



CHAOWEI POWER HOLDINGS LIMITED
超威動力控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 00951



2020

Interim Report
中期報告

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Corporate Information

公司資料

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

STOCK CODE

00951

BOARD OF DIRECTORS

Executive Directors

Mr. Zhou Mingming (Chairman and Chief Executive Officer)
Mr. Zhou Longrui
Ms. Yang Yunfei
Mr. Yang Xinxin

Non-executive Director

Ms. Fang Jianjun

Independent Non-executive Directors

Mr. Wang Jiqiang
Prof. Ouyang Minggao
Mr. Lee Conway Kong Wai
Mr. Ng Chi Kit

AUDIT COMMITTEE

Mr. Lee Conway Kong Wai (Chairman)
Mr. Wang Jiqiang
Prof. Ouyang Minggao
Mr. Ng Chi Kit

REMUNERATION COMMITTEE

Mr. Lee Conway Kong Wai (Chairman)
Mr. Zhou Mingming
Mr. Wang Jiqiang

NOMINATION COMMITTEE

Mr. Zhou Mingming (Chairman)
Mr. Wang Jiqiang
Mr. Lee Conway Kong Wai

COMPANY SECRETARY

Mr. Leung Wai Yip CPA

AUTHORIZED REPRESENTATIVES

Mr. Zhou Mingming
Mr. Leung Wai Yip CPA

REGISTERED OFFICE

P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

上市地點

香港聯合交易所有限公司(「聯交所」)

股份代號

00951

董事會

執行董事

周明明先生(主席兼行政總裁)
周龍瑞先生
楊雲飛女士
楊新新先生

非執行董事

方建軍女士

獨立非執行董事

汪繼強先生
歐陽明高教授
李港衛先生
吳智傑先生

審核委員會

李港衛先生(主席)
汪繼強先生
歐陽明高教授
吳智傑先生

薪酬委員會

李港衛先生(主席)
周明明先生
汪繼強先生

提名委員會

周明明先生(主席)
汪繼強先生
李港衛先生

公司秘書

梁偉業先生CPA

授權代表

周明明先生
梁偉業先生CPA

註冊辦事處

P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

Corporate Information

公司資料

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 18, Chengnan Road, Huaxi Industrial Function Area
Changxing County
Zhejiang Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1308A, 13/F, Lippo Sun Plaza
28 Canton Road, Tsim Sha Tsui
Kowloon, Hong Kong

PRINCIPAL BANKS

China Construction Bank, Changxing Jie Fang Dong Road Sub-branch
Bank of China, Changxing County Sub-branch

LEGAL ADVISERS

As to Hong Kong law

Luk & Partners

in Association with Morgan, Lewis & Bockius

As to PRC law

Zhejiang S&P Law Firm

As to Cayman Islands law

Conyers Dill & Pearman

AUDITORS

Deloitte Touche Tohmatsu, Registered Public Interest
Entity Auditors

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shop 1712-16, 17th Floor Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110, Cayman Islands

COMPANY WEBSITE

www.chaowei.com.hk

中國總辦事處及主要營業地點

中國浙江省
長興縣
畫溪工業園區城南路18號

香港主要營業地點

香港九龍
尖沙咀廣東道28號
力寶太陽廣場13樓1308A室

主要往來銀行

中國建設銀行長興解放東路支行
中國銀行長興縣支行

法律顧問

有關香港法律

陸繼鏘律師事務所

與摩根路馬斯律師事務所聯營

有關中國法律

浙江尚公律師事務所

有關開曼群島法律

康德明律師事務所

核數師

德勤•關黃陳方會計師行，註冊公眾利益實體
核數師

香港證券登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓1712-16室

開曼群島股份過戶登記處

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110, Cayman Islands

公司網址

www.chaowei.com.hk

Management Discussion & Analysis

管理層討論及分析

Chaowei Power Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) engages principally in the manufacturing and sales of lead-acid motive batteries, lithium-ion batteries and other related products, which are primarily used in electric bikes, electric tricycles and special-purpose electric vehicles.

Since the beginning of 2020, the outbreak of the COVID-19 pandemic has brought challenges to the domestic and overseas economy as well as the overall market environment. Thanks to its excellent management and flexible contingency measures, the Group managed to minimise the impacts of the pandemic on its business operations, with the resumption of production and full operation in February and early March, respectively. In addition, the Group continued to focus on addressing technological bottlenecks in the industry, improving the quality and production technology of battery products. Aided by the cutting-edge technology of the domestic research and development (“R&D”) teams as well as communications and cooperation with international R&D institutions, the Group continued to develop battery products with superior performance, higher energy efficiency, longer lifespan and greater environmental friendliness, thus consolidating its core competitiveness and maintaining the leading market position.

The Group’s total revenue for the six months ended 30 June 2020 (the “Period”) amounted to approximately RMB11,109 million. Overall gross profit margin decreased slightly by 0.3 percentage points year-on-year to approximately 12.6% (corresponding period in 2019: 12.9%). Profit attributable to owners of the Company was approximately RMB407.2 million (corresponding period in 2019: RMB286.0 million), representing a significant year-on-year increase of 42.4%. The increase was primarily due to the increase recorded in other income and other gains caused by gain on fair value of financial assets and the reduction of operating expenses caused by enhancement of the Company’s operational efficiency. Basic earnings per share was RMB0.37 (corresponding period in 2019: RMB0.26).

超威動力控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事鉛酸動力電池、鋰離子電池及其他相關產品的製造及銷售，產品主要應用於電動自行車、電動三輪車及特殊用途電動車等。

二零二零年初開始，新型冠狀病毒肺炎疫情爆發，為國內外經濟及市場環境帶來挑戰，本集團憑藉優秀的管理及採取靈活的應變措施，致力將疫情對業務營運的影響減至最低，已於二月恢復生產，三月初全面營運。此外，本集團持續聚焦行業技術瓶頸，提升電池產品的質量和生產技術，通過國內研發團隊的領先技術與國際研發機構的交流和合作，持續開發性能更優越、能效更佳、壽命更長及更環保的電池產品，鞏固本集團的核心競爭力，以保持市場領先地位。

截至二零二零年六月三十日止六個月(「本期間」)，本集團總收入約人民幣111.09億元。整體毛利率同比輕微減少0.3個百分點至約12.6%(二零一九年同期：12.9%)。本公司擁有人應佔利潤約為人民幣4.072億元(二零一九年同期：人民幣2.860億元)，同比大增42.4%，主要由於錄得金融資產公平值收益令其他收入及其他收益增加及本公司經營效益有所提升令營運開支下降所致。每股基本盈利為人民幣0.37元(二零一九年同期：人民幣0.26元)。

Management Discussion & Analysis

管理層討論及分析

INDUSTRY OVERVIEW

Steady and upward trend of electric bike and other electric vehicles market

The People's Republic of China (the "PRC") is a major player in the global electric bike market. By virtue of its convenience and energy-saving features, electric bike has been a popular means of transportation in the PRC, especially for residents in the second and third-tier cities. According to the statistics, the ownership of electric bikes in the PRC has almost reached 300 million, while the annual production of electric bikes has remained at a level of over 30 million units in recent years. Owing to the impacts of the pandemic on supply chains and plant operations, the production of electric bikes in the PRC experienced a slight decline during the first four months of the year, whilst a more significant impact on offline sales was recorded in the first quarter. However, given the gradual easing of the pandemic, the production of electric bikes has been steadily resumed in the second quarter. Since April, the sales of electric bikes in the PRC have also picked up, while the popularity of online sales will further boost the sales of electric bikes. As people focus on social distancing during the pandemic, more and more people have purchased electric bikes for daily travel, which has increased the demand for electric bikes. Sales outlook for electric bikes remains optimistic in the second half of this year. The market is anticipating a compound annual growth rate (CAGR) of around 7% between 2019 and 2023 for the PRC electric bike market.

In addition, since the beginning of the year, people have become less inclined to go outside due to the pandemic, conducive to further development of e-commerce in the PRC. Courier services and storage and logistics business have further expanded, thus stimulating the demand for large-scale electric tricycles and electric forklifts used for short-haul transportation of goods.

行業回顧

電動自行車及其他電動車市場穩定向好

中華人民共和國(「中國」)是電動自行車的大國，電動車自行車既便捷又節約能源，一直是國內特別是二、三線城市居民喜愛的出行工具。根據統計，中國電動自行車社會保有量已近3億輛。近年來，中國電動自行車的每年產量均保持在3,000萬輛以上。受到疫情對供應鏈及廠房運作的影響，中國電動自行車的產量在今年首四個月輕微下降，其線下銷售在第一季所受的影響亦較大。可是，隨著疫情逐步緩和，電動自行車的生產狀況在第二季度已慢慢恢復正常，今年四月以來，中國電動自行車的銷售亦已出現回暖之勢，線上銷售火熱將進一步拉動電動自行車的銷售。因民眾在疫情下注重社交距離，越來越多人購買了電動自行車用於日常出行，增加了對電動自行車的需求，亦使今年下半年電動自行車的銷售維持樂觀。市場預計，中國電動兩輪車市場自二零一九年至二零二三年的複合年增長率約為7%。

此外，自今年初以來民眾受疫情影響均減少了外出，推動了中國電商的蓬勃發展，快遞和倉儲物流行業進一步擴張，刺激了用作短途貨物運輸的大型電動三輪車和電動叉車的需求。

Management Discussion & Analysis

管理層討論及分析

Lead-acid motive batteries maintain dominant position in the industry

After years of development, the technology of lead-acid motive battery industry has matured. Its products have the merits of stable and reliable functions, extensive applications, excellent safety and high recycling rate. Moreover, lead-acid motive batteries are excellent in terms of cost-performance ratio. Its consumer groups mainly consist of low-and middle-income customers, who are more sensitive to prices. Therefore, lead-acid motive batteries still command a majority share of the markets of electric bikes, electric tricycles, and small electric tricycles for seniors. Furthermore, as normal lead-acid motive batteries have a warranty period of 15 months and require regular replacement from then on, the replacement market is enormous and the demand will remain steady.

Industry policies bode well for the leading enterprises

The newly amended "Safety Technical Specification for Electric Bicycle" (《電動自行車安全技術規範》) (the "New National Standard") of the PRC officially came into effect on 15 April 2019. The New National Standard has generally introduced more stringent safety performance requirements for electric bikes, since a full mandatory compliance is now required as opposed to the previous version only requiring mandatory compliance with selected clauses. The New National Standard imposes strict nationwide regulations over the production specifications and the riding of electric bikes, advocating the generational upgrade of electric bikes, which bodes well for the development of leading manufacturers of lead-acid motive batteries for electric bikes with premium quality and high specific energy. This year, the Chinese government introduced a series of new regulations on electric bikes in different parts of the country, including the prohibition on unlicensed electric bikes on the road, which prevent the use of non-standard vehicles, thus facilitating more regulated and healthy development of the entire electric bike industry.

鉛酸動力電池保持行業壟斷地位

經過多年的發展，鉛酸動力電池行業的技術已十分成熟，其產品具有性能穩定可靠、應用領域廣泛、安全性高、再生利用率高等優點，而且鉛酸動力電池性價比高，其消費群體主要是中低收入客戶，對價格比較敏感，故此鉛酸動力電池仍然在電動兩輪車、電動三輪車及老年人代步的小型電動三輪車領域佔絕大部份市場份額。加上一般鉛酸動力電池質保期為15個月，需要定期更換，其替換市場龐大，因此需求將保持平穩。

行業政策利好領先企業

中國新修訂的《電動自行車安全技術規範》(簡稱「新國標」)已於二零一九年四月十五日起正式實施，全面提升了電動自行車的安全性能要求，由原來的部分條款強制改為全文強制，嚴格規範了全國電動自行車的生產規格和騎行，推動電動自行車的升級換代，有利生產高品質、高比能量的電動自行車鉛酸動力電池的領先企業的發展。今年，中國政府更在全國各地陸續推出一系列電動自行車新規，包括電動自行車未有上牌不得上路行駛，以杜絕非標車投入使用，將有利於電動自行車整體行業更為規範、健康地發展。

Management Discussion & Analysis

管理層討論及分析

In addition, the “Technical Specification for Recycling Waste Lead-acid Battery” (《廢鉛酸蓄電池回收技術規範》), drafted with contributions from the Group and officially announced by the State Administration for Market Regulation and Standardization Administration of the PRC, officially came into effect on 1 October 2019. The standards require enterprises to establish a recycling system for “recycling every battery sold”, under which manufacturers shall set up a network to collect used batteries at the consumer-end through either its own sales channel or professional recycling operators. Furthermore, the “Notice on the Commencement of Inspection and Remediation of Hazardous Waste” (《關於開展危險廢物專項整治工作的通知》) issued by the Ministry of Ecology and Environment of the PRC stipulated that chemical industrial parks, key units generating industrial hazardous waste and all units engaged in operations involving hazardous waste across the country shall be inspected by the end of 2019 for environmental risks concerning hazardous waste. These policies enhance the development of the nation’s waste lead-acid battery recycling industry in a more regulated manner. It will also be conducive to further industry consolidation and the optimisation of industry structure, favourable to the lead-acid battery enterprises comprehensive recycling system.

BUSINESS REVIEW

Battery business development in steady progress

Lead-acid motive batteries are the main products of the Group. Given its mature production experience, good battery quality and sound reputation, the Group has gained wide recognition from distributors and consumers, and its business managed to sustain a steadily progressing development. Revenue from sales of lead-acid motive batteries for the Period amounted to approximately RMB10,372 million, accounting for approximately 93.4% of the Group’s total revenue, among which revenue from sales of electric bike batteries amounted to approximately RMB7,206 million, accounting for approximately 64.9% of the Group’s total revenue. Revenue from sales of electric tricycle batteries and specialised electric vehicle batteries amounted to RMB3,165 million, accounting for 28.5% of the Group’s total revenue.

此外，本集團參與起草、由中國國家市場監督管理總局及國家標準化管理委員會發佈的《廢鉛酸蓄電池回收技術規範》已於二零一九年十月一日起正式實施。該標準規定企業建立「銷一收一」的回收體系，通過生產者自有銷售渠道或專業回收企業在消費末端建立網絡回收廢電池。中國生態環境部《關於開展危險廢物專項整治工作的通知》，亦要求二零一九年年底，在全國範圍內排查化工園區、重點行業危險廢物產生單位、所有危險廢物經營單位的危險廢物環境風險。這些政策進一步推動了中國廢鉛酸蓄電池回收行業的規範發展，有利行業集中度進一步提升、優化產業結構，利好擁有完善回收體系的鉛酸電池企業。

業務回顧

電池業務平穩發展

鉛酸動力電池為本集團的主要產品，憑著成熟的生產經驗、電池品質及口碑，獲得分銷商和消費者的廣泛認可，業務持續平穩發展。本期間，鉛酸動力電池銷售收入約人民幣103.72億元，佔本集團總收入約93.4%；其中電動自行車電池銷售收入約人民幣72.06億元，佔本集團總收入約64.9%；電動三輪車電池及特殊用途電動車電池的銷售收入約人民幣31.65億元，佔本集團總收入約28.5%。

Management Discussion & Analysis

管理層討論及分析

In addition, the Group is also engaged in the sales of lithium-ion battery products in light of the demand for market development. The products are manufactured using pouch-type technique which secured specialised accreditations such as the “National Torch Plan Industrialization Demonstration Project Certificate” (國家火炬計劃產業化示範項目證書). The product delivers excellent performance and a high level of safety-in-use and specific energy, which are conducive to lightweight development and prolonging battery life. Revenue from sales of the lithium-ion battery products for the Period amounted to approximately RMB56 million. The Group will continue to invest in the R&D of lithium-ion battery products in an effort to manufacture lithium-ion batteries with higher quality and advanced international standards. During the Period, the Group also made strategic investments in enterprises that manufacture new models of lithium-ion battery, aiming to introduce more advanced lithium-ion battery products to the market.

Strategic distribution and marketing efforts

The Group understands the importance of a strategic production layout with market proximity. As such, it has established production facilities in regions with greater demand for lead-acid motive batteries, such as Shandong, Jiangsu, Henan, Zhejiang, Anhui, Jiangxi and Hebei provinces in the PRC, so as to keep abreast of the market trends, reduce the costs of storage and logistics and improve the operational efficiency.

The Group has established a nationwide sales and distribution network in the PRC with full coverage of both the primary and secondary markets. For the primary market, the Group has established a major customer service department to provide comprehensive services to the leading electric bike manufacturers such as Yadea and Aima. Moreover, the Group operates an extensive distribution network spanning across various provinces in the country. As of 30 June 2020, the Group had 1,964 independent distributors serving the secondary market.

The Group has also continued to hire the renowned movie star Mr. Donnie Yen as its brand ambassador to reinforce its brand influence.

此外，因應市場發展需求，本集團亦有銷售鋰離子電池產品，其使用軟包技術生產，獲得「國家火炬計劃產業化示範項目證書」等專業認證，產品性能卓越，安全性及比能量高，有利於輕量化及提高續航里程。本期間，鋰離子電池產品實現銷售收入約人民幣5,600萬元。本集團將堅持投入鋰離子電池產品研發，致力製造更高品質及達到國際領先水平的鋰離子電池。

策略性的分銷及市場推廣

本集團深諳就近市場生產的戰略性佈局的重要性，將生產設施部署於鉛酸動力電池需求較高的區域，包括中國山東、江蘇、河南、浙江、安徽、江西以及河北省等多個省份，以緊貼市場趨勢、減低倉儲及物流的成本，提升運營效率。

本集團於全中國佈局銷售與分銷網路，全面覆蓋一級市場及二級市場。一級市場方面，本集團設有大客戶部門，為主要電動自行車製造商如雅迪及愛瑪等提供全面服務。此外，本集團擁有龐大的分銷網路，覆蓋全國各個省區。截至二零二零年六月三十日止，本集團二級市場獨立經銷商總數達1,964家。

本集團亦繼續聘請知名影星甄子丹先生作為品牌代言人，鞏固品牌影響力。

Management Discussion & Analysis

管理層討論及分析

Widely recognised as an industry leader

Building on its excellent technological innovation capability, brand influence and market competitiveness in the field of energy storage, the Group's industry position continued to be highly recognised by the PRC government and the industry. During the Period, the Group retained its place among the "Top 500 Chinese Enterprises" (中國企業500強), "Top 500 Enterprises of China's Manufacturing Industry" (中國製造業企業500強) and "Fortune Top 500 Chinese Companies" (《財富》中國500強), while being honoured with a spot among the "Top 100 Chinese Private-Owned Enterprises" (中國民營企業100強). The Group also continued to rank among the lists of "Top 100 Enterprises of China's Light Industry" (中國輕工業百強企業) and "Top 100 Science and Technology Enterprises in China's Light Industry" (中國輕工業科技百強), while topping the list of "Top 10 Enterprises of New Energy Battery Industry in China's Light Industry" (中國輕工業新能源電池行業十強企業) for the eighth year in a row.

Dedicated to R&D and striving to become industry benchmark

The Group has always adhered to the corporate development strategy of "technology-leading" by continuously stepping up investments in R&D and introducing new technologies, products and concepts to the industry. During the Period, the Group's R&D expenses reached approximately RMB370 million, accounting for approximately 3.3% of total revenue.

Taking advantage of both domestic and overseas high-end talents and the cutting-edge technologies, the Group has a leading R&D team for ensuring its pioneering position in various technological fields. As of 30 June 2020, the Group has recruited more than 10 renowned domestic and foreign experts, 5 of whom were national experts and 6 of whom were provincial experts. In addition, the Group was named as National Model Enterprise of Technology Innovation (國家技術創新示範企業) and National Model Enterprise of Intellectual Property (國家知識產權示範企業), with a number of platforms for technological innovation in place, such as the nationally-recognised enterprise technology centre, nationally-accredited laboratory, national environmental protection engineering technology centre, provincial key research institute, academician work station and post-doctoral research work station, among others. It has also established overseas R&D centres.

