property, plant and equipment	– 購買物業、廠房及設備	–	33,669
– Research and developments projects for motor vehicles	– 汽車研發項目	63,368	–
		63,368	33,669

19. FINANCE LEASE RECEIVABLES

19. 應收融資租賃款項

		Minimum lease payments 最低租賃款項		Present value of minimum lease payments 最低租賃款項之現值	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	於一年內	1,812	16,103	1,753	15,154
In the second to fifth years, inclusive	第二至第五年內(包括首尾兩年)	–	1,694	–	1,639
		1,812	17,797	1,753	16,793
Less: Unearned finance income	減：未賺取融資收入	(59)	(1,004)		
Present value of minimum lease payments receivable	最低應收租賃款項之現值	1,753	16,793		
Less: Amount receivables within 12 months (shown under current assets)	減：於12個月內應收之款項(列入流動資產)			(1,753)	(15,154)
Amount receivables after 12 months	於12個月後應收之款項			–	1,639

It is the Group's policy to lease out certain of its plant and machinery under finance leases. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the lessees have the options to purchase the plant and machinery at nominal prices.

本集團之政策為根據融資租賃出租若干廠房及機器。所有租賃之還款已固定，概無訂立或然租金安排。於各租賃期末，承租人有權以名義價格購買廠房及機器。



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19. FINANCE LEASE RECEIVABLES (Continued)

As at 31 December 2017, the carrying amounts of the Group's finance lease receivables are principally denominated in RMB. Effective interest rate was 5.7% (2016: 5.7% to 7.0%) per annum.

The finance lease receivables are secured by the leased motor vehicles and guarantees provided by independent third parties. The Group is not permitted to sell or repledge the collaterals in absence of default by the lessees. The lessees are required to pay the Group through twelve quarterly lease payments.

20. INVENTORIES

19. 應收融資租賃款項 (續)

於二零一七年十二月三十一日，本集團應收融資租賃款項之賬面值主要以人民幣計值。實際年利率為5.7%（二零一六年：5.7%至7.0%）之間。

應收融資租賃款項乃以租賃之汽車及獨立第三方提供之擔保作抵押。在承租人並無違約之情況下，本集團不得出售或轉押抵押品。承租人須透過十二個季度租賃款項向本集團付款。

20. 存貨

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Raw materials	原材料	8,808	8,934
Work in progress	在製品	658	667
Finished goods	製成品	65,860	87,592
Consumables	消耗品	82	77
		75,408	97,270



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21. TRADE AND OTHER RECEIVABLES

21. 應收貿易款項及其他應收款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	應收貿易款項	28,413	304
Less: impairment losses	減：減值虧損	-	-
		28,413	304
Prepayments	預付款	373,386	396,446
Deposits and other receivables	按金及其他應收款	76,588	471,253
Amounts due from directors	應收董事款項	2,572	1,721
		480,959	869,724

Included in prepayments represent amount prepaid to suppliers of approximately HK\$335,108,000 (2016: approximately HK\$338,502,000), prepayment for acquisition of a subsidiary of HK\$nil (2016: approximately HK\$29,053,000), prepayment for research and development projects of approximately HK\$21,219,000 (2016: approximately HK\$27,026,000), and prepayment for other expenses.

As at 31 December 2017, included in other receivables is a balance of HK\$17,106,000 (2016: HK\$359,681,000) carries interest rate at 4.35% to 6% (2016: 1.5% to 8%) per annum, repayable within one year and is secured by equity interest of the debtor, being an unlisted limited liability company and its own shares of a listed limited liability company, and guarantees provided by the related parties of the debtor. The directors of the Company monitored the collectibility of these receivables closely with reference to their respective current creditworthiness and repayment records. As at 31 December 2017, all these receivables were neither past due nor impaired. The management believes that no impairment allowance is necessary in respect of the these receivables as they are considered fully recoverable.

