



HYBRID KINETIC GROUP LIMITED
正道集團有限公司

Stock Code 股份代號: 01188



Annual Report 2018 年報



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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 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

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

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 2018 amounted to HK\$61,250,000 (2017: HK\$35,434,000) and HK\$8,319,000 (2017: HK\$9,422,000) respectively. The Group will continue to set priority on investing in the development work for mass production and in construction of manufacturing bases. The Board believes that it is normal at the final development stage of automobile industry. With completion of manufacturing bases and start of production and marketing of our products, the financial conditions of the Group will witness fundamental improvements.

It is worth noting that in 2018, the world's economies growth slowed down at various rates. Especially for Mainland China, the Central and local Governments of China are all under unprecedented pressure due to negative factors such as trade disputes between China and the US, therefore, they all have adopted a highly cautious stance toward large scale investment projects. The review of and amendments to China's industrial subsidy policies started in 2016 have further enhanced the uncertainty of technology choice, subsidy scheme and financing costs.

The Board continues to be highly optimistic of the clean energy automobile market of China. The Group has been promoting its technology in China relentlessly since many years ago and has realized a great breakthrough in 2018. The latest industrial policy of Chinese Government has clearly included "range extender electric vehicles" in the category of "Electric Vehicles (EV)". In the "Regulation of Investment in Automobile Industry" implemented on the 10th of January, 2019, it says: "Electric Vehicle (EV) projects are referring to these projects whose product using electric motor to provide driving force, such as BEV (including range extender electric vehicles) and fuel-cell electric vehicle (FCEV)." With this most favorable policy change, the Group is one of the most well-positioned companies to market range extender electric vehicles since it is the earliest advocator and the most mature developer of this technology.

各位股東，

於二零一八年度，本集團來自持續經營業務之收入及毛利分別為61,250,000港元（二零一七年：35,434,000港元）及8,319,000港元（二零一七年：9,422,000港元）。集團仍需繼續優先投資以完成車型量產開發以及基地建設工作，但董事會相信這是汽車產業開發進入最後衝刺階段之正常現象。在生產基地建設完工並投產、銷售之後，集團財務狀況必將發生根本性改觀。

值得注意的是，二零一八年全球經濟增速均出現不同程度放緩，特別是中國內地之經濟嚴重受到中美貿易爭端的影響，中央及各地方政府均感受到前所未有之壓力，對於大型資本投資項目持高度審慎之態度。中國政府於二零一六年開始對清潔能源汽車補貼政策的檢討和調整極大增加了清潔能源汽車技術線路、政府扶持政策、企業融資成本等方面的不確定性。

董事會對於中國清潔能源汽車市場繼續保持高度樂觀。本集團多年持續不懈地在內地市場大力推介於二零一八年取得重大突破，中國政府最新產業政策已將本集團積極倡導之增程式電動汽車納入純電動汽車範疇給予扶持。二零一九年一月十日起施行的《汽車產業投資管理規定》指出：「純電動汽車投資項目是指以電動機提供驅動動力的汽車投資項目，包括純電動汽車（含增程式電動汽車）、燃料電池汽車等投資項目」。在這一重大政策利好消息背景下，作為內地市場增程式技術路線的最早倡導者和最成熟開發者，集團是最有可能將增程式電動汽車全面推向市場的廠家之一。



Chairman's Statement

主席報告書

In March 2018, the Group launched HKGT at Geneva Auto Show and immediately launched K350 and H500 at Beijing Auto Show. HKGT is among the 3 finalists of the Tropee du Design 2018 award by the French magazine L'Automobile Magazine. The award is the most prestigious prizes in the world and being considered among the three finalists is a great accomplishment per se. With the smooth implementation of show car development and very positive feedbacks from the market, the top priority of the Group in 2019 is to complete all development of sample cars and mass production models, and all other important milestone events according to work plan.

On capital operation, the Group will proactively induct strategic investments to provide strong capital support to mass production of clean energy automobiles. Taking into consideration of uncertain macro-economic environment, the Group will continue to strictly control operational costs and to ensure the completion of development work and production base construction. Even though there are fierce competition and adversity, the Board strongly believes that the Group will witness important breakthroughs of its clean energy automobile business in the year of 2019.

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, 29 March 2019

二零一八年三月，集團在日內瓦車展發佈 HKGT 車型，並隨即在北京車展發佈 K350 和 H500 車型。其中 HKGT 車型入圍法國《汽車雜誌》二零一八年設計大獎的決賽前三名。這一獎項是世界上最知名的獎項之一，能夠入圍前三名本身就是很大的成功。在展車順利開發並獲得業界及市場十分積極正面之反應的基礎上，二零一九年集團工作的重中之重是按照工作規劃，按部就班地完成所有展車的樣車開發、量產定型等重要里程碑工作。

此外，在資本運營方面，集團將積極導入戰略投資者，為集團清潔能源汽車項目的落地量產提供強有力的資金支持。在宏觀經濟環境尚不明朗的前提下，本集團將繼續嚴格控制經營成本、堅決保證產品研發和基地建設。逆風而行、大浪淘沙，董事會有信心在二零一九年迎來集團清潔能源汽車業務的重大突破。

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，二零一九年三月二十九日



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.

EXECUTIVE DIRECTORS

Dr YEUNG Yung (仰融), aged 61, 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.

Mr XU Jianguo (徐建國), aged 51, 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.

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。

執行董事

仰融博士，現年61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。

徐建國先生，現年51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 51, 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 55, 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51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55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 65, 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 64, 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 68, 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65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64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)之工商(金融)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。

朱勝良博士，現年68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。他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 49, 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 57, 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 47, 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49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57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47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 63, 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 61, 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 57, 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-Marseilles 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63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物理學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61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主任。

朱國斌博士，現年57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-Marseilles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 54, 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 61, 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54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61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 34, 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 10 years of experience in the accounting field, and is currently a financial controller of a Hong Kong company.

Mr LEE Cheung Yuet, Horace (李暢悅), aged 37, 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 had been an executive director of Aurum Pacific (China) Group Limited from 5 February 2018 to 31 March 2019 and is 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 14 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 8 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34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10年經驗，現時為一間香港公司之財務總監。

李暢悅先生，現年37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。彼曾於二零一八年二月五日至二零一九年三月三十一日期間擔任奧栢中國集團有限公司之執行董事，現時為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14年工作經驗。李先生在金融界及商界擔任高級職位超過8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 of the Company (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 2018 (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\$61.3 million (2017: HK\$35.4 million) and HK\$8.3 million (2017: HK\$9.4 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\$288.6 million (2017: HK\$306.0 million). The loss for the Year was mainly attributable to administrative expenses.

The administrative expenses for the Year decreased to approximately HK\$365.4 million (2017: HK\$435.8 million) which consisted of research and development expenses of approximately HK\$21.9 million (2017: HK\$62.7 million), operating lease charges in respect of land and buildings of approximately HK\$42.9 million (2017: HK\$35.1 million), employee benefit expense (including wages and salaries, pension costs and other benefits) of approximately HK\$167.3 million (2017: HK\$150.5 million) and depreciation expenses of approximately HK\$29.4 million (2017: HK\$21.9 million).

本公司各董事（「**董事**」或「**董事會**」）欣然向本公司股東（「**股東**」）提呈其截至二零一八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61,300,000港元（二零一七年：35,400,000港元）及8,300,000港元（二零一七年：9,400,000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288,600,000港元（二零一七年：306,000,000港元）。本年度虧損主要由於行政開支所致。

於本年度，行政開支下降至約365,400,000港元（二零一七年：435,800,000港元），包括研發開支約21,900,000港元（二零一七年：62,700,000港元）、有關土地及樓宇之經營租賃支出約42,900,000港元（二零一七年：35,100,000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167,300,000港元（二零一七年：150,500,000港元）及折舊開支約29,400,000港元（二零一七年：21,900,000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.

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.

The high voltage battery pack strategy developed by the Group utilizes one common battery cell and module within the pack for all cars. Each battery pack is configurable into a wide variety of shapes and sizes to efficiently fill available space while not constraining the overall dimensions that are critical to the unique styling and comfort of other models. Each sedan and SUV model offered in the Group's product portfolio will therefore have a unique exterior and interior design and styling as a result of not constraining the overall size of the vehicle or its battery pack respectively.

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蹊徑，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。

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。

本集團開發之高電壓電池組使用一種常見於各種汽車電池組之單電池及模組。每個電池組均可設定為各式各樣形狀及大小，有效填充其他不同型號汽車的可用空間之餘，不會局限影響獨特造型及舒適度之整體佈局。因此，本集團產品組合內之每款轎車及運動型多用途車將擁有與別不同之外觀及內部設計及造型，不會受到汽車或其電池組整體大小限制。



Directors' Report

董事會報告書

The battery's charging control system has been developed to intelligently allow the battery to charge in both AC and DC fast charging modes; while a highly efficient low emission turbo charged 2 cylinder engine is used as the power source to charge the battery and extend the range of the vehicle.

We have continued the development of our graphene enhanced "Super Battery Technology" in 2018 with functional prototype "a-sample" development. The Group has newly developed a state-of-the-art high voltage 28Ah lithium-ion battery cell using a graphene coating on the anode to improve conductivity, allowing it to charge much faster than other lithium ion cells. The battery is designed for optimum energy and power density, not to mention to guarantee longer service life intervals and support a higher number of recharging cycles. Our battery technology will offer a much wider temperature range than other lithium batteries allowing it to maintain an 80% efficiency at lower temperature extremes.

In addition, 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.

For the Year, the total revenue derived from the sales of battery management systems and spare parts amounted to approximately HK\$61.2 million (2017: HK\$35.1 million). The increase was mainly due to a rise in the volume of sales orders from the Group's customers.

本集團開發之電池充電控制系統使電池兼容交流電及直流電快速充電模式，利用高效低排渦輪充電式雙氣缸發動機作為汽車充電及增程之電力來源。

於二零一八年，本集團繼續開發經石墨烯提升之「超級電池技術」，具備功能性原型「a-sample」開發階段。本集團新開發尖端高電壓28安培時鋰離子電池，透過將石墨烯塗層置於陽極表面提升導電能力，充電速度較其他鋰離子電池大大提高。電池乃為優化能量及功率密度而設，每次充電均有較長使用壽命，可充電次數亦有所提高。本集團之電池技術較其他鋰電池承受更大溫差，能夠在極低溫環境下維持80%效率。

此外，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。

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61,200,000港元（二零一七年：35,100,000港元），此增長主要源自本集團客戶銷售訂單數量增加。



Directors' Report

董事會報告書

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.

In 2018, we began actively working on innovative ideas with our business partners to develop our cars and automated features. This is expected to bring a new level of autonomous driving and connectivity to our cars to support a safer and more efficient driving experience.

- Continuous brand building – debut of new concept car

Our vision continues to focus on building the brand and creating unique and timeless vehicles and designs. Immediately following the introduction of our fourth concept car HGGT at the 2018 Geneva motor show, we introduced two additional concept cars in 2018 at the Beijing motor show, the K350 luxury SUV and H500 luxury sedan, making a total of six concept cars developed and introduced to date, from a total of 12 that are planned in the overall product portfolio. Work has begun to debut our newest addition to the family of sedans “H300” in the very near future with our continued and long-lasting collaboration with our development partner, Pininfarina S.p.A. (“**Pininfarina**”), a recognized world leading company in the field of design, engineering, prototyping and niche manufacturing of motor vehicles. We are very proud of our accomplishment in the design of our vehicles as they have been very well received by both the media and the public in China and in Europe.

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。

於二零一八年，本集團開始與業務夥伴積極開發創新意念，以開發本集團之汽車及自動功能。預期本集團汽車之自動駕駛及連繫水平將提升至更高層次，提供更安全高效之駕駛體驗。

- 不斷塑造品牌—推出新概念車

本集團之目光繼續投放於品牌建立及創製獨特經典之汽車及設計。緊隨於二零一八年日內瓦車展展出旗下第四輛概念車HGGT後，本集團於二零一八年北京車展上再展出另外兩款概念車：K350豪華運動型多用途車及H500豪華轎車。在整體產品組合計劃總共12款汽車當中，本集團至今已開發及推出共六款概念車。得力於與開發夥伴Pininfarina S.p.A. (「**Pininfarina**」)，一間在汽車設計、工程、樣品及頂尖生產方面享負盛名之環球翹楚之長久合作，本集團已展開工作，務求於極短期內展出旗下轎車最新成員「H300」。本集團之汽車設計在中國及歐洲均廣受媒體及公眾歡迎，卓越成就令本集團引以為傲。



Directors' Report

董事會報告書

We believe that design/styling will play an important role in what distinguishes us from our competitors. However, our vision goes beyond having a great design. We aim to become a leader in the development and manufacture of clean energy vehicles and endeavour to improve energy efficiency and enhance energy security, safety, and reliability for our customers, which are mainly achieved in the following three ways:

- (1) Electrification: Combining our eDrive and our graphene super lithium battery technology with three types of advanced combustion systems and fuels to extend the range capabilities of our cars. Our goal is to maximize mobility and minimize energy consumption from the grid. Thus, eliminating range anxiety and dependencies from the charging infrastructure for our customers.
 - (2) Integration: We focus relentlessly on developing connected and autonomous synergies with high performance computing and programming capabilities in our electrical systems architecture.
 - (3) Innovation: We place emphasis on establishing and collaborating with key partners to accelerate innovative "Smart" systems research, development, and production in our vehicles.
- Establishment of manufacturing base with strategic alliance

During the Year, the Group had gained support of a PRC municipal government towards the proposed implementation of a business plan regarding the establishment of a manufacturing base in its municipality. The auspices of the PRC municipal government is expected to create a more favourable business environment for the implementation of the Group's business plan.

During the Year, there was no revenue generated from the segment of high-tech electric motor vehicles (2017: HK\$nil).

本集團相信，要從一眾競爭對手中突圍而出，設計／造型之重要性自不待言。然而，本集團之目光不止於偉大設計，更指望實踐以下三大方針，成為開發及製造潔淨能源汽車之翹楚，致力為客戶改善能源效益，提高能源保安、安全及可靠程度：

- (1) 電氣化：將本集團之「eDrive」及石墨烯超級鋰電池技術結合三種先進燃燒系統及燃料，增強本集團汽車之續航力。本集團之目標為一方面盡量提高動力，另一方面盡量降低能耗，從而消除客戶對航距之疑慮及對充電基建之倚賴。
- (2) 整合：本集團利用本身電力系統結構之高效計算及編程能力，竭力開發聯網自動駕駛協同效應。
- (3) 創新：本集團強調與主要夥伴建立關係及合作，加快研發及生產本集團汽車之創新「Smart」系統。

- 與策略盟友建立生產基地

於本年度，本集團喜獲中國一市政府支持，鼓勵落實業務計劃建議，於其市內建立生產基地。中國有關市政府將提供有利營商環境支持，協助本集團落實業務計劃。

於本年度，來自高科技電動車分部之收入為零（二零一七年：零港元）。



Directors' Report

董事會報告書

- 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\$59,000 (2017: HK\$301,000).

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 intellectual property rights, the Group applied for patent registration to the United States Patent and Trademark Office ("USPTO") in respect of our interest in invention (namely, "NANOPOROUS GRAPHENE NANOWIRES AND PRODUCING METHODS AND APPLICATIONS OF SAME"). USPTO approved our application and granted the Group the rights to the invention under the patent number US9,796,592 B2.

For the Year, there was no revenue recorded from this segment of business (2017: Nil).

- 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59,000港元（二零一七年：301,000港元）。

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。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

為保護知識產權，本集團正在向美國專利及商標局（「USPTO」）申請登記一項發明之專利權權益（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 Nanowires and Producing Methods and Applications of Same）」）。USPTO已批准申請，並向本集團授出專利編號US9,796,592 B2之發明權利。

於本年度，此業務分部並無錄得收入（二零一七年：無）。



Directors' Report

董事會報告書

PROSPECTS

The Company has a long-term commitment to the global automobile industry.

The PRC government is keen on combating air pollution and narrowing 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 the PRC auto sales by the end of the next two decades. Besides, the Chinese government will extend tax rebate 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 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.

We believe that we have prepared the Group for 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. With the debut of our concept cars in the international arena, we have positioned ourselves as one of the global NEVs manufacturers in the future.

前景

本公司長期致力於全球汽車行業。

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，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。

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程器技術，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。隨着在國際舞台發佈自家概念車，本集團已準備就緒於日後躋身環球新能源車製造商行列。



Directors' Report

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Leveraging on the above market trend and the foundation of the Group, we will continue to strive for further technological advancement in the development of NEVs. Like all market players in the global automobile industry, in particular NEVs manufacturers, the Group will continue to invest heavily in research and development. We will continue to closely collaborate with our business partners to explore business or investment opportunities as it has always been the Company's strategy to increase its working capital for the expansion of the business of the Group. To complement our NEVs business, the Group will continue to engage and expand its finance leasing business to fully equip the Group as an integrated automaker and auto finance leasing company. 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") and to the Company's prior disclosure regarding 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 alongside its subsidiary, Billion Energy Holdings Limited ("Billion Energy") in the U.S. District Court for the Northern District of Maryland.

As previously disclosed, the Lawsuit centered on a written agreement between Billion Energy and XALT Energy, LLC (the "Supply Agreement"). In August 2017, the U.S. 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, as required by the Supply Agreement. The U.S. District Court ordered the Lawsuit stayed, and administratively closed, unless and until there is a conclusion to such an arbitration. The U.S. District Court therefore will not preside over the Lawsuit, although it may consider an application to enter a judgment if and when there is a final ruling after trial at arbitration from the Hong Kong International Arbitration Centre. The parties to the Lawsuit are ordered to report back to the U.S. District Court after conclusion of any arbitration proceeding in Hong Kong.