行業領先地位廣受市場認可

憑藉在儲能領域優異的技術創新力、品牌影響力和市場競爭力，本集團的行業地位長期得到中國政府及業界的高度認可。本期間，本集團繼續獲納入「中國企業500強」、「中國製造業企業500強」、「《財富》中國500強」，並獲得「中國民營企業100強」榮譽。本集團亦繼續入選「中國輕工業百強企業」及「中國輕工業科技百強」榜單，並連續八年蟬聯「中國輕工業新能源電池行業十強企業」第一位。

致力科技研發爭做行業標桿

本集團始終堅持「技術領先」的企業發展策略，不斷加大研發投入，為行業引入新技術、新產品、新理念。本期間，本集團的研發開支約達人民幣3.70億元，佔總收入約3.3%。

本集團擁有領先的科研團隊，依託國內外的高端人才及尖端技術，成為多個領域的技術先驅。截至二零二零年六月三十日止，本集團已聘請逾10位國內外知名專家，其中包括5位國家級專家和6位省級專家。此外，本集團為國家技術創新示範企業和國家知識產權示範企業，並建有國家認定企業技術中心、國家認可實驗室、國家環保工程技術中心、省重點企業研究院、院士工作站、博士後科研工作站等多個科技創新平台，以及在國外建立了研發中心。

Management Discussion & Analysis

管理層討論及分析

Pursuing green production to echo with national policies

The Group regards the green ideology as a fundamental consideration for its high-quality corporate development and insists on following the green, low-carbon, and recycling path of ecological development. It adopts the concept of “innovation, integration, green, open, and sharing” throughout the product life cycle. By combining the driving forces of ideology and technology, and leveraging the Internet+, big data, artificial intelligence, and other new technologies, the “Chaowei Model” of green development comes into being as the Group promotes green manufacturing and intelligent manufacturing.

The Group also took the initiative to set up the National Environmental Protection Engineering Technology Centre, establish the Green Recycling Development Alliance of China's Battery Industry (中國電池產業綠色循環發展聯盟), and organise the founding of the country's first dedicated fund for the prevention of and relief for battery pollution, in a bid to help steer the industry towards the path of healthy and orderly development by promoting industry cooperation and exchanges.

Last year, the Group was one of the few corporate representatives of the battery industry selected by the Ministry of Industry and Information Technology for inclusion in the first list of “Model Enterprise of Green Industrial Products Design” (工業產品綠色設計示範企業). As of 30 June 2020, the Group had 9 plants included in the green plant list; 2 plants included in the green supply chain list; and 14 products included in the green products design list. In terms of the total number of exemplary projects for national-grade green manufacturing development, the Group is an industry leader.

Future development strategy

Looking forward to the second half of 2020, notwithstanding the overall easing of the pandemic within the country, the outlook remains fraught with uncertainties as the economic and trade environment at home and abroad is still affected by various complicated factors. The Group will continue to keep a close watch on the pandemic situation and market development, actively adjusting the marketing and production strategies. It remains cautiously optimistic towards the market environment of the lead-acid motive battery industry.

堅持綠色生產響應國家政策

本集團將綠色作為企業高質量發展的根本底色，堅定不移走綠色、低碳、循環的生態發展之路，將「創新、融合、綠色、開放、共享」理念貫穿到整個產品生命週期，以理念上驅動、科技上推動相結合，依託互聯網+、大數據、人工智能等新技術，推進綠色製造、智能製造，成功打造了綠色發展的「超威模式」。

本集團亦牽頭組建國家環境保護工程技術中心、成立中國電池產業綠色循環發展聯盟、組織設立全國首個電池污染防治和救助專項基金等，促進行業合作交流，為引導行業健康有序發展積極貢獻。

去年，本集團入選工業信息化部首批「工業產品綠色設計示範企業」名單，成為為數不多的電池行業企業代表之一。截至二零二零年六月三十日止，本集團已有9家工廠入選綠色工廠名單，2家工廠入選綠色供應鏈名單，14個產品入選綠色設計產品名單，在國家級綠色製造體系建設示範項目總數方面領先行業。

未來發展策略

展望二零二零年下半年，國內疫情總體上趨向緩和，由於國內外的經濟和貿易環境受著各方面的複雜因素影響，仍存在很多的不確定性，本集團將繼續密切關注疫情及市場的發展情況，積極調整營銷和生產策略，本集團對鉛酸動力電池的市場環境保持審慎樂觀。

Management Discussion & Analysis

管理層討論及分析

In addition, the Group believes that competition in the lead-acid motive battery industry is still fierce, while further strengthening on the supervision of battery industry will be beneficial for the entire industry to achieve a high degree of consolidation and concentration. As one of the industry's benchmark corporations, the Group will rely on its comprehensive strength to focus on its main business and continuously improve its R&D capability and product quality. It will also remain steadfast on the innovation-driven development and industrial integration, so as to accelerate the process of internationalization and fully implement the strategy of integrating technology, green ideology and quality.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Period amounted to approximately RMB11,108,670,000, representing a decrease of approximately 5.1% compared to approximately RMB11,711,083,000 for the same period in 2019. The drop in revenue was mainly due to net effect of the followings: (1) increase in sales volume; and (2) drop in average selling price of lead-acid motive batteries caused by the decrease in price of lead which is the Group's main raw material.

Gross profit

The Group's gross profit for the Period amounted to approximately RMB1,402,521,000, representing a decrease of approximately 7.2% compared to approximately RMB1,511,634,000 for the same period in 2019. The Group's gross profit margin for the Period was approximately 12.6% (the corresponding period of 2019: approximately 12.9%). The slight decrease in gross profit margin was primarily due to the increase in the proportion of sales of material which has a relatively lower gross profit margin in product mix.

Other income and other gains

The Group's other income and other gains for the Period amounted to approximately RMB402,271,000, representing an increase of approximately 116.5% compared to approximately RMB185,812,000 for the same period in 2019. The increase was mainly due to the gain on fair value of financial assets, comprising equity securities listed in Hong Kong, of approximately RMB175,450,000 for the Period (the corresponding period of 2019: nil).

此外，本集團相信，鉛酸動力電池行業競爭依然激烈，而電池行業監管進一步加強，將有利整個行業實現高度整合與集中。本集團作為行業的標桿企業之一，將依託綜合實力堅持聚焦主業，持續提升研發水平和產品品質；本集團亦將堅持創新驅動與產業融合，加快國際化進程，以及全面踐行科技、綠色、品質相融合的策略。

財務回顧

收入

本集團於本期間的收入約人民幣11,108,670,000元，較二零一九年同期約人民幣11,711,083,000元減少約5.1%，收入下降主要由於以下各項的淨影響所致：(1)銷量上升；及(2)本集團主要原材料鉛的價格下降，導致鉛酸動力電池平均售價下降所致。

毛利

本集團於本期間的毛利約人民幣1,402,521,000元，較二零一九年同期約人民幣1,511,634,000元減少約7.2%。本集團於本期間的毛利率約為12.6%（二零一九年同期：約12.9%）。毛利率輕微下跌主要由於產品組合中材料銷售的比例增加，而其毛利率相對較低所致。

其他收入及其他收益

本集團於本期間的其他收入及其他收益約人民幣402,271,000元，較二零一九年同期約人民幣185,812,000元增加約116.5%，主要由於本期間金融資產（包括香港上市的股本證券）的公平值收益約人民幣175,450,000元所致（二零一九年同期：無）。

Management Discussion & Analysis

管理層討論及分析

Distribution and selling expenses

The Group's distribution and selling expenses for the Period amounted to approximately RMB301,406,000, representing a decrease of approximately 14.5% compared to approximately RMB352,641,000 for the same period in 2019. The decrease was mainly due to the decrease in transportation expenses during the Period.

Administrative expenses

The Group's administrative expenses for the Period were approximately RMB285,891,000, representing a slight increase of approximately 0.5% compared to approximately RMB284,530,000 for the same period in 2019. The increase was in line with the expansion of the business of the Group during the Period.

R&D expenses

The Group's R&D expenses for the Period amounted to approximately RMB370,431,000, representing an increase of approximately 1.3% compared to approximately RMB365,642,000 for the same period in 2019. The increase was primarily due to increase in R&D expenditure on lead-acid batteries and other new technology products during the Period.

Finance costs

The Group's finance costs for the Period decreased by approximately 16.1% from approximately RMB204,896,000 for the corresponding period of 2019 to approximately RMB171,914,000. The decrease in finance costs was primarily due to a decrease in amount of bank borrowings during the Period as compared with the corresponding period of 2019.

Profit before taxation

For the above reasons, the Group's profit before tax for the Period increased by approximately 47.8% to approximately RMB534,924,000 (the corresponding period of 2019: approximately RMB361,898,000).

Taxation

The Group's income tax expenses for the Period increased by approximately 10.1% to approximately RMB138,484,000 (the corresponding period of 2019: approximately RMB125,826,000). The effective tax rate for the Period was approximately 25.9% compared to approximately 34.8% for the same period in 2019. The higher in effective tax rate in 2019 was mainly due to losses incurred by certain subsidiaries.

分銷及銷售開支

本集團於本期間的分銷及銷售開支約人民幣301,406,000元，較二零一九年同期約人民幣352,641,000元減少約14.5%，主要是由於本期間的交通開支減少所致。

行政開支

本集團於本期間的行政開支約人民幣285,891,000元，較二零一九年同期約人民幣284,530,000元輕微增加約0.5%，與本集團於本期間業務拓展相符。

研發開支

本集團於本期間的研發開支約人民幣370,431,000元，較二零一九年同期約人民幣365,642,000元增加約1.3%，主要由於本期間鉛酸電池及其他新技術產品的研發開支上升所致。

融資成本

本集團的融資成本由二零一九年同期約人民幣204,896,000元減少約16.1%至本期間約人民幣171,914,000元。融資成本下降主要由於本期間銀行借貸金額較二零一九年同期減少所致。

除稅前利潤

就上述原因，本集團於本期間的除稅前利潤增加約47.8%至約人民幣534,924,000元（二零一九年同期：約人民幣361,898,000元）。

稅項

本集團於本期間的所得稅開支增加約10.1%至約人民幣138,484,000元（二零一九年同期：約人民幣125,826,000元）。本期間的實際稅率約為25.9%，而二零一九年同期則約為34.8%。二零一九年的實際稅率較高主要由於若干附屬公司產生之虧損所致。

Management Discussion & Analysis

管理層討論及分析

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Period amounted to approximately RMB407,152,000, representing an increase of approximately 42.4%, compared to approximately RMB285,974,000 for the corresponding period in 2019. The increase was mainly due to the increase in other income and other gains caused by gain on fair value of financial assets and the reduction of operating expenses caused by enhancement of the Company's operational efficiency during the Period.

Liquidity and financial resources

As at 30 June 2020, the Group had net current assets of approximately RMB173,280,000 (31 December 2019: approximately RMB130,904,000), of which cash and bank balances were approximately RMB2,442,457,000 (31 December 2019: approximately RMB1,958,428,000). Net debt, including bank borrowings, corporate bonds, medium-term notes, lease liabilities and deducting cash and bank deposits, were approximately RMB1,415,548,000 (31 December 2019: approximately RMB2,579,920,000). The borrowings were mainly used to finance capital expenditure, the purchases of raw materials and operations of the Group. They were denominated in RMB, USD or HKD, of which approximately RMB3,109,653,000 bore interests at fixed rates and approximately RMB3,277,672,000 were repayable within 1 year. The Group adopted centralised financing and treasury policies in order to ensure the funding is utilized efficiently.

As at 30 June 2020, the Group's current ratio (current assets/current liabilities) was approximately 1.01 (31 December 2019: approximately 1.01) and gearing ratio (net debt/total assets) was approximately 7.4% (31 December 2019: approximately 14.8%). The Group had sufficient cash and available banking facilities to meet its commitments and working capital requirements. The current cash position has enabled the Group to explore investment and business development opportunities to expand its market share in the PRC.

Exchange rate fluctuation risk

As the Group's operations are mainly conducted in the PRC and the majority of the sales and purchases are transacted in Renminbi, the Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange rate risks. The Group currently does not maintain a foreign currency hedging policy.

本公司擁有人應佔利潤

本期間，本公司擁有人應佔利潤約為人民幣407,152,000元，較二零一九年同期約人民幣285,974,000元增加約42.4%，主要由於本期間金融資產公平值收益令其他收入及其他收益增加及本公司營運效率提高令營運開支減低所致。

流動資金及財務資源

於二零二零年六月三十日，本集團的流動資產淨值約為人民幣173,280,000元（二零一九年十二月三十一日：約人民幣130,904,000元），當中現金及銀行結餘約為人民幣2,442,457,000元（二零一九年十二月三十一日：約人民幣1,958,428,000元）。淨債務（包括銀行借貸、企業債券、中期票據、租賃負債以及扣除現金及銀行存款）約為人民幣1,415,548,000元（二零一九年十二月三十一日：約人民幣2,579,920,000元）。借貸主要用作撥付本集團資本開支、採購原材料及營運的資金。借貸以人民幣、美元或港元計值，當中約人民幣3,109,653,000元以固定利率計息，而約人民幣3,277,672,000元須於1年內償還。為確保資金得以有效運用，本集團採用中央財務及庫務政策。

於二零二零年六月三十日，本集團的流動比率（流動資產除以流動負債）約為1.01（二零一九年十二月三十一日：約1.01），而負債比率（淨債務除以資產總值）則約為7.4%（二零一九年十二月三十一日：約14.8%）。本集團擁有充裕現金及可用銀行融資，足以應付承擔及營運資金需要。當前的現金狀況使本集團可發掘投資及業務發展機會，拓展在中國的市場份額。

匯率波動風險

由於本集團業務主要於中國經營，並且買賣主要以人民幣交易，董事認為本集團的營運現金流量及流動資金不存在重大外匯匯率風險。本集團目前並無外幣對沖政策。

Management Discussion & Analysis

管理層討論及分析

Pledge of assets

At the end of the Period, certain of the Group's assets were pledged to secure banking facilities granted to the Group. The aggregate carrying amount of the assets of the Group pledged at the end of each of the reporting periods is as follows:

資產抵押

於本期間結束時，本集團抵押若干資產作為銀行授予本集團銀行授信的抵押。於各報告期結束時，本集團已質押資產的總賬面值如下：

| | | At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核) | At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) |
|--------------------------|-------------------|--|---|
| Buildings | 樓宇 | 997,047 | 1,058,086 |
| Right-of-use assets | 使用權資產 | 224,769 | 181,318 |
| Plant and machinery | 廠房及機器 | 55,602 | — |
| Other receivable | 其他應收款項 | 29,698 | 55,962 |
| Receivables at FVTOCI | 按公平值計入其他全面收益的應收款項 | 237,925 | 1,049,328 |
| Restricted bank deposits | 受限制銀行存款 | 1,790,144 | 633,339 |
| Total | 總計 | 3,335,185 | 2,978,033 |

Contingent liabilities

The Group had no contingent liabilities as at 30 June 2020 (31 December 2019: Nil).

或然負債

於二零二零年六月三十日，本集團概無或然負債(二零一九年十二月三十一日：無)。

Human resources and employees' remuneration

As at 30 June 2020, the Group employed a total of 15,975 (30 June 2019: 16,124) staff members in the PRC and Hong Kong. During the Period, the total cost of employees amounted to approximately RMB679,176,000 (30 June 2019: approximately RMB705,533,000). The Group sought to further strengthen staff training by offering focused training programs and study tours to management and professional technical personnel, and disseminating the latest government policy information on the lead-acid motive battery industry to all staff within the Period. The Group continued to strive for the enhancement of professional standards and overall qualities of its staff. The Group also provided competitive salary packages to its staff, encouraging them to be fully dedicated in their work and to leverage their capabilities in serving its customers.

人力資源及僱員薪酬

於二零二零年六月三十日，本集團於中國及香港合共聘用15,975名員工(二零一九年六月三十日：16,124名)。本期間，僱員總成本約為人民幣679,176,000元(二零一九年六月三十日：約人民幣705,533,000元)。本集團於本期間繼續加強對員工的培訓，為管理人員及專業技術人員重點提供培訓及考察的機會，並向全體員工及時傳達政府針對鉛酸動力電池行業的最新政策，不斷提高員工的專業水準及綜合素質。同時，本集團為員工提供具競爭力的薪金水平，讓員工全心全意地投入工作，發揮所長，服務客戶。

Directors' Report

董事會報告

The board (the "Board") of directors (the "Directors", or, each the "Director") of the Company is pleased to announce the unaudited interim financial results and financial position of the Group for the Period together with the comparative figures for the corresponding period of 2019. These interim financial results have been reviewed by the Company's auditors, Deloitte Touche Tohmatsu, Certified Public Accountants and the audit committee (the "Audit Committee") of the Company.

INTERIM DIVIDEND

The Board resolved not to declare the payment of an interim dividend for the Period.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2020, the interests of the Directors and the Company's chief executive in the shares (the "Shares") or debentures of the Company or associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which he/she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules, are set out below:

本公司董事(「董事」)會(「董事會」)欣然公佈，本集團本期間未經審核中期財務業績及財務狀況，連同二零一九年同期比較數字。本中期財務業績經由本公司核數師德勤•關黃陳方會計師行(執業會計師)及本公司審核委員會(「審核委員會」)審閱。

中期股息

董事會議決不就本期間宣派中期股息。

董事於股份、相關股份及債券的權益

於二零二零年六月三十日，董事及本公司主要行政人員於本公司或相聯法團(定義見香港法例第571章《證券及期貨條例》(「證券及期貨條例」)第XV部)的股份(「股份」)或債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益(包括根據證券及期貨條例上述規定被當作或視為擁有的權益及／或淡倉)，或根據證券及期貨條例第352條須登記於該條所述登記冊的權益，或根據上市規則附錄十所載的《上市發行人董事進行證券交易的標準守則》(「標準守則」)須知會本公司及聯交所的權益，如下表所示：

Directors' Report

董事會報告

Long positions in the Shares

於股份的好倉

| Name of Directors 董事姓名 | Capacity/Nature of Interest 身份／權益性質 | Number of Shares 股份數目 | Approximate Percentage of Shareholding in the Company/ Associated Corporations 佔於本公司／ 相聯法團股權 概約百分比 |
|---|---|-----------------------------|--|
| Mr. Zhou Mingming ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ ("Mr. Zhou") 周明明先生 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ (「周先生」) | Interest in controlled corporations, interest in spouse and beneficial owner 受控法團權益、配偶權益及實益擁有人 | 416,084,500 | 37.68% |
| Ms. Fang Jianjun ⁽⁵⁾ 方建軍女士 ⁽⁵⁾ | Interest in a controlled corporation, interest in spouse and beneficial owner 受控法團權益、配偶權益及實益擁有人 | 416,084,500 | 37.68% |
| Mr. Zhou Longrui ⁽⁶⁾ 周龍瑞先生 ⁽⁶⁾ | Interest in a controlled corporation, interest in spouse and beneficial owner 受控法團權益、配偶權益及實益擁有人 | 70,362,500 | 6.37% |
| Ms. Yang Yunfei ⁽⁷⁾ 楊雲飛女士 ⁽⁷⁾ | Interest in a controlled corporation, interest in spouse and beneficial owner 受控法團權益、配偶權益及實益擁有人 | 70,362,500 | 6.37% |
| Mr. Yang Xinxin ⁽⁸⁾ 楊新新先生 ⁽⁸⁾ | Interest in a controlled corporation and beneficial owner 受控法團權益及實益擁有人 | 21,000,000 | 1.90% |
| Mr. Wang Jiqiang ⁽⁹⁾ 汪繼強先生 ⁽⁹⁾ | Beneficial owner 實益擁有人 | 600,000 | 0.05% |
| Prof. Ouyang Minggao ⁽¹⁰⁾ 歐陽明高教授 ⁽¹⁰⁾ | Beneficial owner 實益擁有人 | 600,000 | 0.05% |
| Mr. Lee Conway Kong Wai ⁽¹¹⁾ 李港衛先生 ⁽¹¹⁾ | Beneficial owner 實益擁有人 | 600,000 | 0.05% |
| Mr. Ng Chi Kit ⁽¹²⁾ 吳智傑先生 ⁽¹²⁾ | Beneficial owner 實益擁有人 | 600,000 | 0.05% |

Directors' Report

董事會報告

Notes:

- (1) Mr. Zhou is interested in the entire issued share capital of Great State Investments Limited ("Great State") and is therefore deemed to be interested in the 242,145,000 Shares held by Great State.
- (2) Mr. Zhou is interested in the entire issued share capital of Jolly Pride (PTC) Limited ("Jolly Pride") and is therefore deemed to be interested in the 58,942,500 Shares held by Jolly Pride. In addition, pursuant to a trust deed dated 14 June 2010 and deeds of exclusion of beneficiaries dated 30 May 2014 and 13 October 2014, entered into between Mr. Zhou and Jolly Pride in favour of 49 individuals who are employees of the Group (collectively, the "Jolly Pride Trust Deed"), the economic interest of all the Shares which it holds from time to time shall belong to the said 49 employees. However, other than the economic interest in the Shares, all other rights as shareholders (including but not limited to voting rights and right to participate in shareholders meetings of the Company) shall not be exercisable by the said 49 employees and shall be exercised by Jolly Pride exclusively. As Mr. Zhou is the sole director of Jolly Pride, Mr. Zhou also controls the exercise of the shareholders rights (other than economic interest) of all the Shares held by Jolly Pride by virtue of the terms of the Jolly Pride Trust Deed.
- (3) Mr. Zhou directly holds 1,360,000 Shares. Mr. Zhou is also deemed to be interested in 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (4) Mr. Zhou is the spouse of Ms. Fang Jianjun. Pursuant to the SFO, he is deemed to be interested in 111,637,000 Shares which Ms. Fang Jianjun is interested by reason of her being the sole shareholder of Bai Xiang Limited ("Bai Xiang") and 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to her upon the exercise of the share options granted to her on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (5) Ms. Fang Jianjun is interested in the entire issued share capital of Bai Xiang and is therefore deemed to be interested in the 111,637,000 Shares held by Bai Xiang. Ms. Fang Jianjun is also deemed to be interested in 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to her upon the exercise of the share options granted to her on 4 April 2018, 21 December 2018 and 25 March 2019, respectively. In addition, as Ms. Fang Jianjun is the spouse of Mr. Zhou, pursuant to the SFO, she is deemed to be interested in the 1,360,000 Shares directly held by Mr. Zhou, and in the 242,145,000 Shares and 58,942,500 Shares which Mr. Zhou is interested by reason of his being the sole shareholder of Great State and Jolly Pride and 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.