預付款包括預付供應商款項約335,108,000港元(二零一六年：約338,502,000港元)、收購一間附屬公司之預付款零港元(二零一六年：約29,053,000港元)、研發項目之預付款約21,219,000港元(二零一六年：約27,026,000港元)及其他開支之預付款。

於二零一七年十二月三十一日，其他應收款包括結餘17,106,000港元(二零一六年：359,681,000港元)按年利率4.35%至6%(二零一六年：1.5%至8%)計息，須於一年內償還，並以債務人(為一間非上市有限公司)之股權及其本身於一間上市有限公司之股份以及債務人多名關連方提供之擔保作抵押。本公司董事參照該等應收款各自當前信譽及還款紀錄，密切監察該等應收款之可收回性。於二零一七年十二月三十一日，所有該等應收款均未逾期亦未減值。管理層相信，由於該等應收款被視為可悉數收回，故毋須就該等應收款作出減值備抵。



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

21. TRADE AND OTHER RECEIVABLES (Continued)

Amounts due from directors are unsecured, interest-free and repayable on demand.

Impairment losses in respect of other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against other receivables directly.

During the year ended 31 December 2017, other receivables which were previously impaired of HK\$1,837,000 were reversed due to repayments from debtors (2016: impairment provision amounting to HK\$67,498,000). The individually impaired other receivables related to debtors that has defaulted on the principal payments. The Group has considered the collateral over these balances and included in the impairment.

The movement of impairment of other receivables are set out below:

21. 應收貿易款項及其他應收款 (續)

應收董事款項為無抵押、免息及須按要求償還。

其他應收款之減值虧損使用備抵賬入賬，除非本集團信納收回款項之可能性微乎其微，在此情況下，減值虧損直接從其他應收款撤銷。

於截至二零一七年十二月三十一日止年度，由於有債務人還款，故先前減值之其他應收款1,837,000港元已撥回（二零一六年：減值撥備67,498,000港元）。個別減值之其他應收款涉及拖欠本金之債務人。本集團已於減值中考慮並計及就該等結餘持有之抵押品。

其他應收款減值之變動載列如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
As at 1 January	於一月一日	79,547	12,049
(Reversal of impairment)/ impairment of other receivables	其他應收款（減值撥回）／減值	(1,837)	67,498
As at 31 December	於十二月三十一日	77,710	79,547



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21. TRADE AND OTHER RECEIVABLES (Continued)

Trade receivables

The Group allows an average credit period of 30 to 90 days to its trade customers. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of trade receivables, based on invoiced date, and net of allowance, is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	0至30天	9,471	304
31 to 60 days	31至60天	9,471	-
61 to 90 days	61至90天	9,471	-
		28,413	304

As at 31 December 2017, all trade receivables were neither past due nor impaired. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there are no significant change in their respective credit quality and the balances are still considered fully recoverable.

21. 應收貿易款項及其他應收款 (續)

應收貿易款項

本集團向貿易客戶提供30至90天之平均信貸期。每一名客戶均受最高信貸限額限制。新客戶一般須預付款項。本集團致力對其未收回應收款維持嚴密監控。董事定期檢討逾期結餘。

根據發票日期計算之應收貿易款項(扣除備抵)賬齡分析如下:

於二零一七年十二月三十一日,所有應收貿易款項均未逾期亦未減值。根據過往經驗,管理層相信,由於該等結餘各自之信貸質素均無重大變動,且該等結餘均仍被視為可悉數收回,故毋須就該等結餘作出減值備抵。



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22. DERIVATIVE FINANCIAL INSTRUMENT

22. 衍生金融工具

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profits guaranteed arrangement	溢利保證安排	46,957	4,260

Pursuant to the capital injection into the Meilai Group, which classified as available-for-sale financial asset, during the year ended 31 December 2016, certain shareholders of Meilai Group (the "Guarantors") covenanted and guaranteed to the Company that the audited consolidated net profit after tax of the Meilai Group shall not be less than the profit targets as summarised below:

- (i) for the year ended 31 December 2016 shall be no less than RMB160 million (the "2016 Whole Year Guaranteed Profit"), with accumulated target net profit of RMB160 million;
- (ii) for the year ended 31 December 2017 shall be no less than RMB290 million (the "2017 Whole Year Guaranteed Profit"), with accumulated target net profit of RMB450 million;
- (iii) for the year ended 31 December 2018 shall be no less than RMB470 million (the "2018 Whole Year Guaranteed Profit"), with accumulated target net profit of RMB920 million.

In the event that the actual net profit is less than the target net profit, the Guarantors shall pay the Company on a dollar-for-dollar basis based on the formula as stipulated in the investment agreement.