順應上述市場走勢，本集團將在既有基礎上不斷推進開發新能源車之技術發展。一如一眾環球汽車業者，尤其是新能源車製造商，本集團將繼續重點投資於研發工作，並與業務夥伴保持緊密合作，攜手探索商業或投資機遇，恪守本公司藉增加營運資金拓展集團業務之策略。為配合新能源車業務，本集團將繼續從事並拓展融資租賃業務，以裝備成為綜合汽車生產商及汽車融資租賃公司。本集團對業務計劃充滿信心，堅持本集團之營商哲學，為汽車業注入思維、創新及轉變，努力不懈推動本集團實現業務目標及多元化發展，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」），以及本公司曾經作出之披露，內容有關該等公佈所述由Townsend Ventures LLC、XALT Energy LLC及XALT Energy MI, LLC（統稱「XALT」）於美國北馬里蘭區地方法院（United States District Court for the Northern District of Maryland）對本公司連同其附屬公司兆能集團有限公司（「兆能」）開展之訴訟。

如前披露，訴訟圍繞兆能與XALT Energy, LLC訂立之協議書（「供應協議」）。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，強制按照供應協議之規定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，直至有關仲裁結案為止。因此，美國地方法院不再裁決訴訟，惟或會在香港國際仲裁中心仲裁後下達最終裁決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後匯報美國地方法院。



Directors' Report

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Since the U.S. District Court's order was issued, XALT has not, to the best of our Directors' knowledge, taken any steps to initiate such an arbitration. Currently, our Directors are not aware of any active, open litigation between the Group and XALT relating to the claims stated in the Lawsuit, and to date, no discovery has been exchanged between the parties to the Lawsuit.

The Company disputes the claims in the Lawsuit. Litigation is inherently unpredictable. There is no assurance that any proceeding regarding the Lawsuit will or will not be commenced. If any litigation is initiated before the Hong Kong International Arbitration Centre, the Company will aggressively defend the Lawsuit. The Company, after consultation with its legal counsel and based on its current understanding of the facts, believes it has meritorious defenses to all claims.

Qualified Opinion by the Auditor and actions taken by the Board during the Year

The qualified opinion (the **"Qualified Opinion"** or **"Audit Qualification"**) from ZHONGHUI ANDA CPA Limited, the independent external auditor of the Company (the **"Auditor"**), on the financial statements of the Group for the Year relates to a prepayment to a supplier made by the Group pursuant to the Supply Agreement (the **"Prepayment"**), which was brought from 2017. Please refer to the paragraph headed "Basis for Qualified Opinions" of the Independent Auditor's Report contained in this annual report for details.

During the Year, the Company had continued to use its best efforts to attempt to approach and engaged in discussion with the management of XALT with a view to resolving the Lawsuit and removing the Audit Qualification. Despite repeated attempts, there was no constructive discussion on the Lawsuit between the Company and the management of XALT as XALT was and is undergoing a change in its shareholding structure by which Freudenberg Sealing Technologies GmbH & Co. KG (**"Freudenberg"**), a leading supplier of sealing products in the automotive industry based in Germany, acquired in February 2018, over 30% of the equity interest in XALT. In February 2019, Freudenberg acquired further equity interest in XALT to bring its shareholding in XALT to over 50%. In addition, based on the various published media reports, Freudenberg has the intention to further increase its stake in XALT to 100% in the future. Due to the change in control of XALT, the Company has not yet received any positive response from the management of XALT as to whether they are willing or when to resolve the dispute or the Lawsuit with the Company during the Year.

自美國地方法院頒令以來，據董事所深知，XALT從未採取任何行動提出有關仲裁。目前，董事並不知悉本集團與XALT之間就訴訟所列申索存在任何有效及進行中之訴訟，迄今訴訟雙方未有交換透露文件。

本公司對訴訟所涉之申索有爭議。訴訟本身乃不可預知。並不保證任何有關訴訟之法律程序將會或將不會展開。倘在香港國際仲裁中心提起任何訴訟，則本公司將積極就訴訟抗辯。經諮詢法律顧問及基於目前對事實之理解，本公司相信其對所有申索之抗辯均具有理據。

核數師之保留意見及董事會於本年度採取之行動

本公司之獨立外部核數師中匯安達會計師事務所有限公司（**"核數師"**）就本集團本年度財務報表發表之保留意見（**"保留意見"**或**"審計保留意見"**）乃關於本集團於二零一七年根據供應協議預付一名供應商之款項（**"預付款"**）。詳情請參閱本年報所載獨立核數師報告中「保留意見的基礎」一段。

於本年度內，本公司一直竭力嘗試接洽XALT之管理層，冀能磋商解決訴訟及剔除審計保留意見。儘管多番嘗試，但本公司與XALT管理層仍未能就訴訟進行任何積極討論，原因在於XALT之股權架構一直在變動，以德國為基地之汽車業密封產品供應商翹楚 Freudenberg Sealing Technologies GmbH & Co. KG（**"Freudenberg"**）於二零一八年二月收購XALT超過30%股權。二零一九年二月，Freudenberg進一步收購XALT之股權，使其於XALT之持股百分比超過50%。此外，據多篇媒體報導，Freudenberg有意於日後進一步增加其於XALT之股權至100%。鑑於XALT之控制權變動，本公司於本年度尚未收到XALT管理層就是否願意解決或何時解決與本公司之爭議或訴訟之任何正面回應。



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The Board considers that the Company had provided all available evidence to the Auditor's making of the Prepayment to, and its receipt by the recipient XALT supplier (whom and whose related parties are involved in the Lawsuit). While the Company had repeatedly communicated and urged the management of XALT to respond to the audit confirmation sent by the Auditor, the ongoing dispute or the Lawsuit had made it difficult (if not impracticable) for XALT to cooperate and accede to the request for audit confirmation promptly. In the absence of the audit confirmation from XALT, the Auditor is unable to conclusively determine whether the Audit Qualification can be removed according to the auditing standards.

Since there is yet to have a resolution of issues relating to the Prepayment, the Board considers it is premature to evaluate whether or not the Prepayment (or any portion of it) is unrecoverable, or whether the record of the Prepayment in the consolidated financial statements of the Group were fairly stated or whether any contingent liabilities shall be recognised by the Company for the Lawsuit.

Given that the recoverability of the Prepayment cannot be ascertained during the Year, the Board could not reasonably and accurately estimate whether it is appropriate to provide any impairment on the Prepayment. The Prepayment was therefore recorded at its carrying amount of approximately HK\$333,918,000 in the Group's financial statements as at 31 December 2017 and 2018. In addition, the management of the Company could not reasonably and accurately estimate the contingent liabilities, if any, of the Group as at 31 December 2017 and 2018. Accordingly, no contingent liabilities in relation to the Lawsuit were disclosed in the Group's financial statements.

In the absence of any direct audit confirmation from XALT on the Prepayment or sufficient alternative evidence being obtained to the satisfaction of the Auditor to allow it to ascertain the likelihood as well as the extent of recovery of the Prepayment by the Group in the foreseeable future, the Auditor was therefore not be able to satisfy themselves as to (i) whether the carrying amount of the Prepayment as at 31 December 2018 and 31 December 2017 are fairly stated by the Company; (ii) the recoverability of the Prepayment as at 31 December 2018 and 31 December 2017; and (iii) the existence and completeness of the disclosure of contingent liabilities in relation to the Prepayment. The Audit Qualification was therefore repeated for the Year.

董事會認為本公司已向核數師提供所有有關向收款XALT供應商（彼及彼之關聯方參與訴訟）預付款項以及對方收款之可得證據。儘管本公司多番聯絡及敦促XALT管理層就核數師發出之審計確認作出回應，惟持續之爭議或訴訟令XALT難以（如非不可能）迅速合作並同意進行審計確認。由於缺乏XALT之審計確認，核數師無法最終決定是否可按照審計準則剔除審計保留意見。

由於預付款相關問題尚未解決，董事會認為目前未能評估預付款（或其任何部分）是否不可收回、本集團之綜合財務報表內所記錄之預付款是否已中肯地列報或本公司是否須就訴訟確認任何或然負債。

鑑於本年度內無法確定預付款之可收回性，董事會不能合理準確地估計就任何預付款減值計提撥備是否恰當。因此，於二零一七年及二零一八年十二月三十一日，預付款於本集團之財務報表內按賬面金額約333,918,000港元列賬。此外，本公司管理層無法合理準確地估計本集團於二零一七年及二零一八年十二月三十一日之或然負債（如有）。因此，本集團財務報表並無披露有關訴訟之或然負債。

由於缺乏XALT就預付款之直接審計確認亦未能取得足夠可信納之憑證讓核數師確定本集團於可見未來收回預付款之可能性及可收回之程度，故核數師未能信納(i)預付款於二零一八年十二月三十一日及二零一七年十二月三十一日之賬面金額是否獲本公司中肯地列報；(ii)於二零一八年十二月三十一日及二零一七年十二月三十一日之預付款之可收回性；及(iii)與預付款有關之或然負債是否存在以及是否已全面地披露。因此，審計保留意見於本年度重複發表。



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Position of the Board and action plan to remove the Audit Qualification

The Company will continue to engage in discussion with XALT with the aim of resolving all parties' legal claims amicably. There is, however, no assurance whether or not these discussions will come to any fruition.

The Board considers that the removal of the Audit Qualification may hinge on resolution of the disputes or Lawsuit with XALT. The Company has consulted its legal counsel in relation to the latest status of the Lawsuit. Based on its current understanding of the facts, the legal counsel suggested that the Company may initiate arbitration in the Hong Kong International Arbitration Centre (the "HKIAC") by submitting a Notice of Arbitration that includes the complaint filed by XALT in the U.S. District Court, and a counterclaim by the Company addressing the Prepayment.

To expedite the resolution of the dispute and the Lawsuit, the Company will consider the initiation of arbitration proceeding as advised by its legal counsel. The Company will take steps to seek further advice and assistance from its legal counsel to prepare the documents for the submission of the Notice of Arbitration to the HKIAC. It is expected that the Company may submit such notice to the HKIAC in the second half of 2019. As further advised by the legal counsel of the Company, while HKIAC will normally facilitate the applicants and defendants to resolve the dispute and reach a settlement, the arbitration if initiated may last for two years before reaching any conclusion.

The Board intends to take parallel actions to continue negotiation with XALT and take the arbitration route at the same time. Having said that, it is uncertain whether the Lawsuit will conclude in the near future or to be concluded at all as it is not entirely within the control of the Company. The Board would reiterate that the Company had and will continue to use its best endeavours to communicate with XALT to resolve the Lawsuit and seek legal advice on the appropriate legal actions that may be taken on the Lawsuit from time to time in the hope of resolving the parties' dispute or settling the Lawsuit expeditiously.

The Board considers that, given the change in control of XALT, the Auditor's position on the Prepayment, the order by the US District Court and the advice from the Company's legal counsel, the action plan as disclosed above is currently the only feasible approach of the Company to urge XALT to go back to the negotiation table and resolve the Lawsuit with the Group to safeguard its interests.

董事會之立場及有關剔除審計保留意見之行動計劃

本公司將繼續與XALT磋商，冀能友好地解決各方法律申索。然而，概無保證有關磋商能取得任何成果。

董事會認為審計保留意見能否剔除，須取決於與XALT之爭議或訴訟會否解決。本公司已就訴訟之最新狀況諮詢其法律顧問。基於目前對事實之理解，法律顧問建議本公司可於香港國際仲裁中心以提交仲裁通知之方式提出仲裁，涵蓋XALT於美國地方法院提出之申訴，以及本公司針對預付款提出之反申索。

為加快解決爭議及訴訟，本公司將考慮按其法律顧問所建議啟動仲裁程序。本公司將主動向其法律顧問尋求進一步建議及協助，以編製向香港國際仲裁中心提交仲裁通知所需之文件。預期本公司可於二零一九年下半年向香港國際仲裁中心提交有關通知。本公司法律顧問進一步指出，一般而言，香港國際仲裁中心會促使申請人與被告人化解爭議及達成和解，惟仲裁一經展開至結束可長達兩年。

董事會擬分頭行動，一方面與XALT繼續磋商，另一方面則提出仲裁。儘管如此，由於訴訟並非在本公司可完全控制之範圍內，故目前無法確定訴訟會否於短期內結束甚至會否結束。董事會重申，本公司過往一直並將繼續竭力與XALT溝通以解決訴訟，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。

董事會認為，有鑑於XALT之控制權變動、核數師對預付款之立場、美國地方法院之頒令及本公司法律顧問之建議，上文所披露之行動計劃乃本公司敦促XALT重返談判桌，與本集團一同解決訴訟之唯一可行方法，以便保障其利益。



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Audit Committee's views on the Audit Qualification and the Board's position

The Audit Committee considers that the Company has provided all available evidence to the Auditor of the Group's making of the prepayment to, and its receipt by, the recipient XALT suppliers (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 herein, the consolidated financial statements of the Group for the financial year ended 31 December 2018 give a true and fair view of the performance and financial position of the Group as at 31 December 2018.

Having discussed with the Auditor and considered the factors as set out in the basis for Qualified Opinion in the Independent Auditor's Report, the Audit Committee understood the basis of the Qualified Opinion. The Audit Committee had considered, reviewed and agreed with the Board's position on the Prepayment and the action plan as disclosed above to remove the Audit Qualification.

Auditor's view on the action plan

Having considered the action plan proposed by the Company, the Auditor is of the view that the Audit Qualification may be removed in the foreseeable future subject to, among other things, (i) the receipt of direct audit confirmation in relation to the Prepayment from XALT; (ii) the availability of evidence satisfactory to the Auditor to verify the recoverability (or extent of recoverability) of the Prepayment in the foreseeable future; (iii) any favourable progress or outcome of the Lawsuit or the arbitration intended to be initiated; and/or (iv) a constructive progress of discussion with XALT on resolving all parties' legal claims having been achieved.

Material uncertainty related to going concern

As disclosed in the Independent Auditor's Report, the Group incurred a loss of HK\$289,829,000 and operating cash out flow of HK\$301,132,000 for the Year. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

審核委員會對審計保留意見及董事會之立場之見解

審核委員會認為本公司已向核數師提供所有有關本集團向收款XALT供應商(彼及彼之關聯方參與訴訟)預付款項以及對方收款之可得證據,且除本年報內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,本集團截至二零一八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二零一八年十二月三十一日之表現及財務狀況。

經與核數師商討及考慮獨立核數師報告內「保留意見的基礎」一節所載之因素後,審核委員會了解保留意見之基礎。審核委員會已考慮、審閱並同意董事會於預付款之立場及上文所披露有關剔除審計保留意見之行動計劃。

核數師對行動計劃之見解

核數師於考慮本公司所建議之行動計劃後,認為於可見未來或可剔除審計保留意見,惟剔除與否須取決於(其中包括)(i)是否取得XALT有關預付款之直接審計確認;(ii)有否可信納之憑證讓核數師核實預付款於可見未來之可收回性(或可收回程度);(iii)訴訟或擬提出之仲裁有否出現任何有利發展或結果;及/或(iv)與XALT就解決各方法律申索之討論有否進展。

有關持續經營之重大不確定因素

誠如獨立核數師報告所披露,本集團於本年度產生虧損289,829,000港元及經營現金流出301,132,000港元。該等情況顯示存在重大不確定因素,可能對本集團持續經營之能力構成重大疑問。



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Directors' position on the material uncertainty related to going concern

It has always been the Company's strategy to explore opportunities with its business partners or potential investors to enhance the Group's financial capability and flexibility for the expansion of the business of the Group, including but not limited to, further research and development of the electric vehicles and the finance leasing business.

The Directors also consider from time to time all possible financial alternatives to alleviate liquidity pressure and to improve the financial position of the Group which include, but not limited to, equity financing, debt financing, rights issue, open offer or bank borrowings to meet the financial requirements of the Group.

Dr Yeung Yung, the chairman, an executive Director as well as the major shareholder of the Company (the "Major Shareholder"), who was and is beneficially interested in 2,741,211,189 shares in the Company (representing approximately 13.47% of the issued shares of the Company), has confirmed to the Company that he will provide, or procure to provide, continuing financial support to the Group to meet its financial obligations as and when they fall due. The Directors are confident that the Major Shareholder has sufficient financial capacity and means to provide necessary support to the Group. It is expected that any loan or financial support from the Major Shareholder, if given, will be conducted on normal commercial terms or better and not be secured by the assets of the Group. If the Company receives any other form of financial support from the Major Shareholder and the terms of which are finalised, the Company will comply with the applicable Listing Rules as and when appropriate.

董事對有關持續經營之重大不確定因素之立場

本公司之策略一直為與業務夥伴或潛在投資者攜手探索機遇，藉以提升本集團之財政實力及靈活性，從而拓展本集團業務，包括但不限於深入研發電動車及融資租賃業務。

董事亦不時考慮所有可能融資方案，以減輕流動資金壓力及改善本集團之財務狀況，包括但不限於股本融資、債務融資、供股、公開發售或銀行借貸，以滿足本集團之財務需要。

以往及當前均實益擁有2,741,211,189股本公司股份權益（相當於本公司已發行股份約13.47%）之本公司主席、執行董事暨主要股東仰融博士（「**主要股東**」）已向本公司確認，彼將向本集團提供或安排提供持續財政支援，以應付其到期應付之財務承擔。董事深信，主要股東有足夠財力及方法向本集團提供所需之支持。預期主要股東將按一般商業條款或更佳條款提供任何貸款或財政支援（如提供），且毋須本集團資產作抵押。倘本公司收到主要股東所提供之任何其他形式之財政支援而其條款已落實，則本公司將會於適當時候遵守適用之上市規則。



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Further, the Group has been actively seeking collaboration opportunities with potential business partners and investors to finance the development and expansion of the business of the Group. As at the date of this report, a number of business partners and investors, including but not limited to, governmental authorities in the PRC, manufacturers in the automobile industry and institutional investors, had expressed interest in the business or investment opportunities with the Group. It is expected that these potential business partners and investors may establish joint ventures or other form of alliance with the Group where (a) the Group may contribute intangible assets, including but not limited to certain intellectual property owned by the Group; and (b) the potential business partners and investors may contribute working capital to further develop the business of the Group. The Group is close to consummate collaborations with certain potential business partners and investors. The Company will comply with the applicable Listing Rules if the terms of any potential collaboration(s) are finalised with the Group.