附註：

- (1) 周先生擁有振邦投資有限公司(「振邦」)全部已發行股本的權益，因此，周先生被視為擁有振邦所持 242,145,000 股股份的權益。
- (2) 周先生擁有榮喜有限公司(「榮喜」)全部已發行股本的權益，因此，周先生被視為擁有榮喜所持 58,942,500 股股份的權益。此外，根據由周先生與榮喜以 49 名屬本集團僱員之人士為受益人訂立日期為二零一零年六月十四日的信託契據及日期為二零一四年五月三十日及二零一四年十月十三日剔除受益人的契據(統稱「榮喜信託契據」)，其不時持有的所有股份的經濟利益將屬於上述 49 名僱員。然而，除股份的經濟利益外，作為股東的所有其他權利(包括但不限於本公司股東大會的投票權及參與該等大會的權利)，均不可由上述 49 名僱員行使，而僅可由榮喜行使。由於周先生為榮喜的唯一董事，根據榮喜信託契據的條款，周先生亦控制榮喜所持全部股份的股東權利(經濟利益除外)的行使權。
- (3) 周先生直接持有 1,360,000 股股份。周先生亦被視為在分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的 500,000 股、350,000 股及 150,000 股股份中擁有權益。
- (4) 周先生為方建軍女士的配偶。根據證券及期貨條例，因方建軍女士為百祥有限公司(「百祥」)的唯一股東，因此被視為為方建軍女士擁有權益的 111,637,000 股股份及分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的 500,000 股、350,000 股及 150,000 股股份中擁有權益。
- (5) 方建軍女士擁有百祥的全部已發行股本的權益，因此被視為擁有百祥所持 111,637,000 股股份的權益。方建軍女士亦被視為在分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的 500,000 股、350,000 股及 150,000 股股份中擁有權益。此外，由於方建軍女士為周先生的配偶，根據證券及期貨條例，方建軍女士被視為為周先生直接持有的 1,360,000 股股份、周先生因作為振邦及榮喜的唯一股東而擁有權益的 242,145,000 股股份及 58,942,500 股股份，以及分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的 500,000 股、350,000 股及 150,000 股股份中擁有權益。

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- (6) Mr. Zhou Longrui is interested in the entire issued share capital of High Joy Investments Limited ("High Joy") and is therefore deemed to be interested in the 32,137,500 Shares held by High Joy. Mr. Zhou Longrui is also deemed to be interested in 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively. In addition, as Mr. Zhou Longrui is the spouse of Ms. Yang Yunfei, pursuant to the SFO, he is deemed to be interested in the 36,225,000 Shares which Ms. Yang Yunfei is interested by reason of her being the sole shareholder of Shiny Century Limited ("Shiny Century") and 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to her upon the exercise of the share options granted to her on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (7) Ms. Yang Yunfei is interested in the entire issued share capital of Shiny Century and is therefore deemed to be interested in the 36,225,000 Shares held by Shiny Century. Ms. Yang Yunfei is also deemed to be interested in 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to her upon the exercise of the share options granted to her on 4 April 2018, 21 December 2018 and 25 March 2019, respectively. In addition, as Ms. Yang Yunfei is the spouse of Mr. Zhou Longrui, pursuant to the SFO, she is also deemed to be interested in the 32,137,500 Shares which Mr. Zhou Longrui is interested by reason of him being the sole shareholder of High Joy and 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (8) Mr. Yang Xinxin is interested in the entire issued share capital of Tong Sheng Limited ("Tong Sheng") and is therefore deemed to be interested in the 20,000,000 Shares held by Tong Sheng. Mr. Yang Xinxin is also deemed to be interested in 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (9) Mr. Wang Jiqiang is deemed to be interested in 250,000 Shares, 250,000 Shares and 100,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (10) Prof. Ouyang Minggao is deemed to be interested in 250,000 Shares, 250,000 Shares and 100,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (11) Mr. Lee Conway Kong Wai is deemed to be interested in 250,000 Shares, 250,000 Shares and 100,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (12) Mr. Ng Chi Kit is deemed to be interested in 250,000 Shares, 250,000 Shares and 100,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (6) 周龍瑞先生擁有高樂投資有限公司(「高樂」)的全部已發行股本的權益，因此，周龍瑞先生被視為擁有高樂所持32,137,500股股份的權益。周龍瑞先生亦被視為在分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的500,000股、350,000股及150,000股股份中擁有權益。此外，由於周龍瑞先生為楊雲飛女士的配偶，根據證券及期貨條例，周龍瑞先生被視為於楊雲飛女士因作為紀明有限公司(「紀明」)的唯一股東而擁有權益的36,225,000股股份及分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的500,000股、350,000股及150,000股股份中擁有權益。
- (7) 楊雲飛女士擁有紀明的全部已發行股本的權益，因此，楊雲飛女士被視為擁有紀明所持36,225,000股股份的權益。楊雲飛女士亦被視為在分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的500,000股、350,000股及150,000股股份中擁有權益。此外，由於楊雲飛女士為周龍瑞先生的配偶，根據證券及期貨條例，楊雲飛女士亦被視為於周龍瑞先生因作為高樂的唯一股東而擁有權益的32,137,500股股份及分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的500,000股、350,000股及150,000股股份中擁有權益。
- (8) 楊新新先生擁有同盛有限公司(「同盛」)的全部已發行股本的權益，因此，楊新新先生被視為擁有同盛所持20,000,000股股份的權益。楊新新先生亦被視為在分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的500,000股、350,000股及150,000股股份中擁有權益。
- (9) 汪繼強先生被視為在分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的250,000股、250,000股及100,000股股份中擁有權益。
- (10) 歐陽明高教授被視為在分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的250,000股、250,000股及100,000股股份中擁有權益。
- (11) 李港衛先生被視為在分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的250,000股、250,000股及100,000股股份中擁有權益。
- (12) 吳智傑先生被視為在分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的250,000股、250,000股及100,000股股份中擁有權益。

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2020, so far as the Directors were aware, the following persons have interests or short positions in the Shares or underlying shares of the Company which were required to be disclosed to the provisions of Divisions 2 and 3 of Part XV of the SFO or, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

主要股東於本公司股份及相關股份中的權益及淡倉

於二零二零年六月三十日，據董事所知，以下人士擁有根據證券及期貨條例第XV部第2及第3分部的條文須予披露的本公司股份或相關股份的權益或淡倉，或直接或間接擁有附有權利於所有情況下於本集團任何成員公司股東大會上投票的任何類別股本面值5%或以上的權益。

| Name 名稱 | Capacity/Nature of Interest 身份／權益性質 | Number of Shares 股份數目 | Approximate Percentage of Shareholding 股權概約百分比 |
|---|---|--------------------------|---|
| Mr. Zhou ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ 周先生 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ | Interest in controlled corporations, interest of spouse and beneficial owner 受控法團權益、配偶權益及實益擁有人 | 416,084,500 (L) | 37.68% |
| Great State ⁽¹⁾ 振邦 ⁽¹⁾ | Beneficial owner 實益擁有人 | 242,145,000 (L) | 21.93% |
| Jolly Pride ⁽²⁾ 榮喜 ⁽²⁾ | Beneficial owner 實益擁有人 | 58,942,500 (L) | 5.34% |
| Ms. Fang Jianjun ⁽⁵⁾ 方建軍女士 ⁽⁵⁾ | Interest in controlled corporations, interest of spouse and beneficial owner 受控法團權益、配偶權益及實益擁有人 | 416,084,500 (L) | 37.68% |
| Bai Xiang ⁽⁵⁾ 百祥 ⁽⁵⁾ | Beneficial owner 實益擁有人 | 111,637,000 (L) | 10.11% |
| Mr. Zhou Longrui ⁽⁶⁾ 周龍瑞先生 ⁽⁶⁾ | Interest in a controlled corporation, interest of spouse and beneficial owner 受控法團權益、配偶權益及實益擁有人 | 70,362,500 (L) | 6.37% |
| High Joy ⁽⁶⁾ 高樂 ⁽⁶⁾ | Beneficial owner 實益擁有人 | 32,137,500 (L) | 2.91% |
| Ms. Yang Yunfei ⁽⁷⁾ 楊雲飛女士 ⁽⁷⁾ | Interest in a controlled corporation, interest of spouse and beneficial owner 受控法團權益、配偶權益及實益擁有人 | 70,362,500 (L) | 6.37% |

Directors' Report

董事會報告

| Name 名稱 | Capacity/Nature of Interest 身份／權益性質 | Number of Shares 股份數目 | Approximate Percentage of Shareholding 股權概約百分比 |
|--|--|-----------------------------|---|
| Shiny Century ⁽⁷⁾ 紀明 ⁽⁷⁾ | Beneficial owner 實益擁有人 | 36,225,000 (L) | 3.28% |
| FIL Limited ⁽⁸⁾ | Interest in controlled corporations 受控法團權益 | 65,974,000 (L) | 5.98% |
| Pandanus Associates Inc. ⁽⁹⁾ | Interest in controlled corporations 受控法團權益 | 65,974,000 (L) | 5.98% |
| Pandanus Partners L.P. ⁽¹⁰⁾ | Interest in controlled corporations 受控法團權益 | 65,974,000 (L) | 5.98% |
| Tianneng International Investment Holdings Limited ⁽¹¹⁾ | Interest in a controlled corporation and beneficial owner 受控法團權益及實益擁有人 | 111,680,000 (L) | 10.11% |
| FIDELITY FUNDS | Beneficial owner 實益擁有人 | 55,304,000 (L) | 5.01% |

(L): Long position

(L): 好倉

Notes:

附註：

- (1) Mr. Zhou is interested in the entire issued share capital of Great State and is therefore deemed to be interested in all the Shares held by Great State.
- (1) 周先生擁有振邦全部已發行股本的權益，因此，周先生被視為擁有振邦所持全部股份的權益。
- (2) Mr. Zhou is interested in the entire issued share capital of Jolly Pride and is therefore deemed to be interested in the 58,942,500 Shares held by Jolly Pride. In addition, pursuant to the Jolly Pride Trust Deed, the economic interest of all the Shares which it holds from time to time shall belong to the said 49 employees. However, other than the economic interest in the Shares, all other rights as shareholders (including but not limited to voting rights and right to participate in shareholders meetings of our Company) shall not be exercisable by the said 49 employees and shall be exercised by Jolly Pride exclusively. As Mr. Zhou is the sole director of Jolly Pride, Mr. Zhou also controls the exercise of the shareholders rights (other than economic interest) of all the Shares held by Jolly Pride by virtue of the terms of the Jolly Pride Trust Deed.
- (2) 周先生擁有榮喜全部已發行股本的權益，因此，周先生被視為擁有榮喜所持 58,942,500 股股份的權益。此外，根據榮喜信託契據，其不時持有的所有股份的經濟利益將屬於前述 49 名僱員。然而，除股份的經濟利益外，作為股東的所有其他權利（包括但不限於本公司股東大會的投票權及參與該等大會的權利），均不可由前述 49 名僱員行使，而僅可由榮喜行使。由於周先生為榮喜的唯一董事，根據榮喜信託契據的條款，周先生亦控制榮喜所持全部股份的股東權利（經濟利益除外）的行使權。
- (3) Mr. Zhou directly holds 1,360,000 Shares. Mr. Zhou is also deemed to be interested in 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (3) 周先生直接持有 1,360,000 股股份。周先生亦被視為在分別於二零一八年四月四日、二零一八年十二月三十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的 500,000 股、350,000 股及 150,000 股股份中擁有權益。
- (4) Mr. Zhou is the spouse of Ms. Fang Jianjun. Pursuant to the SFO, he is also deemed to be interested in all the Shares which Ms. Fang Jianjun is interested by reason of her being the sole shareholder of Bai Xiang and 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to her upon the exercise of the share options granted to her on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (4) 周先生為方建軍女士的配偶。根據證券及期貨條例，因方建軍女士為百祥的唯一股東，因此亦被視為方建軍女士擁有權益的全部股份及分別於二零一八年四月四日、二零一八年十二月三十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的 500,000 股、350,000 股及 150,000 股股份中擁有權益。

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- (5) Ms. Fang Jianjun is interested in the entire issued share capital of Bai Xiang and is therefore deemed to be interested in all the Shares held by Bai Xiang. Ms. Fang Jianjun is also deemed to be interested in 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to her upon the exercise of the share options granted to her on 4 April 2018, 21 December 2018 and 25 March 2019, respectively. In addition, as Ms. Fang Jianjun is the spouse of Mr. Zhou, pursuant to the SFO, she is deemed to be interested in all the Shares directly held by Mr. Zhou, and in all the Shares which Mr. Zhou is interested by reason of him being the sole shareholder of Great State and Jolly Pride and 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (5) 方建軍女士擁有百祥的全部已發行股本的權益，因此被視為擁有百祥所持全部股份的權益。方建軍女士亦被視為在分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的500,000股、350,000股及150,000股股份中擁有權益。此外，由於方建軍女士為周先生的配偶，根據證券及期貨條例，方建軍女士被視為於周先生直接持有的全部股份、周先生因作為振邦及榮喜的唯一股東而擁有權益的全部股份，以及分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的500,000股、350,000股及150,000股股份中擁有權益。
- (6) Mr. Zhou Longrui is interested in the entire issued share capital of High Joy and is therefore deemed to be interested in all the Shares held by High Joy. Mr. Zhou Longrui is also deemed to be interested in 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively. In addition, as Mr. Zhou Longrui is the spouse of Ms. Yang Yunfei, pursuant to the SFO, he is deemed to be interested in all the Shares which Ms. Yang Yunfei is interested by reason of her being the sole shareholder of Shiny Century and 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to her upon the exercise of the share options granted to her on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (6) 周龍瑞先生擁有高樂的全部已發行股本的權益，因此，周龍瑞先生被視為擁有高樂所持全部股份的權益。周龍瑞先生亦被視為在分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的500,000股、350,000股及150,000股股份中擁有權益。此外，由於周龍瑞先生為楊雲飛女士的配偶，根據證券及期貨條例，周龍瑞先生被視為於楊雲飛女士因作為紀明的唯一股東而擁有權益的全部股份及分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的500,000股、350,000股及150,000股股份中擁有權益。
- (7) Ms. Yang Yunfei is interested in the entire issued share capital of Shiny Century and is therefore deemed to be interested in all the Shares held by Shiny Century. Ms. Yang Yunfei is also deemed to be interested in 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to her upon the exercise of the share options granted to her on 4 April 2018, 21 December 2018 and 25 March 2019, respectively. In addition, as Ms. Yang Yunfei is the spouse of Mr. Zhou Longrui, pursuant to the SFO, she is also deemed to be interested in all the Shares which Mr. Zhou Longrui is interested by reason of him being the sole shareholder of High Joy and 500,000 Shares, 350,000 Shares and 150,000 Shares which may be issued to him upon the exercise of the share options granted to him on 4 April 2018, 21 December 2018 and 25 March 2019, respectively.
- (7) 楊雲飛女士擁有紀明的全部已發行股本的權益，因此，楊雲飛女士被視為擁有紀明所持全部股份的權益。楊雲飛女士亦被視為在分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的500,000股、350,000股及150,000股股份中擁有權益。此外，由於楊雲飛女士為周龍瑞先生的配偶，根據證券及期貨條例，楊雲飛女士被視為於周龍瑞先生因作為高樂的唯一股東而擁有權益的全部股份及分別於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向彼授出的購股權獲行使後可能向彼發行的500,000股、350,000股及150,000股股份中擁有權益。
- (8) FIL Limited is interested in an aggregate of 65,974,000 Shares through FIL Investment Management (Hong Kong) Limited and FIL Investment Management (Singapore) Limited and the entities controlled by them.
- (8) FIL Limited透過富達基金(香港)有限公司及FIL Investment Management (Singapore) Limited及彼等所控制的實體於合共65,974,000股股份中擁有權益。
- (9) Pandanus Associates Inc. is interested in an aggregate of 65,974,000 Shares through FIL Investment Management (Hong Kong) Limited and FIL Investment Management (Singapore) Limited and the entities controlled by them.
- (9) Pandanus Associates Inc. 透過富達基金(香港)有限公司及FIL Investment Management (Singapore) Limited及彼等所控制的實體於合共65,974,000股股份中擁有權益。

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(10) Pandanus Partners L.P. is interested in an aggregate of 65,974,000 Shares through FIL Investment Management (Hong Kong) Limited and FIL Investment Management (Singapore) Limited and the entities controlled by them.

(11) Tianneng International Investment Holdings Limited directly holds 56,680,000 Shares and is interested in 55,000,000 Shares through 浙江天能創新投資管理有限公司 and the entities controlled by it.

(10) Pandanus Partners L.P. 透過富達基金(香港)有限公司及 FIL Investment Management (Singapore) Limited 及彼等所控制的實體於合共 65,974,000 股股份中擁有權益。

(11) Tianneng International Investment Holdings Limited 直接持有 56,680,000 股股份，並透過浙江天能創新投資管理有限公司及其所控制的實體於 55,000,000 股股份中擁有權益。

SHARE OPTION SCHEMES

The Company conditionally adopted a share option scheme on 7 June 2010 (the "2010 Share Option Scheme"), which became effective on 7 July 2010, for the purpose of giving the eligible persons an opportunity to have a personal stake in the Group and motivating them to optimize their future performance and efficiency to the Group and/or to reward them for their past contributions, attracting and retaining or otherwise maintaining on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and in the case of executives, enabling the Group to attract and retain such individuals with experience and ability and/or to reward them for their past contributions. The 2010 Share Option Scheme was expired on 6 July 2020.

The eligible persons of the 2010 Share Option Scheme include (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group, (b) a director or proposed director (including an independent non-executive director) of any member of the Group, (c) a direct or indirect shareholder of any member of the Group, (d) a supplier of goods or services to any member of the Group, (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group, (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group, and (g) an associate of any of the persons referred to in paragraphs (a) to (c) above.