Additionally, if Meilai Group successfully completes the listing of its shares or the corporate restructuring for its proposed listing on or before 31 December 2018, the Profit Guarantee will lapse automatically.

根據向美來集團之注資(分類為可供出售金融資產),於截至二零一六年十二月三十一日止年度,美來集團之若干股東(「保證人」)向本公司契諾及保證美來集團之經審核綜合除稅後純利將不會少於下文概述之溢利目標:

- (i) 截至二零一六年十二月三十一日止年度,不會少於人民幣160,000,000元(「二零一六年全年保證溢利」),累計目標純利為人民幣160,000,000元;
- (ii) 截至二零一七年十二月三十一日止年度,不會少於人民幣290,000,000元(「二零一七年全年保證溢利」),累計目標純利為人民幣450,000,000元;及
- (iii) 截至二零一八年十二月三十一日止年度,不會少於人民幣470,000,000元(「二零一八年全年保證溢利」),累計目標純利為人民幣920,000,000元。

倘實際純利少於目標純利,則保證人將根據投資協議訂明之算式按等額基準向本公司付款。

再者,倘美來集團於二零一八年十二月三十一日或之前成功完成將其股份上市或為其建議上市進行之公司重組,則溢利保證將自動失效。



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22. DERIVATIVE FINANCIAL INSTRUMENT (Continued)

The fair value of the profit guarantee was approximately HK\$46,957,000 (2016: HK\$4,260,000) as at 31 December 2017, which was determined by the directors of the Company by reference to the valuation performed by Royson Valuation Advisory Limited based on expected cash flow method in which the cash flow for each year represents the difference between the guaranteed profit and the projected net profit. The directors of the Company estimated the projected net profits of the acquired available for sale financial assets under three different scenarios with respective scenario probabilities. The fair value of the profit guarantee was the probability-weighted average of the present values of the shortfalls between the guaranteed profits and the projected net profits under the three scenarios.

The changes in fair value of the derivative financial instrument were recognised in the consolidated statement of profit or loss and other comprehensive income during the years ended 31 December 2017 and 2016.

23. BANK AND CASH BALANCES

As at 31 December 2017, the bank and cash balances of the Group denominated in RMB amounted to approximately HK\$98,485,000 (2016: approximately HK\$213,703,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

22. 衍生金融工具 (續)

於二零一七年十二月三十一日，溢利保證之公平值約為46,957,000港元（二零一六年：4,260,000港元），乃由本公司董事參考匯辰評估諮詢有限公司以預期現金流量法進行之估值後釐定。於預期現金流量法中，每年之現金流量指保證溢利與預測純利之差額。本公司董事根據三個不同情況估計所收購可供出售金融資產之預測純利及各個情況之可能性。溢利保證之公平值乃保證溢利與該三個情況下之預測純利之間不足之數現值之可能性加權平均數。

於截至二零一七年及二零一六年十二月三十一日止年度，衍生金融工具之公平值變動已於綜合損益及其他全面收益表確認。

23. 銀行及現金結餘

於二零一七年十二月三十一日，本集團以人民幣計值之銀行及現金結餘約為98,485,000港元（二零一六年：約213,703,000港元）。兌換人民幣為外幣須遵守中國外匯管制規例。



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24. TRADE AND OTHER PAYABLES

24. 應付貿易款項及其他應付款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables	應付貿易款項	8,168	10,900
Accruals and other payables	應計費用及其他應付款	53,021	37,347
Amounts due to a director	應付一名董事款項	638	-
		61,827	48,247

Trade payables

The ageing analysis of the trade payables, based on the date of receipt of goods, is as follows:

應付貿易款項

根據收取貨物日期計算之應付貿易款項賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 180 days	0至180天	312	10,900
181 to 360 days	181至360天	6,825	-
Over 360 days	超過360天	1,031	-
		8,168	10,900



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25. RETIREMENT BENEFIT OBLIGATIONS

Employee retirement benefits

The Group operates a mandatory provident fund scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer makes contributions to the scheme at 5% – 10% and employees are required to make 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Mandatory contributions to the scheme vest immediately.

Subsidiaries incorporated in the PRC participate in various defined contribution retirement plans (“Plans”) organised by local authorities for the Group’s employees in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the basic payroll, to the Plans. The Group has no other obligation for the payment of pension benefits associated with these Plans beyond the annual contributions described above.