Based on the above, the Directors consider that the Group will have sufficient working capital for the operation and development of its business for at least twelve months from the end of the reporting period. With the development and expansion of the Group's business, the Group's overall financial position will improve gradually. In view of the above and barring any unforeseen circumstances, it is expected that the emphasis of matter related to going concern of the Group will not be carried forward to the Group's financial statements for the year ending 31 December 2019.

The Company will make further announcement(s) in relation to any material development of the above matters as and when appropriate in accordance with the Listing Rules.

Audit Committee's view on the Directors' position

The members of the Audit Committee confirmed that they understood the emphasis of matter related to going concern of the Group as expressed by the Auditor. They had considered and agreed with the Directors' position as set out above.

再者，本集團一直積極尋求與潛在業務夥伴及投資者合作之機會，為本集團業務之廣泛發展提供資金。於本報告日期，已有多名業務夥伴及投資者（包括但不限於中國政府機構、汽車業製造商及機構投資者）表示對本集團之業務或投資機遇有興趣。預期該等潛在業務夥伴及投資者可能會與本集團成立合營企業或組成其他營式之聯盟，由(a)本集團提供無形資產（包括但不限於本集團所擁有之若干知識產權）；及(b)潛在業務夥伴及投資者可能提供營運資金以進一步發展本集團業務。本集團與若干潛在業務夥伴及投資者快將落實合作。任何與本集團潛在合作之條款一經落實，本公司將會遵守適用之上市規則。

基於上文所述，董事認為本集團將具備足夠營運資金於報告期末起計至少十二個月內經營及發展業務。隨着本集團業務之廣泛發展，本集團整體財務狀況將會逐步改善。基於上述各項及在並無任何不可預見情況下，預期本集團截至二零一九年十二月三十一日止年度之財務報表將不再存在有關本集團持續經營之強調事項。

本公司將按照上市規則之規定，於適當時候就上述事項之任何重大發展另行發表公佈。

審核委員會對董事立場之見解

審核委員會成員確認彼等了解核數師所發表有關本集團持續經營之強調事項。彼等已考慮並同意上文所載之董事立場。



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Actual or potential impact on the Company's financial position

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 cannot be ascertained during the Year, the Prepayment was therefore recorded at its carrying amount of approximately HK\$333,918,000 in the Group's financial statements as at 31 December 2017 and 2018.

As the dispute or Lawsuit with XALT 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 to 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 years ended 31 December 2017 and 2018 cannot be ascertained.

Nonetheless, the Audit Committee and the Board 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.

Notwithstanding the emphasis of matters related to going concern expressed by the Auditor, the Company is confident that the Major Shareholder will provide continuing financial support to the Group and the collaborations currently under negotiation are expected to bring additional business opportunities and capital for the expansion and development of the business of the Group. The consolidated financial statements of the Group were and are continued to be prepared on a going concern basis in accordance with Hong Kong Financial Reporting Standards.

If in the future the going concern assumption is no longer appropriate and/or the outcome of the dispute or Lawsuit with XALT is ascertained or resolved, adjustments may have to be made to the consolidated financial statements to reflect the situation. In addition, the Group may have to provide for further liabilities that may arise.

The Company will keep its shareholders and potential investors informed of any material development in relation to the business operation of the Group, the recoverability of the Prepayment and/or the dispute or the Lawsuit with XALT.

對本公司財務狀況之實際或潛在影響

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。

鑑於本年度內無法確定預付款之可收回性，因此，於二零一七年及二零一八年十二月三十一日，預付款於本集團之財務報表內按賬面金額約333,918,000港元列賬。

鑑於與XALT之爭議或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可行地預測是否已經或將會產生任何或然負債（如有），或者準確地估計其程度（如有）或訴訟最終結果。因此，無法確定本集團截至二零一七年及二零一八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，審核委員會及董事會並不知悉與XALT之爭議或訴訟產生任何事項，或會對本集團之日常業務或財務狀況造成重大不利影響。

儘管核數師提出有關持續經營之強調事項，本公司深信主要股東將向本集團提供持續財政支援，而現正磋商之合作預期會帶來額外業務機會及資本供本集團廣泛發展之用。本集團之綜合財務報表已經並將繼續根據香港財務報告準則按持續經營基準編製。

倘若日後持續經營假設不再適用及／或與XALT之爭議或訴訟結果塵埃落定或得到解決，則須對綜合財務報表作出多項調整以反映實況。此外，本集團或須就可能產生之任何進一步負債計提撥備。

本公司將於適當時間向其股東及潛在投資者提供有關本集團業務營運、預付款之可收回性及／或與XALT之爭議或訴訟之重大發展資料。



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MATERIAL ACQUISITION OR DISPOSAL

The GBS Disposal

On 16 July 2018, the Group entered into three several conditional equity transfer agreements in relation to the disposal of its entire interest in 浙江佳貝思綠色能源有限公司 (Zhejiang GBS Energy Co., Ltd.*) ("**GBS**") (representing an aggregate of 25% of the entire equity interest of GBS) for a total consideration of RMB88,614,062.38 (equivalent to approximately HK\$105,150,000) (the "**GBS Disposal**"). The GBS Disposal constituted a very substantial disposal for the Company under Chapter 14 of the Listing Rules. The GBS Disposal was yet to be completed as at the date of this report.

Please refer to the Company's announcements dated 16 July 2018 and 13 September 2018 and the Company's circular dated 27 August 2018 for details.

The Dissolution of the EJV

On 18 October 2018, HK Battery Technology Inc. ("**HKBT**") (a subsidiary of the Company) and 安徽天康(集團)股份有限公司 (Anhui Tiankang (Group) Co., Ltd.) ("**Anhui Tiankang Group**"), being the joint venture partner to Anhui Tiankang HK New Energy Technology Co., Ltd (安徽天康正道新能源科技有限公司) (the "**EJV**"), reached agreement and resolved to terminate the EJV agreement dated 3 December 2016 entered into by Anhui Tiankang Group and HKBT in relation to and governing the establishment of the EJV and dissolve the EJV on a voluntary basis (the "**Dissolution**"). The Dissolution constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Dissolution was completed on 30 October 2018.

Please refer to the Company's announcement dated 18 October 2018 for details.

Save as disclosed above, the Group did not have material acquisition or disposal of assets during the Year and any future plans for material investment or capital assets (other than the existing projects (including research and development projects) and those disclosed in this report).

重大收購或出售

佳貝思出售事項

於二零一八年七月十六日，本集團訂立三份獨立之有條件股權轉讓協議，內容有關出售其於浙江佳貝思綠色能源有限公司（「**佳貝思**」）之全部權益（合共佔佳貝思全部股權之25%），總代價為人民幣88,614,062.38元（相等於約105,150,000港元）（「**佳貝思出售事項**」）。根據上市規則第十四章，佳貝思出售事項構成本公司一項非常重大出售。於本報告日期，佳貝思出售事項尚未完成。

詳情請參閱本公司日期為二零一八年七月十六日及二零一八年九月十三日之公佈以及日期為二零一八年八月二十七日之通函。

解散合資公司

於二零一八年十月十八日，HK Battery Technology Inc.（「**HKBT**」，本公司之附屬公司）與安徽天康（集團）股份有限公司（「**安徽天康集團**」，安徽天康正道新能源科技有限公司（「**合資公司**」）之合資夥伴）達成協議，議決終止安徽天康集團與HKBT所訂立日期為二零一六年十二月三日有關及規管成立合資公司之合資經營協議，以及自願解散合資公司（「**解散**」）。根據上市規則第十四章，解散構成本公司一項須予披露交易。解散已於二零一八年十月三十日完成。

詳情請參閱本公司日期為二零一八年十月十八日之公佈。

除上文所披露以及現有項目（包括研發項目）及本報告所披露者外，本集團於本年度並無重大資產收購或出售，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

FUND RAISING ACTIVITIES AND USE OF PROCEED DURING THE YEAR

During the Year, the Company has not undertaken any fund raising activity.

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, Capital structure and treasury policy

As at 31 December 2018, the total equity of the Group amounted to approximately HK\$1,239.0 million (31 December 2017: HK\$1,604.8 million).

The gearing ratio of the Group as at 31 December 2018 measured in terms of total liabilities divided by shareholders' equity was approximately 4.94% (31 December 2017: 3.85%).

As at 31 December 2018, net current assets of the Group were approximately HK\$552.0 million (31 December 2017: HK\$857.0 million). The cash and cash equivalents amounted to HK\$45.8 million (31 December 2017: HK\$311.8 million). The Group did not have outstanding borrowings (31 December 2017: Nil).

The Group adopts a conservative and balanced treasury policy in cash and financial management. The Group's cash is generally placed as deposits mostly denominated in Hong Kong dollars, United States dollars or Renminbi. To manage liquidity risk, the Group regularly reviews liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

PLEDGE OF THE GROUP'S ASSETS

As at 31 December 2018, the Group had pledged its bank deposits of HK\$2.0 million (31 December 2017: HK\$2.0 million) to the Group's bankers to secure general banking facilities granted to the Group.

本年度之集資活動及所得款項用途

於本年度，本公司並無進行任何集資活動。

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、資本架構及庫務政策

於二零一八年十二月三十一日，本集團之權益總額約為1,239,000,000港元（二零一七年十二月三十一日：1,604,800,000港元）。

本集團於二零一八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4.94%（二零一七年十二月三十一日：3.85%）。

於二零一八年十二月三十一日，本集團之流動資產淨值約為552,000,000港元（二零一七年十二月三十一日：857,000,000港元）。現金及現金等價物為45,800,000港元（二零一七年十二月三十一日：311,800,000港元）。本集團並無尚未償還借貸（二零一七年十二月三十一日：無）。

本集團之現金及財務管理採用保守及均衡之庫務政策。本集團之現金一般存作大部分以港元、美元或人民幣計值之存款。為管理流動資金風險，本集團定期檢討流動資金水平，確保本集團資產、負債及承擔之流動資金架構足以應付其資金需要。

本集團資產質押

於二零一八年十二月三十一日，本集團已質押其2,000,000港元（二零一七年十二月三十一日：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。



Directors' Report

董事會報告書

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.

HUMAN RESOURCES AND REMUNERATION POLICIES

The Group had a total of approximately 228 employees as at 31 December 2018 (31 December 2017: 294 employees). 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. Share options may also be granted to the Directors and employees of the Group to attract, retain and incentivise 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.

匯率波動風險及任何相關對沖

於本年度，本集團絕大部分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。

人力資源及薪酬政策

於二零一八年十二月三十一日，本集團合共有約228名僱員（二零一七年十二月三十一日：294名僱員）。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。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。



Directors' Report

董事會報告書

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 164. 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.

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

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164頁。該概要並不構成經審核財務報表之一部分。

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。

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



Directors' Report

董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31 December 2018, 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	13.13%
Yeung Yung 仰融	Interest of controlled corporation (Note 2) 受控法團權益(附註2)	2,673,071,189	13.13%
	Beneficial owner (Note 3) 實益擁有人(附註3)	68,140,000	0.34%
		2,741,211,189	13.47%

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 20,352,872,747 Shares in issue as at 31 December 2018 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

於二零一八年十二月三十一日，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。
- 持股百分比按於二零一八年十二月三十一日已發行20,352,872,747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

董事及最高行政人員之權益及淡倉

As at 31 December 2018, 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:

於二零一八年十二月三十一日，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)		13.47%
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		1.43%



Directors' Report

董事會報告書

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 20,352,872,747 Shares in issue as at 31 December 2018 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) 持股百分比按於二零一八年十二月三十一日已發行20,352,872,747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。



Directors' Report

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	Approximate percentage of shareholding
董事姓名	授出日期	可行使期間	行使價 (HK\$) (港元)	尚未行使購股權 所涉及之 相關股份數目	股權概約 百分比 (Note) (附註)
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 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	
				110,000,000	0.54%



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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)		
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)	相關股份數目	股權概約百分比 (Note) (附註)
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)		
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	0.02%
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 20,352,872,747 Shares in issue as at 31 December 2018.

附註：

持股百分比按於二零一八年十二月三十一日已發行20,352,872,747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 2018.

除上文所披露者外，於二零一八年十二月三十一日，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 2018 to 31 December 2018 (the “**Period**”):

Name Category of Participant	As at 1 January 2018 於二零一八年 一月一日	Reclassification during the Period 期內 重新分類	Share Options Granted 已授出購股權	Share options lapsed/ cancelled during the Period 期內已失效/ 註銷購股權	Share Options Exercised 已行使 購股權	As at 31 December 2018 於二零一八年 十二月三十一日	Date of Grant 授出日期	Exercise Price 行使價	Exercise Period 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
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

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**」）。

以下購股權於二零一八年一月一日至二零一八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 1 January 2018 於二零一八年 一月一日	Reclassification during the Period 期內 重新分類	Share Options Granted 已授出購股權	Share options lapsed/ cancelled during the Period 期內已失效/ 註銷購股權	Share Options Exercised 已行使 購股權	As at 31 December 2018 於二零一八年 十二月三十一日	Date of Grant 授出日期	Exercise Price 行使價	Exercise Period 行使期
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
Sub Total: 小計:	593,500,000	-	-	(27,000,000)	-	566,500,000			
Employee 僱員									
(in aggregate) (合計)	17,000,000	-	-	(2,000,000)	(15,000,000)	-	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:	434,500,000	-	-	(2,000,000)	(15,000,000)	417,500,000			



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Name Category of Participant	As at 1 January 2018 於二零一八年 一月一日	Reclassification during the Period 期內 重新分類	Share Options Granted 已授出購股權	Share options lapsed/ cancelled during the Period 期內已失效/ 註銷購股權	Share Options Exercised 已行使 購股權	As at 31 December 2018 於二零一八年 十二月三十一日	Date of Grant 授出日期	Exercise Price 行使價	Exercise Period 行使期
Other eligible persons: 其他合資格人士: (in aggregate) (合計)	5,000,000	-	-	(5,000,000)	-	-	Note 1 附註1	Note 1 附註1	Note 1 附註1
	196,000,000	-	-	-	-	196,000,000	Note 3 附註3	Note 3 附註3	Note 3 附註3
	21,000,000	-	-	-	-	21,000,000	Note 4 附註4	Note 4 附註4	Note 4 附註4
	216,000,000	-	-	-	-	216,000,000	Note 5 附註5	Note 5 附註5	Note 5 附註5
	400,000,000	-	-	-	-	400,000,000	Note 6 附註6	Note 6 附註6	Note 6 附註6
	200,000,000	-	-	-	-	200,000,000	Note 7 附註7	Note 7 附註7	Note 7 附註7
Sub Total: 小計:	1,038,000,000	-	-	(5,000,000)	-	1,033,000,000			
Total: 總計:	2,066,000,000	-	-	(34,000,000)	(15,000,000)	2,017,000,000			

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 are 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.

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。



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

- | | |
|---|--|
| 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 | <ul style="list-style-type: none">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）；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）；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；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；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；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；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。 |



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).

As at 31 December 2018, the number of Shares that remained available for issue under the Refreshed General Scheme Limit was 2,033,787,274.

根據計劃可供發行的股份總數

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%。

於二零一八年十二月三十一日，根據經更新一般計劃上限仍可發行股份數目為2,033,787,274股。

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

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.

根據計劃可供發行之股份最高數目

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： <ul style="list-style-type: none"> 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分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	70%
– The five largest customers in aggregate	100%

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	18%
– The five largest suppliers in aggregate	67%

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 33 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 16 to the consolidated financial statements.

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	70%
– 五大客戶合計	100%

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	18%
– 五大供應商合計	67%

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33所披露之「關聯方交易」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16。



Directors' Report

董事會報告書

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 85 and note 29 to the consolidated financial statements respectively.

As at 31 December 2018, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK\$Nil (2017: HK\$Nil).

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 2018 was 20,352,872,747 (2017: 20,337,872,747).

Movements in share capital of the Company are shown in note 28 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.

DIVIDEND POLICY

The Company may distribute dividends by way of cash or by other means that the Board considers appropriate. Any proposed distribution of dividends is subject to the discretion of the Board and, where applicable, the approval of the Shareholders. The Board will consider various factors before declaring or recommending any payment of dividends which factors include the results of operation of the business of the Group, the retained earnings and distributable reserves of the Company and each of the members of the Group, the Group's actual and expected financial performance, the general business conditions and strategies, the Group's expected working capital requirements and future expansion plans, the general economic conditions and business cycle of the Group's business, the future prospects of the business of the Group, shareholders' interests, statutory and regulatory restrictions on the payment of dividend and other internal or external factors that the Board deems appropriate.

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85頁之綜合權益變動表及綜合財務報表附註29。

於二零一八年十二月三十一日，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（二零一七年：零港元）。

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

本公司於二零一八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20,352,872,747股（二零一七年：20,337,872,747股）。

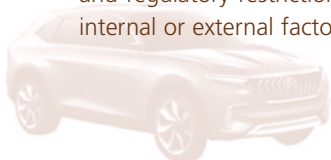
本公司股本之變動載於綜合財務報表附註28。

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。

股息政策

本公司可以現金或董事會認為合適之其他方式分派股息。任何擬派股息均須經董事會酌情決定，並經股東批准（如適用）。董事會於宣佈或建議派付任何股息前均會考慮多項因素，包括本集團業務之經營業績、本公司及本集團各成員公司之盈利及可供分派儲備、本集團之實際及預期財務表現、整體業務狀況及戰略、本集團之預期營運資金要求及未來擴充計劃、整體經濟環境及本集團業務之經營週期、本集團業務之未來前景、股東之利益、派付股息之法律及監管限制以及董事認為合適之其他內外因素。



Directors' Report

董事會報告書

DIVIDENDS

The Directors do not recommend the payment of any final dividend to shareholders of the Company for the year ended 31 December 2018 (2017: 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.

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.

股息

董事不建議就截至二零一八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（二零一七年：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。

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。



Directors' Report

董事會報告書

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.

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, 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.

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（如單層及多層石墨烯、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。

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，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。



Directors' Report

董事會報告書

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.