購股權計劃

本公司於二零一零年六月七日有條件採納並於二零一零年七月七日生效的一項購股權計劃(「二零一零年購股權計劃」)，旨在向合資格人士提供於本集團擁有個人股權的機會，並激勵他們盡量提升其日後對本集團所呈現的績效及效率，及／或就他們過往的貢獻給予獎勵，以吸引及挽留或以其他方式與該等對本集團的績效、增長或成功而言乃屬重要及／或其貢獻有利於或將有利於本集團的績效、增長或成功的合資格人士維持持續的合作關係，另外就行政人員而言，更使本集團吸引及挽留經驗豐富且具備才能的人士及／或就其過往的貢獻給予獎勵。二零一零年購股權計劃已於二零二零年七月六日屆滿。

二零一零年購股權計劃合資格人士包括(a)本集團任何成員公司的任何執行董事、經理，或其他擔當行政、管理、監管或類似職位的其他僱員、任何全職或兼職僱員，或被調往本集團任何成員公司擔任全職或兼職工作的人士；(b)本集團任何成員公司的董事或候選董事(包括獨立非執行董事)；(c)本集團任何成員公司的直接或間接股東；(d)向本集團任何成員公司供應貨品或服務的供應商；(e)本集團任何成員公司的客戶、顧問、業務或合營夥伴、獲特許經營商、承包商、代理或代表；(f)為本集團任何成員公司提供設計、研究、開發或其他支援或任何建議、諮詢、專業或其他服務的個人或實體；及(g)上文(a)至(c)段所述任何人士的聯繫人。

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The maximum number of Shares which may be issued upon exercise of all options to be granted under the 2010 Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the total number of Shares in issue as at 7 July 2010, being the listing date of the Shares on the Stock Exchange, being 100,000,000 Shares, which represented about 9.06% of the total issued share capital of the Company as at the date of this report. No options may be granted to any participant of the 2010 Share Option Scheme such that the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set those in the 2010 Share Option Scheme as the Board may think fit, including the time or period before the right to exercise the option in respect of all or any of the Shares shall vest, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the 2010 Share Option Scheme.

An option may be exercised in accordance with the terms of the 2010 Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant under the 2010 Share Option Scheme. There is no minimum period for which an option must be held before it can be exercised. Participants of the 2010 Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before 28 days after the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheets on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the offer date.

因行使根據二零一零年購股權計劃及本集團任何其他計劃將授出所有購股權而可能發行的股份數目上限合計不得超過二零一零年七月七日（即股份於聯交所上市日期）已發行股份總數之10%（即100,000,000股股份），相當於本公司於本報告日期已發行股本總額約9.06%。倘截至最後一次授出購股權日期止任何12個月期間行使已授及將授予二零一零年購股權計劃參與者之購股權涉及已發行及將發行股份總數超過本公司不時已發行股本之1%，則不得向該人士授出購股權。

在上市規則的條文之規限下，董事會就授出購股權有絕對酌情權按其可能認為合適者施加二零一零年購股權計劃所載以外的任何條件、約束或限制，包括行使涉及所有或任何股份購股權之權利前的歸屬時間或期間，惟該等條款或條件不得與二零一零年購股權計劃的任何其他條款或條件有矛盾。

按董事會釐定的期限內，購股權可隨時按照二零一零年購股權計劃的條款予以行使，惟不得超出根據二零一零年購股權計劃授出購股權之日期起計10年。購股權獲准行使前，購股權不設最短的持有期限。二零一零年購股權計劃參與者於提呈日期後第28日或之前接納購股權時，須向本公司支付1.0港元。購股權行使價由董事會全權酌情釐定，惟不得低於下列三者中的最高者：

- (a) 股份面值；
- (b) 於提呈日期在聯交所每日報價表所報的股份收市價；及
- (c) 緊接提呈日期前5個營業日股份於聯交所每日報價表所報的平均收市價。

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The 2010 Share Option Scheme shall be valid and effective for a period of 10 years from the adoption date, after which no further options will be granted or offered.

Apart from the foregoing, at no time during the Period was the Company, or any of its holding companies or subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

Details of the movement of share options granted under the 2010 Share Option Scheme for the Period are as follows:

二零一零年購股權計劃將自採納日期起計10年內具有效力及生效，隨後，不會再授出或提呈其他購股權。

除上述者外，於本期間任何時間，本公司、其任何控股公司或附屬公司概無參與訂立任何安排，令董事可透過購入本公司或任何其他法團之股份或債券而獲益。

本期間根據二零一零年購股權計劃授出的購股權的變動詳情如下：

| Category and Name of Participants | Date of Grant | Exercise Price per Share (HK\$) | Outstanding as at 1 January 2020 於二零二零年 一月一日 尚未行使 | Granted during the Period 本期間已授出 | Exercised during the Period 本期間已行使 | Cancelled during the Period 本期間已註銷 | Lapsed during the Period 本期間已失效 | Outstanding as at 30 June 2020 於二零二零年 六月三十日 尚未行使 |
|--------------------------------------|--|--|---|---|---|---|--|--|
| Directors | | | | | | | | |
| 董事 | | | | | | | | |
| Mr. Zhou Mingming 周明明先生 | 4 April 2018 ⁽¹⁾ 二零一八年四月四日 ⁽¹⁾ | 4.332 | 500,000 | - | - | - | - | 500,000 |
| | 21 December 2018 ⁽²⁾ 二零一八年十二月二十一日 ⁽²⁾ | 3.114 | 350,000 | - | - | - | - | 350,000 |
| | 25 March 2019 ⁽³⁾ 二零一九年三月二十五日 ⁽³⁾ | 3.09 | 150,000 | - | - | - | - | 150,000 |
| | 4 April 2018 ⁽¹⁾ 二零一八年四月四日 ⁽¹⁾ | 4.332 | 500,000 | - | - | - | - | 500,000 |
| Mr. Zhou Longrui 周龍瑞先生 | 21 December 2018 ⁽²⁾ 二零一八年十二月二十一日 ⁽²⁾ | 3.114 | 350,000 | - | - | - | - | 350,000 |
| | 25 March 2019 ⁽³⁾ 二零一九年三月二十五日 ⁽³⁾ | 3.09 | 150,000 | - | - | - | - | 150,000 |
| | 4 April 2018 ⁽¹⁾ 二零一八年四月四日 ⁽¹⁾ | 4.332 | 500,000 | - | - | - | - | 500,000 |
| | 21 December 2018 ⁽²⁾ 二零一八年十二月二十一日 ⁽²⁾ | 3.114 | 350,000 | - | - | - | - | 350,000 |
| Ms. Yang Yunfei 楊雲飛女士 | 25 March 2019 ⁽³⁾ 二零一九年三月二十五日 ⁽³⁾ | 3.09 | 150,000 | - | - | - | - | 150,000 |
| | 4 April 2018 ⁽¹⁾ 二零一八年四月四日 ⁽¹⁾ | 4.332 | 500,000 | - | - | - | - | 500,000 |
| | 21 December 2018 ⁽²⁾ 二零一八年十二月二十一日 ⁽²⁾ | 3.114 | 350,000 | - | - | - | - | 350,000 |
| | 25 March 2019 ⁽³⁾ 二零一九年三月二十五日 ⁽³⁾ | 3.09 | 150,000 | - | - | - | - | 150,000 |
| Mr. Yang Xinxin 楊新新先生 | 4 April 2018 ⁽¹⁾ 二零一八年四月四日 ⁽¹⁾ | 4.332 | 500,000 | - | - | - | - | 500,000 |
| | 21 December 2018 ⁽²⁾ 二零一八年十二月二十一日 ⁽²⁾ | 3.114 | 350,000 | - | - | - | - | 350,000 |
| | 25 March 2019 ⁽³⁾ 二零一九年三月二十五日 ⁽³⁾ | 3.09 | 150,000 | - | - | - | - | 150,000 |
| | 4 April 2018 ⁽¹⁾ 二零一八年四月四日 ⁽¹⁾ | 4.332 | 500,000 | - | - | - | - | 500,000 |

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| Category and Name of Participants | Date of Grant | Exercise Price per Share (HK\$) | Outstanding as at 1 January 2020 於二零二零年 一月一日 尚未行使 | Granted during the Period 本期間已授出 | Exercised during the Period 本期間已行使 | Cancelled during the Period 本期間已註銷 | Lapsed during the Period 本期間已失效 | Outstanding as at 30 June 2020 於二零二零年 六月三十日 尚未行使 |
|--------------------------------------|--|--|---|---|---|---|--|--|
| 參與者類別及姓名 | 授出日期 | 每股行使價 (港元) | | | | | | |
| Ms. Fang Jianjun 方建軍女士 | 4 April 2018 ⁽¹⁾ 二零一八年四月四日 ⁽¹⁾ | 4.332 | 500,000 | - | - | - | - | 500,000 |
| | 21 December 2018 ⁽²⁾ 二零一八年十二月三十一日 ⁽²⁾ | 3.114 | 350,000 | - | - | - | - | 350,000 |
| | 25 March 2019 ⁽³⁾ 二零一九年三月二十五日 ⁽³⁾ | 3.09 | 150,000 | - | - | - | - | 150,000 |
| Mr. Wang Jiqiang 汪繼強先生 | 4 April 2018 ⁽¹⁾ 二零一八年四月四日 ⁽¹⁾ | 4.332 | 250,000 | - | - | - | - | 250,000 |
| | 21 December 2018 ⁽²⁾ 二零一八年十二月三十一日 ⁽²⁾ | 3.114 | 250,000 | - | - | - | - | 250,000 |
| | 25 March 2019 ⁽³⁾ 二零一九年三月二十五日 ⁽³⁾ | 3.09 | 100,000 | - | - | - | - | 100,000 |
| Prof. Ouyang Minggao 歐陽明高教授 | 4 April 2018 ⁽¹⁾ 二零一八年四月四日 ⁽¹⁾ | 4.332 | 250,000 | - | - | - | - | 250,000 |
| | 21 December 2018 ⁽²⁾ 二零一八年十二月三十一日 ⁽²⁾ | 3.114 | 250,000 | - | - | - | - | 250,000 |
| | 25 March 2019 ⁽³⁾ 二零一九年三月二十五日 ⁽³⁾ | 3.09 | 100,000 | - | - | - | - | 100,000 |
| Mr. Lee Conway Kong Wai 李港衛先生 | 4 April 2018 ⁽¹⁾ 二零一八年四月四日 ⁽¹⁾ | 4.332 | 250,000 | - | - | - | - | 250,000 |
| | 21 December 2018 ⁽²⁾ 二零一八年十二月三十一日 ⁽²⁾ | 3.114 | 250,000 | - | - | - | - | 250,000 |
| | 25 March 2019 ⁽³⁾ 二零一九年三月二十五日 ⁽³⁾ | 3.09 | 100,000 | - | - | - | - | 100,000 |
| Mr. Ng Chi Kit 吳智傑先生 | 4 April 2018 ⁽¹⁾ 二零一八年四月四日 ⁽¹⁾ | 4.332 | 250,000 | - | - | - | - | 250,000 |
| | 21 December 2018 ⁽²⁾ 二零一八年十二月三十一日 ⁽²⁾ | 3.114 | 250,000 | - | - | - | - | 250,000 |
| | 25 March 2019 ⁽³⁾ 二零一九年三月二十五日 ⁽³⁾ | 3.09 | 100,000 | - | - | - | - | 100,000 |
| Employees 僱員 | 4 April 2018 ⁽¹⁾ 二零一八年四月四日 ⁽¹⁾ | 4.332 | 29,000,000 | - | - | 29,000,000 | - | - |
| | 21 December 2018 ⁽²⁾ 二零一八年十二月三十一日 ⁽²⁾ | 3.114 | 33,000,000 | - | - | - | - | 33,000,000 |
| | 25 March 2019 ⁽³⁾ 二零一九年三月二十五日 ⁽³⁾ | 3.09 | 29,500,000 | - | - | - | - | 29,500,000 |
| Total 總計 | | | 98,900,000 | - | - | 29,000,000 | - | 69,900,000 |

Directors' Report

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Notes:

(1) Validity period of the share options: The share options granted shall vest in the proposed grantees in accordance with the timetable below, each with an exercise period commencing from the relevant vesting date and ending 8 years after the date of grant.

Vesting dates of the share options:

| | |
|-----|---|
| (a) | 10% of the total number of the share options granted shall vest on 4 April 2018 |
| (b) | 20% of the total number of the share options granted shall vest on 4 April 2019 |
| (c) | 70% of the total number of the share options granted shall vest on 4 April 2020 |

Performance target: Exercise of the share options is conditional upon the achievement of certain performance targets as set out in the respective offer letters, during the validity period of the share options.

(2) Validity period of the share options: The share options granted shall vest in the proposed grantees in accordance with the timetable below, each with an exercise period commencing from the relevant vesting date and ending 8 years after the date of grant.

Vesting dates of the share options:

| | |
|-----|---|
| (a) | 10% of the total number of the share options granted shall vest on 21 December 2018 |
| (b) | 20% of the total number of the share options granted shall vest on 21 December 2019 |
| (c) | 70% of the total number of the share options granted shall vest on 21 December 2020 |

Performance target: Exercise of the share options is conditional upon the achievement of certain performance targets as set out in the respective offer letters, during the validity period of the share options.

(3) Validity period of the share options: The share options granted shall vest in the proposed grantees in accordance with the timetable below, each with an exercise period commencing from the relevant vesting date and ending 8 years after the date of grant.

Vesting dates of the share options:

| | |
|-----|--|
| (a) | 10% of the total number of the share options granted shall vest on 25 March 2019 |
| (b) | 20% of the total number of the share options granted shall vest on 25 March 2020 |
| (c) | 70% of the total number of the share options granted shall vest on 25 March 2021 |

Performance target: Exercise of the share options is conditional upon the achievement of certain performance targets as set out in the respective offer letters, during the validity period of the share options.

附註：

(1) 購股權的有效期：所授出購股權將根據下列時間表歸屬予建議承授人，各自的行使期為自有關歸屬日期起至授出日期後8年止。

購股權的歸屬日期：

| | |
|-----|---------------------------|
| (a) | 所授出購股權總數的10%須於二零一八年四月四日歸屬 |
| (b) | 所授出購股權總數的20%須於二零一九年四月四日歸屬 |
| (c) | 所授出購股權總數的70%須於二零二零年四月四日歸屬 |

表現目標：購股權的行使須待於購股權的有效期內達成相關要約函件所述若干表現目標後，方可作實。

(2) 購股權的有效期：所授出購股權將根據下列時間表歸屬予建議承授人，各自的行使期為自有關歸屬日期起至授出日期後8年止。

購股權的歸屬日期：

| | |
|-----|------------------------------|
| (a) | 所授出購股權總數的10%須於二零一八年十二月三十一日歸屬 |
| (b) | 所授出購股權總數的20%須於二零一九年十二月三十一日歸屬 |
| (c) | 所授出購股權總數的70%須於二零二零年十二月三十一日歸屬 |

表現目標：購股權的行使須待於購股權的有效期內達成相關要約函件所述若干表現目標後，方可作實。

(3) 購股權的有效期：所授出購股權將根據下列時間表歸屬予建議承授人，各自的行使期為自有關歸屬日期起至授出日期後8年止。

購股權的歸屬日期：

| | |
|-----|-----------------------------|
| (a) | 所授出購股權總數的10%須於二零一九年三月二十五日歸屬 |
| (b) | 所授出購股權總數的20%須於二零二零年三月二十五日歸屬 |
| (c) | 所授出購股權總數的70%須於二零二一年三月二十五日歸屬 |

表現目標：購股權的行使須待於購股權的有效期內達成相關要約函件所述若干表現目標後，方可作實。

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董事會報告

The closing prices of the Shares on 3 April 2018, 20 December 2018 and 22 March 2019, being the dates immediately before the dates of the share options were granted, were HK\$4.32, HK\$3.04 and HK\$3.09 per Share, respectively.

The fair value of the share options under the 2010 Share Option Scheme in aggregate was estimated at HK\$121,403,000. The estimated fair values of the options granted to the Directors on 4 April 2018, 21 December 2018 and 25 March 2019 were HK\$5,266,000, HK\$2,981,000 and HK\$1,266,000, respectively. The estimated fair values of the share options granted to the Group's eligible employees on 4 April 2018, 21 December 2018 and 25 March 2019 were HK\$43,636,000, HK\$35,769,000 and HK\$32,485,000, respectively. These fair values were calculated using the Binomial Model and the values of options are subjects to a number of assumptions and with regard to the limitation of such model. The inputs into the model were as follows:

股份於緊接授出購股權日期前一日，即二零一八年四月三日、二零一八年十二月二十日及二零一九年三月二十二日的收市價分別為每股4.32港元、3.04港元及3.09港元。

二零一零年購股權計劃項下購股權的公平值合共估計為121,403,000港元。於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向董事授出的購股權的估計公平值分別為5,266,000港元、2,981,000港元及1,266,000港元。於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日向本集團合資格僱員授出的購股權的估計公平值分別為43,636,000港元、35,769,000港元及32,485,000港元。該等公平值乃使用二項式模式計算，而購股權價值須受多項假設規限，並與相關模式之限制有關。該模式的輸入數據如下：

| | | 4 April 2018 二零一八年 四月四日 | 21 December 2018 二零一八年 十二月二十一日 | 25 March 2019 二零一九年 三月二十五日 |
|-------------------------|--------|----------------------------------|---|-------------------------------------|
| Grant date share price | 授出日期股價 | HKD4.183 4.183 港元 | HKD3.05 3.05 港元 | HKD3.09 3.09 港元 |
| Exercise price | 行使價 | HKD4.332 4.332 港元 | HKD3.114 3.114 港元 | HKD3.09 3.09 港元 |
| Expected life | 預期年期 | 8 years 8 年 | 8 years 8 年 | 8 years 8 年 |
| Expected volatility | 預期波幅 | 47.5% | 45.8% | 45.6% |
| Dividend yield | 股息收益率 | 1.8% | 1.7% | 1.7% |
| Risk-free interest rate | 無風險利率 | 1.84% | 2.00% | 1.50% |

During the Period, no share option under the 2010 Share Option Scheme had been granted, vested or exercised. As at 30 June 2020, 69,900,000 share options granted under the 2010 Share Option Scheme remained outstanding. 29,000,000 share options under the 2010 Share Option Scheme were cancelled during the Period.

於本期間，概無二零一零年購股權計劃項下的購股權已授出、歸屬或行使。於二零二零年六月三十日，二零一零年購股權計劃項下有69,900,000份已授購股權尚未行使。於本期間，二零一零年購股權計劃項下有29,000,000份已註銷購股權。

The table showing movements in the Company's share options held by the Group's employees (including directors of the Company and its subsidiaries) and valuation of the share options are also set out in the section headed "Share-based Payments" under Note 23 to the condensed consolidated financial statements. The accounting policy adopted for the share options is also set out in Note 23.

呈列本集團僱員（包括本公司及其附屬公司董事）持有的本公司購股權變動及購股權估值的表格亦載於簡明綜合財務報表附註23「以股份為基礎的付款」一節。就購股權採納的會計政策亦載於附註23。

Directors' Report

董事會報告

As the 2010 Share Option Scheme was set to expire on 6 July 2020, the adoption of a new share option scheme was proposed by the Board and approved by the shareholders on 10 June 2020 (the "Share Option Scheme").

The purpose of the Share Option Scheme is to give the eligible persons an opportunity to have a personal stake in the Group and help motivate them to optimize their future performance and efficiency to the Group and/or to reward them for their past contributions, attracting and retaining or otherwise maintaining ongoing relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and in the case of executives, enabling the Group to attract and retain such individuals with experience and ability and/or to reward them for their past contributions.

The Board may, offer (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group (the "Executive"), any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group (collectively, the "Employee"), (b) a director (including an independent non-executive director) of any member of the Group, (c) a direct or indirect shareholder of any member of the Group, (d) a supplier of goods or services to any member of the Group, (e) a customer, consultant, business or joint venture partner, franchisee or contractor of any member of the Group, and (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group, who in the sole discretion of the Board has contributed or will contribute to the Group, options to subscribe for Shares on the terms set out in the Share Option Scheme. The amount payable on acceptance of an option is HKD1.00. Details of the Share Option Scheme were provided in the Company's circular dated 29 April 2020.