25. 退休福利責任

僱員退休福利

本集團根據香港強制性公積金計劃條例為香港所有合資格僱員營辦一項強制性公積金計劃（「強積金計劃」）。強積金計劃乃一個由獨立信託人管理之界定供款退休計劃。根據強積金計劃，僱主按僱員相關收入之5%至10%向計劃供款，而僱員則須按5%供款，每月相關收入上限為30,000港元。強積金計劃之強制性供款即時歸屬。

於中國註冊成立之附屬公司為本集團之中國僱員參與由地方機關籌辦之不同界定供款退休計劃（「該等計劃」）。該等附屬公司須根據基本薪資之若干百分比向該等計劃供款。除上述年度供款外，本集團並無其他與該等計劃有關之退休金福利付款責任。

26. SHARE CAPITAL

26. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.1 each at 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月三十一日、 二零一七年一月一日及 二零一七年十二月三十一日 每股面值0.1港元之普通股	800,000,000,000	80,000,000



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26. SHARE CAPITAL (Continued)

26. 股本 (續)

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.1 each at 1 January 2016	於二零一六年一月一日 每股面值0.1港元之普通股	20,325,872,747	2,032,587
Shares issued from the share option schemes	根據購股權計劃發行股份	12,000,000	1,200
Ordinary shares of HK\$0.1 each at 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年十二月三十一日、 二零一七年一月一日及 二零一七年十二月三十一日 每股面值0.1港元之普通股	20,337,872,747	2,033,787

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts in order to maintain sufficiency of working capital.

本集團管理資本之目標乃保障本集團持續經營之能力，並透過發揮債項與權益間之平衡，為股東創造最大回報。

本集團經常考慮資本成本及與各類資本相關之風險，以檢討資本架構。本集團將透過派息、發行新股份及股份回購、發行新債項、贖回現有債項或出售資產減債，維持其整體資本架構平衡，並保有充裕之營運資金。



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

27. RESERVES

27. 儲備

(a) The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(a) 本集團儲備金額及其變動於綜合損益及其他全面收益表以及綜合權益變動表呈列。

(b) Reserves of the Company

(b) 本公司儲備

		Share premium	Contributed surplus	Share-based payment reserve	Accumulated losses	Total
		股份溢價	繳入盈餘	以股份支付之款項儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日	2,120,075	94,601	391,570	(2,534,055)	72,191
Recognition of equity settled share-based payment	確認以權益結算並以股份支付之款項	-	-	3,099	-	3,099
Share issued under share option schemes	根據購股權計劃發行股份	2,126	-	(1,472)	-	654
Loss for the year	本年度虧損	-	-	-	(235,573)	(235,573)
At 31 December 2016	於二零一六年十二月三十一日	2,122,201	94,601	393,197	(2,769,628)	(159,629)
At 1 January 2017	於二零一七年一月一日	2,122,201	94,601	393,197	(2,769,628)	(159,629)
Recognition of equity settled share-based payment	確認以權益結算並以股份支付之款項	-	-	947	-	947
Loss for the year	本年度虧損	-	-	-	(400,677)	(400,677)
At 31 December 2017	於二零一七年十二月三十一日	2,122,201	94,601	394,144	(3,170,305)	(559,359)

(c) Nature and purpose of reserves

(c) 儲備性質及目的

(i) Share premium account

(i) 股份溢價賬

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchase of shares.

股份溢價指按超出每股股份面值發行股份所產生之溢價，屬不可分派，惟可用於繳足將向本公司股東發行作為繳足股款紅股之本公司未發行股份之股款，或於購回股份時作為應付溢價。



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

27. RESERVES (Continued)

27. 儲備 (續)

c) Nature and purpose of reserves (Continued)

(ii) *Contributed surplus*

The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of the subsidiaries at the date on which they were acquired by the Company, and the nominal amount of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1995.

Under the applicable laws of Bermuda, the contributed surplus account of a company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- it is, or would after the payment be, unable to pay its liabilities as they become due; or
- the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

(iii) *Translation reserve*

The translation reserve has been established and dealt with in accordance with the accounting policy adopted for foreign currency translation.

(iv) *Share-based payment reserve*

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3 to the consolidated financial statements.