CHANGE IN THE INFORMATION OF DIRECTOR

Pursuant to Rule 13.51B(1) of the Listing Rules, change in the information of Director of the Company required to be disclosed is shown as follow:

Mr Lee Cheung Yuet, Horace resigned as an executive director of Aurum Pacific (China) Group Limited (a company whose shares are listed on the Stock Exchange) with effect from 1 April 2019.

AUDITOR

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, 29 March 2019

* For identification purpose only

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。

董事資料變動

根據上市規則第13.51B(1)條，須予披露之本公司董事資料變動如下：

李暢悅先生已辭任奧栢中國集團有限公司（一間股份於聯交所上市的公司）之執行董事，自二零一九年四月一日起生效。

核數師

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，惟其符合資格並願獲續聘。

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，二零一九年三月二十九日



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 2018 (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**”) except the following deviation:

Code Provision E 1.2

Pursuant to code E 1.2 of the CG Code, the chairman of the board should attend the annual general meeting and arrange for the chairman of the audit, remuneration and nomination committees (collectively the “**Committees**”) (as appropriate) or in the absence of the chairman of such committees, another member of the committee or failing this his duly appointed delegate, to be available to answer questions at the annual general meeting. The chairman of the independent board committee (if any) should be available to answer questions at any general meeting to approve a connected transaction or any transaction that is subject to independent shareholders’ approval.

The chairman of the Board could not attend the annual general meeting of the Company held on 1 June 2018 due to business matters. Mr Ting Kwok Kit Johnny, being one of the executive Directors and the delegate appointed by the chairman, attended the AGM to ensure effective communication with the shareholders 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。

於截至二零一八年十二月三十一日止年度(「**本年度**»)整個年度內,本公司一直採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內之原則及守則條文(「**守則條文**»),惟以下偏離情況除外:

守則條文第E.1.2條

根據企業管治守則內之守則條文第E.1.2條,董事會主席應出席股東週年大會,並安排審核委員會、薪酬委員會及提名委員會(統稱「**委員會**」)(視何者適用而定)之主席,或在委員會之主席未克出席時由另一名委員(或如該名委員未能出席,則其適當委任之代表)在股東週年大會上回答提問。獨立董事委員會之主席(如有)必須出席任何為批准須待獨立股東批准之關連交易或任何交易而召開之股東大會,以回答會上提問。

董事會主席因處理業務事宜而未能出席本公司於二零一八年六月一日舉行之股東週年大會。執行董事丁國傑先生作為主席委任之代表出席股東週年大會,以確保與本公司之股東維持良好溝通。



Corporate Governance Report

企業管治報告書

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.

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.

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。

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。



Corporate Governance Report

企業管治報告書

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.

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.

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。

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。



Corporate Governance Report

企業管治報告書

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.

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／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。

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。



Corporate Governance Report

企業管治報告書

Attendance Records of Board/General Meetings

The Board had held six meetings during the year ended 31 December 2018.

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

董事會會議／股東大會出席紀錄

董事會於截至二零一八年十二月三十一日止年度共舉行六次會議。

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	1/2	4/6
Mr Xu Jianguo	徐建國先生	1/2	4/6
Mr Hui Wing Sang, Wilson	許永生先生	2/2	5/6
Dr Huang Chunhua	黃春華博士	0/2	1/6
Dr Wang Chuantao	王川濤博士	1/2	2/6
Mr Liu Stephen Quan	劉泉先生	2/2	1/6
Dr Zhu Shengliang	朱勝良博士	2/2	5/6
Mr Li Zhengshan	李正山先生	2/2	2/6
Mr Ting Kwok Kit, Johnny	丁國傑先生	2/2	6/6
Mr Chen Xiao	陳曉先生	0/2	4/6
<i>Non-executive Director</i>	<i>非執行董事</i>		
Dr Xia Tingkang, Tim	夏廷康博士	2/2	4/6
<i>Independent Non-Executive Directors</i>	<i>獨立非執行董事</i>		
Dr Song Jian	宋健博士	2/2	4/6
Dr Zhu Guobin	朱國斌博士	2/2	6/6
Mr Cheng Tat Wa	鄭達華先生	1/2	6/6
Dr Li Jianyong	李建勇博士	2/2	5/6
Mr Chan Sin Hang	陳善衡先生	2/2	5/6
Mr Lee Cheung Yuet, Horace	李暢悅先生	2/2	5/6



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 2018 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 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

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，有關董事於二零一八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

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 Huang Chunhua; (2) Dr Wang Chuantao; (3) Mr Li Zhengshan; (4) Mr Cheng Tat Wa; (5) Dr Li Jianyong; and (6) Mr Chan Sin Hang would retire. Each of them, being eligible, will offer himself for re-election at the forthcoming annual general meeting of the Company (the “**2019 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)黃春華博士；(2)王川濤博士；(3)李正山先生；(4)鄭達華先生；(5)李建勇博士；及(6)陳善衡先生將退任。彼等均符合資格並願意於本公司應屆股東週年大會（「**二零一九年股東週年大會**」）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。



Corporate Governance Report

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 2018, 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

於二零一八年十二月三十一日，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 2018, 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.

Two meetings of the Audit Committee were held for the year ended 31 December 2018. The individual attendance of each member is set out below:

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	2/2
Mr Chan Sin Hang	陳善衡先生	2/2
Mr. Lee Cheung Yuet, Horace	李暢悅先生	2/2

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

- Reviewed with the management the Group's annual and interim results and draft consolidated financial statements for the year ended 31 December 2017 and for the six months ended 30 June 2018 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
- Reviewed and discussed with independent external auditor of the Company significant audit findings
- Reviewed the qualified audit opinion of the independent external auditor on the Group's consolidated financial statements for the year ended 31 December 2017 and assessed the position and views of the management of the Group towards the qualified audit opinion and its impact or possible impact on the financial position of the Group;

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。

於二零一八年十二月三十一日，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。

審核委員會於截至二零一八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：

審核委員會已於本年度內執行下列工作：

- 與管理層分別審閱本集團截至二零一七年十二月三十一日止年度及截至二零一八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
- 審閱及與本公司獨立外部核數師討論重大核數結果
- 審閱獨立外部核數師就本集團截至二零一七年十二月三十一日止年度之綜合財務報表所發出之保留審計意見，並評估本集團管理層對保留審計意見之立場及見解以及其對本集團財務狀況產生之影響或可能影響；



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- Recommended to the Board the re-appointment of the independent external auditor 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.
- 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。

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.

Auditor's Responsibility in the Independent Auditor's Report

ZHONGHUI ANDA CPA Limited (the "Auditor"), the independent external auditor, has also stated its reporting responsibility in the independent auditor's report of the consolidated financial statements for the Year.

Emphasis of Matters by the Auditor related to Going Concern

Except for the emphasis of matters (Material Uncertainty Related to Going Concern) expressed by the Auditor on the consolidated financial statements of the Group for the Year as set out in the Independent Auditor's Report, which is reproduced below, the Directors were not aware of any material uncertainties which may affect the Company's business or cast significant doubt on the Company's ability to continue as a going concern:

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。

核數師於獨立核數師報告之責任

獨立外部核數師中匯安達會計師事務所有限公司（「核數師」）亦已於本年度之綜合財務報表之獨立核數師報告內表明其申報責任。

核數師提出有關持續經營之強調事項

除核數師就本集團本年度之綜合財務報表所提出載於獨立核數師報告之強調事項（有關持續經營之重大不確定因素）外（現轉載如下），董事並不知悉可能影響本公司業務或對本公司持續經營之能力構成重大疑問之任何重大不確定因素：



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“Material Uncertainty Related to Going Concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of HK\$289,829,000 and operating cash out flow of HK\$301,132,000 for the year ended 31 December 2018. These conditions indicate a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

Directors’ Position on the Emphasis of Matters

It has always been the Company’s strategy to explore opportunities with its business partners or potential investors to enhance the Group’s financial capability and flexibility for the expansion of the business of the Group, including but not limited to, further research and development of the electric vehicles and the finance leasing business.

The Directors also considers from time to time all possible financial alternatives to alleviate liquidity pressure and to improve the financial position of the Group which include, but not limited to, equity financing, debt financing, rights issue, open offer or bank borrowings to meet the financial requirements of the Group.

Dr Yeung Yung, the chairman, an executive Director as well as the major shareholder of the Company (the “**Major Shareholder**”), who was and is beneficially interested in 2,741,211,189 shares in the Company (representing approximately 13.47% of the issued shares of the Company), has confirmed to the Company that he will provide, or procure to provide, continuing financial support to the Group to meet its financial obligations as and when they fall due. The Directors are confident that the Major Shareholder has sufficient financial capacity and means to provide necessary support to the Group. It is expected that any loan or financial support from the Major Shareholder, if given, will be conducted on normal commercial terms or better and not be secured by the assets of the Group. If the Company receives any other form of financial support from the Major Shareholder and the terms of which are finalised, the Company will comply with the applicable Listing Rules as and when appropriate.

「有關持續經營的重大不確定因素

敬請注意綜合財務報表附註2，當中提及 貴集團截至二零一八年十二月三十一日止年度產生虧損289,829,000港元及經營現金流出301,132,000港元。該等情況顯示存在重大不確定因素，可能對 貴集團持續經營的能力構成重大疑問。就此而言，我們的意見並非非無保留意見。」

董事對強調事項之立場

本公司之策略一直為與業務夥伴或潛在投資者攜手探索機遇，藉以提升本集團之財政實力及靈活性，從而拓展本集團業務，包括但不限於深入研發電動車及融資租賃業務。

董事亦不時考慮所有可能融資方案，以減輕流動資金壓力及改善本集團之財務狀況，包括但不限於股本融資、債務融資、供股、公開發售或銀行借貸，以滿足本集團之財務需要。

以往及當前均實益擁有2,741,211,189股本公司股份權益（相當於本公司已發行股份約13.47%）之本公司主席、執行董事暨主要股東仰融博士（「**主要股東**」）已向本公司確認，彼將向本集團提供或安排提供持續財政支援，以應付其到期應付之財務承擔。董事深信，主要股東有足夠財力及方法向本集團提供所需之支持。預期主要股東將按一般商業條款或更佳條款提供任何貸款或財政支援（如提供），且毋須本集團資產作抵押。倘本公司收到主要股東所提供之任何其他形式之財政支援而其條款已落實，則本公司將會於適當時候遵守適用之上市規則。



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Further, the Group has been actively seeking collaboration opportunities with potential business partners and investors which have expressed interest in investing in the business of the Group. As at the date of this report, a number of business partners and investors, including but not limited to, governmental authorities in the PRC, manufacturers in the automobile industry and institutional investors, had expressed interest in the business or investment opportunities with the Group. It is expected that these potential business partners and investors may establish joint ventures or other form of alliance with the Group where (a) the Group may contribute intangible assets, including but not limited to certain intellectual property owned by the Group; and (b) the potential business partners and investors may contribute working capital to further develop the business of the Group. The Group is close to consummate collaborations with certain potential business partners and investors. The Company will comply with the applicable Listing Rules if the terms of any potential collaboration(s) are finalised with the Group.

Based on the above, the Directors consider that the Group will have sufficient working capital for the operation and development of its business for at least twelve months from the end of the reporting period. With the development and expansion of the Group's business, the Group's overall financial position will improve gradually. In view of the above and barring any unforeseen circumstances, it is expected that the emphasis of matters related to going concern of the Group will not be carried forward to the Group's financial statements for the year ending 31 December 2019.

The Company will make further announcement(s) in relation to any material development of the above matters as and when appropriate in accordance with the Listing Rules.

Audit Committee's view on the Directors' position

The members of the Audit Committee confirmed that they understood the emphasis of matter related to going concern of the Group. They have considered and agreed with the Directors' position as set out above.

再者，本集團一直積極尋求與表示對投資本集團業務有興趣之潛在業務夥伴及投資者合作之機會。於本報告日期，已有多名業務夥伴及投資者（包括但不限於中國政府機構、汽車業製造商及機構投資者）表示對本集團之業務或投資機遇有興趣。預期該等潛在業務夥伴及投資者可能會與本集團成立合營企業或組成其他營式之聯盟，由(a)本集團提供無形資產（包括但不限於本集團所擁有之若干知識產權）；及(b)潛在業務夥伴及投資者可能提供營運資金以進一步發展本集團業務。本集團與若干潛在業務夥伴及投資者快將落實合作。任何與本集團潛在合作之條款一經落實，本公司將會遵守適用之上市規則。

基於上文所述，董事認為本集團將具備足夠營運資金於報告期末起計至少十二個月內經營及發展業務。隨着本集團業務之廣泛發展，本集團整體財務狀況將會逐步改善。基於上述各項及在並無任何不可預見情況下，預期本集團截至二零一九年十二月三十一日止年度之財務報表將不再存在有關本集團持續經營之強調事項。

本公司將按照上市規則之規定，於適當時候就上述事項之任何重大發展另行發表公佈。

審核委員會對董事立場之見解

審核委員會成員確認彼等了解有關本集團持續經營之強調事項。彼等已考慮並同意上文所載之董事立場。



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Auditor's 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 [#]	616,000
		2,216,000

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

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。

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.

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 2018, 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.

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。

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。

於截至二零一八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。



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企業管治報告書

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 2018, 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.

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.

No Director is involved in deciding his own remuneration.

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。於二零一八年十二月三十一日，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。

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。

概無董事參與釐定其本身薪酬之決策過程。



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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	7
HK\$1,000,001 to HK\$2,500,000	1,000,001港元至2,500,000港元	2
HK\$2,500,001 to HK\$4,000,000	2,500,001港元至4,000,000港元	8
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	—

One meeting of the Remuneration Committee was held for the year ended 31 December 2018. The individual attendance of each member is set out below.

薪酬委員會於截至二零一八年十二月三十一日止年度共舉行一次會議。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	1/1
Mr Cheng Tat Wa	鄭達華先生	1/1
Mr Lee Cheung Yuet, Horace	李暢悅先生	1/1

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。

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 2018, 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.

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。於二零一八年十二月三十一日，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。



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企業管治報告書

Nomination Policy and Procedures

To ensure the composition of the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business, the Company has, with the recommendation of the Nomination Committee, adopted a formal, considered and transparent procedure for the selection, appointment and re-appointment (as the case may be) of Directors. The criteria to be taken into account when considering the suitability of a candidate, among other things, will be his or her ability to:

- (a) bring an independent judgment and make constructive recommendation on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- (b) take the lead where potential conflicts of interests arise;
- (c) serve on the Audit Committee, the Remuneration Committee and/or the Nomination Committee and/or any other Board committee(s), if invited;
- (d) devote sufficient time to the Board and/or any Committee(s) on which he or she serves so as to allow them to benefit from his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board and/or Committee meetings;
- (e) scrutinize the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- (f) ensure the Committee(s) on which he or she serves to perform its/their powers and functions conferred on it/them by the Board; and
- (g) conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

提名政策及程序

為確保董事會成員具備符合本公司業務要求之各種技能、經驗及多樣之觀點與角度，本公司已在提名委員會之建議下採納一項正式、周詳及透明之程序，以甄選、委任及重新委任（視情況而定）董事。於考慮候選人是否合適時所考慮之標準將為（其中包括）其能否：

- (a) 就策略、政策、表現、問責性、資源、關鍵任命及操守標準事宜作出獨立判斷及具建樹之建議；
- (b) 於出現潛在利益衝突時提供領導；
- (c) 應邀出任審核委員會、薪酬委員會及／或提名委員會及／或任何其他董事委員會職務；
- (d) 為董事會及／或任職之任何委員會投入足夠時間，透過出席並參與董事會及／或委員會會議發揮其技能、專長及廣泛背景及資歷以及多元性；
- (e) 監督本公司在達成協定企業目標及宗旨方面之表現，並監察表現報告；
- (f) 確保所任職之委員會行使董事會所轉授之權力及職能；及
- (g) 遵守董事會可能不時規定、本公司之組織章程文件所載或法例或上市規則所施加（如適用）之任何要求、方針及規定。



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If the candidate is proposed to be appointed as an independent non-executive Director (INED), his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an INED with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

The Nomination Committee had nominated (a) Dr Huang Chunhua (executive Director), (b) Dr Wang Chuantao (executive Director), (c) Mr Li Zhengshan (executive Director), (d) Mr Cheng Tat Wa (independent non-executive Director), (e) Dr Li Jianyong (independent non-executive Director), (f) Mr Chan Sin Hang (independent non-executive Director) to the Board for the Board to make recommendation to the Shareholders for re-election at the forthcoming annual general meeting of the Company (if each of them is willing to offer himself for re-election upon his retirement by rotation), having reviewed the composition of the Board and having regard to the proposed re-elected Directors' professional experience, skills, knowledge and/or length of service, their commitment to their respective roles and functions, and their respective contributions brought and to be brought to the Group.

On the re-appointment of the above independent non-executive Directors, the Nomination Committee considered (and the Board shared the same views), that at all times during the period of directorship with the Company, each of them had properly discharged his duties and responsibilities as an independent non-executive Director and had made positive contribution to the development to the Company through independent, constructive and informed comments and participation at the business and other affairs relating to the Group. The Nomination Committee (as well as the Board) was satisfied with the independence of these independent non-executive Directors, having regard to the independence criteria as set out in Rule 3.13 of the Listing Rules and the annual confirmation given by each of them to the Company on his independence.

Mr Cheng Tat Wa, being one of the members of the Nomination Committee, had abstained from voting at the meeting of the Nomination Committee when his own nomination was being considered.