鑒於二零一零年購股權計劃定於二零二零年七月六日屆滿，於二零二零年六月十日，董事會已提呈而股東已批准採納一項新的購股權計劃（「購股權計劃」）。

購股權計劃旨在向合資格人士提供於本集團擁有個人股權的機會，以便激勵他們盡量提升其日後對本集團所呈現的績效及效率，及／或就他們過往的貢獻給予獎勵，以吸引及挽留或以其他方式與該等對本集團的績效、增長或成功而言乃屬重要及／或其貢獻有利於或將有利於本集團的績效、增長或成功的合資格人士維持持續的合作關係，另外就行政人員而言，更使本集團吸引及挽留經驗豐富且具備才能的人士及／或就其過往的貢獻給予獎勵。

董事會可給予以下人士根據購股權計劃所載條款認購股份的購股權：(a) 本集團任何成員公司的任何執行董事、經理，或其他擔當行政、管理、監管或類似職位的其他僱員（「行政人員」）、任何全職或兼職僱員，或被調往本集團任何成員公司擔任全職或兼職工作的人士（統稱「僱員」）；(b) 本集團任何成員公司的董事（包括獨立非執行董事）；(c) 本集團任何成員公司的直接或間接股東；(d) 向本集團任何成員公司供應貨品或服務的供應商；(e) 本集團任何成員公司的客戶、顧問、業務或合營夥伴、獲特許經營商或承包商；及(f) 為本集團任何成員公司提供設計、研究、開發或其他支援或任何建議、諮詢、專業或其他服務的個人或實體；惟彼等須經董事會全權酌情認定曾經或將會對本集團有所貢獻。接受購股權時應就每份購股權支付1.00港元款項。購股權計劃的詳情載於本公司日期為二零二零年四月二十九日的通函。

Directors' Report

董事會報告

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the total number of Shares in issue as of 10 June 2020 (the "Adoption Date"), being 110,412,697 Shares, which represented about approximately 10% of the total issued share capital of the Company as at the date of this report. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other options granted and yet to be exercised under any other scheme shall not exceed 30% of the Company's issued share capital from time to time. No option may be granted to any person such that the total number of Shares issued and to be issued upon the exercise of options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time, unless the approval of the Company's shareholders is obtained.

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set out in the Share Option Scheme as the Board may think fit, including the time or period before the right to exercise the option in respect of all or any of the Shares shall vest, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme.

因行使根據購股權計劃及本集團任何其他計劃將授出所有購股權而可能發行的股份數目上限合計不得超過二零二零年六月十日（「採納日期」）已發行股份總數之10%（即110,412,697股股份），相當於本公司於本報告日期已發行股本總額約10%。根據購股權計劃授出而未行使的發行在外購股權或根據任何其他計劃授出而未行使的任何其他購股權獲悉數行使後，可發行的股份數目上限不得超過本公司不時的已發行股本的30%。倘截至最後一次授出購股權日期止任何12個月期間行使已授及將授予任何人士之購股權涉及已發行及將發行股份總數超過本公司不時已發行股本之1%，則不得向該人士授出購股權，惟已取得本公司股東批准者除外。

在上市規則的條文之規限下，董事會就授出購股權有絕對酌情權按其可能認為合適者施加購股權計劃所載以外的任何條件、約束或限制，包括行使涉及所有或任何股份購股權之權利前的歸屬時間或期間，惟該等條款或條件不得與購股權計劃的任何其他條款或條件有矛盾。

Directors' Report

董事會報告

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant under the Share Option Scheme. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before 28 days after the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheets on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the offer date.

The Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date, after which no further options will be granted or offered. Apart from the foregoing, at no time during the Period was the Company, or any of its holding companies or subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

No share options were granted, cancelled or lapsed under the Share Option Scheme during the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its securities.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance in the interests of shareholders. The Company has complied with all code provisions of the Corporate Governance Code contained in Appendix 14 (the "CG Code") of the Listing Rules throughout the Period, except for deviation as stated below.

按董事會釐定的期限內，購股權可隨時按照購股權計劃的條款予以行使，惟不得超出根據購股權計劃授出購股權之日期起計10年。購股權獲准行使前，購股權不設最短的持有期限。購股權計劃參與者於提呈日期後第28日或之前接納購股權時，須向本公司支付1.0港元。購股權行使價由董事會全權酌情釐定，惟不得低於下列三者中的最高者：

- (a) 股份面值；
- (b) 於提呈日期在聯交所每日報價表所報的股份收市價；及
- (c) 緊接提呈日期前5個營業日股份在聯交所每日報價表所報的平均收市價。

購股權計劃自採納日期起10年內有效及發揮效力，其後不得再授出或給予任何購股權。除上文所述外，於本期間內任何時間，本公司或其任何控股公司或附屬公司概無訂立任何安排以准許董事透過收購本公司或任何其他法人團體的股份或債權證並從中獲利。

於本期間，購股權計劃項下概無已授出、註銷或失效的購股權。

購買、出售或贖回上市股份

於本期間，本公司或其任何附屬公司概無購買、出售或贖回其證券。

企業管治

本公司致力保持高水準的企業管治，以符合股東利益。除偏離下述者外，本公司於本期間一直遵守上市規則附錄十四所載之企業管治守則（「企業管治守則」）的所有守則條文。

Directors' Report

董事會報告

Code provision A.2.1 of the CG Code requires the roles of chairman of the Board and chief executive officer to be separated. Mr. Zhou Mingming is currently both the chairman of the Board and chief executive officer of the Company. The Board considers that the current arrangement facilitates the execution of the Group's business strategies and maximizes efficiency of its operation and is therefore beneficial to the Company and its shareholders as a whole.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions of the Directors, senior management and relevant employees (who, because of their office in the Company, are likely to be in possession of inside information) of the Company on terms no less exacting than the required standard of dealings specified in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, all of them have confirmed that they have complied with the required standard set out in the Model Code and the Company's own code of conduct regarding directors' securities transactions throughout the Period.

AUDIT COMMITTEE

The Company has established the Audit Committee. Its primary duties include, among other things, the review and supervision of the Group's financial reporting process, risk management and internal control system. The Audit Committee comprises all four independent non-executive Directors, namely Mr. Lee Conway Kong Wai ("Mr. Lee"), Mr. Wang Jiqiang, Prof. Ouyang Minggao and Mr. Ng Chi Kit. Mr. Lee is the chairman of the Audit Committee. Mr. Lee has professional qualification and experience in accounting and financial matters.

The Audit Committee has met and discussed with the external auditors of the Company, Deloitte Touche Tohmatsu, and has reviewed the accounting principles and practices adopted by the Group and the unaudited results of the Group for the Period. The Audit Committee considered that the unaudited consolidated results of the Group for Period are in compliance with the relevant accounting standards, rules and regulations and that appropriate disclosures have been duly made in accordance with Appendix 16 of the Listing Rules in this report.

企業管治守則的守則條文第A.2.1條規定董事會主席及行政總裁的角色應予區分。周明明先生現為董事會主席兼本公司行政總裁。董事會認為現有安排有助執行本集團業務策略及充分提高營運效率，因此是有利於本公司及其全體股東。

董事的證券交易

本公司已採納有關本公司董事、高級管理人員及相關僱員（其因於本公司所擔當的職位而有機會獲悉內幕資料）進行證券交易的行為守則，其條文不遜於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」）所規定有關交易的標準。本公司已向全體董事作出特定查詢，並得到全體董事確認，彼等於本期間一直遵守標準守則所載之規定標準及本公司本身有關董事進行證券交易的行為守則。

審核委員會

本公司已成立審核委員會。其主要職責包括（其中包括）審閱及監察本集團的財務報告程序、風險管理及內部控制系統。審核委員會由全體四名獨立非執行董事組成，即李港衛先生（「李先生」）、汪繼強先生、歐陽明高教授及吳智傑先生。李先生為審核委員會主席。李先生具備專業資格以及會計及財務事宜經驗。

審核委員會已與本公司的外部核數師德勤•關黃陳方會計師行會面及討論，並審閱本集團採納的會計原則及慣例，並已審閱本集團本期間的未經審核業績。審核委員會認為本集團本期間的未經審核綜合業績符合相關會計準則、規則及規例，並已根據上市規則附錄十六於本報告中妥為作出適當披露。

Report on Review of Condensed Consolidated Financial Statements

簡明綜合財務報表審閱報告

Deloitte.

德勤

**TO THE BOARD OF
DIRECTORS OF CHAOWEI POWER HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

致超威動力控股有限公司董事會

(於開曼群島註冊成立的有限公司)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Chaowei Power Holdings Limited (the "Company") and its subsidiaries set out on pages 34 to 68, which comprise the condensed consolidated statement of financial position as of 30 June 2020 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

引言

本核數師行已審閱載於第34至68頁的超威動力控股有限公司(「貴公司」)及其附屬公司的簡明綜合財務報表，其中包括於二零二零年六月三十日的簡明綜合財務狀況表與截至該日止六個月期間的相關簡明綜合損益表及其他全面收益表、權益變動表及現金流量表及若干解釋附註。根據香港聯合交易所有限公司證券上市規則規定，中期財務資料報告須按照其相關條文以及國際會計準則理事會頒佈之國際會計準則第34號「中期財務報告」(「國際會計準則第34號」)編製。貴公司董事負責按照國際會計準則第34號編製及呈報該等簡明綜合財務報表。本核數師行的責任在於根據受聘的協定條款審閱該等簡明綜合財務報表，就此達成結論，並僅向閣下全體匯報，而不作任何其他用途。本核數師行不就本報告的內容向任何其他人士承擔或負上任何責任。

審閱範圍

本核數師行根據國際審計與鑒證準則理事會頒佈之國際審閱委聘準則第2410號「實體的獨立核數師審閱中期財務資料」進行審閱。該等簡明綜合財務報表的審閱包括詢問(主要對負責財務及會計事務的人士)，以及應用分析及其他審閱程序。審閱的範圍遠小於根據國際審核準則進行的審核，故本核數師行不能保證本核數師行已知悉在審計中可能識別的所有重大事項。因此，本核數師行不會發表審核意見。

Report on Review of Condensed Consolidated Financial Statements

簡明綜合財務報表審閱報告

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28 August 2020

結論

基於本核數師行的審閱，本核數師行並無注意到任何事項使本核數師行相信簡明綜合財務報表在各重大方面並無按照國際會計準則第34號編製。

德勤•關黃陳方會計師行
執業會計師
香港

二零二零年八月二十八日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益表及其他全面收益表

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

| | | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|---|-------------|--|--|
| | | | 2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核) | 2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核) |
| | | Notes 附註 | | |
| Revenue | 收入 | 4 | 11,108,670 | 11,711,083 |
| Cost of sales | 銷售成本 | | (9,706,149) | (10,199,449) |
| Gross profit | 毛利 | | 1,402,521 | 1,511,634 |
| Other income and other gains | 其他收入及其他收益 | 6 | 402,271 | 185,812 |
| Other expenses and losses | 其他開支及虧損 | | (25,638) | (17,501) |
| Impairment losses under expected credit loss model, net of reversal | 預期信貸虧損模式項下的減值虧損(扣除撥回) | | (107,017) | (100,499) |
| Distribution and selling expenses | 分銷及銷售開支 | | (301,406) | (352,641) |
| Administrative expenses | 行政開支 | | (285,891) | (284,530) |
| Research and development expenses | 研發開支 | | (370,431) | (365,642) |
| Finance costs | 融資成本 | 7 | (171,914) | (204,896) |
| Share of result of associates | 應佔聯營公司業績 | | (1,554) | 762 |
| Share of result of joint ventures | 應佔合營企業業績 | | (6,017) | (10,601) |
| Profit before tax | 除稅前利潤 | 8 | 534,924 | 361,898 |
| Income tax expense | 所得稅開支 | 9 | (138,484) | (125,826) |
| Profit for the period | 本期間利潤 | | 396,440 | 236,072 |
| Other comprehensive income: | 其他全面收益： | | | |
| Items that may be reclassified subsequently to profit or loss: | 其後或會重新分類為損益的項目： | | | |
| Exchange differences on translation of financial statements of foreign operations | 換算海外業務財務報表的匯兌差異 | | 316 | 2,359 |
| Fair value gain on receivables at fair value through other comprehensive income ("FVTOCI") | 按公平值計入其他全面收益(「按公平值計入其他全面收益」)的應收款項的公平值收益 | | 2,769 | 3,822 |
| Other comprehensive income for the period, net of income tax | 本期間其他全面收益(扣除所得稅) | | 3,085 | 6,181 |
| Total comprehensive income for the period | 本期間全面收益總額 | | 399,525 | 242,253 |
| Profit (loss) for the period attributable to: | 以下人士應佔本期間利潤(虧損)： | | | |
| Owners of the Company | 本公司擁有人 | | 407,152 | 285,974 |
| Non-controlling interests | 非控股權益 | | (10,712) | (49,902) |
| | | | 396,440 | 236,072 |
| Total comprehensive income (expense) for the period attributable to: | 以下人士應佔本期間全面收益(開支)總額： | | | |
| Owners of the Company | 本公司擁有人 | | 410,237 | 292,155 |
| Non-controlling interests | 非控股權益 | | (10,712) | (49,902) |
| | | | 399,525 | 242,253 |
| Earnings per share | 每股盈利 | | | |
| — Basic and diluted (RMB) | — 基本及攤薄(人民幣元) | 10 | 0.37 | 0.26 |

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2020
於二零二零年六月三十日

| | | At 30 June 2020 | | At 31 December 2019 |
|---|-----------------------------------|-----------------|-------------------|---------------------|
| | | 於二零二零年六月三十日 | | 於二零一九年十二月三十一日 |
| | | RMB'000 | | RMB'000 |
| | | 人民幣千元 | | 人民幣千元 |
| | | (unaudited) | | (audited) |
| | | (未經審核) | | (經審核) |
| | | Notes | | |
| | | 附註 | | |
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 12 | 5,110,792 | 4,991,116 |
| Right-of-use assets | 使用權資產 | 12 | 505,041 | 494,736 |
| Investment properties | 投資物業 | | 41,923 | 42,318 |
| Goodwill | 商譽 | | 49,447 | 49,447 |
| Intangible assets | 無形資產 | | 267,998 | 288,803 |
| Interests in joint ventures | 於合營企業的權益 | | 166,146 | 172,163 |
| Interests in associates | 於聯營公司的權益 | | 91,273 | 91,127 |
| Equity instruments at FVTOCI | 按公平值計入其他全面 收益的權益工具 | | 5,300 | 3,500 |
| Loan receivables | 應收貸款 | 13 | – | 4,608 |
| Amounts due from related parties | 應收關聯方款項 | 24 | 134,130 | 133,085 |
| Deferred tax assets | 遞延稅項資產 | | 572,990 | 569,022 |
| Prepayments and other receivables | 預付款項及其他應收款項 | | 38,392 | 65,795 |
| Deposits paid for acquisition of property, plant and equipment | 收購物業、廠房及設備 所付按金 | | 174,993 | 200,678 |
| | | | 7,158,425 | 7,106,398 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | | 2,976,641 | 2,659,852 |
| Trade receivables | 應收貿易賬款 | 14 | 2,002,641 | 1,820,586 |
| Receivables at FVTOCI | 按公平值計入其他全面 收益的應收款項 | 15 | 942,650 | 1,401,425 |
| Prepayments and other receivables | 預付款項及其他應收款項 | | 1,234,885 | 1,355,026 |
| Loan receivables | 應收貸款 | 13 | 134,111 | 129,873 |
| Amounts due from related parties | 應收關聯方款項 | 24 | 146,184 | 191,638 |
| Financial assets at fair value through profit and loss ("FVTPL") | 按公平值計入損益 (「按公平值計入損益」) 的金融資產 | | 277,274 | 151,779 |
| Restricted bank deposits | 受限制銀行存款 | 16 | 1,790,144 | 633,339 |
| Bank balances and cash | 銀行結餘及現金 | | 2,442,457 | 1,958,428 |
| | | | 11,946,987 | 10,301,946 |

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2020
於二零二零年六月三十日

| | | | At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核) | At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) |
|--|-------------|-----------------|--|---|
| | Notes 附註 | | | |
| CURRENT LIABILITIES | | 流動負債 | | |
| Trade payables | 17 | 應付貿易賬款 | 2,376,498 | 2,346,796 |
| Bills payable | 18 | 應付票據 | 1,749,015 | 1,427,557 |
| Other payables and accruals | | 其他應付款項及應計款項 | 1,466,634 | 1,310,359 |
| Contract liabilities | | 合約負債 | 992,143 | 680,331 |
| Tax liabilities | | 稅項負債 | 315,309 | 242,795 |
| Borrowings | 19 | 借貸 | 3,277,672 | 2,571,185 |
| Amounts due to related parties | 24 | 應付關聯方款項 | 36,079 | 26,270 |
| Lease liabilities | | 租賃負債 | 5,833 | 5,991 |
| Warranty provision | | 保證撥備 | 487,501 | 494,402 |
| Medium-term note | 20 | 中期票據 | 649,382 | 648,365 |
| Corporate bond | 20 | 企業債券 | 417,641 | 416,991 |
| | | | 11,773,707 | 10,171,042 |
| NET CURRENT ASSETS | | 淨流動資產 | 173,280 | 130,904 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 總資產減流動負債 | 7,331,705 | 7,237,302 |
| CAPITAL AND RESERVES | | 資本及儲備 | | |
| Share capital | | 股本 | 74,704 | 74,704 |
| Reserves | | 儲備 | 4,805,118 | 4,460,483 |
| Equity attributable to owners of the Company | | 本公司擁有人應佔權益 | 4,879,822 | 4,535,187 |
| Non-controlling interests | | 非控股權益 | 869,097 | 880,803 |
| TOTAL EQUITY | | 總權益 | 5,748,919 | 5,415,990 |
| NON-CURRENT LIABILITIES | | 非流動負債 | | |
| Deferred tax liabilities | | 遞延稅項負債 | 12,224 | 12,660 |
| Deferred income | | 遞延收入 | 272,941 | 279,497 |
| Borrowings | 19 | 借貸 | 1,291,071 | 1,519,415 |
| Lease liabilities | | 租賃負債 | 6,550 | 9,740 |
| | | | 1,582,786 | 1,821,312 |
| | | | 7,331,705 | 7,237,302 |

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

| | | Equity attributable to owners of the Company 本公司擁有人應佔權益 | | | | | | | | Equity attributable to non-controlling interests | | Total |
|--|---------------------|--|---------------|---------------------------|----------------------|----------------|----------------|------------------------------|-------------------|--|---------------------------|-----------|
| | | Share capital | Share premium | Statutory surplus reserve | Share option reserve | FVTOCI reserve | Other reserves | Exchange translation reserve | Retained earnings | Subtotal | Non-controlling interests | Total |
| | | 股本 | 股份溢價 | 法定盈餘儲備 | 購股權儲備 | 其他全面收益的儲備 | 其他儲備 | 匯兌儲備 | 保留盈利 | 小計 | 非控股權益 | 總額 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2020 (audited) | 於二零二零年一月一日 (經審核) | 74,704 | 408,237 | 859,219 | 76,143 | (22,037) | 306,871 | (2,356) | 2,834,406 | 4,535,187 | 880,803 | 5,415,990 |
| Profit for the period | 本期間溢利 | - | - | - | - | - | - | - | 407,152 | 407,152 | (10,712) | 396,440 |
| Other comprehensive income for the period | 本期間其他全面收益 | - | - | - | - | 2,769 | - | 316 | - | 3,085 | - | 3,085 |
| Recognition of equity-settled share based payments | 確認以股權結算以股份為基礎的付款 | - | - | - | 17,481 | - | - | - | - | 17,481 | - | 17,481 |
| Cancellation of equity-settled share based payments | 取消以股權結算以股份為基礎的付款 | - | - | - | (38,361) | - | - | - | 38,361 | - | - | - |
| Capital contribution by non-controlling interests | 非控股權益注資 | - | - | - | - | - | - | - | - | - | 4,733 | 4,733 |
| Dividend declared to owners of the Company (note 11) | 向本公司擁有人宣派股息 (附註 11) | - | - | - | - | - | - | - | (83,083) | (83,083) | - | (83,083) |
| Dividend declared to non-controlling interests | 向非控股權益宣派股息 | - | - | - | - | - | - | - | - | - | (5,727) | (5,727) |
| At 30 June 2020 (unaudited) | 於二零二零年六月三十日 (未經審核) | 74,704 | 408,237 | 859,219 | 55,263 | (19,268) | 306,871 | (2,040) | 3,196,836 | 4,879,822 | 869,097 | 5,748,919 |
| At 1 January 2019 (audited) | 於二零一九年一月一日 (經審核) | 74,961 | 417,301 | 685,076 | 21,247 | (7,477) | 306,871 | (4,908) | 2,509,597 | 4,002,668 | 926,162 | 4,928,830 |
| Profit for the period | 本期間溢利 | - | - | - | - | - | - | - | 285,974 | 285,974 | (49,902) | 236,072 |
| Other comprehensive income for the period | 本期間其他全面收益 | - | - | - | - | 3,822 | - | 2,359 | - | 6,181 | - | 6,181 |
| Recognition of equity-settled share based payments | 確認以股權結算以股份為基礎的付款 | - | - | - | 29,046 | - | - | - | - | 29,046 | - | 29,046 |
| Acquisition of partial interests in subsidiaries | 收購附屬公司的部分權益 | - | - | - | - | - | (2,943) | - | - | (2,943) | 2,453 | (490) |
| Dividend declared to owners of the Company (note 11) | 向本公司擁有人宣派股息 (附註 11) | - | - | - | - | - | - | - | (62,388) | (62,388) | - | (62,388) |
| Shares repurchased and cancelled | 已購回及註銷的股份 | (257) | (9,319) | - | - | - | - | - | - | (9,576) | - | (9,576) |
| At 30 June 2019 (unaudited) | 於二零一九年六月三十日 (未經審核) | 74,704 | 407,982 | 685,076 | 50,293 | (3,655) | 303,928 | (2,549) | 2,733,183 | 4,248,962 | 878,713 | 5,127,675 |