(c) 儲備性質及目的 (續)

(ii) 繳入盈餘

本公司之繳入盈餘乃於本公司收購附屬公司當日該等附屬公司之綜合股東資金與於本公司股份在一九九五年上市前進行集團重組時為收購所發行之本公司股份面值間之差額。

根據百慕達適用法律，一間公司之繳入盈餘賬可供分派。然而，倘出現以下情況，則本公司不得從繳入盈餘宣派或派付股息或作出分派：

- 本公司無力或將於分派之後無力償還到期負債；或
- 其資產之可變現值因此低於其負債與其已發行股本及股份溢價賬之總和。

(iii) 換算儲備

換算儲備已根據就外幣換算採納之會計政策設立及處理。

(iv) 以股份支付之款項儲備

以股份支付之款項儲備指根據綜合財務報表附註3就以權益結算並以股份支付之款項採納之會計政策所確認已向本集團僱員及顧問授出之實際或估計未行使購股權數目之公平值。



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28. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 28. 本公司財務狀況表

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	5,082	6,412
Investments in subsidiaries	於附屬公司之投資	27,678	27,678
		32,760	34,090
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	1,435,607	1,831,913
Prepayments, deposits and other receivables	預付款、按金及其他應收款	10,614	15,035
Bank and cash balances	銀行及現金結餘	8,809	7,328
		1,455,030	1,854,276
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款	13,362	14,208
		13,362	14,208
Net current assets	流動資產淨值	1,441,668	1,840,068
NET ASSETS	資產淨值	1,474,428	1,874,158
Capital and reserves	資本及儲備		
Share capital	股本	2,033,787	2,033,787
Reserves	儲備	(559,359)	(159,629)
TOTAL EQUITY	權益總額	1,474,428	1,874,158



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綜合財務報表附註

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

29. SHARE-BASED PAYMENTS

The Company operates a 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 include the full-time and part-time employees, executives, officers, directors, business consultants, agents, legal and financial advisers of the Company and the Company's subsidiaries. The Scheme became effective on 13 June 2013 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

29. 以股份支付之款項

本公司營辦一項購股權計劃（「該計劃」），旨在向為本集團成功經營作出貢獻之合資格參與者提供獎勵及回報。合資格參與者包括本公司及本公司附屬公司之全職及兼職僱員、行政人員、高級職員、董事、業務顧問、代理、法律及財務顧問。該計劃由二零一三年六月十三日起生效，除非另行取消或修訂，否則將由該日起一直有效十年。

現時根據該計劃獲准授出之未行使購股權最高數目為相當於購股權獲行使後任何時間本公司已發行股份10%之數額。於任何十二個月期間內根據購股權可向該計劃每名合資格參與者發行之最高股份數目以任何時間本公司已發行股份之1%為限。進一步授出超過此限額之購股權須於股東大會上經由股東批准。

向本公司某一董事、最高行政人員或主要股東或彼等任何聯繫人授出購股權，須事先經由獨立非執行董事批准。再者，於任何十二個月期間內，向本公司某一主要股東或獨立非執行董事或彼等任何聯繫人授出超過任何時間本公司已發行股份0.1%或總值（按於授出日期本公司股份價格計算）超過5,000,000港元之任何購股權，須事先於股東大會上經由股東批准。



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綜合財務報表附註

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

29. SHARE-BASED PAYMENTS (Continued)

The offer of a grant of share options may be accepted within 14 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

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

Details of the specific categories of options are as follows:

29. 以股份支付之款項 (續)

授出購股權之要約可於由要約日期起計十四天內接納，而承授人於當時須支付合共1港元之名義代價。已授出購股權之行使期可由董事釐定，並由若干歸屬期間後開始，直至由購股權要約日期起不超過五年當日或該計劃屆滿日期（以較早者為準）為止。

購股權之行使價可由董事釐定，惟不得低於(i)本公司股份於購股權要約日期之聯交所收市價；(ii)本公司股份於緊接要約日期前五個交易日之平均聯交所收市價；及(iii)本公司股份於要約日期之面值（以最高者為準）。