如擬任命候選人為獨立非執行董事，則須按照（其中包括）上市規則第3.13條（可由聯交所不時修訂）所載因素評估其獨立性。如適當，亦須整體評核候選人之教育、資歷及經驗，以考慮其是否具備適當專業資格或會計及相關財務管理專長，以擔任須符合上市規則第3.10(2)條要求之資格或專長之獨立非執行董事職務。

提名委員會經考慮董事會之組成以及建議接受重選之董事之專業資歷、技能、知識及／或服務年期、彼等盡忠職守之承諾以及彼等各自對本集團現有及將來之貢獻後，已向董事會提名(a)黃春華博士（執行董事）；(b)王川濤博士（執行董事）；(c)李正山先生（執行董事）；(d)鄭達華先生（獨立非執行董事）；(e)李建勇博士（獨立非執行董事）；及(f)陳善衡先生（獨立非執行董事），以供董事會向股東推薦於本公司應屆股東週年大會上重選（如彼等於輪值退任後願意接受重選）。

就重新委任上述獨立非執行董事而言，提名委員會認為（且董事會亦認同）彼等於出任本公司董事期間，時刻妥善履行各自身為獨立非執行董事之職務及職責，並藉提供獨立、具建樹及知情之意見以及參與本集團業務及其他相關事務，為本公司發展作出積極貢獻。提名委員會（以及董事會）亦於參照上市規則第3.13條所載之獨立性標準及彼等各自向本公司提供之年度獨立性確認書後信納該等獨立非執行董事之獨立身份。

身為提名委員會成員之鄭達華先生，已於提名委員會會議上就其本身之提名放棄表決權。



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One meeting of the Nomination Committee was held for the year ended 31 December 2018. The individual attendance of each member is set out below:

提名委員會於截至二零一八年十二月三十一日止年度共舉行一次會議。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	1/1
Mr Cheng Tat Wa	鄭達華先生	1/1
Mr Lee Cheung Yuet, Horace	李暢悅先生	1/1

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 2019 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，以供股東於應屆二零一九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。

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.

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。



Corporate Governance Report

企業管治報告書

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>).

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。



Corporate Governance Report

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.

(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

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。

(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 83 to 163, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018, 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**」)已獲委聘審計第83頁至第163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,包括於二零一八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 貴集團於二零一八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 a supplier

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 a supplier amounted to approximately HK\$333,918,000 as at 31 December 2018 and the carrying amount of the prepayment to a supplier amounted to approximately HK\$333,918,000 as at 31 December 2017 are fairly stated; (ii) the recoverability of prepayment to a supplier of approximately HK\$333,918,000 as at 31 December 2018 and the recoverability of prepayment to a supplier of approximately HK\$333,918,000 as at 31 December 2017; 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 for the years ended 31 December 2018 and 2017 and the financial positions of the Group as at 31 December 2018 and 2017, and the related disclosures thereof in the consolidated financial statements.

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

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)預付供應商款項於二零一八年十二月三十一日的賬面金額約333,918,000港元及於二零一七年十二月三十一日的賬面金額約333,918,000港元是否中肯地列報；(ii)於二零一八年十二月三十一日為數約333,918,000港元及於二零一七年十二月三十一日為數約333,918,000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 貴集團截至二零一八年及二零一七年十二月三十一日止年度的財務業績以及於二零一八年及二零一七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。

我們已按照香港會計師公會頒佈之《香港審計準則》進行審計。該等準則下我們之責任於本報告「核數師就審計綜合財務報表承擔的責任」一節進一步闡述。根據香港會計師公會專業會計師專業道德守則（「守則」），我們獨立於 貴集團，並已履行守則中其他道德責任。我們相信，我們已取得足夠的適當審計憑證，為保留意見提供基礎。



Independent Auditor's Report

獨立核數師報告

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of HK\$289,829,000 and operating cash out flow of HK\$301,132,000 for the year ended 31 December 2018. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 and Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

有關持續經營的重大不確定因素

敬請注意綜合財務報表附註2，當中提及 貴集團截至二零一八年十二月三十一日止年度產生虧損289,829,000港元及經營現金流出301,132,000港元。該等情況顯示存在重大不確定因素，可能對 貴集團持續經營的能力構成重大疑問。就此而言，我們的意見並非非無保留意見。

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」及「有關持續經營的重大不確定因素」各節所述的事項外，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) Investment in associates

Refer to Note 17 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\$406,862,000 as at 31 December 2018 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.

(i) 於聯營公司之投資

參閱綜合財務報表附註17

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二零一八年十二月三十一日的結餘406,862,000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，並以假設及估計為基礎。

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

(ii) Trade and other receivables

Refer to Note 23 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\$164,136,000 as at 31 December 2018 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.

(ii) 應收貿易款項及其他應收款

參閱綜合財務報表附註23

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二零一八年十二月三十一日的結餘約164,136,000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

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, 29 March 2019

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，二零一九年三月二十九日



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 2018 截至二零一八年十二月三十一日止年度

		Note	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
		附註		
Revenue	收入	8	61,250	35,434
Cost of sales	銷售成本		(52,931)	(26,012)
Gross profit	毛利		8,319	9,422
Other income	其他收入	9	77,959	134,631
Distribution costs	分銷成本		(8,082)	(5,971)
Administrative expenses	行政開支		(365,437)	(435,806)
Share of result of associates	應佔聯營公司之業績		(2,570)	(11,321)
Loss before tax	除稅前虧損		(289,811)	(309,045)
Income tax expense	所得稅開支	11	(18)	(360)
Loss for the year	本年度虧損	12	(289,829)	(309,405)
Other comprehensive (loss)/income:	其他全面(虧損)/收入:			
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益之項目:</i>			
Fair value changes of equity investments at fair value through other comprehensive income	按公平值計入其他全面收入之股本投資之公平值變動		(25,399)	(10,578)
<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		(20,512)	51,461
Exchange differences on translating foreign operations – Associates	換算海外業務之匯兌差額 – 聯營公司		(23,931)	6,597
			(44,443)	58,058
Other comprehensive (loss)/income for the year	本年度其他全面(虧損)/收入		(69,842)	47,480
Total comprehensive loss for the year	本年度全面虧損總額		(359,671)	(261,925)
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		(288,571)	(306,030)
Non-controlling interests	非控股權益		(1,258)	(3,375)
			(289,829)	(309,405)
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		(356,395)	(260,743)
Non-controlling interests	非控股權益		(3,276)	(1,182)
			(359,671)	(261,925)
Loss per share	每股虧損	15		
Basic (cents per share)	基本(每股仙)		(1.42)	(1.50)
Diluted (cents per share)	攤薄(每股仙)		(1.42)	(1.50)



Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

	Note	2018	2017
	附註	二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(經重列)
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	58,102	70,638
Investment in associates	於聯營公司之投資	406,862	547,494
Investments in joint venture	於合營企業之投資	22,772	–
Equity investments at fair value through other comprehensive income	按公平值計入其他全面收入之股本投資	38,423	66,225
Intangible assets	無形資產	62,555	–
Prepayments	預付款	98,370	63,368
		687,084	747,725
Current assets	流動資產		
Inventories	存貨	12,240	75,408
Finance lease receivables	應收融資租賃款項	–	1,753
Trade and other receivables	應收貿易款項及其他應收款	498,054	480,959
Derivative financial instrument	衍生金融工具	55,018	46,957
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	45,815	311,781
		613,134	918,865
Current liabilities	流動負債		
Trade and other payables	應付貿易款項及其他應付款	61,170	61,827
		61,170	61,827
Net current assets	流動資產淨值	551,964	857,038
NET ASSETS	資產淨值	1,239,048	1,604,763
Capital and reserves	資本及儲備		
Share capital	股本	2,035,287	2,033,787
Reserves	儲備	(825,850)	(466,244)
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,209,437	1,567,543
Non-controlling interests	非控股權益	29,611	37,220
TOTAL EQUITY	權益總額	1,239,048	1,604,763

The consolidated financial statements on pages 83 to 163 were approved and authorised for issue by the board of directors on 29 March 2019 and are signed on its behalf by:

Approved by:

Yeung Yung
仰融
Director
董事

第83至163頁之綜合財務報表於二零一九年三月二十九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 2018 截至二零一八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

		Share capital	Share premium	Translation reserve	Share-based payment reserve	Other reserve	Equity investment revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total
		HK\$'000	HK\$'000	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	千港元	千港元
At 1 January 2017, as previously reported	於二零一七年一月一日(如前呈報)	2,033,787	2,122,201	(81,564)	393,197	(23,901)	-	(2,616,381)	1,827,339	34,079	1,861,418
Effect of changes in accounting policies (note 3)	會計政策變動之影響(附註3)	-	-	-	-	-	(10,679)	10,679	-	-	-
At 1 January 2017, as restated	於二零一七年一月一日(經重列)	2,033,787	2,122,201	(81,564)	393,197	(23,901)	(10,679)	(2,605,702)	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	-	-	55,865	-	-	(10,578)	(306,030)	(260,743)	(1,182)	(261,925)
At 31 December 2017, as restated	於二零一七年十二月三十一日(經重列)	2,033,787	2,122,201	(25,699)	394,144	(23,901)	(21,257)	(2,911,732)	1,567,543	37,220	1,604,763
At 1 January 2018, as restated	於二零一八年一月一日(經重列)	2,033,787	2,122,201	(25,699)	394,144	(23,901)	(21,257)	(2,911,732)	1,567,543	37,220	1,604,763
Share issued under share option schemes	根據購股權計劃發行股份	1,500	1,013	-	(803)	-	-	-	1,710	-	1,710
Expired of share options	購股權到期	-	-	-	(1,820)	-	-	1,820	-	-	-
Purchase of non-controlling interests	購買非控股權益	-	-	-	-	-	-	-	-	(4,333)	(4,333)
Disposal and dissolution of associates	出售及解散聯營公司	-	-	(3,421)	-	-	-	-	(3,421)	-	(3,421)
Total comprehensive income/(loss) for the year	本年度全面收入/(虧損)總額	-	-	(42,425)	-	-	(25,399)	(288,571)	(356,395)	(3,276)	(359,671)
At 31 December 2018	於二零一八年十二月三十一日	2,035,287	2,123,214	(71,545)	391,521	(23,901)	(46,656)	(3,198,483)	1,209,437	29,611	1,239,048



Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Cash flows from operating activities	經營活動之現金流量		
Loss before tax	除稅前虧損	(289,811)	(309,045)
Adjustments for:	就下列項目作出之調整：		
Share of results of associates	應佔聯營公司業績	2,570	11,321
Equity settled share-based payment	以權益結算並以 股份支付之款項	-	947
Interest income	利息收入	(2,435)	(7,309)
Depreciation	折舊	29,433	21,949
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	(1,332)	(1,828)
Fair value gain on derivative financial instrument	衍生金融資產公平值收益	(8,616)	(40,729)
Impairment of property, plant and equipment	物業、廠房及設備減值	6,197	1,639
Reversal of impairment of other receivables	其他應收款減值撥回	-	(1,837)
Loss on dissolution of an associate	解散一間聯營公司之虧損	14,123	-
Gain on disposal of an associate	出售一間聯營公司之收益	(62,411)	-
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	4,997	531
Operating loss before working capital changes	營運資金變動前之經營虧損	(307,285)	(404,987)
Change in inventories	存貨變動	59,763	28,208
Change in trade receivables	應收貿易款項變動	(17,095)	(28,109)
Change in other receivables, deposits and prepayments	其他應收款、按金及 預付款變動	(37,593)	400,202
Change in finance lease receivables	應收融資租賃款項變動	1,753	15,040
Change in accruals and other payables	應計費用及其他應付款變動	(657)	11,502
Cash (used in)/generated from operations	營運(所用)/所得現金	(301,114)	21,856
Tax paid	已付稅項	(18)	(658)
Net cash (used in)/generated from operating activities	經營活動(所用)/所得 現金淨額	(301,132)	21,198



Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Cash flows from investing activities	投資活動所得現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(31,764)	(14,839)
Interest received	已收利息	2,435	7,309
Proceeds from disposal of an associate	出售一間聯營公司所得款項	105,150	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	-	3,037
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)
Capital injection to a joint venture	向一間合營企業注資	(22,772)	-
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額	53,049	(432,458)
Cash flows from financing activities	融資活動之現金流量		
Proceeds from share issued under share option schemes	根據購股權計劃發行股份所得款項	1,710	-
Net cash generated from financing activities	融資活動所得現金淨額	1,710	-
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	(246,373)	(411,260)
Cash and cash equivalents at beginning of year	於年初之現金及現金等價物	311,781	695,258
Effect of changes in foreign exchange rate	外幣匯率變動之影響	(19,593)	27,783
Cash and cash equivalents at end of year	於年末之現金及現金等價物	45,815	311,781
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	45,815	311,781



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八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 34 to the consolidated financial statements.

2. GOING CONCERN BASIS

The Group incurred a loss of HK\$289,829,000 and operating cash out flow of HK\$301,132,000 for the year ended 31 December 2018. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support of the major shareholder, at a level sufficient to finance the working capital requirements of the Group. The major shareholder has agreed to provide adequate funds for the Group to meet its liabilities as they fall due. The directors are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

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34。

2. 持續經營基準

截至二零一八年十二月三十一日止年度，本集團產生虧損289,829,000港元及經營現金流出301,132,000港元。該等情況顯示存在重大不確定因素，可能對本集團持續經營之能力構成重大疑問。因此，本集團或未能於正常業務過程中變現其資產及解除其負債。

綜合財務報表已按持續經營基準編製，其有效性取決於主要股東之財政支持水平是否足以為本集團之營運資金需要融資。主要股東已同意提供足夠資金供本集團應付其到期應付負債。因此，董事認為按持續經營基準編製綜合財務報表誠屬恰當。倘本集團未能繼續持續經營，則須對綜合財務報表作出多項調整，調整本集團之資產價值至其可收回金額，就可能產生之任何進一步負債計提撥備，以及將非流動資產及負債分別重新分類為流動資產及負債。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. 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 2018. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); 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 except as stated below.

A. HKFRS 9 (2014) “Financial Instruments”

Available-for-sale investments are now classified as equity investments at fair value through other comprehensive income.

3. 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、與其業務有關且於二零一八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。除下述者外，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。

A. 香港財務報告準則第9號（二零一四年）「金融工具」

可供出售投資現在分類為按公平值計入其他全面收入之股本投資。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

3. 採納新訂及經修訂香港財務報告準則 (續)

A. HKFRS 9 (2014) "Financial Instruments" (Continued)

HKFRS 9 (2014) has been applied retrospectively and resulted in changes in the consolidated amounts reported in the consolidated financial statements as follows:

A. 香港財務報告準則第9號 (二零一四年)「金融工具」(續)

香港財務報告準則第9號 (二零一四年)已追溯應用，導致綜合財務報表所呈報之綜合金額出現以下改變：

		31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元	1 January 2017 二零一七年 一月一日 HK\$'000 千港元
Decrease in available-for-sale investments	可供出售投資減少	(60,310)	(72,188)
Increase in equity investments at fair value through other comprehensive income	按公平值計入其他全面收入之股本投資增加	66,225	72,188
Decrease in accumulated losses	累計虧損減少	(26,474)	(10,679)
Decrease in equity investment revaluation reserve	股本投資重估儲備減少	21,257	10,679
Increase in translation reserve	匯兌儲備增加	233	
For the year ended 31 December 2017:	截至二零一七年十二月三十一日止年度：		
Decrease in losses for the year	本年度虧損減少	16,260	
Increase in other comprehensive loss for the year	本年度其他全面虧損增加	(10,578)	
Increase in exchange differences on translating foreign operations – Group	換算海外業務之匯兌差額增加—本集團	233	
Increase in Earnings cents per share	每股盈利(仙)增加	0.08	

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

本集團並無採用已經頒佈但尚未生效之新訂香港財務報告準則。本集團已開始評估該等新訂香港財務報告準則之影響，惟尚無法說明該等新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 2018 截至二零一八年十二月三十一日止年度

4. 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, as modified by the equity investments at fair value through other comprehensive income and derivative financial instruments which are carried at their fair values.

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 5 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.

4. 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，並就按公平值列賬之按公平值計入其他全面收入之股本投資及衍生金融工具作出修改。

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5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 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 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.

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。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

Consolidation (Continued)

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.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

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.

綜合賬目(續)

損益及其他全面收入各部分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。

本公司於附屬公司中之擁有權權益變動如無導致喪失控制權，則作為權益交易(即與擁有人(作為擁有人)進行之交易)入賬。控股與非控股權益之賬面金額將予調整，以反映彼等於附屬公司之相對權益變動。非控股權益之調整金額與已付或已收代價公平值兩者間之差額直接於權益確認，並歸屬於本公司擁有人。

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，不會考慮持有之意向及是否有財政能力行使或轉換該權利。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

Associates (Continued)

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.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

聯營公司(續)

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金額，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。累計收購後變動於投資之賬面金額作出調整。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。

出售聯營公司並導致喪失重大影響力之盈虧指(i)出售代價之公平值加於該聯營公司保留之任何投資之公平值與(ii)本集團應佔該聯營公司之資產淨值加與該聯營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。倘於聯營公司之投資成為於合營企業之投資，則本集團繼續應用權益法，不會重新計量保留權益。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has joint control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

In relation to its interest in a joint operation, the Group recognises in its consolidated financial statements, its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly, in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

合營安排

合營安排為兩名或以上訂約方擁有共同控制權之安排。共同控制是指按照合約協定對某項安排共享控制權，共同控制僅在當相關活動要求共同享有控制權之各訂約方作出一致同意之決定時存在。相關活動指對該安排之回報有重大影響之活動。於評估共同控制時，本集團會考慮其潛在表決權以及其他訂約方所持有之潛在表決權以釐定是否擁有共同控制權。僅在持有人能實際行使該權力之情況下，方會考慮潛在表決權。

合營安排可指合營業務或合營企業。合營業務乃為擁有該安排共同控制權之各訂約方有權享有與該安排有關之資產，及就負債承擔責任之合營安排。合營企業為擁有該安排共同控制權之各訂約方有權享有該安排之資產淨值之合營安排。

就其於一項合營業務之權益而言，本集團根據適用於個別資產、負債、收入及開支之香港財務報告準則於綜合財務報表中確認：資產（包括應佔之任何共同持有資產）；負債（包括應佔之任何共同產生負債）；來自銷售其應佔合營業務產出之收入；其應佔來自合營業務銷售產出之收入；及開支（包括應佔之任何共同產生開支）。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

Joint arrangements (Continued)

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture 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 joint venture'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 a joint venture'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 a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture 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.