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

Six months ended 30 June
截至六月三十日止六個月

| | |
|-------------|-------------|
| 2020 | 2019 |
| 二零二零年 | 二零一九年 |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |
| (unaudited) | (unaudited) |
| (未經審核) | (未經審核) |

| Net cash generated from operating activities | 經營活動所得現金淨額 | 1,615,940 | 1,016,294 |
|--|---------------------|-------------|-------------|
| Investing activities | 投資活動 | | |
| Government grants received | 已收政府補助 | 12,661 | 36,321 |
| Interest received | 已收利息 | 37,028 | 41,448 |
| Purchase of property, plant and equipment | 購買物業、廠房及設備 | (332,399) | (154,030) |
| Proceeds on disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | 17,124 | 2,301 |
| Deposits paid for acquisition of property, plant and equipment | 收購物業、廠房及設備所付按金 | (98,922) | (169,174) |
| Purchase of investment property | 購買投資物業 | (264) | (931) |
| Payments for leasehold lands included in right-of-use assets | 計入使用權資產的租賃土地的付款 | (19,530) | (10,832) |
| Cash paid for establishment of associates | 建立聯營公司所付現金 | (1,700) | – |
| Proceeds on disposal of interests in associates | 出售聯營公司權益所得款項 | – | 6,203 |
| Cash paid for establishment of a joint venture | 建立一間合營企業所付現金 | – | (11,000) |
| Purchases of financial assets at FVTPL | 購買按公平值計入損益的金融資產 | (461) | (98,639) |
| Disposal of financial assets at FVTPL | 出售按公平值計入損益的金融資產 | 50,416 | 63,623 |
| Purchases of equity instruments at FVTOCI | 購買按公平值計入其他全面收益的權益工具 | (1,800) | – |
| Withdrawal of restricted bank deposits | 提取受限制銀行存款 | 4,838,905 | 3,780,217 |
| Placement of restricted bank deposits | 存放受限制銀行存款 | (5,995,710) | (4,409,693) |
| Collection of loan receivables | 追收應收貸款 | 370 | – |
| Repayment of loan receivables | 償還應收貸款 | – | 86,456 |
| Advance to related parties | 向關聯方墊款 | (8,567) | (20,887) |
| Repayments from related parties | 關聯方償還款項 | 26,449 | 33,095 |
| Net cash used in investing activities | 投資活動所用現金淨額 | (1,476,400) | (825,522) |

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|------------------------------|--|--|
| | | 2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核) | 2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核) |
| | Note 附註 | | |
| Financing activities | 融資活動 | | |
| Shares repurchased and cancelled | 已購回及註銷的股份 | - | (9,576) |
| Borrowings raised | 已籌措的借貸 | 19 1,994,915 | 1,661,457 |
| Repayment of borrowings | 償還借貸 | 19 (1,516,772) | (1,893,352) |
| Repayment of short term financing note | 償還短期融資票據 | - | (300,000) |
| Payments of lease liabilities | 支付租賃負債 | (1,766) | (2,943) |
| Interest paid | 已付利息 | (139,091) | (180,628) |
| Capital contribution by non-controlling interests | 非控股權益注資 | 4,733 | - |
| Acquisition of partial interests in subsidiaries | 收購附屬公司的部分權益 | - | (490) |
| Dividends paid to non-controlling interests | 向非控股權益派付股息 | (5,727) | - |
| Advance from related parties | 來自關聯方墊款 | 7,881 | 17,000 |
| Repayments to related parties | 向關聯方還款 | - | (4,740) |
| Net cash from (used in) financing activities | 融資活動所得(所用)現金淨額 | 344,173 | (713,272) |
| Net increase(decrease) in cash and cash equivalents | 現金及現金等價物增加(減少)淨額 | 483,713 | (522,500) |
| Cash and cash equivalents at beginning of the period | 期初現金及現金等價物 | 1,958,428 | 2,975,507 |
| Effects of exchange rate changes | 匯率變動影響 | 316 | 2,494 |
| Cash and cash equivalents at end of the period, represented by bank balances and cash | 期終現金及現金等價物，以銀行結餘及現金表示 | 2,442,457 | 2,455,501 |

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 18 January 2010 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 7 July 2010.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company and most of its subsidiaries. The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are manufacturing and sales of lead-acid motive batteries, lithium-ion batteries and other related products.

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2020 (the "Period") have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2019.

2A. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE PERIOD

The outbreak of Covid-19 and the subsequent quarantine measures as well as the travel restrictions have presented short-term challenges to the domestic economy as well as the market environment, and directly and indirectly affect the operations of the Group.

1. 一般資料

本公司於二零一零年一月十八日在開曼群島根據開曼群島公司法註冊成立為一家獲豁免有限公司，其股份自二零一零年七月七日起在香港聯合交易所有限公司（「聯交所」）主板上市。

簡明綜合財務報表以人民幣（「人民幣」）呈列，其亦為本公司及其大部份附屬公司的功能貨幣。本公司及其附屬公司（統稱「本集團」）的主要業務為製造及銷售鉛酸動力電池、鋰離子電池及其他相關產品。

2. 編製基準

於截至二零二零年六月三十日止六個月（「本期間」）的簡明綜合財務報表乃按照國際會計準則理事會頒佈的國際會計準則（「國際會計準則」）第34號中期財務報告及聯交所證券上市規則附錄十六的適用披露規定編製。

簡明綜合財務報表不包括全年財務報表所須載列的全部資料及披露資料，並應連同本集團截至二零一九年十二月三十一日止年度的全年財務報表一同參閱。

2A. 本期間內重大事項及交易

新型冠狀病毒肺炎疫情及其引致的檢疫措施與旅遊限制為國內經濟及市場環境帶來短期挑戰，同時對本集團營運造成直接及間接的影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

2A. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE PERIOD (CONTINUED)

The Group has been closely monitoring the pandemic and implementing contingency measures to minimize the impacts of the pandemic on the business operation of the Group. The production plant of the Group has resumed its production since middle February 2020 after the Chinese New Year holidays, and the Group has already been operating at full capacity since early March 2020. There was only limited impact on the operation of the Group, which mainly affected logistics arrangements and resulted in a slower ramp up in production capacity after the Chinese New Year holidays. On the other hand, the local governments in different provinces in the People's Republic of China (the "PRC") have announced some financial measures and supports for corporates to overcome the negative impact arising from the pandemic, the details of government grants in respect of Covid-19-related subsidies and waiver of social securities are disclosed in notes 6 and 8, respectively.

The directors of the Company (the "Directors") consider that the outbreak of Covid-19 has had no material impact on the Group's financial positions and performance for the Period.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the Period are the same as those presented in the Group's annual financial statements for the year ended 31 December 2019.

2A. 本期間內重大事項及交易(續)

本集團一直密切監察疫情，亦已實施應急措施，務求將疫情對本集團業務營運的影響降至最低。農曆新年假期過後，本集團的生產廠房自二零二零年二月中旬起已恢復生產，且自二零二零年三月上旬起本集團已全面投入運作。本集團營運所受影響有限，僅因物流安排受累而令農曆新年假期過後恢復生產的進程較慢。另一方面，中華人民共和國(「中國」)各省的地方政府均有宣佈若干金融政策，以協助企業克服疫情帶來的負面影響，有關政府提供的新型冠狀病毒肺炎相關補貼及豁免社保費，其詳情分別於附註6及8披露。

本公司董事(「董事」)認為，新型冠狀病毒肺炎疫情對本集團本期間的財務狀況及表現未有構成重大影響。

3. 主要會計政策

簡明綜合財務報表乃按歷史成本基準編製，惟若干按公平值計量的金融工具除外(如適用)。

除因應用國際財務報告準則(「國際財務報告準則」)修訂本而產生的新增會計政策外，本期間的簡明綜合財務報表所採用的會計政策及計算方法與本集團截至二零一九年十二月三十一日止年度全年財務報表所呈列者相同。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Application of amendments to IFRSs

In the Period, the Group has applied the Amendments to References to the Conceptual Framework in IFRS Standards and the following amendments to IFRSs, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

| | |
|---|--------------------------------|
| Amendments to IAS 1 and IAS 8 | Definition of Material |
| Amendments to IFRS 3 | Definition of a Business |
| Amendments to IFRS 9, IAS 39 and IFRS 7 | Interest Rate Benchmark Reform |

The application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs in the Period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. 主要會計政策(續)

應用國際財務報告準則修訂本

於本期間，本集團已首次應用提述國際財務報告準則概念框架的修訂及以下於二零二零年一月一日當日或之後開始的年度期間強制生效的國際財務報告準則修訂本，以編製本集團簡明綜合財務報表：

| | |
|---|--------|
| 國際會計準則第1號及國際會計準則第8號(修訂本) | 重大的定義 |
| 國際財務報告準則第3號(修訂本) | 業務的定義 |
| 國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號(修訂本) | 利率基準改革 |

於本期間應用提述國際財務報告準則概念框架的修訂及國際財務報告準則修訂本對本集團於本期間及過往期間的財務狀況及表現及／或本簡明綜合財務報表所載的披露並無重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

4. REVENUE

- (i) Disaggregation of revenue from contracts with customers

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|---------------------|--|--|
| | | 2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核) | 2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核) |
| Lead-acid motive batteries | 鉛酸動力電池 | 7,206,342 | 8,005,891 |
| Electric bikes battery | 電動自行車電池 | | |
| Electric cars battery and special-purpose electric cars battery | 電動車電池及特殊用途 電動車電池 | 3,165,468 | 3,332,352 |
| Li-ion batteries | 鋰離子電池 | 55,905 | 137,986 |
| Materials include lead and active additives | 材料(包括鉛及活性物) | 680,955 | 234,854 |
| | | 11,108,670 | 11,711,083 |

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|-------------------------------|---------|--|--|
| | | 2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核) | 2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核) |
| Timing of revenue recognition | 確認收入的時間 | | |
| A point in time | 某一時點 | 11,108,670 | 11,711,083 |

- (ii) Performance obligations for contracts with customers
The Group sells lead-acid motive batteries, lithium-ion batteries and other related products to customers. Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customers' specific locations (delivery). Following the delivery, the customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when on selling the goods and bear the risks of obsolescence and loss in relation to the goods. The Group generally allows a credit period of 45 days to its trade customers with good trading history, or otherwise sales on cash terms are required.

- (ii) 客戶合約之履約責任
本集團向客戶銷售鉛酸動力電池、鋰離子電池及其他相關產品。收入於貨品的控制權已轉讓時確認，即貨品已運送至客戶指定的地點(交付)。交付完成後，客戶可全權酌情決定發貨方式及貨品售價，並承擔轉售商品之主要責任及貨品報廢及損失之風險。本集團一般向交易記錄良好的交易客戶提供45日的信貸期，否則銷售以現金進行。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

5. OPERATING SEGMENTS

Information reported to the chief executive officer, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment focuses on revenue analysis by products. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented. No segment assets and liabilities, and related other segment information are presented as no such discrete financial information is provided to the CODM.

Geographical information

Most of the external revenues of the Group during the Period are from customers established in the PRC, the place of domicile of the Group's operating entities. Most of the Group's non-current assets are located in the PRC.

Information about major customers

The following illustrates the revenue from customers which contributing over 10% of the total revenue of the Group:

5. 經營分部

向作為主要營運決策人(「主要營運決策人」)的行政總裁報告的資料乃用作資源分配及集中按產品作收入分析評估。除本集團整體業績及財務狀況以外，概不會提供其他個別財務資料。因此僅呈報實體的整體披露、主要客戶及地理位置資料。由於主要營運決策人並無獲獨立提供分部資產及負債，以及其他相關的分部資料，因此未有呈列有關的個別財務資料。

地理位置資料

本期間，本集團大部分外部收入來自於中國成立的客戶。中國為本集團經營實體所在地點。本集團大部分非流動資產均位於中國。

主要客戶資料

以下載述來自貢獻本集團總收入10%以上的客戶的收入。

Six months ended 30 June

截至六月三十日止六個月

2020

2019

二零二零年

二零一九年

RMB'000

RMB'000

人民幣千元

人民幣千元

(unaudited)

(unaudited)

(未經審核)

(未經審核)

Customer A

客戶A

1,756,582

N/A (Note)
不適用(附註)

Note: The corresponding revenue did not contribute over 10% of the total revenue of the Group.

附註：相關收入並無貢獻本集團總收入10%以上。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

5A. SEASONALITY OF OPERATIONS

The Group experiences higher sales of batteries in the second half of the financial year due to an increased market demand for its products during the second half of the financial year. As a result, revenue from sales of batteries is usually lower during the first half of the financial year. The Group incorporate the effect of seasonality in its production plan by increasing production to build up inventories during the second and third quarters.

6. OTHER INCOME AND OTHER GAINS

5A. 營運季節因素

本集團於財政年度下半年錄得較高電池銷售，因為於財政年度下半年的產品市場需求上升。因此，電池銷售所得收入於財政年度上半年通常較低。透過於第二及第三季增產以累積存貨，本集團的生產計劃計入季節因素的影響。

6. 其他收入及其他收益

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|---------------------------|--|--|
| | | 2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核) | 2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核) |
| Government grants | 政府補助 | | |
| — grants related to income (note i) | — 與收入有關的補助(附註i) | 138,783 | 105,883 |
| — grants related to assets | — 與資產有關的補助 | 19,217 | 14,381 |
| Interest income on bank deposits | 銀行存款的利息收入 | 40,658 | 32,681 |
| Interest income on loan receivables | 應收貸款的利息收入 | 1,289 | 3,530 |
| Interest income on loan to an associate | 向一家聯營公司貸款的利息收入 | 3,496 | 3,999 |
| Gain on fair value of financial assets at FVTPL (note ii) | 按公平值計入損益的金融資產的公平值收益(附註ii) | 175,450 | — |
| Rental income | 租金收入 | 3,249 | 4,883 |
| Others | 其他 | 20,129 | 20,455 |
| | | 402,271 | 185,812 |

Notes:

- (i) Government grants mainly include various government subsidies received by the Company's subsidiaries from relevant government bodies for various purposes including enterprise expansion, technology advancement, environmental protection measures enhancement and product development. There were no unfulfilled conditions or contingencies attaching to these grants and subsidies that have been received and recognised as at 30 June 2020 and 2019. During the Period, the Group also recognised government grants of RMB11,500,000 in respect of Covid-19-related subsidies provided by the local governments.
- (ii) The amount represents gain on fair value changes of the Group's investment in equity securities listed in Hong Kong.

附註：

- (i) 政府補助主要包括本公司附屬公司收取多個相關政府機關有關包括鼓勵企業擴展、先進科技、環保措施強化及產品開發等多種目的之多項政府補貼。於二零二零年及二零一九年六月三十日，該等已收取及確認的補助及補貼並無附有尚未達成的條件或或有項目。於本期間，本集團亦就地方政府提供的新型冠狀病毒肺炎相關補貼確認政府補助人民幣11,500,000元。
- (ii) 有關款項指本集團於香港上市股本證券的投資的公平值收益。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

7. FINANCE COSTS

7. 融資成本

Six months ended 30 June
截至六月三十日止六個月

| | | 2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核) | 2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核) |
|--|---------------|--|--|
| Interest expenses on: | 利息開支： | | |
| Borrowings | 借貸 | 129,999 | 162,359 |
| Corporate bond | 企業債券 | 17,275 | 17,413 |
| Medium-term note | 中期票據 | 25,450 | 25,315 |
| Short-term financing note | 短期融資票據 | — | 951 |
| Lease liabilities | 租賃負債 | 371 | 345 |
| | | 173,095 | 206,383 |
| Less: amounts capitalised in construction in progress | 減：於在建工程中資本化金額 | (1,181) | (1,487) |
| | | 171,914 | 204,896 |

Borrowing costs capitalised during the Period arose on the general borrowing pool and are calculated by applying a capitalisation rate of 5.22% per annum (six months ended 30 June 2019: 5.03% per annum) to expenditure on qualifying assets.

於本期間撥充資本之借貸成本均源自一般借貸額，並按合資格資產開支5.22%（截至二零一九年六月三十日止六個月：年度比率5.03%）的資本化年度比率計算。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

8. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging (crediting):

8. 除稅前利潤

除稅前利潤乃經扣除(計入)以下各項後達致：

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|---------------------------|---|-------------|
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (unaudited) | (unaudited) |
| | | (未經審核) | (未經審核) |
| Wages and salaries | 工資及薪金 | 568,819 | 570,642 |
| Retirement benefits scheme contributions (note i) | 退休福利計劃供款(附註i) | 10,480 | 22,687 |
| Labour cost (note ii) | 勞工成本(附註ii) | 82,396 | 83,158 |
| Share-based payments | 以股份為基礎的付款 | 17,481 | 29,046 |
| Total staff costs | 員工成本總額 | 679,176 | 705,533 |
| Capitalised in inventories | 於存貨資本化 | (507,698) | (504,236) |
| | | 171,478 | 201,297 |
| Amortisation of intangible assets | 無形資產攤銷 | 20,805 | 19,607 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 259,372 | 227,849 |
| Total depreciation and amortisation | 折舊及攤銷總額 | 280,177 | 247,456 |
| Capitalised in inventories | 於存貨資本化 | (215,167) | (207,670) |
| | | 65,010 | 39,786 |
| Depreciation of investment properties | 投資物業折舊 | 1,375 | 1,457 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 7,627 | 8,945 |
| Cost of inventory recognised as expense | 確認為開支的存貨成本 | 9,494,619 | 9,922,876 |
| Impairment losses recognised (reversed) on (note iii): | 下列各項已確認(已撥回)之減值虧損(附註iii): | | |
| — trade receivables | — 應收貿易賬款 | 65,567 | 61,441 |
| — other receivables | — 其他應收款項 | 23,395 | 35,295 |
| — loan receivables | — 應收貸款 | — | 3,763 |
| — amount due from related parties | — 應收關聯方款項 | 18,055 | — |
| | | 107,017 | 100,499 |
| Gross rental income from investment properties | 投資物業租金總收入 | (2,533) | (2,216) |
| Less: direct operating expenses arising from investment properties generating rental income | 減：產生租金收入的投資物業招致的直接經營開支 | 869 | 769 |
| | | (1,664) | (1,447) |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備虧損 | 2,199 | 1,498 |
| Net foreign exchange losses | 外匯虧損淨額 | 5,900 | 3,447 |

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簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

8. PROFIT BEFORE TAXATION (CONTINUED)

Notes:

- (i) During the Period, pursuant to the notice released by the relevant PRC authority, certain subsidiaries of the Company have been fully or partially waived to undertake a number of social securities totaling approximately RMB7,486,000.
- (ii) The Group has entered into labor dispatch agreements with several service organisations which have provided labor service to the Group.
- (iii) The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2019.