購股權並無賦予其持有人享有股息或於股東大會上投票之權利。

購股權之特定類別詳情如下：

	Date of grant 授出日期	Exercise period 行使期	Exercise price 行使價
2005	9 August 2005	29 August 2005 to 8 August 2015	HK\$0.102*
2005	二零零五年八月九日	二零零五年八月二十九日至二零一五年八月八日	0.102港元*
2008	6 February 2008	6 February 2008 to 5 February 2018	HK\$0.1140
2008	二零零八年二月六日	二零零八年二月六日至二零一八年二月五日	0.1140港元
2012(b)	4 December 2012	1 January 2015 to 3 December 2022	HK\$0.1200
2012(b)	二零一二年十二月四日	二零一五年一月一日至二零二二年十二月三日	0.1200港元
2013	6 September 2013	6 September 2013 to 5 September 2023	HK\$0.1080
2013	二零一三年九月六日	二零一三年九月六日至二零二三年九月五日	0.1080港元
2014(a)	29 July 2014	29 July 2014 to 28 July 2024	HK\$0.1136
2014(a)	二零一四年七月二十九日	二零一四年七月二十九日至二零二四年七月二十八日	0.1136港元
2014(b)	20 November 2014	20 November 2014 to 19 November 2024	HK\$0.2010
2014(b)	二零一四年十一月二十日	二零一四年十一月二十日至二零二四年十一月十九日	0.2010港元
2015	14 July 2015	14 July 2015 to 13 July 2025	HK\$0.3950
2015	二零一五年七月十四日	二零一五年七月十四日至二零二五年七月十三日	0.3950港元
2016	9 December 2016	9 December 2016 to 8 December 2026	HK\$0.2280
2016	二零一六年十二月九日	二零一六年十二月九日至二零二六年十二月八日	0.2280港元
2017	20 January 2017	20 January 2017 to 19 January 2027	HK\$0.1872
2017	二零一七年一月二十日	二零一七年一月二十日至二零二七年一月十九日	0.1872港元

* Following the issue of right shares on 1 February 2008, the exercise prices of share options were adjusted from HK\$0.1020 to HK\$0.1140. The number of share options was also adjusted as a result of the issue of right shares.

* 於二零零八年二月一日發行供股股份後，購股權之行使價已由0.1020港元調整至0.1140港元。購股權數目亦因發行供股股份而調整。

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

29. SHARE-BASED PAYMENTS (Continued)

On 29 November 2016, the Company granted 200,000,000 option shares to a consultant in exchange for services. Up to the year ended 31 December 2017, the services have not yet provided by the consultant; therefore no recognition of the fair value of the services received for the year ended 31 December 2016 and 2017. The fair value of the share options was approximately HK\$1,970,000 as at 31 December 2017, which was determined by valuation performed by an independent valuer based on binomial tree model.

Details of the share options outstanding during the year are as follows:

29. 以股份支付之款項 (續)

於二零一六年十一月二十九日，本公司向一名顧問授出200,000,000股購股權股份，以換取服務。截至二零一七年十二月三十一日止年度，該顧問尚未提供有關服務，故截至二零一六年及二零一七年十二月三十一日止年度並無確認已收取服務之公平值。於二零一七年十二月三十一日，該等購股權之公平值約為1,970,000港元，乃按由一名獨立估值師以二項樹模型進行之估值釐定。

年內尚未行使之購股權之詳情如下：

		2017 二零一七年		2016 二零一六年	
		Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	於年初尚未行使	1,856,000,000	0.216	1,843,000,000	0.223
Granted during the year	於年內授出	10,000,000	0.187	25,000,000	0.228
Exercised during the year	於年內行使	-	-	(12,000,000)	0.155
Expired during the year	於年內到期	-	-	-	-
Outstanding at the end of the year	於年終尚未行使	1,866,000,000	0.216	1,856,000,000	0.216

The weighted average share price at the date of exercise for share options exercised during the year was HK\$nil (2016: HK\$0.155). The options outstanding at the end of the year have a weighted average remaining contractual life of 6.6 years (2016: 7.6 years) and the exercise prices range from HK\$0.108 to HK\$0.395 (2016: HK\$0.108 to HK\$0.395). In 2017, options were granted on 20 January. The estimated fair values of the options was approximately HK\$947,000. In 2016, options were granted on 9 December and the estimated fair values of the options was approximately HK\$3,099,000.