合營安排(續)

於合營企業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，合營企業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合營企業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金額，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。

本集團應佔合營企業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。累計收購後變動於投資之賬面金額作出調整。當本集團應佔合營企業之虧損相等於或超出其於該合營企業之權益（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，除非其已代表該合營企業承擔責任或付款。倘該合營企業其後錄得溢利，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 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 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分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分於損益確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 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分於綜合損益確認。

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 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 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.

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

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金額或確認為獨立資產（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。

在建工程指建造中之樓宇或有待安裝之廠房及設備，按成本減減值虧損列賬。折舊於相關資產可供使用時開始。

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金額之差額，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 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

Lease

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.

租賃

本集團作為承租人

(i) 經營租賃

資產擁有權之絕大部分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分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。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

Intangible assets

Technical knowhow are classified as intangible assets. Technical knowhow have an indefinite useful life and are carried at cost less accumulated impairment losses. The technical knowhow have no foreseeable limit to the period over which the Group can use to generate net cash flows. The technical knowhow will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

The useful life of the technical knowhow is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is account for on a prospective basis.

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 is recognised in profit or loss.

無形資產

技術知識分類為無形資產。技術知識之可用年期無限，按成本減累計減值虧損列賬。本集團可使用技術知識產生淨現金流量之期限並無可預見限制。於可用年期確定為有限前，技術知識不會攤銷。相反，技術知識每年及每當有任何跡象顯示已減值時進行減值測試。

技術知識之可用年期每年檢討以確定可用年期無限之評估是否繼續有理據支持。如否，則按未來適用基準將由可用年期無限變為可用年期有限之評估變動入賬。

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分，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分風險及回報；或本集團既無轉讓亦無保留資產擁有權之絕大部分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，資產賬面金額與已收代價總和兩者間之差額會於損益確認。



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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

Recognition and derecognition of financial instruments (Continued)

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.

Financial assets

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

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised cost;
- Equity investments at fair value through other comprehensive income; and

(i) *Financial assets at amortised cost*

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

確認及取消確認金融工具(續)

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金額與已付代價兩者間之差額會於損益確認。

金融資產

金融資產按交易日基準(即購買或出售資產之合約條款規定須於有關市場指定時限內交付該項資產之日)確認及取消確認，並初步按公平值加直接應佔交易成本確認，惟按公平值計入損益之投資除外。收購按公平值計入損益之投資直接應佔之交易成本即時於損益確認。

本集團之金融資產歸入以下類別：

- 按攤銷成本計量之金融資產；
- 按公平值計入其他全面收入之股本投資；及

(i) *按攤銷成本計量之金融資產*

倘金融資產(包括應收貿易款項及其他應收款)同時符合以下兩項條件，即歸入此類別：

- 持有資產之業務模式以藉持有資產收取合約現金流量為目的；及
- 資產之合約條款於指定日期產生純粹為本金及未償還本金利息付款之現金流量。

該等金融資產其後以實際利息法按攤銷成本計量，並就預期信貸虧損扣除虧損備抵。



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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

Financial assets (Continued)

(ii) Equity investments at fair value through other comprehensive income

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that are not held for trading as at fair value through other comprehensive income.

Equity investments at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair values recognised in other comprehensive income and accumulated in the equity investment revaluation reserve. On derecognition of an investment, the cumulative gains or losses previously accumulated in the equity investment revaluation reserve are not reclassified to profit or loss.

Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost and lease receivables. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument (“lifetime expected credit losses”) for trade receivables and lease receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

金融資產(續)

(ii) 按公平值計入其他全面收入之股本投資

於初步確認時，本集團可以不可撤回地（按個別工具基準）選擇指定並非持作買賣之股本工具投資為按公平值計入其他全面收入。

按公平值計入其他全面收入之股本投資其後按公平值計量，而公平值變動產生之收益及虧損於其他全面收入確認，並於股本投資重估儲備中累積。於取消確認一項投資時，以往於股本投資重估儲備中累積之累計收益或虧損不會重新分類至損益。

除非該等投資之股息清楚代表收回部分投資成本，否則於損益確認。

就預期信貸虧損確認虧損備抵

本集團就按攤銷成本計量之金融資產及應收租賃款項之預期信貸虧損確認虧損備抵。預期信貸虧損為就相應違約風險加權之加權平均信貸虧損。

本集團於各報告期末就應收貿易款項及應收租賃款項計量某項金融工具之虧損備抵金額，或在該項金融工具之信貸風險自初步確認以來顯著上升之情況下計量該項金融工具虧損備抵之金額，亦即所有可能於該項金融工具預期年內出現之違約事件所產生之預期信貸虧損金額（「全期預期信貸虧損」）。



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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

Loss allowances for expected credit losses (Continued)

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables and lease receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Derivative financial instruments

Derivatives (including contingent considerations under business combinations) are initially recognised and subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss.

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.

就預期信貸虧損確認虧損備抵(續)

倘於報告期末，某項金融工具(應收貿易款項及應收租賃款項除外)之信貸風險自初步確認以來並無顯著上升，則本集團按該項金融工具之全期預期信貸虧損中可能於報告期後12個月內出現違約事件而產生預期信貸虧損之部分計量該項金融工具虧損備抵之金額。

預期信貸虧損金額或因於報告期末將虧損備抵調整至所需金額而作出之撥回於損益確認為減值收益或虧損。

衍生金融工具

衍生工具(包括業務合併中之或然代價)初步按公平值確認，其後按公平值計量，公平值變動產生的盈虧於損益確認。

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分之銀行透支亦計入現金及現金等價物之一部分。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

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.

Equity instruments

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

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

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。

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。

來自客戶合約之收入

收入按客戶合約訂明之代價計量，當中會參考商業常規，並剔除代表第三方收取之金額。對於客戶付款與承諾產品或服務轉移之間相距一年以上之合約，代價會就重大融資部分之影響作出調整。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

Revenue from contracts with customers (Continued)

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

Other income

Interest income is recognised on a time-proportion basis using the effective interest method.

來自客戶合約之收入(續)

本集團於達成履約責任向客戶轉移產品或服務之控制權時確認收入。視乎合約條款及適用於合約之法律，履約責任可能隨時間或於某一時間點達成。在下列情況下，履約責任隨時間達成：

- 客戶同時取得及耗用本集團履約所提供之利益；
- 本集團之履約產生或提升一項於產生或提升時由客戶控制之資產；及
- 本集團之履約並無產生本集團有替代用途之資產，且本集團對迄今已完成履約之付款享有可強制執行權利。

倘履約責任隨時間達成，則收入參照達成該履約責任之完成進度確認。否則，收入於客戶取得產品或服務控制權之時間點確認。

其他收入

利息收入按時間比例基準使用實際利率法確認。



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4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

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 end of the reporting period.

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

(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.

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有時確認。截至報告期末，因僱員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。

(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、僱員及顧問發行以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。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策 (續)

Share-based payments (Continued)

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.

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.

以股份支付之款項 (續)

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。

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金額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 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 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.

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.

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金額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分資產時調減。

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，惟當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時，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金額之方式而產生之稅務後果。

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。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

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.
 - (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).

關聯方

關聯方為與本集團有關聯之人士或實體。

- (a) 倘屬以下人士，則該人士或其近親與本集團有關聯：
- (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，則某實體與本集團有關聯（申報實體）：
- (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聯）。
 - (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。
 - (v) 該實體為本集團或與其有關聯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聯。
 - (vi) 該實體受(a)項所識別人士控制或共同控制。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 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)

- (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 production 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.

關聯方(續)

(b) 倘符合下列任何條件，則該實體與本集團有關聯(申報實體)：

- (vii) (a)(i)項所識別人士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分標準，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 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 重大會計政策(續)

Impairment of assets

Intangible assets that have an indefinite useful life or not yet available for use are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets other than investments, 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

可用年期無限或未可供使用之無形資產每年檢討減值，以及當有事件或情況變動顯示賬面金額可能無法收回時檢討減值。

於各報告期末，本集團審閱其有形及無形資產（投資、存貨及應收款除外）之賬面金額，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金額，則資產或現金產生單位之賬面金額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金額會增加至其經修訂之估計可收回金額，惟增加後之賬面金額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金額（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 2018 截至二零一八年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 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。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES 5. 重要判斷及主要估計

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

(a) *Going concern basis*

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support of the major shareholder at a level sufficient to finance the working capital requirements of the Group. Details are explained in note 2 to financial statements.

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.

應用會計政策之重要判斷

於應用會計政策之過程中，董事已作出以下對財務報表所確認金額構成最重大影響之判斷（涉及估計者將於後文另行處理）。

(a) *持續經營基準*

本綜合財務報表乃按持續經營基準編製，該基準之有效性取決於主要股東之財務支持是否足以為本集團之營運資金需要提供資金。詳情於財務報表附註2闡述。

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金額作出重大調整）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。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued) 5. 重要判斷及主要估計(續)

Key sources of estimation uncertainty (Continued)

(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\$406,862,000 (2017: HK\$547,494,000).

(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.

估計不確定因素之主要來源(續)

(b) *於聯營公司之投資減值*

每當有任何事件或情況變動顯示賬面金額可能無法收回時，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406,862,000港元(二零一七年：547,494,000港元)。

(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。



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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued) 5. 重要判斷及主要估計(續)

Key sources of estimation uncertainty (Continued)

(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) *Impairment of intangible assets*

The management of the Company assesses the possible impairment of the Group's intangible assets at end of each reporting period. At the end of the reporting period, the carrying value of intangible assets was approximately HK\$62,555,000 at the end of the reporting date. The Group is confident that the carrying amount of the asset will be recovered in full. This situation will be closely monitored, and adjustments made in future periods, if future market activity indicates that such adjustments are appropriate.

(f) *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)

(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金額超過可收回金額時，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) *無形資產減值*

本公司之管理層於各報告期末評估本集團無形資產出現減值之可能性。於報告期末，無形資產於報告日期之賬面值約為62,555,000港元。本集團深信該資產之賬面金額將全數收回。本集團將密切監察此情況，如未來市場活動顯示適合作出任何調整，則於日後之期間作出有關調整。

(f) *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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6. 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 2018, if the RMB had weakened 5 per cent (2017: 5 per cent) against the US dollar with all other variables held constant, consolidated loss after tax for the year would have been HK\$856,000 (2017: HK\$6,281,000) 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 (2017: 5 per cent) against the US dollar with all other variables held constant, consolidated loss after tax for the year would have been HK\$856,000 (2017: HK\$6,281,000) lower, arising mainly as a result of the foreign exchange gain on monetary items denominated in US dollar.

6. 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

由於本集團大部分業務交易、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。

於二零一八年十二月三十一日，倘人民幣兌美元下跌5%（二零一七年：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856,000港元（二零一七年：6,281,000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%（二零一七年：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856,000港元（二零一七年：6,281,000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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6. FINANCIAL RISK MANAGEMENT 6. 財務風險管理(續)

(Continued)

(b) Credit risk

The carrying amount of the cash and bank balances, trade and other receivables, investments and derivative financial instruments included in the consolidated 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 considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- significant changes in the value of the collateral or in the quality of guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

(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綜合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金額。

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。

本集團於各報告期持續考慮金融資產之信貸風險是否顯著上升，方法為比較於報告日期之違約風險與於初步確認日期之違約風險。本集團會考慮可取得之合理及有理據支持之前瞻性資料，尤其是使用下列資料：

- 內部信貸評級；
- 營商、金融或經濟狀況實際或預期出現重大不利改變，此等變動預計將令借款人履行責任之能力出現重大變動；
- 抵押品價值或擔保或增信安排之質量出現重大變動；及
- 借款人之預期表現及行為出現重大變動，包括借款人之付款情況改變。

倘債務人之合約付款逾期超過30天，則假定信貸風險已顯著上升。當對手方未能於到期後60天內作出合約付款時，金融資產即告違約。



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6. FINANCIAL RISK MANAGEMENT (Continued) 6. 財務風險管理(續)

(b) Credit risk (Continued)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

The Group uses two categories for non-trade loan receivables which reflect their credit risk and how the loan loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

Category	Definition	Loss provision
Performing	Low risk of default and strong capacity to pay	12 month expected losses
Non-performing	Significant increase in credit risk	Lifetime expected losses

(b) 信貸風險(續)

當無收回之合理期望(例如債務人未能與本集團訂立還款計劃)時,本集團會撇銷金融資產。本集團一般於債務人逾期超過360天仍未能作出合約付款時,將貸款或應收款歸入撇銷類。如貸款或應收款已撇銷,則本集團將於實際及經濟上可行之情況下繼續進行強制執行活動,致力收回到期應收款。

本集團使用兩類非貿易應收貸款,以分別反映各類別之信貸風險及如何就各類別釐定貸款虧損撥備。於計算預期信貸虧損率時,本集團會考慮各類別之歷史虧損率並就前瞻性數據作出調整。

類別	定義	虧損撥備
履約中	違約風險低及付款能力高	12個月預期虧損
不履約	信貸風險顯著上升	全期預期虧損



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6. FINANCIAL RISK MANAGEMENT 6. 財務風險管理(續)

(Continued)

(b) Credit risk (Continued)

		Total 總計	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other loans receivables	其他應收貸款	94,816	94,816
Provision for loss allowance	虧損備抵撥備	(77,710)	(77,710)
Carrying amounts	賬面金額	17,106	17,106
Expected credit loss rate	預期信貸虧損率		
2018	二零一八年		82%
2017	二零一七年		82%
Loss allowance at 1 January 2017	於二零一七年 一月一日之虧損備抵		(79,547)
Decrease in provision in 2017	於二零一七年之撥備減少		1,837
Loss allowance at 31 December 2017 and 2018	於二零一七年及 二零一八年 十二月三十一日之 虧損備抵		(77,710)

(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(續)

(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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6. FINANCIAL RISK MANAGEMENT 6. 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 一年內之合約 未貼現現金 流量總額
		賬面金額 HK\$'000 千港元	流量總額 HK\$'000 千港元
At 31 December 2018	於二零一八年 十二月三十一日		
Trade and other payables	應付貿易款項及 其他應付款	61,170	61,170
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

(d) Interest rate risk

At 31 December 2018, 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

於二零一八年十二月三十一日，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金額與該等項目各自之公平值相若。



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6. FINANCIAL RISK MANAGEMENT 6. 財務風險管理(續)

(Continued)

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Financial assets	金融資產		
Derivative financial instrument Mandatorily measured	強制計量之衍生金融工具	55,018	46,957
Financial assets at amortised cost (including cash and cash equivalents)	按攤銷成本計量之 金融資產(包括現金及 現金等價物)	80,612	423,114
Equity investments at fair value through other comprehensive income	按公平值計入其他全面 收入之股本投資	38,423	66,225
Financial liabilities	金融負債		
Financial liabilities at amortised cost	按攤銷成本計量之 金融負債	61,170	61,827

7. 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.

7. 公平值計量

公平值為於計量日期在市場參與者進行之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 本集團於計量日期可
輸入數據：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 可就資產或負債直接
輸入數據：或間接觀察之輸入
數據，第一級包括之報價
除外。

第三級 資產或負債之不可觀
輸入數據：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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7. FAIR VALUE MEASUREMENTS 7. 公平值計量(續)

(Continued)

(a) Disclosures of level in fair value hierarchy at 31 December 2018:

(a) 於二零一八年十二月三十一日之公平值層級披露：

Description	描述	Fair value measurements using: 使用以下項目之公平值計量：			Total 總額
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Recurring fair value measurements:					
Equity investments at fair value through other comprehensive income	按公平值計入其他全面收入之股本投資				
– Listed securities in PRC	– 中國上市證券	–	15,427	–	15,427
– Unlisted equity securities	– 非上市股本證券	–	–	22,996	22,996
		–	15,427	22,996	38,423
Derivative financial instrument	衍生金融工具				
– Profits guaranteed arrangement	– 溢利保證安排	–	–	55,018	55,018
Total recurring fair value measurements	經常性公平值計量總額	–	15,427	78,014	93,441

Description	描述	Fair value measurements using: 使用以下項目之公平值計量：			Total 總額
		Level 1 第一級 HK\$'000 千港元 (Restated) (經重列)	Level 2 第二級 HK\$'000 千港元 (Restated) (經重列)	Level 3 第三級 HK\$'000 千港元 (Restated) (經重列)	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Recurring fair value measurements:					
Equity investments at fair value through other comprehensive income	按公平值計入其他全面收入之股本投資				
– Listed securities in PRC	– 中國上市證券	–	14,688	–	14,688
– Unlisted equity securities	– 非上市股本證券	–	–	51,537	51,537
		–	14,688	51,537	66,225
Derivative financial instrument	衍生金融工具				
– Profits guaranteed arrangement	– 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	–	14,688	98,494	113,182



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7. FAIR VALUE MEASUREMENTS 7. 公平值計量 (續)

(Continued)

(a) Disclosures of level in fair value hierarchy at 31 December 2018: (Continued)

During the period, there were no transfer between Level 1 and Level 2, or transfers into or out of Level 3 (2017: 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.

(b) Reconciliation of assets measured at fair value based on level 2 and 3:

(a) 於二零一八年十二月三十一日之公平值層級披露：(續)

期內，第一級與第二級之間並無轉移，亦無自第三級轉入或轉出（二零一七年：無）。本集團之政策為於發生轉移之報告期間期末確認公平值層級間之轉移。

(b) 使用第二及三級之資產公平值計量對賬：

Description	描述	Derivative financial instrument	
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(經重列)
At 1 January	於一月一日	46,957	4,260
Total losses recognised in consolidated profit or loss(#)	於綜合損益確認之虧損總額(#)	8,616	40,729
Exchange difference	匯兌差額	(555)	1,968
At 31 December	於十二月三十一日	55,018	46,957
(#) Include gains for assets held at end of reporting period	(#)包括於報告期末所持資產之收益	8,616	40,729



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7. FAIR VALUE MEASUREMENTS 7. 公平值計量 (續)

(Continued)

(b) Reconciliation of assets measured at fair value based on level 2 and 3: (Continued)

(b) 使用第二及三級之資產公平值計量對賬：(續)

		Equity investments at fair value through other comprehensive income 按公平值計入其他全面收入之股本投資	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Description	描述		
At 1 January	於一月一日	66,225	72,188
Total gains recognised in other comprehensive income	於其他全面收入確認之收益總額	(25,399)	(10,578)
Exchange difference	匯兌差額	(2,403)	4,615
At 31 December	於十二月三十一日	38,423	66,225

The total gains or losses recognised in other comprehensive income are presented in investment valuation gain in the consolidated statement of profit or loss and other comprehensive income.