8. 除稅前利潤(續)

附註：

- (i) 於本期間，根據相關中國當局發出的通知，本公司若干附屬公司已獲全部或局部豁免承擔幾類社會保險，合共約人民幣7,486,000元。
- (ii) 本集團與多家為本集團提供勞工服務的服務機構訂立勞工派遣協議。
- (iii) 釐定截至二零二零年六月三十日止六個月簡明綜合財務報表所用輸入數據及假設及估計技術的基準與編製本集團截至二零一九年十二月三十一日止年度年度財務報表所遵從者相同。

9. INCOME TAX EXPENSES

9. 所得稅開支

Six months ended 30 June

截至六月三十日止六個月

| | | 2020 | 2019 |
|---------------------------------------|----------------|-------------|-------------|
| | | 二零二零年 | 二零一九年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (unaudited) | (unaudited) |
| | | (未經審核) | (未經審核) |
| Current tax: | 即期稅項： | | |
| — PRC enterprise income tax | — 中國企業所得稅 | 149,038 | 164,325 |
| (Over) under provision in prior years | 過往年度(超額撥備)撥備不足 | | |
| — PRC enterprise income tax | — 中國企業所得稅 | (5,177) | 18,300 |
| Deferred tax credit | 遞延稅項抵免 | (5,377) | (56,799) |
| | | 138,484 | 125,826 |

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. In accordance with the "Notice of the State Tax Bureau of the Ministry of Finance Regarding Certain Preferential Treatment Policies on Enterprise Income Tax", New and High Technical Enterprise is subject to income tax at a preferential tax rate of 15%. Certain subsidiaries of the Company were qualified as New and High Technical Enterprises in accordance with the applicable EIT Law of the PRC and are subject to income tax at a preferential tax rate of 15%.

根據《中國企業所得稅法》(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司的稅率為25%。根據《財政部稅政司有關企業所得稅若干優惠處理政策的通知》，高新科技企業可按15%的優惠稅率繳納所得稅。根據適用的中國企業所得稅法，本公司若干附屬公司符合高新科技企業資格，並按15%的優惠稅率繳納所得稅。

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9. INCOME TAX EXPENSES (CONTINUED)

Other subsidiaries established in the PRC were subject to income tax rate of 25% for the Period (six months ended 30 June 2019: 25%). The Company and its subsidiaries incorporated in the British Virgin Islands (the "BVI"), Germany, Hong Kong and other countries had no assessable profits during the Period (six months ended 30 June 2019: nil).

The EIT Law provides that qualified dividend income between two "resident enterprises" that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% to 10% withholding tax under the tax treaty or the domestic law. The Group is currently subject to withholding tax at 10%. During the Period, withholding tax on intra-group dividend amounting to RMB8,308,000 (six months ended 30 June 2019: RMB14,361,000) was paid by the Group to relevant tax authorities.

The aggregate amount of temporary differences associated with undistributed earnings of PRC subsidiaries for which deferred tax liabilities have not been recognised was approximately RMB4,135,814,000 as at 30 June 2020 (31 December 2019: RMB3,548,544,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

9. 所得稅開支(續)

於本期間，於中國成立的其他附屬公司的所得稅稅率為25%（截至二零一九年六月三十日止六個月：25%）。本公司及其於英屬維爾京群島（「英屬維爾京群島」）、德國、香港及其他國家註冊成立的附屬公司，於本期間並無應課稅利潤（截至二零一九年六月三十日止六個月：無）。

企業所得稅法規定，兩家擁有直接投資關係的「居民企業」之間合資格股息收入獲豁免繳納所得稅。否則，根據稅項條約或國內法律，該股息將按介乎5%至10%不等的稅率繳納預扣稅。目前，本集團須按10%的稅率繳納預扣稅。於本期間，本集團已就集團內公司間股息向有關稅務機關支付預扣稅人民幣8,308,000元（截至二零一九年六月三十日止六個月：人民幣14,361,000元）。

於二零二零年六月三十日，中國附屬公司未分派盈利相關的暫時差額總額（未確認遞延稅項負債）為約人民幣4,135,814,000元（二零一九年十二月三十一日：人民幣3,548,544,000元）。未就該等差額確認遞延稅項負債乃由於本集團可以控制撥回該等暫時差額的時間，且於可見將來該等差額可能不會撥回。

10. 每股盈利

本公司擁有人應佔的每股基本及攤薄盈利乃根據以下數據計算：

| Six months ended 30 June 截至六月三十日止六個月 | | | |
|---|-----------------|--|--|
| | | 2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核) | 2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核) |
| Earnings | 盈利 | | |
| Earnings for the purpose of basic and diluted earnings per share | 就每股基本及攤薄盈利而言的盈利 | | |
| (profit for the period attributable to the owners of the Company) | (本公司擁有人應佔本期間利潤) | 407,152 | 285,974 |

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截至二零二零年六月三十日止六個月

10. EARNINGS PER SHARE (CONTINUED)

10. 每股盈利(續)

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|---------------------------|--|--|
| | | 2020 二零二零年 '000 千股 (unaudited) (未經審核) | 2019 二零一九年 '000 千股 (unaudited) (未經審核) |
| Number of shares | 股份數目 | | |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 就每股基本盈利而言的普通股加權平均數 | 1,104,127 | 1,107,386 |
| Effect of dilutive potential ordinary shares relating to: — outstanding share options | 潛在攤薄普通股的影響： — 尚未行使的購股權 | — | 95 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 就每股攤薄盈利而言的普通股加權平均數 | 1,104,127 | 1,107,481 |

Certain outstanding share options of the Company have not been included in the computation of diluted earnings per share as they did not have a dilutive effect to the Company's earnings per share during the six months ended 30 June 2020 and 2019 because the exercise prices of these share options were higher than the average market prices of the Company's shares during both periods.

每股攤薄盈利之計算並不包括本公司若干尚未行使的購股權，原因為該等購股權之行使價於截至二零二零年及二零一九年六月三十日止六個月高於本公司股份的平均市價，故此於該兩個期間對本公司之每股盈利均無攤薄效應。

11. DIVIDENDS

During the Period, a final dividend of HKD0.084 (equivalent to RMB0.075) per share in respect of the year ended 31 December 2019 (six months ended 30 June 2019: HKD0.066 (equivalent to RMB0.056) per share in respect of the year ended 31 December 2018) was declared to the owners of the Company. The aggregate amount of the final dividend declared in the Period amounted to HKD92,747,000 (equivalent to RMB83,083,000) (six months ended 30 June 2019: HKD72,872,000 (equivalent to RMB62,388,000)). The final dividend in respect of the year ended 31 December 2019 has been paid in July 2020.

The Board of Directors of the Company resolved not to pay dividend in respect of the Period (six months ended 30 June 2019: nil).

11. 股息

於本期間，向本公司擁有人宣派截至二零一九年十二月三十一日止年度的末期股息每股0.084港元(相等於人民幣0.075元)(截至二零一九年六月三十日止六個月：截至二零一八年十二月三十一日止年度的末期股息每股0.066港元(相等於人民幣0.056元))。於本期間已宣派的末期股息合共為92,747,000港元(相等於人民幣83,083,000元)(截至二零一九年六月三十日止六個月：72,872,000港元(相等於人民幣62,388,000元))。有關截至二零一九年十二月三十一日止年度的末期股息已於二零二零年七月支付。

本公司董事會議決不就本期間派付股息(截至二零一九年六月三十日止六個月：無)。

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12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Property, Plant and Equipment

During the Period, the Group disposed of certain plant and machinery with an aggregate carrying amount of RMB19,323,000 (six months ended 30 June 2019: RMB7,175,000) for a disposal consideration of RMB17,124,000 (six months ended 30 June 2019: RMB5,677,000), resulting in a loss on disposal amounting to RMB2,199,000 (six months ended 30 June 2019: a loss amounting to RMB1,498,000).

In addition, during the Period, the Group incurred approximately RMB120,007,000 (six months ended 30 June 2019: RMB148,801,000) on the acquisition of property, plant and equipment and approximately RMB278,364,000 (six months ended 30 June 2019: RMB145,838,000) on construction in progress in order to increase its manufacturing capabilities.

Right-of-use assets

For both periods, the Group leases various offices and manufacturing buildings for its operations. Lease contracts are entered into for fixed term of 2 to 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the Period, the Group incurred approximately RMB19,530,000 on the acquisition of leasehold lands included in right-of-use assets, no other new lease agreement was entered into by the Group. On lease commencement, right-of-use assets of RMB19,530,000 (six months ended 30 June 2019: RMB8,875,000) and no lease liabilities (six months ended 30 June 2019: RMB8,875,000) was recognised.

12. 物業、廠房及設備及使用權資產的變動

物業、廠房及設備

於本期間，本集團以出售代價人民幣 17,124,000 元（截至二零一九年六月三十日止六個月：人民幣 5,677,000 元）出售若干總賬面值為人民幣 19,323,000 元（截至二零一九年六月三十日止六個月：人民幣 7,175,000 元）的廠房及機器，導致產生出售虧損人民幣 2,199,000 元（截至二零一九年六月三十日止六個月：虧損人民幣 1,498,000 元）。

此外，於本期間，本集團就收購物業、廠房及設備產生開支約人民幣 120,007,000 元（截至二零一九年六月三十日止六個月：人民幣 148,801,000 元），而為在建工程作出開支約人民幣 278,364,000 元（截至二零一九年六月三十日止六個月：人民幣 145,838,000 元），以增加其製造能力。

使用權資產

於該兩個期間，本集團就營運租賃多間辦公室及製造樓宇。租約按固定租期 2 至 8 年訂立。租期按個別基準磋商，並包含各種不同的條款及條件。釐定租期及評估不可撤銷期之長度時，本集團應用合約之定義並釐定可執行合約之年期。

於本期間，本集團因收購租賃土地而產生約人民幣 19,530,000 元計入使用權資產的款項，除此以外，本集團概無訂立其他新租賃協議。於租賃開始時，人民幣 19,530,000 元（截至二零一九年六月三十日止六個月：人民幣 8,875,000 元）的使用權資產及無租賃負債（截至二零一九年六月三十日止六個月：人民幣 8,875,000 元）獲確認。

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13. LOAN RECEIVABLES

Set out below is the loan receivables analysis for reporting purpose:

13. 應收貸款

以下為應收貸款就報告目的分析：

| | | At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核) | At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) |
|-----------------------|----------|--|---|
| Current assets (Note) | 流動資產(附註) | 134,111 | 129,873 |
| Non-current assets | 非流動資產 | – | 4,608 |
| | | 134,111 | 134,481 |

Note:

The amounts include a loan to Chisen Electric Jiangsu Co., Ltd ("Chisen Electric") amounting to RMB69,860,000 under entrusted loan arrangement through CITIC Trust Co., Ltd. ("CITIC Trust"). The entrusted loan is secured by property, plant and equipment and inventories held by Chisen Electric and Chisen Electric Zhejiang Co., Ltd. ("Chisen Zhejiang", the immediate holding company of Chisen Electric), 98% equity interest in Chisen Electric and 100% equity interest in Chisen Zhejiang, and guaranteed by the ultimate beneficial owner of Chisen Electric, carrying fixed interest rate of 8% per annum, and was expired in December 2019.

The Group, together with CITIC Trust, is now negotiating with Chisen Electric on the settlement arrangement about this entrusted loan. Based on assessment by the Directors, the loss given default is low in view of the estimated recoverable amount from disposal of the collaterals, which have been stipulated in the loan arrangement and registered and published in the National Enterprise Credit Information Publicity System. Therefore, the Directors consider the expected credit loss ("ECL") for this loan to be insignificant as at 30 June 2020.

附註：

金額包括根據委託貸款協議透過中信信託有限責任公司(「中信信託」)授予昌盛電氣江蘇有限公司(「昌盛電氣」)的貸款人民幣69,860,000元。委託貸款以昌盛電氣及昌盛浙江電氣有限公司(「昌盛浙江」，昌盛電氣的直屬控股公司)持有的物業、廠房及設備及存貨、昌盛電氣98%股權及昌盛浙江100%股權作抵押，並由昌盛電氣的最終實益擁有人作擔保，按固定年利率8%計息，並已於二零一九年十二月到期。

本集團連同中信信託現正與昌盛電氣磋商此委託貸款的償付安排。基於董事的評估，鑒於出售抵押品所得的估計可收回金額(其已於貸款協議訂明及於國家企業信用信息公示系統登記及公開)，違約所致的損失不大。因此，董事認為此貸款的預期信貸虧損(「預期信貸虧損」)於二零二零年六月三十日並不重大。

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14. TRADE RECEIVABLES

14. 應收貿易賬款

| | | At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核) | At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) |
|---|------------------|--|---|
| Trade receivables — contracts with customers | 應收貿易賬款 — 客戶合約 | 2,499,854 | 2,253,395 |
| Less: allowance for credit losses | 減：信貸虧損撥備 | (497,213) | (432,809) |
| | | 2,002,641 | 1,820,586 |

The Group normally allows a credit period of 45 days to its trade customers with good trading history, or otherwise sales on cash terms are required. The following is an analysis of trade receivables by age, presented based on the revenue recognition date, net of allowance for doubtful debts as at 30 June 2020 and 31 December 2019:

本集團一般向有良好交易記錄的交易客戶提供45日的信貸期，否則銷售以現金進行。於二零二零年六月三十日及二零一九年十二月三十一日，扣除呆賬撥備後的應收貿易賬款按收入確認日期呈列的賬齡分析如下：

| | | At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核) | At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) |
|---------------|-----------|--|---|
| 0–45 days | 0–45 日 | 1,026,244 | 745,712 |
| 46–90 days | 46–90 日 | 310,383 | 423,196 |
| 91–180 days | 91–180 日 | 243,808 | 216,261 |
| 181–365 days | 181–365 日 | 330,306 | 344,693 |
| Over 365 days | 逾 365 日 | 91,900 | 90,724 |
| | | 2,002,641 | 1,820,586 |

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15. RECEIVABLES AT FVTOCI

The balance as at 30 June 2020 represents bills receivables held by the Group which is measured at FVTOCI since the bills are held within the business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding. At 30 June 2020, bills receivables of the Group amounting to RMB237,925,000 (31 December 2019: RMB1,049,328,000) had been pledged as securities for obtaining the bank borrowings.

In addition, the Group has discounted certain bills receivables to banks and transferred certain bills receivables to its suppliers to settle its payables through endorsing the bills to its suppliers. These bills are issued or guaranteed by reputable PRC banks with high credit ratings, therefore the Directors consider the substantial risks in relation to these bills is interest risk as the credit risk arising from these bills is minimal. Upon the discount/endorsement of these bills, the Group has transferred substantially all the risks (i.e. interest risks) of these bills to relevant banks/suppliers, therefore Group has derecognised these bills receivables.

As at 30 June 2020, the Group's maximum exposure to loss and cash outflow, which is same as the amount payable by the Group to collecting banks or the suppliers in respect of the bank issued bills discounted and bank issued bills endorsed, should the issuing banks fail to settle the bills on maturity date, of which amounted to RMB451,000,000 and RMB545,677,000 (31 December 2019: RMB719,120,000 and RMB191,727,000), respectively. All the bills receivables discounted to banks or endorsed to suppliers of the Group have a maturity date of less than one year from the end of the reporting period.

15. 按公平值計入其他全面收益的應收款項

於二零二零年六月三十日的結餘指本集團所持有按公平值計入其他全面收益計量的應收票據，原因為該等票據是在透過收取合約現金流量及出售金融資產達到目標的業務模式下持有，而該合約現金流量僅為本金及尚未償還本金的利息的付款。於二零二零年六月三十日，本集團人民幣237,925,000元（二零一九年十二月三十一日：人民幣1,049,328,000元）的應收票據已抵押作為取得銀行借貸的證券。

此外，本集團已向銀行折現若干應收票據及透過向其供應商背書票據向其供應商轉讓若干應收票據以支付其應付款項。該等票據由聲譽良好及具高信貸評級之中國銀行發行或擔保，故董事認為有關該等票據的大部分風險為利息風險，因該等票據產生的信貸風險甚微。於該等票據貼現／背書後，本集團已將該等票據的絕大部分風險（即利息風險）轉移至相關銀行／供應商，因此本集團已終止確認該等應收票據。

於二零二零年六月三十日，如開票銀行於票據到期日未能清償票據，本集團承受虧損及現金流出的最大額等同於本集團為銀行發行的已貼現及已背書的票據相對應的收款銀行或供應商應付賬款分別價值人民幣451,000,000元及人民幣545,677,000元（二零一九年十二月三十一日：人民幣719,120,000元及人民幣191,727,000元）。於報告期末，本集團所有已貼現給銀行或已背書予供應商的應收票據之到期日均少於一年。

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16. RESTRICTED BANK DEPOSITS

Restricted bank deposits represent the Group's bank deposits pledged to banks to secure certain facilities granted to the Group by banks.

17. TRADE PAYABLES

The following is an analysis of trade payables by age, presented based on the invoice date, at 30 June 2020 and 31 December 2019:

| | | At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核) | At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) |
|--------------|-----------|--|---|
| 0–30 days | 0–30 日 | 1,289,504 | 1,324,838 |
| 31–90 days | 31–90 日 | 541,267 | 432,133 |
| 91–180 days | 91–180 日 | 165,616 | 246,518 |
| 181–365 days | 181–365 日 | 163,806 | 151,117 |
| 1–2 years | 1–2 年 | 159,027 | 166,620 |
| Over 2 years | 逾 2 年 | 57,278 | 25,570 |
| | | 2,376,498 | 2,346,796 |

18. BILLS PAYABLE

All the bills payable are of trading nature and will mature within one year from issue date.

16. 受限制銀行存款

受限制銀行存款指本集團已抵押予銀行的銀行存款，作為本集團獲銀行授出的若干授信的抵押。

17. 應付貿易賬款

於二零二零年六月三十日及二零一九年十二月三十一日，應付貿易賬款按發票日期的賬齡分析如下：

18. 應付票據

所有應付票據均屬交易性質並將於發出日期起計一年內到期。

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19. BORROWINGS

During the Period, the Group obtained new bank and other loans amounting to RMB1,994,915,000 (six months ended 30 June 2019: RMB1,661,457,000), and repaid bank and other loans of RMB1,516,772,000 (six months ended 30 June 2019: RMB1,893,352,000). The newly raised loans bear interest at market rates ranging from 3.62% to 9.00% per annum (six months ended 30 June 2019: from 3.63% to 8.79% per annum).

20. MEDIUM-TERM NOTE/CORPORATE BOND

Medium-term note

On 16 October 2017, the Group issued an unsecured three-year medium-term note with a principal amount of RMB700,000,000. The coupon rate of the medium-term note is 7.00% per annum and the effective interest rate is 7.34% per annum.

Corporate bond

On 14 August 2014, the Group issued a unsecured six-year term corporate bond (the "Corporate Bond") in the PRC with a principal amount of RMB600,000,000. The coupon rate of the Corporate Bond is 7.98% per annum for the first three years up to 13 August 2017. At the end of the third year, on 13 August 2017, the bonds holders have a right to redeem all or part of the Corporate Bond at its face value and the Group has a right to adjust upward the interest rate of the Corporate Bond from a range of 1–100 basis points (both fingers inclusive). The Company has provided an irrevocable guarantee on the entire principal amount and interest of the Corporate Bond. On 13 August 2017, the Corporate Bond holders have decided to redeem part of the Corporate Bond from the Group amounting to RMB182,196,000. The remaining portion of the Corporate Bond keeps at the same interest rate. The Group has repaid the remaining portion in full on 13 August 2020.

19. 借貸

於本期間，本集團新增銀行及其他貸款為人民幣1,994,915,000元（截至二零一九年六月三十日止六個月：人民幣1,661,457,000元），並償還銀行及其他貸款人民幣1,516,772,000元（截至二零一九年六月三十日止六個月：人民幣1,893,352,000元）。新籌措貸款按市場利率計息，介乎年息3.62%至9.00%（截至二零一九年六月三十日止六個月：介乎年息3.63%至8.79%）。

20. 中期票據／企業債券

中期票據

於二零一七年十月十六日，本集團發行本金額為人民幣700,000,000元的無抵押三年期中期票據。中期票據的票面利率為每年7.00%，而實際利率為每年7.34%。

企業債券

於二零一四年八月十四日，本集團於中國發行本金額為人民幣600,000,000元的無抵押六年期企業債券（「企業債券」）。企業債券首三年的票面利率為每年7.98%，直至二零一七年八月十三日止。於第三年末，於二零一七年八月十三日，債券持有人有權按面值贖回全部或部分企業債券，而本集團有權上調企業債券的利率，以介乎1–100基點（包括首尾數字）為限。本公司已就企業債券之全部本金額及利息提供不可撤回之擔保。於二零一七年八月十三日，企業債券持有人決定向本集團贖回部分企業債券，為數人民幣182,196,000元。企業債券其餘部分維持相同利率。本集團於二零二零年八月十三日已悉數償還其餘部分。

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21. CAPITAL COMMITMENTS

21. 資本承擔

| | | At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核) | At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) |
|---|--------------|--|---|
| Contracted but not provided for | 已就下列項目訂約但未撥備 | | |
| — acquisition of property, plant and equipment | — 收購物業、廠房及設備 | 76,817 | 74,412 |
| — acquisition of intangible asset | — 收購無形資產 | 7,961 | 7,847 |
| — capital contribution to associates | — 向聯營公司注資 | 24,900 | 23,200 |
| — capital contribution to a joint venture | — 向一間合營企業注資 | 22,000 | 22,000 |

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair value of certain financial assets.