於年內行使之購股權於行使日期之加權平均股價為零港元（二零一六年：0.155港元）。於年終尚未行使之購股權之加權平均剩餘合約年期為6.6年（二零一六年：7.6年），而行使價介乎0.108港元至0.395港元（二零一六年：0.108港元至0.395港元）。於二零一七年，購股權於一月二十日授出。該等購股權之估計公平值約為947,000港元。於二零一六年，購股權於十二月九日授出，估計公平值約為3,099,000港元。



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29. SHARE-BASED PAYMENTS (Continued)

These fair values were calculated using the binominal pricing model. The inputs into the model are as follows:

		20 January 2017 二零一七年 一月二十日	9 December 2016 二零一六年 十二月九日
Share price	股價	HK\$0.1800港元	HK\$0.228港元
Exercise price	行使價	HK\$0.1872港元	HK\$0.228港元
Expected volatility	預計波幅	71.51%	71.96%
Expected life	預計年期	10 years 年	10 years 年
Risk free rate	無風險利率	1.796%	1.516%
Expected dividend yield	預計股息回報	0%	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

30. LEASE COMMITMENTS

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases in respect of certain offices and factory premises are analysed as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	於一年內	22,051	18,915
In the second to fifth year inclusive	第二至第五年內 (包括首尾兩年)	11,780	22,115
		33,831	41,030

29. 以股份支付之款項 (續)

該等公平值使用二項式定價模型計算。模型之輸入數據如下：

預計波幅乃透過計算本公司股價之歷史波幅釐定。模型使用之預計年期已基於本集團之最佳估計，就不可轉讓、行使限制及行為考慮之影響而作出調整。

30. 租賃承擔

於報告期末，根據不可撤銷經營租賃就若干辦公室及廠房物業支付之未來最低租賃付款總額分析如下：



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

31. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Contracted but not provided for	已訂約但未撥備		
Establishment of a subsidiary	成立一間附屬公司	-	5,612
Establishment of a joint venture	成立一間合營公司	-	101,007
Purchase of property, plant and equipment	購買物業、廠房及設備	-	12,794
		-	119,413

於報告期末，本集團之資本承擔如下：

32. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group entered into the following material related party transactions.

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Purchase of raw materials	採購原材料	1,245	-

除本綜合財務報表其他部分所披露之交易及結餘外，本集團曾進行以下重大關連人士交易。

The raw materials were purchased from Anhui Tiankang HK New Energy Technology Co., Ltd., the associate of the Group.

有關原材料乃向本集團之聯營公司安徽天康正道新能源科技有限公司採購。



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綜合財務報表附註

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33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY 33. 本公司主要附屬公司之詳情

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

Particulars of the Company's principal subsidiaries at the end of the reporting period are as follows:

下表載列董事認為對本年度業績有重要影響或組成本集團財務狀況主要部分之本公司附屬公司。董事認為，提供其他附屬公司之詳情會使內容過於冗長。

於報告期末，本公司主要附屬公司之詳情如下：

Name	Place of incorporation/ registration	Issued/paid-up registered capital	Percentage of the ownership interest/ voting power 所佔擁有權 權益/投票權 百分比	Principal activities
名稱	註冊成立/ 登記地點	已發行/ 繳足註冊股本		主要業務
American Compass Inc.	US 美國	Ordinary US\$17,000,000 普通股 17,000,000美元	100%*	Investment holding 投資控股
Billion Energy Holdings Limited 兆能集團有限公司	Hong Kong 香港	HK\$1 1港元	100%	Investment holding 投資控股
Hybrid Kinetic Motors Corporation	US 美國	US\$1,000 1,000美元	100%	Development of high-tech electric motor vehicles 開發高科技電動汽車
HK Battery Technology Inc.	US 美國	Ordinary US\$109,532 普通股109,532美元	99.9%	Development of battery management systems 開發電池管理系統
連雲港正道新能源有限公司 (Lianyungang Hybrid Kinetic New Energy Co., Limited)	The PRC 中國	Registered capital of US\$27,000,000 註冊資本 27,000,000美元	60.21%	Development of advanced battery materials 開發先進電池材料
連雲港正強新能源汽車 銷售有限公司	The PRC 中國	Registered capital of RMB5,000,000 註冊資本 人民幣5,000,000元	100%	Sales of high-tech electric motor vehicles and components and provision of after-sale services 銷售高科技電動汽車及配件， 以及提供售後服務
上海正道融資租賃有限公司	The PRC 中國	Registered capital of US\$30,000,000 註冊資本 30,000,000美元	100%	Provision of finance lease services 提供融資租賃服務
寧波美立德諮詢有限公司	The PRC 中國	Registered capital of USD1,750,000 註冊資本 1,750,000美元	100%*	Investment holding 投資控股

* Shares held directly by the Company

* 股份由本公司直接持有



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

33. 本公司主要附屬公司之詳情 (續)

The following table shows information of subsidiaries that have non-controlling interests (“NCI”) material to the Group. The summarised financial information represents amounts before inter-company eliminations.