於其他全面收入確認之收益或虧損總額於綜合損益及其他全面收益表中之投資估值收益呈列。

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in other income in the consolidated statement of profit or loss and other comprehensive income.

於損益確認之收益或虧損總額(包括於報告期末所持資產之收益或虧損)於綜合損益及其他全面收益表中之其他收入呈列。



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7. FAIR VALUE MEASUREMENTS 7. 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 2018:

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 2 fair value measurements

Description	Valuation technique	Inputs	Fair value 2018 二零一八年 公平值 HK\$'000 千港元
描述	估值技術	輸入數據	
Listed securities in PRC	Market approach	similar companies are trading in a public market	15,427
中國上市證券	市場法	於公開市場買賣之類似公司	

Description	Valuation technique	Inputs	Fair value 2017 二零一七年 公平值 HK\$'000 千港元
描述	估值技術	輸入數據	
Listed securities in PRC	Market approach	similar companies are trading in a public market	14,688
中國上市證券	市場法	於公開市場買賣之類似公司	

(c) 本集團所用估值過程以及於二零一八年十二月三十一日公平值計量所用估值技術及輸入數據之披露：

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：

第二級公平值計量



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7. FAIR VALUE MEASUREMENTS (Continued) 7. 公平值計量(續)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018: (Continued)

(c) 本集團所用估值過程以及於二零一八年十二月三十一日公平值計量所用估值技術及輸入數據之披露：(續)

Level 3 fair value measurements

第三級公平值計量

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2018
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	二零一八年公平值

Equity investments at fair value through other comprehensive income 按公平值計入其他全面收入之股本投資

Unlisted equity securities	Market approach – Guideline Publicly-traded Comparable Method	Market Capitalisation Multiples	Market Capitalization of Common Stock from CNY1,870 to CNY5,712	Decrease	22,996
非上市股本證券	市場法 – 指標公眾買賣可資比較公司法	市值倍數	普通股市值介乎人民幣1,870元至人民幣5,712元	減少	

Investments at fair value through profit or loss 按公平值計入損益之投資

Profits guaranteed arrangement	Discounted payoff with scenarios	Credit discount rate	Discount rate make reference to comparable bond yields	Increase	55,018
溢利保證安排	在各種情況下之貼現報酬	信貸貼現率	貼現率參考可資比較債券收益	增加	

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

Equity investments at fair value through other comprehensive income 按公平值計入其他全面收入之股本投資

Unlisted equity securities	Market approach – Guideline Publicly-traded Comparable Method	Market Capitalisation Multiples	Market Capitalization of Common Stock from CNY 2,693 to CNY12,716	Decrease	51,537
非上市股本證券	市場法 – 指標公眾買賣可資比較公司法	市值倍數	普通股市值介乎人民幣2,693元至人民幣12,716元	減少	

Investments at fair value through profit or loss 按公平值計入損益之投資

Profits guaranteed arrangement	Discounted payoff with scenarios	Credit discount rate	Discount rate make reference to comparable bond yields	Increase	46,957
溢利保證安排	在各種情況下之貼現報酬	信貸貼現率	貼現率參考可資比較債券收益	增加	



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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

8. REVENUE

The Group's revenue represents sales of battery management systems and spare parts and interest income from finance lease.

8. 收入

本集團之收入指銷售電池管理系統及備品備件以及融資租賃利息收入。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Sales of battery management systems and spare parts	銷售電池管理系統及備品備件	61,191	35,133
Revenue from contracts with customers	來自客戶合約之收入	61,191	35,133
Interest income from finance leasing	融資租賃利息收入	59	301
		61,250	35,434

Disaggregation of revenue from contracts with customers:

來自客戶合約之收入分類：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Geographical markets	地區市場		
PRC	中國	61,191	35,018
Others	其他	-	115
		61,191	35,133
Major products/service	主要產品／服務		
Sales of battery management system and lithium batteries	銷售電池管理系統及鋰電池	61,191	35,133
Timing of revenue recognition	收入確認時間		
At a point in time	於某一時間點	61,191	35,133



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8. REVENUE (Continued)

Sales of battery management systems and spare parts

The Group sells battery management systems and spare parts to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sales to customers are normally made with credit terms of 30 to 90 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

8. 收入 (續)

銷售電池管理系統及備品備件

本集團向客戶銷售電池管理系統及備品備件。本集團於產品之控制權轉移(即向客戶交付產品)、再無未履行責任可影響客戶接納產品且客戶已取得產品之法定所有權時確認銷售額。

應收款於向客戶交付產品之時確認,因為此乃代價成為無條件、於款項到期前只待時間流逝之時間點。

本集團一般就客戶銷售提供30至90天之信貸期。新客戶可能須預付按金或貨到付款。已收按金確認為合約負債。



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9. OTHER INCOME

9. 其他收入

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest income	利息收入	205	3,375
Other receivables interest income	其他應收款利息收入	2,230	3,934
Gain on disposal of an associate	出售一間聯營公司之收益	62,411	-
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	1,332	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	8,616	40,729
Rental income	租金收入	-	211
Reversal of impairment of other receivables	撥回其他應收款減值	-	1,837
Others	其他	3,165	2,091
		77,959	134,631

10. SEGMENT INFORMATION

10. 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.

The accounting policies of the operating segments are the same as those described in note 4 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.

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。

營運分部之會計政策與綜合財務報表附註4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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10. SEGMENT INFORMATION (Continued)

10. 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 電動車	Battery management systems and spare parts 電池管理系統 及備品備件	Advanced batteries materials 先進電池材料	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Year ended 31 December 2018:	截至二零一八年 十二月三十一日止年度：				
Revenue	收入	58	61,192	-	61,250
Segment loss	分部虧損	(85,460)	(90,911)	(8,169)	(184,540)
Depreciation	折舊	(13,044)	(2,248)	(104)	(15,396)
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	(134)	-	-	(134)
Research and development expenses	研發開支	(2,964)	(22,559)	(6,354)	(31,877)
Additions to segment non-current assets	添置分部非流動資產	2,019	33,911	-	35,930
At 31 December 2018:	於二零一八年 十二月三十一日：				
Segment assets	分部資產	743,566	31,762	4,076	779,404
Segment liabilities	分部負債	9,144	9,725	161	19,030
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 (loss)/profit	分部(虧損)/溢利	(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



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10. SEGMENT INFORMATION (Continued)

10. 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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
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	61,250	35,434
Profit or loss:	溢利或虧損：		
Total loss of reportable segments	可呈報分部虧損總額	(184,540)	(149,262)
Corporate and unallocated profit or loss	公司及未分配溢利或虧損	(105,271)	(158,836)
Share-based payment	以股份支付之款項	-	(947)
Income tax expense	所得稅開支	(18)	(360)
Consolidated loss for the year	本年度綜合虧損	(289,829)	(309,405)
Assets:	資產：		
Total assets of reportable segments	可呈報分部資產總值	779,404	971,911
Corporate and unallocated assets:	公司及未分配資產：		
– Equity investments at fair value through other comprehensive income	– 按公平值計入其他全面收入之股本投資	38,423	66,225
– 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	15,664	103,803
– Others	– 其他	466,727	524,651
Consolidated total assets	綜合資產總值	1,300,218	1,666,590
Liabilities:	負債：		
Total liabilities of reportable segments	可呈報分部負債總額	19,030	22,490
Corporate and unallocated liabilities	公司及未分配負債		
– Others	– 其他	42,140	39,337
Consolidated total liabilities	綜合負債總額	61,170	61,827



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10. SEGMENT INFORMATION (Continued)

10. 分部資料 (續)

Geographical information:

地區資料：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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」)	61,250	35,319
Others	其他	-	115
		61,250	35,434

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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A	客戶A	43,036	34,559
Customer B	客戶B	18,077	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。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	1,025	1,813
The PRC	中國	533,161	588,529
Hong Kong and others	香港及其他	114,475	91,158
		648,661	681,500



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11. INCOME TAX EXPENSE

11. 所得稅開支

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	18	–
Under-provision in prior years	過往年度撥備不足	–	360
		18	360

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 (2017: 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（二零一七年：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本集團經營業務所在國家之現行法律、詮釋及常規，按其通行稅率計算。

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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax	除稅前虧損	(289,811)	(309,045)
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	(41,855)	(45,782)
Tax effect of non-taxable income	毋須課稅收入之稅項影響	(17,595)	(33,591)
Tax effect of non-deductible expenses	不可扣減開支之稅項影響	55,984	69,198
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	3,484	10,175
Income tax expense for the year	年度所得稅開支	18	360



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12. LOSS FOR THE YEAR

12. 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)：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	52,931	26,012
Depreciation	折舊	29,433	21,949
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	4,997	531
Loss on dissolution of an associate	一間聯營公司解散之虧損	14,123	-
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	(1,332)	(1,828)
Gain on capital contribution to an associate	向一間聯營公司出資之收益	-	(77,861)
Fair value gain of derivative financial instrument	衍生金融工具之公平值收益	(8,616)	(40,729)
Impairment of property, plant and equipment	物業、廠房及設備之減值	6,197	1,639
Reversal of impairment of other receivables	其他應收款之減值撥回	-	(1,837)
Net exchange loss	匯兌虧損淨額	2,537	9,319
Operating lease charges in respect of land and buildings	土地及樓宇之經營租賃費用	42,851	35,102
Research and development costs	研發成本	21,923	62,653
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	158,200	141,977
- Equity-settled share-based payments	- 以權益結算並以股份支付之款項	-	947
- Retirement benefits scheme contributions	- 退休福利計劃供款	9,091	7,532
		167,291	150,456



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13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS 13. 董事及僱員酬金

The emoluments of each director were as follows:

各董事之酬金為：

2018 二零一八年	Notes 附註	Retirement			Total 總額
		Fees 袍金	Salaries and allowances 薪金及津貼	benefits scheme contributions 退休福利 計劃供款	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive Directors:	執行董事：				
Dr. Yeung Yung	仰融博士	156	3,527	–	3,683
Mr. Liu Stephen Quan	劉泉先生	160	1,560	18	1,738
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	1,226	–	1,386
Dr. Wang Chuantao	王川濤博士	156	2,352	–	2,508
Dr. Huang Chunhua	黃春華博士	156	2,352	–	2,508
Mr. Xu Jianguo	徐建國先生	156	2,346	18	2,520
Mr. Li Zhengshan	李正山先生	160	2,352	18	2,530
Mr. Ting Kwok Kit, Johnny	丁國傑先生	160	2,340	18	2,518
Mr. Chen Xiao	陳曉先生	160	2,349	18	2,527
Non-executive Director:	非執行董事：				
Dr. Xia Tingkang, Tim	夏廷康博士	315	–	–	315
Independent Non- Executive Directors:	獨立非執行董事：				
Mr. Lee Cheung Yuet, Horace	李暢悅先生 (a)	160	–	–	160
Dr. Song Jian	宋健博士	349	–	–	349
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
		3,200	22,744	108	26,052



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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued) 13. 董事及僱員酬金(續)

The five highest paid individuals in the Group during the year included five (2017: 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(二零一七年：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。

14. DIVIDENDS

The directors do not recommend or declare the payment of any dividend in respect of the years ended 31 December 2017 and 2018.

14. 股息

董事並無就截至二零一七年及二零一八年十二月三十一日止年度建議派發或宣派任何股息。

15. 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\$288,571,000 (2017: approximately HK\$306,030,000) and the weighted average number of 20,352,078,000 (2017: 20,337,873,000) 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 2018 and 31 December 2017.

15. 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288,571,000港元(二零一七年：約306,030,000港元)及本年度已發行普通股加權平均股數20,352,078,000股(二零一七年：20,337,873,000股)計算。

(b) 每股攤薄虧損

截至二零一八年十二月三十一日及二零一七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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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT

16. 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	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本						
At 1 January 2017	於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 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	26,348	29,973	15,577	68,002	-	139,900
Additions	添置	16,695	2,213	-	3,521	9,335	31,764
Disposals	出售	-	(2,228)	(616)	(4,660)	-	(7,504)
Exchange differences	匯兌差額	953	1,753	1,587	1,995	-	6,288
At 31 December 2018	於二零一八年十二月三十一日	43,996	31,711	16,548	68,858	9,335	170,448
Accumulated depreciation and impairment	累計折舊及減值						
At 1 January 2017	於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 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	14,681	12,559	2,773	39,249	-	69,262
Charge for the year	本年度扣除	8,785	2,856	2,358	15,434	-	29,433
Disposals	出售	-	(10)	(5)	(2,492)	-	(2,507)
Impairment	減值	134	6,063	-	-	-	6,197
Exchange differences	匯兌差額	1,465	2,424	2,234	3,838	-	9,961
At 31 December 2018	於二零一八年十二月三十一日	25,065	23,892	7,360	56,029	-	112,346
Carrying amounts	賬面金額						
At 31 December 2018	於二零一八年十二月三十一日	18,931	7,819	9,188	12,829	9,335	58,102
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

As at 31 December 2018, the Group engaged an independent valuer to determine the fair value of the property, plant and equipment as at 31 December 2018 (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\$6,197,000 (2017: HK\$1,639,000) was recognised.

於二零一八年十二月三十一日，本集團委聘一名獨立估值師釐定物業、廠房及設備於二零一八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6,197,000港元（二零一七年：1,639,000港元）。



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17. INVESTMENT IN ASSOCIATES

17. 於聯營公司之投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted investment: Share of net assets	非上市投資： 應佔資產淨值	406,862	547,494

Details of the Group's associates at 31 December 2017 and 2018 are as follows:

於二零一七年及二零一八年十二月三十一日，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
		2018 二零一八年	2017 二零一七年	
浙江佳貝思綠色能源有限公司 Zhejiang GBS Energy Co., Limited*	The PRC 中國	Nil 無	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%	16.7%	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%	18%	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	Nil 無	25%	Manufacturing and sales of batteries 生產及銷售電池

* For identification purpose only

* 僅供識別

The above associates are accounted for using the equity method in the consolidated financial statements.

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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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

17. INVESTMENT IN ASSOCIATES (Continued) 17. 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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	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	-	57,856	-	-
Current assets	流動資產	-	163,971	46,441	55,431
Non-current liabilities	非流動負債	-	(2,052)	(24,450)	(28,152)
Current liabilities	流動負債	-	(82,821)	(789)	(725)
Net assets	資產淨值	-	136,954	21,202	26,554
Group's share of net assets	本集團應佔淨資產	-	34,239	3,534	4,426
Up to disposal/Year ended 31 December:	截至出售為止/ 截至十二月 三十一日止年度:				
Revenue	收入	64,305	128,071	297	178
Profit/(loss) for the period/year	期間/年度溢利/ (虧損)	8,236	10,428	(4,101)	(43,820)
Other comprehensive (loss)/income	其他全面(虧損)/ 收益	(6,452)	8,671	(1,250)	1,351
Total comprehensive income/ (loss) for the period/year	期間/年度全面收益/ (虧損)總額	1,784	19,099	(5,351)	(42,469)
Dividends received from associates	已收取聯營公司股息	-	-	-	-



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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

17. INVESTMENT IN ASSOCIATES (Continued) 17. 於聯營公司之投資(續)

		Ningbo Joint Venture 寧波京威動力電池 有限公司		Anhui Tiangkang HK New Energy Technology Co., Ltd. 安徽天康正道 新能源科技有限公司	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	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	441,966	491,483	-	182,866
Current assets	流動資產	1,849,782	1,913,938	-	242,250
Non-current liabilities	非流動負債	-	-	-	-
Current liabilities	流動負債	(51,037)	(28,270)	-	(886)
Net assets	資產淨值	2,240,711	2,377,151	-	424,230
Group's share of net assets before deferred income	未計遞延收入之 本集團應佔淨資產	403,328	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	403,328	427,887	-	80,942
Up to disposal/Year ended 31 December:	截至出售為止/ 截至十二月 三十一日止年度:				
Revenue	收入	-	-	7,173	7,436
Loss for the period/year	期間/年度虧損	(13,889)	(23,485)	(5,798)	(7,741)
Other comprehensive loss	其他全面虧損	(122,551)	(963)	(69)	(317)
Total comprehensive loss for the period/year	期間/年度全面 虧損總額	(136,440)	(24,448)	(5,867)	(8,058)
Dividends received from associates	已收取聯營公司股息	-	-	-	-



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17. INVESTMENT IN ASSOCIATES (Continued) 17. 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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 1 January	於一月一日	(25,115)	–
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	確認向聯營公司出資之遞延收入	1,332	1,828
Dissolution	解散	23,783	–
Exchange difference	匯兌差額	–	75
As at 31 December	於十二月三十一日	–	(25,115)

During the year ended 31 December 2018, the Group disposed of the Zhejiang GBS Energy Co., Limited for a cash consideration of approximately HK\$105,150,000, resulting in a gain on disposal of an associate of approximately HK\$62,411,000.

於截至二零一八年十二月三十一日止年度，本集團出售浙江佳貝思綠色能源有限公司，現金代價約為105,150,000港元，產生出售一間聯營公司之收益約62,411,000港元。

During the year ended 31 December 2018, the Group terminated the agreement with Anhui Tiankang (Group) Co., Ltd. and the dissolved the associate, Anhui Tiankang HK New Energy Technology Co., Ltd. The title of the technical knowhow of fair value of approximately HK\$62,555,000 is transferred to the Group after dissolution, resulting in an loss on dissolution of an associate of approximately HK\$16,678,000.

於截至二零一八年十二月三十一日止年度，本集團終止與安徽天康(集團)股份有限公司訂立之協議，並解散聯營公司安徽天康正道新能源科技有限公司。公平值約62,555,000港元之技術知識之所有權已於解散後轉讓予本集團，產生解散一間聯營公司之虧損約16,678,000港元。

18. INVESTMENTS IN JOINT VENTURES

18. 於合營企業之投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted investments:	非上市投資：		
Share of net assets	應佔淨資產	22,772	–



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18. INVESTMENTS IN JOINT VENTURES (Continued) 18. 於合營企業之投資(續)

The following table shows the information of joint venture. The joint venture is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the HKFRS financial statements of the joint venture.