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The management of the Company has delegated a team, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Where observable inputs are not available, the Group also considers to engage third party qualified valuers to perform the valuation, if necessary.

22. 金融工具的公平值計量

此附註就本集團如何釐定若干金融資產的公平值提供資料。

本集團若干金融工具按公平值計量，以作財務報告用途。本公司管理層已委派由本公司財務總監領導的團隊，以釐定計量公平值的適當估值技術及輸入數據。

估計公平值時，本集團使用在當前情況下適用並且有足夠可用數據的估值技術計量公平值，盡可能使用相關可觀察輸入數據並少用不可觀察輸入數據。倘無法取得可觀察輸入數據，如有必要，本集團亦會考慮委聘第三方合資格的估值師進行估值。

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22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

22. 金融工具的公平值計量(續)

根據經常性基準按公平值計量的本集團金融資產及金融負債的公平值

| Financial assets 金融資產 | Fair value as at 公平值 | | Fair value hierarchy 公平值層級 | Valuation technique and key inputs 估值技術及主要輸入數據 |
|---|---|---|-------------------------------|--|
| | 30 June 2020 二零二零年六月三十日 (unaudited) (未經審核) | 31 December 2019 二零一九年十二月三十一日 (audited) (經審核) | | |
| Financial assets at FVTPL 按公平值計入損益的金融資產 | Listed equity securities in Hong Kong: 香港上市股本證券: Manufacturing industry RMB277,274,000 製造業 人民幣 277,274,000 元 | Listed equity securities in Hong Kong: 香港上市股本證券: Manufacturing industry RMB151,779,000 製造業 人民幣 151,779,000 元 | Level 1 第 1 級 | Quoted bid prices in an active market 活躍市場的買入報價 |
| Equity instruments at FVTOCI 按公平值計入其他全面收益的權益工具 | Unlisted entities: RMB5,300,000 非上市實體: 人民幣 5,300,000 元 | Unlisted entities: RMB3,500,000 非上市實體: 人民幣 3,500,000 元 | Level 3 第 3 級 | These investments are not publicly traded in an open market. Therefore, the fair value of these investments were determined with reference to the issue prices for recently issued shares of each investment. 該等投資並無在公開市場交易，因此，該等投資的公平值將參考各投資近期發行之股份的發行價釐定。 |
| Receivables at FVTOCI 按公平值計入其他全面收益的應收款項 | Bills receivable: RMB942,650,000 應收票據: 人民幣 942,650,000 元 | Bills receivable: RMB1,401,425,000 應收票據: 人民幣 1,401,425,000 元 | Level 2 第 2 級 | Discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these receivables at FVTOCI. 以折現現金流量法取得擁有該等按公平值計入其他全面收益的應收款項所產生的預期未來經濟利益之現值。 |

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22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

There is no transfer among level 1, 2 and 3 during the Period.

Reconciliation of Level 3 fair value measurements:

22. 金融工具的公平值計量(續)

根據經常性基準按公平值計量的本集團金融資產及金融負債的公平值(續)

本期間，第1級、第2級及第3級之間概無轉移。

第三級公平值計量之對賬：

Unlisted equity
investments
classified as
equity instruments
at FVTOCI
分類為按公平值
計入其他全面收益的
權益工具之
非上市股本投資
RMB'000
人民幣千元

| | | |
|--|---------------|---------|
| At 1 January 2019 | 於二零一九年一月一日 | 10,722 |
| Total losses in other comprehensive income | 於其他全面收益的虧損總額 | (8,922) |
| Purchases | 購買 | 1,700 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 3,500 |
| Purchases | 購買 | 1,800 |
| At 30 June 2020 | 於二零二零年六月三十日 | 5,300 |

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22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of the Group's financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values:

22. 金融工具的公平值計量(續)

並非根據經常性基準按公平值計量的本集團金融工具的公平值(惟須披露公平值)

除下表所詳述者外，董事認為於簡明綜合財務報表所載按攤銷成本入賬的金融資產及金融負債的賬面值與其公平值相若：

| | | At 30 June 2020 | | At 31 December 2019 | |
|--|-------------|-----------------|------------|---------------------|------------|
| | | 於二零二零年六月三十日 | | 於二零一九年十二月三十一日 | |
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| | | 賬面值 | 公平值 | 賬面值 | 公平值 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | (unaudited) | | (audited) | |
| | | (未經審核) | | (經審核) | |
| Financial liabilities | 金融負債 | | | | |
| Corporate bonds and interest payable | 企業債券及應付利息 | 434,266 | 467,608 | 428,135 | 453,292 |
| Medium-term notes and interest payable | 中期票據及應付利息 | 673,815 | 716,970 | 656,554 | 699,554 |

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23. SHARE-BASED PAYMENTS

The Company's 2010 share option scheme (the "2010 Share Option Scheme") was adopted for the primary purpose of providing incentives to directors and eligible employees. Under the scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The share options granted shall vest in accordance with the timetable below, each with an exercise period commencing from the relevant vesting date and ending 8 years after the date of grant (4 April 2018, 21 December 2018 and 25 March 2019):

- (1) 32,500,000 share options granted on 4 April 2018 ("April 2018 share options"):
 - (a) 10% of the total number of the share options granted shall vest on 4 April 2018
 - (b) 20% of the total number of the share options granted shall vest on 4 April 2019
 - (c) 70% of the total number of the share options granted shall vest on 4 April 2020
- (2) 35,750,000 share options granted on 21 December 2018 ("December 2018 share options"):
 - (a) 10% of the total number of the share options granted shall vest on 21 December 2018
 - (b) 20% of the total number of the share options granted shall vest on 21 December 2019
 - (c) 70% of the total number of the share options granted shall vest on 21 December 2020

23. 以股份為基礎的付款

本公司的二零一零年購股權計劃(「二零一零年購股權計劃」)獲採納，主要目的為向董事及合資格僱員提供獎勵。根據該計劃，本公司董事會可向合資格僱員(包括本公司及其附屬公司的董事)授出購股權，以認購本公司股份。

所授出購股權將根據下列時間表歸屬，各自的行使期為自有關歸屬日期起至授出日期(二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日)後8年止：

- (1) 於二零一八年四月四日授出的32,500,000份購股權(「二零一八年四月購股權」)：
 - (a) 所授出購股權總數的10%將於二零一八年四月四日歸屬
 - (b) 所授出購股權總數的20%將於二零一九年四月四日歸屬
 - (c) 所授出購股權總數的70%將於二零二零年四月四日歸屬
- (2) 於二零一八年十二月二十一日授出的35,750,000份購股權(「二零一八年十二月購股權」)：
 - (a) 所授出購股權總數的10%將於二零一八年十二月二十一日歸屬
 - (b) 所授出購股權總數的20%將於二零一九年十二月二十一日歸屬
 - (c) 所授出購股權總數的70%將於二零二零年十二月二十一日歸屬

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23. SHARE-BASED PAYMENTS (CONTINUED)

(3) 30,650,000 share options granted on 25 March 2019 ("March 2019 share options"):

- (a) 10% of the total number of the share options granted shall vest on 25 March 2019
- (b) 20% of the total number of the share options granted shall vest on 25 March 2020
- (c) 70% of the total number of the share options granted shall vest on 25 March 2021

The following table discloses movements of the Company's share options held by employees and Directors during the Period:

| | | Outstanding at 1 January 2020 於二零二零年 一月一日 尚未行使 | Exercised during the Period 本期間行使 | Cancelled during the Period (note) 本期間註銷 (附註) | Forfeited during the Period 本期間沒收 | Expired during the Period 本期間屆滿 | Outstanding at 30 June 2020 於二零二零年 六月三十日 尚未行使 |
|---------------------------------------|-----------------|---|--|---|--|--|--|
| April 2018 share options | 二零一八年四月 購股權 | 32,500,000 | - | (29,000,000) | - | - | 3,500,000 |
| December 2018 share options | 二零一八年十二月 購股權 | 35,750,000 | - | - | - | - | 35,750,000 |
| March 2019 share options | 二零一九年三月 購股權 | 30,650,000 | - | - | - | - | 30,650,000 |
| | | 98,900,000 | - | (29,000,000) | - | - | 69,900,000 |
| Held by: Directors | 持有人：董事 | 7,400,000 | - | - | - | - | 7,400,000 |
| Employees | 僱員 | 91,500,000 | - | (29,000,000) | - | - | 62,500,000 |
| Exercisable at the end of the period | 期末可行使 | | | | | | 23,420,000 |
| Weighted average exercise price (HKD) | 加權平均行使價 (港元) | 3.507 | - | 4.332 | - | - | 3.164 |

Note: During the Period, 29,000,000 share options granted on 4 April 2018 was cancelled by the Company and the Company accounted for the cancellation as an acceleration of vesting in accordance with IFRS 2.

23. 以股份為基礎的付款(續)

(3) 於二零一九年三月二十五日授出的30,650,000份購股權(「二零一九年三月購股權」)：

- (a) 所授出購股權總數的10%將於二零一九年三月二十五日歸屬
- (b) 所授出購股權總數的20%將於二零二零年三月二十五日歸屬
- (c) 所授出購股權總數的70%將於二零二一年三月二十五日歸屬

下表披露本期間僱員及董事持有的本公司購股權的變動：

附註：於本期間，本公司於二零一八年四月四日註銷29,000,000份已授出購股權，本公司根據國際財務報告準則第2號將有關註銷入賬為加速歸屬。

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23. SHARE-BASED PAYMENTS (CONTINUED)

The following table discloses movements of the Company's share options held by employees and Directors during the prior period:

| | | Outstanding at 1 January 2019 於二零一九年 一月一日 尚未行使 | Granted during the period 期內授出 | Exercised during the period 期內行使 | Forfeited during the period 期內沒收 | Expired during the period 期內屆滿 | Outstanding at 30 June 2019 於二零一九年 六月三十日 尚未行使 |
|--|-----------------|---|---|---|---|---|--|
| April 2018 share options | 二零一八年四月 購股權 | 32,500,000 | - | - | - | - | 32,500,000 |
| December 2018 share options | 二零一八年十二月 購股權 | 35,750,000 | - | - | - | - | 35,750,000 |
| March 2019 share options | 二零一九年三月 購股權 | - | 30,650,000 | - | - | - | 30,650,000 |
| | | 68,250,000 | 30,650,000 | - | - | - | 98,900,000 |
| Held by: Directors | 持有人：董事 | 6,250,000 | 1,150,000 | - | - | - | 7,400,000 |
| Employees | 僱員 | 62,000,000 | 29,500,000 | - | - | - | 91,500,000 |
| Exercisable at the end of the period | 期末可行使 | | | | | | 16,390,000 |
| Weighted average exercise price (HKD) | 加權平均行使價 (港元) | 3.694 | 3.090 | - | - | - | 3.507 |

During the Period, no options was granted under the 2010 Share Option Scheme or the share option scheme. The estimated fair values of the options granted on 4 April 2018, 21 December 2018 and 25 March 2019 are RMB41,230,000, RMB32,669,000 and RMB25,135,000 respectively.

The Group recognised the total expense of RMB17,481,000 for the Period (six months ended 30 June 2019: RMB29,046,000) in relation to share options granted by the Company.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share option reserve.

23. 以股份為基礎的付款(續)

下表披露過往期間僱員及董事持有的本公司購股權的變動：

於本期間內，並無根據二零一零年購股權計劃或購股權計劃授出購股權。於二零一八年四月四日、二零一八年十二月二十一日及二零一九年三月二十五日授出的購股權的估計公平值分別為人民幣41,230,000元、人民幣32,669,000元及人民幣25,135,000元。

本集團就本公司授出的購股權確認本期間的開支總額人民幣17,481,000元(截至二零一九年六月三十日止六個月：人民幣29,046,000元)。

於各報告期末，本集團修訂其預期最終將予歸屬的購股權數目的估計。修訂估計的影響(如有)於損益內確認，並相應調整購股權儲備。

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23. SHARE-BASED PAYMENTS (CONTINUED)

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

23. 以股份為基礎的付款(續)

授予僱員的購股權

向僱員及其他提供類似服務的人士作出的以股權結算以股份為基礎的付款乃於授出日期按權益工具的公平值計量。

以股權結算以股份為基礎的付款按授出日期釐定的公平值(並無計及所有非市場歸屬條件)，乃根據本集團對最終將歸屬的權益工具的估計，於歸屬期內以直線法支銷，而權益(購股權儲備)會相應增加。於各報告期末，本集團基於對所有相關非市場歸屬條件的評估修訂預期歸屬的權益工具數目的估計。修訂原先估計的影響(如有)於損益中確認，以便累計開支反映修訂估計，並對購股權儲備作出相應調整。就於授出日期即時歸屬的購股權而言，授出的購股權的公平值乃即時於損益中支銷。

當購股權獲行使時，先前於購股權儲備中確認的款項將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日仍未獲行使，先前於購股權儲備中確認的款項將轉撥至保留盈利。

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24. RELATED PARTY TRANSACTIONS

- (a) During the Period, the Group entered into the following transactions with related parties.
Trade sales and purchase

24. 關聯方交易

- (a) 本期間，本集團與關聯方進行以下交易。
貿易銷售及採購

| | | Trade sales 貿易銷售 | | Trade purchase 貿易採購 | |
|---|-------------|---|---|---|---|
| | | Period ended 30/06/2020 截至 二零二零年 六月三十日 止期間 RMB'000 人民幣千元 | Period ended 30/06/2019 截至 二零一九年 六月三十日 止期間 RMB'000 人民幣千元 | Period ended 30/06/2020 截至 二零二零年 六月三十日 止期間 RMB'000 人民幣千元 | Period ended 30/06/2019 截至 二零一九年 六月三十日 止期間 RMB'000 人民幣千元 |
| Entities controlled by the directors of the Company | 本公司董事所控制的實體 | 4,938 | — | 2,332 | 16,324 |
| Associate | 聯營公司 | 563 | — | — | — |
| Joint ventures | 合營企業 | — | 1,329 | 102 | — |
| | | 5,501 | 1,329 | 2,434 | 16,324 |

- (b) The details of outstanding balances with related parties as at the end of each reporting period are set as follow:
Amounts due from related parties (before ECL)

- (b) 於各報告期末與關聯方之未清償結餘的詳情載列如下：

應收關聯方款項（未計預期信貸虧損前）

| | | 30/06/2020 二零二零年六月三十日 | | 31/12/2019 二零一九年十二月三十一日 | |
|---|-------------|---------------------------------|--------------------------------------|---------------------------------|--------------------------------------|
| | | Trade 貿易 RMB'000 人民幣千元 | Non-trade 非貿易 RMB'000 人民幣千元 | Trade 貿易 RMB'000 人民幣千元 | Non-trade 非貿易 RMB'000 人民幣千元 |
| Entities controlled by the directors of the Company | 本公司董事所控制的實體 | 6,254 | — | 3,224 | — |
| Associate | 聯營公司 | 5,493 | 110,047 | 4,894 | 127,929 |
| Joint ventures | 合營企業 | 36,529 | 22,348 | 37,079 | 22,348 |
| Others | 其他 | — | — | 11,551 | — |
| | | 48,276 | 132,395 | 56,748 | 150,277 |

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截至二零二零年六月三十日止六個月

24. RELATED PARTY TRANSACTIONS (CONTINUED)

- (b) The details of outstanding balances with related parties as at the end of each reporting period are set as follow: (Continued)

Amounts due to related parties

| | | 30/06/2020 二零二零年六月三十日 | | 31/12/2019 二零一九年十二月三十一日 | |
|---|-------------|---------------------------------|--------------------------------------|---------------------------------|--------------------------------------|
| | | Trade 貿易 RMB'000 人民幣千元 | Non-trade 非貿易 RMB'000 人民幣千元 | Trade 貿易 RMB'000 人民幣千元 | Non-trade 非貿易 RMB'000 人民幣千元 |
| Entities controlled by the directors of the Company | 本公司董事所控制的實體 | 7,978 | - | 6,169 | - |
| Associate | 聯營公司 | - | 24,927 | - | 17,046 |
| Joint ventures | 合營企業 | 3,174 | - | 3,055 | - |
| | | 11,152 | 24,927 | 9,224 | 17,046 |

The non-trade balances due from/to related parties are unsecured, interest free and repayable on demand.

Loan to associates (before ECL)

24. 關聯方交易(續)

- (b) 於各報告期末與關聯方之未清償結餘的詳情載列如下：(續)

應付關聯方款項

應收／應付關聯方的非貿易結餘為無抵押、免息及按要求償還。

向聯營公司貸款(未計預期信貸虧損前)

| | | At 30 June 2020 於二零二零年六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核) | At 31 December 2019 於二零一九年十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) |
|--------------------------------|--------------|---|--|
| Loan to associates: | 向聯營公司貸款： | | |
| — Non-current portion (note i) | — 非即期部分(附註i) | 162,885 | 162,885 |
| — Current portion (note ii) | — 即期部分(附註ii) | 19,442 | 19,442 |

Notes:

- (i) The amounts represent the loan to Fei Fang Technology Co., Ltd., an associate of the Group, which is unsecured, carrying a fixed interest rate of 6.0% per annum with the maturity of 30 months.
- (ii) The amounts represent the loan to Akkumulatorenfabrik MOLL GmbH & Co. KG, an associate of the Group, which is unsecured, carrying a fixed interest rate of 5.0% per annum with the maturity of 12 months.

附註：

- (i) 金額指向本集團聯營公司菲方科技有限公司借出的貸款，為無抵押、按固定年利率6.0%計息，並於30個月後到期。
- (ii) 金額指向本集團聯營公司Akkumulatorenfabrik MOLL GmbH & Co. KG借出的貸款，為無抵押，按固定年利率5.0%計息，並於12個月後到期。

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截至二零二零年六月三十日止六個月

24. RELATED PARTY TRANSACTIONS (CONTINUED)

- (b) The details of outstanding balances with related parties as at the end of each reporting period are set as follow: (Continued)

Amounts due from related parties — analysed for financial reporting purposes:

24. 關聯方交易(續)

- (b) 於各報告期末與關聯方之未清償結餘的詳情載列如下：(續)

應收關聯方款項 — 就財務報告目的分析：

| | | At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核) | At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) |
|---|---------------------|--|---|
| Amounts due from related parties (trade and non-trade) | 應收關聯方款項 (貿易及非貿易) | 180,671 | 207,025 |
| Less: allowance for credit losses | 減：信貸虧損撥備 | (53,929) | (35,874) |
| | | 126,742 | 171,151 |
| Loan to associates | 向聯營公司貸款 | 182,327 | 182,327 |
| Less: allowance for credit losses | 減：信貸虧損撥備 | (28,755) | (28,755) |
| | | 153,572 | 153,572 |
| | | 280,314 | 324,723 |
| Non-current | 非流動 | 134,130 | 133,085 |
| Current | 流動 | 146,184 | 191,638 |
| | | 280,314 | 324,723 |

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24. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel

24. 關聯方交易(續)

(c) 主要管理人員的酬金

Six months ended 30 June

截至六月三十日止六個月

| | | 2020 | 2019 |
|--|-----------|-------------|-------------|
| | | 二零二零年 | 二零一九年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (unaudited) | (unaudited) |
| | | (未經審核) | (未經審核) |
| Short term employee benefit | 短期僱員福利 | 5,680 | 5,622 |
| Retirement benefits scheme contributions | 退休福利計劃供款 | 9 | 15 |
| Share-based payments | 以股份為基礎的付款 | 641 | 1,394 |
| | | 6,330 | 7,031 |

The remuneration of key management personnel is determined with reference of the performance to individuals and market trends.

主要管理人員的酬金乃經參考個人表現及市場趨勢釐定。



CHAOWEI POWER HOLDINGS LIMITED
超威動力控股有限公司