下表列示擁有對本集團而言屬重大之非控股權益之附屬公司資料。財務資料概要乃進行公司間對銷前之金額。

		連雲港正道新能源有限公司	
		Lianyungang Hybrid Kinetic	
		New Energy Co., Limited	
		2017	2016
		二零一七年	二零一六年
Principal place of business/ country of incorporation	主要營業地點／註冊成立國家	The PRC 中國	
% of ownership interests/ voting rights held by NCI	非控股權益持有之 擁有權權益／投票權 %	39.79%	
		HK\$'000	HK\$'000
		千港元	千港元
At 31 December:	於十二月三十一日：		
Non-current assets	非流動資產	14,047	14,457
Current assets	流動資產	85,354	80,506
Non-current liabilities	非流動負債	-	-
Current liabilities	流動負債	(15,473)	(14,422)
Net assets	資產淨值	83,928	80,541
Accumulated NCI	累計非控股權益	33,395	32,047
Year ended 31 December:	截至十二月三十一日止年度：		
Revenue	收入	-	-
Loss for the year	本年度虧損	(2,158)	(5,035)
Total comprehensive income	全面收益總額	5,545	(10,261)
Loss for the year allocated to NCI	分配至非控股權益之 本年度虧損	(859)	(2,003)
Net cash used in operating activities	經營活動所用現金淨額	(1,328)	(4,114)
Net cash used in investing activities	投資活動所用現金淨額	(43)	(1,780)
Net cash generated from financing activities	融資活動所得現金淨額	-	8,072
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(1,371)	2,178

34. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

34. 批准綜合財務報表

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 March 2018.

綜合財務報表已於二零一八年三月二十八日獲董事會批准及授權刊發。



Financial Summary

財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below:

下文載列本集團最近五個財政年度之業績以及資產及負債概要，乃摘錄自己發表之經審核財務報表，並已重新分類（如適用）：

		For the year ended 31 December 截至十二月三十一日止年度				
		2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年
		HK'000 千港元	HK'000 千港元	HK'000 千港元	HK'000 千港元	HK'000 千港元
RESULTS	業績					
Revenue	收入	52,183	72,170	44,945	15,529	35,434
Loss before tax	除稅前虧損	(186,071)	(407,428)	(355,281)	(358,740)	(325,305)
Income tax credit/(expense)	所得稅抵免／(開支)	(355)	662	(1,046)	(805)	(360)
Loss for the year	本年度虧損	(186,426)	(406,766)	(356,327)	(359,545)	(325,665)
Attributable to:	以下人士應佔：					
Owners of the Company	本公司擁有人	(179,086)	(415,156)	(350,517)	(355,303)	(322,290)
Non-controlling interests	非控股權益	(7,340)	(5,686)	(5,810)	(4,242)	(3,375)
		(186,426)	(420,842)	(356,327)	(359,545)	(325,665)

		As at 31 December 於十二月三十一日				
		2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年
		HK'000 千港元	HK'000 千港元	HK'000 千港元	HK'000 千港元	HK'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	749,494	719,315	2,321,701	1,909,963	1,660,675
Total liabilities	負債總額	(108,207)	(106,902)	(41,675)	(48,545)	(61,827)
Net assets	資產淨值	641,287	612,413	2,280,026	1,861,418	1,598,848
Equity attributable to:	以下人士應佔權益：					
Owners of the Company	本公司擁有人	346,041	577,140	2,243,571	1,827,339	1,561,628
Non-controlling interests	非控股權益	295,246	35,273	36,455	34,079	37,220
		641,287	612,413	2,280,026	1,861,418	1,598,848





HYBRID KINETIC GROUP LIMITED
正道集團有限公司