下表列示合營企業之資料。該合營企業以權益法於綜合財務報表入賬。所呈列之財務資料概要以合營企業之香港財務報告準則財務報表為基礎。

Name 名稱	寧波正道京威控股有限公司
Principal place of business/country of incorporation 主要營業地點／註冊成立國家	PRC/PRC 中國／中國
Principal activities 主要業務	Development and sales of motor vehicles and parts 開發及銷售汽車及部件
% of ownership interests/voting rights held by the Group 本集團所持擁有權權益／表決權百分比	50%/50%

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 31 December:	於十二月三十一日：		
Current assets	流動資產	45,544	—
Net assets	資產淨值	45,544	—
Group's share of net assets	本集團應佔淨資產	22,772	—

During the year ended 31 December 2018, the joint venture is a dormant company.

於截至二零一八年十二月三十一日止年度，該合營企業為休眠公司。



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19. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

19. 按公平值計入其他全面收入之股本投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Equity securities listed outside Hong Kong	香港境外上市股本證券		
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	15,427	14,688
Unlisted equity securities	非上市股本證券		
吉林美來中信木業有限公司	吉林美來中信木業有限公司	22,996	51,537
		38,423	66,225

The above investments are intended to be held for the medium to long-term. Designation of these investments as equity investments at fair value through other comprehensive income can avoid the volatility of the fair value changes of these investments to the profit or loss.

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 intends to hold the investments for long-term capital appreciation and has no intention to dispose of the investments in the near future. As at 31 December 2018 and 2017, the Group holds 8.5% (2017: 8.5%) equity interest in 上海仁通. Dr. Zhu Shengliang and Mr. Li Zhengshan, the executive directors of the Company, hold 16.2% (2017: 16.2%) and 0.9% (2017: 0.9%) equity interest of 上海仁通 respectively.

上述投資計劃中長期持有。指定該等投資為按公平值計入其他全面收入之股本投資可避免該等投資於損益之公平值變動出現波動。

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。於二零一八年及二零一七年十二月三十一日，本集團持有上海仁通之8.5%（二零一七年：8.5%）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%（二零一七年：16.2%）及0.9%（二零一七年：0.9%）股權。



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19. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

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 intends to hold the investment for long-term capital appreciation and has no intention to dispose of the investment in the near future. As at 31 December 2018, the Group holds 5% (2017: 5%) equity interest in 吉林美來.

19. 按公平值計入其他全面收入之股本投資(續)

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增值，且並無於近期出售該投資之意向。於二零一八年十二月三十一日，本集團持有吉林美來之5%（二零一七年：5%）股權。

20. INTANGIBLE ASSETS

20. 無形資產

		Technical knowhow 技術知識 2018 二零一八年 HK\$'000 千港元
Cost	成本	
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年一月一日	—
Additions from dissolution of associate	因聯營公司解散而添置	62,555
At 31 December 2018	於二零一八年十二月三十一日	62,555
Accumulated depreciation and impairment	累計折舊及減值	
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年一月一日	—
Charge for the year	本年度扣除	—
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	—
Carrying amount	賬面金額	
At 31 December 2018	於二零一八年十二月三十一日	62,555
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	—



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20. INTANGIBLE ASSETS (Continued)

The title of technical knowhow is transferred from an associate to the Company after dissolution of the associate during the year. The technical knowhow has no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the technical knowhow was considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The technical knowhow will not be amortised until their useful life are determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

The Group reviews the recoverable amount of the technical knowhow. No impairment loss has been recognised in the current year. The recoverable amount of the relevant assets has been determined on the basis of their value in use using discounted cash flow method. The discount rate used is 15.5% (level 3 fair value measurements).

20. 無形資產 (續)

技術知識之所有權於年內本公司一間聯營公司解散後由該聯營公司轉讓予本公司。本集團可使用技術知識產生淨現金流量之期限並無可預見限制。因此，本集團之管理層視技術知識可用年期為無限，原因為技術知識預期可無限期貢獻現金流入淨額。於可用年期確定為有限前，技術知識不會攤銷。相反，技術知識每年及每當有任何跡象顯示可能已出現減值時進行減值測試。

本集團會檢討技術知識之可收回金額。本年度並無確認減值虧損。相關資產之可收回金額乃以貼現現金流量法按使用價值釐定。所用貼現率為15.5%（第三級公平值計量）。

21. PREPAYMENTS

Prepayment for:
– Research and developments projects for motor vehicles

下列項目之預付款：
– 汽車研發項目

2018 二零一八年	2017 二零一七年
HK\$'000	HK\$'000
千港元	千港元

98,370	63,368
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21. 預付款

22. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品
Consumables	消耗品

2018 二零一八年	2017 二零一七年
HK\$'000	HK\$'000
千港元	千港元

10,369	8,808
–	658
1,745	65,860
126	82
12,240	75,408

22. 存貨



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23. TRADE AND OTHER RECEIVABLES

23. 應收貿易款項及其他應收款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	應收貿易款項	790	28,413
Less: impairment losses	減：減值虧損	—	—
		790	28,413
Prepayment to a supplier	預付供應商款項	333,918	333,918
Prepayments to others	預付其他方款項	131,346	39,468
Deposits and other receivables	按金及其他應收款	30,132	76,588
Amounts due from directors	應收董事款項	1,868	2,572
		498,054	480,959

Included in prepayments to others mainly represent amount prepaid for research and development projects of approximately HK\$106,932,000 (2017: approximately HK\$21,219,000), and prepayment for other expenses.

As at 31 December 2018, included in other receivables, an other loans receivables of HK\$17,106,000 (2017: HK\$17,106,000) carries interest rate at 4.35% to 6% (2017: 4.35% to 6%) 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 collectability of these receivables closely with reference to their respective current creditworthiness and repayment records. As at 31 December 2018, 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.

預付其他方款項主要指研發項目之預付款約106,932,000港元(二零一七年：約21,219,000港元)及其他開支之預付款。

於二零一八年十二月三十一日，其他應收款包括其他應收貸款17,106,000港元(二零一七年：17,106,000港元)，按年利率4.35%至6%(二零一七年：4.35%至6%)計息，須於一年內償還，並以債務人(為一間非上市有限責任公司)之股權及一間上市有限責任公司本身之股份以及債務人多名關聯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。於二零一八年十二月三十一日，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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23. TRADE AND OTHER RECEIVABLES (Continued)

Amounts due from directors are unsecured, interest-free and repayable on demand.

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 aging analysis of trade receivables, based on invoiced date, and net of allowance, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 30 days	0至30天	790	9,471
31 to 60 days	31至60天	-	9,471
61 to 90 days	61至90天	-	9,471
		790	28,413

As at 31 December 2018, 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.

23. 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。

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:

於二零一八年十二月三十一日,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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24. DERIVATIVE FINANCIAL INSTRUMENT

24. 衍生金融工具

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profits guaranteed arrangement	溢利保證安排	55,018	46,957

Pursuant to the capital injection into the Meilai Group, which classified as equity investments at fair value through other comprehensive income, 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 30 June 2018, the profit guarantee will lapse automatically.

根據向美來集團之注資（分類為按公平價值計入其他全面收入之股本投資），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六月三十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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24. DERIVATIVE FINANCIAL INSTRUMENT (Continued) 24. 衍生金融工具(續)

The fair value of the profit guarantee was approximately HK\$55,018,000 (2017: HK\$46,957,000) as at 31 December 2018, 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 2018 and 2017.

25. BANK AND CASH BALANCES

As at 31 December 2018, the bank and cash balances of the Group denominated in RMB amounted to approximately HK\$14,925,000 (2017: approximately HK\$98,485,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

於二零一八年十二月三十一日，溢利保證之公平值約為55,018,000港元(二零一七年：46,957,000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概率。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概率加權平均數。

於截至二零一八年及二零一七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。

25. 銀行及現金結餘

於二零一八年十二月三十一日，本集團以人民幣計值之銀行及現金結餘約為14,925,000港元(二零一七年：約98,485,000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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26. TRADE AND OTHER PAYABLES

26. 應付貿易款項及其他應付款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables	應付貿易款項	7,615	8,168
Accruals and other payables	應計費用及其他應付款	53,164	53,021
Amount due to a director	應付一名董事款項	391	638
		61,170	61,827

Trade payables

The aging analysis of the trade payables, based on the date of receipt of goods, is as follows:

應付貿易款項

根據收取貨品日期計算之應付貿易款項賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 180 days	0至180天	—	312
181 to 360 days	181至360天	49	6,825
Over 360 days	超過360天	7,566	1,031
		7,615	8,168



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27. 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 MPF 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.

28. SHARE CAPITAL

27. 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。

28. 股本

	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:		
Ordinary shares of HK\$0.1 each at 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	法定： 於二零一七年一月一日、 二零一七年十二月三十一日、 二零一八年一月一日及 二零一八年十二月三十一日 每股面值0.1港元之普通股	80,000,000
	800,000,000,000	80,000,000



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28. SHARE CAPITAL (Continued)

28. 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 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、二零一七年十二月三十一日及二零一八年一月一日每股面值0.1港元之普通股	20,337,872,747	2,033,787
Shares issued under share option schemes	根據購股權計劃發行之股份	(a) 15,000,000	1,500
Ordinary shares of HK\$0.1 each at 31 December 2018	於二零一八年十二月三十一日每股面值0.1港元之普通股	20,352,872,747	2,035,287

(a) During the year, 15,000,000 share options were exercised under the share option scheme at the price of HK\$0.114 per share. Accordingly, the Company's issued share capital increased by approximately HK\$1,500,000 and its share premium account was increased by approximately HK\$1,013,000, after charge from the share-based payment reserve of approximately HK\$803,000.

(a) 年內，15,000,000份購股權根據購股權計劃按每股0.114港元之價格獲行使。因此，自以股份支付之款項儲備扣除約803,000港元後，本公司之已發行股本增加約1,500,000港元，其股份溢價賬則增加約1,013,000港元。

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.

本集團管理資本之目標乃保障本集團持續經營之能力，並透過優化債項與權益結餘間之平衡，為股東創造最大回報。

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，保有充裕之營運資金，維持其整體資本架構平衡。



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29. RESERVES

(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.

(b) Reserves of the Company

		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 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)
At 1 January 2018	於二零一八年一月一日	2,122,201	94,601	394,144	(3,170,305)	(559,359)
Share issued under share option schemes	根據購股權計劃發行之股份	1,013	-	(803)	-	210
Lapse of share options	購股權失效	-	-	(1,820)	1,820	-
Loss for the year	本年度虧損	-	-	-	(244,431)	(244,431)
At 31 December 2018	於二零一八年十二月三十一日	2,123,214	94,601	391,521	(3,412,916)	(803,580)

(c) Nature and purpose of reserves

(i) Share premium account

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.

29. 儲備

(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) 本公司儲備

(c) 儲備性質及目的

(i) 股份溢價賬

股份溢價指按超出每股面值之價格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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29. RESERVES (Continued)

(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 4 to the consolidated financial statements.

29. 儲備 (續)

(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：

- 本公司無力或將於派付後無力支付到期負債；或
- 本公司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額。

(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4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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30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 30. 本公司財務狀況表

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	3,393	5,082
Investments in subsidiaries	於附屬公司之投資	27,678	27,678
		31,071	32,760
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	1,200,229	1,435,607
Prepayments, deposits and other receivables	預付款、按金及其他應收款	11,966	10,614
Bank and cash balances	銀行及現金結餘	920	8,809
		1,213,115	1,455,030
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款	12,479	13,362
Net current assets	流動資產淨值	1,200,636	1,441,668
NET ASSETS	資產淨值	1,231,707	1,474,428
Capital and reserves	資本及儲備		
Share capital	股本	2,035,287	2,033,787
Reserves	儲備	(803,580)	(559,359)
TOTAL EQUITY	權益總額	1,231,707	1,474,428



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31. 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, and 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.

31. 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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31. SHARE-BASED PAYMENTS (Continued)

31. 以股份支付之款項(續)

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.

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，並於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。

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.

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）。

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

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。

Details of the specific categories of options are as follows:

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
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



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31. 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 2018, 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 2017 and 2018. The fair value of the share options was approximately HK\$2,000 as at 31 December 2017 (2017: approximately HK\$1,970,000), 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:

		2018 二零一八年		2017 二零一七年	
		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	1,866,000,000	0.216	1,856,000,000	0.216
Granted during the year	於年內授出	-	-	10,000,000	0.187
Exercised during the year	於年內行使	(15,000,000)	0.114	-	-
Expired during the year	於年內到期	(34,000,000)	0.114	-	-
Outstanding at the end of the year	於年末尚未行使	1,817,000,000	0.219	1,866,000,000	0.216

The weighted average share price at the date of exercise for share options exercised during the year was HK\$0.146 (2017: HK\$nil). The options outstanding at the end of the year have a weighted average remaining contractual life of 5.6 years (2017: 6.6 years) and the exercise prices range from HK\$0.108 to HK\$0.395 (2017: HK\$0.108 to HK\$0.395).

31. 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。直至截至二零一八年十二月三十一日止年度為止，該顧問尚未提供有關服務，因此截至二零一七年及二零一八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2,000港元（二零一七年：約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：

於年內行使之購股權於行使日期之加權平均股價為0.146港元（二零一七年：零港元）。於年末尚未行使之購股權之加權平均剩餘合約年期為5.6年（二零一七年：6.6年），而行使價介乎0.108港元至0.395港元（二零一七年：0.108港元至0.395港元）。



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31. SHARE-BASED PAYMENTS (Continued)

These fair values were calculated using the binomial pricing model. The inputs into the model are as follows:

		20 January 2017 二零一七年 一月二十日
Share price	股價	HK\$0.1800港元
Exercise price	行使價	HK\$0.1872港元
Expected volatility	預計波幅	71.51%
Expected life	預計年期	10 years 年
Risk free rate	無風險利率	1.796%
Expected dividend yield	預計股息回報	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.

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，就不可轉讓性、行使限制及行為考慮之影響作出調整。

32. 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:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	於一年內	31,390	22,051
In the second to fifth year inclusive	第二至第五年內 (包括首尾兩年)	16,901	11,780
		48,291	33,831

33. 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.

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Purchase of raw materials	採購原材料	-	1,245

The raw materials were purchased from Anhui Tiankang HK New Energy Technology Co., Ltd., the associate of the Group.

32. 租賃承擔

於報告期末，有關若干辦公室及廠房物業之不可撤銷經營租賃下之未來最低租賃付款總額分析如下：

33. 關聯方交易

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聯方交易。

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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34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY 34. 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.

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。

Particulars of the Company's principal subsidiaries at the end of the reporting period are as follows:

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 開發高科技電動車
HK Battery Technology Inc.	US 美國	Ordinary US\$109,532 普通股109,532美元	99.9%	Development of high-tech electric motor vehicles 開發高科技電動車
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%	Sale of high-tech electric motor vehicles and components and provision of after-sales services 銷售高科技電動車及配件， 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 USD30,000,000 註冊資本 30,000,000美元	100%	Provision of finance lease services 提供融資租賃服務

* Shares held directly by the Company

* 股份由本公司直接持有



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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

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.

34. 本公司主要附屬公司之詳情 (續)

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。

		Lianyungang Hybrid Kinetic New Energy Co., Limited 連雲港正道新能源有限公司	
		2018 二零一八年	2017 二零一七年
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 千港元	HK\$'000 千港元
At 31 December:	於十二月三十一日：		
Non-current assets	非流動資產	3,424	14,047
Current assets	流動資產	88,020	85,354
Non-current liabilities	非流動負債	-	-
Current liabilities	流動負債	(14,686)	(15,473)
Net assets	資產淨值	76,758	83,928
Accumulated NCI	累計非控股權益	30,542	33,395
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	(865)	(2,158)
Total comprehensive income	全面收益總額	(2,853)	5,545
Loss for the year allocated to NCI	分配至非控股權益之 本年度虧損	(344)	(859)
Net cash used in operating activities	經營活動所用現金淨額	(470)	(1,328)
Net cash used in investing activities	投資活動所用現金淨額	(262)	(43)
Net cash generated from financing activities	融資活動所得現金淨額	-	-
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(732)	(1,371)

35. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 March 2019.

35. 批准綜合財務報表

綜合財務報表已於二零一九年三月二十九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，乃摘錄自已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				
		2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年	2018 二零一八年
		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	72,170	44,945	15,529	35,434	61,250
Loss before tax	除稅前虧損	(407,428)	(355,281)	(358,740)	(309,045)	(289,811)
Income tax credit/(expense)	所得稅抵免/(開支)	662	(1,046)	(805)	(360)	(18)
Loss for the year	本年度虧損	(406,766)	(356,327)	(359,545)	(309,405)	(289,829)
Attributable to:	以下人士應佔：					
Owners of the Company	本公司擁有人	(415,156)	(350,517)	(355,303)	(306,303)	(288,571)
Non-controlling interests	非控股權益	(5,686)	(5,810)	(4,242)	(3,375)	(1,258)
		(420,842)	(356,327)	(359,545)	(309,405)	(289,829)

		As at 31 December 於十二月三十一日				
		2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年	2018 二零一八年
		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	719,315	2,321,701	1,909,963	1,666,590	1,300,218
Total liabilities	負債總額	(106,902)	(41,675)	(48,545)	(61,827)	(61,170)
Net assets	資產淨值	612,413	2,280,026	1,861,418	1,604,763	1,239,048
Equity attributable to:	以下人士應佔權益：					
Owners of the Company	本公司擁有人	577,140	2,243,571	1,827,339	1,567,543	1,209,437
Non-controlling interests	非控股權益	35,273	36,455	34,079	37,220	29,611
		612,413	2,280,026	1,861,418	1,604,763	1,239,048





HYBRID KINETIC GROUP LIMITED
正道集團有限公司